The City of Chico has proposed the annexation of twenty parcels and the adjacent roadway right-of-ways to the City of Chico (See Exhibit A). In addition, the landowners of a developed 9.1-acre parcel adjacent to annexation area has requested that their parcel be added to the annexation (Exhibit C). This uninhabited annexation would allow the extension of full City of Chico municipal services to the subject territory for existing and future residential and commercial uses. The proposal substantially conforms to LAFCo policy and the Executive Officer recommends approval of this proposal.

**General Information**

- **Application Submitted:** July 7, 2017
- **Application Deemed Complete:** August 1, 2017
- **100% Landowner Consent:** No
- **Notice and Hearing Required:** Yes
- **Proponent:** City of Chico City Council, by Resolution 44-17
- **Landowner:** Numerous
- **Location:** The territory is generally located on the east side of Esplanade from just south of Mud Creek north to Ocean Drive, on both sides of Garner Lane from SR 99 to Esplanade, and on both sides of Three Sevens Lane, in the north Chico area. The territory is located in Supervisorial District 2.

**Proposal:**

1. Annexation of twenty parcels and the adjacent portions of Esplanade, Garner Lane, and Three Sevens Lane, totaling approximately 58.7 acres, to the City of Chico;
2. At the request of the landowner, add APN 006-400-059 (13407 Garner Lane) to the annexation;
3. Detachment of the territory from CSA 114 (Chico Nitrates), CSA 164 (Butte County Animal Control District), and from the Butte County Resource Conservation District.
4. The parcels within the territory within CSA 24 (Chico-Mud Creek Drainage) will remain within this CSA; and
5. The parcels within the territory within CSA 87 (Keefer Road/Rock Creek Drainage) will remain within this CSA.

**Requested Action:** Adopt Resolution 03 2017/18 (Exhibit B) approving the annexation.
DISCUSSION AND ANALYSIS

Background

The proposed annexation would facilitate the extension of City of Chico municipal services to the affected territory to support existing and future commercial uses. Staff recommends the proposal be modified to include detachment of the territory from County Service Area 114 (Chico Nitrates), County Service Area No. 164 (Butte County Animal Control), and from the Butte County Resource Conservation District. The parcels within the territory are also within County Service Area 24 (Chico-Mud Creek Drainage) or County Service Area 87 (Keefer Road/Rock Creek Drainage) and the parcels will remain within these CSAs as these special districts provide area-wide storm drainage services.

Following annexation:

- All of the parcels within the territory will be detached from CSA No. 164 (Butte County Animal Control), as this service will be provided by the City of Chico;
- All of the parcels within the territory will be detached from the Butte County Resource Conservation District, as this service is confined to unincorporated parcels only;
- All of the parcels within the territory will be detached from CSA 114 (Chico Nitrates) as the parcels within the territory will be able to connect to the City of Chico sanitary sewer system once City of Chico sanitary sewer service is extended to the territory. Butte County is no longer collecting the annual per parcel service charge for CSA 114 and the County is considering the dissolution of this CSA.
- The parcels within the territory that are within County Service Area No. 24 (Chico-Mud Creek Drainage) will remain within this CSA as this CSA provides area-wide storm drainage services.
- The parcels within the territory that are within County Service Area No. 87 (Keefer Road/Rock Creek Drainage) will remain within this CSA as this CSA provides area-wide storm drainage services.

Project Site

As proposed by the City of Chico, the territory consists of twenty parcels and is approximately 58.7 acres in size. The territory fronts on Esplanade and Garner Lane, both of which are public roads, and on Three Sevens Lane, which is a private road. Within the territory, Esplanade from south of Mud Creek to Three Sevens Lane is improved with curbs, with a short section of sidewalk and gutter found on the east side of Esplanade at the intersection of Three Sevens Lane. Esplanade north of Three Sevens Lane is not improved with curbs, gutters, or sidewalks. Esplanade and Garner are relatively narrow but do not have high traffic volumes. Three Sevens Lane is paved and improved with a valley gutter on each side for stormwater drainage.

