

MEMORANDUM

TO: Local Agency Formation Commission

FROM: Stephen Betts, Deputy Executive Officer

SUBJECT: **Agenda Item 3.1 – LAFCo File No. 17-06 – Paradise Irrigation District – Sphere of Influence Amendment and Neal Road Annexation No. 1**
(Continued from January 5, 2017 meeting)

DATE: January 25, 2017, for the meeting of February 2, 2017

On January 5, 2017, the Commission held a public hearing on the Paradise Irrigation District's Sphere of Influence Amendment and Neal Road Annexation No. 1 proposals. The Commission reviewed the staff report and accepted public comments, but continued the matter to the Commission's February 2, 2017 to allow the Town of Paradise the opportunity to comment on the proposal.

Comments on the proposed were received from the Town of Paradise Community Development Director, on January 17, 2017, which stated:

Thank you for the chance to provide comments regarding the above-noted PID Sphere amendment and annexation. We are in agreement with LAFCo staff regarding the lack of compelling necessity for the Town of Paradise to also annex the subject property, thereby establishing a jurisdictional boundary that is not entirely logical. Let me know if you need anything else.

While not a primary reason for a continuance, the General Manager of the Paradise Irrigation District, was opposed to including the Neal Road right-of-way as a part of the annexation, citing the additional expense of revising the legal description and map to include that area, the cost of which would be passed on to the landowner/applicant. The District Manager indicated he would try to obtain an estimate for the cost of revising the legal description. As of the date of this report, staff has not received this information from the District.

As was explained by Staff at the meeting, including the Neal Road right-of-way in the annexation may confer certain cost savings to the District by not having to pay property improvement taxes on the District's infrastructure located within its jurisdictional boundaries. Past Butte LAFCo practice has been for the full or half width of adjacent road right-of-ways be included with special district annexations, although there is no Commission policy or State law that requires this. It should be noted that unlike cities, special districts are not required to have contiguous boundaries. It should also be noted that the proposed Sphere of Influence amendment includes the Neal Road right-of-way and that no legal description is required for the SOI amendment process as it is not submitted to the State Board of Equalization.

Staff believes that including the Neal Road right-of-way to this annexation, while not required, is desirable for the following reasons:

- Results in more logical jurisdictional boundaries; and

- Would alleviate the need to add the road right-of way for any future annexation(s) of the three parcels located on the east side of Neal Road across from the parcel proposed for annexation.

ACTION REQUESTED:

1. Consider the comments on the proposal from the Town of Paradise.
2. Open the hearing to the public and receive any additional comments.
3. Close the hearing and determine if the Neal Road right-of-way should or should not be included with the annexation.
4. Adopt Resolution No. 10S 2016/17, approving the proposed Paradise Irrigation District Sphere of Influence Amendment
5. Adopt Resolution No. 10 2016/17, approving the proposed Paradise Irrigation District - Neal Road Annexation No. 1.

Exhibits:

- A. Resolution No. 10S 2016/17 (Sphere of Influence Amendment)
- B. Resolution No. 10 2016/17 (Annexation)

RESOLUTION NO. 10-S 2016/17

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF THE COUNTY OF BUTTE
MAKING DETERMINATIONS AND APPROVING
A SPHERE OF INFLUENCE AMENDMENT TO THE
PARADISE IRRIGATION DISTRICT – NEAL ROAD**

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

WHEREAS, a proposal for an amendment to the Paradise Irrigation District's Sphere of Influence was heretofore filed by the Paradise Irrigation District and accepted for filing on November 22, 2016, 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 Paradise Irrigation District has identified a need to amend the District's Sphere of Influence to provide municipal water services in a logical and orderly manner; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56427, set January 5, 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 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, this Commission called for and held a public hearing on the proposal on January 5, 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, the applicable Butte LAFCo Policies and Procedures and the factors specified in Government Code Section 56425(e); and

WHEREAS, this Commission continued the proposal open until the Commission's February 2, 2017, meeting to allow adequate time for the Town of Paradise to comment on the proposal; and

WHEREAS, comments on this proposal were received from the Town of Paradise on January 17, 2017, which stated that annexation of the subject parcel to the Town of Paradise would not result in logical jurisdictional boundaries and the Town was not favorable toward annexation of the subject parcel to the Town; and

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

Section 1. Environmental Action:

The Commission concurs with the Paradise Irrigation District's determination that this project is Categorically Exempt from the California Environmental Quality Act pursuant to Section 15319, Annexation of Existing Facilities and Lots for Exempt Facilities. A Notice of Exemption was prepared by the Paradise Irrigation District and filed on October 25, 2016.

