

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF OCTOBER 27, 2010

REGULAR MEETING

TO: Ken Humphreys, Chair, and
Members of the El Dorado County Local Agency Formation
Commission

FROM: José C. Henríquez, Executive Officer

PREPARED BY: Erica Sanchez, Policy Analyst

AGENDA ITEM # 4: El Dorado Union High School District Latrobe Road
Property Annexation into the El Dorado Irrigation District

LAFCO Project No. 2009-09

PROPONENT: El Dorado Union High School District

DESCRIPTION OF PROJECT

The El Dorado Union High School District requests annexation of two parcels (total size is approximately 215 acres) into the El Dorado Irrigation District (EID) to support the future development of a new high school. The bulk of the subject territory (214.99 acres) consists of APN 117-020-03, which is undeveloped land owned by the EDUHSD; APN 117-020-25 (0.01 acres) is a 3,000 foot section of Wetsel-Oviatt Road owned by El Dorado Investment Co. LLC, which bisects the larger parcel into two geographically separate areas of land. Both landowners have consented to the inclusion. A map of the subject parcels and current EID boundaries is included as 'Attachment A' at the end of this report.

LOCATION

The properties are located in the El Dorado hills area approximately four miles south of US Highway 50, west of Latrobe Road and south of Wetsel-Oviatt Road.

PURPOSE

EDUHSD purchased the 215-acre site in 2002 for the purpose of constructing the District's sixth high school. EDUHSD is requesting annexation of the above subject properties into EID in order to obtain water, wastewater and recycled water services for a proposed high school campus and sports stadium site to be located on approximately

65 acres within the 215-acre area. No development plans have been proposed for the remaining 150 acres.

Upon complete build-out of the facility, the high school will contain 160,000 square feet of building area and is expected to accommodate approximately 1,600 students in grades 9-12, with about 175 staff members. The school facilities would also have the potential to accommodate an additional 200-400 students with an additional 12,000 square feet of portable building space. For project planning purposes, EDUHSD assumes that 2,200 students and faculty would occupy the school facility.

The conceptual site plan for the new high school includes classroom buildings, administrative and counseling buildings, a theatre, kitchen/cafeteria/multi-purpose facilities, a gymnasium and a media/library center. The high school will also contain a 1,500-seat stadium, athletic fields, tennis/basketball hard court areas, pool/pool facilities, 650 student parking spaces and 150 staff parking spaces, bus loading areas, service roads and maintenance/warehouse facilities. The EDUHSD's objective is to begin construction of the proposed school in the late Spring or Summer of 2015 for a projected opening in the 2018-19 school year.

Wetsel-Oviatt Road Parcel

The Wetsel-Oviatt Road parcel is included in the 65-acre area intended for construction of the high school. EDUHSD has negotiated with the landowner to relocate the current Wetsel-Oviatt Road, which provides the primary access to the old lumber mill parcel, after the school district completes a more detailed site analysis and reserves an easement from the old road.

RECOMMENDATIONS

Staff recommends that the Commission take the following actions:

1. Recognize that the El Dorado Union High School District, as the lead agency for this project, has prepared an Environmental Impact Report, a Mitigated Negative Declaration and CEQA determinations which have been found to be adequate for the purposes of the reorganization and direct staff to file the Notices of Determination in compliance with CEQA and local ordinances implementing the same.
2. Adopt LAFCO Resolution L-2010-14 (Attachment F), adding any additional conditions the Commission finds appropriate and approve the El Dorado Union High School District Latrobe Road Property Annexation into the El Dorado Irrigation District.
3. Waive the Conducting Authority Proceedings subject to Government Code §56663 and local policies.
4. Direct the Executive Officer to complete the necessary filings and transmittals as required by law.
5. Determine the effective date of the approval of this agreement to be five (5) working days after recordation by the County Recorder of the Executive Officer's Certificate of Completion once the imposed conditions are met.

REASON FOR RECOMMENDATION

After careful consideration of the 28 factors listed in Government Code §56668 (see below) and LAFCO Policies, staff has concluded that annexation into EID is necessary to provide municipal water, wastewater, recycled water and fire hydrant services to the proposed school site. The proposed high school is needed to accommodate existing overcrowding within the school district, as well as provide additional capacity for future residential growth in the district, especially in the vicinity of El Dorado Hills.

BACKGROUND

EDUHSD submitted the annexation petition to LAFCO in October of 2009 after preliminary discussions with LAFCO staff dating back to 2007. Prior to this, LAFCO staff recommended that EDUHSD split the 215-acre parcel into two separate parcels, separating the 65-acre high school site from the remaining 150 acres not proposed for development. This would allow for annexation of the school site only, without requesting what might be considered premature annexation of the remaining area. In addition, the EIR prepared for the high school only addressed the 65 acres which are proposed for development of the high school, the remaining 150 acres were not discussed. LAFCO staff informed EDUHSD Legal Counsel, William Wright, that if the EDUHSD went forward with the annexation petition without splitting the parcel, an additional environmental document would be required to address annexation of, and future plans for, the remaining 150 acres. EDUHSD was cautioned that if a boundary line adjustment wasn't included as part of the application, the LAFCO Commission retained the authority to impose the parcel split as a condition of approval.

