




BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: CEO
Department No.: 012
For Agenda Of: 8/21/07
Placement: Departmental
Estimated Tme: 20 minutes
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Michael F. Brown, County Executive Officer
Director(s)
Contact Info:  Ron Cortez, Deputy County Executive Officer, 568.3400
SUBJECT: Santa Maria Wastewater Treatment Plant Reorganization, Detachment from County Fire District and Mosquito and Vector Management District

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence:

Recommended Actions:

That the Board of Supervisors receive a report on the Santa Maria Wastewater Treatment Plant Reorganization and

- (A) Adopt a resolution of negotiated tax exchange agreement between the City of Santa Maria and the County which detaches the subject parcels from the County Fire Protection District and the Mosquito and Vector Management District and annexes the parcels to the City of Santa Maria.
- (B) Approve a Memorandum of Understanding between the City of Santa Maria and the County on associated issues related to the Wastewater Treatment Plant Reorganization.

Summary Text:

The County received a request from the Local Agency Formation Commission (LAFCO) to prepare an exchange of property tax revenues for the application known as the Santa Maria Wastewater Treatment Plant Reorganization (LAFCO 07-008). The purpose of the request includes:

- (A) Annexation of approximately 267 acres to the City of Santa Maria for the expansion of wastewater treatment plant activities such as the construction of percolation ponds and groundwater recharge ponds as well as the possible co-location of other public and semi-public land uses (such as the relocation of an animal shelter, City Corporation Yard and Police Department Vehicle Impound Yard).
- (B) Sphere of Influence Amendment to add approximately 254 acres to the City's Sphere since the proposed area listed in (A) is not within the current sphere of influence.

The project site is located approximately 4 miles west of US Highway 101, northwest to the City of Santa Maria, bound to the west by Black Road and to the south by the Santa Maria Railroad, bisected by Stowell Road. The treatment plant is located northwest of this site.

The County and City have been in discussion regarding the Wastewater Treatment Plant Reorganization to determine the current and potential future impacts of the plant's expansion and amended sphere of influence on the County. The issues that have been under consideration as they pertain to this annexation include:

1. Protection of Agriculture and Open Space/ Williamson Act Enforcement:

Several of the affected parcels are considered to be prime agricultural lands and 240 acres of the land proposed for annexation to the City are currently held under, and restricted in use by, County Agricultural Preserve contracts. Such contracts are legally binding between the landowner and the County. Further, the County is obligated to administer and enforce Williamson contracts under the provisions of state law.

The Reorganization proposes to annex the land for two specific purposes (1) for percolation and recharge ponds related to the treatment plant and (2) for the co-location of a number of public and semi-public facilities (Humane Society, proposed City Corporation yard, City Police Department storage for impound vehicles) adjacent to the proposed wastewater treatment facility. The County, as the administrator of the Williamson Act via its Uniform Rules, has stipulated actions to ensure that the proposed uses on the land are compatible with the Uniform Rules. Specifically, the County is proposing that prior to recordation of the Reorganization, the City of Santa Maria shall provide a full project description to the County's Agricultural Preserve Advisory Committee (APAC) in order for the APAC to make a determination as to the consistency of the project with the County of Santa Barbara's Uniform Rules or the City will succeed to the Williamson Act contract for the subject parcels and administer the contract in accordance with the County's Uniform Rules until such time, if any, as City adopts its own Uniform Rules.

2. Redistribution of RHNA Credit

The City's LAFCO application calls for the plant's capacity to increase by 3 million gallons of effluent capacity (a 30% increase in capacity) to allow increased buildout as stated in the City's General Plan. If the expansion of the plant's capacity facilitates additional residential development, the City and the County have agreed to a proposal to allow the County to receive a minimum 50% credit related to the Regional Housing Needs Assessment (RHNA) for future housing until Assembly Bill 1019 becomes effective on January 1, 2008.

