

DATE: April 6, 2007

TO: Members, Local Agency Formation Commission

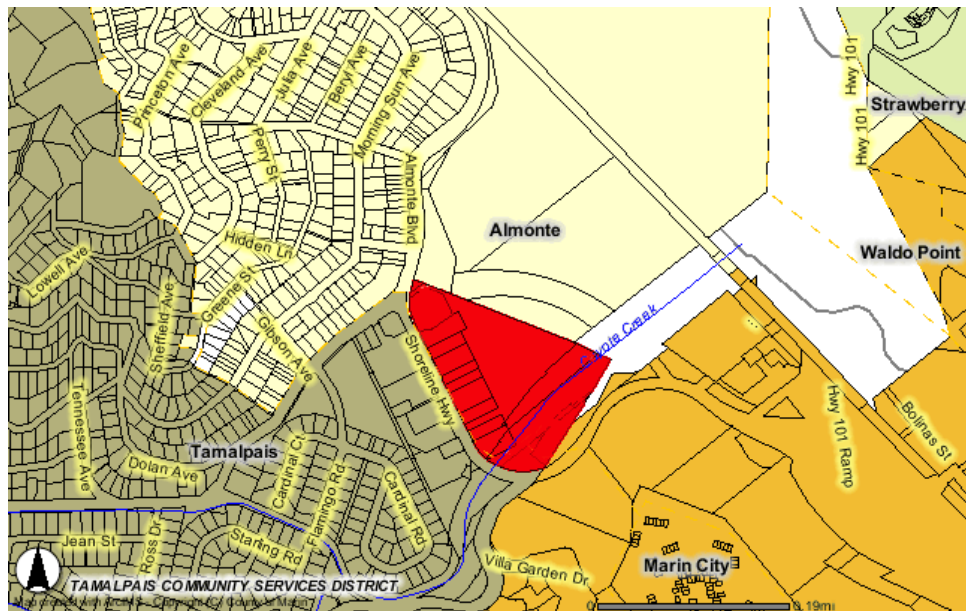
FROM: Peter Banning, Executive Officer

SUBJECT: Executive Officer's Report and Recommendation: **Proposed Reorganization of the Tam Junction Area Including Annexation to Tamalpais Community Services District and Detachment from Almonte Sanitary District (LAFCO File #1280)**

Summary

This proposal requests annexation of 14 acres of land in commercial use to the Tamalpais Community Services District and detachment of the same area from the Almonte Sanitary District (ASD). The affected area, the east side of Shoreline Highway south of its intersection with Almonte Boulevard is known locally Tam Junction. The Tamalpais Community Services District (TCSD) has applied for the reorganization by resolution of its governing board. The purpose of the reorganization is to bring the Tamalpais CSD boundary into conformance with the boundary of the Tamalpais Area Plan of 1992.

On the map below, the proposal area is shown in red; the present jurisdiction of the TCSD is shown in taupe.



General Information

Proposal Description: Annexation to Tamalpais CSD, detachment from Almonte Sanitary District.

Proposal Location: Area east of Shoreline Highway at Almonte Blvd.

No. of Parcels: 20.

Acres: 14 acres.

Development Potential: Would not be affected by this proposal.

Applicants: Tamalpais CSD, by resolution.

Consent of Property Owner(s): No.

Public Hearing Required: Yes.

Number of Registered Voters: 3.

City or County: County.

Assessed Value: \$6,820,333.

Property Tax Exchange: \$2,254, to be shifted from ASD to TCSD. There would be no tax transfer from County General Fund to TCSD under existing County policy.

