

MEMORANDUM

TO: Local Agency Formation Commission

FROM: Stephen Lucas, Executive Officer
Stephen Betts, Deputy Executive Officer

SUBJECT: **15-08 – Review and Consideration of the Draft Municipal Service Review Update and the Draft Sphere of Influence Plan for the City of Biggs**

DATE: November 23, 2015, for the meeting of December 3, 2015

Summary / Background

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires LAFCo to review and update, as necessary, local agency Spheres of Influence (SOIs) (California Government Code §56425(g)). In addition, LAFCo is required to conduct a Municipal Service Review (MSR) for each agency prior to, or in conjunction with, an agency's SOI update (California Government Code §56430(a)).

The City of Biggs (City) is proposing to add 149 parcels, totaling approximately 1,815 acres, to the City's Sphere of Influence (SOI) in order to facilitate the future annexation of those parcels to accommodate future population growth. The City is also proposing to remove 7 parcels, totaling approximately 37 acres, from their SOI. To support the SOI update, the City's existing Municipal Service Review (MSR), which was approved by the Commission in 2008, has been updated.

The Draft SOI Plan was circulated for a 21-day noticed public review period that began on November 12, 2015, and ends on December 2, 2015. As of the date of this report, no comments have been received regarding the draft documents. Any comments received after the date of this report will be provided to the Commission prior to or at the Commission's December 3, 2015, meeting and subsequently addressed in the final documents.

Staff recommends that the Commission adopt Resolution 05 2015/16 (**Attachment C**) approving the MSR update and the proposed SOI Plan, which includes changes to the City's SOI, subject to any changes that the Commission may direct. The Final SOI Plan will include the adopting resolution and a copy of any comments received in regards to the draft document.

Municipal Service Review Update

The Cortese-Knox-Hertzberg Act requires that a Municipal Service Review (MSR) be conducted prior to, or in conjunction with, the update of an entity's Sphere of Influence (SOI). A MSR is a comprehensive, contemporary analysis of service provision by each of the special districts and cities within the legislative authority of the LAFCo. It essentially evaluates the need for services based on anticipated population growth and the capability of an agency to deliver the services it is empowered to provide.

The current City of Biggs Municipal Service Review, which was adopted by the Commission on November 6, 2008, contained an evaluation of the municipal services provided by the City and the information in the MSR provided the baseline information for the SOI study. However, due to

changes to City finances and operations in recent years, information in the 2008 MSR warranted a fresh evaluation in order to effectively evaluate the proposed SOI. Attachment A to this report provides a summary of the updated MSR Determinations.

The updated MSR determined that the City is providing municipal services to its residents in an effective and efficient manner. The City of Biggs does not appear to have any significant budgetary problems as revenues exceed expenditures, with the City-owned electrical utility providing a significant source of revenue to fund city services. The City of Biggs' has very little "infill" area within its existing jurisdictional boundaries and sphere of influence to accommodate future population growth and will require additional area for the projected residential and commercial growth the City desires. The historic population growth rate for the City of Biggs has been very low, but the City has added 19 new single-family dwellings in 2014/15 and expects a comparable number of new dwellings this year. Additionally, a multi-family development may be constructed in the City during 2016, which has the potential to significantly increase the City's population.

Staff supports the updated MSR and recommends that the Commission adopt the updated MSR.

Sphere of Influence Plan and Update

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) empowers LAFCo with the responsibility for developing and determining the SOI of each local agency within the county, and for enacting policies designed to promote the logical and orderly development of areas within the spheres.

A SOI is defined as a plan for the probable physical boundaries and service area of a local agency, as determined by LAFCo. The intent of a SOI is to identify the most appropriate areas for an agency's extension of services in the foreseeable future, generally presumed to be a 20 year horizon. Accordingly, territory included in an agency's sphere is an indication that a probable need for service has been established, and that the subject agency has been determined by LAFCo to be the most logical service provider for the area. *It is important to understand there is no particular "right" methodology in determining the size of a SOI as each agency has unique variables of service delivery, land uses, and geography that play a role in determining an appropriate SOI.*

The CKH Act requires that LAFCo decisions regarding subsequent boundary changes be consistent with SOIs of local agencies. LAFCo is prohibited from approving annexations that are not within the annexing agency's SOI. Once an SOI is established, annexations must still be individually considered and evaluated on their own merit. There is no "automatic" annexation just because specific territory is within the agency's SOI, and many factors may influence this future decision. It is very important to note that not all landowners within a SOI will have the same desire to develop their land in concert with the City's growth desires, needs or timing. This means that some percentage of the SOI area may remain undeveloped which requires the SOI to be somewhat larger than the area projected for growth to meet City expectations of available development land.

State law requires that every five years LAFCo shall, as *necessary*, review and update the SOI of each local agency. The level of review and the matter of necessity are determined by each local commission based on local policies and circumstances. Sphere of Influence updates may range from no action to a simple affirmation of the existing SOI boundaries to significant modifications to

the SOI boundaries. LAFCo is not required to initiate changes to an SOI based on findings and recommendations of the service review, although it does have the power to do so.

Existing Conditions

The current Sphere of Influence Plan for the City of Biggs (Attachment 1 to the Draft SOI Plan) was adopted in April 1985 as a part of the *Gridley-Biggs Area Sphere of Influence Study*. The City's SOI has remained virtually unchanged since the 1985 SOI Plan was adopted. Although there have been no significant changes to the City's SOI since 1985, the existing SOI Plan is significantly out of date and a comprehensive SOI update is warranted.

Biggs' existing Sphere of Influence is currently approximately 151 acres in size (excluding the area within the City's jurisdictional boundaries, which is approximately 405 acres in size). Within the portion of the SOI outside City boundaries, which consists of 37 parcels, there are approximately 22 housing units with approximately 66 residents. Other uses within the City's current SOI include agricultural uses (7 parcels totaling approximately 53 acres), and industrial uses (5 parcels totaling approximately 12 acres). The parcels within the City's SOI utilize individual wells for domestic water supply and wastewater disposal is handled by individual on-site septic systems.

Sphere of Influence Expansion Request

An amendment to the City of Biggs' Sphere of Influence is being requested by the City as a part of this SOI Plan. The City proposes to add 149 parcels, totaling approximately 1,815 acres, to their SOI. The City also proposes to remove seven parcels, totaling approximately 37 acres, from the City's existing SOI. Although not requested by the City of Biggs, LAFCo staff, with the concurrence of the City, proposes that the two areas within the updated SOI be designated as Special Study Areas. These Special Study Areas, which encompass approximately 774 acres, are intended to recognize and preserve the existing agricultural uses in these areas until such time as these areas are needed to accommodate population growth or other revenue generating uses the City feels are necessary for its fiscal health. However, at this time, it is not appropriate to make a full commitment to place these two areas within the City's SOI until such time as annexation appears more imminent. The following table shows the SOI acreages as currently approved and the proposed adjustments for areas to be removed.

Current Biggs SOI (excluding City boundaries)	151 ac
Area proposed to be added to Biggs SOI	+1,815 ac
Area proposed to be removed from Biggs SOI	- 37 ac
Total Size of Updated Biggs SOI	1,929 ac
Net Change of SOI	+1,778 ac
Special Study Areas	-774 ac
SOI available for annexation without further action	+1,004 ac

The City's 2030 General Plan land use map, which was adopted by the City Council in 2014, shows the SOI expansion and reduction areas. Biggs' General Plan designates the SOI expansion area for a wide range of residential, commercial, mixed-use, public, and industrial uses. LAFCo will review future annexation requests in the City's SOI for consistency with the City's General Plan Land Use Map and rezoning.

