

MEMORANDUM

TO: Local Agency Formation Commission

FROM: Stephen Lucas, Executive Officer

SUBJECT: **LAFCO File No. 17-04MS – Review and Consideration of the Draft Municipal Service Review and Sphere of Influence Plan Update for the City of Chico 2017/18** *(Continued Closed from September 6, 2018 noticed public hearing)*

DATE: October 1, 2018, for the meeting of October 10, 2018

Summary of Past Actions:

The Commission conducted a noticed public hearing on September 6, 2018 to consider an update to the City of Chico Municipal Service Review (MSR) and Sphere of Influence Plan (SOI). At this public hearing, the Commission considered:

- The Public Review Draft MSR/SOI Update documents including supporting environmental documents; and
- A staff report and comments from its Executive Officer; and
- A presentation from the consultant who prepared the MSR/SOI Plan update; and
- Testimony from various City of Chico management staff; and
- Testimony from members of the public.

The Commission duly considered the above information, closed the public hearing and passed a Motion of Intent to approve the MSR and SOI Plan updates and continued the public hearing closed to the October 10, 2018 meeting of the Commission.

Requested Actions:

The Commission is requested to make a correction to the text of the Public Review Draft MSR as discussed below and adopt Draft Resolution No. 04 2018/19 approving the City of Chico Municipal Service Review and Sphere of Influence Plan.

The following editing correction is necessary. The Public Review Draft MSR indicates on page 166 (Summary of Determinations – STATUS OF, AND OPPORTUNITIES FOR, SHARED FACILITIES) the following:

Determination 16-7: Library Facility Sharing Opportunity

~~The City may also consider the option of contracting with CAL FIRE for fire dispatch services.~~ As the City's financial situation improves, Chico should reconsider financial support for the Chico Branch of the County Library.

Action Requested: Approve Butte LAFCO response

Exhibit A: Approved Sphere of Influence Map for the City of Chico

RESOLUTION NO. 04 2018/19MS

**ADOPTION OF A MUNICIPAL SERVICE REVIEW UPDATE
FOR THE CITY OF CHICO AND
ADOPTION OF A SPHERE OF INFLUENCE PLAN/UPDATE
FOR THE CITY OF CHICO**

RESOLVED, by the Butte Local Agency Formation Commission of the County of Butte, State of California, that

WHEREAS, a proposal for an update to the City of Chico's Sphere of Influence was heretofore requested by the City of Chico and accepted by the Executive Officer of this Local Agency Formation Commission pursuant to Title 5, Division 3, commencing with Section 56000 of the Government Code; and

WHEREAS, the City of Chico identified a need to update and amend the City's Sphere of Influence to accommodate the anticipated growth of the community projected in the City of Chico 2030 General Plan, adopted by the Chico City Council in 2011 and amended in 2017; and

WHEREAS, a service review mandated by Government Code Section 56430 was conducted by the Local Agency Formation Commission of the County of Butte (hereinafter referred to as "the Commission") for the City of Chico in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.); and

WHEREAS, a sphere of influence update mandated by Government Code Section 56425 has been prepared by the Commission for the City of Chico in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.); and

WHEREAS, at the times and in the form and manner provided by law, the Executive Officer has given notice of the public hearing by the Commission on this matter; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56428, has reviewed this proposal and prepared a report, including his recommendations thereon, and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, a public hearing by this Commission was called for September 6, 2018, and at the time and place specified in the notice of public hearing; and

WHEREAS, at the hearing, this Commission heard and received all oral and written protests; the Commission considered all plans and proposed changes, objections and evidence which were made, presented, or filed; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the proposal, in evidence presented at the hearing; and

WHEREAS, the Commission closed public comments, approved a motion of intent to adopt the City of Chico Municipal Services Review and Sphere of Influence Plan update and continued the hearing closed to its October 10, 2018 meeting.

NOW, THEREFORE, the Local Agency Formation Commission of the County of Butte **DOES HEREBY RESOLVE, DETERMINE AND ORDER** as follows:

Section 1. Environmental Findings

- A. The City of Chico, as Lead Agency, prepared a Draft Environmental Impact Report and certified the Final Environmental Impact Report for the City of Chico 2030 General Plan and Sphere of Influence and adopted Findings of Fact and a Statement of Overriding Considerations. There has been no legal challenge to the EIR and the document is final.
- B. The Commission has reviewed and considered the Environmental Impact Report for the City of Chico 2030 General Plan and proposed City of Chico Sphere SOI update. The Final Environmental Impact Report consists of the following:
- (1) Revisions to the Draft Environmental Impact Report prepared by the City of Chico as Lead Agency.
 - (2) A list of persons, organizations and public agencies commenting on the Draft Environmental Impact Report
 - (3) Comments received by the City of Chico on the Draft Environmental Impact Report either verbatim or in summary.
 - (4) Responses to the comments received on the Draft Environmental Impact Report.
- C. The Commission certifies that it has held a duly noticed public hearing and heard testimony and received written comments from affected agencies at a noticed public hearing. The Commission makes the following responses to the environmental issues raised in that testimony and comments as follows:
- (1) Need for a Subsequent or Supplemental EIR. With respect to the testimony of Mr. Harriman that a subsequent EIR should be prepared for this project, the Commission responds as follows:
 - a. While the EIR was prepared in 2011, there have not been any significant changes in the project itself (the SOI Plan) or the circumstances under which the project will be carried out that would require the preparation of a subsequent or supplemental EIR.
 - b. Mr. Harriman raised the issue of wildland fire such as those in Santa Rosa and Redding as new information or a new circumstance indicating a potentially more severe environmental impact that requires further study. However, as other testimony indicated, the City of Chico is primarily located on the valley floor and the hills surrounding the City to the East are primarily grasslands. They are not, for the most part, of the forested or heavy brush type that characterize the environs of the urban areas recently subject to major wildland fires. Further, the Chico General

Plan Safety Element considered the risk of wildland fires and contains a number of policies that help to mitigate the risk by imposing building standards for new construction that are equal to those required in CalFire State Responsibility Areas.

- (2) With respect to Mr. Harriman's comment that the Regional Water Quality Control Board should have been contacted as part of the SOI update, the Consultant indicated that they reviewed the extensive documentation with respect to the wastewater treatment plant operations contained on the Regional Board Website and felt that this information adequately disclosed the Regional Board's views as to the plant operation. Relative to implementation of the Chico Area Nitrate Action Plan, the facts discussed in the MSR show that the City and County have made tremendous progress in making public sewer connection available to those areas currently on septic systems. The main obstacle to further progress is the limited ability of the City and County to compel connection to the sewer system.
- D. The Commission reviewed and considered the information contained in the Final Environmental Impact Report and comments on the Final Environmental Impact Report prior to approving the project and has considered such mitigation measures that are within its authority to mitigate the impacts disclosed in the EIR.
 - E. Because of LAFCo's limited jurisdiction and authority, the Commission is not in a position to adopt many mitigation measures to mitigate the impacts on agriculture and other resources. With respect to agriculture, the only tool LAFCo has to significantly mitigate the impacts would be to remove such agricultural lands from the sphere. Such a mitigation measure is infeasible as it would not allow the City to meet its housing and growth needs. However term and Condition 3.B. insures that development of such areas within the Sphere shall only occur when they are needed and have received all entitlements, .
 - F. The implementation of the City of Chico 2030 General Plan and the proposed Sphere of Influence Plan will have a significant effect on the environment in certain respects, but for which no feasible mitigation is available to reduce the impacts, as identified in the Final EIR and in the *Findings of Fact and Statement of Overriding Considerations* adopted by the City of Chico.
 - (1) With respect to the significant, unavoidable impacts detailed in the Final Environmental Impact Report and found to be relevant to the Commission's action and based on the information set forth in the Final Environmental Impact Report, the Commission finds and determines that:
 - (a) No measures have been required in or incorporated into the project to mitigate conversion of prime agricultural land to nonagricultural uses during the 2010-2030 planning period, as identified in the Final Environmental Impact Report and the Findings of Fact and Statement of Overriding Considerations.
 - H. Statement of Overriding Considerations: Pursuant to Section 15093 of the CEQA Guidelines, the Commission finds that the economic and social benefits of the

proposed project documented in the City of Chico 2030 General Plan, the Final Environmental Impact Report, the City of Chico 2030 General Plan Findings of Fact and Statement of Overriding Considerations, and the Sphere of Influence Plan, such as expanding the housing opportunities and economic growth opportunities in the City of Chico, outweigh the adverse impacts of the conversion of prime agricultural land, an impact which cannot be eliminated or reduced to a level that is less than significant and which is unavoidable as the City grows.

- I. A categorical exemption has been issued pursuant to the provisions of the California Environmental Quality Act (CEQA) indicating that the Municipal Service Review Update for the City of Chico is categorically exempt from CEQA and such exemption was adopted by this Commission on October 10, 2018; and

Section 2. Findings for Adoption of the Sphere of Influence Amendment

- A. The Commission has considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, Sphere of Influence and General Plan consistency, and other factors specified in Government Code Sections 56425 and 56428 and as described in the staff report dated August 30, 2018, for the meeting of September 6, 2018, in that:

- (1) The Commission has considered the present and planned land uses in the area, including agricultural and open space lands as described in the Butte County General Plan Land Use and Agricultural Elements and the City of Chico 2030 General Plan Land Use Element and the Open Space, Natural Resources and Conservation Element.
- (2) The Commission has considered the present and probable need for public facilities and services in the area as described in the City of Chico SOI Plan and the City of Chico 2030 General Plan.
- (3) The Commission has considered the present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide as described in the updated City of Chico Municipal Service Review, the SOI Plan, and the City of Chico 2030 General Plan.
- (4) The Commission has considered the existence of any social or economic communities of interest in the area and received as testimony in public hearings.
- (5) The Commission has considered the conversion of prime agricultural lands as constituent of the Final Environmental Impact Report and through the adoption of Overriding Considerations Findings in Section 1.F of this

resolution. The Commission finds that mitigation of the impacts of conversion of prime agricultural land is infeasible for the reasons set forth in 1.E above.