Current and Proposed Provision of Services

	<u>Current:</u>	<u>If Approved:</u>
Police:	County Sheriff	No Change
Fire:	So. Marin Fire Protection District	No Change
Water:	Marin Municipal Water District	No Change
Sewer:	Almonte Sanitary District	Tamalpais CSD
Parks:	County	Tamalpais CSD

Streets:	County	No Change
Planning:	County + Tamalpais DRB	No Change

Comments of Affected Agencies

Almonte Sanitary District

The governing board of the Almonte Sanitary District has not taken an official position supporting or opposing the proposed reorganization. However, the District's General Manager commented directly to TCSD on the proposal and TCSD included the comments with the application. Almonte Sanitary District comments include:

- Rates paid by ASD property owners in the affected area would substantially increase. What advantage would be provided to ratepayers annexing to TCSD?
- Reorganization would reduce ASD annual revenues by approximately 5%;
- ASD, has a 10-year contract with Mill Valley Refuse Service for solid waste disposal;
- ASD questions the assurance that customers will receive from TCSD at least the current level of service provided by the Almonte Sanitary District (see letter of Bonner Beuhler, General Manager, November 8, 2006, attached).

Comments of Affected Landowners

Mr. Jim Franzi, property owner in the affected area, opposes the proposed reorganization, writing "... I feel the TCSD board will prevent resources generated in the existing TCSD area from being used to fund upgrades and repairs in the areas added to the TCSD district. If TCSD has their way, my sewer rates double in cost and I get isolated when upgrades and repairs take place..." (letter attached)

Other Comments

Ms. Curry Eckelhoff, President of the Tamalpais Valley Improvement Club, writes in favor of the proposed reorganization, including the following points:

- The Tamalpais Community Plan adopted by the County of Marin recommends that the affected area be included in the boundaries of TCSD.
- The proposed reorganization would promote the orderly planning of the Tam Valley area by ensuring that the Mill Valley sphere of influence would not divide the areas on the east and west sides of Shoreline highway. (see letter of March 18, 2007, attached)

Ms. Sharon Rushton, President of the Almonte District Improvement Club, writes in opposition to the proposed reorganization, including the following points:

- Rates and fees paid by affected property owners will increase;
- Resources and reserves generated by existing TCSD rate and taxpayers will not be available for upgrades to sewer facilities in the area affected by the reorganization;
- If funding resources for sewer upgrades in the affected area are not available, delayed repairs could result in contamination of Bothin Marsh;
- Reduction in the area and tax base of the Almonte Sanitary District will decrease the political influence of Almonte residents.

Ms. Rushton's letter further disputes the assertions in the application materials that the staff resources and emergency response capabilities of TCSD are superior to those of Almonte Sanitary District (see letter of April 4, 2007, attached).

Discussion & Analysis

The governing board of the Tamalpais Community Services District (TCSD) has applied to LAFCO for the annexation to the District of 14 acres of land in primarily commercial use and detachment of the same area from Almonte Sanitary District. The annexation area contains 20 parcels on the east side of Shoreline Highway immediately south of the intersection of Shoreline Highway and Almonte Boulevard. The commercial area on the opposite side of Shoreline Highway is already within the TCSD boundary.

The stated purpose of the reorganization is "To bring the Tamalpais Community Services District western boundary in conformance with the boundary shown on the Tamalpais Area Plan 1992." The letter of the District President accompanying the application also cites the desirability of having each service in the Tam Valley area

provided by the same agency (see letter of Jim Jacobs, December 5, 2006, attached). Currently, the area proposed for annexation receives sewer, solid waste and park and recreation services from Almonte Sanitary District, Marin Refuse and County of Marin rather than from TCSD which provides those services elsewhere in Tam Valley. The President's letter also cites the goals of the Tamalpais Area Community Plan, including preservation of the semi-rural community character of the area) and the staff resources and facilities of TCSD to address those goals on behalf of the landowners in the area affected by the proposed reorganization. The proposal is consistent with, or may be construed to be consistent with, the following adopted LAFCO policies in Chapter II, Section 2:

A. Conformance with Political, Natural and Man Made Boundaries:

To the greatest possible extent, boundaries should follow existing political boundaries, and natural or man made features such as streams, lakes, natural terrain, railroad tracks, and freeways. Where boundaries do not meet this standard, the proponent may be required to provide justification for the nonconformance to this standard. (§56668)

B. Conformance with City or County General and Specific Plans:

Proposals shall be consistent with the appropriate city or county general, specific or community plans. Where the proposal does not abide by these plans, the proponent shall specify the reasons for plan nonconformance. (§56668)

The proposal does not conform to the present boundaries or spheres of influence of TCSD or ASD, but would bring both sides of Shoreline Highway into the jurisdiction of TCSD (which serves all other parts of Tam Valley) and conform to the boundary of the 1992 Area Plan. Other than the planning area boundary, no other part of the Tamalpais Area Plan addresses special district boundary or jurisdictional issues.