Prior to applying to LAFCo for a SOI update, California Government Code §56425 and Butte LAFCo Policy 3.2.2 require a city to meet with the affected county to discuss the proposed SOI,

development standards, and planning and zoning requirements to ensure that development within the SOI reflects the concerns of the affected city and promotes the logical and orderly development of areas within the sphere. Accordingly, the City of Biggs indicates that it has met with Butte County representatives to discuss these matters, and County officials voiced no objections to the City's proposed SOI update nor did the City and County enter into any written agreements related to the SOI Update.

Pursuant to California Government Code §56425(e), as a part of a SOI update, the Commission is required to consider the following five factors and make appropriate determinations in relationship to each of the following:

1. The present and planned land uses in the area, including agricultural and open-space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.
5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

Sections 4.0 to 4.4 of the Draft SOI Plan contain a detailed analysis and determinations for each of the five factors. The proposed SOI determinations are attached to this report as Attachment B.

Butte LAFCo Policies

Section 3 (Sphere of Influence) of Butte LAFCo Policies provides the standards for determinations regarding spheres of influence. Policy 3.1.4 states that when establishing the boundaries of a sphere of influence for an agency, LAFCo will consider the factors listed in Section 56425 of the Government Code as well as the factors found in LAFCo Policy 3.1.4.1, which state that LAFCo will discourage including lands in an agency's sphere of influence that are:

- Unlikely to require the services provided by the agency, for example, lands not designated for inclusion to a city by the applicable general plan;
- Areas where development is constrained by topographical factors;
- Areas where the projected and/or historical growth rates do not indicate a need for service within the time frame of the Sphere Plan;
- Areas in an agency's sphere of influence which cannot feasibly be served by the agency within a 20 year time frame consistent with the Sphere Plan.

The proposed SOI expansion is consistent with this Policy because:

- The City of Biggs' General Plan shows, and plans for, the subject area (excluding the areas designated as Special Study Areas) to be annexed to the City within the 20-year time span of the General Plan;
- There are no significant topographical factors that constrain development of the SOI expansion area.

- As shown in the Updated MSR and in the Draft SOI Plan, the City of Biggs does plan for, and believes it could feasibly serve, future development in the SOI expansion area (excluding the Special Study Areas) barring unforeseen developments or factors out of its immediate control, such as the state/national economy.

Butte LAFCo Policy 3.1.8 states that LAFCo shall not approve a change to a sphere of influence to include lands that are subject to a Williamson Act contract if the annexing agency has the ability to provide sewer service, nonagricultural water, streets and/or roads unless these facilities or services specifically benefit the land uses that are allowed under the contract and the landowner consents to the sphere change. The City's current SOI and updated SOI do not contain any parcels that are subject to a Williamson Act contract.

Although not applicable to SOI proposals, Butte LAFCo Policy 2.13.1 states that LAFCo will apply a heightened level of review when considering proposals for changes of organization (such as an annexation) that are likely to result in the conversion of prime agricultural/open space land uses 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. For purposes of this standard, a proposal leads to planned, orderly, and efficient development only if all of the following criteria are met:

- The land subject to the change of organization or reorganization is contiguous to either lands developed with an urban use or lands within the sphere and designated for urban development;
- The proposed development of the subject lands is consistent with the Sphere of Influence Plan, including the Municipal Service Review of the affected agency or agencies and the land subject to the change of organization is within the current 10-year Sphere of Influence boundary;
- The land subject to the change of organization is likely to be developed within five years. In the case of very large developments, annexation should be phased in wherever feasible. If the Commission finds phasing infeasible for specific reasons, it may approve annexation if all or a substantial portion of the subject land is likely to develop within a reasonable period of time;
- Insufficient vacant non-prime or open space land exists within the existing agency boundaries or applicable 10-year Sphere of Influence that is planned and developable for the same general type of use; and,
- The proposal will have no significant adverse effect on the physical and economic integrity of other agricultural/open space lands.

LAFCo will review all future annexation requests for consistency with the agricultural preservation requirements of the Cortese-Knox-Hertzberg Act and with Butte LAFCo Policies. Such a review must be balanced against the geographic fact that Biggs is surrounded by agricultural lands and must convert some land in order to meet its growth objectives.

Based upon the City's proposed land use plan for the SOI expansion areas, future urban development within that area will result in the planned, orderly, and efficient development of the area as required by California Government Code §56377. The City of Biggs' proposed SOI expansion, with the inclusion of the Special Study Areas, represents a logical and reasonable extension of the City boundaries based on local policies and the integrated nature of municipal services within the larger Biggs urban area.

Policy Summary

As shown above, the proposed SOI expansion is consistent with the applicable Butte LAFCo policies regarding SOI proposals.

Size of Biggs’ Updated Sphere of Influence

It is fully acknowledged that the City’s updated SOI, including 149 parcels at 1,929 acres in size (excluding the area within City jurisdictional boundaries) is very large and annexation of certain areas to the City, such as the agricultural area south of Chatfield Avenue, may be beyond a 20-year time frame. *It is important to understand there is no particular "right" methodology in determining the size of a SOI, as each agency has unique variables of service delivery, land uses, and geography that play a role in determining an appropriate SOI.*

Approximately 774 acres, or 40%, of the City’s updated SOI will be a part of the City’s SOI as a Special Study Area for reasons discussed above. The parcels within the Special Study Areas, which can be viewed as a type of urban reserve, although within the City’s updated SOI, would not be able to be considered for annexation without additional studies being prepared and without the removal of the Special Study Area designation by the Commission, and therefore would not be readily available for City annexation development within the SOI. Additionally, the 160-acre area for the City’s wastewater treatment plant enhancement project is included in the SOI update and this area will not be available for urban development. The total area that would generally be unavailable for urban development within the City’s updated SOI is approximately 934 acres, which represents approximately 48% of the City’s SOI. Furthermore, it is difficult to predict with certainty if individual landowners within an SOI will have the same desire to develop their land in concert with the City’s growth desires, needs or timing. This means that some percentage of the SOI area may remain undeveloped by landowner choice which requires the SOI to be somewhat larger than the area projected for growth to meet City expectations of available development land.

Current City of Biggs SOI (excluding City boundaries)	151 ac
Area proposed to be added to Biggs SOI	+1,815 ac
Area proposed to be removed from Biggs SOI	-37 ac
Total Size of Updated Biggs SOI	1,929 ac
Special Study Areas (precludes annexation at this time)	-774 ac
Wastewater Treatment Plant Enhancement Project Area	-160 ac
Total Area Unavailable for Unrestricted City Development	934 ac
Area available for possible development in Updated Biggs SOI	995 ac

Butte LAFCo Policy 3.1.11 allows the Commission to establish the most appropriate sphere category for cities and special districts. Policy 3.1.11 identifies the following types of spheres that can be established:

- A traditional “**growth**” sphere of influence which contains territory beyond the jurisdictional boundary of the local agency and is an indication that the need for public services in the

area has been established and the agency has the ability to effectively and efficiently extend the full spectrum of services provided by the agency.

- A “**coterminous**” sphere of influence which coincides with the jurisdictional boundary of the local agency and is an indication that there is no anticipated need for the agency’s services outside of its existing boundaries, or the agency lacks the capacity or ability to serve additional territory or there is insufficient information to make such a determination.
- A “**zero**” sphere of influence (encompassing no territory) for an agency when the Commission has determined that one or more of the public service functions of the agency are either non-existent, inadequate, no longer needed, or should be reallocated to some other agency of government. Adoption of a “zero” sphere indicates the agency should ultimately be reorganized or dissolved. The Commission may initiate dissolution of an agency when it deems such appropriate.
- A “**minus**” sphere when it has determined that some territory within the agency’s jurisdictional boundaries is not in need of all or some of the agency’s services, or when the agency has no feasible plans to provide efficient and adequate service to the territory in question.
- A “**limited or service specific**” sphere designation for territory outside the agency’s jurisdiction that may require some-but not all-of the services that the agency is authorized to provide. Assigning a service specific sphere allows LAFCo to retain review authority over the provision of important governmental services in order to promote the timely and orderly expansion of services.