Section 2. Determinations:

- A. The Commission has considered the factors determined by the Commission to be relevant to the Sphere of Influence Amendment including Butte LAFCo Policies and Procedures, the Domestic Water and Wastewater Service Providers Municipal Service Review, planned land uses, the potential conversion of agricultural and open space lands, the need for municipal services, the availability of services, and the existence of any social or economic communities of interest as discussed in Government Code Section 56425, and as described in the staff report dated December 19, 2016, for the meeting of January 5, 2017, and in the memorandum dated January 25, 2017, for the meeting of February 2, 2017.
- B. The Commission determines that the extension of domestic and irrigation water services to the subject parcel conforms to the land use plans of the Paradise Irrigation District in that the territory is located on the southwest boundary of, and is contiguous to, the Paradise Irrigation District Sphere of Influence and District boundary.
- C. 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 all of the subject parcels developed; will not result in a change in land use or a significant increase in density on the subject parcels; the adjacent parcels are not developed with agricultural uses nor are agricultural uses expected to be established due to lack of adequate soil and adequate water, and the presence of heavy brush; the territory and the adjacent parcels are not considered to be "prime agricultural land" as defined in §56064 due to thin, rocky soils found in the area. Therefore, no conversion of designated agricultural or open space lands will occur as a result of the requested Sphere of Influence amendment.
- D. The Paradise Irrigation District has the capacity to provide domestic and irrigation water to the affected area and the project will not adversely affect the District's ability to provide water services to existing customers.
- E. The Commission determines that the subject territory is located immediately southwest of and adjacent to the Paradise Irrigation District's Sphere of Influence.
- F. The Commission determines that the Sphere of Influence Amendment is intended to facilitate the annexation of defined territory and is not related to a systematic review of the Paradise Irrigation District's Sphere of Influence as addressed in California Government Code Section 56430.
- G. The Sphere of Influence Amendment area shall consist of four (4) parcels, Assessor's Parcel Numbers 055-450-010, 055-450-011, 055-450-012, and 055-450-022, and a portion of the Neal Road right-of-way, totaling approximately 8.2 acres, as described in Exhibit "A."

H. The subject proposal is assigned the following short form designation: 17-06(S) – Paradise Irrigation District Sphere of Influence Amendment – Neal Road.

Section 3. The Executive Officer is hereby authorized and directed to mail certified copies of this Resolution in the manner and as provided in Section 56853 of the Government Code.

PASSED AND ADOPTED by this Local Agency Formation Commission of the County of Butte, on the 2nd day of February 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINS:

Clerk of the Commission

CARL LEVERENZ, Chair
Butte Local Agency Formation Commission

RESOLUTION NO. 10 2016/17

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF THE COUNTY OF BUTTE
MAKING DETERMINATIONS AND ORDERING THE ANNEXATION OF
TERRITORY DESIGNATED AS 17-06
PARADISE IRRIGATION DISTRICT – NEAL ROAD ANNEXATION NO. 1**

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 Paradise Irrigation District in the County of Butte was heretofore filed by the Paradise Irrigation District and accepted for filing on November 22, 2016, 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 January 5, 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, this Commission called for and held a hearing on January 5, 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 continued the proposal open until the Commission's February 2, 2017, meeting to allow adequate time for the Town of Paradise to comment on the proposal; and

WHEREAS, comments on this proposal were received from the Town of Paradise on January 17, 2017, which stated that annexation of the subject parcel to the Town of Paradise would not result in logical jurisdictional boundaries and the Town was not favorable toward annexation of the subject parcel to the Town; 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 Commission concurs with the Paradise Irrigation District determination that the proposed project is Categorically Exempt from the California Environmental Quality Act pursuant to Section 15319, Annexation of Existing Facilities and Lots

for Exempt Facilities. A Notice of Exemption was prepared by the Paradise Irrigation District and filed on October 25, 2016.

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, Sphere of Influence and General Plan consistency, the Domestic Water and Wastewater Service Providers Municipal Service Review, and Commission Policies and other factors specified in Government Code Section 56668 and as described in the staff report dated December 19, 2016, for the meeting of January 5, 2017, and in the memorandum dated January 25, 2017, for the meeting of February 2, 2017.
- B. The Commission finds that the proposal has 100% support of the affected property owner and orders the annexation complete without a protest hearing pursuant to Government Code Section 56663.
- C. The annexation area shall consist of one (1) parcel, Assessor's Parcel Number 055-450-022, and a portion of the Neal Road right-of-way, totaling approximately 6.4 acres, as submitted by the Paradise Irrigation District and described in Exhibit "A."
- D. The subject area is found to be uninhabited, and is assigned the following short form designation: 17-06 – Paradise Irrigation District – Neal Road Annexation No. 1.
- E. The Paradise Irrigation District already provides water service to territory under an annual out of district contract and has done so for over 40 years. This annexation formalizes the water services already provided by the District to the territory and ensures the creation of orderly jurisdictional boundaries.
- F. The proposal is consistent with the Paradise Irrigation District Sphere of Influence as amended by the Commission on February 2, 2017 (Resolution No. 10-S 2016/17).
- G. 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 subject parcel is developed; will not result in a change in land use or a significant increase in density on the subject parcel; the adjacent parcels are not developed with agricultural uses nor are agricultural uses expected to be established due to lack of adequate soil, lack of adequate water, and heavy brush; and the adjacent parcels are not considered to be "prime agricultural land" as defined in §56064 due to thin, rocky soils and heavy brush found in the area. Therefore, no conversion of designated agricultural or open space lands will occur because of the requested annexation.
- H. A Master Property Tax Transfer Agreement, which states that there will be no transfer of property taxes, was executed between the Paradise Irrigation District Board of Directors and the Butte County Board of Supervisors on June 12, 2007.

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.
- D. The Commission strongly encourages that the Paradise Irrigation District to initiate an update to the District's Municipal Service Review and to prepare a Sphere of Influence Plan.

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. Further protest proceedings are waived and the Commission orders the annexation, pursuant to Part 4 commencing with Section 57000.

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 2nd day of February 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINS:

Clerk of the Commission

CARL LEVERENZ, Chair
Butte Local Agency Formation Commission