Mr. Wright countered that the EDUHSD Board did not wish to split the parcel for the sake of annexation because it could potentially limit the scope of the high school, which had not yet been fully determined and that creating multiple parcels could make it appear as if it is ultimately interested in further development of the other parcels, which is not the case. Instead, EDUHSD prepared an additional environmental review to be used for LAFCO's annexation process, which analyzed the remainder of the 215 acres for the maximum density based on the current zoning (see the CEQA section below).

CEQA

EDUHSD, as the lead agency for the proposed high school, prepared and certified an Environmental Impact Report (EIR) on May 20, 2002 which addressed the environmental impacts of the new high school. However, because the EIR was specific to only approximately 65 acres within the 215-acre annexation area, it did not assess conditions within the remaining 150 acres not proposed for development.

Since the school district was not interested in splitting the 215-acre parcel and annexing the school site only, in order to comply with CEQA and fully review the environmental impacts of the annexation as a whole, EDUHSD prepared and certified a Mitigated Negative Declaration (MND) on June 8, 2010 which addressed the 150-acre balance of the site, as well as the 0.01-acre portion of roadway included in the annexation petition. Although no residential development is currently proposed for this area, the MND addressed the environmental impacts of full development of the site, based on the

highest density currently zoned in the area (RE-10), which indicates that the balance of the site not utilized for school purposes could potentially be developed with up to 15 residences in accordance with the maximum development allowed under the zoning and in compliance with CEQA requirements.

The EIR and MND can be reviewed in their entirety as Attachments D and E, respectively. LAFCO staff analysis of these issues can be found within the corresponding 28 factors to be considered.

SUMMARY OF STATUTORY AND POLICY CONSIDERATIONS

Government Code §56668 and LAFCO Policies require that the review of a proposal shall consider the following factors:

| FACTOR TO CONSIDER | POLICY / STATUTE CONSISTENCY | COMMENT |
|--|--|--|
| Need for organized services, probable future needs | 1 – Consistent | The future high school is expected to accommodate approximately 2,200 students and faculty members and will require water, sewer and recycled water services; there are no other feasible options for private/public services. |
| Ability to serve, level and range of service, time frames, conditions to receive service | 2 – Consistent | The EDUHSD will need to upsize 7,200 feet of water lines and identify a system for transmitting sewage to the EDHWWTP. The high school will be required to utilize recycled water if it is available for the project. |
| Timely availability of adequate water supply | 3 – To be determined by the Commission | Up to 35 EDUs could potentially be required to serve the annexation area; 20 for the high school and potentially up to 15 for additional residences. Water meter availability will outnumber contractual commitments until at least 2015; the high school is scheduled to be completed by the 2018-19 school year. |

| FACTOR TO CONSIDER | POLICY / STATUTE CONSISTENCY | COMMENT |
|--|------------------------------|--|
| Alternatives to service, other agency boundaries, and local gov't structure | 4 – Consistent | There are no other reasonable alternatives to provide water or wastewater services to the new high school. |
| Significant negative service Impacts | 5 – Consistent | There are not expected to be any negative impacts to the current level of service for existing EID residents. |
| Coordination of applications | 6 – Consistent | No additional services are necessary for the high school. The proposal would create a parcel to the west that is substantially surrounded by EID boundaries; however, staff does not recommend amending the proposal to include this parcel at this time due to possible future development plans. |
| Present cost/adequacy of governmental services, including public facilities | 7 – Consistent | EID does not appear to have any current service deficiencies that would result in any negative cost or service impacts to present customers. |
| Effect of proposal on cost & adequacy of service in area and adjacent areas | 8 – Consistent | According to EID's most recent cost benefit analysis for the project, the future high school is expected to provide revenue that will offset the long-term costs to the District. |
| Effect of alternative courses of action on cost & adequacy of service in area and adjacent areas | 9 – Consistent | There are no other municipal water or wastewater service providers in this area. Private systems are not viable options given the anticipated future use. |

| FACTOR TO CONSIDER | POLICY / STATUTE CONSISTENCY | COMMENT |
|---|------------------------------|---|
| Sufficiency of revenues, per capital assessed valuation | 10 – Consistent | The assessed value of the annexation area is \$1; however, EID expects to receive sufficient long-term revenue for providing service to the proposed high school. |
| Revenue producing territory | 11 – Consistent | The project site is almost exclusively non-taxable, so the annexation does not appear to be an attempt by EID to annex only revenue producing territory. |
| 56668.3 “best interest” | 12 – Consistent | The annexation appears to be in the best interests of the current and future residents and students in the El Dorado Hills area. |
| Boundaries: logical, contiguous, not difficult to serve, definite and certain | 13 – Consistent | As proposed, the annexation will create a peninsula to the west that is substantially surrounded on three sides by EID’s service boundary (refer to #6 above and to Attachment A). Water and sewer lines are nearby and can be extended to the subject area without any foreseeable problems. |
| Topography, natural boundaries, drainage basins, land area | 14 – Consistent | There are no topographical features that will hinder service to this area. |
| Creation of islands, corridors, irregular boundaries | 15 – Inconsistent | The annexation, as proposed, will create a service peninsula out of a nearby parcel, which is discouraged by El Dorado LAFCO Policy 3.9.4. However, for the reasons outlined in Section #6, LAFCO staff does not recommend amending the proposal to include this parcel. |

