

STATEMENT OF JUSTIFICATION - SOUTH LAKEPORT ANNEXATION

(LAFCO Application - Attachment B)

Introduction

The City of Lakeport is submitting an application to the Local Agency Formation Commission of Lake County (LAFCO) for annexation of 50 parcels totaling approximately 136.78 acres located on both sides of the South Main Street and Soda Bay Road corridor southeast of the existing city limits. The gross acreage includes both private property and public rights-of-way. The Lakeport City Council, in accordance with LAFCO Policies, Standards, and Procedures, has adopted a Resolution of Application (see LAFCO Application, Attachment A). The City of Lakeport has prepared the following findings of fact in accordance with the provisions of California law and LAFCO policies. The findings in this Statement of Justification provide factual information regarding the various factors to be considered in the review of an annexation proposal pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (California Government Code Section 56668 *et seq.*).

(a) Population and population density; land area and land use; per capita assessed valuation; topography; natural boundaries and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area and in adjacent incorporated and unincorporated areas during the next 10 years:

Population:

The population of the proposed South Lakeport annexation area is estimated at 21 people. There are two parcels where the primary use type is single-family residential and seven parcels with apartments and/or caretakers units combined with commercial uses. A population estimate of 21 persons is derived utilizing a factor of 2.38 persons per household (9×2.38 persons per household=21.42 persons). *Sources: Lake County Assessor's Office (2019); Lake County Registrar of Voter's Office (2019); State Department of Finance City/County Population and Housing Estimates (1/1/19).*

Population density:

The population density is estimated to be 6.51 persons per acre. (136.78 acres divided by 21 people=6.51 persons per acre.) *Source: Lakeport Community Development Department.*

Land area:

The land area of the proposed annexation is 136.78 acres. This includes the acreage of the 50 parcels plus public rights-of-way. (See LAFCO Application, Attachments C and D.) *Source: Legal description of the South Lakeport Annexation Project (Conser Land Surveying, October 2018).*

Land use:

The existing general pattern of land development and land use within the annexation area includes a mix of commercial and industrial uses including a hardware store, multiple auto shops, a cinema, a gas station, a handful of residences and several vacant or partially-developed land. Land uses within the annexation area are regulated by the Lake County General Plan (2009), Lakeport Area Plan (2000), and its implementing ordinances. The proposed annexation area is located within the future boundaries of the City of Lakeport as identified in the Lakeport General Plan and Sphere of Influence documents. (See LAFCO Application, Attachment F.) *Source: Lakeport Community Development Department; Annexation Area Business Map (2019).*

Per Capita Assessed Valuation:

The total assessed value of the proposed annexation area is \$23,805,146. The estimated per capita assessed valuation of the South Lakeport Annexation Project area is \$1,133,578. ($\$23,805,146/21 \text{ persons}=\$1,133,578$). Per capita is defined as a “a measure of dividing a sum equally per unit of population per person, or equally to each individual.” *Source: Lake County Assessor’s Office (2019).*

Topography, Natural Boundaries and Drainage Basins:

The topography of the proposed annexation area is relatively flat. City of Lakeport GIS mapping information contains topographic contours, property line information, floodplain information, storm drain line information, utility information, and other details including ground surface elevations. The lands within the South Lakeport Annexation Project area slope gradually from west to east. The average elevation is approximately 1,342 feet above sea level. *Sources: City of Lakeport GIS mapping system; Lakeport Community Development Department; scale 1” equals 200’ (2019); Google Earth (2019).*

The boundaries of the proposed annexation area are defined by the limits of the properties which adjoin South Main Street and Soda Bay Road with the exception of properties that are in agricultural use which are excluded from the annexation area. The annexation area extends south from the Lakeport city limits to the curve where Soda Bay Road heads east. This is coterminous with the City's designated Sphere of Influence. *Source: Lakeport Community Development Department; Lakeport Sphere of Influence Update (2015).*

The annexation area drains into Manning Creek either by sheet flow, through existing culverts or via an unnamed tributary to Manning Creek. Portions of the annexation area are within the designated 100-year floodplain. *Sources: The City of Lakeport Drainage Basin Maps Storm Drainage Record Maps/Basins, City of Lakeport Engineer’s Office (1979); FEMA Flood Insurance Rate Map, Panels 06033CO493D and 06033CO494D (2005).*

Proximity to other populated areas:

The proposed 136.78-acre South Lakeport Annexation project area is located adjacent to the City of Lakeport, an incorporated City with a population of approximately 4,806. *Source: California Department of Finance, City/County Population Estimates (1/1/2019).*

The likelihood of significant growth in the area and in adjacent incorporated and unincorporated area during the next ten years:

The City of Lakeport has traditionally been a relatively slow-growing community, at times experiencing no growth at all, as documented by the California Department of Finance demographic information. The Lakeport General Plan Update projects an annual growth rate of 1.445%. It is anticipated that future growth will occur in a comparable fashion to past growth. The likelihood of significant growth in the unincorporated areas adjacent to Lakeport is low due to the lack of a municipal water system. *Source: California Department of Finance City/County Population Estimates (1/1/2019).*