3. Laguna Sanitation District

At this point in time, no application has been received for a correlated detachment of the subject parcels of the Wastewater Treatment Plant reorganization from the Laguna Sanitation District. However, the City and County have agreed that the City will not seek to detach territory as a result of this expansion from the boundaries of the Laguna Sanitation District with respect to future annexations to the City of Santa Maria, unless mutually agreed to by the City and Laguna Sanitation District. Both the City and the County are committed to ensuring that service delivery is provided to area residents located in Orcutt and Santa Maria in the most effective and efficient manner.

4. County Services and Revenue

If the County's approval of the expansion of the plant shall lead to future development that will be subject to an annexation, the County and City will negotiate a property tax exchange for these annexations.

Background:

According to the LAFCO Proposal Justification submitted by the City of Santa Maria:

This proposal is to include within the City of Santa Maria additional land for the expansion of activities related to the City's wastewater treatment facilities and possibility other City functions. The City already owns the territory.

Sphere of Influence Amendment to add approximately 254 acres to the Sphere; Annexation of approximately 267 acres to City of Santa Maria; and Detachment of this same area from the Santa Barbara County Fire Protection District and the Santa Barbara County Coastal Vector Control District. Exhibit 1 depicts the proposed addition to the Sphere of Influence and Exhibit 2 presents the proposed annexation boundaries.

The City acquired approximately 240 acres immediately east of the City's Wastewater Treatment Plant on Black Road for the purpose of constructing percolation ponds and groundwater recharge ponds for treated wastewater from the Treatment Plant. With reference to Exhibit 3, Area A indicates the approximate location of the future ponds. In addition, the acquisition of this site provided the opportunity to co-locate other public and semi-public land uses which may not be compatible with future or established residential areas. Specifically, the following land uses would be located in this area: the Animal Shelter operated by the Santa Maria Valley Humane Society would be relocated to Area B (approximately 4 acres) from its present location at 751 South Black Road; a City Corporation Yard would be constructed in Area C (approximately 20 acres); and a police Department Impound Yard for motor vehicles would be located in Area D (approximately 12 acres). The remaining land within the Annexation Area would be used for expansion area for any or all of these facilities, and would be used for agricultural operations in the interim. There are no other discretionary actions processed at this time, although future construction of the Police Impound Yard, Animal Shelter, and Corporation Yard may require appropriate project review permits.

This item is being placed on the Board's agenda because the Board of Supervisors must approve a resolution of a negotiated exchange of property tax revenues as per Section 99 of the Revenue and Taxation Code before the annexation is forwarded to LAFCO for approval. In addition to the resolution, it is recommended that the Board consider approving a memorandum of understanding (MOU) between the City of Santa Maria and the County regarding the treatment plant expansion and amended sphere of influence. The resolution of a negotiated exchange of property tax revenues does not address other issues that have been negotiated between governmental entities. Thus, the recommended Board action to adopt the resolution is contingent on the approval of the MOU. The MOU serves to legally codify the understanding that has been reached between the City of Santa Maria and the County on other issues associated with the Wastewater Treatment Plant Reorganization.

Fiscal and Facilities Impacts: Fiscal/Property Tax Exchange: These parcels generate \$28,503 in various property taxes of which \$3,641 or about 12% is allocated to the County's Fire Protection District. Per the annexation request, the parcels would detach from the County Fire Protection District, and, per the attached resolution of negotiated property tax exchange, the allocated taxes associated with the Fire District would be allocated to the City of Santa Maria. However, any future development that is facilitated by the County's approval of the treatment plant's expansion shall be subject to future

negotiations regarding property taxes, as stated in the attached MOU. The MOU also reiterates the service boundaries for the Laguna Sanitation District as an effort to clearly demarcate the current and future customer base of Laguna and its subsequent projected rates.

Housing: The attached MOU stipulates that the County shall receive a minimum of a 50% credit of Regional Housing Needs Assessment (RHNA) for any additional housing supply that is made possible by the expansion of the treatment plant, until AB 1019 becomes effective. This principle is consistent with policy adopted by the Board on July 17, 2007. This agreement may help facilitate the County's ability to comply with its Housing Element.