Fifteen of the twenty parcels within the territory are developed with commercial or industrial uses. Five of the fifteen developed parcels are developed with the Sunset Hills Golf Course, which is located on the north side of the intersection of Esplanade and Garner Lane. The five undeveloped parcels within the territory will be developed with a large automotive sales center (Courtesy Automotive Center).
The Butte County General Plan designates the parcels generally located north of Three Sevens Lane as Retail and Office and are zoned GC (General Commercial). The purpose of the General Commercial zone is to allow for a full range of retail, service, and office uses to serve residents, workers, and visitors. The Butte County General Plan designates the parcels generally located along and south of Three Sevens Lane as Industrial and has zoned these parcels GI (General Industrial). The purpose of the GI zone is to allow for a variety of industrial and service commercial uses in Butte County. The following map shows the Butte County General Plan land uses and zoning designations for the territory.

The City of Chico General Plan designates the parcels located in the northern half of the territory as Retail and Office and has prezoned these parcels CC (Community Commercial). The residential density range for mixed use development in the CC zoning district is 6 to a 22 units per acre. The parcels generally in the middle of the annexation area are designated by the City's General Plan as Manufacturing and Warehousing and are prezoned ML (Light Manufacturing). The parcel located at the south end of the annexation area is designated by the City's General Plan as Primary Open Space and is prezoned OS1 (Primary Open Space). Mud Creek flows through this parcel and the City's General Plan land use Open Space designation and prezoning reflect this.
The owners of Assessor's Parcel Number 006-400-059 (13407 Garner Lane) have requested that their 9.1-acre parcel be added to the annexation proposal (Exhibit C). A map showing the location of this parcel is found on the following page. APN 006-400-059 is developed with three separate commercial uses – Down Range Indoor Training Center, Code 3 Coffee, and Factory Direct Homes. This parcel has approximately 2 acres of undeveloped area that could be developed if City of Chico sanitary sewer service is extended to the parcel. The Butte County General Plan designates this parcel as Retail and Office and is zoned GC (General Commercial). The City of Chico General Plan designates this parcel as Commercial Services and has prezoned the parcel CS (Commercial Services). The current uses on this parcel appear to be consistent with the City’s General Plan land use designation and prezoning. Staff recommends that the Commission add this parcel to the annexation proposal.
Proposed Development within the Territory

Five undeveloped parcels within the territory (APNs 006-400-061, 006-400-063, 006-400-064, 006-400-065, and 006-400-066) will be developed with a large automotive sales and service development (Courtesy Automobile Center, which is currently located on Cohasset Road within the City of Chico - Annexed in 2000, LAFCO File #00-36). No development activity has begun on these parcels as of the date of this report. The County of Butte approved the automotive center project, which required a General Plan amendment, a rezone, and an amendment to the North Chico Specific Plan. The automotive center would consist of four sales buildings totaling approximately 58,932 square feet (sq. ft.) for automobile sales, a 62,235 sq. ft. building for service and collision repair, and a 5,248 sq. ft. car wash and detail shop serving both the dealership and the public. Other on-site improvements would consist of vehicle display, employee and customer parking, landscaping, walkways, lighting, stormwater measures, and on-site wastewater treatment if the City of Chico cannot provide sanitary sewer service to the automotive center.

According to City of Chico staff, the City is currently in the design stage for a sewer trunkline extension project along the northern portion of Esplanade within the territory. This project will extend the City's sewer trunkline from its current terminus at the intersection of Nord Highway and Esplanade, north to the intersection of Garner and Esplanade, with the possibility of extending a sewer mainline up Garner Lane to SR 99. It is anticipated that construction of the sewer trunkline would begin in the Spring of 2018.
Annexation

The annexation was initiated by the City of Chico in order to maintain within its territory, a vital sales tax generating business. The City will provide municipal services to existing and future commercial and industrial uses within the annexation area. According to the Butte County Elections Office, there is one registered voter within the proposal area. Given this information, the proposal area is considered an uninhabited annexation. The annexation does not have 100% landowner support.

Individual Factors for Consideration

California Government Code §56668 provides a list of factors to be considered in the review of a proposal. The Commission’s review shall include, but is not limited to, consideration of these factors:

(a) Population; land use; topography; proximity to other populated areas; the likelihood of significant growth in the area.

The territory is designated by the Butte County and City of Chico General Plans for commercial, office, and industrial uses. The territory is developed with commercial and industrial uses and there are no residential uses within the territory. Five undeveloped parcels within the territory have been approved by Butte County for a large automotive sales center development. The territory is level with no significant natural features, other than the portion of Mud Creek found in the very southern portion of the territory.