Agricultural Impacts

A significant portion of the City’s current and updated SOI contains prime agricultural lands and are utilized for agricultural purposes. Within the updated SOI Expansion Area, 40 out of 149 parcels, totaling approximately 1,236 acres, are assessed by the Butte County Assessor’s Office for agricultural uses. These agricultural uses include field and row crops, irrigated pastures, prunes, rice, and walnuts. The largest concentrations of the agricultural uses are found along both sides of Highway 99; north and south of West & East Benito Roads; and south of Chatfield Avenue. The two proposed SOI Special Study Areas, which encompass approximately 774 acres, are developed with agricultural uses.

A 160-acre area of the updated SOI that is identified as being rice fields is currently being developed with the City’s wastewater treatment plant enhancement project, which will allow for the storage and land disposal/land application of treated effluent. This project will still allow for some agricultural use on the project site as the treated effluent will be applied to approximately 80 acres of fodder crops, which would be consumed by off-site livestock animals.

The City’s 2030 General Plan and the Draft SOI Plan show that portions of the updated SOI are designated for future residential, commercial, mixed-use, public, and industrial uses and future development of the area will result in the permanent conversion of agricultural lands to urban uses. Additionally, future development in the updated SOI may have an impact on adjacent agricultural operations.

As shown on Figure 3-3 on page 12 of the Draft SOI Plan, the City’s 2030 General Plan designates

approximately 905 acres for various types of agricultural uses. The City’s land use plan incorporates agriculturally supportive land use classifications that accommodate existing agricultural operations within the city limits and that place a value on agricultural service areas that can enhance the feel and value of the community. The following table shows the acreages of each agricultural land use designation within the City’s proposed SOI and the uses allowed within those agricultural land use designations:

City Land Use Designation	Size	Uses Allowed
Agricultural	348 ac	Agricultural production. One dwelling unit per 10 gross acres.
Agricultural Industrial	330 ac	Intensive agricultural processing uses such as rice mills, hulling operations, dairies, and similar agricultural product processing. The principal land use remains agriculture; however, direct agriculturally supporting industrial uses may be permitted uses. One dwelling unit per 10 gross acres.
Agricultural Commercial	227 ac	The intent of this designation is to encourage farms to continue in operation by allowing for fruit and vegetable stands, field crops, flower sales, product sales, etc. The principal land use in this area remains agriculture; however, direct agriculturally supporting commercial uses may be permitted. One dwelling unit per 10 gross acres.

The environmental impact report certified by the City of Biggs for their 2030 General Plan determined that the impacts to agricultural resources are significant and unavoidable, with no feasible mitigation available. In adopting the 2030 General Plan, the Biggs City Council adopted findings of overriding considerations for impacts to agricultural resources.

The Land Use Element and the Conservation, Open Space and Recreation Element of the City of Biggs’ 2030 General Plan contain a brief overview of agricultural uses within the City’s Planning Area. These Elements lists the goals, policies, and actions related to agricultural uses, which provide guidance to the City on how to manage agricultural areas. The relevant goals, policies, and actions related to agricultural uses are:

Land Use Element

Goal LU-7

Preserve and protect the viability of agricultural areas surrounding the city and within the Planning Area while promoting planned and sustainable growth.

Policy LU-1.5 (Agriculture/Urban Interface)

Continue to promote the use of undeveloped land for active agricultural purposes by ensuring the new development does not unnecessarily or prematurely encroach or convert viable, productive, and active agricultural lands. Design criteria for buffers should be as follows:

- Require a minimum 100-foot-wide physical separation, which may include roadways, pedestrian/bicycle routes, storm water basins, canals and sloughs, and open spaces between the agricultural use and any habitable structure.
- Require the use of vegetative plantings to reduce issues related to dust, noise,

- aesthetics, and air quality.
- Where possible, minimize the use of structural features such as barrier walls to mitigate land use incompatibilities.

Action LU-1.5.1 (Agricultural/Urban Interface)

Update the City's Zoning Ordinance or include within a future design review program, guidelines and standards for the buffering of incompatible land uses.

Policy LU-7.2 (Agricultural Tourism)

Promote agricultural tourism and capitalize on opportunities that are presented by the presence of local agricultural operations.

Action LU-7.2.1 (Promotion)

Working in partnership with local residents, businesses, economic development partners, and farmers, produce materials that promote the City of Biggs as a city that values local agricultural businesses and seek opportunities to partner with local agriculturalists to promote Biggs.

Conservation, Open Space and Recreation Element

Goal S-2

Promote and protect the continued viability of agriculture surrounding Biggs.

Policy S-2.1 (Land Use Compatibility)

Direct urban development to vacant lands within the city or to undeveloped land directly adjacent to urban development.

Policy S-2.2 (Agricultural Buffers)

Protect agricultural resources by maintaining a clear boundary between urban, rural, and agricultural uses.

Action S-2.2.1 (Agricultural Buffers)

Require appropriate buffers for new development adjacent to active agricultural operations to ensure context-sensitive and case-sensitive solutions for potential land use incompatibilities.

Action S-2.2.2 (Agricultural Buffers)

Require the incorporation of a minimum 100-foot agricultural buffer from the property line where new urban development and active agricultural operations using air-applied or forced-air-applied chemicals are adjacent to each other.

Action S-2.2.3 (Agricultural Buffers)

Allow for the use of vegetative screening and site design and grading options as methods of providing additional buffering of agricultural land uses from new development.

Action S-2.2.4 (Agricultural Buffers)

As appropriate, consider the agricultural buffer guidelines established by the Butte Local Agency Formation Commission (LAFCo) as part of the project review requirements for projects requiring annexation and located in an area adjacent to an active agricultural use.

Action S-2.2.5 (Agricultural Protection Line)

Prohibit new urban development west of the southerly extension of Riceton Highway, south of Afton Road and west of the City's wastewater treatment plant to Farris Road. Actively work with

Butte County and the City of Gridley to ensure that no new developments of significance are located west of Biggs and West Biggs-Gridley Road south of the city.

Policy S-2.3 (Project Review)

During the project review process, address the impacts of siting environmentally sensitive uses in areas where conflicts with agricultural production and processing activities may result.

Policy S-2.4 (Regional Dialogue)

Continue to engage in meaningful dialogue with the Butte County Farm Bureau and other local and regional agricultural organizations on issues related to agricultural operations and land use compatibility.

Policy S-2.5 (Use of Land)

Plan for and allow for the developed use of designated agricultural buffer areas as the city expands and new buffer areas are established.

Policy S-2.6 (Right-to-Farm Ordinance)

Preserve and support agricultural enterprises by supporting right-to-farm policies.

Action S-2.6.1 (Provision of Information)

Continue to evaluate and maintain the City's right-to-farm ordinance to inform residents of ongoing agricultural processes and protect agricultural interests from dumping, nuisance complaints, and other problems associated with new residents in agricultural areas.

Policy S-2.7 (Low-Impact Agriculture)

Encourage and support small-scale and low impact local agricultural production within the city.

Policy S-2.8 (Agricultural Tourism)

Support the expansion of the local agricultural tourism industry.

LAFCo will review all future annexation requests within the City's SOI for consistency with the agricultural preservation requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Butte LAFCo Policies, and with the goals, programs, and policies contained in the City of Biggs' General Plan. LAFCo will apply a heightened level of review when considering proposals for changes of organization (such as an annexation) 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. The concept of agriculturally productive lands included in a city boundary is rapidly changing with the surge of interest in local food markets and sustainable farming practices geared toward locally consumed market agricultural products. A city's ability to exercise land use control over suitable agricultural lands for local food consumption is in many circles considered a prudent and necessary act of local control.