The District's application recognizes that rates charged by TCSD for sewer and solid waste disposal are higher than those presently charged by ASD. The District is prepared to maintain present rates for a five year period following annexation. LAFCO could approve the proposal subject to terms and conditions requiring TCSD to designate a rate zone for the affected area and the preservation of current ASD rates for a specified and limited period of time. However, the prospect of administration of a separate rate zone, the subsidy of TCSD service costs inherent in the rate differential and the lack of tangible benefit of the reorganization either for property owners or TCSD tend to undermine the justification for approval.

As stated earlier, sewer and solid waste disposal rates are higher in TCSD than in Almonte Sanitary District - \$500 vs. \$250 per year for sewer service and \$350 to \$540 vs \$233 to \$266 per year for solid waste for TCSD and ASD respectively. Staff has received no objective information differentiating services provided by the two districts in terms of service levels, quality or reliability other than the fact that TCSD does provide staffing and its own customer response for all services the District provides.

An estimated total of \$2,250 in property tax revenues would be shifted from Almonte Sanitary District to TCSD if the proposed reorganization is approved. No transfer to property tax from the County's General Fund to TCSD would be forthcoming under the County's existing policies and procedures. Approval of the proposal would neither result in additional revenue for TCSD's park and recreation services nor create new demand for those services.

The purpose of the proposed reorganization - to bring the Tamalpais Community Services District boundary into conformance with the boundary shown on the Tamalpais Area Plan - implies TCSD's interest in being involved in land use and planning decisions to a greater degree than at present. Under the provisions of SB 135 last year, community services districts such as TCSD can take on a greater role as multi-purpose local government agencies, functioning as municipal advisory committees or as area planning commissions appointed by the County Board of Supervisors to advise them on general community issues or specifically on land use planning matters.

In this case, the presence of the Tamalpais Design Review Board (with its jurisdiction including Tam Valley, Almonte, Homestead Valley and Muir Woods Park) would tend to preclude TCSD's functioning as an area planning commission, thereby having direct involvement in the implementation of the adopted Tamalpais Area Plan of 1992. TCSD is able to provide input to community planning matters affecting its jurisdiction with or without approval of the proposed reorganization. The District's desire for conformance of TCSD boundaries with the Tamalpais Area Community Plan that would be afforded by the proposed reorganization is logical and intuitively appealing, but provides no discernable advantage to inhabitants of TCSD or affected property owners.

The table below summarizes the factors that LAFCO must consider when evaluating a proposal, including items discussed in the paragraphs above. On balance, staff cannot identify sufficient justification for approval of the proposal that would override the negative impacts on affected property owners.

Spheres of Influence

The proposed reorganization is not consistent with the adopted spheres of influence for Almonte Sanitary District or Tamalpais Community Services District. The issues involved in amending the districts' spheres of influence are not easily distinguished from the issues raised by the proposed boundary change. Therefore, no separate analysis or discussion is provided.

Factors to Be Considered

Government Code Section 56668 sets out factors that must be considered by LAFCO in acting on a proposed change of organization. The following table summarizes those factors and how they apply to the Tam Junction Reorganization.