Agriculture: Since the City has agreed to either present the proposed use(s) of the lands under Williamson Act contract to the Agricultural Preserve Advisory Committee to determine the use(s) compatible with agriculture or administer the contracts in accordance with the County's Uniform Rules, or the City's own Rules if such Rules should be adopted, there should not be any foreseeable negative impacts to agriculture.

Staffing Impacts:

Legal Positions:

N/A

FTEs:

N/A

Special Instructions:

Direct the Clerk of the Board to send a certified copy of the Resolution, Memorandum of Understanding and minute order to:

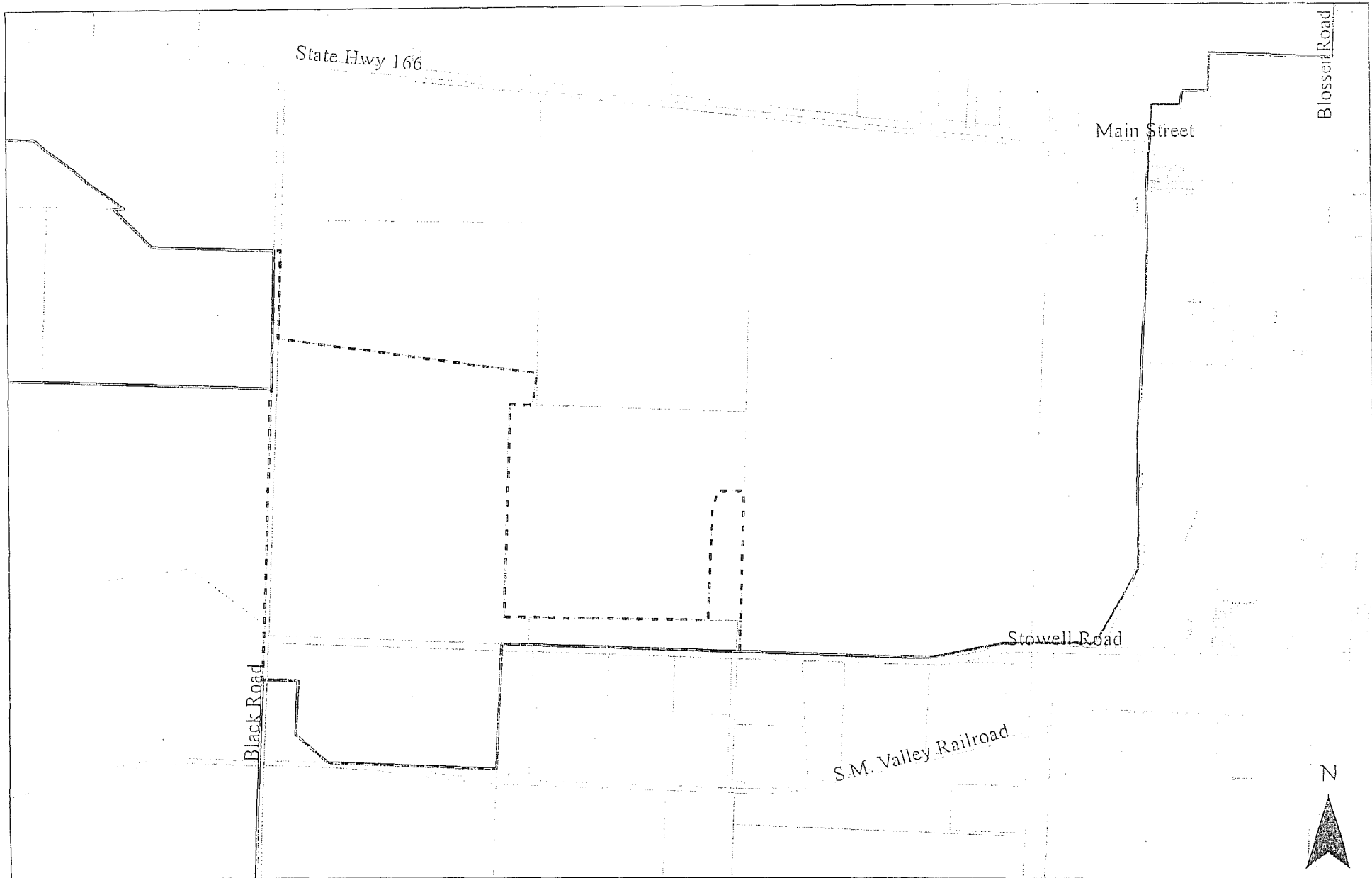
- Sharon Friedrichsen, County Executive Office
- Bob Geis, CPA, Auditor-Controller
- Tim Ness, City Manager, City of Santa Maria
- Bob Braitman, Executive Officer, LAFCO

