

# EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

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## *EXECUTIVE OFFICER'S REPORT*

*AGENDA OF MARCH 24, 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:** Continued Public Hearing to Consider and Adopt the  
Environmental Review and the Clarksville Professional  
Business Park Annexation to the El Dorado Irrigation  
District

**LAFCO Project No.** 2009-01

**PROPONENT(S):** Clarksville Professional Business Park, LLC  
Doug Scalzi, Sacramento Commercial Properties, Inc.  
Jill Todd, Rippey Commercial, LLC

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### **DESCRIPTION OF PROJECT**

This proposal is to annex two parcels, consisting of 11.36 acres, into the El Dorado Irrigation District (EID). The applicant is requesting annexation to EID in order to obtain water and wastewater service for a proposed ten-lot commercial project on APN 121-280-03 (9.53 acres). APN 121-280-05 (1.83 acres) is the Clarksville Cemetery which is not requesting any service from EID at this time; annexation of the cemetery is suggested by staff to create a more orderly District boundary. 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 south of Highway 50, on the north side of White Rock Road, approximately 1,400 feet west of the intersection with White Rock Road and Joerger Cutoff Road.

**PURPOSE**

Annexation of APN 121-280-03 into EID is being requested in order to receive municipal water and wastewater service for the proposed Clarksville Professional Business Park. The business park will include ten commercial buildings totaling 98,992 square feet of office/medical use. Each of the proposed buildings would range in size from 5,100 to 44,992 square feet and would be located on separate parcels ranging in size from 0.37 to 2.26 acres.

APN 121-280-05 is the Clarksville Cemetery (aka Mormon Tavern Cemetery), an active, privately maintained cemetery that was established for the old gold mining town of Clarksville. The parcel is currently used solely for cemetery purposes with no plans for a future change in land use. The cemetery is a "natural" non-irrigated cemetery that does not have a private well; though the landowners have expressed no intentions to utilize EID water or wastewater services at this time or in the near future. Annexation of the cemetery parcel is recommended by LAFCO staff in order to prevent the formation of a service island and to create a more orderly district boundary. The owners of the cemetery have neither officially consented to, nor opposed the annexation (see 'Background' below).

**RECOMMENDATIONS**

Staff recommends that the Commission consider and take action on the following three items:

1. Review and consider all information relating to this proposal, adopt the Mitigated Negative Declaration and Categorical Exemption under CEQA Guidelines §15183(a) and approve with or without amendment, wholly, partially, or conditionally the Clarksville Professional Business Park annexation to the El Dorado Irrigation District; and

If the annexation is approved, staff recommends the Commission:

2. Consider and approve the inclusion of the Clarksville Cemetery with the annexing territory; and

If inclusion of the Clarksville Cemetery receives a majority vote, the Commission should set the Conducting Authority Proceedings for this proposal on April 28, 2010 and direct the Executive Officer to open the protest period and notify the appropriate parties, pursuant to Government Code §57000 and local policies.

3. Receive any oral or written testimony from the applicant, EID or any other interested party and consider inclusion of the following language in the resolution of approval as a condition on the annexation:

*The Certificate of Completion shall be issued and recorded subsequent to receipt of documentation by El Dorado Irrigation District, deemed satisfactory by the Executive Officer, verifying that necessary and adequate expansions have been completed in the El Dorado Hills Water Treatment Plant that will allow sufficient infrastructure capacity to provide water service to the Clarksville Professional Business Park, along with all of the existing contractual commitments within El Dorado Irrigation District's El Dorado Hills Service Region.*

**REASON FOR RECOMMENDATION****Item 1**

After careful consideration of the 28 factors listed in Government Code §56668 (see below) and LAFCO Policies, staff recommends annexation of the Clarksville Professional Business Park into EID. Annexation is necessary in order for the proposed business park to receive municipal water and wastewater services from EID. The commercial development is consistent with other similar land uses in the area.

**Item 2**

The applicant included the Clarksville Cemetery in the annexation application at the request of LAFCO staff. Staff recommended inclusion of the Clarksville Cemetery in order to create a more logical boundary for EID by preventing the creation of an island in the District service area. In this case, staff also recommends annexation because the land use for the cemetery is not expected to change in the future; therefore, the annexation would not be considered premature or growth inducing. The owners of the cemetery have neither consented to, nor opposed the annexation. If the Commission approves the annexation as recommend with inclusion of the cemetery parcel, Conducting Authority proceedings would be required because the proposal would not have the written consent of all landowners. At the Conducting Authority hearing, the Commission shall hear and receive any oral or written protests, objections, or evidence that is made, presented or filed. Written protests may be filed by any owner of land within the subject territory.

However, if the Commission is not comfortable annexing land without landowner consent, it has the power to modify the proposal to amend the boundaries of the annexation area to remove the cemetery. In this instance, the creation of an island surrounded by EID boundaries would not have a negative effect on the District. If the Commission approves the annexation without inclusion of the cemetery parcel, the Conducting Authority hearing would be waived, as the proposal would have written consent of all landowners.

**Item 3**

On March 10, 2010, EID submitted a letter to LAFCO staff informing us of an amendment to the Wetsel-Oviatt Settlement Agreement. The letter outlined the specifics of the agreement and the District's estimation of its affect on water meter availability in the El Dorado Hills supply area. The letter is included as Attachment F.

If the Commission approves the annexation, it will need to consider what, if any, conditions should be placed upon the annexation, based on staff's analysis of the timely availability of water supply in Section 3 of this report (page 18) and this information provided by EID.

**BACKGROUND**

The annexation proposal was originally continued from January 27, 2010 to the February 24, 2010 meeting due to insufficient noticing. The item was continued a second time from February 24, 2010 to the March 24, 2010 meeting at the request of the applicant and EID to provide sufficient time for EID to complete an agreement affecting the water meter availability in the El Dorado Hills supply area.

### Clarksville Professional Business Park

After preliminary discussions with LAFCO staff dating back to 2005, the applicants (Clarksville Professional Business Park, LLC) initiated a petition with LAFCO in January of 2009 (see Attachments B and C) to annex both the business park parcel (121-280-03) and the cemetery parcel (121-280-05) into EID. The business park was approved on October 28, 2008 by the El Dorado County Board of Supervisors, including a Rezone, Parcel Map, and Planned Development for the project. The Rezone changed the zoning from One-Acre Residential to Commercial-Planned Development (Z 07-0028), the Parcel Map created ten parcels ranging in size from 0.37 to 2.26 acres (P07-0027), and the Planned Development allowed the construction of ten commercial buildings totaling 98,992 square feet, ranging in size from 5,100 to 44,992 square feet.