The City has prezoned nine of the parcels within the territory as CC (Community Commercial). The CC zone allows for mixed uses (commercial and residential), with a residential development density range from 6 to 22 units per acre (it should be noted that four of the nine parcels are expected to be developed with the automotive sales center as previously noted). Future residential development on the parcels prezoned CC, which totals approximately 19.7 acres, could result in population growth within the territory. Additionally, the provision of City of Chico sanitary sewer service to the annexation area could result in additional commercial and industrial uses being developed within the territory.

(b) The need for organized community services; probable effect of the proposed annexation on the cost and adequacy of services and controls in the area and adjacent areas.

The need for organized community services in the territory is to support existing and future commercial and industrial uses in the territory, consistent with the City of Chico General Plan.

(c) The effect of the proposed action and of alternative actions.

The proposed annexation will allow the City of Chico to provide a full range of municipal services to the territory. Impact to local government is nominal.

(d) The conformity of the proposal with the adopted commission policies on providing planned, orderly, efficient patterns of urban development.

The annexation of the subject territory to the City of Chico is consistent with the planned, orderly, and efficient patterns of urban development within the adopted Spheres of Influences of the affected agencies. The annexation will result in the provision of more effective and efficient municipal services to the territory.
(e) The effect of the proposal on agricultural lands.

None of the parcels within the territory are designated or utilized for agricultural uses. The parcels located on the west side of Esplanade across from the territory are designated and utilized for agricultural uses. The Chico Green Line is found on the west side of Esplanade. The Butte County Agricultural Commissioner has stated that the proposed annexation will not have an effect to any agricultural uses. The territory is not identified as Prime Agricultural land. Annexation of the subject territory would not contribute to the loss of agricultural lands.

(f) Boundaries of the territory.

The subject territory is parcel specific, with definite and certain boundaries. There are no conflicts with lines of assessment or ownership. The subject territory is legally uninhabited with one registered voter. Prior to the annexation being final, the City of Chico must submit a legal description and map of the territory to Butte LAFCo.

(g) Consistency with city or county general and specific plans.

The proposal is consistent with the land use policies of the City of Chico. The City of Chico’s General Plan designates the territory as Commercial Mixed Use, Manufacturing and Warehousing, and Primary Open Space and the City has prezoned the territory accordingly. Existing uses within the territory appear to be consistent with the City’s General Plan land use designations.

(h) The sphere of influence of any local agency which may be applicable to the proposal being reviewed.

The proposed annexation is consistent with the Sphere of Influence for the City of Chico. The territory is within County Service Area No. 114 (Chico Area Nitrates) and the territory will be detached from this district as all of the uses within the territory will be able to connect to the City of Chico’s sanitary sewer system. The territory is within County Service Area No. 164 (Butte County Animal Control) and the territory will be detached from this district as this service will be provided by the City of Chico. The parcels within the territory are within County Service Area No. 24 (Chico-Mud Creek Drainage) or County Service Area No. 87 (Keefer Road/Rock Creek Drainage). Because these county service areas provide area-wide storm drainage services, the parcels within the territory will remain within County Service Areas 24 and 87.

(i) The comments of any affected local agency.

On July 18, 2017, LAFCo staff circulated the proposal for review and comment from local public agencies and the following comments were received.

- The Butte County Environmental Health Division noted that domestic water for some of parcels within the territory is provided by the California Water Service Company and some parcels are served by private wells. Additionally, the Environmental Health Division noted that the proposed annexation will enhance the protection of public health if sewer is provided to the area and existing development connects to sewer and abandons septic tanks that discharge nitrates into the groundwater.

- The Butte County Fire Department stated that the territory is within the Automatic Aid Agreement with the City of Chico. Automatic Aid is for prompt intervention for all incidents based on the closest resource regardless of jurisdiction. After annexation, Butte County Fire Station 41 will still service the territory as per the current agreement.

- The Butte County Public Works Department (Land Development Division) stated that the territory is within CSA 24 (Chico-Mud Creek Drainage) and that the territory should remain within this CSA.
• The Butte County Planning Division noted that the Chico Area Greenline runs between the westerly boundary of the annexation area and that parcels designated Agriculture are located on the westerly side of the Esplanade.

(j) The ability of the receiving entity to provide the services.

The City of Chico provides general administration, community development, public works, sewer, police, fire protection, and other services within its incorporated area. The City of Chico, through its resolution of application, attests to its ability to extend municipal services to the territory without impact to existing City residents. The City of Chico’s financial difficulties have significantly improved over the last few years and the proposed annexation is not expected to have any impact on the City’s ability to provide adequate municipal services to the territory.

(k) Availability of adequate water supplies.

