LOCAL AGENCY FORMATION COMMISSION
SANTA CLARA COUNTY
www.santaclara.lafco.ca.gov
County Government Center, 11th Floor, East Wing
70 West Hedding Street, San Jose, CA 95110
(408) 299-5088 FAX (408) 298-8460

CHAIRPERSON: Linda J. LeZotte
COMMISSIONERS: Blanca Alvarado, Donald F. Gage, Suzanne Jackson, Susan Vicklund-Wilson
ALTERNATES: Patricia Figueroa, Pete McHugh, Chuck Reed, Mary Lou Zoglin

AGENDA
REGULAR MEETING
Thursday, June 13, 2002
1:15 p.m.

CHAMBERS OF THE BOARD OF SUPERVISORS
70 West Hedding Street, First Floor, East Wing
San Jose, CA 95110

The items marked with an asterisk (*) are included in the Consent Agenda and will be taken in one motion. At the beginning of the meeting, anyone who wants to discuss a consent item should make a request to remove that item from the Consent Agenda.

If you wish to participate in the following proceedings, you are prohibited from making a campaign contribution of more than $250 to any commissioner or alternate. This prohibition begins on the date you begin to actively support or oppose an application before LAFCO and continues until three months after a final decision is rendered by LAFCO. No commissioner or alternate may solicit or accept a campaign contribution of more than $250 from you or your agent during this period if the commissioner or alternate knows, or has reason to know, that you will participate in the proceedings.

If you or your agent have made a contribution of more than $250 to any commissioner or alternate during the twelve (12) months preceding the decision, in the proceeding that commissioner or alternate must disqualify himself or herself from the decision. However, disqualification is not required if the commissioner or alternate returns the campaign contribution within thirty (30) days of learning both about the contribution and the fact that you are a participant in the proceedings.

1. ROLL CALL
2. PUBLIC PRESENTATIONS
   This portion of the meeting is reserved for persons desiring to address the Commission on any matter not on this agenda. Speakers are limited to THREE minutes. All statements that require a response will be referred to staff for reply in writing.
3. APPROVE MINUTES OF APRIL 10, 2002 MEETING
4. APPROVE CONSENT CALENDAR

*4.1 West Valley Sanitation District Annexation 2002-01 (Deer Park Road)

A petition by property owners to annex a 3.6 acre property located at 17203 Deer Park Road, Los Gatos, CA 95030, to West Valley Sanitation District (WVSD), designated as WVSD 2002-01 (Deer Park Road).

Possible Action: Approve annexation to WVSD and waive protest proceedings.

*4.2 City of San Jose Deannexation, Casa Loma Road (Lands of Bothwell)

A petition by property owners to detach a 1.36-acre portion of a property located at 327 Casa Loma Road, Morgan Hill, CA from the City of San Jose, designated as City of San Jose, Casa Loma Road (Lands of Bothwell).

Possible Action: Approve the deannexation from City of San Jose and waive protest proceedings.

5. PUBLIC HEARING

5.1 Morgan Hill 2001 Urban Service Area (USA) Amendment

A request by the City of Morgan Hill to expand its Urban Service Area boundary to include the following three areas:

a. Sunnyside – Stoddard (9 acres)
b. Hale Avenue - Catholic High School (30 acres)c. Condit Road – Soccerfield (35 acres)

Possible Action: Consider the request for USA amendment and staff recommendation.

5.2 Gilroy 1999 USA Amendment (Gilroy Sports Park)

A request by the City of Gilroy to include into its USA 140 acres comprising of the Sports Park and adjacent commercial and residential properties located West of Monterey Road and South of Luchessa Avenue.

Possible Action: Consider the USA amendment request and staff recommendation.

5.3 LAFCO Budget for Fiscal Year 2002-2003

Possible Action:

1. Adopt Final LAFCO Budget for fiscal year 2002-2003;
2. Authorize staff to transmit the final budget adopted by the Commission to the City Councils, Board of Supervisors, the Cities Association, and the Controller’s office; and

3. Direct the County Auditor-Controller to apportion the LAFCO costs to Cities and County and collect payments pursuant to Government Code Section 56831.

6. EXECUTIVE OFFICER’S REPORT

6.1 Logo for LAFCO of Santa Clara County
Adopt logo for LAFCO and authorize its use.

6.2 Senate Local Government Committee AB 2838 Implementation Survey
Review Responses to the Senate Local Government Committee Survey

6.3 Status Report on Service Reviews Project
Oral Report.

7. PENDING APPLICATION

7.1 Cupertino Sanitary District, Verde Vista No. 13

8. WRITTEN CORRESPONDENCE

8.1 Letter on West Loyola Area Annexation Project

9. ADJOURN

Adjourn to the next regular business meeting on Wednesday, August 14, 2002.

NOTE TO COMMISSIONERS:
Upon receipt of this agenda, please contact Emmanuel Abello, LAFCO Clerk at (408) 299-5088 if you are unable to attend the LAFCO meeting.
1. **ROLL CALL**

The Local Agency Formation Commission (LAFCO) of Santa Clara County convenes this 10th day of April 2002 at 1:16 p.m. in the Chambers of the Board of Supervisors, County Government Center, 70 West Hedding Street, San Jose, California, with the following members present: Chairperson Linda J. LeZotte, and Commissioners Blanca Alvarado, Donald Gage, Susan Vicklund-Wilson and Suzanne Jackson.

The LAFCO staff in attendance includes Neelima Palacherla, LAFCO Executive Officer; Kathy Kretchmer, LAFCO Counsel; Dunia Noel, LAFCO Analyst; and, Ginny Millar, LAFCO Surveyor.

The meeting is called to order by Chairperson LeZotte and the following proceedings are had, to wit:

2. **PUBLIC PRESENTATIONS**

Nat Abrams, a resident in an unincorporated area near Sycamore Drive outside of Morgan Hill, informs the Commission that the area has been determined by the County Fire Marshall as one of the five most severe fire hazard areas. Showing a map, he states that Armby Lane is the only access road from Sycamore Drive to a large number of homes that are served by a water system that cannot sustain fire-fighting efforts. He proposes that the properties be zoned like the nearby properties so that a mainline may be installed to address the fire safety problem. Chairperson LeZotte refers the matter to staff to determine if the Commission has a jurisdiction over it.

3. **APPROVE MINUTES OF DECEMBER 12, 2002 MEETING**

On motion of Commissioner Wilson, seconded by Commissioner Gage, it is ordered on a vote of 4-0, with Commissioner Jackson abstaining, that the minutes of February 13, 2002 LAFCO meeting be approved, as submitted.
4. **APPROVAL OF CONSENT CALENDAR**

On motion of Commissioner Alvarado, seconded by Commission Jackson, (a) Resolution No. 02-02, annexation of Verde Vista No. 12 to Cupertino Sanitary District (CSD), and (b) Resolution No. 02-03, annexation of Prospect Road No. 5 to CSD, are unanimously approved and protest proceedings waived for both annexations.

5. **PUBLIC HEARINGS**

5.1 **PROPOSED WORK PLAN FOR CONDUCTING SERVICE REVIEWS**

Ms. Palacherla provides an overview on the service reviews and spheres of influence (SOI) revisions. She states that the service review will obtain information about municipal services within the county, evaluate the provision of services in the area, and recommend actions to promote the efficient provision of services within that area. She reports that service reviews are mandated by the Cortese-Knox-Hertzberg Act (CKH Act) and are a result of the recommendations of the Commission on Local Governance for the 21st Century. The CHK Act requires that LAFCO conduct service reviews in conjunction with, and prior to establishment of SOI boundaries. As part of the service reviews, LAFCO is required to make determinations on infrastructure needs or deficiencies; growth projection; financing constraints; cost avoidance; rate restructuring; sharing of facilities; government structure options; management efficiencies; and local accountability and governance.

The service review outputs maybe used by LAFCO, the public, as well as local and state agencies, as information bases for various purposes. She reports that LAFCO has to undertake the service review in order to determine the SOI revisions. SOI, which is established and reviewed by LAFCO every five years, is the ultimate physical boundary and service area for a city or a district.

Ms. Palacherla reports that staff developed a Work Plan to include: information collection and preparation, policies and methodology development, and service review completion and adoption. She briefly explains the activities and tasks involved in each of these stages. Ms. Palacherla states that staff will consult with the stakeholders and obtain their input throughout the process. Ms. Palacherla further advises that staff is requesting information from the Commission relating to whether the Commission would prefer to appoint a subcommittee to review the draft policies before distribution,
or would prefer that staff incorporate comments and prepare a final set of policies for the Commission adoption.

In response to a query by Commissioner Jackson, Ms. Palacherla states that the word “all” will be added to item 6-a on page 9 of the Service Review Work Plan. On a question by Commissioner Wilson, Ms. Palacherla reports that the deadline for completing the SOI updates remains the same even though the final guidelines have not yet been issued by the State of California Office of Planning and Research (OPR).

Commissioner Jackson suggests that the members provide their comments on the working draft that will be circulated through electronic mail. Ms. Kretchmer notes however that staff may not be able to integrate all input from the Members due to the possibility of conflicting comments or positions. Ms. Palacherla explains that input from the Commission and other stakeholders will be obtained in every stage of the Work Plan and will be brought back to the Commission for final approval. Commissioner Alvarado proposes that staff obtain input, incorporate comments and bring the final recommendation to the Commission to avoid delay.

On the motion of Commissioner Jackson, seconded by Commissioner Wilson, it is unanimously ordered that staff be authorized to prepare recommendations on the service review groupings, priorities, scope and policies for conducting service reviews, as well as SOI revision policies, and to bring these recommendations back to the Commission for approval in August 2002.

Ms. Kretchmer recommends that the Commission delegate authority to the Director of Procurement to execute a contract to hire a consultant for Stage 2 of the Work Plan. In response to an inquiry by Commissioner Jackson, Ms. Palacherla responds that the budget includes an allocation for a consultant. On motion of Commissioner Wilson, seconded by Commissioner Jackson, and on Commission consensus, it is unanimously ordered that the Director of Procurement is authorized to execute a contract to hire a consultant for Stage 2 of the Work Plan.

5.2 PROPOSED LAFCO FEE SCHEDULE REVISION

On motion of Commissioner Alvarado, seconded by Commissioner Wilson, it is unanimously ordered that Resolution No. 02-04, a resolution increasing LAFCO fees, be approved to become effective on June 1, 2002.

Chairperson LeZotte announces that she and two commissioners need to leave at 2:00 PM to attend other meetings.
5.3 PROPOSED LAFCO BUDGET FOR FISCAL YEAR 2003

Commissioner Wilson informs the Commission that there is a revised staff report that includes the reserves from the last fiscal year. In response to an inquiry by Commissioner Gage, Ms. Palacherla states that the total budget is more than last fiscal year's budget. She continues by noting that a projected increase in revenue is due to the rollover of last year's savings and states that the proposed net operating expenses are lower than that of last year.

On motion of Commissioner Wilson, seconded by Commissioner Jackson, it is unanimously ordered that the proposed LAFCO Budget for Fiscal Year 2002-2003 be approved.

6. EXECUTIVE OFFICER’S REPORT

6.1 LEGISLATIVE REPORT

Ms. Palacherla states that the legislative report requires no action. Commissioner Jackson inquires whether LAFCO has a taken position on Senate Bill 910, and Ms. Kretcher responds that the Commission did not take a position.

6.2 LAFCO ACTIVITY DATABASE

There is no report.

7. PENDING APPLICATIONS

Ms. Palacherla reports that there are two pending applications. One is on urban service area (USA) amendment from the City of Morgan Hill, and the other is a 100 percent consent annexation to West Valley Sanitary District of a residential property.

8. WRITTEN CORRESPONDENCE

Ms. Palacherla announces that she distributed newspaper articles relating to the 660-acre inclusion into Gilroy’s 20-year boundary, and the failed Buenavista Annexation by the City of San Jose.
9. **ADJOURNMENT**

On the order of the Chairperson, there being no objection, the meeting is adjourned at 1:47 p.m. to the next regular meeting to be held on Thursday, June 13, 2002 at 1:15 p.m. in the Chambers of the Board of Supervisors, County Government Center, 70 West Hedding Street, San Jose, California.

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Linda J. LeZotte, Chairperson
Local Agency Formation Commission

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Emmanuel Abello, LAFCO Clerk
LOCAL AGENCY FORMATION COMMISSION
COUNTY OF SANTA CLARA
REPORT OF THE EXECUTIVE OFFICER

Designation:  West Valley Sanitation District 2001-01 (Deer Park Road)

Type of Application:  Annexation to West Valley Sanitation District (WVSD)

LAFCO Hearing Date:  June 13, 2002  Filed by:  Petition

1. REVIEW OF PROPOSAL
   a. Acreage and location:  3.64 acres located at 17203 Deer Park Road, Los Gatos, CA 95030; APN: 537-16-029
   b. Effect on community services:
      X Provision of all municipal/district services
      ________________________________
      Municipal/district services not provided as follows: ______________
      Detachment from: ________________
      School District Impact Report
      County Transit Impact Report
   c. Inhabited ___  Uninhabited X
   d. Boundaries:
      - Definite and Certain X/ _
       Yes No
   - Conform to SOI of WVSD X/ _
   - Create island, corridor or strip / X
   - Conforms to road policy X/ _
   - Conforms to lines of assessment X/ _
     (if no, explain) Yes No

   e. Present land use: Single Family Residence

   f. Proposed land use: Single Family Residence

   g. Involves prime agricultural or Williamson Act land:

2. ENVIRONMENTAL REVIEW OF PROPOSAL
   X Annexation is categorically exempt from provisions of CEQA.
   Class exemption Class 19, Section 15319 (a) and (b)

   The City has prezoned the territory and, as Lead Agency for the environmental review of the annexation, has completed an Initial Study and Negative Declaration/Final EIR (copy attached) which in LAFCO staffs’ opinion does/does not adequately address LAFCO regional concerns.

   LAFCO is the Lead Agency for the environmental review of this annexation and staff has prepared the attached Negative Declaration/Draft EIR for your review and adoption.

3. SUGGESTED CONDITIONS OR OTHER COMMENTS:

4. PROTESTS:

5. RECOMMENDATIONS:

   • Approve annexation of territory as described in Exhibits A & B to the WVSD; and
   • Waive protest proceedings.

By:  Neelima Palacherla, Executive Director

Date:  06/06/02
EXHIBIT “A”

Description to accompany annexation of the territory known as

WEST VALLEY SANITATION DISTRICT 2001-01 (DEER PARK ROAD)

To the West Valley Sanitation District

All that certain real property situate in the County of Santa Clara, State of California, being described as follows:

BEGINNING at a point in the centerline of Shannon Road at the Southeast corner of Tract No. 8400, Santa Rosa Heights, said point being the Southeast corner of Annexation No.1990-6 to the West Valley Sanitation District; thence along said Annexation No. 1990-6 and the centerline of Shannon Road the following four courses and distances: North 70°17'54" West 222.86 feet, North 59°36'00" West 185.40 feet, North 70°06'00" West 219.12 feet and North 43°04'00" West 194.33 feet to the Southwest corner of said Tract 8400; thence South 46°56'00" west 20.00 feet to the Southwesterly line of Shannon Road; thence along said Southwesterly line, South 43°04'00" East 167.94 feet to the Southeasterly line of Kennedy Road (40.00 feet in width); thence along said Southeasterly line South 63°35'00" West 205.94 feet; thence Westerly along a tangent curve to the right, with radius of 120.00 feet, through a central angle of 34'00'00", an arc distance of 71.21 feet; thence North 82°25'00" West 87.55 feet; thence Westerly along a tangent curve to the left with a radius of 80.00 feet, through a central angle of 47'00'00", an arc distance of 65.62 feet; thence continuing along said Southeasterly line the following three courses and distances: South 50°35'00" West 16.13 feet, South 13°47'40" East 11.09 feet, South 50°35'00" West 55.48 feet, to the Southwesterly line of Parcel "B", as said Parcel is shown upon that certain Record of Survey filed in Book 243 of Maps, Page 35; thence along said Southwesterly line, South 13°47'40" East 175.85 feet to the Southwesterly extension of the Southeasterly line of Parcel “A”, as said Parcel “A” is shown upon said Record of Survey; thence along said Southeasterly line the following four courses and distances: North 74°34'00" East 174.28 feet, North 69°24'00" East 312.41 feet, North 70°35'00" East 106.83 feet, North 15°07'50" East 61.08 feet to the Southerly line of Shannon Road; thence along said Southerly line the following three courses and distances: South 70°06'00" East 65.18 feet, South 59°36'00" East 185.45 feet and South 70°17'54" East 236.58 feet to the Southerly prolongation of the Easterly line of said Tract No. 8400; thence along said line, North 00°16'54" West 31.92 feet to the said point of beginning, and containing 2.91 acres of land, more or less.
WEST VALLEY SANITATION DISTRICT
ANNEXATION 2002-2
Deer Park Road
Date prepared: March 31, 2002

Hearing date: April 10, 2002

To: The Santa Clara County Local Agency Formation Commission
From: Dunia Noel, LAFCO Analyst
Subject: West Valley Sanitary District Annexation: 17203 Deer Park Road

Recommended Environmental Action:
Approve Categorical Exemption. The project is categorically exempt from the requirements of CEQA.

Reasons for Recommendation:
The project is exempt under CEQA Class 19, Section 15319 (a) and Section 15319 (b) that states:

Section 15319 (a): Annexation to a city or special district of areas containing existing public or private structures developed to the density allowed by the current zoning or pre-zoning of either the gaining or losing environmental agency whichever is more restrictive, provided, however, that the extension of utility services to the existing facilities would have a capacity to serve only the existing facilities.

Section 15319 (b): Annexation of individual small parcels of the minimum size for facilities exempted by Section 15303, New Construction or Conversion of Small Structures.