The pre-zoning land use designations for the annexation area are Major Retail (C-2) and Industrial (I) (See LAFCO Application, Attachment G). These proposed land use designations are consistent with the Lake County General Plan designations of Service Commercial (Cs) and Industrial (I) provided in this area. Neither of the proposed City of Lakeport land use designations allows residential uses as a principal permitted use and, therefore, population growth in the annexation area is expected to be relatively minimal. It should be noted, however, that if a residential care facility were to be developed in the C-2 zone, it could result in a significant increase in residential population. *Source: City of Lakeport General Plan Update (2015).*

The Fiscal Analysis for the South Lakeport Annexation prepared by Applied Development Economics (ADE) (See LAFCO Application, Attachment I) projected growth in employment (jobs) and square footage of industrial, office, commercial and institutional uses for the entire City between 2017 and 2050 (ADE, p. 9-10). The analysis estimates that the annexation area could absorb about 41% of the projected growth. By 2030, this would translate to a total increase in square footage of development in the annexation area of about 199,000 square feet in a moderate growth scenario (Attachment I, p. 12). *Source: Fiscal Analysis of the Proposed South Lakeport Annexation (2019).*

- (b) Need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.**

“Services,” as used in this subdivision, refers to governmental services whether or not the services are services which would be provided by local agencies subject to this division, and includes the public facilities necessary to provide those services.

Need for organized community services:

The City of Lakeport provides organized community services within its boundaries, and it maintains a Sphere of Influence that represents the planned future boundaries of the City. The proposed annexation area has been within Lakeport's adopted Sphere of Influence since at least 1994. The annexation area is adjacent to the City of Lakeport and is a logical and orderly extension of the City. Presently, there is a need for municipal water services

in the annexation area to serve existing development with inadequate water systems and to accommodate future development. As explained in the Plan for Services (LAFCO Application, Attachment H), upon annexation, the City would extend water service to the annexation area and property owners could choose whether or not to connect to the system. The extension of water service to the annexation area will also benefit public safety by enabling installation of fire hydrants along South Main Street and Soda Bay Road. The City of Lakeport currently provides wastewater treatment services to properties within the annexation area under an agreement with the Lake County Sanitation District (LACOSAN) that will expire in 2026. Upon annexation, the City would assume responsibility for operation and maintenance of the wastewater collection system as well. The preference for organized community services to be provided by cities is stated in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, the Local Agency Formation Commission of Lake County (LAFCO) Policies, Standards, and Procedures, and the Lakeport General Plan. The County of Lake's Lakeport Area Plan does not provide a plan for the provision of organized community services within the annexation area. *Sources: Lakeport General Plan Land Use Element (2009); City of Lakeport General Plan Update (2015); Lakeport Area Plan (2000); South Lakeport Annexation Area Plan for Services (2019).*

The present cost and adequacy of governmental services and controls in the area:

The County of Lake provides law enforcement, public works, general government administrative and social services to the annexation area. The Fiscal Analysis of the Proposed South Lakeport Annexation prepared by Applied Development Economics (See LAFCO Application, Attachment I) presents net County costs and per capita costs for countywide services (ADE, p. 23) however the present cost for services specific to the annexation area is unknown. The Fiscal Analysis estimates the cost of County services for the annexation area following annexation at \$88,743 (ADE, p. 24). Wastewater collection is provided by LACOSAN with wastewater treatment provided by the City of Lakeport. There is no municipal water service in the annexation area. Because the full range of governmental services, including wastewater treatment and water services, are not provided by the County of Lake, the current provision of governmental services and controls in the annexation area is inadequate to accommodate urban growth. *Source: Fiscal Analysis of the Proposed South Lakeport Annexation (2019).*

Probable effect of the proposed annexation and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas:

The probable effects of annexation on the cost of County services are addressed in the Fiscal Impact Analysis of the South Lakeport Annexation Project prepared by Applied Development Economics (See LAFCO Application, Attachment I) as follows:

"In total, it is estimated the County will continue to receive about \$80,200 per year generated from properties in the South Lakeport Annexation Area. The major cost obligation of the County would be in Criminal Justice. Although the City of Lakeport Police Department will provide patrol and police protection services, the County funds operation of the court system and the jail and related detention

services. The residential uses may have some potential need for health services and social services from the County. Both the residential uses and the industrial uses are projected to create fiscal deficits for the County due to their relatively low assessed values. While the retail properties would generate a surplus, the County is estimated to incur a small annual deficit of about \$8,500 per year after annexation. This would be mitigated for many years by the \$210,000 in sales tax payments the City would make to the County. The deficit would also likely be short-lived, as discussed below, as new development would produce a positive fiscal benefit for the County." (ADE, p. 24-25)

The net fiscal impact on the City of Lakeport if the annexation is approved is positive due primarily to two voter-approved sales tax measures that Lakeport has in place which increase the base sales tax revenue by nearly 150% over what the County currently receives from the same businesses. (ADE, p. 20-21). *Source: Fiscal Analysis of the Proposed South Lakeport Annexation (2019)*

The annexation area is not currently served by a municipal water system. Upon annexation, City water service will be extended into the annexation area. Property owners will not be required to hook-up to City water. New connections will generate revenues in connection fees and monthly charges, and these fees and charges are established to offset the additional costs for connection to the system and operation of the water system. The City's Water Treatment Plant has the capacity to serve planned growth in the City of Lakeport and in the proposed annexation area.