### Clarksville Cemetery

The decision to include the Clarksville Cemetery in the annexation proposal was requested by LAFCO staff in order to prevent the creation of what would become a hole in the EID service area. If the Commission amends the annexation area to exclude the cemetery parcel, the Cemetery will be surrounded on all sides by EID's service boundary. Although the Cemetery is not seeking any services from EID, concurrent annexation would create a more logical boundary for the District.

According to records maintained by the Assessor's Office, there are five individuals or trusts that share ownership of the cemetery property (hereafter referred to as the "Cemetery Trustees"). The Cemetery Trustees have been represented by John Renwick in all communications with the business park representatives and EID staff regarding the project and annexation proposal. LAFCO staff made several unsuccessful attempts to contact Mr. Renwick regarding the annexation proposal, leaving messages on May 14 and 19, 2009 and June 29, 2009. However, staff was contacted by Judith Kielhofer, one of the other landowners, on January 25, 2010 to request additional information about the proposal and the public hearing. Staff went over the details of the annexation with Ms. Kielhofer and explained the background behind the inclusion of the cemetery parcel. Per Ms. Kielhofer's request, she was added to the project file for all future project notifications.

Though the Cemetery Trustees declined to provide written consent to LAFCO for inclusion of the cemetery in the petition for annexation, it is not believed that they are opposed to it. Through discussions with EID staff and the project proponent, LAFCO staff has surmised that the Cemetery Trustees consent to the annexation, as long as the Business Park accepts responsibility for all fees and future costs associated with the annexation, to which Mr. Scalzi, applicant representative for the Business Park, has agreed.

### **CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

El Dorado County, as the Lead Agency for the Clarksville Professional Business Park, prepared and certified a Mitigated Negative Declaration (MND) for the project on October 28, 2008. However, because this environmental review was specific to the commercial project occurring on that property only, it understandably did not assess conditions within the cemetery parcel. In order to comply with CEQA and fully review the environmental impacts of the annexation as a whole, LAFCO determined that separate environmental reviews were necessary for annexation of the two properties. Therefore, following the summary of the County's MND is a discussion of the cemetery property, for which El Dorado LAFCO assumed Lead Agency status.

### Clarksville Professional Business Park

Within the scope of the County's MND, the environmental impacts of the annexation were addressed. This document included a Mitigation Monitoring Program (MMP) that addressed measures necessary to lessen the potential significant effect that the project could have on the surrounding area, identified the responsible parties and included the provisions to be followed.

Areas within the County's environmental review of interest to LAFCO are summarized below. The County's MND can be reviewed in its entirety as Attachment H, included on the CD accompanying the Commission packet. LAFCO staff analysis of these issues can be found within the corresponding 28 factors to be considered.

### **Agricultural Resources**

The County's MND ultimately found that no impacts to agricultural land are expected with the development of the project, either directly or indirectly. The project is compatible with the surrounding neighborhood.

The project site is not considered to be to be "Prime Farmland," nor are there properties designated as being within the Agricultural (A) General Plan land use overlay district area adjacent to the project site. The project would not result in the conversion of farmland to non-agricultural uses and there would be no loss of productive agricultural land or conflict with agricultural uses. The project would not affect any properties under a Williamson Act Contract.

The project site is located adjacent to Exclusive Agriculture (AE) zoned land to the east. The agriculture-zone parcel is currently undeveloped. Due to this location, the project was reviewed by the Agricultural Commission. At the October 19, 2007 Agriculture Commission meeting, the Commission recommended approval of the project subject to application of the 200 foot setback pursuant to the General Plan. However, Interpretive Guidelines for General Plan Policies related to agriculture compatibility exempts the project from adherence to these setbacks.

### **Hydrology and Water Quality**

The proposed project would require a site improvement and grading permit through the El Dorado County Building Department that would address erosion and sediment control. The County's MND found that no significant hydrological impacts are expected with the development of the project.

There are drainage features off-site which may be impacted as part of the project; however the project would require Mitigation Measures to obtain appropriate permits from the U.S. Army Corps of Engineers and the Department of Fish and Game for the filling of any wetlands or altering of the drainages and all project related construction activities would be required to adhere to the El Dorado County Grading, Erosion Control, and Sediment Ordinance which would require Best Management Practices to minimize degradation of water quality during construction.

The project site is located within the vicinity of Screech Owl Creek and is approximately 400 feet west of Carson Creek. The Land Capability Report prepared for the project determined that the project would result in an increase of run-off from the site. The project would include a new underground drainage system to direct increased run-off into an existing drainage pipe to the east of the site. With the implementation of approved Drainage, Erosion Control and Grading Plans, as required by the Department

of Transportation, the rate of stormwater run-off from the project site would be minimized.

### **Land Use and Planning**

The County's MND found that no significant impacts are expected to land use and planning. The rezone from One-Acre Residential (R1A) to Commercial-Planned Development (C-PD) would be consistent with the existing (C) land use designation. The proposed commercial development would be consistent with the General Plan land use designation and existing development in the area. The project site is located adjacent to an existing church and undeveloped land within the El Dorado Hills Community Region. The applicant has designed the project in compliance with County regulations, addressing aesthetics and health and safety concerns. The project would not conflict with any Habitat Conservation Plans.

### **Population and Housing**

The County's MND determined that there is no potential for a significant impact due to substantial growth with the project either directly or indirectly. The project would construct a commercial development designated for office and medical uses. No residential development would occur as a result of the project, the existing single-family residence would be demolished. The removal of the residence would not significantly alter the existing residential patterns in the project area.

### **Public Services**

The County's MND found that no significant impacts are expected to public services with the project directly or indirectly.

The following is a summary of the potential impacts found by the County's MND that the proposed project may have on the public service providers.

Fire Protection: the El Dorado Hills Fire Department currently provides fire protection services to the project area. Development of the project would result in a minor increase in demand for fire protection services. However, it has been determined by the Fire Department that the level of service would not fall below the minimum requirements as a result of the project. The Fire Department would review building permit plans to determine compliance with their fire standards including: location of fire hydrants, accessibility around buildings, turning radii within parking lots, fire sprinklers within buildings, building identification, and project phasing. Fire Districts have been granted the authority by the State Legislature to collect impact fees at the time a building permit is secured. The MND found that impacts on fire protection services would be less than significant.