West Valley Sanitary District proposes to annex one parcel totaling 3.64 acres (APN: 537-16-015), located on the south side of Deer Park Road between Shannon Road and Kennedy Road and on the east side of the Town of Los Gatos. The property was annexed into the Town of Los Gatos in October of 2001 as a result of a request from the landowner to construct a single-family residence on the property. The Town of Los Gatos has an agreement with Santa Clara County that requires annexation of any property located within the Town’s urban service area boundary and within 300 feet of the Town limits if the use is intensified. The property owner wants to connect to sewer through the West Valley Sanitary District.
Regarding the annexation into the West Valley Sanitary District, the parcel is pre-zoned “HR-20” (Hillside Residential, 20-acres per dwelling) under the jurisdiction of the Town of Los Gatos, and is not eligible for further subdivision. The parcel is located inside of the Town of Los Gatos’ Urban Service Area and inside of the Town’s Sphere of Influence. The parcel is located within West Valley Sanitary District’s Sphere of Influence. The proposed annexation to West Valley Sanitary District is thus exempt from CEQA because the special district annexation meets the requirements of the Class 19 exemption.
LOCAL AGENCY FORMATION COMMISSION
COUNTY OF SANTA CLARA
REPORT OF THE EXECUTIVE OFFICER

Designation: Casa Loma Road, City of San Jose (Lands of Bothwell)

Type of Application: Detachment from City of San Jose

Filed by: Petition

LAFCO Hearing Date: June 13, 2002

1. REVIEW OF PROPOSAL
   a. Acreage and location: About 1.5 acres located at 327 Casa Loma Road Morgan Hill, CA
   b. Effect on community services:
      - Municipal/district services not provided as follows: ______
      - Detachment from: __________
      - School District Impact Report
      - County Transit Impact Report
   c. Inhabited _ Uninhabited X
   d. Boundaries:
      - Define and Certain X/ Y
      - Yes No
   e. Present land use: Single family residential
   f. Proposed land use: Single family residential
   g. Involves prime agricultural or Williamson Act land:

2. ENVIRONMENTAL REVIEW OF PROPOSAL
   X Annexation is categorically exempt from provisions of CEQA.
   Class exemption Class 5, Section 15305

   The City has prezoned the territory and, as Lead Agency for the environmental review of the annexation, has completed an Initial Study and Negative Declaration/Final EIR (copy attached) which in LAFCO staffs' opinion does/does not adequately address LAFCO regional concerns.

   LAFCO is the Lead Agency for the environmental review of this annexation and staff has prepared the attached Negative Declaration/Draft EIR for your review and adoption.

3. SUGGESTED CONDITIONS OR OTHER COMMENTS: See below.

4. PROTESTS:

5. RECOMMENDATIONS:
   • Approve detachment of property from the City of San Jose (as described in Exhibits A and B), conditioned on receiving a revised resolution from the City of San Jose; and,
   • Waive protest proceedings.

By: Neelima Palacherla, Executive Director

Date: 06/06/02
EXHIBIT ‘A’

LANDS OF BOTHWELL TO BE DE-ANNEXED FROM CITY OF SAN JOSE TO SANTA CLARA COUNTY, STATE OF CALIFORNIA.

DESCRIPTION

PORTIONS OF THOSE LANDS ANNEXED TO THE CITY OF SAN JOSE, STATE OF CALIFORNIA BY ORDINANCE NO. 11366, ON DECEMBER 9, 1963, SAID LANDS LYING ADJACENT TO AND NORTH OF LOT 6 OF THE MORGAN HILL RANCH SUBDIVISION, MAP NO. 4, FILED FOR RECORD WITH COUNTY OF SANTA CLARA IN BOOK ‘G’ OF MAPS AT PAGE 30 AND 31, LYING IN THE COUNTY OF SANTA CLARA, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL ONE

BEGINNING AT THE NORTHWESTERNMOST CORNER OF SAID LOT 6, ALSO BEING AN ANGLE POINT IN THE LINE OF SAID ANNEXATION, AND PROCEEDING S 82°40’ E ALONG SAID ANNEXATION LINE (SAID ORDINACE DESCRIPTION INCLUDES A COURSE “S 28°55’ W 208.56 FEET” WHICH DOES NOT FIT WITH SAID LOT CORNER AND NOT USED) 248.82 FEET; THENCE CONTINUING ALONG THE LAST SAID LINE, N 85°40’ E 152.46 FEET AND N 56°45’ E 83.91 FEET TO A POINT (HEREIN DESIGNATED AS POINT ‘A’) ON THE NORTHERLY LINE OF LANDS OF BOTHWELL AS SHOWN IN THAT DEED RECORDED JANUARY 19, 1999 IN OFFICIAL RECORDS OF SANTA CLARA COUNTY BY DOCUMENT NO. 14605148; THENCE SOUTHWESTERLY ALONG LINE OF LAST SAID LANDS, 4.12 FEET BEING ALONG A 217 FOOT RADIUS CURVE CONCAVE TO THE NORTHWEST, HAVING AN INTERIOR ANGLE OF 1°05’14” AND A CHORD BEARING OF S 67°44’18” W TO AN ANGLE POINT IN LAST SAID LINE; THENCE CONTINUING ALONG LAST SAID LINE THE FOLLOWING COURSES: N 5°40’ W 61.54 FEET; S 84°20’ W 60.00 FEET; S 5°40’ E 70.00 FEET: WESTERLY ALONG A 217 FOOT RADIUS CURVE TO THE RIGHT, CONCAVE TO THE NORTH, HAVING AN INTERIOR ANGLE OF 23°09’20”, A LENGTH OF 87.70 FEET AND A CHORD BEARING OF N 84°05’21” W; THENCE 222.44 FEET ALONG A REVERSE CURVE TO THE LEFT, HAVING A RADIUS OF 776 FEET AND
AN INTERIOR ANGLE OF 16°25'26"; THENCE 118.36 FEET ALONG A COMPOUND CURVE TO THE LEFT, HAVING A RADIUS OF 120 FEET AND AN INTERIOR ANGLE OF 56°30'38" TO THE POINT OF BEGINNING.

PARCEL TWO

COMMENCING AT SAID POINT ‘A’ AND PROCEEDING ALONG SAID ANNEXATION LINE N 56°45' E 74.39 FEET TO AN ANGLE POINT THEREIN; THENCE ALONG LAST SAID LINE, N 55°00' E 5.14 FEET TO A POINT ON SAID NORTHERLY LINE OF BOTHWELL, ALSO BEING THE POINT OF BEGINNING; THENCE CONTINUING N 55°00' E 38.86 FEET ALONG SAID ANNEXATION LINE TO AN ANGLE POINT THEREIN; THENCE N 87°30' E ALONG LAST SAID LINE, 577.50 FEET TO AN ANGLE POINT THEREIN; THENCE ALONG LAST SAID LINE, N 72°30' E 251.92 FEET TO A POINT ON SAID NORTHERLY LINE OF BOTHWELL; THENCE WESTERLY ALONG LAST SAID LINE THE FOLLOWING COURSES: NORTHWESTERLY 39.53 FEET ALONG A 359 FOOT RADIUS CURVE CONCAVE TO THE NORTHEAST, HAVING AN INTERIOR ANGLE OF 6°18'33", AND A CHORD BEARING OF N 78°19'45" W; THENCE 101.57 FEET ALONG A 165 FOOT RADIUS REVERSE CURVE TO THE LEFT, HAVING AN INTERIOR ANGLE OF 35°16'16"; THENCE 39.91 FEET ALONG A 40 FOOT RADIUS COMPOUND CURVE TO THE LEFT, HAVING AN INTERIOR ANGLE OF 57°10'17"; THENCE 51.83 FEET ALONG AN 40 FOOT RADIUS REVERSE CURVE TO THE RIGHT, HAVING AN INTERIOR ANGLE OF 74°14'29"; THENCE 293.42 FEET ALONG A 1,082 FOOT RADIUS COMPOUND CURVE TO THE RIGHT, HAVING AN INTERIOR ANGLE OF 15°32'15"; THENCE 264.93 FEET ALONG A 556 FOOT RADIUS REVERSE CURVE TO THE LEFT, HAVING AN INTERIOR ANGLE OF 27°18'04"; THENCE 82.01 FEET ALONG A 115 FOOT RADIUS COMPOUND CURVE TO THE LEFT, HAVING AN INTERIOR ANGLE OF 40°51'39"; THENCE 45.75 FEET ALONG A 217 RADIUS REVERSE CURVE TO THE RIGHT, HAVING AN INTERIOR ANGLE OF 12°04'44" TO THE POINT OF BEGINNING.

DODGE & ASSOCIATES, SURVEYING
20652 Chaparral Circle
Penn Valley, CA 95946
(530) 432-5212 Fax (530) 432-5443
PARCEL THREE

BEGINNING AT AN ANGLE POINT IN SAID ANNEXATION LINE, SAID ANGLE FORMED BY THE BEARINGS "S 87°30' W" AND "N 69°45' W"; THENCE N 87°30' E ALONG LAST SAID LINE, 44.15 FEET TO A POINT ON THE NORTHERLY LINE OF LANDS OF BOTHWELL AS SHOWN IN THAT DEED RECORDED JANUARY 19, 1999 IN OFFICIAL RECORDS OF SANTA CLARA COUNTY BY DOCUMENT NO. 14605148; THENCE N 70°30'00" W ALONG LAST SAID LINE, 321.24 FEET TO A POINT OF CURVATURE; THENCE CONTINUING ALONG LAST SAID LINE, 88.88 FEET ALONG A 335 FOOT RADIUS CURVE TO THE LEFT, HAVING AN INTERIOR ANGLE OF 15°12'03" TO A POINT ON SAID ANNEXATION LINE; THENCE S 69°45' E ALONG LAST SAID LINE, 368.17 FEET TO THE POINT OF BEGINNING.
CASA LOMA ROAD ±

\[ \Delta = 15°12'03" \]
\[ R = 335.00' L = 88.88' \]

\[ S 69°45'00"E \]
\[ 368.17' \]

\[ N 70°30'00"W \]
\[ 321.24' \]

\[ (A R E A * 3) \]
\[ 0.19 A C \]

NEW CITY LIMIT
LINE

P.O.B.

\[ N 87°30'00"E \]
\[ 44.15' \]

CITY OF SAN JOSE
AS ESTABLISHED BY
ANNEXATION RIVERSIDE
NO. 8, ORD. NO. 113660

DESCRIPTION, PARCEL 3

EXHIBIT 'B'

SHEET 2 OF 2

LANDS OF G. & K. BOTHWELL

1" = 400'

4-16-2002

DODGE & ASSOCIATES, SURVEYING
20652 Chaparral Circle
Penn Valley, CA 95946
(530) 432-3212 Fax (530) 432-5443
DETACHMENT FROM THE CITY OF SAN JOSE
CASA LOMA ROAD

Lands of Bothwell

1' = 500'
500' MAP NO. 185
Date prepared: May 31, 2002

Hearing date: June 13, 2002

To: The Santa Clara County Local Agency Formation Commission
From: Dunia Noel, LAFCO Analyst
Subject: 2002 CITY OF SAN JOSE DETACHMENT – CASA LOMA ROAD (Lands of Bothwell)

Recommended Environmental Action:
Approve Categorical Exemption. The project is categorically exempt from the requirements of CEQA.

Reasons for Recommendation:
The project is exempt under CEQA Class 5, Section 15305 “Minor Alterations of Land Use Limitations” which exempts minor projects such as minor lot line adjustments not resulting in the creation of any new parcels.

Purpose:
The proposal is for a detachment from the City of San Jose involving three parcels (APN: 742-12-005, 742-12-006, and a .12 acre strip of land that has not yet been assigned an assessor parcel number) consisting of a total of approximately 1.5 acres. Applicants, Kathy, Glenn, and Gordon Bothwell state that they are requesting detachment to “correct annexation lines set in 1963 based on erroneous deed descriptions of mutual property lines between neighboring properties.” If the reorganization occurs, the subject parcels would be detached (i.e. de-annexed) from the City of San Jose and would become part of the unincorporated lands of the County of Santa Clara.

Background:
In 1964, the City of San Jose approved an annexation, Riverside No. 8, involving over 7,700 acres of land including Calero Reservoir. This annexation extended to the southwestern edge of San Jose’s Sphere of Influence boundary. In 2000, the City Council approved a General Plan Amendment for much of this area from Non-Urban Hillsides to Public Park/Open Space to reflect its recent ownership by the Peninsula Open Space Trust.

Commissioners: Blanca Alvarado, Donald F. Gage, Suzanne Jackson, Linda LeZotte, Susan Vicklund Wilson
Commission Secretary: (408) 299-5088
The applicants own property at 327 Casa Loma Road, which they presumed is entirely within unincorporated Santa Clara County. When the applicants sought to subdivide their 170-acre parcel under the County jurisdiction into two parcels, it was discovered that the northern property boundary overlapped with the adjacent property in the area of Llagas Creek and Casa Loma Road. To remedy this, a lot line adjustment was submitted by the owners of the two parcels involved and subsequently approved by the County of Santa Clara. As a result, there are now small portions of the Bothwell property that fall within the original boundary of the Riverside No. 8 annexation (i.e. under the jurisdiction of the City of San Jose). The applicants, Kathy, Glenn, and Gordon Bothwell have requested to detach these small portions from the City of San Jose. The detachment will assist the processing of the applicants' already approved subdivision that will result in two parcels that are approximately 84.9 acres each.

The County Zoning for the three small portions is HS (Hillside 40-acre minimum). These small portions that are proposed for detachment have no development potential due to their location within and alongside Llagas Creek. The proposed detachment from the City of San Jose is exempt from CEQA because the project meets the requirements of the Class 5 exemption.
May 28, 2002

TO: LAFCO
FROM: Neelima Palacherla, Executive Officer
SUBJECT: Morgan Hill Urban Service Area (USA) Amendment (2001) AREA 1 (Sunnyside – Stoddard)

Agenda Item # 5.1(a)

RECOMMENDATION

1. CEQA Action

As a Responsible Agency under CEQA, LAFCO must take the following actions regarding the Negative Declaration for any project approved by the Commission:

a. Find that the Initial Study and Negative Declaration approved by the City of Morgan Hill was completed in compliance with CEQA and, together with the additional information being provided by the City, is an adequate discussion of the environmental impacts of the project,

b. Find that prior to making a decision on this project, LAFCO reviewed and considered the environmental effects of the project as outlined in the Initial Study and Negative Declaration.

2. AREA 1 (Sunnyside–Stoddard)

Deny the inclusion of Area 1 containing 9 acres, into Morgan Hill Urban Service Area.

PROJECT DESCRIPTION

The City of Morgan Hill proposes to expand its Urban Service Area (USA) boundary to include 3 adjacent parcels (APN: 767-32-018, 767-32-021, and 767-20-22) totaling 9
acres located on the east side of Sunnyside Avenue, approximately 1,300 ft. south of the Sunnyside Avenue/Edmundson Avenue intersection.

Two of the parcels contain existing single-family homes. The third parcel (0.17 Acres), which belongs to the City of Morgan Hill, contains a segment of West Little Llagas Creek and is used for flood control purposes. This parcel is assumed not to have any development potential and is included solely for the purpose of creating an orderly and logical boundary.

BACKGROUND

Land uses on Project Site and Surrounding Areas

The project site currently has a County General Plan designation of “Rural Residential”, with a zoning designation of RR-sr. (5-20 acre minimum lot size depending on the parcel’s average slope).

The City’s General Plan designation for the area is “Single Family Medium (3-5 dwelling units per acre),” with an anticipated zoning designation of “R-1 7,000”. The two developable parcels total 8.83 acres and have a maximum development potential of 5 units per acre. This would result in the potential development of a maximum of 44 new homes after annexation.

The adjoining properties to the south, west and east are all developed with single-family residences in the City. The land uses adjacent to the north side of the area consists of single-family homes located within the unincorporated county. The zoning on those parcels is Rural Residential (RR) with minimum lot sizes between 5 and 20 acres.

Residential Development Control System (RDCS)

The citizens of Morgan Hill adopted RDCS (Measure E) in 1977, in response to the extraordinary growth experienced by the City in the early and mid 1970’s. RDCS was designed to slow rapid growth by a building allocation system that would limit building allocations issued each year. To receive a building allocation, an application would have to compete against other application in a development review process held approximately every year. The projects that received the highest combined score would be eligible for building allocation. The criteria used to score projects numerically are included in the attached packet of information from the City. The number of building allotments given each year under Measure E were based on a target population of 30,000 in the year 2000 which allowed for an average of 200 new residential units per year.

Measure P

In November 1990, Morgan Hill voters approved Measure P, a ballot initiative that modified the City’s Residential Development Control System. In addition to limiting annual residential growth to 250 building permits per year and setting a January 1, 2010,
population cap of 38,800, several of the provisions of Measure P also pertain to the expansion of the City’s USA.

Section 18.78.070 (A) of the Morgan Hill Municipal Code (in which Measure P is codified) states that the City shall neither apply to LAFCO, nor otherwise request or support, the addition of any land to its USA, until such time as the City Council finds that the amount of undeveloped residentially developable land either to the east of Monterey Road or to the West of Monterey Road within the existing USA is insufficient to accommodate five years’ worth of residential growth for the land on that side of Monterey Road. The projected rate of growth for the purposes of this determination shall be the rate of growth provided for by the general plan and the Residential Development Control System, Measure P. After making such a finding of land insufficiency, the City may support the addition of land to the USA only on the side having the insufficiency, and only to the extent necessary to support five or fewer years of growth on that side of Monterey Road.

Desirable Infill

However, Measure P provided for minor exceptions to the land use study requirement. This exception is known as “Desirable Infill”. Desirable Infill (codified into section 18.78.070(B) of the City’s Municipal Code) is defined by Measure P as a tract of land not exceeding twenty acres in size and abutted on two sides by the city limits or on one side by the city limits and having two other sides within a quarter mile of a city limit, as determined by a perpendicular line drawn from the side of the parcel to the city boundary, and whose inclusion into the USA would not unduly burden city services and would beneficially affect the general welfare of the citizens of the City. The Morgan Hill City Council adopted a policy setting forth criteria for “Desirable Infill Standards”. These standards are included within the attached packet of information from the City. In December 1992, LAFCO agreed to consider minor urban service area amendments submitted by the City of Morgan Hill which meet the City’s Desirable Infill standards.