**Summary: Proposal Consistency with Government Code Section 56668
Factors to be Considered**

Factor To be Considered	Policy/Statute Consistency
Population & growth potential during the next ten years. §56668a	Affected area contains three housing units incidental to commercial land uses. Proposal will not affect population growth.
Need for organized community services; cost and adequacy of services; effect of proposal on cost and adequacy of services §56668b	Both TCSD and ASD provide adequate sewer and solid waste services. TCSD recreational services available to affected area, which creates very limited demand. Reorganization will immediately or eventually result in increased sewer & solid waste disposal rates for affected property owners.
Effect of proposal and alternatives on social and economic interests and on local governmental structure §56668c	Proposal would unify sewer, solid waste & recreation services for all areas of Tam Valley and bring the Tam CSD boundary into conformance with the Tam Community planning area boundary.
Consistency of proposal & its effects with both adopted commission policies & policies & priorities in Section 56377. §56668d	The proposal will have no effect on the conversion or preservation of agricultural or open space land uses that are the concern of Government Code Section 56377.
Proposal effect on maintaining physical and economic integrity of agricultural lands. §56668e	Proposal will have no effect on agricultural lands.
Definiteness & certainty of proposal boundaries & other matters affecting proposed boundaries. §56668f	Proposal boundaries are definite & certain and consistent with adopted standards
Consistency with city or county general and specific plans. §56668g	Consistent.
Consistency with relevant adopted spheres of influence. §56668h	Not consistent. Requires amendment to spheres of influence of Tamalpais CSD and Almonte Sanitary District.
Comments of affected local agencies. §56668i	See page 3.

<p>Ability of affected agencies to provide requested services. §56668j</p>	<p>Sanitary sewer service & solid waste disposal are available from either TCSD or ASD. Park and recreation services available from TCSD.</p>
<p>Timely availability of adequate water supplies. §56668k</p>	<p>No additional demand for water service. Water service currently provided by MMWD not affected by this proposal.</p>
<p>The extent to which the proposal will assist in achieving fair share of regional housing needs. §56668l</p>	<p>Proposal would have no affect on regional housing needs.</p>
<p>Information or comments from landowner(s). §56668m</p>	<p>One landowner has commented opposing the proposal. See page 3 and attached letter.</p>
<p>Information relating to existing land use designations. §56668n</p>	<p>Applicable general plan and zoning designations are those defined in the entirety of the General Plan and Zoning Ordinance adopted by the County of Marin.</p>
<p>Whether the proposal will be in the interest of the landowners or present and future inhabitants of the affected agency(ies) §56668.e(1)</p>	<p>Affected property owners will eventually be subject to higher rates for sewer & solid waste disposal charged by TCSD for services already available to them. The conformance of TCSD boundaries with the Tam Community Plan afforded by the proposal is logical, but provides no discernable advantage to inhabitants of TCSD or affected property owners.</p>
<p>The commission's resolution making determinations. §56668.e(2)</p>	<p>Draft resolution attached to staff report.</p>
<p>Resolution objecting to the proposal action filed by affected agencies (the Commission's consideration shall be based only on financial or service related concerns). §56668.e(4)</p>	<p>Although Almonte Sanitary District did not adopt a resolution objecting to the proposal, the District has commented on the proposal's impacts. See page 3.</p>
<p>Any other matters, which the commission deems material. §56668.e(5)</p>	<p>--</p>
<p>Marin LAFCO adopted Policies, Procedures & Guidelines, Chapter III, including Dual Annexation Policy</p>	<p>Consistent with LAFCO's adopted policies in sections II.2.C and D.</p>

Protest Process

Because this proposal was initiated by resolution of the TCSD Board, it does not enjoy the written consent of 100% of the affected property owners. If the proposal is approved, it will be subject to protest proceedings pursuant to Government Code Section 57000 and Chapter III, Section 4. B of Marin LAFCO's adopted Policies, Procedures and Guidelines. At the protest hearing, the proposal could be terminated if the Commission receives the written protest by petition of more than 50% of affected property owners owning more than 50% of assessed value of land in the affected area.

Environmental Review

This proposal is exempt from the provisions of the California Environmental Quality Act (CEQA) under Section 15320 of the State CEQA Guidelines which provides exemption for annexations in which there is no change in the territory in which previously existing powers of local government are exercised.

Recommendation

The District's desire for conformance of TCSD boundaries with the Tamalpais Area Community Plan that would be afforded by the proposed reorganization is logical and intuitively appealing, but provides no discernable advantage to inhabitants of TCSD or affected property owners. The Commission should therefore deny the proposed reorganization unless proponents can provide additional justification for changes to the boundaries of TCSD and ASD.

Recommended Commission Action, by Resolution:

1. Adopt a resolution making determinations denying the proposed Reorganization of the Tam Junction Area (File #1280).

Respectfully submitted,

Peter V. Banning
Executive Officer