Wastewater services are currently provided to the annexation area by the Lake County Sanitation District (LACOSAN). LACOSAN operates the wastewater collection system and conveys the wastewater to the City for treatment at the City of Lakeport Municipal Sewer District (CLMSD) Wastewater Treatment Facility. The agreement for the City to treat wastewater from the annexation area (and other parts of LACOSAN's service area) expires in 2026. The City's preference is for the City to operate the collection system in the annexation area and to provide wastewater treatment. Alternatively, an extension of the existing agreement with LACOSAN could be negotiated.

Responsibility for repair and maintenance of streets and public storm drainage facilities in the annexation area currently rests with the County of Lake. Upon annexation, the Lakeport Department of Public Works would assume responsibility. Upon annexation, the City would provide police services, general government, and planning and building services. These services are all funded by the City's general fund. As demonstrated in the Fiscal Analysis, existing and potential future development in the annexation area would generate sufficient revenues to offset the cost of City services.

Fire and ambulance services would continue to be provided by the Lakeport Fire Protection District and would be unaffected by the annexation. Solid waste services would be transferred from Lake County Waste Solutions to Lakeport Disposal, Inc. *Source: South Lakeport Annexation Area Plan for Services (2019).*

(c) The effect of the proposed action and of alternative actions on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the County:

The effect of the proposed action is that 136.78 acres of land now under County of Lake jurisdiction would be annexed and transferred to the City of Lakeport's jurisdiction. There are no alternative actions proposed. The effect on adjacent areas will be minimal although enhancements to urban services within the annexation area is expected to have a positive effect within the annexation area. From an economic standpoint, the Fiscal Analysis of the Proposed South Lakeport Annexation (see LAFCO Application, Attachment I) estimates that the County would incur an annual deficit of about \$8,500 per year after annexation based on estimated reductions in both revenues and expenses. This deficit would be offset for many years by the \$210,000 in sales tax payments the City would make to the County. As discussed in the Fiscal Analysis, the deficit would likely be short-lived, as over time, property tax revenues generated by new development in the annexation area (enabled by the extension of municipal water service) would produce a positive fiscal benefit for the County." (ADE, p. 24-25)

The effect of the proposed annexation on the local governmental structure of the County is minimal, except that there will be savings on road maintenance and sheriff services. *Sources: South Lakeport Annexation Project Initial Study & Environmental Checklist (2019); Fiscal Analysis of the Proposed South Lakeport Annexation (2019)*

(d) The conformity of the proposal and its anticipated effects with adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in Section 56377 of the California Government Code:

LAFCO has adopted Policies, Standards and Procedures. The following are the general policies and substantive standards that apply to LAFCO's consideration of any type of proposal:

Section 2.1 Communication between local agencies: The City and LAFCO have communicated regarding this proposed annexation as evidenced by correspondence, emails, and verbal discussions between City management staff and consultants and LAFCO management staff. The City has also communicated with County officials regarding its intent to annex the South Lakeport annexation area. Furthermore, the City of Lakeport updated its Sphere of Influence and General Plan in 2015 in preparation for this annexation.

Section 2.2 Urban development: LAFCO policy encourages proposals that result in urban development to include annexation to a City whenever reasonably possible and discourages proposals for urban development without annexation. The South Lakeport Annexation project will implement this policy by annexing 136.78 acres of predominantly urbanized land to the City of Lakeport. The City of Lakeport updated its Sphere of Influence in 2015 to remove parcels in current agricultural use and properties containing prime

agricultural soils. That action ensured that the South Lakeport Annexation area is comprised solely of urbanized parcels.

Section 2.3 Discouraging urban sprawl: LAFCO policy discourages urban sprawl which is characterized by irregular dispersed and/or disorganized urban or suburban growth patterns occurring in a manner that precludes or hinders efficient delivery of municipal services, especially roads, public sewer, and public water. The existing development pattern within the South Lakeport Annexation area, which occurred under County governance, has a number of under-utilized and vacant lots. By annexing the area and providing the opportunity for property owners to connect to the City's water system, the City of Lakeport will promote in-fill development on vacant and under-developed parcels.

Section 2.4 Environmental consequences: The City of Lakeport is the lead agency for the annexation under the California Environmental Quality Act (CEQA). An Initial Study/Environmental Checklist was prepared and circulated for public review in May/June 2019. The Initial Study concludes that two previous environmental documents are sufficient to serve as the environmental documents for the annexation project. (See LAFCO Application, Attachment L.) These previously certified environmental documents are (1) the Environmental Impact Report prepared for the City of Lakeport General Plan 2025 (State Clearinghouse Number 2005102104) and (2) the Addendum to the Lakeport General Plan 2025 EIR which was prepared for the 2015 General Plan amendment updating the Lakeport Sphere of Influence. The City has consulted with LAFCO staff during this public review process by forwarding a copy of the CEQA Initial Study to LAFCO staff.