Police Protection: The project site would be served by the El Dorado County Sheriff's Department with a response time of eight minutes to 80% of the population located in the Community Regions; the project site is located within the El Dorado Hills Community Region. The MND found that the addition of the proposed development would not significantly impact current police response times to the project area.

Schools: The state allows school districts to directly levy fees on new residential and commercial/industrial development. These fees are collected at the time of building permit submittal and are designed to provide funds to acquire and construct additional facility space within impacted school districts. The project site is located within the Buckeye School District. The affected school districts were contacted as part of the

initial consultation and no specific comments or mitigation measures were provided. The MND found that the impacts to schools would be less than significant.

Parks: The commercial development would not be required to pay park in-lieu fees. The MND found that there would be no impact to parks.

Public Facilities: No other public facilities or services would be substantially impacted by the project. Adequate emergency services and public utility services are available to serve the project. The MND found that impacts to public facilities would be less than significant.

### **Recreation**

The MND found no significant impacts to recreation and open space resources are expected with the project either directly or indirectly. The commercial project would not require the increase in need for parks in the project area, nor would it require the payment of park fees. The proposal does not include the provision of on-site recreation facilities.

### **Transportation and Traffic**

The MND found no significant traffic impacts are expected with the project either directly or indirectly. The traffic study prepared for the project indicated that the proposed road improvements and payment of the Traffic Impact Mitigation fees would ensure that the access roads would operate below acceptable levels of service. The project would be required to construct a new access road onto White Rock Road and widen the existing Joerger Cutoff Road to include two points of access onto White Rock Road.

The proposed development would construct approximately 100,000 square feet of commercial buildings for office and medical uses, and would include 485 parking spaces on-site. The El Dorado County Transit Authority reviewed the proposal and had no comments; no bus turnouts would be required.

### **Utilities and Service Systems**

The MND found no significant utility and service system impacts are expected with the commercial project either directly or indirectly. The project would require annexation into the EID service area prior to receiving services, which would not result in significant impacts.

Wastewater Treatment: The MND found impacts to wastewater treatment would be less than significant. The project would not involve discharges of untreated domestic wastewater that would violate water quality control board requirements. The project would be required to connect to EID public water and wastewater systems. The project site is currently located outside of the EID service boundaries and would require LAFCO discretionary approval for annexation prior to receiving services. EID is within the jurisdictional boundaries of the State of California Regional Water Quality Control Board – Region 5, Central Valley (RWQCB) and operates under Waste Discharge Requirements Order No. R5-2001-0135 regarding treatment processes and water quality standards that are specific to the El Dorado Hills Wastewater Treatment Plant. Extension of wastewater service to the project site would not exceed current wastewater quality requirements.

Water and Wastewater Facilities: The MND found impacts to water and wastewater facilities would be less than significant. According to EID's *Facility Improvement Letter*

*FIL0207-137* (FIL), an 18-inch water line exists in White Rock Road and a 12-inch water line exists in Post Street. The El Dorado Hills Fire Department has determined that the minimum fire flow for this project is 2250 GPM for a two-hour duration while maintaining a 20-psi residual pressure. In order to provide this fire flow and receive service, a water line extension connecting to either the 18-inch or 12-inch water line. The hydraulic grade line for the 18-inch water line in White Rock Road is 840 feet above mean sea level at static conditions and 828 feet above mean sea level during fire flow and maximum day demands. The hydraulic grade line for the 12-inch water line in Post Street is 820 feet above mean sea level at static conditions and 810 feet above mean sea level during fire flow and maximum day demands.

According to the FIL, there is a 21-inch sewer line located at the intersection of White Rock Road and Joerger Cutoff Road with adequate capacity to serve the project. In order to receive service from these lines, an extension of facilities of adequate size must be constructed.

Stormwater Drainage: The MND found impacts to stormwater drainage would be less than significant. All required drainage facilities for the project shall be built in conformance with the standards contained in the "*County of El Dorado Drainage Manual*," as determined by the Department of Transportation. The Land Capability Report submitted with the project did not identify additional off-site improvements that would be necessary for the project.

Water Supply: The MND found impacts to water supply would be less than significant. The subject parcel is within EID's El Dorado Hills Supply Area, which pumps water from Folsom Reservoir through US Bureau of Reclamation service contracts and State water right Permit No. 21112. According to EID's *2007 Water Resources and Service Reliability Report*, there are 933 equivalent dwelling units (EDUs) of water available in this region, based on the following calculations:

The El Dorado Hills supply area has a supply-based yield of 24,550 acre feet; however the amount of water that can currently be supplied and treated is limited because of infrastructure limitations in the El Dorado Hills Water Treatment Plant (EDHWTP). The 2007 infrastructure-based firm yield for the El Dorado Hills Supply Area is 11,500 acre-feet (AF). The total potential demand as of December 31, 2006 included 8,572 AF of active demand, 331 AF of latent demand, and 1,851 AF of other system demand, for a total of 10,754 AF. The resulting unallocated water supply for the year 2007 is therefore 746 AF.

To convert the available water supply to meter availability, EID projected demand out for three years. This per EDU demand was based on a 10-year historical trend (1996-2005) in the El Dorado Hills Supply Area. The trend was extended out to 2009, resulting in 0.80 AF per EDU. The water meter availability for the El Dorado Hills Supply Area is thus a total of 933 EDUs for 2007.

However, this estimate does not take into account the 2,893 EDUs of contractual commitments for existing and future water supplies, nor does it reflect recent annexations approved by LAFCO that have not yet purchased water meters. The water meter availability based on the infrastructure-based yield is not currently sufficient to serve the existing contractual commitments or additional annexations; however, meter availability is expected increase once the EDHWTP undergoes planned expansions. The current capacity of the EDHWTP is 19.5 million gallons per day (MGD); the expansion will increase the capacity to 24.4 MGD. This will increase the unallocated

EDUs to 1,165, assuming the same number of contractual commitments as 2007 (24.4 MGD is approximately 14,000 acre-feet, minus the same 10,754 acre-feet of total potential demand, divided by the conversion factor of 0.80 = 4,058 EDUs – 2,893 EDUs of 2007 contractual commitments leaves 1,165 EDUs available). After the EDHWTP expansion occurs, additional meters will become available for purchase on a first-come first-serve basis. According to the FIL, the project as proposed would require 28 EDUs of water supply.