ENVIRONMENTAL CONSIDERATIONS

Initial Study and Negative Declaration

An Initial Study and Negative Declaration was prepared for the proposal, a copy of which is attached. As a responsible agency under CEQA, LAFCO must find that the Initial Study and Negative Declaration approved by the City of Morgan Hill was completed in compliance with CEQA and, together with the additional information being provided by the City, is an adequate discussion of the environmental impacts of the project, further finding that LAFCO reviewed and considered the environmental effects of the project.

An analysis of the environmental information is contained in the attached LAFCO Analyst’s staff report.
CONSISTENCY WITH MORGAN HILL GENERAL PLAN

Urban Growth Boundary

The proposal area is within the City's urban growth boundary, which was adopted by the City in 1996.

Desirable Infill Standard

Since the proposal area has a residential land use designation, pursuant to the City's Measure P, it may be included in the USA if it is consistent with the Desirable Infill Standard.

According to the City's analysis, the area meets all of the criteria set up in Measure P for the desirable infill standard by:

1. meeting the physical / locational requirement,

2. receiving a passing score under Part 1 of RDCS which evaluates the city's ability to provide services to the area and,

3. being considered orderly and contiguous and providing a beneficial element to the city. The City Council resolution states that including this area in its USA would benefit the City by allowing for the gridding of the water lines within the La Crosse neighborhood. A second benefit identified by the City is that the City would have control of development occurring in the area. (The second benefit is not included in the City's adopted criteria for meeting the Desirable Infill Standard.)

CONSISTENCY WITH COUNTY GENERAL PLAN

The proposal area is consistent with the Growth and Development C-GD 3, which states that urban service areas should include only those areas suitable for urban development by being: reasonably serviceable with public services, relatively free from risks associated with natural hazards, without substantial adverse environmental impacts, and not likely to create severe off-site impacts on the surrounding areas or to any natural resource.

The proposal is only partially consistent with policy C-GD 8. Although the area is contiguous to the existing urbanized area, and all needed public services and facilities can be provided within 5 years without lessening existing levels of service, it is inconsistent with the policy because the city already has more than a 5 year supply of vacant residential land within its USA. Please see detailed discussion below.
CONSISTENCY WITH LAFCO POLICIES

Conversion of Prime Agricultural Lands and Open Space

The area does not consist of identified prime agricultural lands. Single-family homes currently exist on two of the parcels. Therefore the proposal would not impact agricultural lands or open space.

Logical and Orderly, Efficient Boundaries

The proposed expansion is surrounded by the city and its current USA boundary on three sides.

Growth Inducing Impact

The proposed access to this property would be through the extension of a road through the unincorporated parcel (Rubino property) located north of this area to Edmundson Avenue. Extension of infrastructure through this area at this time is likely to generate growth prematurely on the unincorporated properties between this area and Edmundson Avenue, especially since these properties are all within the City’s urban growth boundary. Permission for the access has not yet been secured.

Five-Year supply of Vacant Land

The City’s RDCS requires that one third of all development be constructed on the west side of Monterey Road, one third on the east and the remaining third on either side. The proposal area is located on the west side of Monterey. There is about 400 acres of vacant land with a residential designation on the west side. Based on the average density this would allow for 1,363 units. It is assumed that Measure P allows construction of about 250 units per year. Assuming that 125 units are built on the west side, this would mean that there is about 11 years worth of vacant residential land just on the west side of Monterey Avenue. There is at least as much vacant residential land on the east side of Monterey Road as well.

In cases where there is more than 5 years worth of vacant land within the existing boundaries, LAFCO policies require the City to explain why the additional land is necessary to be included at this time. The City states that inclusion its USA, annexation and development of the project site within the City would benefit the City by allowing for gridding of the water system and by giving the city more control over land development in the area.

Ability of City to Provide Urban Services

The area is located within the fire protection services’ five-minute response area of the Santa Clara County Fire Department. Since this response time is consistent with the City Emergency Services Master Plan, there would be no need for any additional fire protection facilities in the project vicinity.
The area is located adjacent to existing residential areas which are currently provided with police services from Morgan Hill Police Department. In general, the development of the area would add to the growth of the community and therefore contribute to the need for additional police staff. Site-specific plans, which are not yet available, will be required to determine the actual impact to the department.

A 6-inch sewer line exists along the property frontage on Sunnyside Avenue and another 6-inch line is currently stubbed to the proposal area’s southerly boundary. South County Regional Wastewater Authority (SCRAW) treats the wastewater for the City of Morgan Hill. Development that is in accordance with City General Plan land use designations is anticipated in the SCRAW’s phased wastewater treatment schedule.

Adequately sized (10 inch) water line exists along the property frontage on Sunnyside and an 8-inch water line is stubbed to the southerly boundary. The City’s Water System Management Plan takes into account all development that occurs in accordance with General Plan land use designation. The development of the housing units will be deducted from the total City population cap of 38,800 for the year 2010 and so has been anticipated for future water supply needs and facilities.

**Ability of School District to Provide School Facilities**

Annexation and development of the area would result in a maximum of 44 new housing units. Based on an estimate of about 0.71 students per housing unit (provided by MHUSD), a total of 31 new students would be generated as a result of the new development. It is estimated that 54% (19 students) would attend the elementary school, 24% (5 students) would attend the middle school and 22% (8 students) would attend the high school. The MHUSD is planning for enrollment levels to be consistent with the year 2010 City population cap of 38,800 residents under General Plan build out. This annexation is included in the General Plan’s calculations and is consistent with school district’s facilities plan for year 2010.

**Fiscal Impacts Analysis**

It is estimated that the new development (44 new homes) would generate about 140 new residents at the rate of 3.19 persons per housing unit.

**Fiscal Impact to City**

Development of the area is projected to generate a slight surplus of about $40,200 in Fiscal Year 2002-2003, a large portion of which is due to property transfer tax revenue from initial sale of residential properties. In Fiscal Year 2003-04, the surplus will be about $29,100 and by 2006-07, the surplus will be about $31,167.
Fiscal Impact to County of Santa Clara

It is estimated that the net increase of 134 new residents to the City as a result of the development would result in a County deficit of about $14,550 in Fiscal Year 2002-03 and increase to about $16,700 by Fiscal Year 2006-07.

Fiscal Impact to Morgan Hill Unified School District (MHUSD)

Each year, the State Department of Education establishes a revenue limit for the school district that is adjusted according to changes in districts’ average daily attendance. The state provides the district with operating revenues so that the district’s local property tax revenue plus the state provided funding equals the revenue limit. So, as the public school attendance rises, MHIUSD expects school revenues and expenditures to increase.

CONCLUSION

Staff recommends that this area (Area 1 Sunnyside-Stoddard) be denied for inclusion in the urban service area at this time as there currently exists about 11 years worth of vacant residential land just on the west side of Monterey Road within the city and more vacant land on the east side of Monterey Road. To insure more compact development and to discourage premature conversion of rural lands, it is critical that the City use up the vacant land within its boundaries before seeking to add more land for development. Although in this case there is no impact on agricultural lands or on the provision of efficient services, it is likely that inclusion of these lands would encourage adjacent unincorporated lands to seek inclusion in the near future especially since the development of this property is hinged on the extension of a road through a private property that is currently in the county outside the City’s urban service area.

ATTACHMENTS

Attachment A: Map of the Area

Attachment B: LAFCO Analyst Report with Environmental Analysis

Attachment C: Fiscal Impact Report for Area
MORGAN HILL 2001
URBAN SERVICE AREA AMENDMENT
Sunnyside Avenue (Stoddard)
Urban Service Expansion to the City of Morgan Hill

City Limit

Urban Service Boundary

Urban Growth Boundary

Exhibit A-1
Stoddard Property, Area I
Recommended CEQA Action:

As a Responsible Agency under CEQA, LAFCO must take the following actions regarding the Negative Declaration for any project approved by the Commission:

1. Find that [a] the Mitigated Negative Declaration approved by the City of Morgan Hill was completed in compliance with CEQA and is an adequate discussion of the environmental impacts of the project, [b] prior to making a decision on this project, LAFCO reviewed and considered the environmental effects of the project as shown in the Mitigated Negative Declaration.

Purpose:

The City of Morgan Hill proposes to expand their Urban Service Area (USA) boundary to include 3 adjacent parcels (APN: 767-32-018, 767-32-021, and 767-20-22) totaling 9 acres located on the east side of Sunnyside Avenue, approximately 1,300 ft. south of the Sunnyside Avenue/Edmundson Avenue intersection. The property owner, Roberta Stoddard, initiated the proposal. This area is within Morgan Hill's Urban Growth Boundary but is outside of Morgan Hill's Urban Service Area boundary and City Limits. All three parcels are co-terminus with the City's USA boundary.

Background:

Existing and Proposed Use of the Property

Two of the parcels contain a single-family home. The third parcel (.17 Acres), which belongs to the City of Morgan Hill, contains a segment of West Little Llagas Creek.
City parcel is assumed not to have any development potential and is included solely for the purpose of creating an orderly and logical boundary.

The City is proposing to include the parcels in its USA and to eventually annex the area. A specific timeframe for the annexation has not been identified in the application. The applicant estimates that 6.6 of the 9 acres are developable as 7,000 sq. ft. lots, resulting in the potential development of approximately 41 new homes.

**Applicable General Plan and Zoning Designations**

The parcel currently has a County General Plan designation of "Rural Residential", with a zoning designation of "RR-sr" (5-20 acre minimum lot size depending on the parcel’s average slope).

The City’s General Plan designation for the area is “Single Family Medium (3-5 dwelling units per acre),” with an anticipated zoning designation of “R-1 7,000 (1 dwelling unit per 7,000 sq.ft.).” Because of the area’s residential land use designation the area is subject to the restrictions of the City’s Residential Development Control System (RDCS). Section 18.78.080 (Measure P) of the Morgan Hill Municipal Code states, “the City shall grant no new extension of urban services for residences beyond its urban service area except in the event that the City has entered into a mutual aid agreement or if there has been a failure of an existing septic system or well.” The RDCS requires that amendments to the City’s USA boundary must meet the City’s “Desirable Infill” definition. The City of Morgan Hill estimates that the development potential of the area is 41 units.

**Surrounding Land Uses**

The adjoining properties to the south, west and east are all developed with single-family residential subdivisions. The land uses adjacent to the north side of the area consists of single-family homes located within the unincorporated county.

**ENVIRONMENTAL ASSESSMENT:**

**Premature Conversion of Agricultural and Open Space Lands**

According to the U.S. Department of Conservation Farmland Mapping and Monitoring Program (FMMP) Important Farmland Map, the project area is not identified as “prime farmland.” The FMMP identifies the area as consisting of lands identified as “grazing” and “other land.” “Grazing” land is land on which existing vegetation, whether grown naturally or through management, is suitable for grazing. “Other Land” is land not included in any other mapping category. Common examples of “other land” include low-density rural developments, vacant and nonagricultural land surrounded on all sides by urban development, and water bodies smaller than forty acres. Based on the above information, the environmental document concluded that proposed USA boundary amendment would not result in a loss of Prime Farmland or Farmland of Statewide Importance. Lastly, the proposed project would have no significant impacts on open space resources.
Growth Inducement and Precedent Setting Implications

Approval of the proposed USA boundary expansion would allow for 3 parcels totaling 9 acres to be annexed into the City of Morgan Hill and developed for residential uses. In 1996, the City of Morgan Hill established an Urban Growth Boundary (UGB) to ensure compact urban growth and infill development. The project area is located inside this UGB. The UGB limits expansion of urban services over the next 20 to 30 years to only those parcels located within the UGB. The project area is also contiguous with the City’s current USA boundary.

Currently there is no site-specific development application for the project area. However, the USA boundary adjustment could increase the development potential of the subject parcels. If the lack of urban services on the subject parcels is an existing constraint to development that the proposed USA boundary adjustment would overcome, the adjustment may increase the amount of development in the project area. Therefore, the proposed USA boundary adjustment would indirectly be growth inducing.

Provision of Public Services and Utilities

According to the Expanded Initial Study/Mitigated Negative Declaration, the proposed USA boundary adjustment would not result in the need for any additional fire protection, or fire protection facilities in the project vicinity. The proposed project is located adjacent to existing residential areas that are currently provided with police services from the Morgan Hill Police Department (MHPD). No site-specific development applications for the site have been proposed for the project area. During subsequent development and CEQA review, future development plans would be required to demonstrate to the satisfaction of the City of Morgan Hill that adverse effects on police services would be less than significant. Therefore, implementation of the proposed USA boundary adjustment would constitute a less than significant impact.

The project area is located within the fire protection services five-minute (or less) response area of the Santa Clara County Fire Protection District. Since the fire services could be provided to the project area within five minutes, which is consistent with the City’s Emergency Services Master Plan, the proposed USA boundary adjustment would not result in the need for any additional fire protection, or fire protection facilities in the project vicinity.

Schools that are at or beyond capacity currently serve the project area. Although, a specific development application for the project area has not been proposed, an USA expansion to include the project area will increase the development potential of the subject parcels. Existing City policies require developers to dedicate land, construct facilities, or pay fees to offset the costs of new schools. Due to the overcrowding currently experienced by the MHUSD and anticipated future, subsequent development applications through the RDCS would require reasonable fair share contributions of school fees.

The current wastewater treatment module for the City is also nearing capacity; however, the next phase of the treatment facility schedule, which is a module with the capacity to...
accommodate an additional three million gallons per day (gpd) of wastewater will be implemented to provide additional capacity. Existing water, sewer and storm drainage facilities located in the right-of-way of roadways adjacent to the project area would be extended to the project area.

The water and wastewater supply effects of the expansion of these facilities to serve future development of the project area, in accordance with the General Plan land use designations, were anticipated in the City's Water System Management Plan and Sanitary Sewer Master Plan and associated environmental documents. The development of any future residential units in the project area would be deducted from the City population cap of 38,000 for the year 2010 and therefore has already been anticipated for future supplies of water and waste treatment facilities.
ITEM 5.1(a)
ATTACHMENT C

Fiscal Impact Analysis
For Urban Service Area Boundary
Amendment Area 00-02

(For Morgan Hill: Sunnyside-Stoddard)

DUE TO LIMITED COPIES
THIS DOCUMENT IS PROVIDED TO COMMISSIONERS ONLY
TO: LAFCO
FROM: Neelima Palacherla, Executive Officer
SUBJECT: Morgan Hill Urban Service Area (USA) Amendment (2001)
AREA 2 (Hale Avenue – Catholic High School)
Agenda Item # 5.1(b)

RECOMMENDATION

1. CEQA Action

Please see attached LAFCO Analyst’s report for CEQA recommendations and for
environmental analysis of project. (Attachment B)

2. AREA 2 (Hale Avenue – Catholic High School)

Approve the inclusion of Area 2 containing 30 acres, into the Morgan Hill Urban
Service Area.

PROJECT DESCRIPTION

The City of Morgan Hill proposes to expand its Urban Service Area (USA) boundary to
include a 30-acre parcel (APN 764-09-012) located on the west side of Monterey Road,
east of Hale Avenue, about 1,800 feet south of Tilton Avenue. The property owner of the
parcel, the Catholic Diocese of San Jose is proposing to develop a high school (grades 9–
12) on the site. The school would accommodate 1,200 students and require 90 staff
members. The total square footage of the school is 146,772 consisting of 62 classrooms,
office/administration area and common area including a library, gym and chapel. It is
proposed that the Madrone Parkway be extended west of Monterey Road through the site
as part of the City’s land use and circulation element. In order to develop a high school on
the property, city services would be needed which would require inclusion in the city’s
urban service area boundary prior to annexation.
CONSISTENCY WITH MORGAN HILL GENERAL PLAN

Urban Growth Boundary

The project site is within the City’s existing urban growth boundary, which was adopted by the City in 1996.

Desirable Infill Standard (Commercial Infill Policy)

The city has applied a Public Facility land use and zoning designation to the parcel that would become effective after LAFCO approval of the USA amendment. If the USA amendment is not approved, the Single Family Medium land use will remain in effect. The Public Facility designation allows governmental, public utility, education and community service or recreational facilities. Since the proposed high school is a non-residential use, it will not be required to meet the definition of desirable infill to be included in the USA.

For a non-residential land use, the policy only requires that the property must be contiguous to the city’s current USA and the city must be able to provide urban services to the property. The property is surrounded by the city and its existing USA on three sides. Service provision is discussed further in the report.

CONSISTENCY WITH COUNTY GENERAL PLAN

The proposal is only partially consistent with the Growth and Development C-GD 3 policy, which states that urban service areas should include only those areas suitable for urban development by being: reasonably serviceable with public services, relatively free from risks associated with natural hazards, without substantial adverse environmental impacts, and not likely to create severe off-site impacts on the surrounding areas or to any natural resource. The inclusion of this area within the USA would result in a loss of about 30 acres of prime agricultural land.

The proposal is consistent with policy C-GD 8. It is contiguous to the existing urbanized area, and all needed public services and facilities can be provided within 5 years without lessening existing levels of service. It has been determined that there is no other vacant land designated Public Facility within its boundaries suitable for the proposed school.

CONSISTENCY WITH LAFCO POLICIES

Conversion of Prime Agricultural Lands and Open Space

The property has been used for agricultural purposes (dry-farmed) for at least the past 5 years, although it has not been used for production of irrigated crops.
According to the EIR, nearly the entire site is designated as Prime Farmland by the Department of Conservation. However, since the site has not been used for production of irrigated crops in the past 5 years, it could potentially be reclassified as Farmland of Local Importance. The site is surrounded by residential development on the north and south sides. Although this makes agricultural activity more restrictive on the site due to the non-compatible surrounding uses, the proposed project would still result in the loss of about 30 acres of prime farmland.

The Unincorporated lands on the western side of the project site rise in a steep hillside and are rural lands containing single-family homes. The conversion of the project site from agriculture to urban uses will not have an adverse impact on any surrounding agriculture. The lands on the west of the project site are classified as Class 7 agricultural lands typically found on steep slope with not much agricultural significance.