Section 2.5 Balancing jobs and housing: The City encourages an appropriate balance between jobs and housing as set forth in the Housing Element of the Lakeport General Plan.

Section 2.6 Compact urban form and in-fill development encouraged: LAFCO will consider whether the proposed development is timely, compact in form, and contiguous to an urbanized area. LAFCO will favor development of vacant or under-utilized parcels already within a City or other urbanized area prior to annexation of new territory. The City of Lakeport's policies, as contained in the Lakeport General Plan, are consistent with these LAFCO policies. The City supports and encourages in-fill development within the City limits, specifically through Policies LU 4.1, 4.2, and 4.3 of the Lakeport General Plan Land Use Element. As explained under Section 2.3, above, the annexation area is urbanized, but under-utilized. This is mainly due to the lack of availability of a public water system in this area. The annexation and subsequent expansion of the City of Lakeport's municipal water system will allow for infill development which will lead to a more compact urban form and efficient delivery of services.

Section 2.7 Public Accessibility and Accountability: LAFCO recognizes the public's ability to participate in local government processes and will consider this principle when it evaluates a proposal for change in organization or reorganization. The City has encouraged public comment and review of the proposed annexation project by

conducting door to door meetings with businesses, residents and property owners in the annexation area and by sending informational mailings to businesses, residents and property owners in the annexation area. The City has also held Town Hall meetings to address the concerns of property owners, businesses and residences in the annexation area. Additionally, notices of public hearings and opportunities to comment on the Initial Study and environmental documents and the annexation application were provided in accordance with State and local requirements.

Section 2.9 Efficient services: Annexation of the South Lakeport Annexation project area will use existing public agencies and, by consolidating activities and services, the City of Lakeport will obtain economies of scale in its provision of services within the annexation area. The incorporation of the 136.78-acre annexation area into the City of Lakeport will provide logical and effective local government services.

Section 2.10 Community Impacts: LAFCO will consider the impacts of a proposal and any alternative proposals on adjacent areas on mutual, social, and economic interests, and on local government structure. The proposed 136.78-acre annexation project will have no significant adverse community impacts.

Section 2.11 Conformance with General and Specific plans: The proposed annexation project area has been pre-zoned Industrial (I) and Major Retail (C-2) consistent with the land use designations of the Lakeport General Plan. (See LAFCO Application, Attachment G.) There are no economic or social communities of interest within the project area, and the annexation of the area to the City will not result in the division of any established community.

The Lakeport General Plan is the land use and policy document regulating the City's intent with regard to growth and development. The Lakeport General Plan Urban Boundary Element specifies the project area as an annexation priority of the City. No policies or regulations of the City would be violated as a result of this annexation. The proposal meets all the applicable consistency requirements of California law.

Section 2.12 Boundaries: A definite boundary has been provided as part of the application to LAFCO for the annexation project. (See LAFCO Application, Attachments C and D.) The proposal is a logical boundary as set forth in the Lakeport Sphere of Influence and follows logical service areas. *Source: Legal description and map of the South Lakeport Annexation Project (Conser Land Surveying, October 2018).*

Section 2.13 Revenue neutrality: LAFCO will approve a proposal for a change in reorganization if the Commission finds that the proposal will result in a similar exchange of revenue and service. The property tax exchange agreement between the County of Lake and the City of Lakeport documents the revenue exchange provisions. (See LAFCO Application, Attachment K(1)). The Fiscal Analysis for the South Lakeport Annexation Project (See LAFCO Application, Attachment I) concludes that the projected \$8,500 annual deficit which the County would initially experience following the annexation would be

offset for many years by \$210,000 in payments from the City, by which time new development in the annexation area is expected to offset any deficit. *Source: Agreement between the County of Lake and City of Lakeport for Revenue Redistribution Pertaining to the City of Lakeport South Lakeport Reorganization (February 1997); Fiscal Analysis of the Proposed South Lakeport Annexation (2019).*

The Fiscal Analysis of the Proposed South Lakeport Annexation (ADE, May 2019) summarizes the revenue neutrality of the proposed annexation as follows:

"The City of Lakeport and the County of Lake adopted a tax sharing agreement ("Agreement") in 1997 for annexation of the South Lakeport area. Under the terms of that Agreement, the County would retain existing property tax revenues from the area and would receive a share of future tax increments equal to the share it receives for the adjacent tax rate area within the current boundaries of Lakeport, which is approximately 19.6 percent of the base property tax (after ERAF Adjustment). The County would also continue to receive property tax in lieu of vehicle license fees (VLF) based on growth in assessed value from the annexation area. The City of Lakeport would receive property tax revenues that are currently allocated to the City Road Fund, which is approximately 1.4 percent of the base property tax. As future tax increments occur, the City would receive the County Road Fund share plus its normal share of the adjacent tax rate area within the City limits, which is about 10.4 percent of the base property tax revenue.