The County General Plan requires the applicant demonstrate a guaranteed supply of water is available at the time final subdivision and parcel maps are approved before building permits are issued. In addition, EID service to the proposed project would be contingent upon the future availability of water supply, approval of the Facility Plan Report, construction of all water facilities, and acceptance of the facilities by EID. These procedures would provide assurances that expansion of water supply to the project site is sufficient and reliable.

Wastewater: The MND found impacts to wastewater would be less than significant. Upon annexation, the subject parcel would be served by EID's El Dorado Hills Wastewater Treatment Plant (EDHWWTP), which is located approximately two miles south of Highway 50 on Latrobe Road in the El Dorado Hills business park area. The plant serves a 30 square mile area that extends from the El Dorado County line east to Bass Lake Road, north to Folsom Lake, and three miles south of Highway 50. EDHWWTP produces Title 22 full body contact recycled water and treated water that is not used for recycled water is discharged to Carson Creek. During the summer, there is sufficient recycled water demand that no flow is discharged to Carson Creek.

The proposed project would require an extension of EID's wastewater collection system and increase the demand on EID's wastewater treatment facilities. According to EID's *2001 Wastewater Master Plan*, the plant has a design capacity of 3.0 million gallons per day average dry weather flow (ADWF); the current ADWF is 2.67 MGD. EID is planning to expand the capacity to 5.4 MGD ADWF in two phases in the next few years. The Facility Plan Report prepared for the project by RFE Engineering estimated that the project would result in an additional 6,720 gallons per day. The existing wastewater treatment facilities would have adequate capacity to serve the project.

The FIL stated that to date, the EDHWWTP has sufficient capacity to serve the proposed project. Similar to domestic water supply, wastewater capacity is allocated and sold on a first come, first serve basis; when capacity of the plant is reached, no more connections will be sold until plant capacity is expanded. EID's El Dorado Hills Wastewater Treatment Plant has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments.

Solid Waste: The MND found impacts to solid waste would be less than significant. In 1997, El Dorado County signed a 30-year contract with the Lockwood Landfill Facility for continued waste disposal services. The Lockwood Landfill has a remaining capacity of 43 million tons over the 655-acre site.

El Dorado Disposal distributes municipal solid waste to Forward Landfill in Stockton and Kiefer Landfill in Sacramento. Pursuant to El Dorado County Environmental Management Solid Waste Division staff, both facilities have sufficient capacity to serve the County. Recyclable materials are distributed to a facility in Benicia and green wastes are sent to a processing facility in Sacramento. Impacts would be less than significant.

County Ordinance No. 4319 requires that new development provide areas for adequate, accessible, and convenient storing, collecting, and loading of solid waste and recyclables. On-site solid waste collection for the proposed lots would be handled through the local waste management contractor. Adequate space would be available at the site for solid waste collection. Impacts would be less than significant.

Power: The County's MND found impacts to power would be less than significant. Power and telecommunication facilities are available at the project site. The power demands of the project would be accommodated through connection to existing lines, which are available at the parcel.

### **Mandatory Findings of Significance**

Adverse Effects on the Environment or Wildlife: The County's MND determined that implementation of the following Mitigation Measures would reduce potentially significant impacts on the environment or wildlife to less than significant. The project would have the potential to significantly impact fish or wildlife species as part of the project. The project would require oak woodland habitat removal and the modifications of on-site riparian features. The project includes Mitigation Measures requiring the re-planting of impacted oak canopy, acquisition of permits for the modifications to the riparian areas, and surveys to reduce impacts to protected animal species during project construction.

Cumulative Impacts: The County's MND found that the project would not result in significant cumulative impacts. The project would connect to existing public water and sewer services and would not require the extension of infrastructure or utilities outside of the Community Region. The project would be consistent with the existing General Plan Land Use Designation and the surrounding land use pattern.

Adverse Effects on Human Beings: The County's MND found that implementation of standard conditions of approval would reduce potentially significant impacts to less than significant. Based on the discussion in the MND, potentially significant impacts to human beings would occur with respect to Air Quality and Noise. The project would include standard conditions of approval required by the Air Quality Management District which would apply to project construction. Adherence to these standard conditions would reduce potential impacts to less than significant. The adherence to limitations on hours of construction would limit the potential of noise impacts to exceed the thresholds established by the General Plan.

### **Conclusion**

The MND prepared by El Dorado County addressed the environmental impacts of the proposed subdivision and ultimately determined that the proposed action would not have a significant impact on the environment. LAFCO Staff has carefully reviewed this document and found the analysis to be accurate and adequate for the annexation proposal at hand.

### Clarksville Cemetery

The Clarksville Cemetery parcel (APN 121-280-05) is the site of an active, historic cemetery and contains no structures. This portion of the project is exempt from the provisions of the California Environmental Quality Act (CEQA) under Regulation 15183(a) of the California Code of Regulations. In particular, this section states, "that projects which are consistent with the development density established by existing zoning, community plan, or general plan policies for which an EIR was certified shall not

require additional environmental review, except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or its site.”

The parcel is zoned One-Acre Residential (R1A) with a land use designation of Commercial (C) by the 2004 El Dorado County General Plan and has a conditional use permit for cemetery uses. Upon annexation, the landowners intend to continue the use of this property for solely for cemetery purposes, which, accompanied by the conditional use permit, is consistent with the Commercial designation and R1A zoning. The environmental impacts of these uses were reviewed by the General Plan Environmental Impact Report (EIR). The landowners do not intend to connect to EID water or wastewater lines for service. After careful consideration, LAFCO staff is confident that the continued use does not constitute significant effects that are peculiar to the project; therefore the intended uses are consistent with CEQA Regulation 15183(a).

**SUMMARY OF STATUTORY AND POLICY CONSIDERATIONS**

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

<b>FACTOR TO CONSIDER</b>	<b>POLICY / STATUTE CONSISTENCY</b>	<b>COMMENT</b>
Need for organized services, probable future needs	1 – Consistent	Water and wastewater service is necessary for the proposed ten-lot office/medical park; inclusion of the cemetery is recommended by staff to prevent the formation of a service island.
Ability to serve, level and range of service, time frames, conditions to receive service	2 – Consistent	The applicant will be required to prepare a detailed hydraulic analysis to address any concerns of low pressure due to elevation prior to constructing any infrastructure extensions onto the subject site. Recycled water is not available for the project.