Attachments:

- (1) EXHIBITS 1, 2 AND 3 FROM LAFCO APPLICATION
- (2) A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA BARBARA IN THE MATTER OF PROVIDING FOR A NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES PERTAINING TO THE WASTEWATER TREATMENT PLANT REORGANIZATION, LAFCO PROPOSAL 07 -008: AN ANNEXATION TO THE CITY OF SANTA MARIA, DETACHMENT FROM THE SANTA BARBARA COUNTY FIRE PROTECTION DISTRICT AND MOSQUITO AND VECTOR MANAGEMENT DISTRICT
- (3) MEMORANDUM OF UNDERSTANDING REGARDING THE WASTEWATER TREATMENT PLANT REORGANIZATION, LAFCO PROPOSAL 07 -008
- (4) PLANNING AND DEVELOPMENT REPORTBACK
- (5) MAP "PROPOSED ADDITION TO CITY SPHERE OF INFLUENCE AND WASTEWATER TREATMENT PLANT ANNEXATION"

CC:

Bob Braitman, Executive Officer, LAFCO
Tim Ness, City Manager, City of Santa Maria
John Baker, Director, Planning and Development
John McInnes, Director, Office of Long Range Planning
Michael Ledbetter, County Counsel
Ed Price, Auditor-Controller's Office



**Exhibit 1- Proposed Addition
to Sphere of Influence**

**Santa Maria Wastewater
Treatment Plant Annexation (AN-106)**

Legend

- - - Proposed Sphere of Interest Expansion Area Boundary
- ▭ Present Sphere of Interest Boundary







