

DATE: October 5, 2007

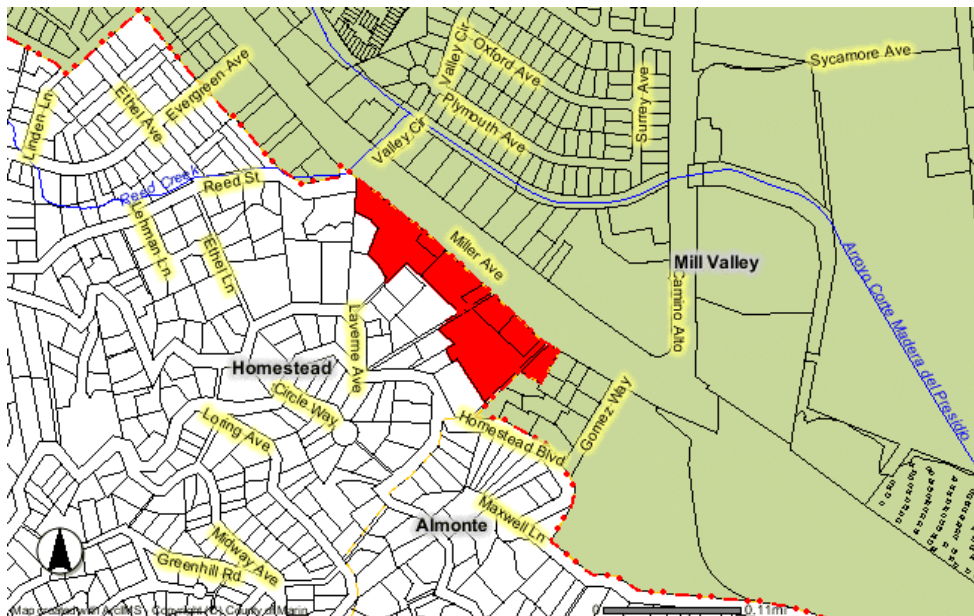
TO: Members, Local Agency Formation Commission

FROM: Peter Banning, Executive Officer

SUBJECT: Executive Officer's Report and Recommendation:
Reorganization of the Lands of Von der Werth et al Including Annexation to the City of Mill Valley and Detachments from Homestead Valley and Almonte Sanitary and Southern Marin Fire Protection Districts (File #1287)

Summary

This proposal has been submitted by petition of two of a total of nine property owners within a 5.03 acre unincorporated area fronting on Miller Avenue at Reed Street. The proposal includes annexation to the City of Mill Valley and detachment of the entire area from Southern Marin Fire Protection District and detachment of portions of the area from Homestead Valley and Almonte Sanitary Districts. The entire area has been pre-zoned by the City of Mill Valley and development approvals granted for two project sites owned by the co-applicants. City-approved development permits for the "mixed-use project" include 22 modular studio, one and two-bedroom residential units, a restaurant and four commercial spaces. The "residential project" includes seven single family and four duplex residential units. The proposal area also includes existing commercial uses on Miller Avenue between the two developing sites. Staff recommends approval.



General Information

Proposal Description: Annexation to the City Mill Valley, detachment from Southern Marin FPD, Homestead and Almonte Sanitary Districts and CSA#14.

Proposal Location: Miller Avenue at Reed Street, Mill Valley.

No. of Parcels: 10.

Acres: 5.03 acres.

Development Potential: 37 residential units, 1,600 square feet of commercial space

Applicants: Joel Coopersmith, 30 Heron Dr., Mill Valley, CA 94941
Al von der Werth, P.O. Box 1707, Mill Valley CA 94941

Consent of Property Owner(s): 52%.

Public Hearing Required: Yes.

Number of Registered Voters: 3.

City or County: County.

Assessed Value: \$4,461,604

Property Tax Exchange: \$17,319 (estimate includes amounts from city/county master property tax transfer agreement plus tax increments from County Library, Southern Marin FPD, Homestead & Almonte Sanitary Districts and CSA#14).

Current and Proposed Provision of Services

	<u>Current:</u>	<u>If Approved:</u>
Police:	County of Marin	City of Mill Valley
Fire:	County of Marin	City of Mill Valley
Water:	Marin Municipal Water District	No Change
Sewer:	Almonte/Homestead Valley San.	City of Mill Valley
Streets:	County of Marin	City of Mill Valley
Planning:	County of Marin	City of Mill Valley

Comments of Affected Agencies

City of Mill Valley:

The City of Mill Valley has adopted resolutions approving pre-zoning and amendment of its general plan and certifying the Final Environmental Impact Report for the affected area, including the two proposed development projects.

County Community Development Agency (CDA)

CDA staff reports that the proposal area lies in several different general plan designations including general commercial, multiple family and single family classifications. Similarly, zoning designations vary and include Retail Business (C-1-H), General Commercial (C-2-H) and Multiple Residence (R-3:G-3-H). Staff reports planned or potential growth in the area under County ordinances as 8 residential units and 24,319 square feet of commercial space.

Homestead Valley Sanitary District

The Homestead Valley Sanitary District (HVSD) has submitted a letter and resolution approving the proposed reorganization with a condition that a sewer easement be preserved on APN 048-134-27 sufficient to protect the District's sewer main "... from damage resulting from construction nor other activities within the easement, and insuring HVSD's employees, consultants and contractors with the right of continued future access for the purpose of inspection, maintenance and/or possible replacement of the sewer..." (See Attachment B). Staff understands the District's action as a request that LAFCO attach the above language as a term and condition of approval of the proposed reorganization under Government Code Section 56886(h).