FACTOR TO CONSIDER	POLICY / STATUTE CONSISTENCY	COMMENT
Timely availability of adequate water supply	3 – Inconsistent	Contractual commitments currently exceed water meter availability in the EDH region; however, a recent amendment to one of EID’s contractual commitment agreements defers 1,303 EDUs for the next five years. The deferment expands EID’s water capacity for the time being, however this is not a long-term solution to address the District’s infrastructure capacity beyond this five year period.
Alternatives to service, other agency boundaries, and local government structure	4 – Consistent	There are no other reasonable alternatives to provide water or wastewater services to the commercial development.
Significant negative service Impacts	5 – Consistent	There are not expected to be any negative impacts to the current level of service for existing EID customers.
Coordination of applications	6 – Consistent	No additional services are necessary for the future business park; staff recommends the existing cemetery be included in the annexation to prevent the creation of a “service island” parcel that is surrounded by EID boundaries.
Present cost/adequacy of governmental services, including public facilities	7 – Consistent	After the necessary expansion of the EDHWTP, EID will have adequate infrastructure capacity to provide water service to the business park.
Effect of proposal on cost & adequacy of service in area and adjacent areas	8 – Consistent	Property tax revenue, impact fees, facility connection charges and other charges will support the cost of services required.

FACTOR TO CONSIDER	POLICY / STATUTE CONSISTENCY	COMMENT
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.
Sufficiency of revenues, per capital assessed valuation	10 – Consistent	EID should receive sufficient revenue for providing service to the proposed development.
Revenue producing territory	11 – Consistent	EID will collect revenue through user charges, property taxes and connection fees, which should offset the cost of providing services to the business park.
56668.3 “best interest”	12 – Consistent	The annexation appears to be consistent with LAFCO and EID policies and is in the best interests of both the business park and cemetery landowners.
Boundaries: logical, contiguous, not difficult to serve, definite and certain	13 – Consistent	The annexation, as proposed, will prevent the formation of an “island” out of the cemetery parcel, which otherwise would not be included in the EID service boundary but would be surrounded by other parcels that are. Water and sewer lines are nearby and can be extended to the business park site 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 – Consistent	For the reasons outlined in #6, LAFCO staff requested the Clarksville Cemetery be included in the proposal; however the Commission always retains the authority amend the annexation area prior to approval, if it does not agree with staff’s findings.

<b>FACTOR TO CONSIDER</b>	<b>POLICY / STATUTE CONSISTENCY</b>	<b>COMMENT</b>
Conformance to lines of assessment, ownership	16 – Consistent	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.
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 proposed subdivision will primarily benefit only the future business park and existing cemetery and is not expected to have a significant effect on the surrounding area.
Information or comments from landowners or owners	19 – Consistent	The Cemetery landowners have entered into an Annexation Agreement with the Clarksville Business Park, consenting to the annexation as proposed.
Effect on other community services, schools	20 – Consistent	There are no negative impacts expected for the current public service providers in the area.
Other agency comments, objections	21 – Consistent	Comments were received from the Agricultural Department regarding a recommendation to the County to condition project approval to require 200 foot setbacks; the Board of Supervisors did not concur.
Fair share of regional housing needs	22 – N/A	The Clarksville Professional Business Park does not include any type of housing. The project 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 business park territory was rezoned C-PD and has a land use designation of Commercial; the annexation and proposed development are consistent with these designations.
Population, density, growth, likelihood of growth in, and in adjacent areas, over 10 years	24 – Consistent	The proposal area currently has one registered voter; upon completion of the commercial development there will be approximately 100-110 new office users, but no new residents.
Proximity to other populated areas	25 – Consistent	The business park is substantially surrounded on three sides by development, including the Clarksville Cemetery, the Lakehills Community Church, Mercedes-Benz of El Dorado Hills, a PG&E sub-station, and US Highway 50. The fourth side contains an undeveloped parcel designated R&D. The other surrounding lands are all designated Commercial by the 2004 El Dorado County General Plan.
Consistency with General Plans, specific plans, zoning	26 – Consistent	The proposed business park is consistent with the current land use designation (C) and zoning (C-PD) of the parcel, as well as the Commercial designation of the surrounding areas.

FACTOR TO CONSIDER	POLICY / STATUTE CONSISTENCY	COMMENT
Physical and economic integrity of agriculture lands and open space	27 – Consistent	The project site is not considered to be to be “Prime Farmland,” nor would the business park result in a loss of productive agricultural land or conflict with agricultural uses. The business park site is located adjacent to an Exclusive Agriculture (AE) zoned land to the east, which is currently undeveloped and is not used for any type of agricultural operation. In addition, this parcel is designated Research and Development (RD).
Optional factor: regional growth goals and policies	28 – N/A	The proposed Clarksville Professional Business Park is strictly a commercial project that does not include any type of housing. Therefore, it will have no effect in assisting 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 annexation 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, as proposed, will provide a more logical and orderly boundary.
3. The Mitigated Negative Declaration prepared for the Clarksville Professional Business Park portion of this project (APN 121-280-03) by El Dorado County, is adequate and complete and satisfies the requirements of the California Environmental Quality Act.
4. The Clarksville Cemetery portion of this project (APN 121-280-05) is exempt from the provisions of the California Environmental Quality Act under Regulation 15183(a) of the California Code of Regulations.
5. 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.

6. The annexation will not have an adverse effect on agriculture and open space lands.
7. The annexation will not assist the County's ability to meet its Regional Housing Needs Assessment allocations as determined by the Sacramento Area Council of Governments for any income groups. However, the annexation will not 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 the Clarksville Business Park into EID for water and wastewater service. The business park is a planned development that will include ten lots with commercial buildings for office and medical use. The development is expected to accommodate 100-110 office users at full capacity. No other water purveyor currently serves this area and private wells/septic systems are not a realistic option given the scope of the future land use.

Annexation of Clarksville Cemetery into EID is recommended by staff in order to create a more logical boundary for the district. Inclusion of the cemetery parcel eliminates the creation of a service island outside of district boundaries.

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 prepared *Facility Improvement Letter FIL0909-032* (FIL, Attachment E) for the Clarksville Business Park on September 22, 2009, which outlined the existing infrastructure near the subject site, stated the fire flow requirements from the subject fire district and detailed the requirements for the applicant prior to receiving water and wastewater service. This FIL replaced *FIL0207-137*, referenced in the County's environmental review, which has since expired. As standard practice, FILs are valid for a period of two years, then a new FIL is required. Though updated, the information contained in the new FIL is essentially the same as the previous and does not contain any new information that changes the circumstances of the annexation. Information from the FIL is summarized by the following:

Water

There is an existing 18-inch water line near the project site in White Rock Road. The El Dorado Hills Fire Department has determined that the minimum fire flow for this project is 2,875 gallons per minute for a two-hour duration while maintaining a 20-psi residual pressure. In order to receive service, the applicant will need to construct a water line extension connecting to the 18-inch water line. According to the District's hydraulic model, the existing system can deliver this required fire flow, however due to the elevation of the property low pressure could be a problem; significant system improvements may be required. The District is requiring the applicant to include a detailed hydraulic analysis addressing any low pressure concerns in the Facility Plan Report to be submitted.