| FACTOR TO CONSIDER | POLICY / STATUTE CONSISTENCY | COMMENT |
|---|------------------------------|--|
| Conformance to lines of assessment, ownership | 16 – Consistent | The boundaries of the proposed annexation conform to the existing lines of assessment and ownership. |
| Spheres of Influence | 17 – Consistent | The boundaries of the two parcels proposed for annexation are fully contained within the EID sphere of influence. |
| Effect on adjacent areas, communities of interest | 18 – Consistent | The annexation area is just outside of the El Dorado Hills Community Region, which surrounds the territory on three sides. The proposed high school will primarily benefit current and future residents in the El Dorado Hills area. |
| Information or comments from landowners or owners | 19 – Consistent | The school district supports the annexation and has not indicated that any additional comments or information need to be given consideration beyond the customary application materials. |
| Effect on other community services, schools | 20 – Consistent | The proposed high school is expected to have a positive impact on the surrounding area as a whole. There are no expected negative impacts to current service providers of the area. |
| Other agency comments, objections | 21 – Consistent | No agency comments or objections were received regarding the annexation. |
| Fair share of regional housing needs | 22 – N/A | The high school project does not include any type of housing and will not assist the County in achieving its RHNA goals; however the County may be able to meet these regional housing needs allocations elsewhere. |

| FACTOR TO CONSIDER | POLICY / STATUTE CONSISTENCY | COMMENT |
|--|------------------------------|---|
| Land use, information relating to existing land use designations | 23 – Consistent | The current zoning is primarily Residential Agricultural, which permits school development. |
| Population, density, growth, likelihood of growth in, and in adjacent areas, over 10 years | 24 – Consistent | Based on zoning, the undeveloped balance of the site could potentially be developed with up to 15 residences. The presence of the high school could indirectly influence population growth in the area. The new high school is necessary to accommodate existing overcrowding and future residential growth in the school district. |
| Proximity to other populated areas | 25 – Consistent | The high school is planned to serve proposed residential development in the area, primarily on the east side of Latrobe Road, including the Valley View and Deer Creek Estates developments. |
| Consistency with General Plans, specific plans, zoning | 26 – Consistent | The high school site was deemed consistent with the General Plan by default. |
| Physical and economic integrity of agriculture lands and open space | 27 – Consistent | The site has not been used for agricultural purposes or grazing since 1985. There are grazing lands to the south and east, but the nearby Wetsel-Oviatt Lumber Mill closed in 2003. |
| Optional factor: regional growth goals and policies | 28 – N/A | The proposed high school does not include any type of housing development; therefore, it will not assist the County in achieving its RHNA goals. |

DETERMINATIONS

The Commission should review the factors summarized above and discussed below,

then make its own determinations regarding the project. Staff recommends the following determinations based on project research, state law and local policies:

1. The subject territory is “uninhabited” per Government Code §54046. Application for this detachment is made subject to Government Code §56650 et. seq. by landowner petition.
2. The territory proposed for annexation is within the Sphere of Influence of the El Dorado Irrigation District and is contiguous to the existing boundary. The annexation will provide a more logical and orderly boundary.
3. The Environmental Impact Review and Mitigated Negative Declaration prepared for this project by the El Dorado Union High School District satisfy the requirements of the California Environmental Quality Act.
4. The annexation will not result in negative impacts to the cost and adequacy of service otherwise provided in the area, and is in the best interests of the affected area and the total organization of local government agencies.
5. The annexation will not have an adverse effect on agriculture and open space lands.
6. The annexation will result in a decrease in water supply available for the build-out of regional housing needs determined by the Sacramento Area Council of Governments. The annexation will not, however, have a significant foreseeable effect on the ability of the County to adequately accommodate its fair share of those needs.

DISCUSSION

Government Code §56668 and LAFCO Policies require that the review of an annexation proposal shall consider the following factors:

(Numbered items 1-6 relate to services)

1. ***NEED FOR ORGANIZED COMMUNITY SERVICES, PROBABLE FUTURE NEEDS:*** Applicants shall demonstrate the need and/or future need for governmental services and that the proposal is the best alternative to provide service (Policies 3.1.4(b), 6.1.7; §56668(b)).

RESPONSE: The purpose of the proposal is to annex 215 undeveloped acres into EID in order to obtain potable water, wastewater and recycled water service to support the development of a new high school for the EDUHSD. No other water purveyor provides service to this area of the County and private water and/or wastewater treatment systems are not feasible options for the School District, given the scope of the future land use. The new high school is expected to accommodate approximately 1,600 students and 175 faculty members (a total of 2,200 for planning purposes).

2. ***ABILITY TO SERVE, LEVEL AND RANGE OF SERVICE, TIME FRAMES,***

CONDITIONS TO RECEIVE SERVICE: Prior to annexation the applicants and proposed service providers shall demonstrate that the annexing agency will be capable of providing adequate services which are the subject of the application and shall submit a plan for providing services (Policy 3.3, §56668(j)).

RESPONSE: EID has affirmed that it is able to provide the necessary services within the time frame anticipated by the applicant.

EID prepared *Facility Improvement Letter FIL0910-019* (FIL) for the proposed Latrobe Road Property annexation on September 17, 2010, which outlines the existing infrastructure near the subject site, states the fire flow requirements from EDH Fire and details the requirements for the landowner prior to receiving water, wastewater and recycled water service.

