

SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT

OUT-OF-AGENCY SERVICE AGREEMENT

May 1, 2008 (Agenda)

<u>LAFCO 08-3:</u>	City of Solvang – Skytt
<u>LOCATION</u>	Five industrial buildings located west of the City of Solvang at 1130 Mission Drive (APN 137-250-024)
<u>RECOMMENDATION</u>	Authorize the City of Solvang to provide sewer service outside its boundaries to these existing industrial buildings.

GENERAL ANALYSIS:

1. Present and Future Land Use, District Boundaries and Public Services

The parcel where service is requested (APN 137-250-024) is within the City Sphere of Influence and is separated from the existing City boundary by the width of an access road.

This eight acre parcel is zoned M-2 (General Industry). It contains five existing industrial buildings, a batch plant concrete pad and an area of open storage for building supplies. The undeveloped portion of the parcel, about 2.6 acres, has frontage on State Route 246 and is zoned C-3 (General Commercial).

The request is motivated by the desire to replace septic systems with connection to the City sewer and to allow future development on the vacant portion of the parcel.

2. LAFCO Approval is Required

LAFCO regulates both boundary changes and extensions of service without boundary changes. Government Code §56133 states that “A city or district may provide new or extended services by contract or agreement outside of its jurisdictional boundaries only if it first requests and receives written approval from the commission.”

It provides further that LAFCO “. . . may authorize a city or district to provide new or extended services outside its jurisdictional boundaries but within its sphere of influence in anticipation of a later change of organization.”

3. Existing Commission Policy Regarding Out-of-Agency Services vs. Annexations

It is the Commission’s policy that, “Annexations to cities and special districts are generally preferred for providing public services; however, out-of-agency service

agreements can be an appropriate alternative. While each proposal must be decided on its own merits, the Commission may favorably consider such agreements in the following situations:

1. Services will be provided to a small portion of a larger parcel and annexation of the entire parcel would be inappropriate in terms of orderly boundaries, adopted land use plans, open space/greenbelt agreements or other relevant factors.
2. Lack of contiguity makes annexation infeasible given current boundaries and the requested public service is justified based on adopted land use plans or other entitlements for use.
3. Where public agencies have a formal agreement defining service areas, provided LAFCO has formally recognized the boundaries of the agreement area
4. Emergency or health related conditions mitigate against waiting for annexation.
5. Other circumstances which are consistent with the statutory purposes and the policies and standards of the Santa Barbara LAFCO.

Since this proposal does not appear to meet any of these exceptions the staff wrote to the City staff on March 11 expressing interest in knowing whether the City would prefer to annex the property rather than provide services without annexation. My letter is enclosed.

The City Manager circulated our letter to members of the City Council and there were no requests to modify the out-of-agency service agreement to an annexation for the existing industrial uses. The City Manager also expressed support for a condition requiring written consent by the landowner for a future annexation to the City

4. Landowner Consent to Annex in order to Receive Sewer Service

It is the Commission's policy that whenever property may ultimately be annexed to a city or district, approval of an out-of-agency service agreement should require the landowner to agree to annex the territory with a recorded consent to annex. Such agreements should be required of this service connection, and the City is supportive of this recommendation.

5. Environmental Impact of the Proposal

The City has prepared a Notice of Exemption pursuant to CEQA Guideline section 15303(d), "Construction and location of limited numbers of new, small facilities or

structures (d) Water main, sewage, electrical, gas and other utility extensions, including street improvements of reasonable length to serve such connection.”

No change in land use is proposed as a result of the out-of-agency service extension without future City and LAFCO approval.

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 request with specific terms and conditions.

1. Find the out-of-agency service agreement to be categorically exempt.
2. Authorize the City of Solvang to provide sewer service subject to the following terms and limitations:
 - A. LAFCO's approval applies to both current and future property owners.
 - B. Service is approved only for existing structures and facilities.
 - C. Approval to extend services beyond those specifically noted herein is withheld and is subject to future LAFCO review.
 - D. Before the service is provided the property owner shall record an agreement consenting to annex the entire parcel to the City.

Option 2 DENY the request and require continued service by an on-site septic system.

Option 3 CONTINUE the item to obtain additional information.

RECOMMENDED ACTION:

Approve **Option 1**.

BOB BRAITMAN
Executive Officer
LOCAL AGENCY FORMATION COMMISSION