Domestic water for the existing uses within the territory is provided by the California Water Service Company (Cal Water) or private on-site wells. Cal Water is the local water provider in the Chico area and the sole source of water for the Chico District is groundwater extracted from sub-basins of the Sacramento Valley Groundwater Basin. During the preparation of the City’s 2030 General Plan Update, Cal Water verified that they have the capacity to serve the entire General Plan build-out.

(l) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs.

The territory is designated for and developed with commercial and industrial uses. The annexation will not affect the Regional Housing Needs Allocation for the City of Chico or Butte County.

(m) Any information or comments from the landowner or owners, voters, or residents of the affected territory.

A legal notice of the public hearing for the proposed annexation was placed in the Chico Enterprise-Record and landowners and registered voters within 300 feet of the territory were notified of this annexation proposal via mailed notice. One letter from an adjacent landowner has been received (Exhibit C) requesting that their parcel be added to the annexation proposal. No other comments from the public regarding the proposed annexation have been received as of the date of this report.

(n) Any information relating to existing land use designations.

As noted, the City of Chico General Plan designates the subject territory as Community Commercial, Retail & Office, and Manufacturing & Warehousing, and the City has prezoned the territory accordingly.

(o) The extent to which the proposal will promote environmental justice.

The proposed reorganization is not expected to promote or discourage the fair treatment of minority or economically disadvantaged groups. The territory is not within a disadvantaged unincorporated community (DUC).

Based upon the above responses, the proposal appears to be consistent with the listed factors.

Applicable Butte LAFCo Policies

Section 2.0 (LAFCo General Policies and Standards) and Section 4.0 (Annexation and Detachments) of Butte LAFCo Policies and Procedures provides the Commission with general
standards for annexation proposals. The relevant policies for consideration and guidance for this proposal include:

- Consistency of the proposal with the General Plan of the applicable planning jurisdiction. (2.10.1)
- The creation of logical boundaries. (2.11.2)
- Consistency of a proposal with the Sphere of Influence and Municipal Service Review of the affected jurisdiction(s). (4.1.1)
- Contiguity of a proposed annexation area to the jurisdictional boundaries of the annexing city. (4.1.3)
- Determination of the most efficient service provider. (4.2)

The proposal is substantially consistent with the above policies in that it:

- Is an integral part of the social and economic interests of the City of Chico as a whole.
- Will result in orderly and logical jurisdictional boundaries and provide for the delivery of more effective and efficient public municipal services.
- Will facilitate the extension of sanitary sewer service to the territory.
- Is located within an urbanized area.

State law and Butte LAFCo Policies allow the Commission to add or remove parcels from an annexation proposal to ensure the creation of logical, efficient, and effective jurisdictional boundaries. Additionally, Butte LAFCo Policy 4.1.4 states that LAFCO will modify small, piece-meal annexations, to include additional territory in order to promote orderly annexation and logical boundaries, while maintaining a viable proposal.

**Remaining Unincorporated Parcels on the East Side of Esplanade**

With approval of the proposed annexation, there would be four remaining unincorporated parcels located on the east side of Esplanade. All of these parcels are developed with commercial or industrial uses and would constitute the last unincorporated parcels on the east side of Esplanade if the proposed annexation were approved. The engineering consultant for the Courtesy Automotive Center project contacted the landowners of these parcels to determine their interest in annexing to the City of Chico, but there was no interest from any of the landowners to be annexed. The owners of these parcels were mailed notices for the Commission’s September 7, 2017, hearing on the annexation but no responses were received from any of the landowners.
If the proposed annexation were to be approved, these four parcels would not constitute an area of unincorporated territory that is completely or substantially surrounded by incorporated territory. Butte LAFCo Policy 4.1.8.2 defines “substantially surrounded” territory as an area that is contiguous to incorporated territory that is greater than 50% of the total length of the external boundary of the proposed area contiguous to incorporated territory. With the proposed annexation, these four parcels would be approximately 36% surrounded by incorporated territory and therefore are not considered to be substantially surrounded.

Staff considered adding these four parcels to the annexation proposal. Based upon the lack of interest by the landowners of these parcels to annex to the City of Chico, and because these four parcels would not be substantially surrounded and do not appear to be in need of any services from the City at this time, Staff determined that adding these parcels to the annexation proposal is not warranted at this time. Because the four parcels would be contiguous to City of Chico jurisdictional boundaries as a result of the current annexation, future annexation of one or more of these parcels to the City would be highly feasible.