Wastewater

There is a 21-inch sewer line located at the intersection of White Rock Road and Joerger Cutoff. According to the FIL, this sewer line has adequate capacity at this time. In order to receive service from this line, an extension of facilities of adequate size must be constructed.

Recycled Water

According to the FIL, recycled water is not available for this project at this time. Due to supply and infrastructure constraints, recycled water service is limited to defined geographic areas; the project property is not within the defined recycled water service area. EID is currently pursuing the design and construction of seasonal storage to increase the supply of recycled water. Service could be requested in the future if this new supply becomes available.

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

**RESPONSE:** The subject parcels are within EID's El Dorado Hills supply area, which primarily receives water pumped from Folsom Reservoir. Unless otherwise noted, all information regarding meter availability in this supply region is based on information from EID's *2009 Water Resources and Service Reliability Report* (WRSRR, July 2009), EID's facility improvement letter to the Clarksville Business Park applicant (FIL, November 2009) and EID's 2010-2014 Capital Improvement Plan (CIP, February 2010).

According to the WRSRR, 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 (EDHWTP) and other conveyance facilities. In other words, there is more water supply available from Folsom Reservoir than this infrastructure can treat on a maximum day basis. Because infrastructure, rather than supply, is the limiting factor in delivering water, the infrastructure based yield is used to determine equivalent dwelling unit (EDU) availability for the El Dorado Hills supply area.

As stated in the WRSRR, water meter availability in the El Dorado Hills supply area is 3,597 EDUs, while contractual commitments total 4,192 EDUs. The water meter availability based on the infrastructure restricted yield is less than the contractual commitments by approximately 600 EDUs; however, meter availability will increase once the EDHWTP undergoes further expansion. According to the FIL, an

estimated total of 28 EDUs will be required to serve the Clarksville Business Park.

Both the WRSRR and the FIL state that water meters in the El Dorado Hills supply area are currently only available for purchase by parties with existing commitments to serve from the District; parties that do not have existing contractual commitments will not be eligible to purchase water meters until further expansions are completed at the EDHWTP. Additional expansions which would increase the capacity of the EDHWTP to 31.5 million gallons per day are listed in EID's recently adopted 2010-2014 CIP, but no funding is specifically dedicated for the improvements; all expansion funding is dependent on future facility capacity charges from new developments. According to the FIL, the Clarksville Business Park does not have a commitment to serve.

*New Information provided by EID*

On March 10, 2010, EID submitted a letter to LAFCO staff informing us of an agreement with Sierra Pacific Industries amending the Wetsel-Oviatt Settlement Agreement to defer 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. This also means that for the next five years, new water meter purchases in the El Dorado Hills supply area will not be restricted solely to parties with existing contractual commitments.

The letter also asserts that the details of this new agreement should not be relevant in LAFCO's analysis of present or future annexations and LAFCO should focus primarily on the supply-based firm yield rather than the infrastructure-based yield when considering annexations. EID contends that infrastructure constraints only speak to the District's ability to sell water meters at present, and that parcels annexed to the District are typically years away from requesting service. The letter also clarifies that annexation or contractual commitments are not a commitment to service from the District; EID makes a commitment to service only when a meter is purchased.

LAFCO staff believes that while EID has deferred a sizeable portion of the existing commitments until the end of 2014, this is not a long-term solution to address the District's infrastructure capacity beyond this five year period. LAFCO staff's recommendation is that the Commission's analysis for annexation must involve the dual questions of available supply and current infrastructure capacity to comply with state law and LAFCO's adopted policies. In particular, Government Code §56668(k) says LAFCO "shall consider the timely availability of water supplies adequate for projected needs" (emphasis added) and LAFCO Policy 3.3.3(c) states:

*In the event that the annexing agency will provide service by expanding its service capabilities in the future, the Commission will consider plans for such expansion and the agency's progress toward implementation of such plans in its review of the proposal. LAFCO may require a full description of any such plan. The Commission will evaluate such documentation and may make determinations pursuant to §56668. The Commission may also impose conditions related to progress toward completion of any such plans.*

The apparent conflict with the above information and applicable state laws and LAFCO policies warrant a discussion on EID's infrastructure capacity. While other agencies may consider annexation divorced from a commitment to serve, staff is

unaware of other agencies that operate in such a manner. Though it is staff's job to provide all available information to the Commission, it is ultimately up to the Commission as to what action to take with that information. In particular the questions the Commission must decide are:

- 1) EID contends that at the end of the five year settlement period, Sierra Pacific is subject to the district's "first come first served" policies. In addition, one of LAFCO's responsibilities when considering annexations is the impact to existing customers. If EID has sold all of the EDUs that became available as a result of the settlement, would annexation imperil Sierra Pacific as an existing customer? What weight should be given to the right of existing customers, or landowners within the service area currently not being served but in line for service, in relation to new potential customers?
- 2) There are two sides to how much water is available: What is the water yield and how much water can be treated at any time. What does "timely" mean when it comes to the question that the availability of water is dependent on infrastructure? In other words, if the agency has the resources but its ability to deliver the resource is limited, what does that mean for LAFCO consideration? What role will infrastructure limitations play in this and future LAFCO decisions?
- 3) While the El Dorado Hills Water Treatment Plant expansion is in the CIP, there is no time commitment for the completion of the expansion. In addition, expansion funding is contingent upon facility capacity charges. Does it become a financial catch-22 situation where annexations are needed to fund future infrastructure but annexations will not be approved until infrastructure expansions are completed?

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 public service alternatives for the provision of water or wastewater service. Given the planned use for the subject area the expected demand is too great for private wells and septic systems to be feasible. The only remaining option for water service would be to transport potable water to the business park, which is not realistic due to expected high costs and excessive inconvenience. Similarly, sewer service from EID is the preferred method of dealing with wastewater generated from the project, due to the planned size of the business park.