- B. With respect to comments made regarding the Sphere Plan, the Commission responds as follows:

- (1) The City's Sphere does encourage a compact urban form consistent with the Policies of the City General Plan. As indicated in the MSR, Determinations 6.2 and 6.3, there is limited vacant land with the existing city limits to accommodate future growth and that anticipated growth will utilize the area within the proposed sphere within 15-26 years. Planning city growth for such a time horizon makes sense as it facilitates long term City infrastructure planning and encourages orderly development within the City meeting City standards rather than development in the County.
- (2) Inclusion of the Doe Mill special study area in the Sphere is appropriate because the owner is planning to seek entitlements and develop in the next five years and inclusion in the City will insure that the area is integrated into City services and planning.

Section 3. Terms and Conditions adopted by LAFCo

Pursuant to its authority under Part 2, Chapter 4 of the Cortese-Knox Local Government Reorganization Act of 2000, Butte LAFCo incorporates the following terms and conditions into the Sphere Plan for the City of Chico:

- A. All Commission fees must be paid in full prior to the new sphere of influence becoming effective.
- B. LAFCo will apply a heightened level of review when considering proposals for changes of organization (such as an annexation) within the Updated Sphere that are likely to result in the conversion of prime agricultural/open space land use to other uses. Only if the Commission finds that the proposal will lead to planned, orderly, and efficient development, will the Commission approve such a conversion. In particular, the applicant will need to demonstrate that the project is needed, has received all needed entitlements to develop and is not premature.
- C. While the Commission has based its Updated Sphere on the Final Environmental Impact Report for the City of Chico 2030 General Plan, this analysis is program EIR for the general policy level action of a general plan and sphere. The EIR is intended to provide a broad discussion of growth areas and potential impacts. The City should not expect to solely rely on the 2030 General Plan Final Environmental Impact Report to supply all of the needed environmental or policy analysis to support or mitigate all project specific impacts identified during the annexation process.

WHEREAS, the Sphere of Influence Plan determinations for the City of Chico are made in conformance with Government Code Section 56425 and local Commission policy and are included in Attachment B to this Resolution; and,

WHEREAS, based on presently existing evidence, facts, and circumstances considered by this Commission, including the findings as outlined above, the Commission adopts written determinations as set forth. The Commission adopts the SOI Plan for the City of Chico and updates the sphere of influence for the City of Chico by adding approximately 2,816 acres, to the City's SOI, as depicted in Figure 3-2 of the SOI Plan, adopted by the Commission on October 10, 2018; and,

NOW, THEREFORE, BE IT RESOLVED, that pursuant to powers provided in §56430 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, the Local Agency Formation Commission of the County of Butte adopts the Municipal Service Review Update for the City of Chico. Furthermore, pursuant to powers provided in §56425, the Commission adopts the SOI Plan for the City of Chico and updates the existing sphere of influence for the City of Chico, as depicted on Figure 3-2 of the City of Chico SOI Plan, adopted by the Commission on October 10, 2018 and attached to this resolution as Exhibit A

PASSED AND ADOPTED by this Local Agency Formation Commission of the County of Butte, on the 10th day of October 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINS:

ATTEST:

Clerk of the Commission

CARL LEVERENZ, Chair
Butte Local Agency Formation Commission

Exhibit A

Chico Sphere of Influence

- Chico SOI
- Chico City Limits
- Chico Greenline

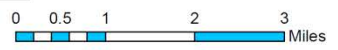
Butte County Features

- Butte County Major Roads
- Butte County Parcels
- Butte County Line

Butte LAFCO does not guarantee that the representative information provided in its maps is completely accurate. Butte LAFCO provides this information on an "as is" basis and disclaims all warranties, expressed or implied, including, but not limited to, warranties of merchantability, fitness for a particular purpose and non-infringement. Butte LAFCO is not responsible for any damages arising from the use of this information. Access to this data is at user's risk. Users should verify the information before making project commitments.

BUTTE LOCAL AGENCY FORMATION COMMISSION

Chico Sphere of Influence Boundary



C:/Projects/lafco_projects/lafco_annexations/chico_sphere_letter_09272018.mxd
 Data: Butte County, City of Chico, LAFCO

Action: Sphere of Influence Boundary

Date: October 10, 2018 @ 2:00 p.m.

Res.: 04 2018/19MS