"The tax sharing agreement also addresses sales tax, since the area is largely commercial. The Agreement stipulates that the City shall pay the County a cumulative total of \$210,000 in sales tax revenues over a six-year amortization period. The City shall keep all sales tax revenues received above that amount. Upon annexation, the City would assume service responsibilities for police protection, street maintenance and planning as well as other municipal services. The County would continue to provide countywide services such as criminal justice, health and social services, property assessment and recordation, and other services it provides to all residents of the County.

"This fiscal impact analysis estimates that upon annexation, the County would receive approximately \$80,200 per year in property tax revenues and incidental service charges. This does not include the sales tax payments of \$210,000 over six years from the City under the Agreement. County service costs after annexation for the existing land uses in the area are estimated to cost the County about \$88,700 per year. This small fiscal deficit would be mitigated by the extra sales tax payments from the City. As future growth occurs, property tax revenues would grow as well. By 2030, projected development in the annexation area would generate an estimated \$117,200 in additional annual property tax and other revenues for the County, against \$65,400 in additional costs. Full buildout of the area would generate an additional \$433,900 per year (2019 dollars) in property tax and other revenues for the County and result in additional annual service costs

of about \$234,800. Existing land uses would generate sufficient revenue to cover County costs in the short term with the City sales tax payments to the County, and future development would have an even more beneficial fiscal effect on the County." (ADE, p. 1-2). *Source: Fiscal Analysis of the Proposed South Lakeport Annexation (May 2019).*

Section 2.14 Agricultural and open space land conservation: As indicated in the Initial Study, the annexation project area does not include any areas of soil which are classified by the California Resources Agency as Prime Farmland. It does contain several small areas of land that have been classified by the Lake County Board of Supervisors as Farmland of Local Importance. The City's 2015 Focused General Plan Update and Pre-zoning specifically modified the City's Sphere of Influence to remove agricultural, undeveloped, and rural residential lands located south of the City. None of the lands in the current annexation area are currently used for the production or operation of agricultural commodities, and the project will not convert any active farmland to non-farming uses. The City of Lakeport has adopted, as part of its General Plan, specific measures to facilitate and encourage in-fill development as an alternative to the development of prime agricultural or open space lands. *Sources: City of Lakeport South Lakeport Annexation Project Initial Study (2019); Lakeport General Plan Land Use Element (2009)*

Section 2.15 Need for Services: The annexation area lacks municipal water service and the wastewater system (operated by LACOSAN) is dependent upon a contractual arrangement with the City of Lakeport for wastewater treatment services that expires in July of 2026. As explained in the Plan for Services for the South Lakeport Annexation Area (2019), at least six of the properties in the annexation area have on-site water systems which are regulated by the State Water Resources Control Board's Division of Drinking Water. These water systems require a domestic water supply permit and are required to perform monthly and annual testing. Water Board staff have indicated that none of these permitted systems are in full compliance with State requirements. Once the annexation is approved, the City of Lakeport will extend water service to the annexation area and all property owners will have the choice of connecting to the municipal water system or remaining on private wells. *Sources: South Lakeport Annexation Area Plan for Services (2019); Personal communication with Sheri Miller, Senior Engineer, State Water Resources Control Board (6/27/19).*

Section 2.16 Exceptions:

(Reserved for LAFCO to make exception findings if required.)

Section 2.17 Tribal Lands: The annexation area does not include any tribal territory nor does the City anticipate the proposed annexation would ultimately lead to the provision of services to tribal lands.

(e) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.

According to section 56016 of the Government Code, 'agricultural lands' means "land currently used for the purpose of producing an agricultural commodity for commercial purposes, land left fallow under a crop rotation program, or land enrolled in an agricultural subsidy or set-aside program."

The South Lakeport Annexation project area contains no areas that are classified by the California Resources Agency as Prime Farmland. The project area does contain some areas that have been classified by the Lake County Board of Supervisors as Farmland of Local Importance. None of the lands are currently used in the production or operation of agricultural commodities, and thus the annexation project will not convert any active farmland to non-farming uses. No properties within the project area are under a current Williamson Act contract. The South Lakeport Annexation project would not directly or indirectly result in conversion of active farmland to a non-agricultural use. The annexation could facilitate further development in the project area, which increases development pressures on other properties in the vicinity, including those that may be in current agricultural use. The conversions of any additional lands to non-agricultural uses would require subsequent consideration and approval by the City or Lake County, at which time the full impacts of such a change would be considered. *Source: South Lakeport Annexation Project Initial Study (May 2019)*

(f) The definiteness and certainty of the boundaries of the territory, the non-conformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.

The boundaries of the proposed annexation area are definite and certain. The proposed boundaries are in conformance with lines of property ownership or edge of public road right-of-way. There are no islands or corridors of unincorporated territory or similar matters affecting the proposed boundaries. (See LAFCO Application, Attachments C and D.) *Source: Legal Description and Map for South Lakeport Annexation to City of Lakeport; Conser Land Surveying (October 2018)*

(g) A regional transportation plan adopted pursuant to Section 65080.