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. Under EID regulations, no water meters can be issued if available water supplies are “seriously threatened” until additional water supply is available (EID Regulation No. 22.7). 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:** The decision to include the Clarksville Cemetery in the annexation proposal was requested by LAFCO staff in order to prevent the creation of what would become a hole in the EID service area. If the cemetery parcel were not annexed into EID concurrently with the business park parcel, it would be surrounded on all sides by EID’s service boundary. Although the Cemetery is not seeking any services from EID, annexation would create a more logical boundary for the District. However, the Commission always retains the authority to amend the annexation area prior to approval, if it does not agree with staff’s recommendations.

Both subject parcels are within the El Dorado Hills County Water District for fire protection and emergency medical services and the El Dorado Hills Community Services District for park and recreation services. There are no additional services that are necessary to serve the future business park or the existing cemetery. The subject parcels are substantially surrounded on three sides by EID’s service boundary and there are no additional neighboring properties that appear require annexation into the District at this time.

**(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:** Per EID staff, projects in the El Dorado Hills Supply Region that do not have AD3 entitlements will not be eligible to purchase water meters until after the EDHWTP expansion is completed.

After the necessary expansion of the EDHWTP, EID will have adequate infrastructure capacity to provide water service to the business park (see #3 for a more detailed analysis of the water meter availability in this region). EID does not appear to have any current service deficiencies that indicate annexation of the Clarksville Business Park and Clarksville Cemetery parcels 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. In addition to tax revenue; impact fees, facility connection charges and other charges will support the cost of services. The annexation is expected to provide revenue that will offset the short and long-term costs to the 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 to EID is the most logical alternative to deliver the necessary water and wastewater services to the Clarksville Business Park. At this time, there are no other municipal water service providers in this area. The alternatives for providing potable water to the subdivision are private wells or transported water. Private wells are not a viable option given the anticipated service demand from the ten commercial buildings that will accommodate approximately 100-110 office users and water transportation is very costly and inconvenient. Similarly, hooking up to EID's sewer system is the most feasible option to deal with wastewater that will be generated through the business park.

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

**RESPONSE:** The current assessed value of the future business park parcel is \$2,650,000. A slight increase in assessed value is expected to occur upon annexation into EID; a significant increase in the assessed value is expected to occur as a result of the commercial development. The current assessed value of the cemetery parcel is \$4,926, though that is also the amount of the home owner exemption value, resulting in a net assessed value of \$0.

The annexation is expected to provide sufficient revenue to EID to cover the short and long-term costs of the Clarksville Professional Business Park's use of existing EID facilities. The County and EID have negotiated a property tax revenue sharing agreement, based upon the Chief Administrative Officer's proposal (Attachment D), with EID receiving 2.667% of the property tax revenue for the annexing area. Based upon this agreement, various connection fees and the applicant's responsibility for covering the cost of extending necessary infrastructure, EID should receive sufficient revenue for providing service the proposed subdivision.

It must be noted that at least two existing service providers to the business park parcel have expressed their dissatisfaction with this annexation to LAFCO staff. In order to grant EID a share of the property taxes, the County reduced the property tax increment of all agencies whose service boundaries encompass the business park parcel. Among the agencies impacted, El Dorado Hills Community Services District's share was reduced by 0.2014% to a total of approximately 10.0% and the

El Dorado Hills County Water District share was reduced by 1.0285% to a total of approximately 18.51% (see Attachment D). One or both of these districts may comment during the public hearing.

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

**RESPONSE:** The Clarksville Professional Business Park will consist of ten commercial office buildings ranging in size from 5,100 to 44,992 square feet upon development. The total assessed value of the subject area is expected to increase as a result of annexation and development. EID will collect revenue through user charges, property taxes and connection fees, which should offset the cost of providing water service to the subdivision.

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 and EID policies and is in the best interest of the commercial development; annexation will provide essential municipal services to the proposed business park. Annexation of the Clarksville Cemetery will provide the landowners with the option of connecting to the EID water and sewer lines if they choose to do so in the future.

**(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 on the northern, eastern and southern sides. The annexation, as proposed, will prevent the formation of an island out of the cemetery parcel, which otherwise would not be included in the EID service boundary but would be surrounded by other parcels that are (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 business park project site has been previously developed with a single family residence and accessory buildings. Vegetation on-site is limited to

non-native landscaping and native grasslands. Slopes on-site are hilly with varied slopes. The cemetery site is directly south of the business park site and located at a relative high point in the project vicinity. 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 prevent the creation of an island out of the cemetery parcel directly to the west of the business park, which otherwise would not be included in the EID service boundary but would be surrounded by other parcels that are (refer #6 above and to Attachment A). For the reasons outlined in Section 6, LAFCO staff requested the Clarksville Cemetery be included in the proposal; however the Commission always retains the authority amend the annexation area prior to approval, if it does not agree with staff's findings.

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. The commercial development was approved by the Board of Supervisors on October 28, 2008.

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, nor will it affect the social or economic interests of adjacent areas. The subject parcels are located within the El Dorado Hills Community Region. The proposed subdivision will primarily benefit only the future business park and the existing cemetery and is not expected to have a significant effect on the surrounding 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 business park landowners support the proposed annexation with the inclusion of the cemetery parcel and have not indicated that any additional comments or information need to be given consideration beyond the customary application materials.

The Joerger Family has not provided written consent to LAFCO for inclusion of the cemetery in the petition for annexation; however it is believed that they are not opposed to it. LAFCO staff has attempted on several occasions to contact the landowners regarding inclusion of the Cemetery in the annexation proposal, though these efforts were unsuccessful. Through discussions with EID staff and the project proponent, LAFCO staff has surmised that the Joerger Family consents to the annexation, as long as the Business Park accepts responsibility for all fees and future costs associated with the annexation.

- 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 business park and cemetery sites are within the El Dorado Hills County Water District (EDHCWD). The nearest fire station is EDHCWD's Station 87 at 4680 Golden Foothill Parkway, which is approximately two miles southeast of 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 Clarksville Business Park and Clarksville Cemetery. Response times to the area would depend on the location of the nearest unit at the time of dispatch.

Park and Recreation Services: These are currently provided by the El Dorado Hills Community Services District and will not change as a result of the annexation. The CSD requires landowners to pay park-in-lieu fees in conjunction with building permits to comply with the Quimby Act.

Schools: The project site is located within the Buckeye Union School District, the El Dorado Union High School District and the Los Rios Community College District. Though there are no residences proposed by this project, the state allows the affected school districts to collect development fees at the time of building permit submittal for the commercial development to acquire and construct additional facility space within impacted school districts.