The Draft EIR states that other alternative sites in and around Morgan Hill were considered but that they would have involved similar or more severe impacts to prime agricultural lands or open space.

**Logical and Efficient Boundaries**

The proposed expansion is bound by the city on 2 sides and is contiguous to the current USA boundary on 3 sides. The parcel is surrounded by proposed or existing development on those three sides including new residential development to the north, commercial and industrial land uses to the east and single family residential to the south. The proposed inclusion of the parcel to the USA would create an orderly and logical boundary.

**Ability of City to Provide Urban Services**

The City is able to provide all urban services including water, fire, police and sewer services to the proposed project area. The sanitary lift station located downstream of the project site is at capacity and cannot handle sewage generated by the project. The project would require the construction of a new lift station. This improvement is included in the current City master Sanitary Sewer Plan.

The City of Morgan Hill contracts with the Santa Clara County Fire Department for fire protection services. Additional support is provided by an automatic aid agreement with the South Santa Clara County Fire Protection District which services the unincorporated areas adjacent to the Morgan Hill city limits. The proposed project would not exceed the Department's ability to provide fire services. Although the project would increase the demand for police services, it would not require development of additional police facilities.

**Growth Inducing Impacts**

The parcel is bound on the west side by the urban growth boundary. It is therefore unlikely that the development of the high school would induce growth beyond that
boundary in the unincorporated area, which is mostly rural open space land. The proposed inclusion is not likely to induce growth in the area.

The new sanitary lift station required for the development of this project would expand infrastructure, the non-availability of which currently impedes growth. However, any additional development that may result as a result of the additional capacity would occur only within the city limits as the City cannot extend City services beyond its boundaries without LAFCO approval.

Five-Year supply of Vacant Land

The City resolution seeking the USA amendment states that the City lacks parcels of the size required for the high school along a major arterial within the existing City limits or its USA. Also the City does not have an inventory of vacant land designated as Public Facility. After inclusion in the USA, the Desirable Infill Policy and the Zoning Code do not allow for a change to a residential land use designation unless a study is produced documenting less than a 5-year supply of residential land within the city limits.

Housing Impacts

The City’s fiscal impacts analysis includes a section on the housing impacts of this proposed development to the City of Morgan Hill. The following is a summary of that discussion. Based on the Bureau of Transportation Statistics, 36 percent of the persons that worked in Morgan Hill in 1990 also lived in Morgan Hill. Based on this rate, it is expected that out of the total of 90 employees at the school, 33 persons would also live in the City, which creates a total increase in demand of about 24 households. The average teacher would earn between $40,000 and $60,000 per year based on experience. Assuming that the teacher was the sole income earner in the household, the household would be able to afford a home of about $177,000. The median single-family home price in Morgan Hill for July 2001 is about $525,500. It is therefore likely that the proposed development would increase the demand for housing that is more affordable than current market rate housing.

Fiscal Impacts Analysis

The key assumptions on which the fiscal impact analysis report is based on are that the high school will begin operation in Fall of 2004, one-half of the school’s students will live outside the City and of the remaining half that live within the City, 50 % would have otherwise attended the public high school in Morgan Hill and that on an average the students and faculty will spend about a dollar a day per person on taxable purchases within the City.

The high school will add about 600 new students (half of a total of 1,200 students) to the City and about 46 new employees (half of a total of 92 employees). The fiscal impact analysis estimates that this would result in an increase in the average daily population of
372 for new teachers and students which is adjusted to represent an increase of 186 in service population.

**Fiscal Impacts to the County of Santa Clara**

Since the school will not begin operation until 2004, there is no fiscal impact in Fiscal Year 2003 and 2004. The increase in service population by 46 in 2005 will result in a slight net deficit to the County of about $5,300 and this deficit will increase to about $5,700 by Fiscal Year 2007.

**Fiscal Impact to Morgan Hill Unified School District (MHUSD)**

It is anticipated that the new private high school would attract students that would otherwise attend the public schools of the district. It is estimated that public high school demand will be reduced by about 300 students. According to MHUSD, this reduction in demand will not impacts their facilities plan.

**Fiscal Impact to the City of Morgan Hill**

Most City departments including the Community Development and Parks and Recreation departments do not anticipate any major shifts in service demand post-annexation. The net fiscal deficits of about $72,100 in FY 2004-2005 increasing to about $76,500 in FY 2006-2007 are due to increased costs for Morgan Hill Police Department and the Public Works Department.

**CONCLUSION**

Staff recommends that the proposed area Area 2 (Hale Avenue –Catholic High School) be included in the urban service area. The City states that it does not have vacant parcels of the size near arterial roads within its boundaries that can accommodate a high school.

While the proposed amendment to the urban service area includes prime agricultural lands, the EIR states that most alternative sites considered in and around Morgan Hill would have similar negative impacts on agricultural lands, burrowing owls and traffic. This proposal is surrounded by city development on three sides and is bound by the urban growth boundary and a geographic barrier in a form of a steep hillside on the other side as a result of which it is not likely to induce growth in the adjacent unincorporated areas. Since there are no adjacent agricultural lands, the development of this project site will not contribute to the loss of other adjacent agricultural lands.

**ATTACHMENTS**

Attachment A: Map of the Area
Attachment B: LAFCO Analyst's Report including environmental analysis and CEQA actions
Attachment C: Final EIR Morgan Hill Catholic High School
Attachment D: Fiscal Impact Report
MORGAN HILL 2001
URBAN SERVICE AREA
AMENDMENT
Hale Avenue (Catholic High School)
Recommended CEQA Action and Required Findings:

As a Responsible Agency under CEQA, LAFCO must take the following actions regarding the Final EIR for this project:

1. Find that [a] the Final EIR certified by the City of Morgan Hill on March 6, 2002 was completed in compliance with CEQA and is an adequate discussion of the environmental impacts of the project, and [b] prior to making a decision on this project, LAFCO reviewed and considered the environmental effects of the project as shown in the EIR.

2. Find that the FEIR identified several potentially significant impacts resulting from the project that cannot be mitigated to less than significant level. These impacts are listed below:
   - Cumulative Traffic Impacts
   - Cumulative Noise Impacts
   - Cumulative Agricultural/Open Space Impacts
   - Cumulative Burrowing Owl Habitat Impacts

   Mitigation measures for these impacts are not included in the FEIR. Therefore, these impacts are considered to be significant unavoidable cumulative impacts.

3. Find that [a] the FEIR identified potentially significant adverse impacts resulting from the project in the areas listed below, and [b] appropriate mitigation measures have been proposed for each of the potential impacts identified in each of the listed categories that will reduce the impacts to a less than significant level.
   - Visual Resources
   - Hydrology
   - Vegetation and Wildlife
   - Water Quality
4. Find that a monitoring program was submitted by the City of Morgan Hill’s Planning Department, and that the monitoring program ensures compliance with the mitigation measures identified in the Final EIR that would mitigate or avoid significant impacts associated with the Urban Service Area expansion, over which LAFCO has responsibility.

Final approval of the Urban Service Area expansion by LAFCO must be contingent on the Morgan Hill City Council’s adoption of the monitoring program.

5. If LAFCO approves the project, the Commission must adopt Findings of Overriding Considerations:

The EIR identified four significant unavoidable cumulative impacts (burrowing owl impacts, traffic impacts, noise impacts, and agricultural/open space impacts)

Burrowing Owl

Regarding the loss of burrowing owl habitat, LAFCO concurs with the City of Morgan Hill’s finding that this impact can be mitigated to a less than significant level through compliance with the comprehensive Burrowing Owl Mitigation Plan being prepared in consultation with the State Department of Fish and Game and interested members of the community. This permanent program will replace the interim mitigation policy reflected in this EIR, once it is complete and adopted by the City Council.

Traffic and Noise

That specific economic, social, and other considerations justify the approval of this project in spite of the existence of unavoidable environmental effects that are deemed significant and that cannot be completely mitigated to a level of insignificance and that these benefits outweigh the risks of its potential significant adverse environmental impacts.

Agriculture/Open Space

The proposed project would result in the loss of agricultural potential of approximately 30 acres of Prime Farmland. However, the project site is surrounded by existing urban development and no longer is a viable site for agricultural operations. Furthermore, farming has negatively impacted Fisher Creek and the elimination of farming activity on the project site will help improve and eliminate the impact to the nearby riparian habitat.

Purpose:

The City of Morgan Hill proposes to expand their Urban Service Area (USA) boundary to include a 30-acre parcel (Assessor’s Parcel Number 764-09-012) located on the west side of Monterey Road, east of Hale Avenue, approximately 1000 ft. north of Sanchez Drive, and approximately 2,300 feet south of the intersection of Tilton Avenue and Hale
Avenue. The property owners, Catholic Diocese of San Jose, initiated the proposal. The parcel is within the City’s Urban Growth Boundary and surrounded on three sides by the City’s Urban Service Area boundary. The parcel is co-terminus on two sides with Morgan Hill’s city limit line.

**Background:**

**Existing and Proposed Use of the Property**

According to the *Draft Environmental Impact Report (DEIR)*, the property has not been used for production for irrigated crops within the past five years. However, the *DEIR* does indicate that the property has been used for agricultural purposes (dry-farmed) for at least the past five years.

The applicant is proposing to locate a private Catholic high school (grades 9-12) on the 30-acre site. The school would accommodate 1,200 students and require 90 staff members. The total square footage of the proposed school is 146,772 sq. ft. This consists of 62 classrooms, 11,292 sq. ft. of office/administration area and 68,240 sq. ft. of common area, i.e. library, gym, chapel.

The project also includes the extension of Madrone Parkway from its current terminus at Monterey Road westward through the project site to Hale Avenue. The Madrone extension would divide the project into a northern and southern property. The northern property (approximately 18 acres in size) would be developed with the school buildings, two parking lots, playing fields, and a swimming pool. The southern property (approximately 9 acres in size) would be developed with the competition athletic fields (football and baseball), tennis courts, and a parking lot. Pedestrian access between the northern and southern campus areas will be via a below-grade tunnel under Madrone Parkway. A barrier to discourage surface pedestrian crossing would be placed within the median of Madrone Parkway.

Additionally, Fisher Creek, a manmade drainage that is currently located between Hale Avenue and the project site will be moved approximately 25 feet to the east to allow for the widening of Hale Avenue. The realigned channel will range in width from 30 feet to 100 feet and will be designed to convey the 100-year storm event flow.

**Applicable General Plan and Zoning Designations**

The parcel currently has a County General Plan designation of “Agriculture, Large Scale”, with a zoning designation of “A20s-sr” (20- acre minimum).

The City’s General Plan designation for the parcel is “Public Facility,” with a zoning designation of “Public Facility.” The “Public Facility” zoning district is very restrictive in its use and the only uses permitted in the district are facilities owned or leased and operated or used by the City, the County, the State, the Government of the United States or the Morgan Hill Unified School District.
Surrounding Land Uses

Land uses surrounding the project site include residential, commercial, industrial, and open space. The area north of the project site is currently being developed with 82 residential units. Land uses to the east of project site, beyond the railroad tracks and Monterey Highway, include commercial land uses and industrial uses (currently under development). The area south of the project site is developed with single-family residences. Rural land uses are located west of the project site, across Hale Avenue.

Monitoring Program

A monitoring program (see attached) is required for all environmental documents when significant impacts are identified. In addition specific monitoring compliance with mitigations described in the EIR should occur at the time of annexation, pre-zoning, and use permit approval.

ENVIRONMENTAL FACTORS OF CONCERN TO LAFCO

Premature Conversion of Agricultural Lands and Open Space

According to the EIR, nearly the entire site is designated as Prime Farmland, based on the California Department of Conservation’s Important Farmlands Map. Prime Farmland is defined by the California Department of Conservation as land with the best combination of physical and chemical features able to sustain long-term production of agricultural crops. This land has the soil quality, growing season, and moisture supply needed to produce sustained high yields. In order for land to be designated as Prime Farmland, it must have been used for the production of irrigated crops within approximately four years of the mapping date. Since the project site has not been used for the production of irrigated crops within the past five years, it could potentially be reclassified as Farmland of Local Importance. Furthermore, the EIR notes that the project site is surrounded by residential uses to the north and south, which are incompatible with agricultural activity.

Nevertheless, the EIR states that the proposed project would result in the loss of approximately 30-acres of Prime Farmland to urban uses and that this is a significant unavoidable impact.

The EIR also states that sites of adequate size to accommodate the proposed project are not available within the city limits. Alternative sites in the Morgan Hill area are expected to result in impacts similar to the proposed project, such a loss of agricultural land.

Provision of Public Services

According to the EIR, all urban services are available to the proposed amendment project area. Water, fire, police and sewer services as well as utilities are all currently available. Existing water facilities adjacent to the project site area are available and adequate to serve the proposed project. The police and fire department have also indicated that they will be able to serve the proposed project without substantial strain on their resources. Existing electricity and gas facilities adjacent to the project site are available and adequate to serve the proposed project. However, the sanitary sewer system will require
improvement downstream of the project site to accommodate the proposed project, once the site is annexed.

Growth Inducement

Approval of the proposed USA boundary expansion would allow for the 30-acre site to be annexed into the City of Morgan Hill and developed for a public facility uses (private High School). Although the construction of the proposed project could lead to the annexation and development of nearby unincorporated properties, it is unlikely. The City of Morgan Hill borders the northern and eastern boundary of the project site and is located less than 400 feet south of the project site. The area west of the project site is outside of the City’s Urban Growth Boundary. Therefore, the EIR states that the proposed project is not expected to result in the development of nearby unincorporated areas.

As mentioned in the above section, the City of Morgan Hill’s sewer system will need to be improved in order to serve the proposed project, specifically, a new sanitary lift station and force main to serve the proposed project upon annexation. Although both of these improvements are included in the City Master Sanitary Sewer Plan, their construction would expand infrastructure that currently impedes growth.

Traffic and Circulation

The results of the level of service analysis indicate that the proposed project will have a significant impact on six intersections in Morgan Hill, as well as three segments of Highway 101. The proposed project does not include mitigation measures that would reduce the project’s impacts on any of the affected intersections to a less than significant level. The EIR identifies this as a significant unmitigated impact. Additionally, the environmental document states that the proposed project will result in significant unavoidable impacts on three U.S. 101 freeway segments. The EIR identifies this as a significant unavoidable impact.

City Adoption of Overriding Considerations Statement

On March 6, 2002 the City of Morgan Hill adopted a Statement of Overriding Considerations for the Morgan Hill Catholic High School and Urban Service Area Amendment. The Statement is attached as a part of City of Morgan Hill Resolution No. 5555.

ATTACHMENT

1. City of Morgan Hill Resolution No. 5555
2. Draft Mitigation Monitoring Program for the Morgan Hill Catholic High School Final EIR
RESOLUTION NO. 5557

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING THE INCLUSION INTO THE CITY'S URBAN SERVICE AREA A 30 ACRE PARCEL LOCATED ON THE EAST SIDE OF HALE AVENUE, WEST OF MONTEREY ROAD, 1,800 FEET SOUTH OF TILTON AVENUE AS CONTAINED IN APPLICATION USA-01-02: HALE AVENUE - CATHOLIC HIGH SCHOOL (APN 764-09-012)

WHEREAS, the Morgan Hill City Council has adopted a policy defining "Desirable Infill" as specified in Morgan Hill Municipal Code Section 18.78.070; and

WHEREAS, such request was considered by the City Council at their regular meeting of March 6, 2002 at which time the City Council approved Urban Service Boundary application USA 01-02: Hale Avenue-Catholic Church; and

WHEREAS, testimony received at a duly-noticed public hearing, along with exhibits and drawings and other materials have been considered in the review process.

NOW, THEREFORE, THE MORGAN HILL CITY COUNCIL DOES RESOLVE AS FOLLOWS:

SECTION 1. The City Council finds that the proposed inclusion of territory into the Urban Service Areas is consistent with the General Plan because the development of the parcel is cost effective for the City.

SECTION 2. The City finds that the proposed high school facility is unique in the parcel size requirements. Due to the lack of parcels of this size along a major arterial with the existing Urban Service Area or City Limits, it is requested that the Local Agency Formation Commission consider readjustment of the Morgan Hill Urban Service boundary to include the area shown in the attached Exhibit A.

SECTION 3. The City Council finds that the inclusion of the property within the Urban Service Area boundary will further the City’s fulfilment of its General Plan policy to insure a high quality education experience for school age children by providing adequate and safe school facilities, preventing overcrowding, and providing school locations convenient to the population served.