**Existing Service Agencies and Proposed Service Changes**

The following table shows the services that are currently provided to the territory and the changes in service providers as a result of annexation to the City of Chico.

<table>
<thead>
<tr>
<th>Service</th>
<th>Presently Provided By</th>
<th>Proposed Provider</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fire Protection</td>
<td>County of Butte</td>
<td>City of Chico</td>
</tr>
<tr>
<td>Police Protection</td>
<td>County of Butte</td>
<td>City of Chico</td>
</tr>
<tr>
<td>Code Enforcement</td>
<td>County of Butte</td>
<td>City of Chico</td>
</tr>
<tr>
<td>Service</td>
<td>Current Provider</td>
<td>Proposed Change</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>-----------------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>Sewer Service</td>
<td>Individual septic system</td>
<td>Septic systems/City of Chico sewer</td>
</tr>
<tr>
<td>Domestic Water Service</td>
<td>Cal Water/private wells</td>
<td>No change</td>
</tr>
<tr>
<td>Agricultural Water Service</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Animal Control</td>
<td>County of Butte (CSA 164)</td>
<td>City of Chico</td>
</tr>
<tr>
<td>Solid Waste</td>
<td>Private Collector</td>
<td>No change</td>
</tr>
<tr>
<td>Road/Street Maintenance</td>
<td>County of Butte/Private</td>
<td>City of Chico/Private</td>
</tr>
<tr>
<td>Power Infrastructure</td>
<td>PG&amp;E</td>
<td>No change</td>
</tr>
<tr>
<td>Street Lighting</td>
<td>None</td>
<td>City of Chico</td>
</tr>
<tr>
<td>Planning &amp; Zoning</td>
<td>Butte County</td>
<td>City of Chico</td>
</tr>
<tr>
<td>Schools</td>
<td>Chico Unified School District</td>
<td>No change</td>
</tr>
<tr>
<td>Resource Conservation</td>
<td>Butte Co. Resource Conservation Dist.</td>
<td>None</td>
</tr>
<tr>
<td>Mosquito Abatement</td>
<td>Butte Co. Mosquito Abatement Dist.</td>
<td>No change</td>
</tr>
<tr>
<td>Recreation</td>
<td>Chico Area Recreation &amp; Park Dist.</td>
<td>No change</td>
</tr>
<tr>
<td>Storm Water Drainage</td>
<td>CSA 24 and CSA 87</td>
<td>No change</td>
</tr>
</tbody>
</table>

It should be noted that the Butte County Fire Department commented that the County would be the primary responder to emergencies within the territory because the County has the closest fire station (Station 41) to the territory. The City of Chico Fire Department would be responsible for non-emergency calls or for fire safety inspections within the territory.

The territory will be detached from the following districts:

- County Service Area No. 114 (Chico Area Nitrates) because the parcels within the territory will be able to connect to the City of Chico’s sanitary sewer system after annexation;
- County Service Area No. 164 (Butte County Animal Control), as this service will be provided by the City of Chico; and
- The Butte County Resource Conservation District, as this service is restricted to unincorporated parcels only.

The parcels in the territory that are within County Service Area No. 24 (Chico-Mud Creek Drainage) and County Service Area No. 87 (Keefer Road/Rock Creek Drainage) will remain within these CSAs as these special district provide area-wide storm drainage services.

**ADDITIONAL INFORMATION**

**Property Tax Agreement**

In accordance with provisions of Revenue and Taxation Code §99, an Amended Master Property Tax Exchange Agreement was executed between the City of Chico and the Butte County Board of Supervisors on November 4, 1987. The agreement provides for the County to receive 55% of the property tax revenues, and the City to receive 45%. Additionally, the 1987 Municipal Affairs Agreement between the City of Chico and Butte County provides a mechanism for the City to transfer to the County funds equal to 5% of affected sales tax revenue within incorporated territory.

**Support/Protest**

The City of Chico conducted a noticed public hearing on July 5, 2017, at which time the annexation proposal was initiated by Resolution No 44-1176. There is one registered voter in the proposal area, which makes the territory uninhabited pursuant to Government Code §56046, which requires twelve or more registered voters to live within the proposal area before it can be considered inhabited. The proposed annexation does not have 100% landowner consent.
On August 16, 2017, hearing notices for the Commission’s September 7, 2017, public hearing on the annexation were mailed to all landowners and registered voters within 300 feet of the territory. On August 17, 2017, a legal notice regarding the Commission’s September 7, 2017, hearing on the annexation proposal was published in the Chico Enterprise-Record and placed on Butte LAFCo’s webpage. Other than the letter received from the owners of APN 006-400-059 (Exhibit C), no other comments have been received.