This FIL replaced a previous version, referenced in EDUHSD's environmental review, which has since been updated by EID staff to include the additional 15 homes that would be allowed under current zoning for the 150-acre portion of the annexation area that will not contain the high school development. The inclusion of these possible residences increased the number of equivalent dwelling units (EDUs) potentially required for the entire annexation area from 20 to 35 EDUs. Information from the FIL is summarized by the following:

Water

There is an existing 6-inch water line located in Wetsel-Oviatt Road. The El Dorado Hills Fire Department has determined that the minimum fire flow for this project is 2,625 gallons per minute (GPM) for a two-hour duration while maintaining a 20-psi residual pressure. According to the District's hydraulic model, the existing system can only deliver 500 GPM. In order to receive the necessary fire flow, the applicant will be required to upsize approximately 7,200 feet of 6 and 8-inch water lines to 12-inch.

Wastewater

The El Dorado Hills Wastewater Treatment Plant is located approximately 4,600 feet northwest of the project location, but there are no district sewer lines near the project location. There are several new sewer lines in various phases of construction as part of the West Valley Subdivision, located northwest of the property; however, these lines do not have the capacity to serve the high school facility. EID will require EDUHSD to submit a Facility Plan Report (FPR) to identify alternatives regarding how the sewage from the high school facilities will be transmitted to the treatment plant.

Recycled Water

There is a 10-inch recycled water line located in Wetsel-Oviatt Road. The high school facility is identified in the *2002 Recycled Water Master Plan* as being within an area that is subject to EID's mandatory recycled water use; however, availability of recycled water for this project will be determined by EID during the FPR review. The high school facility, as proposed, would require 10 EDUs of recycled water supply.

3. **TIMELY AVAILABILITY OF ADEQUATE WATER SUPPLY:** The Commission shall consider the timely availability of water supplies adequate for projected needs (§56668(k)).

RESPONSE: According to the FIL, an estimated total of 35 EDUs will be required to serve the high school facility. The high school facilities will require 20 EDUs; EID staff added the additional 15 EDUs to reflect the residential development that could potentially occur, according to the current zoning, on the 150-acre portion of the annexation area that will not be developed. The project is within EID's El Dorado Hills supply area, which primarily receives water pumped from Folsom Reservoir. EID has a surplus of available water supply in the El Dorado Hills supply area, but delivery of this water is currently restricted by infrastructure capacity at the El Dorado Hills Water Treatment Plant. Because infrastructure, rather than supply, is the limiting factor, the infrastructure-based yield is used to determine equivalent dwelling unit (EDU) availability for the El Dorado Hills supply area.

According to *EID's 2009 Water Resources and Service Reliability Report First Amendment* dated March 12, 2010, water meter availability in the EDH supply region is 3,597 EDUs and contractual commitments total 2,889 EDUs, due to a recent agreement between EID and Sierra Pacific Industries which defers 1,303 EDUs of contractual commitments until December 31, 2014. This amendment increases the water meter availability in the El Dorado Hills supply area such that, for the next five years, it will exceed the number of contractual commitments by approximately 700 EDUs.

However, after the end of the five-year deferment period, the number of contractual commitments in the El Dorado Hills supply area will return to the pre-deferment levels of 4,192 contractual commitments, outnumbering the number of EDUs available for purchase by any qualified customer. The EDUHSD's objective is to begin construction of the proposed school in the late Spring or Summer of 2015 for a projected opening in the 2018 school year. Planned expansions to increase the capacity of the treatment plant to 31.5 million gallons per day are listed in EID's 2010-2014 CIP (February 2010), but no funding is specifically dedicated for the improvements; all expansion funding is dependent on future facility capacity charges from new developments.

4. **ALTERNATIVES TO SERVICE, OTHER AGENCY BOUNDARIES, AND LOCAL GOVERNMENT STRUCTURE:** The Commission shall consider alternatives to the proposal, proximity of other agency boundaries and alternative courses of action. Where another agency objects to the proposal, LAFCO will determine the best alternative for service (Policies 3.3.2.2(g), 6.1.3).

RESPONSE: There are no other reasonable public or private alternatives for the provision of water and wastewater services to the high school. EID is the only public water service provider in this area and the options of private wells, transporting water or constructing a private treatment plant are not feasible given the planned use for the subject area and the expected demand. The high school is

expected to accommodate approximately 2,200 students and staff members at full build-out.

5. **SIGNIFICANT NEGATIVE SERVICE IMPACTS:** Services provided to the territory will not result in a significant negative impact on the cost and adequacy of services otherwise provided (Policy 6.2.4, §56668.3(b)).

RESPONSE: The service impacts to other EID customers are expected to be minor. Before each FIL is generated, EID staff conducts an analysis of the infrastructure capacity and compares it to the total expected demand from existing and projected customer use. This is done to ensure that neighboring EID customers will not have any negative impacts to their current level of service. EID regulations provide safeguards to ensure that new development does not result in the over-allocation of water. The developer is responsible for construction and financing of all water transmission lines and distribution facilities to receive EID service. No negative fiscal, service or other impacts have been identified by EID.

6. **COORDINATION OF APPLICATIONS:** If a project site can be anticipated to require additional changes of organization in order to provide complete services, the proposal shall be processed as a reorganization (Policy 3.1.10). Where related changes of organization are expected on adjacent properties, petitioners are encouraged to combine applications and LAFCO may modify boundaries, including the addition of adjacent parcels to encourage orderly boundaries (Policy 3.1.9).