**Exhibit 2- Proposed
Reorganization Project Site**

**Santa Maria Wastewater
Treatment Plant Annexation (AN-106)**

Legend

-  City Limits
-  Proposed Reorganization Project Site



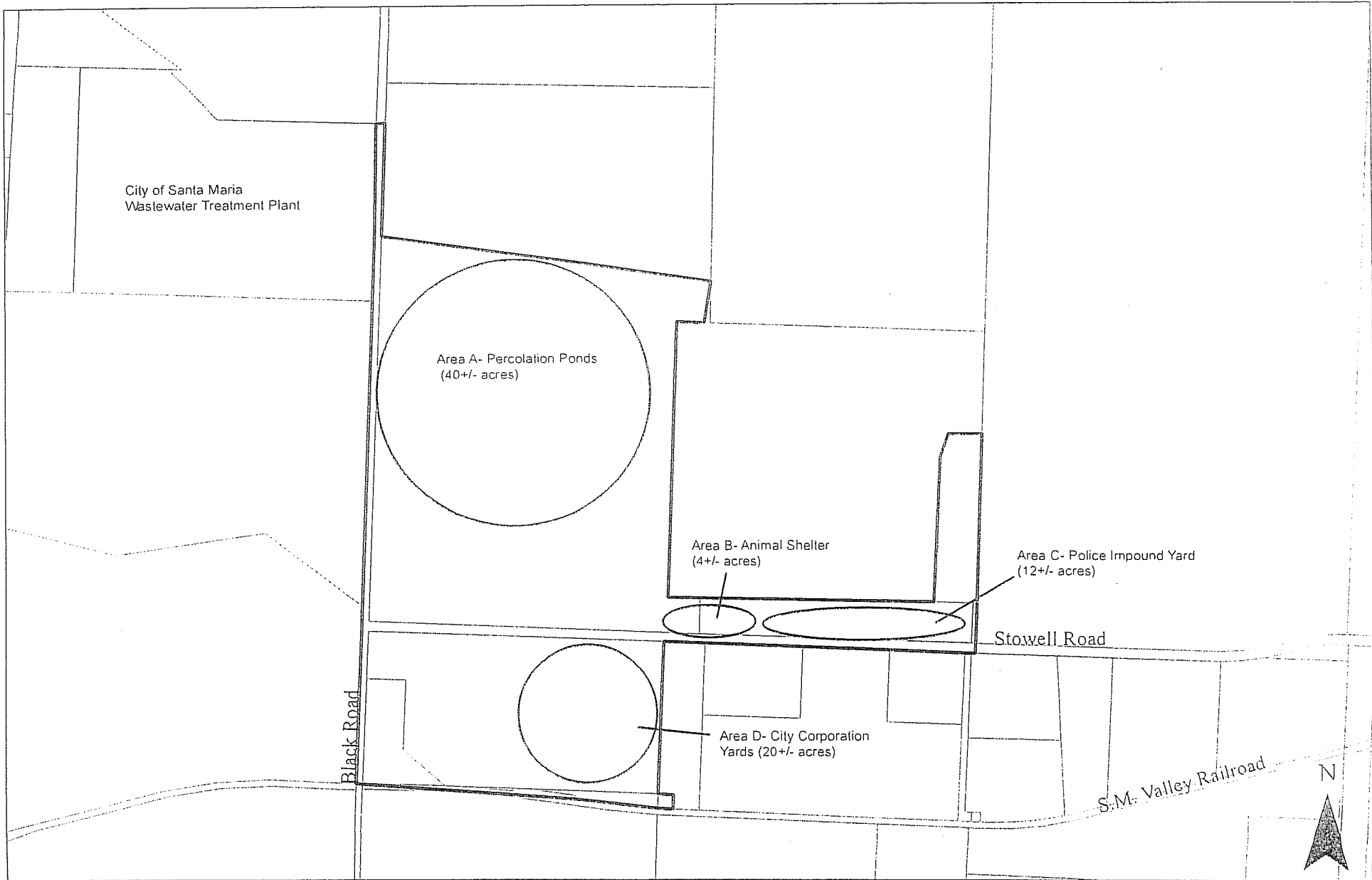


Exhibit 3- Proposed Land Uses within Project Site

Santa Maria Wastewater Treatment Plant Annexation (AN-106)

Legend

— Proposed Sphere of Interest Expansion



A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA BARBARA IN THE MATTER OF PROVIDING FOR A NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES PERTAINING TO THE WASTEWATER TREATMENT PLANT REORGANIZATION, LAFCO PROPOSAL 07 -008: AN ANNEXATION TO THE CITY OF SANTA MARIA, DETACHMENT FROM THE SANTA BARBARA COUNTY FIRE PROTECTION DISTRICT AND FROM THE MOSQUITO AND VECTOR MANAGEMENT DISTRICT OF SANTA BARBARA COUNTY

WHEREAS, Section 99 of the Revenue and Taxation Code of the State of California provides that no change of jurisdictional boundaries shall become effective until each city and county whose service areas or service responsibilities would be altered by such change agree by resolution to a negotiated exchange of property tax revenue; and

WHEREAS, the City of Santa Maria (CITY) and the County of Santa Barbara (COUNTY) have negotiated and reached a mutually acceptable agreement for an exchange of property tax revenue for the proposed reorganization which is commonly referred to as the Wastewater Treat Plant Reorganization.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of the County of Santa Barbara approves and adopts the following formula for the exchange of property tax revenue from the subject property:

1. Definitions:

a. "Reorganization" shall mean the recordation by LAFCO of a certificate of completion and the filing by LAFCO with the State Board of Equalization and the Santa Barbara County Assessor of a statement of boundary change pursuant to Government Code Section 54900 et seq., annexing the area to the City of Santa Maria.

b. "Property tax revenue" shall include the base property tax revenue and the property tax increment.