Future Annexations

It should be clearly understood that the Commission, in reviewing the supporting environmental documents, is *only* considering the adoption of the Sphere of Influence Plan, which includes an amendment to the City of Biggs' Sphere of Influence, and not specific annexation proposals or individual development projects that may present specific impacts not associated with the broader policy question at hand. The primary purpose of the Sphere of Influence is to provide guidance for

the location of future growth and desired range of land uses and allow the affected agency to effectively plan for the delivery of services to the proposed growth area. It is not the purpose of the Sphere of Influence Plan to resolve all potential impacts of new development, but to provide guidance for local decision makers in managing growth boundaries of local agencies. The Commission should make it clear to the City that while it accepts the general mitigation measures proposed for the SOI Update, it will not allow the City to solely rely on the General Plan Draft EIR and the General Plan Final EIR for future project-specific impacts. This statement has been included as a condition of approval for the SOI Update.

Changes to the Draft MSR Update and the Draft SOI Plan

As of the date of this report, no written comments have been received concerning the Draft MSR Update/Draft SOI Plan. However, it is believed that the Butte County Fire Department may provide comments, which will be provided to the Commission if comments are submitted.

Staff recommends that the following changes be made to the Draft MSR (additions are underlined and deletions are ~~struck through~~):

Page 3.1-1- revise the first paragraph as follows:

The City currently provides water services to approximately 650 residential, commercial, and industrial customers within existing city boundaries. The City does not provide water to areas outside of the city limits. The majority of the water connections in the city belong to residential users. The City is in the process of completing the installation of individual water meters to residences in the city and is utilizing and implementing a telemetry system to read the newly installed individual service meters. Use of a telemetry reading system significantly reduces the time spent by City employees to read meters each month. Approximately 54 percent of the City's water customers are connected to meters. Currently, the City is in the process of applying for grant funding to complete the metering upgrade.

Page 3.1-1- add the following paragraph after the third paragraph:

There are three private wells in the City that are used for domestic water. Construction and abandonment compliance of these wells are under the authority of the Butte County Environmental Health Division and the City does not monitor the water quality or compliance of water standards for these wells.

Page 3.1-3 - add the following paragraph at the end of the page:

Butte County Environmental Health Division

The construction and abandonment of wells in the City is regulated by the Butte County Environmental Health Division. Wells must be drilled and constructed properly under permit from the Butte County Environmental Health Division as defined in Chapter 23 of the Butte County Code. Private well owners are responsible for ensuring their water is safe because the water quality of private wells is not regulated.

Page 3.5-6 - add the following paragraph between Determinations 3.5-3 and 3.5-4:

Law Enforcement Expense

The City of Biggs contract with the City of Gridley for the provision of police services is currently \$460,224 annually. Approximately 60% of the funds for the contract come from the City's electric utilities fund. The current contract for police service allows for a cost of living increase. The City

has development impact fees to assist in off-setting the cost of law enforcement for any additional services that will be needed for new development.

Page 3.6-4 – revise the first paragraph under the “Facilities and Equipment” section as follows:

Existing equipment consists of one regular Type 2 pumper engine (Butte County owned), and one Type 2 reserve pumper engine (City owned), and one tender truck (Butte County owned). The Butte County engine was purchased within the last 24 months and is in excellent condition. While the City engine is older it is in good condition. Currently, the City is making annual payments for the City fire engine; once the fire engine is paid for, the funding will annually accumulate to offset the cost of the next City fire engine. Typically, the City receives grants for fire equipment that enhance locally provided service. While the current location of the fire station serves the city well, as the city grows within this area of Butte County, a fire station relocation may be advantageous from an economic standpoint; most importantly, this may be possible without adversely impacting response times.

Page 3.6-4 – add the following paragraph above Determination 3.6-4:

Fire Protection Expense

In fiscal year 2013-14, the City contracted with Butte County for fire protection services at the cost of \$66,300, which represents 10.3 percent of the City’s General Fund budget. This amount was increased to \$70,000 for FY 2014-15 and \$72,600 for FY 2015-16, representing 10.6 and 11.0 percent of the General Fund expenditures, respectively. It is anticipated that fire protection services will continue to rise in the coming years. A full budget analysis is presented in Section 4.1. The City has development impact fees to assist in off-setting the cost of fire protection for any additional services that will be needed for new development.

Staff has also found a few miscellaneous typographical and formatting errors in the Draft MSR Update and in the Draft SOI Plan. These errors are minor in nature and will be corrected for the final versions of the MSR and SOI Plan.

Any changes to the Draft MSR and Draft SOI Plan as recommended by the Commission at the December 3 meeting will be incorporated into the final versions of these documents.

Environmental Determination

The California Environmental Quality Act (CEQA) requires that the Commission undertake and review an environmental analysis before granting approval of a project, as defined by CEQA. Butte LAFCo is the Lead Agency for environmental review for the proposed updates to the MSR determinations and acted as a Responsible Agency for environmental review for the SOI Plan/Update. The City of Biggs served as the Lead Agency for environmental review for the SOI Plan/Update, conducted in conjunction with the City’s 2030 General Plan update, as requested by LAFCo when the City began its General Plan update process.

The update of the City’s existing MSR is categorically exempt from the preparation of environmental documentation under a classification related to information gathering (Class 6 - Regulation section 15306), which states: "Class 6 consists of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. These may be strictly for information gathering

purposes, or as part of a study leading to an action which a public agency has not yet approved, adopted, or funded." The MSR collects data for the purpose of evaluating municipal services provided by the agency. There is no land use change or environmental impact created by such a study. There is no possibility that the MSR update will have a significant effect on the environment because there are no land use changes associated with the MSR update.

The City of Biggs, as Lead Agency for the SOI Plan/Update, prepared the City of Biggs 2030 General Plan Draft Environmental Impact Report. On April 8, 2014, the Biggs City Council adopted Resolution Numbers 2014-06 and 2014-07 that approved the City of Biggs 2030 General Plan, certified the 2030 General Plan Final EIR, and adopted Findings of Fact/Statement of Overriding Considerations. Copies of the City's 2030 General Plan, the 2030 General Plan Draft EIR, the 2030 General Plan Final EIR, and the Findings of Fact/Statement of Overriding Considerations were previously provided to the Commission and are available in the LAFCo office and on LAFCo's webpage.

The City of Biggs' 2030 General Plan Environmental Impact Report (EIR) is a program EIR, as described under CEQA and the State CEQA Guidelines. A program EIR is used to address the impacts of "a series of actions that can be characterized as one large project and are related...in connection with the issuance of rules, regulations, plans, or other general criteria to govern the conduct of a continuing program." Most general plans in California are accompanied by program (rather than project) EIRs. The analysis in the program EIR is considered the first tier of environmental review and creates the foundation upon which future, project-specific CEQA documents can build. Future projects included in annexations to the City of Biggs would be subject to the requirements of CEQA. The City would determine on a project-by-project basis whether the appropriate action for future projects would be a CEQA Exemption, Negative Declaration, or EIR.

The City of Biggs 2030 General Plan EIR evaluated the potential environmental impacts of implementation of the City's 2030 General Plan, including adding additional area to the City's Sphere of Influence to provide for future growth. The EIR identifies potentially significant unavoidable environmental effects, for which the City adopted findings and a statement of overriding considerations.

As responsible agency, LAFCo is required to rely on the City's environmental documentation in acting on the proposal, but must prepare and issue its own findings. The Commission now has the decision to affirm the environmental documents prepared and adopted by the City of Biggs for the City's 2030 General Plan, which include the SOI Update, or to find that the environmental documents do not adequately address the potential significant impacts to the environment.

In making that determination, the Commission should consider the following direction regarding standards for adequacy of an EIR set forth in the CEQA Guidelines, §15151:

CEQA Guidelines Section 15151:

An EIR should be prepared with a sufficient degree of analysis to provide decision makers with information which enables them to make a decision which intelligently takes account of environmental consequences. An evaluation of the environmental effects of a proposed project need not be exhaustive, but the sufficiency of an EIR is to be reviewed in the light of what is reasonably feasible. Disagreement among experts does not make an EIR inadequate, but the EIR should summarize the main points of disagreement among the

experts. The courts have looked not for perfection but for adequacy, completeness, and a good faith effort at full disclosure.