RESPONSE: Park and recreation services are provided by El Dorado County's Service Area 9, Zone 17 – Ponderosa Recreation Zone, which is not requested to change as a part of this proposal. The subject territory is within the 20-year sphere of influence for the El Dorado Hills Community Services District (EDHCSD), though the site is not contiguous to the CSD's boundaries. During a meeting with LAFCO staff in October 2007, EDUHSD Facilities Director Patty McClellan stated that EDUHSD saw no foreseeable need to annex into the CSD, unless EDHCSD was interested in maintaining and/or utilizing the remainder of the parcel. EDHCSD did not submit any response to LAFCO's comment request regarding the proposed annexation into EID. Therefore, at this time, there are no plans to annex the project site into the EDHCSD.

The project site is within the El Dorado Hills County Water District for fire protection and emergency services. There are no additional services that are necessary to serve the future high school.

The subject parcels are adjacent to EID's service boundary to the north of the project site. The annexation, as proposed, will create a "peninsula" out of one parcel directly to the west (APN 117-020-02), which will not be included in the EID service boundary but will be substantially surrounded on three sides by other parcels that are (refer to the EID Boundary Map, Attachment A). The 75-acre parcel is undeveloped industrial land that is adjacent to, and under the same ownership as, the old Wetsel-Oviatt Lumber Mill. The lumber mill, which closed its doors in 2003, has since been purchased by El Dorado Investment Co., LLC (sole

member Sierra Pacific Holding Company); however, the lumber mill is not located on what would become the peninsula parcel. The parcels containing the lumber mill are within EID service boundaries.

Sierra Pacific Holding Company does not plan to reopen the mill. Company spokesman Ed Bond stated that Sierra Pacific would probably develop the El Dorado Hills property itself, to include a combination of commercial and residential uses. If such a change in land use were to occur, the project would have to first be approved by the County, and then by LAFCO if EID service were requested.

Because the ultimate development plans remain unknown at this time, LAFCO staff does not recommend amending the proposal to include annexation of the peninsula parcel. Including the parcel to the west in the annexation risks the Commission taking action without fully considering the possible changes in land use and the potential demands to EID. The Commission also does not have an environmental review that evaluates the impacts of development in and around this parcel. As such, LAFCO would have to assume lead agency status. However, it should be noted that the Commission always retains the authority to amend the annexation area prior to approval, if it does not agree with staff's recommendations.

(Numbered items 7-12 relate to cost and revenues)

7. **PRESENT COST/ADEQUACY OF GOVERNMENTAL SERVICES, INCLUDING PUBLIC FACILITIES:** The Commission shall consider existing government services and facilities, cost and adequacy of such services and facilities (§56668(b), Policy 3.3). If service capacity and/or infrastructure will be expanded, the applicant will submit cost and financing plans (Policy 3.3.2.2).

RESPONSE: EID will have sufficient EDUs available for purchase by any qualified customer until at least December 31, 2014 (see #3 for a more detailed analysis of the water meter availability in this region). The applicant will be required to submit a Facility Plan Report to EID that addresses the transmission of sewage to the El Dorado Hills Wastewater Treatment Plant. EID does not appear to have any current service deficiencies that indicate annexation of the project area would result in any negative cost or service impacts to present customers.

8. **EFFECT OF PROPOSAL ON COST & ADEQUACY OF SERVICE IN AREA AND ADJACENT AREAS:** The Commission shall consider existing and proposed government services and facilities, the cost and adequacy of such services and facilities and probable effect of the proposal on the area and adjacent areas (§56668(b) and Policy 3.3). LAFCO will discourage projects that shift the cost of service and/or service benefits to others or other service areas (Policy 6.1.8).

RESPONSE: EID has negotiated and approved the property tax increment agreement with the County for the annexation territory (see Section 10 below for more information). The majority of the high school site is non-taxable, as it is owned by the EDUHSD; however, facility connection charges and regular commercial and recycled water usage charges will support the cost of services.

According to EID's most recent cost benefit analysis for the project, the future high school is expected to provide revenue that will offset the long-term costs to the irrigation district.

9. **EFFECT OF ALTERNATIVE COURSES OF ACTION ON COST & ADEQUACY OF SERVICE IN AREA AND ADJACENT AREAS:** The Commission shall consider the cost and adequacy of alternative services and facilities (§56668).

RESPONSE: The proposed annexation is the most logical alternative to provide necessary water, wastewater and recycled water services to the proposed high school. At this time, there are no other municipal water service providers in this area and private water and wastewater systems are not viable options given the anticipated service demand for the future high school and accompanying facilities that will be built on the site due to the proposed number of students (1,600) and faculty (175) that the school is expected to accommodate.

10. **SUFFICIENCY OF REVENUES, PER CAPITA ASSESSED VALUATION:** 56668(j)

RESPONSE: APN 117-020-03 is non-taxable because it is owned by the El Dorado Union School District. The current assessed value of APN 117-020-25, which is the portion of Wetsel-Oviatt Road included in the annexation, was given a nominal assessed value of \$1 by the County Assessor when the administrative parcel was created for the purpose of annexation. The total assessed value of the project area subject to AB-8 is \$1 and the total local agency share of property tax revenue from the annexation area is estimated at \$0, so each agency's share remains a percentage of zero.