**Conducting Authority Proceedings**

LAFCo Staff noticed the landowners and registered voters within the territory pursuant to the provisions of California Government Code §56663 (Waiver of Protest Proceedings). This section allows the Commission to waive protest proceedings for an inhabited annexation provided:

- The public hearing for the proposed annexation was noticed pursuant to the requirements of California Government Code §56157;
- The notice discloses to the registered voters and landowners that unless written opposition to the proposal is received before the conclusion of the commission proceedings on the proposal, the commission intends to waive protest proceedings.
- The notice discloses that there is potential for the extension or continuation of any previously authorized charge, fee, assessment, or tax by the local agency in the affected territory.
- Written opposition to the proposal from landowners or registered voters within the affected territory is not received before the conclusion of the commission proceedings on the proposal.

As of the date of this report, no written objections to the annexation proposal have been received. It is possible that a written objection to the annexation may be received in the days before the hearing, or even at the hearing. If a written objection is received, conducting authority protest proceedings are required to be held by LAFCo pursuant to California Government Code §557000.

California Government Code §57002 requires that within 35 days following the adoption of the Commission’s resolution approving the annexation, the LAFCo Executive Officer shall set the proposal for a protest hearing and give notice of that hearing. The protest hearing cannot be held prior to the expiration of the 30-day reconsideration period and the protest hearing shall not be less than 21 days, or more than 60 days, after the date the notice is given. The results of the protest hearing will be presented to the Commission at a future meeting.

**Environmental Analysis**

As the first agency to act on annexation initiation, the City of Chico is the lead agency for the proposal under the California Environmental Quality Act (CEQA). The City of Chico determined that the proposed annexation is Categorically Exempt from CEQA pursuant to Section 15162 (Subsequent EIRs and Negative Declarations).

The City of Chico, in the Resolution of Application for the proposed annexation, determined that environmental impacts related to the proposed annexation were identified, analyzed, and mitigated, where applicable, in the Chico 2030 General Plan Program Environmental Impact Report (State Clearinghouse No. 20081220381) (EIR), which was certified by the Chico City Council in April 2011. The EIR Project Description states “This EIR is designed to programmatically and comprehensively analyze impacts associated with implementation of the proposed General Plan Update, including expansion of the City’s SOI and future annexations consistent with the Land Use Diagram”. Pursuant to CEQA Section 15162 (Subsequent EIRs
and Negative Declarations), no subsequent environmental review is required because there are no substantial changes in the project, no new or increased environmental effects anticipated by the project, or any new information about the project revealed since the adoption of the programmatic General Plan EIR.

The annexation of APN 006-400-059 (13407 Garner Lane) was not considered in the above-referenced Categorical Exemption because it was not a part of the City of Chico’s annexation proposal. Staff recommends that the Commission find that the annexation of this parcel is exempt from the provisions of CEQA pursuant to Section 15061(b)(3) – General Rule Exemption. This section can be used when the activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

The General Rule exemption is appropriate for the annexation of APN 006-400-059 because: 1) the subject parcel is developed with three commercial uses; 2) any future land divisions or new uses on the parcel must undergo environmental analysis pursuant to CEQA and meet all City of Chico development standards; and 3) the Chico 2030 General Plan Program Environmental Impact Report (State Clearinghouse No. 20081220381) programmatically and comprehensively analyzed impacts associated with implementation of the proposed General Plan Update, including expansion of the City’s SOI and future annexations consistent with the Chico General Plan Land Use Diagram.

CONCLUSION

The City of Chico is capable of providing full municipal services to the territory without impacting service levels provided to current City residents. The proposed annexation represents a reasonably logical extension of the City’s boundaries and services, and it will have no adverse impacts on any other agency’s ability to provide services. The annexation proposal substantially conforms to LAFCo policy and the Executive Officer recommends approval of this proposal.

ALTERNATIVES FOR COMMISSION ACTION

After reviewing this report and any testimony or materials that are presented, the Commission can take one of the following actions:

OPTION 1 – APPROVE the proposal as submitted and as modified by LAFCo Staff:

A. Find that the proposed annexation is exempt from the California Environmental Quality Act per California Government Code §15162 - Subsequent EIRs and Negative Declarations. Additionally, find that the annexation of APN 006-400-059 is CEQA pursuant to California Government Code §15061(b)(3) – General Rule Exemption.