Based on the adequacy requirements established in CEQA §15151, staff recommends that the Commission find that the City's General Plan 2030 Draft EIR, the Certified Final EIR, and the Findings of Fact and Statement of Overriding Considerations, provide the Commission with sufficient information to enable them to make a decision that purposefully takes account of environmental consequences and adopts reasonably feasible measures to mitigate the adverse impacts of the Sphere Amendment.

CONCLUSION

The City of Biggs' 2030 General Plan identifies the future land uses within the City's SOI in order to provide for the future growth of the City. The City's updated SOI will be much larger than the City's current SOI, although approximately 40 percent of it will not be developable, or will be designated as Special Study Areas (urban reserve), where annexation to the City of Biggs will not occur until additional studies are prepared that show the City will have the capability to provide municipal services to those areas. The SOI Plan also anticipates that the City of Biggs would have the necessary resources to provide the required municipal services to its existing and proposed SOI area. In addition, the proposed SOI expansion is consistent with the City of Biggs' 2030 General Plan.

The proposal substantially conforms to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and with LAFCo policy. The Executive Officer recommends approval of this proposal.

ALTERNATIVES FOR COMMISSION ACTION

After reviewing this report, the proposed MSR Update, the SOI Plan, the Final Environmental Impact Report and other CEQA documentation, and any testimony or materials that are presented, the Commission can take one of the following actions:

OPTION 1 APPROVE the MSR Update and approve the Sphere of Influence Plan for the City of Biggs, as may be modified by the Commission and with the changes as identified in this report, as follows:

- A. Acting as Lead Agency pursuant to the California Environmental Quality Act (CEQA) Guidelines, find that the Municipal Service Review Update for the City of Biggs is Categorical Exempt from the provisions of CEQA under Section 15306, "Information Collection."
- B. Determine that the City of Biggs, as Lead Agency, prepared and certified the Environmental Impact Report for the City of Biggs 2030 General Plan and adopted Findings of Fact and a Statement of Overriding Considerations.
- C. Certify that LAFCO has reviewed and considered the information contained in the EIR prepared and certified by the City of Biggs and in the City's CEQA documentation. Affirm the Findings of Fact and Statement of Overriding Considerations as approved by the City of Biggs per City of Biggs Resolution Number 2014-06.

- D. Find that the Sphere of Influence Plan prepared for the City of Biggs is complete and satisfactory and achieves consistency with LAFCo and State SOI policies and statutes.
- E. Find that the proposed update to the Municipal Service Review for the City of Biggs and the written determinations in the Sphere of Influence Plan satisfy State Law.
- F. Adopt Resolution 05 2015/16 (**Attachment C**) approving the Municipal Service Review Update for the City of Biggs and approving the Sphere of Influence Plan for the City of Biggs, which includes adding area to, and removing area from, the City's Sphere of Influence as shown on Figure 4-1 of the SOI Plan.
- G. Direct staff to prepare a Final Updated MSR and a Final SOI Plan, which will include the adopting resolution and any comments received with regards to the draft SOI Plan.

OPTION 2 CONTINUE this proposal to a future meeting for additional information.

OPTION 3 DIRECT Staff to make any Commission-identified changes to the Draft MSR, the Draft SOI Plan, and/or the Draft SOI Map and CONTINUE this proposal to a future meeting to allow time for Staff to make the needed changes and return with revised draft documents for further Commission review.

RECOMMENDED ACTION:

Approve OPTION 1.

Respectfully submitted,

Stephen Betts

Stephen Betts
Deputy Executive Officer

Attachments:

- A: Summary of MSR Determinations – Page 16
- B. Summary of SOI Plan Determinations – Page 23
- C: Draft LAFCo Resolution No. 05 2015/16 – Page 27

Summary of MSR Determinations

Attachment A

2.0 - Growth and Population

- 2-1 Population Growth:** *The population of the City is expected to grow slowly with a growth rate of approximately 2.95% annually for the foreseeable future.*
- 2-2 Housing Unit Growth:** *The housing stock within the City is expected to grow slowly with an average annual growth rate of approximately 2.95% for the foreseeable future.*
- 2-3 Capacity to Accommodate Growth:** *Based on anticipated future growth rates, the City will not have enough vacant residentially zoned land to accommodate growth within the current city boundaries by 2021.*
- 2-4 Growth Plan:** *Growth is primarily expected to occur south and east of the city with a large portion of residential development within the Area of Concern. Residential growth to the west is significantly restricted by incompatibility with agricultural uses and land use designations and, as such, the City adopted an Urban Growth Boundary Line to restrict City expansion in that area.*
- 2-5 Annexation:** *The City annexed one property during the 2009 to 2015 time period.*
- 2-6 Regional Housing Needs Allocation:** *The City's current capacity for new housing units exceeds the 2014-2022 Regional Housing Needs Allocation. However, to meet this need, the use of underutilized land was required as there was not an adequate supply of available vacant land.*

3.1 - Water

- 3.1-1 Development Impact Fees:** *The City requires the payment of a water system development impact fee to assist in the development of water system infrastructure as needed.*
- 3.1-2 Facilities:** *With the completion of the nine priority projects from the Water Master Plan, the City's water infrastructure system and facilities are adequate to accommodate future growth.*
- 3.1-3 Storage:** *The City's storage capacity is undersized for a water system of its size without additional well production capacity. However, the two main wells have been refurbished to pump "on demand" with variable speed drive units on the wells making additional storage unnecessary in the near term.*
- 3.1-4 Quantity:** *The City will need additional groundwater pumping capacity to serve the anticipated annual household growth rate of 2.95 percent in the future.*
- 3.1-5 Quality:** *The water provided by the City meets all state and federal water quality requirements.*
- 3.1-6 Emergency Preparedness:** *The City has emergency procedures in place to contend with a disruption in electrical and water services.*

3.2 - Wastewater

- 3.2-1 Capacity:** *The City currently has the capacity to collect and treat the wastewater produced within its existing boundaries. Assuming an annual growth rate of 2.95 percent, the City will need more WWTP capacity by 2030. However, future collection capacity requirements are ensured by City oversight during the permitting process for significant developments. The City's wastewater treatment plant has the capacity to expand by 35% to handle more growth and will be expanded in the future when required.*
- 3.2-2 Facilities:** *The City's wastewater collection system requires significant rehabilitation; however, the City's wastewater treatment plant is in good condition and has existing unused capacity as well as expansion capability.*
- 3.2-3 Facilities Expansion/Upgrades:** *There are no wastewater treatment plant expansions planned for the near future. The City has recently embarked upon a two-phase WWTP enhancement project, which will bring the effluent discharge into compliance with waste discharge requirements. Phase I of this enhancement project is nearly complete and Phase II is under way.*
- 3.2-4 Development Impact Fees:** *The City requires the payment of a wastewater system development impact fee to assist in the development of wastewater infrastructure as needed.*

3.3 - Storm Drainage and Irrigation

- 3.3-1 Existing Facilities:** *The City has completed a number of improvements to the storm drainage system, and flooding due to storm drain backups has been alleviated.*
- 3.3-2 Existing Conditions and Facilities:** *The City of Biggs's stormwater collection system discharges to sloughs and open drainage ditches located at the perimeter of the city. The ditches are maintained by RD 833. The ditches were designed to convey agricultural, rather than urban, stormwater flows.*
- 3.3-3 Growth:** *Growth-induced drainage infrastructure needs are addressed by City requirements for development to install drainage infrastructure to prevent increases in peak flow discharges.*
- 3.3-4 Infrastructure Needs and Deficiencies:** *The existing storm drainage system in the city is adequate to provide a reasonable level of service to city residents; however, the City's Storm Water Master Plan is in need of an update.*
- 3.3-5 Development Impact Fees:** *The City requires the payment of a storm drainage development impact fee to assist in the development of storm drain infrastructure as needed.*
- 3.3-6 Existing Conditions and Facilities:** *The district's drainage systems are constrained in their discharge of peak flows and subject to backup conditions due to lack of downstream discharge waterways also used for flood control purposes.*