- 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 (l), §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 Irrigation District
- El Dorado County Representing CSAs 7, 9, 10, and 10 Zone E
- El Dorado Hills County Water District
- El Dorado Hills Community Services District
- El Dorado County Water Agency
- El Dorado County Resource Conservation District
- El Dorado County Department of Agriculture
- El Dorado County Office of Education
- Buckeye Union School District
- El Dorado Union High 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

On March 10, 2010, EID submitted a letter to LAFCO staff in support of the Clarksville annexation, speaking to the recently executed Wetsel-Oviatt amendment, water meter availability in the El Dorado Hills supply area and LAFCO analysis of annexations to the District (Attachment F).

William Stephens, Ag Commissioner, submitted minutes from the October 19, 2007 El Dorado County Agricultural Department meeting recommending conditioned approval of the project's rezone and Planned Development parcel map to the Board of Supervisors. According to the meeting minutes, the Ag Commission found, "that the 200 foot Agricultural Setbacks should apply until the adjacent AE zoned land is rezoned to something other than Agricultural use."

However, as described in the above CEQA section, the County disagreed with these findings and found that, "Interpretive Guidelines for General Plan Policies related to agriculture compatibility exempts the project from adherence to these setbacks." Despite the Agricultural Commission's recommended conditioned approval, the Board of Supervisors approved the Clarksville Business Park on October 28, 2008.

As noted above in Section 10 (page 21), the El Dorado Hills CWD and El Dorado Hills CSD have expressed their dissatisfaction with the AB-8 process outcome for this petition; however, neither district has submitted a formal opposition to the annexation.

**(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(l)).

**RESPONSE:** In February of 2006, the Sacramento Area Council of Governments (SACOG) released a draft version of their Regional Housing Needs Assessment (RHNA) Allocation Goals for El Dorado County, which quantifies the need for housing for by income level for 2006-2013. For the unincorporated portion of El Dorado County, the total RHNA Allocations are as follows:

**MHI = Median Household Income**

2006-2013 Total RHNA Allocation				
Total Units	Very Low <50% of MHI	Low 50-80% of MHI	Moderate 80-120% of MHI	Above Moderate 120+% of MHI
15,993 (100%)	4,818 (30.1%)	3,456 (21.6%)	3,002 (18.8%)	4,717 (29.5%)

The Clarksville Professional Business Park is strictly a commercial project that does not include any type of housing. The proposal will contribute to a decrease in the total available land for all housing categories; though the project site is zoned Commercial-Planned Development and residential use would require a rezone. The project will not assist the County in achieving its RHNA goals; 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:** In October of 2008, the Board of Supervisors approved a request to change zoning of the Clarksville Business Park site from One-Acre Residential (R1A) to Commercial – Planned Development (C-PD). The land use designation for the site remains Commercial. The annexation and proposed development are consistent with the current zoning and land use designation of the subject territory.

**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 is currently one voter registered to the existing single-family residence on the Business Park parcel; however the structure is no longer used as a residence and it is likely the voter resides somewhere else in the County and has not re-registered. Regardless, the subject territory is currently considered uninhabited per State Law. Upon completion of the business park development there will be approximately 100-110 office users, but no permanent residents.

The business park may have a minimal growth-inducing impact to the area due to moderate employment opportunities that may lead to indirect growth. Although the proposal includes the addition of the Clarksville Cemetery, this parcel is not expected to request any services from EID. Therefore, the project will not directly or indirectly induce significant growth by extending or expanding infrastructure to other parcels outside of the District.

- 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 proposed business park site is located directly south of U.S. Highway 50 in the El Dorado Hills Community Region. Surrounding uses include Mercedes-Benz of El Dorado Hills to the west, the Clarksville Cemetery and Lakehills Community Church to the south, and an existing PG&E sub-station to the west. In addition, there is an undeveloped parcel to the east of the site that is zoned Exclusive Agriculture (AE), although it is not used for any type of agricultural operation and it is designated for Research and Development (RD). The surrounding lands are primarily designated Commercial by the 2004 El Dorado County General Plan. The proposed business park will conform to the surrounding zoning and land use designations (refer to Section 26).

- 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 proposed commercial development is consistent with the zoning and land use designations of the subject parcel and surrounding areas (see Section 23 above for further detail):

	Zoning	General Plan	Current Land Use
Clarksville Business Park (APN 121-280-03):	C-PD	C	Single-family residence (no longer in use)
Clarksville Cemetery (APN 121-280-05):	R1A	C	Active Cemetery
North:	R1A	C	PG&E sub-station
North:	TC	AP	U.S. Highway 50
East:	AE	R&D	Undeveloped; Huddinge Partners (no agricultural activities)
South:	CG	AP	Lakehills Covenant Community Church
South:	CG	AP	Undeveloped; El Dorado Hills Town Center East Owner's Ass.
West:	CG	AP	Mercedes-Benz of El Dorado Hills

- 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:** The project site is not considered to be to be “Prime Farmland,” nor would the business park result in a loss of productive agricultural land or conflict with agricultural uses. The business park site is located adjacent to an Exclusive Agriculture (AE) zoned land to the east, which is currently undeveloped and is not used for any type of agricultural operation. In addition, the parcel is designated for Research and Development (RD) by the 2004 General Plan. However, due to this location, the project was reviewed by the Agricultural Commission which recommended approval of the project subject to application of the 200 foot setback pursuant to the General Plan. Ultimately, the County did not include these setbacks as a condition to the commercial project. See #21 for more information about the Agricultural Commission’s comments on the business park project.

- 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 Clarksville Professional Business Park is strictly a commercial project that does not include any type of housing; therefore, it will not assist the County in achieving its RHNA goals. See Section 22 for more detail regarding SACOG’s RHNA goals.

#### ATTACHMENTS

- Attachment A: EID Boundary Map
- Attachment B: Landowner Application & Project Information: Clarksville Professional Business Park
- Attachment C: Landowner Application & Project Information: Clarksville Cemetery
- Attachment D: Chief Administrative Officer Proposal Spreadsheet
- Attachment E: Facility Improvement Letter
- Attachment F: Letter from EID – Wetsel-Oviatt Agreement and Water Availability
- Attachment G: EID’s 2009 Water Resources and Service Reliability Report (*attachment included on accompanying CD—four hard copies will be available at meeting*)
- Attachment H: El Dorado County Mitigated Negative Declaration for the Clarksville Professional Business Park (*attachment included on accompanying CD*)