B. Add Assessor’s Parcel Number 006-400-059 (13407 Garner Lane) to the annexation proposal.

C. Adopt Resolution 03 2017/18 making determinations approving the proposed City of Chico – Esplanade Annexation No. 29.
D. If no written objections to the annexation proposal have been received from an
effected landowner or registered voter prior to the conclusion of the public
hearing, adopt Resolution 03 2017/18 approving the annexation.

E. If written objections to the annexation proposal have been received from an
affected landowner or registered voter prior to the conclusion of the public
hearing, adopt Resolution 03 2017/18 approving the annexation, subject to
conducting authority protest proceedings to be held by the Executive Officer

OPTION 2 - DENY the proposal.

OPTION 3 - CONTINUE this proposal to a future meeting for additional information.

OPTION 4 - IDENTIFY and ADD or REMOVE parcels to the annexation proposal and
CONTINUE this proposal to a future meeting to allow for notices to be sent to the
owners and registered voters of the parcels to be added.

ACTION REQUESTED:

Approve OPTION 1.

Respectfully submitted,

Stephen Betts
Deputy Executive Officer

Attachments:
Exhibit A: Annexation Area Map (Page 2)
Exhibit B: Draft LAFCo Resolution No. 03 2017/18 (Page 17)
Exhibit C: Letter from Down Range Investments, LLC
RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF THE COUNTY OF BUTTE
MAKING DETERMINATIONS AND ORDERING THE ANNEXATION OF
TERRITORY DESIGNATED AS 18-02
CITY OF CHICO
ESPLANADE ANNEXATION NO. 29

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

WHEREAS, a proposal for the annexation of certain territory to the City of Chico in the County of Butte was heretofore filed by the City of Chico and accepted for filing on August 14, 2017, 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 Executive Officer, pursuant to Government Code Section 56658, set September 7, 2017, as the hearing date on this proposal and gave the required notice of public hearing; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56665, has reviewed this proposal and prepared a report, including recommendations thereon, and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, the owners of Assessor’s Parcel Number 006-400-059 (13407 Garner Lane) requested in writing that this parcel be added to the City of Chico’s annexation proposal, and;

WHEREAS, this Commission called for and held a hearing on September 7, 2017, and at the hearing this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to this proposal and the report of the Executive Officer; and

WHEREAS, this Commission considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, factors specified in Government Code Section 56668; and

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, acting as “Lead Agency”, determined that the proposal is Categorically Exempt from the California Environmental Quality Act under CEQA Guidelines Section 15162 – Subsequent EIRs and Negative Declarations.

B. As a “Responsible Agency” under CEQA Guidelines, prior to approving the proposed annexation, the Commission is required to consider the information in
the Categorical Exemption for the project on which the Lead Agency based its Finding of Exemption.

C. Acting as a “Responsible Agency” under CEQA Guidelines, the Commission considered the information in the Categorical Exemption prepared for this project by the City of Chico prior to making its determination.

D. The Commission finds that the Lead Agency’s Categorical Exemption was prepared in accordance with the requirements of CEQA Guidelines and is consistent with State law and that the City’s environmental document prepared for this annexation is determined to be legally adequate pursuant to CEQA Guidelines Section 15061(b)(3).

E. Additionally, the Commission finds that the territory is developed with three commercial uses, which is consistent with the City of Chico’s General Plan land use designation of Retail and Office for the territory. The City’s General Plan land use designation of Retail and Office for the territory was previously analyzed by the Environmental Impact Report (EIR) (State Clearinghouse No. 2008122038) for the Chico 2030 General Plan, which was certified by the Chico City Council on April 12, 2011, along with the adoption of the Chico 2030 General Plan. There is no change in the land use designations analyzed by the EIR and any new development in the territory will require the appropriate level of environmental review in accordance CEQA.

F. The Commission finds that the annexation of APN 006-400-059 (13407 Garner Lane) is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) – General Rule Exemption.

Section 2. General Findings and Determinations:

A. The Commission has considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, Butte LAFCo Policies and Procedures, Sphere of Influence and General Plan consistency, the City of Chico Municipal Service Review, the Domestic Water and Wastewater Service Providers Municipal Service Review, and other factors specified in Government Code Section 56668 and as described in the staff report dated August 29, 2017, for the meeting of September 7, 2017.