- 3.3-7 Growth:** *Agriculture in the western portion of the RD 833 service area is a stable land use. However, future growth in the area could negatively affect the capacity to provide services, given RD 833's limited infrastructure and financing.*
- 3.3-8 Facilities:** *RD 833 facilities are generally well-maintained, albeit within a severely restricted budget that does not allow for significant contingencies.*
- 3.3-9 Conveyors/Detention Facilities:** *RD 833 is part of a multi-district maintenance agreement with Butte Slough Irrigation District, Butte Creek Drainage District, and Drainage Districts Nos. 100 and 200 for shared maintenance of Butte Creek and Moulton Cut. Additionally, the district maintains a 720-acre drainage management area in the Butte Sink area located in Sutter County, and includes the RD 833 weir.*
- 3.3-10 Capacity:** *RD 833 infrastructure is not able to accommodate any increase in peak flow. Submittal of all future development proposals to the appropriate local government jurisdiction (city) will ensure that post-project peak flow conditions do not exceed pre-project conditions in accordance with RD 833 engineered drainage plans.*

3.4 - Roadways

- 3.4-1 Existing Conditions and Facilities – LOS:** *The most current comprehensive traffic study was completed in 2013 for the 2014 General Plan. Substantial growth would need to occur in the City and surrounding area to raise the level of service to unacceptable for the City of Biggs.*
- 3.4-2 Existing Conditions and Facilities – Roadway Conditions:** *The most current Pavement Management Program (PMP), completed in 2005, has reached its designated life span. An updated PMP should be completed.*
- 3.4-3 Development Impact Fees:** *The City requires the payment of a transportation development impact fee to assist in the development of roadway infrastructure as needed.*
- 3.4-4 Funding:** *Currently, funding for roadways is considered to be inadequate for long-term improvements. Additional funding sources such as an increase in roadway impact fees may become necessary to provide for future development.*
- 3.4-5 Future Roadway Planning:** *The City does not currently have a Capital Improvement Plan (CIP). CIPs are a valuable planning tool for City staff and the City should prioritize the creation of a CIP so that City staff and affected and/or interested agencies have a basis for evaluating the City's ability to manage growth.*

3.5 - Police

- 3.5-1 Existing Conditions and Facilities:** *The Gridley-Biggs Police Department provides police protection and animal control services to the cities of Biggs and Gridley. The department is currently meeting desired levels of service through the existing contract between the two municipalities.*
- 3.5-2 Infrastructure Needs:** *New development west of the railroad tracks may increase the need for an overpass or additional police substation so officers can get from one side of town to the other during emergencies when trains go through the city.*
- 3.5-3 Service Levels:** *The current staffing levels are adequate; however, with new development beyond the year 2020, additional personnel and facilities will be needed.*
- 3.5-4 Development Impact Fees:** *The City monitors development impact fees to ensure adequate funding is available for future PD staffing and facilities needs.*

3.6 - Fire

- 3.6-1 Existing Conditions and Facilities:** *The City is the authorized fire protection service provider and the City has contracted out fire services to the state of California (CAL FIRE). Current staffing and equipment at the Biggs Fire Station is adequate.*
- 3.6-2 Mutual Aid Agreements:** *The mutual aid agreements that exist between the Biggs Fire Department, CAL FIRE, the U.S. Forest Service, and other surrounding local government agency fire departments provide for the fire protection needs of the community and surrounding jurisdictions.*
- 3.6-3 Staffing:** *The Biggs Fire Station is currently adequately staffed. Additional staff will be necessary to accommodate future growth of the city and expansion of the city limits. Increased staffing is addressed through the City's budgeting process.*
- 3.6-4 Facilities and Equipment:** *The existing Biggs Fire Station facilities are adequate; however, increased future growth will require additional equipment and staffing.*
- 3.6-5 Development Impact Fees:** *The City requires the payment of a fire protection development impact fee to assist in the development of fire facilities as needed.*
- 3.6-6 Department Constraints:** *The City and department need to work together to determine future staffing and equipment needs and revise a plan to ensure that funding is available to meet the City's future needs, which may include increasing development impact fees for fire.*

3.7 - Parks

- 3.7-1 Infrastructure Needs and Deficiencies:** *The facility needs for future parks are identified in terms of ratios of park acreage to population rather than as a list of specific projects. The City currently meets its parkland to population ratio standards established in the General Plan. Based on a projected annual growth of 2.95 percent, as established in Table 2.0-2, a total of 16.68 acres of parkland will be required to serve the 2035 population.*
- 3.7-2 Financing, Rate Restructuring Constraints and Opportunities:** *The City has adopted an ordinance to require the dedication of land or payment of an in-lieu fee to provide park and recreation facilities as a requirement of new residential and commercial development. The City needs to plan for capital facilities improvements for park facilities, prioritizing needs according to community demographics and preferences. If a policy for reserves has not been established, such a policy should be adopted.*
- 3.7-3 Management Efficiencies/Cost Avoidance, and Facility-Sharing Opportunities:** *The Public Works Department has an adequate management structure, adequate staffing, and adequate use of cost minimization strategies.*
- 3.7-4 Local Accountability:** *The City provides the public with adequate information and opportunity for input and involvement in City government. The Public Works Department ensures that parks and recreation issues are given adequate attention in public outreach and in public hearings.*
- 3.7-5 Government Structure:** *The City's boundaries are adequate for the parks and recreation services provided.*

3.8 - Solid Waste

- 3.8-1 Existing Conditions and Facilities:** *Waste Management provides solid waste and recycling services to the City of Biggs. The recycling services of Waste Management, mandated by regulatory agencies, will reduce the amount of solid waste sent to the landfill.*
- 3.8-2 Infrastructure Needs and Deficiencies:** *Remaining capacity in the Neal Road Landfill is sufficient to accommodate the anticipated growth in the City of Biggs.*

3.9 - Electricity

- 3.9-1 Infrastructure Needs and Deficiencies:** *Electricity service and capacity are adequate to serve current customers.*
- 3.9-2 Anticipated Demand and Planned Improvements:** *The existing electric system is considered adequate to serve up to 200 new dwelling unit equivalents (DUEs) as of May 2015.*
- 3.9-3 Anticipated Demand and Planned Improvements:** *The City will need a new substation to serve future growth. New development shall pay its fair share percentage for the new substation.*

3.9-4 Facilities: *The City should adopt an action plan prior to any significant expansion to the City's current boundaries to ensure electrical services are available to new residents.*

4.1 - Financing and Rate Restructuring

4.1-1 Historic Performance and Existing Fiscal Status: *Past MSR analysis revealed a shortfall in City funds. However, this appears to have been rectified and the City is in a good financial position.*

4.1-2 Historic Performance and Existing Fiscal Status: *The required expansion of the WWTP has added a large debt to the City's financial structure. However, increased sewer fees as well as acceptable loan terms negated the burden of this necessary improvement. Overall, the City has met its critical objectives, including preservation of the City's fiscal solvency.*

4.1-3 Overview of Existing Rates and Fees: *The City sets rates and fees for planning and public works services; police, animal control, and fire services; impounded vehicles; licensing; parking violations; annexation; and solid waste, electric, sewer, water connection, and usage fees. All other services (e.g., natural gas, cable) are provided by existing providers whose rates are established through mechanisms that are not governed by the City. If and when the City ultimately assumes jurisdiction of areas in the SOI, the City would set the standard rates and fees in these incorporated areas for services provided by the City.*

4.1-4 Development Impact Fees: *The City has been proactive in ensuring the long-term stability of its financial position and appropriate fees and rates, including a development impact fee mechanism so that new development pays for infrastructure.*