The Regional Transportation Plan is a long-range planning document developed by the Lake Area Planning Council (Lake APC), which functions as the Regional Transportation Planning Agency (RTPA) for the entire Lake County Region. The most recent Regional Transportation Plan for Lake County was adopted in 2017, consistent with Government Code Section 65080. The plan covers a 20-year horizon with an overall goal of promoting the safe and efficient management, operation and development of a multi-modal transportation system that, when linked with appropriate land use planning, will serve the mobility needs of people and goods movement throughout the region.

The 2014 EIR Addendum included an analysis of the impacts of annexation of the project area upon transportation and land use. The annexation of the South Lakeport project area is

consistent and compatible with the Regional Transportation Plan. (See LAFCO Application, Attachment L.) *Sources: Lake County Final Regional Transportation Plan (2017); Lake Area Planning Council, www.lakeapc.org.*

(h) Consistency with City or County General and Specific Plans.

The South Lakeport Annexation project area is consistent with the Urban Boundary Element of the Lakeport General Plan. The Lakeport General Plan is the land use and policy document regulating the City's stance with regard to growth and development of the City's boundaries. Program UB 4.2 of the Lakeport General Plan Urban Boundary Element identifies the project area as a priority and instructs the City to "Pursue annexation of commercial and industrial lands within the proposed southern SOL."

The 2015 Focused General Plan Update and Pre-zoning Project considered and prepared for the annexation of the project area. The 2014 EIR Addendum included an analysis of the impacts of annexation of the project area. (See LAFCO Application, Attachment L.) *Sources: Lakeport General Plan, Urban Boundary Element (2009); South Lakeport Annexation Project Initial Study (2019).*

(i) The Sphere of Influence of any local agency which may be applicable to the proposal being reviewed.

The site is contiguous to the existing southern boundary of the City and is within the City's Sphere of Influence. (See LAFCO Application, Attachment F.)

(j) The comments of any affected local agency or other public agency.

The City of Lakeport circulated a Request for Review for the proposed South Lakeport Annexation project to affected local agencies and other public agencies in March 2019. Comments received in response to the Request for Review are attached. The City also forwarded the Initial Study and Environmental Checklist to the State Clearinghouse and to local agencies for review and comment in May 2019. Comments received to date are also attached. (See LAFCO Application, Attachment L.)

(k) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.

Please refer to (b) above. The City of Lakeport has the ability to provide the full range of municipal services to the South Lakeport annexation area. The Fiscal Analysis of the Proposed South Lakeport Annexation (See LAFCO Application, Attachment I) identified and addressed the administrative and operational services that the City will provide, including City Council, City Manager/City Clerk, legal services, finance, planning, building inspection, city engineer, police, public works administration, streets, parks and building maintenance, and water and wastewater services. The Fiscal Analysis concluded that the revenues generated from

annexed properties are sufficient to cover the City of Lakeport's increased costs of services to those properties over time. *Source: Fiscal Analysis of the Proposed South Lakeport Annexation (May 2019).*

(l) Timely availability of water supplies adequate for projected needs as specified in Section 65352.5.

In-fill development of the annexation area will likely result in additional commercial construction and operation, requiring additional potable water to homes and businesses. According to the City's Municipal Services Review report, the City has sufficient water supply available to service projected growth through 2028. The City's Water Master Plan identifies a number of capital improvements to upgrade the City's water supply, treatment and distribution facilities. *Source: City of Lakeport Municipal Services Review (2012)*

The City's municipal water supply is composed of both surface water from Clear Lake and groundwater from City wells located in the Scotts Valley groundwater basin. The Department of Water Resources (DWR) recently reclassified the Scotts Valley groundwater basin as a very low-priority basin, meaning it is exempt from the requirements in the Sustainable Groundwater Management Act (SGMA) to form a Groundwater Sustainability Agency (GSA) and prepare a Groundwater Sustainability Plan (GSP). By contrast, the southern portion of the annexation area overlies the Big Valley Groundwater Basin, which DWR has classified as a medium-priority basin requiring the formation of a GSA and preparation of a GSP under SGMA. *Source: Dept. of Water Resources, Sustainable Groundwater Management Act 2019 Basin Prioritization: Process and Results (Apr. 2019).*

(m) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.

The South Lakeport Annexation will have little to no impact on either the County of Lake's or the City of Lakeport's ability to achieve its fair share of regional housing needs due to the fact that the entire area is currently zoned for industrial and commercial uses and the City of Lakeport has pre-zoned the area for Industrial and Major Retail, neither of which allow residential as a principal permitted use.

(n) Any information or comments from the landowner or owners, voters, or residents of the affected territory.

One comment has been received from Paul Racine, a landowner in the annexation area. His letter and a survey conducted in 2012 are attached as "Exhibit 1."

(o) Any information relating to existing land use designations.

See South Lakeport Annexation Project Initial Study (May 2019)

(p) The extent to which the proposal will promote environmental justice. As used in this subdivision, “environmental justice” means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.

The South Lakeport Annexation will promote environmental justice by providing enhanced public services and facilities to all people in the annexation area. It will enable the City of Lakeport to extend municipal water service to properties in the annexation area. These properties are currently unserved by a municipal water system and several properties are not in compliance with State requirements for water storage. The extension of municipal water service will allow for installation of fire hydrants which will improve fire suppression capabilities in the annexation area. The annexation will also ensure the continued treatment of wastewater generated by properties within the annexation area after expiration of the current contract between the Lake County Sanitation District (LACOSAN) and the City of Lakeport Municipal Wastewater Treatment Facility in 2026.