2. The Auditor-Controller of Santa Barbara County shall allocate to the CITY and the COUNTY General Fund those portions of the property tax revenue generated from the parcels making up the Wastewater Treatment Plant Reorganization area as expressed in LAFCO Proposal 07-0008, which otherwise would be allocated to the Santa Barbara County Fire Protection District and the Vector Management District. The CITY's future share of the allocation shall be equal to 11.99868919 percent of taxes generated by these parcels with any shortfall or overage being allocated from/to the COUNTY General Fund

3. Payment to CITY and COUNTY General Fund will commence the first full fiscal year for which the change in property tax allocation specified by this resolution and the corresponding adjustments to affected tax rate allocation system becomes effective as specified by the State Board of Equalization in accordance with Government Code Section 54902. At the time of adoption of this resolution, that is anticipated to be fiscal year 2008-2009.

4. Should LAFCO include any additional parcels to this proposal prior its recordation, the same allocated percentage as set forth in paragraph 2 above shall apply.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Barbara, State of California, this 21st day of August 2007, by the following vote:

AYES:

NOS:

ABSTAIN:

ABSENT:

Brook Firestone, Chair
Board of Supervisors
County of Santa Barbara

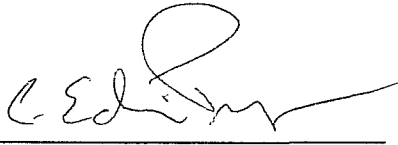
ATTEST:
CLERK OF THE BOARD

By: _____
Deputy Clerk

APPROVED AS TO FORM:
COUNTY COUNSEL

By: 
Deputy County Counsel

APPROVED AS TO FORM:
AUDITOR-CONTROLLER

By: 
DEPUTY

Memorandum of Understanding

This Memorandum of Understanding is entered into between the County of Santa Barbara (herein referred to as the County) and the City of Santa Maria (herein referred to as the City) regarding the Wastewater Treatment Plant Reorganization, LAFCO Proposal No. 07-008 for annexation of property into the City of Santa Maria, effective August 21, 2007.

1. **Laguna:** The City of Santa Maria will not seek to detach territory from the boundaries of the Laguna Sanitation District with respect to future annexations to the City of Santa Maria, unless mutually agreed to by the City and Laguna Sanitation District. (Map is attached.)
2. **Williamson Act:** Prior to recordation of the reorganization, the City of Santa Maria shall provide a full project description to the County's Agricultural Preserve Advisory Committee in order to make a determination as to the consistency with the County of Santa Barbara Uniform Rules. As an alternative, the City agrees to succeed to the Williamson Act Contract for this property and administer in accordance with County Uniform Rules for Agricultural Preserves until such time, if any, as City adopts its own Uniform Rules.
3. **County services and revenue:** Future annexations facilitated by the expansion (additional capacity) of the Wastewater Treatment Plant shall be subject to negotiations regarding property taxes.
4. **Housing:** Until AB 1019 becomes effective on January 1, 2008, the County will receive a minimum of 50% credit related to the Regional Housing Needs Assessment (RHNA) for any additional residential development facilitated by the expansion of the Wastewater Treatment Plant and annexed into the City, both within the City's sphere of influence and the unincorporated area.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of the County of Santa Barbara and the City Council of the City of Santa Maria have executed this Memorandum of Understanding to be effective August 21, 2007.