SECTION 4. An Environmental Impact Report has been prepared. Mitigation measures have been adopted for those environmental impacts identified in the report.
PASSED AND ADOPTED THIS 6TH DAY OF MARCH 2002, AT A REGULAR MEETING OF THE CITY COUNCIL BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS: Larry Carr, Hedy L. Chang, Dennis Kennedy, Greg Sellers
NOES: COUNCIL MEMBERS: None
ABSENT: COUNCIL MEMBERS: Steve Tate
ABSTAIN: COUNCIL MEMBERS: None

ATTEST:

[Signature]
Irma Torrez, City Clerk

CERTIFICATE OF THE CITY CLERK

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. 5557, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 6th day of March 2002.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: 3/20/02

[Signature]
IRMA TORREZ, City Clerk
CERTIFICATION

I, Lois A. Corbet, Deputy City Clerk, do hereby certify that the foregoing is a true and correct copy of Resolution No. 5557 adopted by the Morgan Hill City Council at the Regular Meeting of March 6, 2002.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: March 20, 2002

Lois A. Corbet, Deputy City Clerk
DRAFT

Mitigation Monitoring Program
for the Morgan Hill Catholic High School EIR

(not yet adopted by the Morgan Hill City Council)
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<tr>
<td>Land Use Impacts</td>
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<tr>
<td>The proposed project would result in the loss of approximately 30-acres of Prime Farmland.</td>
<td>No mitigation is proposed.</td>
<td>Project Proponent</td>
<td>Significant Unavoidable Impact</td>
</tr>
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<td>Visual Resources</td>
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<td>The proposed project would create a new source of substantial light which may adversely affect nighttime views in the area.</td>
<td>The project will include a landscaping plan to provide screening vegetation around and on the site. All outdoor night-lighting will be designed to minimize spillover onto adjacent properties while still providing for safety. The project plans will be reviewed by the Community Development Department staff for compliance with the City's design and architectural regulations.</td>
<td>Project Proponent</td>
<td>The project plans will be reviewed by the Community Development Director for compliance with the City's design and architectural regulations.</td>
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<tr>
<td>Significant Impact</td>
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<td>Less than Significant Impact with Mitigation</td>
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<td>The project site would be exposed to noise levels that exceed an Ldn of 70 dBA, which exceeds Morgan Hill's land use compatibility thresholds for schools.</td>
<td>The buildings will include sound-rated windows and doors, and sound insulating exterior wall and roof construction as determined by an acoustical specialist participating in the project design. A maximum noise level of about 55 dBA resulting from the intermittent train passages should be considered as an objective for the project design.</td>
<td>Project Proponent</td>
<td>The Community Development Director will review the construction bid documents and confirm that the noise mitigation measures are included in the plans and are implemented during construction. Less than Significant Impact with Mitigation</td>
</tr>
<tr>
<td>The proposed project would increase ambient noise levels at the adjacent residences to the south, as a result of the football stadium and the activities associated with nighttime football games.</td>
<td>The project will utilize a distributed loudspeaker system with the speakers oriented to minimize sound transmission out of the stadium area and the football stadium will have an 11:00 PM curfew.</td>
<td>Project Proponent</td>
<td>The Community Development Director will review the construction bid documents and confirm that the noise mitigation measures are included in the plans and are implemented during construction. Less than Significant Impact with Mitigation</td>
</tr>
<tr>
<td>Construction activities for the project would temporarily elevate noise levels in the area.</td>
<td>The project will adhere to the City of Morgan Hill Noise Ordinance, all equipment shall be fitted with mufflers which are equivalent to or better than those which were issued with the equipment, and construction equipment and deliveries shall utilize Hale Road and Monterey Road for site access.</td>
<td>Project Proponent</td>
<td>The Community Development Director will review the construction bid documents and confirm that the noise mitigation measures are included in the plans. The Director shall monitor construction and ensure that the noise measures are implemented during construction. Less than Significant Impact with Mitigation</td>
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| The addition of project traffic will add new trips equivalent to more than one percent of the freeway segment capacity to three northbound freeway segment operating at LOS F under Existing Conditions:  
- East Dunne to Cochrane Road;  
- Cochrane Road to Burnett Avenue; and  
- Burnett Avenue to Sheller Avenue.  
**Significant Impact** | The following mitigation measures are included in the project:  
- Issuance of bus vouchers to students using VTA bus service;  
- Work with VTA to install bus stops on Monterey Highway and Hale Avenue in proximity to Madrone Parkway with VTA;  
- Encouraging the use of carpools by students and faculty;  
- Providing preferred parking to those doing ride sharing;  
- Installation of sidewalks on Madrone Parkway and Hale Avenue;  
- Installation of bike path along Hale Avenue;  
- Provision of bicycle facilities on campus. | Project Proponent | The measures will be included in the Conditional Use Permit and the Public Works Director shall confirm that the construction bid documents include the identified improvements and that they are operational prior to opening of the project. |
| The progression of vehicles through the drop-off area may be delayed.  
**Significant Impact** | If it is determined during the operation of the high school that vehicles are not steadily progressing through the drop-off area, then the applicant will require staff or employ outside services to assist vehicle progression through the drop-off area. | Project Proponent | The measures will be included in the Conditional Use Permit and enforced by the City if necessary. |

**Less than Significant Impact with Mitigation**
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<tr>
<td>Transportation Cont.</td>
<td>• Turning templates should be applied to the site plan to ensure that all vehicles accessing the project site can negotiate all required turning movements. The local fire department should also review the final site plan to ensure that adequate emergency access is provided.</td>
<td>Project Proponent</td>
<td>Prior to the opening of the project, the Public Works Director shall confirm that any identified intersection improvements are complete and operational.</td>
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<td>Project traffic will degrade operating conditions at the unsignalized intersection of Monterey Highway/Old Monterey Road. Significant Impact</td>
<td>The following mitigation measures are included in the project:</td>
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<td>Less than Significant Impact with Mitigation</td>
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<td>• Prepare another traffic study for the intersection, after completion of the improvements to Highway 101 and prior to development of the school, to determine the actual LOS of the intersection and the resultant necessary improvements; and</td>
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<td>• Provide improvements as required by the City, based on the new traffic study.</td>
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### Mitigation and Monitoring Program

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<td><strong>Transportation Cont.</strong></td>
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<td>- Pedestrian facilities (e.g., crosswalks) will be included in the</td>
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<td>design of the new signalized intersections at Hale Avenue/Madrone</td>
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<td>Parkway and Monterey Highway/Madrone Parkway. The project sponsor</td>
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<td>will dedicate right-of-way along Madrone Parkway and the project</td>
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<td>boundaries for future sidewalks that will connect to pedestrian</td>
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<td>facilities in the surrounding areas as more development occurs;</td>
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<td>- During peak traffic periods, the southernmost parking area will be</td>
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<td>monitored or some sort of pedestrian barrier will be constructed to</td>
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<td>ensure that people parking in this lot use the tunnel and do not</td>
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<td>jaywalk across Madrone Parkway;</td>
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<td>- The parking lots will be designated to decrease the number of</td>
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<td>circulating vehicles trying to find a parking space. The western</td>
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<td>parking area north of Madrone Parkway will be designated for faculty</td>
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<td>and students attending the &quot;zero-period&quot; (classes before the start of</td>
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<td>regularly scheduled classes). The two remaining parking facilities</td>
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<td>should be designated on a student-by-student basis;</td>
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<tr>
<td><strong>Transportation Cont.</strong></td>
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<td>- Under Project Conditions, the right-turn queue would extend beyond the central project driveway, potentially blocking vehicles entering and exiting this driveway. Therefore, the central project driveway serving the south parking lot will be relocated approximately 50 feet west of its current location;</td>
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<td>- Under 2025 General Plan Buildout Conditions, the eastbound right turn will be modified to be a &quot;free&quot; right-turn movement that is not controlled by the traffic signal. The projected queues in the left-turn and through lanes will extend to approximately half way between the eastern and central site driveways. A second left-turn lane on the eastbound approach will be added to provide additional storage. The left-turn pockets will extend at least 265 feet west of the railroad tracks;</td>
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<td>- The westbound lanes of Madrone Parkway will be striped with a &quot;Keep Clear&quot; designation in front of the entrance and exit driveways of the northern campus area, to allow left-turns into and out of the project site to occur if queuing on Madrone Parkway extends to the driveways;</td>
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<tr>
<td>Without proper design, the development of the proposed project could result in significant site access, circulation, pedestrian safety and Madrone Parkway operations impacts.</td>
<td>The following mitigation measures are included in the project:  - the westbound left-turn lane from Madrone Parkway into the south parking lot will be at least 80-feet in length;  - the eastbound left-turn lane from Madrone Parkway into the northern campus area will be at least 100-feet in length;  - for the proposed four-lane, divided Madrone Parkway extension, minimum tapers of 90 feet will be provided at each left-turn pocket. Therefore, the minimum distance between the east and central school driveways will be 270 feet, assuming back-to-back left-turn pockets are provided;  - one 150-foot left-turn lane will provide adequate storage on the westbound approach to the Hale Avenue/Madrone Parkway intersection;  - adequate right-of-way will be provided so that, under 2025 General Plan Buildout Conditions, a second westbound left-turn lane can be added to the westbound approach to this intersection. The left-turn pocket will be at least 225 feet in length;</td>
<td>Project Proponent</td>
<td>Prior to issuance of building permits, the Public Works Director shall confirm that the construction bid documents include the identified improvements and that they are complete and operational prior to opening of the project. Less than Significant Impact with Mitigation</td>
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| Under 2004 conditions, the addition of project traffic is expected to result in a significant impact to the signalized intersection of Monterey Highway/Cochrane Road (AM peak hour). | To mitigate the project's impact at the intersection of Monterey Highway/Cochrane Road, the following intersection improvements are proposed by the project:  
  - prepare another traffic study for the intersection, after completion of the improvements to Highway 101 and prior to development of the school, to determine the actual LOS of the intersection and the resultant necessary improvements; and  
  - provide improvements as deemed required, if any, by the City, based on the new traffic study. | Project Proponent | Prior to the opening of the project, the Public Works Director shall confirm that any identified intersection improvements are complete and operational. |
| Significant Impact | Project Proponent | Prior to the opening of the project, the Public Works Director shall confirm that the identified intersection improvements are complete and operational. |
| Under 2004 conditions, the addition of project traffic is expected to result in a significant impact to the signalized intersection of US 101 Southbound Ramp/Cochrane Road (AM peak hour). | The project proposes to provide the following improvements to mitigate project impacts at this intersection:  
  - the southbound approach at the intersection would be modified to allow a channelized right-turn lane with associated receiving lane (creating a "free" right-turn movement); and  
  - the existing shared right/left-turn lane would be restriped as a dedicated left-turn lane and the existing dedicated right turn lane would remain as is. | Less than Significant Impact with Mitigation | Less than Significant Impact with Mitigation |
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<tr>
<td><strong>Cultural Resources</strong></td>
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<td>The proposed project could result in the exposure of subsurface cultural resources during construction.</td>
<td>If archaeological resources are uncovered, construction will halt within 50 feet of the find and an archaeologist will determine what further mitigation will be required.</td>
<td>Project Proponent</td>
<td>Prior to issuance of grading permits, the Community Development Director will confirm that construction bid documents including a &quot;stop work&quot; provision, in the event resources are uncovered. The Director shall confirm that appropriate mitigation measures are implemented, in the event of a find.</td>
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<td>Significant Impact</td>
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| **Transportation** | | | |
| Under 2004 conditions, the addition of project traffic is expected to result in a significant impact to the signalized intersection of Monterey Highway/Madrone Parkway (AM and afternoon peak hours). | To mitigate the project's impact at the intersection of Monterey Highway/Madrone Parkway, the following intersection improvements are proposed by the project:  
  - add a second northbound left-turn lane; and  
  - provide a receiving lane for eastbound right turns on Madrone Parkway to create a "free" right-turn movement from Madrone Parkway onto Monterey Highway. | Project Proponent | Prior to the opening of the project, the Public Works Director shall confirm that the identified intersection improvements are complete and operational. |
| Significant Impact | | | |
| | | | |

MORGAN HILL CATHOLIC HIGH SCHOOL EIR
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<th>Oversight: Responsibility and Implementation Mechanism</th>
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<tr>
<td>Portions of the site are subject to flooding from Fisher Creek, in the event of a 100-year flood.</td>
<td>The realigned Fisher Creek channel will be designed to carry the 100-year flood discharge, plus some freeboard.</td>
<td>Project Proponent</td>
<td>Prior to issuance of grading permits, the Public Works Director shall confirm that the realigned Fisher Creek channel will be designed to carry the 100-year flood discharge, plus some freeboard.</td>
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<tr>
<td>Significant Impact</td>
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<td>Less than Significant Impact with Mitigation</td>
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<td>The proposed project will create a significant increase in runoff from the site.</td>
<td>The project will construct a 4-acre detention pond. Runoff from the project site after development will be 13.25 cfs for a 100-year storm event, which is less than the estimated runoff for the pre-project conditions for a 10-year storm event.</td>
<td>Project Proponent</td>
<td>Prior to issuance of a grading permit, the Public Works Director shall confirm that the project includes a 4-acre detention pond and that runoff from the project site after development will be 13.25 cfs during a 100-year storm event.</td>
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<td>Significant Impact</td>
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<tr>
<td>Development of the site could significantly increase the amount of contamination of storm water runoff.</td>
<td>The project will prepare a Stormwater Pollution Prevention Plan (SWPPP) and implement Best Management Practices (BMPs) to reduce pollutants in runoff during construction and post-construction activities. All runoff from the project site after construction including Madrone Parkway and Hale Avenue will be filtered prior to entering Fisher Creek. The proposed project will subject to review and approval from the RWQCB.</td>
<td>Project Proponent</td>
<td>Prior to issuance of a grading permit, the Public Works Director would review and approve the draft SWPPP. The Public Works Director will ensure that the Project complies with NPDES requirements during construction and implements regular maintenance activities during the operation of the project.</td>
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<td>Significant Impact</td>
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## MITIGATION AND MONITORING AND REPORTING PROGRAM

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<tr>
<td>The project would result in the loss of Burrowing Owl nesting and foraging habitat within the area.</td>
<td>The proposed project will comply with the comprehensive Burrowing Owl Mitigation Plan being prepared by the City in consultation with the State Department of Fish and Game and interested members of the community.</td>
<td>Project Proponent</td>
<td>Prior to issuance of the grading permit, the Community Development Director shall ensure that the construction bid documents include measures to reduce impacts to Burrowing Owl habitat. Less than Significant Impact with Mitigation</td>
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<td>Significant Impact</td>
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<tr>
<td>Development of the project site may result in impacts to nesting Saltmarsh Common Yellowthroats.</td>
<td>Construction will occur or all vegetation will be cleared during the non-breeding season. If construction near potential nesting habitat does occur during the nesting season, then preconstruction surveys will be conducted by a qualified ornithologist.</td>
<td>Project Proponent</td>
<td>Prior to issuance of the grading permit, the Community Development Director shall ensure that the construction bid documents include measures to reduce impacts to Saltmarsh Common Yellowthroats. Less than Significant Impact with Mitigation</td>
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<td>Significant Impact</td>
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<td>The removal of ordinance size trees on the project site would result in a significant impact.</td>
<td>All lost trees will be replaced pursuant to the requirements of the City of Morgan Hill Tree Ordinance, which requires a tree removal permit for every ordinance size tree to be removed.</td>
<td>Project Proponent</td>
<td>Prior to issuance of the grading permit, the Community Development Director shall ensure that the construction bid documents include measures to reduce impacts to ordinance size trees. Less than Significant Impact with Mitigation</td>
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<td><strong>Vegetation and Wildlife Cont.</strong></td>
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<td>Construction activities associated with the proposed project could</td>
<td>If it is not possible to schedule construction outside of the breeding</td>
<td>Project Proponent</td>
<td>Prior to issuance of the grading permit, the</td>
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<td>result in the destruction of nests and/or disturbance to nesting</td>
<td>season, then pre-construction surveys for nesting raptors and shrikes</td>
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<td>Community Development Director shall ensure that the</td>
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<td>raptors and/or Loggerhead shrike.</td>
<td>will be conducted. A 250 foot wide construction-free buffer zone will be</td>
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<td>construction bid documents include measures to reduce</td>
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<td>established around active nests. Trees on the project site will be removed</td>
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<td>impacts to nesting raptors and Loggerhead shrikes.</td>
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<td>during the non-nesting season or after pre-construction surveys are</td>
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<td>completed.</td>
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<td>Construction activities associated with the proposed project could</td>
<td>A pre-construction survey for Burrowing Owls will be completed. If</td>
<td>Project Proponent</td>
<td>Prior to issuance of the grading permit, the</td>
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<td>result in the loss of Burrowing Owls, their young, and/or fertile eggs.</td>
<td>breeding or resident owls are located on or immediately adjacent to the</td>
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<td>Community Development Director shall ensure that the</td>
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<td>site, the following mitigation measures will be implemented: A 250-foot</td>
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<td>construction bid documents include measures to reduce</td>
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<td>buffer will be established around nesting Burrowing Owls, until the young</td>
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<td>impacts to Burrowing Owl.</td>
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<td>owls are foraging independently. If pre-construction surveys during the</td>
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<td>non-breeding season determine that Burrowing Owls occupy the site, and</td>
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<td>avoiding development of occupied areas is not feasible, then the owls</td>
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<td>may be evicted from the site upon the approval of the CDFG once mitigation</td>
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<td>has been provided.</td>
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<tr>
<td><strong>Vegetation and Wildlife Impacts</strong></td>
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<td>The loss of wetland habitat associated with the realignment of Fisher Creek is a significant impact.</td>
<td>The project proposes the following mitigation measures:</td>
<td>Project Applicant</td>
<td>Prior to issuance of the grading permit, the Community Development Director shall ensure that the construction bid documents include measures to reduce impacts to wetland habitat.</td>
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<tr>
<td>Significant Impact</td>
<td>• The channel habitats will be replaced at a 1:1 (replacement:loss) ratio for the seasonal drainage and 2:1 ratio for the perennial wetland.</td>
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<td>Less than Significant Impact with Mitigation</td>
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<td>• All mitigation is to be on-site within and directly adjacent to the realigned Fisher Creek.</td>
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<td>• Prior to vegetation removal within the channel habitats, the project applicant will obtain all required permits from the U.S. Army Corps of Engineers, Regional Water Quality Control Board, and California Department of Fish and Game.</td>
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<td>• Lighting would be designed to minimize impacts to wildlife within the future Fisher Creek alignment.</td>
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<td>The proposed project may result in significant impacts to Congdon's tarplant, a special-status plant species.</td>
<td>Protocol-level surveys will be conducted to determine if Congdon's tarplant exists on the project site. If any plants are found on the site, a qualified plant ecologist will determine the significance of any plants found on the site and the necessary steps to achieve mitigation.</td>
<td>Project Applicant</td>
<td>Prior to issuance of the grading permit, the Community Development Director shall ensure that the construction bid documents include measures to reduce impacts to Congdon's tarplant.</td>
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<td><strong>Air Quality</strong></td>
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<td>Air quality impacts resulting from construction, particularly generation of construction dust, could cause significant adverse effects to adjacent residential land uses.</td>
<td>The project would include the BAAQMD list of feasible construction dust control measures that can reduce construction impacts to a level that is less than significant.</td>
<td>Project Proponent</td>
<td>The Community Development Director shall review and confirm that the construction bid documents include the dust control measures and monitor construction activity to ensure that they are enforced. Less than Significant Impact with Mitigation</td>
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<td><strong>Utility and Service Systems</strong></td>
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<td>The proposed project would exceed the capacity of sanitary lift station &quot;H&quot;, located on Hale Avenue, just south of Llagas Road.</td>
<td>The project would bypass lift station &quot;H&quot; by constructing a new lift station at the intersection of Monterey Road and Cochrane Road and a new force main in Cochrane Road from this lift station to Butterfield Boulevard.</td>
<td>Project Proponent</td>
<td>Prior to issuance of building permits, the Public Works Director shall confirm that the construction bid documents include the identified utility improvement and that it is operational prior to opening of the project. Less than Significant Impact with Mitigation</td>
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ITEM 5.1(b): ATTACHMENT C

Final Environmental Impact Report
Morgan Hill Catholic High School

ITEM 5.1(b): ATTACHMENT D

Fiscal Impact Analysis: For Urban Service Area Boundary
Amendment Area 01-02

(For Morgan Hill: Hale Avenue, Catholic High School)

DUE TO LIMITED COPIES
THESE DOCUMENTS ARE PROVIDED TO COMMISSIONERS ONLY
RECOMMENDATION

1. CEQA Action

As a responsible agency under CEQA, approve the categorical exemption. The project is categorically exempt from CEQA under Class 19, Section 15319 (a) and Class 23 Section 15323.