Although the redistribution of the property tax increment will have a minimal monetary impact to any local agency at this time, the negotiation of property tax increment is required by Revenue and Taxation Code Sections 99 and 99.01. Therefore, the County and EID negotiated a property tax revenue sharing agreement, based upon the Chief Administrative Officer's proposal (Attachment C), with EID receiving 2.667% of the property tax revenue for the annexation area. Other notable changes in the redistribution are a 17% increment for the El Dorado Hills County Water District (EDH Fire) and a decrease to the County's General Fund share by approximately 17%.

EID has prepared a cost benefit analysis of the proposed high school project and expects to receive sufficient long-term revenue for providing service through connection fees, user charges and the school district's responsibility for covering the cost of extending necessary infrastructure.

11. **REVENUE PRODUCING TERRITORY:** The proposed annexation shall not represent an attempt to annex only revenue-producing territory (Policy 6.1.1).

RESPONSE: The project site is almost exclusively non-taxable. The taxable portion (APN 117-020-25) has a negligible assessed value of \$1, of which, EID would receive 0.2667% of the \$0.01 collected for property taxes. Therefore, the

annexation does not represent an attempt by EID to annex revenue producing territory for the District.

12. **"BEST INTEREST":** The Commission shall consider whether the proposed annexation will be for the interest of landowners or present or future inhabitants within the district and within the territory proposed to be annexed to the district (§56668.3).

RESPONSE: The annexation appears to be consistent with LAFCO, EID and EDUHSD policies and is in the best interests of the school district and the current and future students and residents of the El Dorado Hills area.

(Numbered items 13-17 relate to boundaries)

13. **BOUNDARIES: LOGICAL, CONTIGUOUS, NOT DIFFICULT TO SERVE, DEFINITE AND CERTAIN:** The proposed boundary shall be a logical and reasonable expansion and shall not produce areas that are difficult to serve (§56001). Lands to be annexed shall be contiguous (Policy 3.9.3, §56741-cities) and should not create irregular boundaries, islands, peninsulas or flags (Policy 3.9.4). The boundaries of the annexation shall be definite and certain and conform to existing lines of assessment and ownership (Policy 3.9.2, §56668(f)).

RESPONSE: The subject territories are within EID's sphere of influence and are adjacent to other parcels within EID's service area to the north. The annexation, as proposed, will create a peninsula to the west that is substantially surrounded on three sides by EID's service boundary (refer #6 above and to Attachment A). Water and sewer lines are nearby and can be extended to the subject area without any foreseeable problems.

14. **TOPOGRAPHY, NATURAL BOUNDARIES, DRAINAGE BASINS, LAND AREA:** Natural boundary lines which may be irregular may be appropriate (Policy 3.9.6). The resulting boundary shall not produce areas that are difficult to serve (Policy 3.9.7).

RESPONSE: The project site is comprised of rolling hills consisting primarily of annual grassland habitat (non-native annual grasslands and forbs) with isolated native trees. The elevation of the site is about 500-640 feet above mean sea level. The topography of the site includes a large hill between the school site and the old Wetsel-Oviatt Lumber Mill, which would act as a natural buffer to blocks the view of the lumber mill from the proposed school site. A private (former Southern Pacific) rail line runs west and south of the site. A small ephemeral drainage feature traverses the property from Wetsel-Oviatt Road to the south towards Deer Creek. Wetland swale habitat is also present on the site, and would be fully delineated prior to development in order to determine the existence of wetlands. There are no topographical features that will hinder service to this area.

- 15. CREATION OF IRREGULAR BOUNDARIES:** Islands, peninsulas, "flags", "cherry stems", or pin point contiguity shall be strongly discouraged. The resulting boundary shall not produce areas that are difficult to serve. The Commission shall determine contiguity (Policies 3.9.3, 3.9.4, 3.9.7).

RESPONSE: The annexation, as proposed, will create a peninsula out of one parcel directly to the west (APN 117-020-02), which will not be included in the EID service boundary but will be substantially surrounded by other parcels that are (refer to #6 above and Attachment A). Though the creation of this peninsula is discouraged by El Dorado LAFCO Policy 3.9.4, LAFCO staff does not recommend amending the proposal to include this parcel for the reasons outlined in Section 6; however the Commission always retains the authority to do so prior to approval, if it does not agree with staff's recommendations.

- 16. CONFORMANCE TO LINES OF ASSESSMENT, OWNERSHIP:** The Commission shall modify, condition or disapprove boundaries that are not definite and certain or do not conform to lines of assessment or ownership (Policy 3.9.2).

RESPONSE: The boundaries of the proposed annexation conform to the existing lines of assessment and ownership. The proposal maps have been reviewed by the County Surveyor and have been found to be definite and certain.

APN 117-020-25 (the small section of Wetsel-Oviatt Road which bisects the 214-acre EDUHS D parcel) was initially part of APN 117-020-02 to the west of the project site. The road remnant is an administrative parcel that was created by the County Assessor's Office prior to the annexation request in order to prevent annexation of entire undeveloped industrial parcel (again, refer to #6 and Attachment A). The administrative parcel will have an "assessed with" status connecting it to APN 117-020-02, but it will be able to be annexed separately into EID and within a separate tax rate area.

- 17. SPHERES OF INFLUENCE:** Commission determinations shall be consistent with the spheres of influence of affected local agencies (Policy 3.9.1).