(q) Information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone pursuant to Section 51178 or maps that identify land determined to be in a state responsibility area pursuant to Section 4102 of the Public Resources Code, if it is determined that such information is relevant to the area that is the subject of the proposal.

The South Lakeport Annexation area is not located in a very high fire hazard zone (Draft City of Lakeport Local Hazard Mitigation Plan- June 2019, Fire Hazard Severity Zones, p. 4-134). It is located in a Local Responsibility Area (Lakeport Area Plan-2000, Figure 12, Fire and Earthquake Fault Hazards, p. 1-11).

Paul Racine
2515 Clipper Lane
Lakeport CA 95453

2 July 2019

City of Lakeport, California
Mr. Kevin Ingram

RE: South Lakeport Annexation Project

Dear Kevin,

Attached are two pages of information on a survey about annexation that we did in 2012.

The project has changed from;

- 1 54 parcels to 50 parcels
- 2 Total of 187.595 acres to 123.64 acres.

Although the information is no longer totally accurate the desire of most of the parcel owners, by area, is still the same.

This information was presented to;

Lake County Board of Supervisors on 20 March, 2012 @ 9:00 A.M.

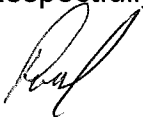
Lakeport City Council on 20 March, 2012 @ 6:00 P.M.

LAFCO on 21 March, 2012 @ 9:30 A.M.

I believe that LAFCO will determine to hold an election in the interest of the parcel owners and that the results will be against annexation.

Thank you for including my comments and information in the "Late July" public hearing.

