

SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT

September 6, 2007 (Agenda)

LAFCO 07-8: Amend the Sphere of Influence of the City of Santa Maria, and Wastewater Treatment Plant Reorganization: Annexation to City of Santa Maria/ Detachment from Santa Barbara County Fire Protection District/ Detachment from Mosquito and Vector Management District of Santa Barbara County

PROPONENT: City Council of the City of Santa Maria, by resolution.

ACREAGE & LOCATION The sphere change is approximately 254 acres and the reorganization is approximately 267 acres located east of and adjacent to Black Road, north of and adjacent to the Santa Maria Railroad, both north and south of Stowell Road (Santa Maria Area).

PURPOSE: Include within the City land owned by the City and intended for public and semi-public uses, primarily for percolation beds related to the operation of the City's Wastewater Treatment Plant.

GENERAL ANALYSIS:

Description of Project

The proposal is to annex approximately 267 acres to the City of Santa Maria, most of which is owned by the City, and concurrently detach the property from the Fire Protection and Mosquito and Vector Management Districts.

The City purchased the property primarily to construct percolation and groundwater recharge ponds for effluent treated by the City's wastewater treatment plant. However the acquisition of the property may also provide the opportunity for the City to relocate other public and semipublic land uses from locations that may be less compatible with residential uses.

Potential uses include a City corporate yard of approximately 20 acres, Police Department motor vehicle impound yard of approximately 12 acres and Santa Maria Valley Humane Society animal shelter on 4 acres.

Approximately 13 acres of the proposal area includes right of way for Black and Stowell Roads and an 11-acre parcel with two single-family homes and outbuildings related to farming.

Land Conservation Act Contract (Agricultural Preserve)

The land the City purchased is within a Williamson Act contract (agricultural preserve). The contract was approved in 1971 to provide the land owner with property tax savings in exchange for restricting the land to agricultural and open space uses.

State laws applying to agricultural preserves are somewhat complex. It is our understanding that since the City did not "protest" the creation of the agricultural preserve when it was approved by the County it does not have the ability to simply "cancel" the preserve upon annexation without payment of penalties.

A Land Conservation Act contract is for 10-years, with automatic annual extensions unless a notice of non-renewal is filed. Since no such notice has been filed, the land will remain within the agricultural preserve for at least 10 years. Upon annexation the City will become responsible for administering the agricultural preserve in accordance with the California Land Conservation Act and City procedures for non-renewal or cancellation.

The County has raised the question of whether the land uses intended by the City for this site are permitted uses within an agricultural preserve. If such uses are permitted they can exist within the annexation area while it is subject to the Land Conservation Act contract. Should specific uses not be permitted within an agricultural preserve, it is our understanding the contract would have to be cancelled or expire before such nonconsistent uses could be inaugurated.

Property Tax Avoidance by Annexing City-owned Territory

California cities are required to pay property taxes on land they own outside the city boundaries. Therefore the City of Santa Maria is obligated to pay property taxes on this territory until such time as it is included within the City.

Regardless of whether the intended land uses are compatible with an agricultural preserve, annexation will relieve the City of the expense of paying property taxes on City-owned land.

Memorandum of Understanding – City and County

At the time the City and County approved a property tax exchange agreement permitting the reorganization to proceed they also entered into a Memorandum of Understanding. The salient points of that agreement are:

1. The City will not seek to detach territory from the boundaries of the County-governed Laguna Sanitation District with future annexations to the City of Santa Maria, unless mutually agreed upon by the City and Laguna Sanitation District.

2. Prior to the recordation of the reorganization the City shall provide a description to the County's Agricultural Preserve Advisory Committee in order to determine its consistency with the County's Uniform Rules. As an alternative, the City agrees to succeed to the Williamson Act contract for this property and administer it in accordance with County Uniform Rules for Agricultural Preserves until such time, if any, as City adopts its own Uniform Rules.
3. Future City annexations facilitated by the expansion of the wastewater treatment plant shall be subject to negotiations regarding property taxes.
4. The County will receive a minimum of 50% credit related to the Regional Housing Needs Assessment (RHNA) for any residential development facilitated by this expansion of the City's wastewater treatment plant and subsequently annexed into the City.

PROPOSAL INFORMATION

1. Land Use, Planning and Zoning - Present and Future:

The site consists primarily of agricultural land. There are two single-family homes and several sheds and buildings related to farm equipment and storage.