RESPONSE: The boundaries of the two parcels proposed for annexation are fully contained within the EID sphere of influence.

(Numbered items 18-21 relate to potential effect on others and comments)

- 18. EFFECT ON ADJACENT AREAS, COMMUNITIES OF INTEREST:** The Commission shall consider the effect of the proposal and alternative actions on adjacent areas, mutual social and economic interests and on the local governmental structure of the county (§56668(c)).

RESPONSE: The proposed annexation does not break any Community of Interest. The subject parcels are located just outside of the El Dorado Hills Community Region, which surrounds the properties on three sides (to the north, west and

south). The proposed high school will primarily benefit current and future residents in the El Dorado Hills area.

- 19. INFORMATION OR COMMENTS FROM THE LANDOWNER OR OWNERS:** The Commission shall consider any information or comments from the landowner or owners.

RESPONSE: The school district supports the annexation and has not indicated that any additional comments or information need to be given consideration beyond the customary application materials.

- 20. EFFECT ON OTHER COMMUNITY SERVICES, SCHOOLS:** LAFCO's review of services refers to governmental services whether or not those services are provided by local agencies subject to the Cortese-Knox-Hertzberg Act, and includes public facilities necessary to provide those services.

RESPONSE: There are no negative impacts expected for the public service providers in the area. The following identifies the current public service providers and the expected impacts:

Fire Protection: The high school site is within the El Dorado Hills County Water District (EDHCWD). The nearest fire stations are EDHCWD's Station 87 at 4680 Golden Foothill Parkway and Latrobe Fire Protection District's Station 92 at 7470 Ryan Ranch Road, both of which are approximately two miles from the project site. The level of service provided to the area will not change as a result of the annexation.

Police Protection: The El Dorado County Sheriff's Department would continue to provide police services for the annexation area after the new high school is constructed. Response times to the area would depend on the location of the nearest unit at the time of dispatch.

Park and Recreation Services: The subject parcels are currently within El Dorado County's Service Area 9, Zone 17 – Ponderosa Recreation Zone for park and recreation services, which is not requested to change as a part of this proposal. The El Dorado County Parks and Recreation Department is responsible for providing recreation areas and parks within the unincorporated areas not in Community Service Districts. The proposed high school will add additional recreational opportunities for the community in the form of additional playing fields, hard court areas and playground equipment.

Schools: The project site is located within the Latrobe Union School District and the Los Rios Community College District, as well as the El Dorado Union High School District. Construction of the new high school will accommodate existing overcrowding within the EDUHSD, as well as provide additional capacity for future residential growth in the district, especially in the vicinity of El Dorado Hills.

- 21. OTHER AGENCY COMMENTS, OBJECTIONS:** All affected and interested agencies are provided application related material and notified of the proposal and proposed property tax redistribution plan. Comments have been requested and

shall be considered (Policy 3.1.4 (I), §56668(i)).

For district annexations and city detachments only, the Commission shall also consider any resolution objecting to the action filed by an affected agency (§56668.3(4)). The Commission must give great weight to any resolution objecting to the action which is filed by a city or a district. The Commission's consideration shall be based only on financial or service related concerns expressed in the protest (§56668.3(5b)).

RESPONSE: The following agencies were provided an opportunity to comment on this proposal:

- El Dorado Hills County Water District
- El Dorado Hills Community Services District
- El Dorado County Pre-Hospital Joint Powers Authority
- El Dorado County Representing CSAS 7, 9, 9 Zone 17, 10 and 10 Zone E
- El Dorado County Water Agency
- El Dorado County Resource Conservation District
- El Dorado County Department of Agriculture
- El Dorado County Chief Administrative Office
- El Dorado County Office of Education
- Latrobe School District
- Los Rios Community College District
- El Dorado County Planning Department
- El Dorado County Surveyor's Office
- El Dorado County Elections Department
- El Dorado County Sheriff's Department
- Farm Bureau
- U.S. Bureau of Reclamation

No agency comments or objections were received.

(Numbered items 22-26 relate to land use, population and planning)

22. FAIR SHARE OF REGIONAL HOUSING NEEDS: The Commission shall review the extent to which the proposal will assist the receiving entity in achieving its fair share of regional housing needs as determined by Sacramento Area Council of Governments (SACOG) (§56668(I)).

RESPONSE: The proposed high school project does not include any type of housing, although the remaining undeveloped 150-acres of the project site could be used under current split zoning (RE-10 / RA-80) to accommodate up to 15 residences. However, EDUHSD has not expressed any plans to sell or develop this portion of the site in the near future. As proposed, the project will not assist the County in achieving its Regional Housing Needs Assessment (RHNA) goals and will contribute to a decrease in the total available land for all housing categories; however the County may be able to meet these regional housing needs allocations elsewhere.

- 23. LAND USE, INFORMATION RELATING TO EXISTING LAND USE DESIGNATIONS:** The Commission shall consider any information relating to existing land use designations (§56668(m)).

RESPONSE: The current zoning designation for the annexation site is split; the majority of the site (approximately 80%) is Residential Agricultural 80-Acre (RA-80) with a small portion in the northwestern corner designated as Estate Residential 10-Acre (RE-10). The land use designation is Rural Residential (RR). The annexation and proposed high school are consistent with the current zoning and land use designation of the subject territory because school districts are not subject to the same siting designations for zoning as the general public; a school district is permitted to use a Residential Agricultural zoned parcel of land for the purpose of a school site.