Discussion & Analysis

Applicants for this reorganization seek to develop two separate vacant sites and obtain services from the City of Mill Valley. The 5.03 acre area proposed for reorganization is the only unincorporated area fronting on Miller Avenue between Tamalpais High School and the town center. The affected area includes existing commercial uses¹ between the two developing sites in order to eliminate an irregular city boundary and avoid the creation of an unincorporated "island" area surrounded by the City's jurisdiction.

The City of Mill Valley has pre-zoned the reorganization area and adopted an environmental impact report as lead agency pursuant to the California Environmental Quality Act (CEQA) for both projects entitled *Miller Avenue Annexation & Development Environmental Impact Report*. Marin LAFCO will use the same EIR acting as a responsible agency under CEQA (see Environmental Review, below).

¹ Taco Bell/KFC w/ parking lot, Acupuncture office, children's clothing, veterinary clinic.

The City has granted pre-zoning and general plan amendment approvals to accommodate further development review following annexation. If the proposed reorganization is approved, the City will assume service responsibilities from the County, Southern Marin Fire Protection District, County Library, Homestead Valley and Almonte Sanitary Districts, and CSA#14. Under Section 99 of the Revenue and Taxation Code and current implementing practices and agreements, each of these agencies will transfer property tax revenue to the City as estimated below:

<u>Agency/Fund</u>	<u>Estimated Prop. Tax Transfer</u>
County General	6,619
County Library	1,527
Almonte Sanitary	332
Homestead Sanitary	1,116
So. Marin Fire Protection	6,913
CSA #14	872
Total property tax transfer to City of Mill Valley:	\$17,319

As shown in the listing above, fiscal impacts on agencies detaching territory in the course of the proposed reorganization are not substantial. In addition, the location of the proposal area with access from Miller Avenue indicates that the City of Mill Valley is the logical provider of municipal services to the area and has likely provided services to the area in the past.

The proposal does not enjoy 100% written consent of all affected property owners. All affected property owners have been given notice of the proposal and its public hearings pursuant to applicable provisions of the Cortese-Knox-Hertzberg Act and will receive written notice of protest proceedings if the application is approved.

Property owners in the area affected by the reorganization would be subject to taxes and charges levied by the City of Mill Valley including a storm water runoff charge of \$15/parcel, a library bond charge of approximately \$52, and a municipal services tax of \$145/unit (some variation for multiple-family units and commercial property). The City's sanitation charge is \$297 per year (Homestead Valley Sanitary District currently charges \$250 per equivalent dwelling unit). Mill Valley also charges a business license tax on gross receipts for three classes of local businesses.² The businesses that would be affected by the proposed reorganization are presently charged a business license tax under the County's ordinances.

Homestead Valley Sanitary District has identified one of the affected parcels in the proposal area (APN 048-134-27) as the location of a 6" HVSD sewer main connecting as much as 20% of Homestead Valley between Homestead Boulevard and LaVerne Avenue to the trunk

² The City's business license tax schedule and definitions can be found on the City's website at <http://www.cityofmillvalley.org/municode-title5.pdf> (Municipal Code, Title 5, Section 5.08.200, page 5-9).

sewer main in Miller Avenue operated by the Sewerage Authority of Southern Marin. As noted above, the District has requested that LAFCO attach terms and conditions to its approval of the proposal to safeguard the District's ability to access and maintain the sewer. No existing easement over APN 048-134-27 currently ensures the District's maintenance access.

Environmental Review

The City of Mill Valley, acting as lead agency under the California Environmental Quality Act, has adopted Resolution No. 78-06 certifying the Environmental Impact Report for this project entitled Miller Avenue Annexation & Development and a program for mitigating and monitoring project impacts. The City's analysis covers both the residential and mixed-use projects as well as the Commission's role in annexation of the project area to the City (see page 4-10). The City's EIR is attached to this staff report for the Commission's consideration as a responsible agency under CEQA.

Recommendation

The proposed annexation is consistent with the adopted sphere of influence of the City of Mill Valley and other LAFCO policies as listed in Attachment A. The City is able to extend the needed services to the subject area. Staff recommends approval, subject to terms and conditions listed below.

Recommended Commission Action, by Resolution:

1. Certify that the Commission has reviewed and considered the Environmental Impact Report prepared for this project by the City of Mill Valley.
2. Find that changes or alterations to the project and mitigation measures to lessen environmental effects to less than significant levels as identified in the *Final Environmental Impact Report* are within the responsibility of the City of Mill Valley and not LAFCO. The City of Mill Valley, acting as lead agency, has adopted a mitigation monitoring and reporting plan in which the City staff is responsible for compliance and is empowered to sanction non-compliance.
3. Adopt a resolution making determinations approving the proposed Reorganization of the Lands of Von der Werth et al including annexation to the City of Mill Valley, detachment of the entire area from Southern Marin Fire Protection District and detachment of portions of the area from Homestead Valley and Almonte Sanitary Districts and County Service Area #14 as shown on Exhibits A and B subject to the following conditions:

- A. The applicant shall secure an easement from the owner of Assessor's Parcel Number 048-134-27 sufficient to protect the sewer main within that parcel from damage from construction or other activity within the easement and to ensure maintenance access to the sewer main for the employees, consultants and contractors of the Homestead Sanitary District and the City of Mill Valley, with the right of continued future access for the purpose of inspection, maintenance and/or possible replacement of the sewer.
 - B. The applicant shall provide additional maps and legal descriptions of separate areas within the reorganization area to be detached from the Homestead Valley Sanitary and Almonte Sanitary Districts meeting the technical requirements of the State Board of Equalization.
4. Direct staff to conduct protest proceedings pursuant to Government Code §57000 and in accordance with policies and procedures adopted by the Commission.

Respectfully submitted,

Peter V. Banning
Executive Officer