2. AREA 3 (Condit Road–Soccer Field)

Approve the inclusion of Area 3 containing 35 acres, into the Morgan Hill Urban Service Area.

PROJECT DESCRIPTION

The City of Morgan Hill proposes to expand its Urban Service Area (USA) boundary to include a 35-acre parcel (APN 817-13-001) located on the west side of Murphy Avenue, east of Condit Road, between San Pedro and Barrett Avenue. The parcel was developed in the County as a regional soccer field facility and consists of several regulation size soccer fields and an existing single-family home which functions as the caretaker’s unit.

The property is currently leased and operated by the California Youth Soccer Association (CYSA) to conduct youth soccer league tournaments. The City of Morgan Hill purchased the property in August 2001, when the prior owner decided to sell the site and did not want to renew the lease with CYSA. The City is not proposing to change the current use of the property or to make any improvements to the facility in the near future.
ENVIRONMENTAL CONSIDERATIONS

Categorical Exemption

An analysis of the environmental information is contained in the attached LAFCO Analyst’s report.

CONSISTENCY WITH MORGAN HILL GENERAL PLAN

Urban Growth Boundary

The project site is within the City’s existing urban growth boundary, which was adopted by the City in 1996.

Desirable Infill Standard (Commercial Infill Policy)

The parcel is owned by the city and has a Public Facility land use and zoning designation.

Applications for urban service area inclusions with a residential land use designation are required to meet the definition of desirable infill. As a non-residential land use, the policy only requires that the property must be contiguous to the city’s current USA and the city must be able to provide urban services to the property. The property is contiguous on its north and west sides to the City and currently receives services from the City.

CONSISTENCY WITH COUNTY GENERAL PLAN

The proposal is consistent with the Growth and Development C-GD Policy 3, which states that urban service areas should include only those areas suitable for urban development by being: reasonably serviceable with public services, relatively free from risks associated with natural hazards, without substantial adverse environmental impacts, and not likely to create severe off-site impacts on the surrounding areas or to any natural resource.

The proposal is also consistent with policy C-GD 8 by being contiguous to the existing urbanized area, and all needed public services and facilities can be provided within 5 years without lessening existing levels of service.

CONSISTENCY WITH LAFCO POLICIES

Conversion of Prime Agricultural Lands and Open Space

The site is currently operated as a soccer facility, about 98% of which is covered by lawn. Although this project site is adjacent to unincorporated lands zoned for agriculture, this site with its current low intensity development is more compatible with the adjacent agricultural lands than other types of urban uses. There will be no impacts on agricultural or open space lands.
Logical and Orderly, Efficient Boundaries

The proposed expansion is adjacent to the city on one side and is contiguous to the current USA boundary on 2 sides. The proposed inclusion to the USA would create an orderly and logical boundary.

Ability of City to Provide Urban Services

As part of the development of the site by CYSA, the City of Morgan Hill agreed to provide water service to the facility and fire and police protection through mutual aid agreements. The City is currently providing these services. An 8-inch sewer line exists on Condit Road, should sewer service be necessary in the future after annexation. The city has the ability to provide service to the parcel without detracting from current level of services to existing parcels within its limits.

Ability of School District to Provide School Facilities

The General Plan land use designation for this area is Public Facility. The City is not proposing to change the landuse for this parcel after annexation. Continuing the existing use will not directly generate any new students and so will not require provision of school facilities even after annexation.

Five-Year Supply of Vacant Land

The City does not have an inventory of vacant land zoned PF for Public Facilities. The Public Facility designation is applied to existing public uses such as schools, parks, and government buildings. After inclusion in the USA, the Desirable Infill Policy and the Zoning Code do not allow for a change to a residential land use designation unless a study is produced documenting less than a 5-year supply of residential land within the city limits.

Fiscal Impacts Analysis

The fiscal impact analysis report submitted by the City is based on the assumption that the City will not sell or develop the site and will continue its existing use after annexation.

Fiscal Impact to Morgan Hill Unified School District (MHUSD) and to the County of Santa Clara

Since the site is not planned for new development that would result in increased employment or resident population, its inclusion in the USA and the eventual annexation to the city will not generate a service population or students. Thus, there will be no impact to the County or the School District.

Once the property is annexed to the City, it will become tax-exempt because the city owns the property. The City currently pays $7,210 per year in base property taxes with
another $179 in special assessments. Post-annexation, the taxing jurisdictions stand
to lose $7,388 per year; Santa Clara County will lose $1,081 in property taxes per
year, the County Library will lose $201 per year, and Morgan Hill Unified School
District will lose $3,363 per year in property taxes.

**Fiscal Impact to the City of Morgan Hill**

Although the annexation will not increase the resident population, it will increase the
City's weekend population. It is expected that the site should average about 3,170
visitors per weekend or 158,400 visitors per year.

The City does not anticipate an increase in sales tax or any other significant source of
revenue as a result of annexation to offset these expenditures. These expenditures
create a General Fund deficit for the City of $82,535 in Fiscal year 2002-03 which
would increase to $91,346 by Fiscal Year 2006-07.

**CONCLUSION**

Staff recommends that the parcel be included in the urban service area. The City currently
provides services to the site, the site is already developed as a soccer facility and its
inclusion into the City would not impact any agricultural lands or open space.

**ATTACHMENTS**

Attachment A: Map of the Area

Attachment B: LAFCO Analyst’s Environmental Analysis

Attachment C: Fiscal Impact Report
MORGAN HILL 2001
URBAN SERVICE AREA
AMENDMENT
Condit Road (Soccerfield)
Exhibit A-3

City of Morgan Hill, Soccer Facility Area III
Date prepared: May 31, 2002

Hearing date: June 13, 2002

To: The Santa Clara County Local Agency Formation Commission

From: Dunia Noel, LAFCO Analyst

Subject: 2001 MORGAN HILL URBAN SERVICE AREA EXPANSION — AREA 3 (Condit Road)

Recommended Environmental Action:

Approve Categorical Exemption. The project is categorically exempt from the requirements of CEQA.

Reasons for Recommendation:

The project is exempt under CEQA Class 19, Section 15319(a) and Class 23, Section 15323 which state:

Section 15319 (a): Annexation to a city or special district of areas containing existing public or private structures developed to the density allowed by the current zoning or pre-zoning of either the gaining or losing governmental agency, whichever is more restrictive, provided, however, that the extension of utility services to the existing facilities would have a capacity to serve only the existing facilities.

Section 15323: The normal operations of existing facilities for public gatherings for which the facilities were designed, where there is a past history of the facility being used for the same or similar kind of purpose.

Purpose:

The City of Morgan Hill proposes to expand their Urban Service Area (USA) boundary to include a 35-acre parcel located on the west side of Murphy Avenue, east of Condit Road, between San Pedro and Barrett Avenue. This area is within Morgan Hill's Urban Growth Boundary but is outside of Morgan Hill's Urban Service Area boundary and City Limits. The north side and west side of the parcel are co-terminus with the City’s USA.

Background:

Existing and Proposed Use of the Property

The 35-acre parcel was developed in the County as a regional soccer field facility and consists of several regulation size soccer fields and an existing single-family home which
functions as the caretaker's unit. The soccer field facility is currently leased and operated by the California Youth Soccer Association (CYSA). The City of Morgan Hill purchased the property in August 2001, when the prior owner decided to sell the site and did not want to renew the lease with CYSA.

Although the City is proposing to include the parcel in its USA and to eventually annex the area, the City is not proposing to change the current use of the property or to make any improvements to the facility.

Applicable General Plan and Zoning Designations

The parcel currently has a County General Plan designation of “Agriculture Medium Scale”, with a zoning designation of “A-20sr” Agricultural Zoning (20-acre minimum). The City’s General Plan designation for the parcel is “Public Facility,” with a zoning designation of “Public Facility. The “Public Facility” zoning district is very restrictive in its use and the only uses permitted in the district are facilities owned or leased and operated or used by the City, the County, the State, the Government of the United States or the Morgan Hill Unified School District.

Surrounding Land Uses

Surrounding land uses include commercial uses (e.g. a rv/motor home park, restaurant and hotel) to the north and west, and agricultural operations to the east and south.

Provision of Municipal Services to the Property

As part of the development of the facility within the County, the City of Morgan Hill agreed to provide water service to the facility and police and fire service through mutual aid agreements. There is an existing well on the site. No further development of the soccer facility is proposed at this time. If additional services were needed, a 12-inch water line exists in Condit Rd. and in Barrett Ave. A 6-inch sewer line exists within Condit Rd., Barrett Ave. and San Pedro Ave., surrounding the property on three sides.

Conclusion:

The proposed USA is exempt from CEQA because the project meets the requirements pursuant to Section 15319 and 15323 because the continued operation of an existing public gathering facility would not result in adverse environmental effects.
ITEM 5.1(c)
ATTACHMENT C

Fiscal Impact Analysis
For Urban Service Area Boundary
Amendment Area 01-06

(For Morgan Hill: Condit Road)

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THIS DOCUMENT IS PROVIDED TO COMMISSIONERS ONLY
May 31, 2002

TO: LAFCO
FROM: Neelima Palacherla, Executive Officer
SUBJECT: Gilroy Urban Service Area Amendment (1999)
Gilroy Sports Park and Adjacent Areas
Agenda Item # 5.2

RECOMMENDATION

1. CEQA Action and Findings

Please see attached LAFCO Analyst’s report for CEQA recommendations and for environmental analysis of project. (Attachment B)

2. Project

a. Deny the inclusion of the area (14 parcels) into the Gilroy urban service area and continue for consideration of annexation of only three (3) of those parcels (APNs 808-21-030, 808-21-0128 and 808-21-026) pursuant to Government Code Section 56742.

b. Direct staff to work with the City to obtain maps and legal description of the properties per the County Surveyor requirements and the necessary State Board of Equalization fees for the annexation of the above three parcels.

c. Direct staff to re-notice the application for the August 14, 2002 LAFCO meeting to indicate that the application includes annexation of the above three parcels.

Commissioners: Blanca Alvarado, Donald F. Gage, Suzanne Jackson, Linda LeZotte, Susan Vicklund Wilson
Commission Secretary: (408) 299-5088
PROJECT DESCRIPTION

The City of Gilroy proposes to expand its Urban Service Area (USA) boundary to include 14 parcels forming a 140.21-acre project site. The proposal includes 3 components:

1. the approved Gilroy Sports park on 5 parcels of a total 85.36 acres (including a 7 acre trail extension and habitat buffer), (APNs 808-21-030, 808-21-0128, 808-21-026, 808-21-021 and 808-21-018)

2. 27.72 acres containing 3 parcels for a proposed residential area (APNs 808-21-016, 808-21-010-08 and 808-21-009) and

3. 27.13 acres containing 6 parcels for a proposed commercial area (APNs 808-21-031, 808-21-029, 808-21-027, 808-21-013, 808-21-014 and 808-21-015).

The project site is located on the west side of Monterey Road, south of West Luchessa Avenue (formerly Thomas Lane) and is bound on the west side by Uvas Creek and the south by Farman Lane and Uvas Creek.

The City of Gilroy owns the Sports Park site and has approved the Sports Park. Its development can occur in the unincorporated area. The city is exempt from the permit authority of other agencies on land that the city owns. The Sports Park will be constructed over a period of 20 years. There is currently no specific development proposed on the commercial and residential parcels.

One of the primary reasons for the current location of the Sports Park is that the area is subject to a flood flow easement and so became financially feasible for the City to acquire this site. The City of Gilroy would like to develop the Sports Park within its jurisdiction to benefit from the property tax exemption for city owned lands within its jurisdiction as well as to enable services in a direct and cost-effective way. The surrounding lands are proposed to be included in the USA to make the area more contiguous with the existing USA to eliminate islands upon annexation.

BACKGROUND

Application History

The City of Gilroy originally submitted the USA amendment request to LAFCO in June 1999. At that time, LAFCO staff requested additional environmental review in order to take into account the proposed new land use designation in the Draft Gilroy 1999-2020 General Plan. The EIR included analysis based on the existing land use designation which is Open Space for the parcels adjacent to the Sports Park. The Draft General Plan proposed changes in general plan designation for those parcels from Open Space to Residential Neighborhood District and Commercial-General Services. The City of Gilroy
prepared a Subsequent Draft EIR and then a Subsequent Final EIR and resubmitted the application to LAFCO in April 2002.

The City of Gilroy at a meeting on June 13, 2002, is scheduled to adopt its General Plan which will include among many other changes, the revision to the land use designation on the adjacent parcels.

**Existing Land Use of Project Site and Surrounding Areas**

About 30 acres are currently farmed with row crops. However, the Subsequent FEIR stated that, a total of 128.20 acres is currently farmed with row crops. Three or four farmhouses and outbuildings are located along Monterey Road. A flood control levee is constructed on the project site where Uvas creek forms the western boundary.

Land to the south and west of the project site are currently in agriculture. Greenhouses occupy some of this agricultural land and the remainder is farmed with row crops. West of the project site, across Uvas Creek, is additional agricultural land. Land to the north and east of the project site is developed with urban uses. North of the project site is an established residential neighborhood of single-family houses. East of the project site, in the City limits are commercial uses, including hotels, automobile dealership and mini-storage. Park and open space areas are located upstream of the project site along Uvas Creek. A bicycle trail runs along the east bank of Uvas Creek northwest of the project site and will be extended south of the project site as part of the approved sports park project. U.S. Highway 101 is located to the east of the project site.

**Applicable General Plan and Zoning Designations**

The project site currently has a County General Plan designation of “Open Space Reserve”. This designation is used for land that is adjacent to an existing USA but for which no long-term use has been determined. The County Zoning designation for the project site is “A-20” Agricultural Zoning (20-acre minimum).

The current Gilroy General Plan Land Use designations for the project site are “Open Space” and “Park/Public Facility.”

Gilroy’s General Plan is in the process of being updated. The Draft Gilroy 1999-2020 General Plan land use designations for the project site are “Residential-Neighborhood District,” “Commercial-General Services,” and “Park/Recreation Facility.”

**CONSISTENCY WITH COUNTY GENERAL PLAN**

The proposal area is not consistent with the Growth and Development C-GD 6, which states that lands containing prime agricultural soils is unsuited for urban development.

The proposal is only partially consistent with policy C-GD 8. Although the area is contiguous to the existing urbanized area, and all needed public services and facilities can be provided within 5 years without lessening existing levels of service, it is inconsistent
with the policy because the city already has more than a 5 year supply of vacant residential and commercial land within its USA. Please see detailed discussion below.

**CONSISTENCY WITH LAFCO POLICIES**

**Conversion of Prime Agricultural Lands**

The soil on the project site is Yolo loam and is categorized as Agricultural Class I soils and is considered to be the most productive soil in the Santa Clara Valley. (United States Department of Agriculture Soil Conservation Service 1974) The California Department of Conservation's Important Farmlands Map designates the entire project site as "Prime Farmland", defined as land with the best combination of physical and chemical features able to sustain long-term production of agricultural crops.

The Sports Park would convert about 85 acres to non-agricultural use. The remaining 55 acres would be converted with the inclusion of the residential and commercial components into the USA boundary. Conversion of prime agricultural lands to other uses is non-reversible.

The EIR consistently asserts that the establishment of the Gilroy Agricultural Lands Area serves as partial mitigation for the loss of these 140 acres of agricultural lands. Through its update of its General Plan, scheduled to be adopted on June 13, 2002, the City is considering removing 660 acres of land from the agricultural preserve and including it within its 20-year boundary. In that case, it will no longer serve as mitigation or partial mitigation for the conversion of these 140 acres of agricultural lands.

**Growth Inducing Impacts**

The proposed project itself is an extension of urban services into a previously unserved area. Although all urban service infrastructure is currently available near the project site, the approval of the USA amendment would make that infrastructure available to the project site and would result in future growth and development of the area.

Extension of services to the project site could also result in development pressure on the land south of the project site. Although lands south of the project site are designated as Opens Space in the Gilroy Draft General Plan, landowners may request a further USA amendment and a change in land use designation to open their land to development. Similarly on the west of Uvas Creek, only a strip of land would remain outside the USA.

**Logical and Orderly, Efficient Boundaries**

The proposed expansion is adjacent to the existing city limits and USA boundary on two sides.
Ability of City to Provide Urban Services

FIRE: Currently the parcel is served by the South Santa Clara County Fire District. Upon annexation, the City of Gilroy will assume responsibility for fire protective services. The EIR states that the fire department would not require additional facilities, equipment or personnel to serve this area within the fire department's emergency response time standard.

POLICE: The Santa Clara County Sheriff's Department currently provides police protection services to the project site. The City of Gilroy will assume responsibility for provision of police services after annexation. The City of Gilroy Police Department would be able to serve the project site without the need for additional facilities. Since the project would add about 500 residents the department would need to add three-quarters of an officer to maintain established per capita staffing ratios.