The City owns 254 acres which are leased to a private party for agricultural production, currently broccoli and strawberries. The remaining 13 acres include rights-of-way for Black and Stowell Roads.

The City acquired the property for the purpose of constructing percolation ponds and groundwater recharge basins for the City's Wastewater Treatment Plant. In addition, other uses may be relocated to the annexation area, including the City corporation yard, (20 acres), Police Department vehicle impound yard (12 acres) and Santa Maria Valley Humane Society animal shelter (4 acres).

Surrounding uses are agriculture to the east, north and south, with agriculture, the City's wastewater treatment plant and animal shelter to the west.

Most of the site is not within the City's Sphere of Influence and the City has submitted a proposal to expand its sphere by approximately 254 acres to include this proposal.

The County General Plan designates the area as Agricultural Commercial (40-320 acre min. lot size and Agricultural II (40-acre min. lot size). The property is currently zoned

AG-II-100 and 10-AG (Agriculture 100 acre and 10 acre min. lot size) and M-2 (General Industry) in the unincorporated area.

The City General Plan designates most of the territory as Public Facilities and LWDR-4 (Lower Density Residential) for one parcel

The majority of the site is rezoned PF (Public Facilities); other rezoning is 10 acres of RA-5 (Residential, Agriculture Overlay), 7 acres of RD/M2 (Heavy Manufacturing, with Planned Development Overlay) and 2 acres of PD/CM/AG (Commercial Manufacturing, with Planned Development and Agricultural Overlays).

2. Topography, Natural Features and Drainage Basins

The site and surrounding area is level. No significant features affect the proposal.

3. Population:

There are two existing dwelling units. No additional homes will result from this proposal

4. Governmental Services and Controls - Need, Cost, Adequacy and Availability:

The City's "Plan for Providing Services within the Affected Territory," The City's "Plan for Providing Services within the Affected Territory," is on file in the LAFCO office as required by Government Code §56653. The level and range of services will be similar to those currently provided within the City.

5. Assessed Value, Tax Rates, Indebtedness and boundaries:

The reorganization is within tax rate area 87-014. Overall tax rates will not be affected by this change. The assessed value is \$3,038,814 (2006-07 roll). The City has existing indebtedness for State Water Bonds will be repaid through water rates and its Public Finance Authority debt will be repaid by the City General Fund.

6. Environmental Impact of the Proposal:

The City of Santa Maria as lead agency, in consultation with LAFCO, determined that significant environmental effects may result from the proposed Wastewater Treatment Plant Expansion that is the genesis for this boundary change.

The City prepared and certified the Santa Maria Wastewater Treatment Plant Expansion Final EIR. The document has been distributed to all members of the Commission.

Enclosed as part of the record for this proceeding is City Council Resolution 2006-149 certifying the Final EIR including CEQA findings, statement of overriding considerations and mitigation monitoring plan.

7. Landowner Consent and Registered Voters:

The territory is uninhabited; namely, there are fewer than 12 registered voters. The proponent certifies all property owners in this proposal have given written consent.

8. Boundaries and Lines of Assessment:

The boundaries are definite and certain. There are no conflicts with lines of assessment or ownership. The annexation area is contiguous to the existing City boundaries.

ALTERNATIVES FOR COMMISSION ACTION

After consideration of this report and any testimony or additional materials that are submitted the Commission should consider taking one of the following options:

Option 1 APPROVE the reorganization.

- A. Certify it has reviewed and considered the information contained in the EIR as prepared and certified by the City and the enclosed resolution.
- B. Adopt this report and approve the proposal, to be known as the Wastewater Treatment Plant Reorganization: Annexation to City of Santa Maria; Detachment from Santa Barbara County Fire Protection District, Detachment from Mosquito and Vector Management District of Santa Barbara County, with these conditions:
 - 1. The territory being annexed shall be liable for any existing indebtedness of the annexing agency.
 - 2. The territory being annexed shall be liable for any authorized or existing City taxes, comparable to properties presently within the City.
- C. Find: 1) the subject territory is uninhabited, 2) all affected landowners have given written consent to the annexation and 3) the annexing agency has given written consent to the waiver of conducting authority proceedings.

D. Waive the conducting authority proceedings and direct the staff to complete the proceeding.

Option 2 Adopt this report and DENY the proposal.

Option 3 If the Commission needs more information, it should CONTINUE this matter to a future meeting.

RECOMMENDED ACTION:

Approve **Option 1**.

BOB BRAITMAN
Executive Officer
LOCAL AGENCY FORMATION COMMISSION