The high school site is located adjacent to the old Wetsel-Oviatt Lumber Mill, which is no longer in service. According to typical school siting criteria, development of schools adjacent to Industrial zoned land is often discouraged; however, the mill is no longer operational and the ridgeline along the western portion of the property would provide an effective noise barrier. Residential agricultural uses would also be permitted in proximity to the school site, should the EDUHSD choose to sell the balance of its property.

- 24. POPULATION, DENSITY, GROWTH, LIKELIHOOD OF GROWTH IN AND IN ADJACENT AREAS OVER 10 YEARS:** The Commission will consider information related to current population, projected growth and number of registered voters and inhabitants in the proposal area.

RESPONSE: There are no registered voters residing in the proposal area and the subject territory is considered uninhabited per State Law. Though no residential development is currently proposed or planned for the remainder of the annexation area, based on the highest density currently zoned in the area (RE-10), the 150-acre balance of the site not utilized for school purposes could potentially be developed with up to 15 residences. The proposed high school is necessary to accommodate existing overcrowding within the school district, as well as provide additional capacity for future residential growth in the district, especially in the vicinity of El Dorado Hills. However, the presence of the high school could potentially indirectly influence population growth in the area by offering attractive amenities for developers and home buyers.

- 25. PROXIMITY TO OTHER POPULATED AREAS:** The Commission shall consider population and the proximity of other populated areas, growth in the area and in adjacent incorporated and unincorporated areas during the next 10 years (Policy 3.1.4 (a)).

RESPONSE: The subject parcels are located south of the existing El Dorado Hills community, just outside of the El Dorado Hills Community Region, which surrounds the properties on three sides (to the north, west and south). The high school is planned to serve proposed residential development in the area, primarily on the

east side of Latrobe Road. The planned residential developments Valley View and Deer Creek Estates are located north and east of the Site on the east side of Latrobe Road; students generated from these residential developments would be served at the proposed high school.

- 26. CONSISTENCY WITH GENERAL PLANS, SPECIFIC PLANS, ZONING:** The Commission shall consider the general plans of neighboring governmental entities (Policy 3.1.4(g)).

RESPONSE: The high school site is split zoned for residential agricultural and rural residential use (RA-80 / RE-10), which allow the development of public school facilities with an approved special use permit. Surrounding land use designations include Research and Development to the north, Rural Residential to the south and east, and Industrial to the west. Anticipated future developments within the vicinity of the project area include the Deer Creek Estates to the east, Valley View and El Dorado Hills Business Park to the north and Carson Creek Development to the northwest.

In 2001, EDUHSD requested a Finding of Consistency with the General Plan pursuant to Section 65402 of the California Government Code. The proposal was reviewed by the El Dorado County Agricultural Commission and the El Dorado County Planning Commission. The Agricultural Commission found the site would have a minimal impact on adjacent agriculture, but a major impact on timber (see #27).

The Planning Commission discussed the proposed school site at length and voiced concerns regarding the compatibility of the site with surrounding industrial and agricultural land uses. However, because the proposed site is partially zoned Residential Agricultural, it was required to be heard by the Agricultural Commission prior to the Planning Commission. Due to noticing requirements, the Planning Commission could not take action on the finding of consistency before the 40-day time limit had passed. Section 65402 states that the finding of consistency must be made within the allotted 40-day timeframe or the request is deemed consistent. Ultimately, though the Planning Commission did not find the site consistent with the General Plan; the site was deemed to be consistent due to a procedural act rather than by decision of the Planning Commission.

- 27. PHYSICAL AND ECONOMIC INTEGRITY OF AGRICULTURE LANDS AND OPEN SPACE LANDS:** LAFCO decisions will reflect it's legislative responsibility to maximize the retention of prime agricultural land while facilitating the logical and orderly expansion of urban areas (Policy 3.1.4(e), §56016, 56064).

RESPONSE: Approximately 10-15 percent of the project area contains farmland of local importance. Although the site is predominantly zoned for Residential

Agricultural use (RA-80), the site has not been used for agricultural purposes or grazing since 1985. There is grazing land to the south and east of the EDUHSD parcel.

The El Dorado County Agricultural Commission considered the high school project on November 14, 2001 and made a motion stating, "The Commission finds the proposed school site has a minimal impact on adjacent agriculture, but a major impact on an agricultural activity – timber." The Commission went on to recommend measures certain measures be taken to minimize the impact to the nearby Wetsel-Oviatt Lumber Mill. However, the proximity to the lumber mill is no longer an issue, as the mill ceased operations in 2003 and the new property owner has stated that the mill will not reopen.

- 28. OPTIONAL FACTOR: REGIONAL GROWTH GOALS AND POLICIES:** The Commission may, but is not required to, consider regional growth goals on a regional or sub-regional basis (§56668.5).

RESPONSE: The proposed high school does not include any type of housing development; therefore, it will not assist the County in achieving its RHNA goals.

ATTACHMENTS

- Attachment A: Project Map with District Boundaries
- Attachment B: EDUHSD Annexation Application & Resolution
- Attachment C: Chief Administrative Officer AB-8 Proposal
- Attachment D: EDUHSD EIR (*on CD*)
- Attachment E: EDUHSD MND (*on CD*)
- Attachment F: LAFCO Draft Resolution L-2010-14