WATER: Potable water on project site is currently provided by on-site wells. The City of Gilroy in May 1999, committed to providing water service to the Sports Park from the water line located beneath Monterey Street east of the site. (This commitment was made prior to 2001 when agreements between public agencies for extension of services beyond an agency's boundaries were exempt from LAFCO approval. Since January 1, 2001 there has been a change in state law requiring LAFCO approval of extension of services outside an agency's boundary even if the agreement for services is between two public agencies.) This, in effect, allows Gilroy to extend water services to the Sports Park facility even if the site remains unincorporated. The City will also extend a recycled water line to the Sports Park to supply about 155 acre-feet of irrigation water annually.

After annexation, the City will assume the responsibility to provide water to the proposed commercial and residential portions of the project. The City has adequate water supplies to meet the demand for water upon annexation.

SEWER: Private on-site septic systems are currently used to treat wastewater on the project site. The City of Gilroy in May 1999, committed to extend a sewer line to the Sports Park from Monterey Road. Again, because this commitment was made before 2001, the City is able to extend sewer services to the Sports Park Facility even if the site remains unincorporated.

The residential and commercial portion of the site would be served by the City sewers following annexation. The wastewater treatment plant has adequate capacity to accommodate the additional wastewater.

Ability of School District to Provide School Facilities

The project site is within the Gilroy Unified School District boundaries. It is estimated that the proposed residential development on the site would generate about 120 new school age students, i.e., nine students per grade level at the project site.

5 06/07/02
Enrollment is currently over capacity at the district’s elementary and high school. The district is constructing a new elementary school and has plans to construct a middle school. The EIR states that the development fees assessed by the District would be adequate to address the impacts.

**Five-Year Supply of Vacant Land**

**Sports Park**

The sport park is already approved at the project site and does not require LAFCO approval for proceeding with the development. The EIR does indicate that there are at least three sites within the existing USA on which the Sports Park may have been located. According to City staff, the City has adopted specific plans for two of the areas and they do not include such type of development and the third is within an established residential area which the City would be unable to acquire.

**Residential Land**

Residential development in the City of Gilroy is controlled through the City’s Residential Development Ordinance (RDO). Based on the RDO’s 10-year goal of 4,000 housing units, a five-year supply of residential land would require about 2,000 units. The City’s vacant land inventory currently includes a potential for about 3,549 units which represents about 9 years of supply.

**Commercial Land**

The City of Gilroy currently has about 210 acres of vacant commercial land within its existing USA according to the City’s vacant land inventory. Based on a usage of land in the past 5 years, it is estimated that the City would use about 59 acres of commercial land in the next five years. At that rate, the City currently has at least 18 years worth of vacant commercial land within its existing USA boundary.

In both the residential and commercial instances, the City has more than 5 years worth of vacant land within its current boundaries. In such cases, LAFCO policies require the City to explain why the additional land is necessary to be included at this time. The City states that reason for including these lands within the USA at this time is to make the area more contiguous with the existing USA and to eliminate islands upon annexation.

**REASONS WHY THE USA REQUEST SHOULD BE DENIED**

In an effort to establish contiguity and eliminate the creation of islands, the City’s current proposal includes the adjacent commercial and residential properties along with the Sports Park parcels. This means that in addition to the 85 acres of Sports Park properties, the City is adding another 55 acres of prime agricultural lands, about half of which is currently being farmed to the City’s USA. The City currently has about 9 years supply of
vacant residential lands and about 18 years of vacant commercial lands within its boundaries. Adding these lands to the City’s USA at this time is unnecessary and premature. Unlike the Sports Park which is considered a low intensity urban use which could be reasonably compatible with agricultural uses on the surrounding properties, the residential and commercial components could have further adverse impacts on other surrounding agriculture. The Sports Park, because it is on City property, has the City’s approval and the City’s commitment to provide urban services such as City sewer and water services. If the Sports Park were to be developed anyway, it would be better to develop it within the City limits to ensure that the City assumes complete responsibility for providing services such as police and fire protection to the site.

REASONS WHY ANNEXATION OF ONLY 3 PARCELS IS RECOMMENDED

LAFCO staff recommends the annexation of only three of the parcels comprising the Sports Park (APNs 808-21-030, 808-21-0128 and 808-21-026) pursuant to Section 56742 of Government Code without including any land in the City’s USA.

The above recommendation is based on the following provisions in state law and local LAFCO policies:

1. Provision in Section 56742 of the Government Code that allows annexation of noncontiguous territory not exceeding 300 acres, if the area is owned by the city and is being used for municipal purposes at the time LAFCO annexation proceedings are initiated. The law also states that if after the annexation under this provision, the city sells that territory, the territory which is no longer owned by the city shall cease to be part of the city.

2. Santa Clara LAFCO local policies state that city annexations outside the USAs should be strongly discouraged. However, the policies recognize that in some circumstances, city annexations outside USAs will help promote preservation of agriculture, open space or greenbelts. Such cases should be considered on a case by case by LAFCO. LAFCO will be the conducting authority as opposed to the city council for annexation of lands outside a city’s USA.

The Sports Park is currently contiguous to the existing City limits by only a 100 feet strip which does not meet the requirements for establishing contiguity. The provision in section 56742 however, would allow such annexation without it being contiguous because the City currently owns the above three parcels for the Sports Park and is proposing to use the land for a municipal purpose.

Annexation of the three Sports Park parcels outside the USA will promote preservation of agriculture in the area. As mentioned previously in the report, annexation of only the three Sports Park parcels would help reduce the loss of prime agricultural lands in the area. It would help prevent the premature conversion of lands currently being farmed. It would reduce development impacts on other adjacent agricultural lands.
Also, if territory is annexed pursuant to Section 56742 as proposed, the annexing city may not annex any territory not owned by the city and not contiguous to the city, although the territory is contiguous to the territory annexed pursuant to the above provision. This provision would help contain further possibilities for encroaching into agricultural lands into the area.

The following is an initial analysis of other factors in the LAFCO annexation policies that would be considered for annexation:

**Does not Create Islands or Areas Difficult to Serve**

The staff proposal limits the annexation to only 3 of the total 5 parcels that comprise the Sports Park. One of the parcels proposed to be excluded (APN 808-21-021) is owned by the Santa Clara Valley Water District and is primarily used for the Uvas Creek Trail. The main development of the Sports Park will be on the 3 parcels that staff is proposing for annexation. Annexation of the three parcels would not create islands or areas difficult to provide services. Monterey Road and Luchesssa Avenue are both within the current city limits. Annexation of the Sports Park parcels will not make it difficult to provide services to the adjacent or the annexed parcels.

**Definite and Certain Proposal**

The County Surveyor determines if a proposal is definite and certain upon review of the map and legal descriptions of the annexation boundaries. The City should submit the required description and map to the Surveyor. Inclusion of the three parcels would not result in boundaries splitting lines of assessment.

**City Able to Provide Services**

As explained above under “Ability of City to Provide Services”, the city is able and willing to provide all urban services necessary for the Sports Park development. Provision of services to the development will not detract from services to existing city properties.

**Pre-Zoning Requirement**

LAFCO policies require a pre-zoning designation prior to annexation of lands. The current Gilroy General Plan Land Use designations for the three parcels is “Park/Public Facility”. The *Draft Gilroy 1999-2020 General Plan* scheduled to be adopted on June 13, 2002 indicates that the land use designations for the three parcels is “Park/Recreation Facility.” City has not yet applied a pre-zoning for these parcels. A pre-zoning designation must be applied before the annexation can be approved by LAFCO.
Street Annexation Policies Not Applicable

These policies are not applicable for this annexation. The proposal does not involve the annexation of any street segments. Monterey Road is already within the city limits of Gilroy.

Impacts on Special Districts

After annexation, the City of Gilroy Fire Department will provide fire protective services to the three parcels. Upon annexation to the City, the territory will be detached from the South Santa Clara County Fire Protection District.

LAFCO policies require that comments from affected service providers be considered in review of an annexation proposal. The proposal will be referred to all affected service providers. Also, as part of the annexation application process, all affected agencies will be notified of the proposal.

Regional Traffic Impacts

LAFCO annexation policies require that if the land development causes more than 2,000 vehicle trips per day, the proposal be sent to the County Transportation Agency (VTA) for comment on impact on regional facilities and services.

CONCLUSION

Staff recommendation addresses the issues of “contiguity” and “island creation” raised by the City and allows for the development of the Sports Park within the Gilroy city limits while keeping it and the 55 acres of adjacent prime agricultural land outside the City’s USA, thus significantly reducing the loss of prime agricultural lands in the area.

ATTACHMENTS

Attachment A: Maps of the Area

Attachment B: LAFCO Analyst’s Report including environmental analysis and CEQA action recommendations

Attachment C: Gilroy Sports Park Draft and Final EIR
LEGEND
- Existing USA
- USA Amendment Request (Project Site)
- Proposed Park/Recreation Facility
- Proposed Residential
- Proposed Commercial

Land use designations from Draft 1999 Gilroy General Plan

Source: Santa Clara County Office of the Assessor and EMC Planning Group Inc.

Gilroy USA Amendment 98-03 Subsequent EIR

Urban Service Area Amendment Request

Figure 10
Date prepared: May 31, 2002

Hearing date: June 13, 2002

To: The Santa Clara County Local Agency Formation Commission

From: Dunia Noel, LAFCO Analyst

Subject: 1999 GILROY URBAN SERVICE AREA EXPANSION (Sports Park, Residential, and Commercial)

Recommended CEQA Action and Required Findings:

As a Responsible Agency under CEQA, LAFCO must take the following actions regarding the Subsequent Final Environmental Impact Report (FEIR) for this project:

1. Find that [a] the Subsequent Final EIR certified by the City of Gilroy on March 18, 2002 was completed in compliance with CEQA and is an adequate discussion of the environmental impacts of the project, and [b] prior to making a decision on this project, LAFCO reviewed and considered the environmental effects of the project as shown in the FEIR.

2. Find that the Subsequent Final EIR identified two potentially significant impacts resulting from the project that cannot be mitigated to less than significant level. These impacts are listed below:
   - Agricultural Resources
   - Exterior Traffic Noise

   Mitigation measures for these impacts are included in the FEIR and made a part of the monitoring program, but these mitigations cannot reduce the identified impacts to a less than significant level. Therefore, these impacts are considered to be significant unavoidable impacts.

3. Find that [a] the FEIR identified potentially significant adverse impacts resulting from the project in the areas listed below, and [b] appropriate mitigation measures have been proposed for each of the potential impacts identified in each of the listed categories that will reduce the impacts to a less than significant level (see Exhibit A “Findings of Potential Significant, and Significant, Environmental Impact” for a summary of impacts).
   - Aesthetics
   - Air Quality
   - Cultural Resources
   - Hydrology

Commissioners: Blanca Alvarado, Donald F. Gage, Suzanne Jackson, Linda LeZotte, Susan Vicklund Wilson
Commission Secretary: (408) 299-5088
- Biological Resources
- Interior Noise
- Transportation Circulation

4. Find that a monitoring program was approved by the Gilroy City Council as Lead Agency and does not require any future action or supervision by LAFCO as a Responsible Agency (Exhibit B, attached to the back of this report).

5. The modified project as recommended for consideration in the LAFCO Executive Officer’s Staff Report requires that the Commission adopt Findings of Overriding Considerations for two significant unavoidable impacts (agricultural resources impacts, exterior traffic noise impacts) related to the construction of the Sports Park. LAFCO staff suggests the following overriding considerations:

The City of Gilroy approved the Gilroy Sports Park on June 7, 1999 and therefore the environmental impacts of the Sports Park are not addressed in this overriding considerations statement. LAFCO staff is recommending that LAFCO consider annexation into the City of Gilroy the three parcels that are the site for the future Gilroy Sports Park, without bringing these parcels into the City’s Urban Service Area.

Agricultural Resources

Staff’s recommendation removes adjacent agricultural land from the project and therefore will reduce the loss of prime agricultural land and the potential loss of prime agricultural land on adjacent properties. Furthermore, the modified project will create a valuable and unique recreational and park resource not currently available to the public. Lastly, the Gilroy Sports Park is relatively compatible with the adjacent farmlands and will not impose an adverse impact on the adjacent farmlands.

Exterior Traffic Noise Impacts

Staff’s recommendation removes the area proposed for residential development from the project and therefore the exterior traffic noise associated with the operation of the Gilroy Sports Park will not impact the proposed residential area. Furthermore, the modified project will create a valuable and unique recreation and park resource not currently available to the public that outweighs any potential impacts on other existing development surrounding the Sports Park site.

Purpose:

The City of Gilroy proposes to expand their Urban Service Area (USA) boundary to include 10 parcels forming a 140.21-acre project site, which includes the approved Gilroy Sports Park and habitat buffer on 78.36 acres, approved trail extension and habitat buffer on 7.00 acres, proposed residential development on 27.72, and proposed commercial land uses on 27.13 acres. Upon approval of the USA expansion, the City plans to annex the project site. The project site is adjacent to southerly and westerly boundaries of Gilroy’s Urban Service Area, specifically located South of West Luchessa Avenue and West of Monterey Road and Monterey Frontage Road, north of Uvas Creek and Farman Lane, and east of Uvas Creek. The project site has been in the 20-year planning area since the City’s current general plan was adopted in 1979.
Background:

Existing and Proposed Use of the Property

The project site comprises 14 parcels with a total land area of 140.21 acres. During the site visit staff observed that 30 acres of land was currently being farmed with row crops. However, the Subsequent FEIR stated that, a total of 128.20 acres is currently farmed with row crops. The flood control levee occupies 7.00 acres, commercial and utility uses occupy 0.8 acres and rural residential, agricultural structures and yards occupy approximately 4.2 acres. The project site also encompasses small, undeveloped areas of riparian vegetation along Uvas Creek, on the western periphery.

The approved sports park will convert three parcels comprising 78.36 acres of the project site from agricultural land to athletic fields, habitat buffer, parking and access areas and ancillary uses. The project site also includes an approved trail extension and habitat buffer on 7.00 acres, a proposed residential development on 27.72 acres and proposed commercial land uses on 27.13 acres.

Applicable General Plan and Zoning Designations

The project site currently has a County General Plan designation of “Open Space Reserve”. This designation is used for land that is adjacent to an existing USA but for which no long-term use has been determined. The County Zoning designation for the project site is “A-20” Agricultural Zoning (20-acre minimum).

The current Gilroy General Plan Land Use designations for the project site are “Open Space” and “Park/Public Facility.”

Gilroy’s general plan is in the process of being updated. The Draft Gilroy 1999-2020 General Plan land use designations for the project site are “Residential-Neighborhood District,” “Commercial-General Services,” and “Park/Recreation Facility.”

Surrounding Land Uses

Land to the south and west of the project site are currently in agriculture. South of and contiguous with the project site is agricultural land bordered by Uvas Creek on its west and south, and Monterey Frontage Road on its east. Greenhouses occupy some of this agricultural land and the remainder is farmed with row crops. West of the project site, across Uvas Creek, is additional agricultural land. Land to the north and east of the project site is developed with urban uses. North of the project site is an established residential neighborhood of single-family houses. East of the project site are commercial uses, including hotels, automobile dealership and mini-storage. Park and open space areas are located upstream of the project site along Uvas Creek. A bicycle trail runs along the east bank of Uvas Creek northwest of the project site and will be extended south of the project site as part of the approved sports park project. U.S. Highway 101 is located to the east of the project site, approximately 300 feet from the south end of the project site, and approximately 1,100 feet from the north end of the project site and project vicinity.
Monitoring Program

A monitoring program (see attached) is required for all environmental documents when significant impacts are identified. In addition, specific monitoring compliance with mitigations described in the EIR should occur at the time of annexation, pre-zoning, and use permit approval.

ENVIRONMENTAL FACTORS OF CONCERN TO LAFCO

Premature Conversion of Agricultural Lands and Open Space

A total of 30 of the 140.21 acres project site is currently farmed with row crops. The approved sports park will convert three parcels comprising 78.36 acres of the project site from agricultural land to athletic fields, parking and access areas and ancillary uses. According to the Subsequent EIR the soil on the project site is Yolo loam. Yolo loam is a well-drained soil underlain by alluvium from the sedimentary rock. The soil is categorized as Agricultural Class I and is considered to be the most productive soil in the Santa Clara Valley (United States Department of Agriculture Soil Conservation Service 1974). Class I soils are those that have few limitations that restrict their use.

Based on the California Department of Conservation’s Important Farmlands Map, the entire project site is designated at “Prime Farmland.” “Prime Farmland” is defined by the California Department of Conservation as land with the best combination of physical and chemical features able to sustain long-term production of agricultural crops. This land has the soil quality, growing season, and moisture supply needed to produce sustained high yields.

According to the City’s of Gilroy’s Vacant Land Survey, under the land use designations of the Draft 1999-2020 Gilroy General Plan, the City of Gilroy has an approximate nine-year supply of residential land within its existing USA. There is an approximate 18-year supply of vacant commercial land. Although the sports park is already approved at the selected site, the Vacant Land Survey reviewed alternative sites within the USA that are of suitable size and terrain for placement of a similar facility. The Survey identified three alternative sites that are within the existing USA. However, according to City staff, the City has adopted specific plans for two of the areas and they do not include such type of development and the third area is within an established residential area that the City would be unable to acquire.

Lands within a City’s Urban Service Area are generally expected to be developed within an approximate five-year timeframe. Including the project site within the City’s USA would result in the premature conversion of agricultural lands, given that the project site is prime farmland that is currently in production, and that the City has a more than adequate supply of lands within its current USA already designated for residential development, commercial-general service development. Additionally, the FEIR states that there are alternatives sites for the sports park within the current USA.

Gilroy Agricultural Lands Area

Furthermore, throughout the EIR, it is asserted that the establishment of the Gilroy Agricultural Lands Area is a partial mitigation for loss of prime agricultural land in the
vicinity of Gilroy. However, under the proposed Draft Gilroy 1999-2020 General Plan, 664 acres of prime farmland, that represents a significant part of the Gilroy Agricultural Lands Area, would be included in the City’s 20-Year Boundary and designated for primarily campus industrial development. The Gilroy City Council is expected to adopt the proposed Draft Gilroy General Plan on June 13, 2002. If the City adopts a Plan that removes 664 acres of prime farmland from the “agricultural preserve” and places these 664 acres into the City’s 20-Year Boundary, then the Gilroy Agricultural Lands Area will no longer serve as mitigation or partial mitigation for projects that impact agricultural lands.