COUNTY OF SANTA BARBARA

By:

Brooks Firestone, Chair, Board of Supervisors

ATTEST:

Clerk of the Board

APPROVED AS TO FORM:

Stephen Shane Stark, County Counsel

By:

By:

County Auditor-Controller

County Risk Management

CITY OF SANTA MARIA

By:

Tim Ness, City Manager

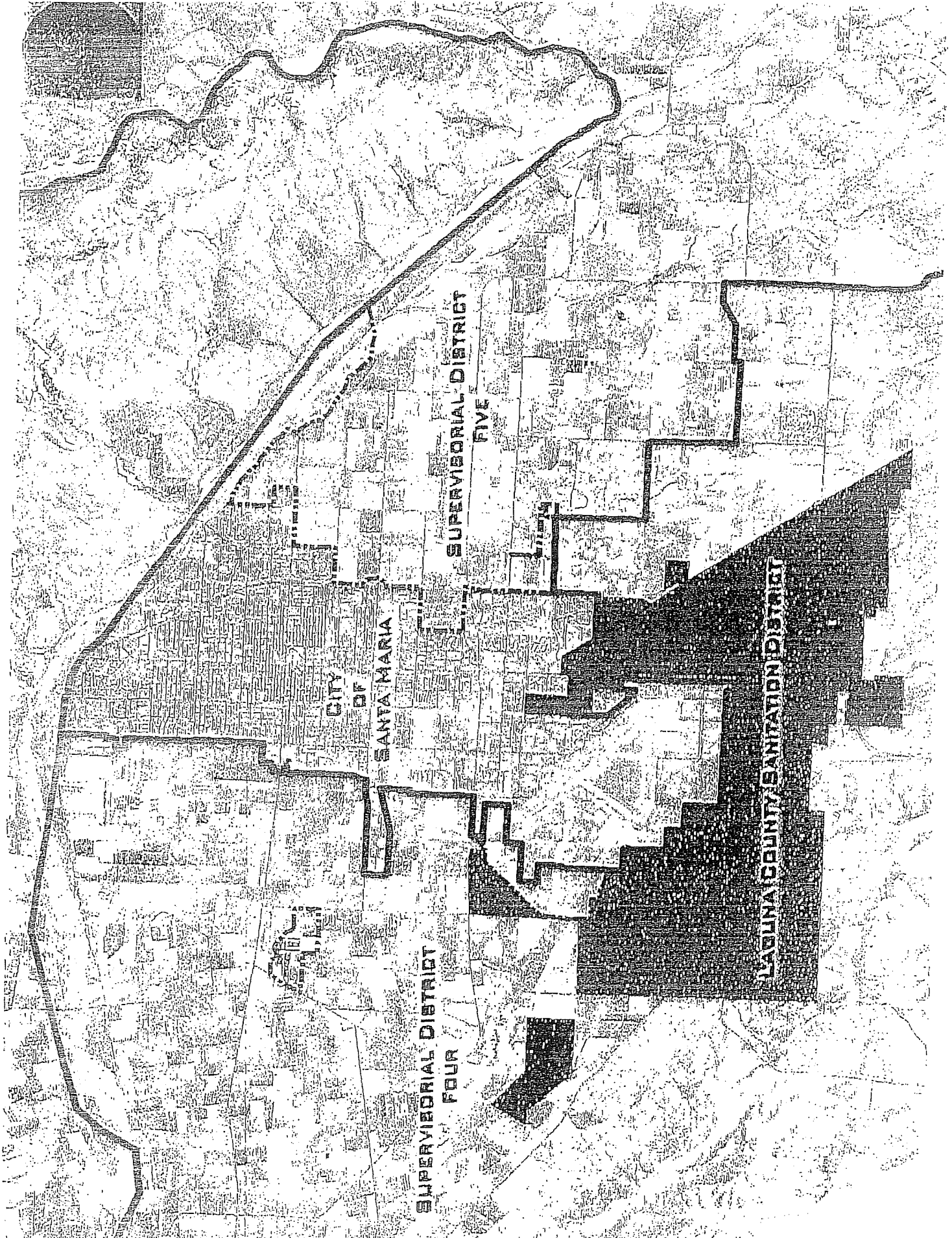
City of Santa Maria

ATTEST:

Chief Deputy City Clerk

City Attorney of Santa Maria

By:





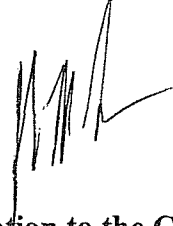
COUNTY OF SANTA BARBARA
OFFICE OF LONG RANGE PLANNING
COMPREHENSIVE PLANNING DIVISION

COUNTY OF SANTA BARBARA
 2007 JUN -5 PM 2:22
 PUBLIC INFORMATION

MEMORANDUM

DATE: May 30, 2007

TO: Bob Braitman, Executive Officer, LAFCO

FROM: John McInnes, Director, Office of Long Range Planning 

SUBJECT: **Wastewater treatment Plant Reorganization: Annexation to the City of Santa Maria/Detachment from the Santa Barbara County Fire Protection District/Detachment from the Mosquito and Vector Management District of Santa Barbara County**

This is in response to your May 15, 2007 Request for Reportback regarding the above referenced proposal. Based on our review of the application materials:

General Information

The property is unincorporated.

General Plan and Zoning Designations

The General Plan designation information in the Proposal Questionnaire is accurate.

The County General Plan designates the proposal area as Agriculture Commercial, Agriculture II and General Industry

The County has zoned the property as follows:

Component #	Zoning Designation	County of Santa Barbara APNs included
1	AG-II-100, Agricultural II (100 acre minimum lot area)	117-191-010, 013 and 117-820-002
2	10-AG, Agricultural (10 acre minimum lot area)	117-191-012
3	M-2, General Industry	117-820-001, 003, 024 and 025

The property is Prime Agricultural Land as defined by G.C. § 56064.

The property is Open Space as defined by G.C. § 65560.

X APNs 117-191-010 and 117-820-002 **are** under Land Conservation Act (Williamson Act) contracts.

X The property **is not** within a Farmland Security Zone.

General Plan Consistency and Other Comments

- 5.B. The County zoning and General Plan land use designations are partially inaccurate. See zoning and land use designations provided above.
- 8.A. The existing County General Plan designation for the proposal area is inaccurately described. The proposal area south of Stowell Road also includes property designated General Industry.
- 8.B. The description of City general plan designations for the area includes an APN (117-191-007) which is not listed under Section 3 as being within the proposal area, nor is it shown on any of the attached exhibits.
- 8.C. Please explain your response.
- 13.A. APN 117-191-007 is not included among the APNs listed under Section 3 which comprise the proposal area, nor is it shown on any of the application exhibits.
- 15. The Office of Long Range Planning did not receive a copy of Attachment A, the statement from the annexing agency describing its ability to provide the services that are the subject of the annexation, including the sufficiency of revenues.
- 18.C. The Office of Long Range Planning did not receive a copy of Attachment B, the lead agency's listing of significant impacts anticipated from the proposed project and the proposed mitigation measures from the EIR.
- 20.C. The Office of Long Range Planning did not receive a copy of Attachment C, pertinent staff reports and supporting documentation related to this proposal, and any changes that are not reflected in these materials.

Other Comments:

- 1. APNs 117-191-007 and 117-191-012 were not identified for annexation nor analyzed in the City of Santa Maria's Wastewater treatment Plant Expansion EIR (SCH#2005121171).
- 2. The subject parcels are within the "No Urban Development Greenbelt" area established by LAFCO Resolution adopted August 5, 1993 and Santa Maria City Council Resolution 94-9. An amendment to this "No Urban Development Greenbelt" should be concurrently processed for approval by LAFCO and the City of Santa Maria.

cc: Derek Johnson, Office of Long Range Planning
✓ Sharon Friedrichsen, CEO's Office
Comp Chron