4.1-5 Opportunities for Rate/Fee Restructuring: *The City of Biggs fee schedule is subject to periodic comprehensive revisions and updates.*

4.1-6 Proposition 218: *Proposition 218 is not a factor in limiting the City's ability to provide services. Proposition 218 does not apply to an electrical utility, which is a demand-based utility service.*

4.2 - Management Practices and Efficiency

4.2-1 Management Practices: *The overall management structure of the City is sufficient to account for necessary services and to maintain operations in an efficient and effective manner.*

4.2-2 Administrative Services: *The City of Biggs governmental structure contains all of the appropriate administrative departments to properly manage and provide services to a municipality. Due to the small size of the community and relatively low demand placed on government services, the various administrative departments have utilized individuals on a contract basis in order to provide adequate services.*

4.2-3 Cost Avoidance Measures: *The City of Biggs and the various departments utilize an appropriate variety of cost avoidance measures including purchase of pooled insurance, citizen volunteers, interdepartmental staff resource sharing, decentralized operations, mutual aid agreements, information sharing, and grants.*

4.2-4 Cost Efficiency: *The City of Biggs's annual budget process provides the City with an ongoing mechanism to evaluate efficiencies and explore cost avoidance opportunities to bridge the projected gap between revenues and expenditures.*

4.2-5 Impact Fees: *Development impact fees can be charged to match the actual costs of the infrastructure necessary to serve new development.*

4.2-6 Shared Facilities: *The City of Biggs and the various departments utilize an appropriate variety of facilities sharing opportunities including accommodation of all departments in the City Hall building, except for Planning/Code Enforcement, Fire, and Public Works.*

4.3 – Government Structure and Local Accountability

4.3-1 Responsible Government: *The City of Biggs is responsible for governance within its incorporated boundaries. Actions of the City Council, including opportunities for public involvement and public hearing, are regulated in accordance with the Brown Act, other applicable statutes and regulations, and City procedures.*

4.3-2 Public Involvement: *There are sufficient opportunities for local (public) involvement in City activities, and information regarding the City is readily available to members of the public. Agendas and documents for City Council meetings are made available to the public in a timely manner. The City maintains accountability and compliance in its governance, and public meetings appear to be held in compliance with Brown Act requirements.*

4.3-3 Future City Staffing: *As a municipality, the City of Biggs is structured to meet the needs and expectations of urban/suburban levels of development. Significant growth in city territory will result in the need for additional City staffing.*

Summary of SOI Plan Determinations

Attachment B

3.1 – Present and Planned Land Use

SOI DETERMINATION 3-1.A: PRESENT AND PLANNED LAND USE

Within the City of Biggs jurisdictional boundaries and the existing SOI boundary the predominant land use type is residential, representing 63.4 percent and 68.7 percent, respectively.

SOI DETERMINATION 3-1.B: PRESENT AND PLANNED LAND USE

There are limited infill and redevelopment opportunities within the City of Biggs current jurisdictional boundaries and existing Sphere of Influence. The City of Biggs will require additional area outside of their existing SOI to accommodate future population growth. The updated SOI will also facilitate the expansion of the City of Biggs jurisdictional boundaries out to State Highway 99, where commercial, multi-family, and mixed uses are proposed to be located.

SOI DETERMINATION 3-1.C: PRESENT AND PLANNED LAND USE

The City of Biggs General Plan designates the parcels within the updated SOI for various types of land uses, including residential use, commercial uses, industrial uses, and agricultural uses. The Special Planning Districts identified in the City's General Plan will introduce more mixed-use zoning and provide potential for future growth and development in the city. These efforts at mixed use zoning will help mitigate the premature conversion of agricultural lands.

SOI DETERMINATION 3-1.D: PRESENT AND PLANNED LAND USE

The City of Biggs serves an important role by providing municipal services within its existing jurisdictional boundaries. Uses within the City's existing and updated SOI consists primarily of low to high density residential uses, along with public recreation uses, commercial/industrial uses, and agricultural uses. Large portions of the City of Biggs' existing and proposed SOI is designated by the City's General Plan for relatively high levels of development, which will require municipal services to fully implement the City's General Plan. Considering the existing and planned land uses in the area, the City of Biggs is the logical agency to provide urban services to accommodate the planned growth.

SOI DETERMINATION 3-1.E: PRESENT AND PLANNED LAND USE - SPECIAL STUDY AREAS

Two portions of the City of Biggs' updated Sphere of Influence are designated as Special Study Areas pursuant to Butte LAFCo Policy 3.1.10. The Special Study Area designations are consistent with the Biggs-Gridley Area of Concern and denotes that these areas would benefit from City services at some point and would be considered likely areas for annexation into the City of Biggs at some future date. Annexation of the Special Study Areas area to the City of Biggs cannot occur until the Commission removes the special study area designation and assigns a specific sphere category to the area based on anticipated service demands.

SOI DETERMINATION 3-1.F: PRESENT AND PLANNED LAND USE – AGRICULTURAL USES

Prime agricultural lands and agricultural uses are found within the City's updated SOI. A large percentage of the agricultural uses in the City's updated SOI are located within the boundaries of the Biggs-Gridley Area of Concern, which has been identified as the logical growth area for the Cities of Biggs and Gridley. The City of Biggs General Plan designates approximately 905 acres of the updated SOI for various types of agricultural uses.

SOI DETERMINATION 3-1.G: PRESENT AND PLANNED LAND USE – AGRICULTURAL USES

To address the loss of prime agricultural lands due to annexation to the City of Biggs, the LAFCo review process will include a project-specific assessment of the loss of prime farmland and determine appropriate mitigation measures (type and amount). LAFCo will consider Butte LAFCo's Policies regarding the conversion of prime farmland and will consider the City's adopted policies and programs that provide for mitigating the loss of prime farmland within its sphere of influence.

SOI DETERMINATION 3-1.H: PRESENT AND PLANNED LAND USE – WILLIAMSON ACT CONTRACTS

LAFCo has considered the presence of contracted Williamson Act lands within the City's current and updated Sphere of influence. The updated City of Biggs Sphere of Influence does not contain any Williamson Act lands.

3.2 – Present and Probable Need for Public Services and Facilities

SOI DETERMINATION 3-2.A: PRESENT AND PROBABLE NEED FOR PUBLIC SERVICES AND FACILITIES	
	<i>The areas within the City of Biggs’s updated Sphere of Influence will require enhanced municipal services to meet the service demands of new urban development allowed under the City’s General Plan and consistent with the services provided to current City residents.</i>

SOI DETERMINATION 3-2.B: PRESENT AND PROBABLE NEED FOR PUBLIC SERVICES AND FACILITIES	
	<i>The City of Biggs has adequate capacity to provide services to the residents of the City now in the future.</i>

3.3 – Present and Future Capacity of Facilities

SOI DETERMINATION 3-3.A: PRESENT AND FUTURE CAPACITY OF FACILITIES	
	<i>The City generally exhibits characteristics of an effectively managed local government albeit the City’s financial ability is currently constrained following many years of economic stagnation at all levels of government. The City has taken the appropriate steps to resolve its financial problems yet still provide acceptable levels of city services as determined by the elected City Council.</i>

SOI DETERMINATION 3-3.B: PRESENT AND FUTURE CAPACITY OF FACILITIES	
	<i>Currently, the City has the capacity to provide public services to residents and commercial/industrial customers within its city limits. However, approval of the SOI Update, which includes adding additional area to the City’s SOI, will necessitate that the City budget and plan for future infrastructure and service needs prior to annexing any area within the SOI. Upon future annexation, the City will be required to provide proof of capability to deliver police and fire protection, storm water and drainage, wastewater, domestic water, code enforcement, traffic and roads, streetlights, and all other services provided by the City.</i>

SOI DETERMINATION 3-3.C: PRESENT AND FUTURE CAPACITY OF FACILITIES	
	<i>The City will be able to provide services to new development within the updated SOI and continue to provide services to existing residents provided that the policies and standards contained in the City’s General Plan are implemented when considering annexations and development projects.</i>

3.4 – Social and Economic Communities of Interest

SOI DETERMINATION 3-4.A: SOCIAL AND ECONOMIC COMMUNITIES OF INTEREST	
	<i>The social and economic communities within the City of Biggs existing sphere of influence include the City of Biggs and the surrounding unincorporated parcels. The area proposed to be added to the City’s SOI has established substantive social and economic ties with the City of Biggs region.</i>

3.5 – The Present and Probable Need for Those Public Facilities and Services of Any Disadvantaged Unincorporated Communities Within the Existing Sphere of Influence.