Provision of Public Services

According to the FEIR, the City of Gilroy would provide police, fire, and general government services currently provided by the county if the proposed project is approved. No water or sewer services are currently provided to the project site. The City of Gilroy Fire Department would provide fire protection and emergency medical response services to the proposed project. The proposed project will add approximately 500 residents and therefore the required increase in personnel would be the equivalent of three-quarters of an officer. Existing police facilities would accommodate the required increase in personnel. This would enlarge the geographic range of coverage for the fire department and police department but would not require addition or enlargement of facilities or the addition of equipment or personnel.

The City of Gilroy will assume responsibility for the provision of water and sanitary sewer services to the proposed commercial and residential areas of the project site upon annexation, in addition to the future water and wastewater service already committed to the approved sports park. Development of the project site was accounted for in the City’s most recent Water Master Plan and Sewer Master Plan. According to the FEIR, the City of Gilroy wastewater treatment plant has adequate capacity to accommodate the additional wastewater.

Growth Inducement

The proposed project itself is an extension of urban services into a previously un-served area. Although all urban service infrastructure is currently available near the project site, the approval of the USA amendment would make that infrastructure available to the project site and would result in future growth and development in that area.

The project site is currently within the City of Gilroy’s 20-year planning area. The proposed project would transfer the project site into the City of Gilroy’s USA. Provision of urban services and development within a USA is generally expected to occur within an approximate five-year timeframe. The Gilroy Sports Park has previously been approved for a portion of the project site. Approval of the USA amendment request would encourage and facilitate development within the project site.

Extension of services to the southern parcels on the project site and development of these parcels could result in development pressure on the land south of the project site. Although this area is designated in the Draft Gilroy 1999-2020 General Plan as “Open Space,” landowners may request an USA amendment and a change in general plan
designation to open their land to development. Similar pressures may be felt to the West of Uvas Creek where a finger of land less than one-half mile wide would remain outside of the Gilroy USA. According to the Subsequent Final EIR, these areas were included in the City’s Water Master Plan and Sewer Master Plan.

Traffic and Circulation

The results of the level of service analysis indicate that the proposed project will have a potentially significant impact on three intersections in Gilroy, as well as one roadway segment. The proposed project includes mitigation measures that would reduce the project’s impacts on any of the affected intersections and the affected roadway to a less than significant level.

City’s Adoption of Overriding Considerations Statement for Agricultural Resources Impacts and Exterior Traffic Noise Impacts

On March 18, 2002 the City of Gilroy adopted a Statement of Overriding Considerations for the Gilroy Urban Service Area Amendment 98-03 (Gilroy Sports Park, Residential Area, and Commercial-General Services Area). The Statement is attached.

ATTACHMENTS

1. City of Morgan Hill Resolution No. 2002-17, Including the City’s Adopted Statement of Overriding Considerations

2. Exhibit A: Findings of Potential Significant, and Significant, Environmental Impact

3. Exhibit B: Mitigation Monitoring Program for Gilroy Urban Service Area Amendment 98-02 Subsequent EIR
ITEM 5.2: ATTACHMENT C, PART 1

Gilroy Urban Service Area Amendment 98-03
Subsequent Environmental Impact Report (Draft)

ITEM 5.2: ATTACHMENT C, PART 2

Gilroy Urban Service Area Amendment 98-03
Subsequent Final EIR

DUE TO LIMITED COPIES
THESE DOCUMENTS ARE PROVIDED TO COMMISSIONERS ONLY
May 31, 2002

TO: LAFCO

FROM: Neelama Palacherla, Executive Officer

SUBJECT: Final Budget for FY 2002-2003
Agenda Item # 5.3

RECOMMENDATION


2. Authorize staff to transmit the final budget adopted by the Commission to the City Councils, Board of Supervisors, the Cities Association and the Controller's office.

3. Direct the County Auditor-Controller to apportion LAFCO costs to cities and the County and collect payments pursuant to Government Code Section 56831.

BACKGROUND

The Cortese Knox Hertzberg Act (CKH Act) of 2000 requires each LAFCO to annually adopt a proposed budget and a final budget at public hearings. It also requires that the cities and the County share in the costs of funding LAFCO.

CHANGES TO THE PROPOSED BUDGET

The Commission on April 10, 2002, adopted the proposed budget for Fiscal Year 2002-2003. Since then, it has become necessary to propose some minor revisions to two of the budget items. Presented below are the two items with proposed revisions:

Executive Officer and LAFCO Analyst Salaries
(Increase from $162,390 to $163,400)

This $1,010 increase reflects the latest updates to salaries and benefits as provided by the County Office of Budget and Analysis. The Executive Officer (0.6 FTE) salary is estimated at $65,830 and the LAFCO Analyst salary is estimated at $97,569.
**Miscellaneous Staffing**  
*(Increase from $12,500 to $15,000)*

This amount is proposed to be increased by $2,500 to $15,000 to reflect the actual amount set aside by the County Planning Office to provide assistance to LAFCO on CEQA and other planning issues. This is included in the Intra-County Professional line item.

These two items increase the net operating expenses from $360,819 to $364,329 which is an increase of $3,510. These revisions are included in the attached Final LAFCO Budget for Fiscal Year 2002-2003 (Attachment A). For a detailed description and discussion of the budget items, please see staff report for the April 10, 2002 meeting.

**APPORTIONMENT OF LAFCO COSTS TO AGENCIES**

Santa Clara LAFCO is composed of two representatives from the County Board of Supervisors, one member from San Jose City Council, one member from the remaining cities and one public member. Based on this representation, the County would pay half the LAFCO cost, the City of San Jose a quarter and the remaining cities the other quarter. The cities’ share (other than San Jose’s) is to be apportioned by the County Auditor in proportion to each city’s total revenue as reported in the most recent edition (1998-1999) of the Cities Annual Report published by the Controller. The County Auditor is responsible for making these calculations and billing the agencies for LAFCO’s costs. Attachment B depicts the cost allocations to cities and the County.

**ATTACHMENTS**

Attachment A: LAFCO Final Budget for Fiscal Year 2002-2003

Attachment B: 2002-2003 LAFCO Cost Apportionment
## FINAL LAFCO BUDGET
### FISCAL YEAR 2002 - 2003

### ITEM 5.3
#### ATTACHMENT A

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<td>TOTAL EXPENDITURES</td>
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<td>REVENUES</td>
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<td>9198</td>
<td>Application Fees</td>
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<td>Interest: Deposits and Investments</td>
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<td>TOTAL INTEREST / APPLICATION FEE REVENUE</td>
<td>$25,000</td>
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<td>$46,500</td>
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<td>9751</td>
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<td>7300</td>
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<td>$238,806</td>
<td>$238,806</td>
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<tr>
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<td>TOTAL REVENUE</td>
<td>$502,612</td>
<td>$508,612</td>
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<td>PROJECTED SAVINGS</td>
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<td>$122,262</td>
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<td>NET LAFCO OPERATING EXPENSES</td>
<td>$477,612</td>
<td>$364,329</td>
<td></td>
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<td>COSTS TO AGENCIES</td>
<td></td>
<td></td>
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</tr>
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<td></td>
<td>County</td>
<td>$238,806</td>
<td>$182,165</td>
<td>$238,806</td>
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<tr>
<td></td>
<td>City of San Jose</td>
<td>$119,403</td>
<td>$91,082</td>
<td>$119,403</td>
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<td></td>
<td>Other Cities</td>
<td>$119,403</td>
<td>$91,082</td>
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</tbody>
</table>

6/4/02
ITEM 5.3
ATTACHMENT B

2002-2003 LAFCO COST APPORTIONMENT

LAFCO Net Operating Expenses (FY 02-03): $364,329

County (50%) $182,165
City of San Jose (25%) $91,082
Other Cities (25%) $91,082

<table>
<thead>
<tr>
<th>Cities</th>
<th>Revenue per 1998-1999 Report</th>
<th>Percentage of Total Revenue</th>
<th>City Allocations</th>
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<tr>
<td>Campbell</td>
<td>$29,309,331</td>
<td>2.41%</td>
<td>$2,192</td>
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<td>Cupertino</td>
<td>$37,602,948</td>
<td>3.09%</td>
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<td>Gilroy</td>
<td>$46,041,021</td>
<td>3.78%</td>
<td>$3,443</td>
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<tr>
<td>Los Altos</td>
<td>$20,251,935</td>
<td>1.66%</td>
<td>$1,515</td>
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<tr>
<td>Los Altos Hills</td>
<td>$6,389,671</td>
<td>0.52%</td>
<td>$478</td>
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<td>Los Gatos</td>
<td>$23,477,100</td>
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<td>Milpitas</td>
<td>$102,369,045</td>
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<td>Monte Sereno</td>
<td>$1,455,739</td>
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<td>Morgan Hill</td>
<td>$34,145,135</td>
<td>2.80%</td>
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<tr>
<td>Mountain View</td>
<td>$121,654,850</td>
<td>9.99%</td>
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<td>Palo Alto</td>
<td>$243,246,213</td>
<td>19.97%</td>
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<td>Santa Clara</td>
<td>$357,170,464</td>
<td>29.33%</td>
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<td>Saratoga</td>
<td>$12,663,210</td>
<td>1.04%</td>
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<td>Sunnyvale</td>
<td>$182,138,760</td>
<td>14.95%</td>
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<tr>
<td>Total</td>
<td>$1,217,915,422</td>
<td>100.00%</td>
<td>$91,082</td>
</tr>
</tbody>
</table>
LOCAL AGENCY FORMATION COMMISSION
SANTA CLARA COUNTY
www.santaclara.lafco.ca.gov

County Government Center, 11th Floor, East Wing
70 West Hedding Street, San Jose, CA 95110
(408) 299-5127   FAX 295-1613
Neelima Palacherla, Executive Officer

May 31, 2002

TO:        LAFCO
FROM:      Neelima Palacherla, Executive Officer
SUBJECT:   Logo for LAFCO of Santa Clara County
Agenda Item # 6.1

RECOMMENDATION

1. Adopt the logo for LAFCO and authorize its use.

BACKGROUND

The Cortese Knox Hertzberg Act (CKH Act) of 2000 requires each LAFCO to be an independent agency. The commission met this requirement by entering into a contract with the County for its staffing and facilities. Since LAFCO offices are situated in the County building, there is sometimes a perception that LAFCO is an extension of the County Government. To reinforce our new status as an independent agency, a logo has been developed for LAFCO of Santa Clara County. Following the Commission adoption of the logo, the LAFCO logo will be used on LAFCO correspondence, letterhead, business cards, web site and publications. New stationary depicting the logo will also be ordered after Commission authorization.

New LAFCO Logo

[Image of the LAFCO logo]

Commissioners: Blanca Alvarado, Donald F. Gage, Suzanne Jackson, Linda LeZotte, Susan Vicklund Wilson
Commission Secretary: (408) 299-5088
May 15, 2002

Neelima Palacherla
Executive Officer
Santa Clara County LAFCO
70 West Hedding Street, 11th Floor
San Jose, CA 95110

Dear Ms. Palacherla:

The most important changes to the state’s boundary laws in 40 years took effect on January 1, 2001. I am writing to ask your help in understanding how your LAFCO has implemented the legislative reforms contained in AB 2838 (Hertzberg, 2000).

LAFCOs are the Legislature’s watchdogs over local boundaries. The Legislature has delegated its authority over the boundaries of cities and special districts to LAFCOs, and your commission acts as an agent of this legislative power. It is important that state legislators know how our statutes really work. If there are flaws, we need to know about the problems so we can fix them. The enclosed questionnaire asks 10 questions about how your LAFCO implemented AB 2838. Having your candid responses will help us continuously improve the boundary laws.

I am asking that you place this request on your Commission’s next agenda. Please review your preliminary responses with your Commissioners. Then, after you have discussed the answers with your Commission, please return your completed questionnaire by Friday, June 14.

We will gather the responses from the 58 LAFCOs and produce a summary of what we learn. I appreciate your willingness to help with this project.

Sincerely,

[Signature]
Tom Torlakson
Chair
The Senate Local Government Committee requests the help of LAFCO executive Officers and commissioners in completing this survey. Each Executive Officer should place this request on the Commission's next agenda and review the preliminary responses with the commissioners. Please sign, date, and mail the completed survey by June 14.

SANTA CLARA LAFCO

1. AB 2838 enacted more explicit statewide policies to guide LAFCOs (Government Code §56001). LAFCOs had until January 1, 2002 to adopt written policies and procedures to implement the statutory policies (Government Code §56300 [a]).

   When did your LAFCO adopt its policies?
   LAFCO has existing policies in place. These are currently being reviewed and updated to be consistent with AB 2838 changes. LAFCO has revised its application filing requirements per changes in AB 2838.

2. AB 2838 made it easier for special districts to gain LAFCO representation (Government Code §56332.5). Please check one of the following:
   Our LAFCO had special district members before AB 2838. ___
   Our LAFCO added special district members after AB 2838. ___
   Our LAFCO does not have special district members. X

3. AB 2838 required LAFCOs to hold a public hearing to discuss the adoption of rules for the disclosure of contributions. LAFCOs with active proposals had until March 31, 2001 to hold a hearing; other LAFCOs had to hold their hearings within 90 days of receiving a proposal (Government Code §56100.1 and §56300 [b]).

   When did your LAFCO hold this hearing?  February 14, 2001
   Did your LAFCO adopt rules for disclosing contributions? No
4. AB 2838 allowed LAFCOs to adopt lobbying disclosure and reporting requirements. LAFCOs with active proposals had until March 31, 2001 to hold a public hearing; other LAFCOs had to hold their hearings within 90 days of receiving a proposal (Government Code §56300 [c]).

   When did your LAFCO hold this hearing? February 14, 2001
   Did your LAFCO adopt lobbying requirements? Yes

5. Each LAFCO must appoint its own Executive Officer (Government Code §56384 [a]). When did your LAFCO appoint its independent Executive Officer?

   June 2001

6. Each LAFCO must appoint its own Legal Counsel (Government Code §56384 [b]). When did your LAFCO appoint its independent Legal Counsel?

   June 2001

7. LAFCOs must update the spheres of influence for all cities and special districts every five years (Government Code §56425 [f]).

   Has your LAFCO adopted a schedule to revise spheres by January 1, 2006?
   When did your LAFCO adopt this schedule (work plan): ______
   Has your LAFCO budgeted funds to carry out this work plan?
   We are focusing on Service Reviews first! The sphere updates will follow the Service Reviews.

8. To prepare to update those spheres of influence, LAFCOs must conduct service reviews of municipal services (Government Code §56430).

   Has your LAFCO started its service reviews? Yes
   Has your LAFCO adopted a work plan for these service reviews? Yes, April 10, 2002
   Has your LAFCO budgeted funds to carry out those service reviews? Yes

9. AB 2838 required cities and special districts to share with the county government in providing the LAFCO budget (Government Code §56381).

   Did the cities in your county follow the statutory formula? Yes
   Did the special districts in your county follow the statutory formula? N/A

10. LAFCOs can charge fees to recover their processing costs (Government Code §56383).

    Did your LAFCO charge fees before AB 2838? Yes
    Did your LAFCO raise its fees after January 1, 2001? Yes, June 2002
11. Please compare your LAFCO budget for 2001-02 (the current fiscal year) to the budget for 1999-00 (the fiscal year before AB 2838 took effect).

The 2001-02 budget was higher than in 1999-00. [X]
The 2001-02 budget was about the same as 1999-00. [__]
The 2001-02 budget was lower than in 1999-00. [__]

12. Why do you think your 2002-02 budget was higher or lower than in 1999-00?

- County charges for facilities and overhead costs
- One time costs of equipment
- New requirements
  - Application processing related
  - Special studies
  - Service Reviews
- Additional staff

Thank you for answering these questions. Please complete this final section and then mail the completed survey by June 14.

Survey completed by:

Signature: [Signature]
Date: June 6, 2002
Print name: NEELMA PALACHERLA
Title: Executive Officer, LAFCO of Santa Clara County
Phone: 408-299-5127
Email: neelma.palacherla@ceo.co.santa-clara.ca.us

The Executive Officer discussed these questions and responses with the LAFCO on: June 13, 2002 (date).

Please mail your completed survey to:
LAFCO Survey
Senate Local Government Committee
State Capitol, Room 410
Sacramento CA 95814
June 3, 2002

TO: Neelima Palacherla  
FR: Rich Larsen  
RE: LAFCO support of W. Loyola annexation

Hello Neelima – per our discussion, the annexation request package that has been submitted to the Town of Los Altos Hills is enclosed. The Town Council has been requested to put this on their agenda for the June 21 meeting.

The primary issue with the approval of this annexation is clarity over sewer hook-up rights. Although the Palo Alto basin in Los Altos Hills has more than enough connection rights, the Los Altos basin does not because no master plan has ever been developed for this area.

A master plan is estimated to take three years. We need the support of LAFCO to find a way to supply enough sewer rights until the master plan is complete. If a short-term solution is not available, the momentum behind the 50 motivated neighbors in the W. Loyola neighborhood will vanish – to the detriment of the neighbors and of LAFCO.

The sewer agreement between Los Altos and Los Altos Hills indicates there is a possibility of 400 additional connections. However, my understanding is that Los Altos is unwilling to provide those connections.

Clearly, adult leadership is needed here. Hope you can help. I will attend the meeting on 6/13 to try to move this forward.

Thank you,

Rich Larsen  
650-949-1563
SUMMARY
The County's base zone for all properties within this unincorporated pocket is R1E-1ac.
Two areas within this pocket have additional overlay zones on top of the base R1E-1ac zone.
- The area of smaller parcels near the corner of Magdalena and 280 has a -n1 overlay zone applied to it.
- An area near the intersection of Eastbrooke Drive and Mora Drive has a -d1 overlay zone applied to it

County of Santa Clara Planning Office
May 2001