B. The annexation area shall consist of twenty-one (21) parcels and the adjoining road right-of-ways, totaling approximately 67.8 acres, as submitted by the City of Chico and as amended by the Commission, and described in Exhibit “A.”

C. The subject area is found to be uninhabited, and is assigned the following short form designation: 18-02 – City of Chico – Esplanade Annexation No. 29.

D. The purpose of the annexation to the City of Chico is to support orderly jurisdictional boundaries and allow for the provision of City of Chico municipal services for existing and future commercial and industrial development within the territory.

E. The proposal is consistent with the City of Chico Sphere of Influence.

F. Pursuant to Butte LAFCO Policy 2.13.1, the Commission determines that agricultural and/or open space lands will not be adversely affected by this proposal as the territory is developed and is contiguous to lands that have been developed with urban uses and the territory does not contain any agricultural
uses and is not considered to be “prime agricultural land” as defined in California
Government Code §56064. Therefore, no conversion of designated agricultural
or open space lands will occur as a result of the proposed annexation.

G. The parcels proposed for annexation will be detached from the following districts:
   1. County Service Area No. 114 (Chico Area Nitrates);
   2. County Service Area No. 164 (Butte County Animal Control); and
   3. The Butte County Resource Conservation District.

H All of the parcels within the territory that are within County Service Area No. 24
   (Chico-Mud Creek Drainage) will remain within this CSA.

I. All of the parcels within the territory that are within County Service Area No. 87
   (Keefer Road/Rock Creek Drainage) will remain within this CSA.

J. The exchange of property tax revenues between the County of Butte and the City
   of Chico will be performed in accordance the Amended Master Property Tax
   Exchange Agreement, executed between the City of Chico and the Butte County
   Board of Supervisors on November 4, 1987.

Section 3. Conditions requested by LAFCO:

A. All LAFCO, County of Butte and State of California fees must be paid in full prior
to filing the Certificate of Completion.

B. The legal description and map, if amended by action of the Commission, will be
   revised at the expense of the applicant, prior to filing the Certificate of
   Completion.

C. The map and legal description shall comply with the State Board of Equalization
   requirement and if rejected by the State Board of Equalization, will be revised at
   the expense of the applicant.

Section 4. The boundaries, as set forth in the proposal or as amended by action of the
Commission, are hereby approved as submitted and are as described in Exhibits A and B
attached hereto and by this reference incorporated herein.

Section 5. Waiver of Protest Proceedings:

A. Pursuant to California Government Code §56663 (Waiver of Protest
   Proceedings) the Commission waives protest proceedings for the annexation if
   no written objections to the proposed annexation are received from any
   landowner or registered voter within the territory prior to the close of the public
   hearing on the annexation.

B. If written objections to the proposed annexation are received from any landowner
   or registered voter within the territory prior to the close of the public hearing on
   the annexation, the Commission directs the Executive Officer to set the proposal
   for a protest hearing and give public notice of said hearing pursuant to Butte
   LAFCo Policy and California Government Code Section 57002.

Section 6. The Executive Officer is hereby authorized and directed to mail certified
copies of this Resolution as provided in Section 56882 of the Government Code.

PASSED AND ADOPTED by this Local Agency Formation Commission of the County of
Butte, on the 7th day of September 2017 by the following vote:
AYES:

NOES:

ABSENT:

ABSTAINS:

ATTEST:

Clerk of the Commission

CARL LEVERENZ, Chair
Butte Local Agency Formation Commission
Down Range Indoor Training Center
13407 Garner Ln. Chico, CA 95973
Tel (530) 896-1992 Fax (530) 896-1995
Will@DownRangeChico.com
DownRangeChico.com

LAFCo Commissioners,

On behalf of Down Range Investments, LLC, doing business as Down Range Indoor Training Center, I respectfully request to have the property identified as APN 006-400-059 (13407 Garner Lane Chico, CA owned by Down Range Investments, LLC) be included in the annexation process as requested by the City of Chico (LAFCO 18-02 Chico Esplanade Annexation No.29).

The annexation process would allow for Down Range Investments, LLC to enter into an easement agreement for sewer and water servicing with properties currently planned to be annexed and avoid becoming a future county island with no access to services.

As we move into the future, we expect to continue to develop the unimproved areas of our property to create more opportunity for economic growth and job creation.

If I can answer any questions you may have, please feel free to contact me at 530-354-6323 or by email at will@downrangechico.com.

Best Regards,

Will Clark
CEO/Owner
Down Range Indoor Training Center