Respectfully,



Paul Racine

Compiled Annexation Information as of 14 March 2012

?	Y	N	Owner Name	APN	#	Street	Acres	?	Yes	No
			AIRPORT AUTO BROKERS LTD	005-052-25	2440	S MAIN ST	1.254	0.000		1.254
		0	AMERIGAS PROPANE L P	082-093-03	72	SODA BAY RD	0.993	0.000		0.000
			BENKELMAN JUNE B TRUSTEE	005-049-12	2325	S MAIN ST	0.764	0.000		0.000
			BOSTICK BILLY J TRUSTEE	008-003-02	2510	S MAIN ST	2.235	0.000		0.000
1			BROSSARD JOHN	005-053-19	2585	S MAIN ST	0.905	0.905		0.000
1			BROSSARD JOHN	005-053-18	2575	S MAIN ST	2.973	2.973		0.000
		1	BUTRICK GARY S	005-052-03	2335	S MAIN ST	0.893	0.000		0.893
		1	DUNKEN NEIL & VIOLET TRUSTEE	005-053-21	2615	S MAIN ST	0.902	0.000		0.902
			EKAL, LLC	005-053-20	2595	S MAIN ST	0.963	0.000		0.000
		1	FERRELL GAS INC	082-092-07	63	SODA BAY RD	1.379	0.000		1.379
			HAGAN JOHN M	005-049-08	2329	S MAIN ST	2.906	0.000		0.000
			HAGAN JOHN M	005-049-11	2305	S MAIN ST	0.702	0.000		0.000
			HARLAN STAN & KAREN L	082-092-01	41	SODA BAY RD	1.082	0.000		0.000
		1	HARRELL JAMES N TRUSTEE	082-093-10	100	SODA BAY RD	3.483	0.000		3.483
		1	JONES WILLIAM H & ROSA M	008-001-06	110	SODA BAY RD	1.662	0.000		1.662
		1	KEITHLY MICHAEL DALLAS & ALLEN GLENN	008-003-09	2350	S MAIN ST	52.359	0.000		52.359
		1	KEMP JAMES R TRUSTEE	008-003-04	2570	S MAIN ST	7.412	0.000		7.412
		1	KOENIG DENNIS M & MARISA	005-052-19	2447	S MAIN ST	0.141	0.000		0.141
			LA MONICA SAM	082-092-02	43	SODA BAY RD	0.511	0.000		0.000
		1	LAKE COUNTY AUTO FINANCING INC	005-052-13	2480	S MAIN ST	0.383	0.000		0.383
		1	LAKE COUNTY FARM BUREAU	082-092-08	65	SODA BAY RD	0.748	0.000		0.748
		1	LAKE COUNTY FARM BUREAU	082-092-09	73	SODA BAY RD	0.436	0.000		0.436
			LOPEZ JUAN N & ARLENE RENEE	005-052-07	2449	S MAIN ST	0.205	0.000		0.000
		1	MBKK ENTERPRISES, LLC	005-052-14	2405	S MAIN ST	0.196	0.000		0.196
		1	MBKK ENTERPRISES, LLC	005-052-27	2465	S MAIN ST	4.545	0.000		4.545
1			MILLER KATHLEEN	008-001-01	2598	S MAIN ST	8.409	8.409		0.000
		1	MUSSAT GARY M & DIANE M TRUSTEE	082-093-15	62	SODA BAY RD	1.079	0.000		1.079
		1	MYER, JR WILLIAM J & OLIVER WENDY M	005-052-05	2345	S MAIN ST	1.513	0.000		1.513
		1	NESLO GROUP LLC	005-053-22	2617	S MAIN ST	0.885	0.000		0.885
		1	NICOSIA GLORIA G	082-092-04	53	SODA BAY RD	1.615	1.615		0.000
		1	NICOSIA GLORIA G	082-092-03	47	SODA BAY RD	0.916	0.916		0.000
			OCANA SHELLEY SUCC-TRUSTEE	008-003-13	2550	S MAIN ST	12.376	0.000		0.000
		1	PARLEE PAUL N - TRUSTEE	082-093-04	74	SODA BAY RD	0.855	0.000		0.855
		1	PETERS ROBERT B & LORI D	082-093-05	78	SODA BAY RD	1.896	0.000		1.896
		1	PETERS ROBERT B & LORI D	082-093-11	350	SYLVA WY	0.675	0.000		0.675
		1	ROBINSON OIL CORPORATION	005-035-10	2725	S MAIN ST	1.463	0.000		1.463
		1	SABOL CYNTHIA J	082-092-10	75	SODA BAY RD	0.565	0.000		0.565
		1	SHAFER RAYMOND A & DOROTHY J	008-001-03	32	SODA BAY RD	0.850	0.000		0.850
		1	STROHMEIER GUY R & SANDRA M TRUSTEE	082-092-12	87	SODA BAY RD	0.614	0.000		0.614
		1	STROHMEIER GUY RICHARD	082-092-11	83	SODA BAY RD	0.581	0.000		0.581
		1	SYLVA FRANK A & PATRICIA L TRUSTEE	082-093-02	450	SYLVA WY	9.661	0.000		9.661
		1	TAKESUE LISA Y	008-003-12	2530	S MAIN ST	0.782	0.000		0.782
		1	TANTI MARK	082-093-13	82	SODA BAY RD	1.864	0.000		1.864
		0	TEGTMIEER ASSOCIATES INC	008-001-25	52	SODA BAY RD	26.119	0.000		0.000
		1	TFI PLAZA LLC	082-092-14	93	SODA BAY RD	1.341	0.000		1.341
		1	TFI PLAZA LLC	082-092-13	91	SODA BAY RD	0.029	0.000		0.029
		1	TFI PLAZA LLC	082-093-08	92	SODA BAY RD	1.772	0.000		1.772
		1	TFI PLAZA LLC	082-093-09	96	SODA BAY RD	1.764	0.000		1.764
		1	THOMAS ALLEN E & DONNA J TRUSTEE	008-001-02	2600	S MAIN ST	9.104	0.000		9.104
		1	TRUSTEES OF GRACE INVESTMENTS LTD	082-092-06	59	SODA BAY RD	0.821	0.000		0.821
		1	U C C CORP	008-003-05	2590	S MAIN ST	1.431	0.000		1.431
		1	VAN PROYEN DAREL P TRUSTEE	005-052-20	2351	S MAIN ST	0.893	0.000		0.000
		1	WORRA GORDON TRUSTEE	082-093-14	90	SODA BAY RD	0.701	0.000		0.701
		1	YOUNG HILARY C	082-093-16	64	SODA BAY RD	6.989	0.000		6.989

42 Parcels Returned Ballots **78% Survey Response** **Representing** **138 Acres**
88% Parcels Are Against Annexation **89% Acres Are Against Annexation**

54	Parcels	100%	Total Acres	187.595
0	Parcels For	0%	Acres For	0.000
37	Parcels Against Annexation	66%	Acres Against	123.028
5	Undecided	8%	Undecided	14.818

Annex.xls

Property Annexation Advisory Committee

We request that all property owners in the proposed annexation area participate in this survey to determine what the property owners feel is in their best interest. The form is designed for up to three properties
Thank You.

Paul Racine, Committee Chairman

Survey to Determine What Property Owners Prefer Annexation to City or no Annexation

Name _____

Mailing Address _____

City/ State/ Zip _____

Annexation	
For	Against
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

1 Street Address _____

Property AP _____

Property Area

2 Street Address _____

Property AP _____

Property Area

3 Street Address _____

Property AP _____

Property Area

Signed _____

Date _____

Return to

Annexation Survey
100 Soda Bay Rd.
Lakeport, Ca 95453

Committee Members

Carter, Chad
Racine, Paul

Halbach, Connie
Silva, Frank

Kemp, Rick
Strohemel, Guy

Mayfield, Mike
Thomas, Allen

Objective

Inform the City of Lakeport, County of Lake and LAFCO that the majority of property owners representing a majority of the area of the proposed South Lakeport Annexation are against annexation into the City of Lakeport.

Opinion

We believe the County of Lake provides a better environment for our properties than the City of Lakeport can, or will, provide.

We also would like to avoid the expense, to all concerned, of a vote on annexation but will take whatever action necessary to insure we are not annexed.

Survey started 8 February 2012; survey ended on 14 March 2012.