SOI DETERMINATION 3-5.A: THE PRESENT AND PROBABLE NEED FOR THOSE PUBLIC FACILITIES AND SERVICES OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN THE EXISTING SPHERE OF INFLUENCE	
	<i>Portions of the City of Biggs’ existing and proposed SOI are identified as a disadvantaged unincorporated community (DUC). The disadvantaged unincorporated communities within the City’s SOI will require City municipal services to facilitate new development and redevelopment. Therefore, there is a present and probable need for City municipal services within the areas designated as disadvantaged unincorporated communities in the City of Biggs’ updated SOI.</i> <i>Prior to future annexations documentation as to the presence of disadvantaged unincorporated communities adjacent to, or nearby, an annexation proposal shall be submitted to LAFCo for its evaluation and possible action.</i>

RESOLUTION NO. 05 2015/16

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

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 Biggs' Sphere of Influence was heretofore requested by the City of Biggs 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 Biggs 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 Biggs 2030 General Plan, adopted by the Biggs City Council on April 8, 2014; 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 Biggs on November 6, 2008, in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.) and due to recent changes in City of Biggs operations and finances it was determined that the 2008 MSR needed to be updated to reflect current City service capabilities; and

WHEREAS, a sphere of influence update mandated by Government Code Section 56425 has been prepared by the Commission for the City of Biggs 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 December 3, 2015, 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

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. On April 8, 2014, the City of Biggs, as Lead Agency, prepared a Draft Environmental Impact Report and certified the Final Environmental Impact Report for the City of Biggs 2030 General Plan and adopted Findings of Fact and a Statement of Overriding Considerations (City of Biggs Resolution Number 2014-06).
- B. The Commission has reviewed and considered the Draft and Final Environmental Impact Reports for the City of Biggs 2030 General Plan, which includes an analysis of the proposed City of Biggs Sphere SOI amendment. The Final Environmental Impact Report consists of the following:
 - (1) Revisions to the Draft Environmental Impact Report prepared by the City of Biggs 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 Biggs 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 and has responded to those comments.
- D. The Commission affirms the Final Environmental Impact Report for the City of Biggs 2030 General Plan and finds that in accordance with CEQA Guidelines Section 15090, the Final Environmental Impact Report for the proposed Sphere of Influence Plan has been completed in compliance with CEQA and was presented to the Commission and 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.
- E. In accordance with CEQA Guidelines Section 15090, the Final Environmental Impact Report reflects the Lead Agency's independent judgment and analysis.
- F. The implementation of the City of Biggs 2030 General Plan and the proposed Sphere of Influence Plan will not have a significant effect on the environment in regards to Aesthetics and Visual Resources, Biological Resources, and Land Use, as identified in Section 4.0 (No Environmental Impacts) of the *Findings of Fact and Statement of Overriding Considerations* adopted by the City of Biggs for the City's 2030 General Plan.

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- G. The implementation of the City of Biggs 2030 General Plan and the proposed Sphere of Influence Plan will result in less than significant environmental impacts without the need for mitigation measures in regards to Aesthetics and Visual Resources, Agricultural Resources, Air Quality, Biological Resources, Cultural and Paleontological Resources, Geology and Soils, Hazards and Hazardous Materials, Hydrology and Water Quality, Land Use, Noise, Population and Housing, Public Services and Utilities, and Transportation and Circulation as identified in Section 5.0 (Less than Significant Environmental Impacts) of the *Findings of Fact and Statement of Overriding Considerations* adopted by the City of Biggs for the City's 2030 General Plan.
- H. The implementation of the City of Biggs 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 Section 6.0 (Significant and Unavoidable Environmental Impacts) of the *Findings of Fact and Statement of Overriding Considerations* adopted by the City of Biggs.
- (1) With respect to the significant, unavoidable impacts detailed in the Final Environmental Impact Report and in Section 6.1 (Agricultural Resources) of the *Findings of Fact and Statement of Overriding Considerations* adopted by the City of Biggs, and found to be relevant to the Commission's action and based on the information set forth in the Final Environmental Impact Report and in the *Findings of Fact and Statement of Overriding Considerations*, the Commission finds and determines that:
- (a) Based on the Draft EIR, the Final EIR, and the whole of the record, the proposed project would result in significant and unavoidable impacts to agricultural resources (loss of and conversion of agricultural land) and that specific economic, legal, social, technological, or other considerations make infeasible the mitigation measures or project alternatives identified in the Final EIR. The Land Use Element and the Conservation, Open Space and Recreation Element of the City of Biggs' 2030 General Plan contains programs and policies aimed at protecting existing agricultural lands and uses. However, these policies would not prevent the conversion of agricultural land to urban uses and cannot reduce the impacts to a level that is less than significant. A certain level of mitigation will be provided by implementation of the policies and programs identified in the Land Use Element and the Conservation, Open Space and Recreation Element and in the Final EIR. There are no feasible mitigation measures or project alternatives that will reduce the impacts to a less than significant level.
- I. 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 Biggs 2030 General Plan, the Final Environmental Impact Report, the City of Biggs 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 Biggs, 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.

- J. 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 Biggs is categorically exempt from CEQA and such exemption was adopted by this Commission on December 3, 2015; 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 Public Review Draft MSR and SOI Plan and in the staff report dated November 23, 2015, for the meeting of December 3, 2015, 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 Biggs 2030 General Plan Land Use Element and the Conservation, Open Space and Recreation Element.
 - (2) The Commission has considered the present and probable need for public facilities and services in the SOI area as described in the City of Biggs SOI Plan and the City of Biggs 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 Biggs Municipal Service Review, the SOI Plan, and the City of Biggs 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 present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.
 - (6) 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.I of this resolution.

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 Biggs:

1. All Commission fees must be paid in full prior to the new sphere of influence becoming effective.
2. LAFCo will apply a heightened level of review when considering proposals for changes of organization (such as an annexation) 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.
3. The Commission has accepted and affirmed the Final Environmental Impact Report for the City of Biggs 2030 General Plan, which is a general policy level action intended to provide a broad discussion of growth boundaries and potential impacts. The City should not expect to solely rely on the 2030 General Plan Final Environmental Impact Report to support or mitigate all project specific impacts identified during the annexation process.

WHEREAS, the Sphere of Influence Plan determinations for the City of Biggs 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 Biggs and updates the sphere of influence for the City of Biggs by adding 149 parcels totaling approximately 1,815 acres, to the City's SOI and removing 7 parcels totaling approximately 37 acres, from the City's SOI, as depicted in Figure 4-1 of the SOI Plan, adopted by the Commission on December 3, 2015; 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 Biggs, dated December 3, 2015. Furthermore, pursuant to powers provided in §56425, the Commission adopts the SOI Plan for the City of Biggs and updates the existing sphere of influence for the City of Biggs, as depicted on Figure 4-1 of the City of Biggs SOI Plan, adopted by the Commission on December 3, 2015.

PASSED AND ADOPTED by this Local Agency Formation Commission of the County of Butte, on the 3rd day of December 2015 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINS:

ATTEST:

Clerk of the Commission

CARL LEVERENZ, Chair
Butte Local Agency Formation Commission