

KATE McKENNA, AICP
Executive Officer

DATE: September 27, 2010
TO: Chair and Members of the Formation Commission
FROM: Kate McKenna, AICP, LAFCO Executive Officer
SUBJECT: **2010 MUNICIPAL SERVICE REVIEWS AND SPHERE OF INFLUENCE REVIEWS AND UPDATES FOR THE CITIES OF SALINAS, GONZALES, SOLEDAD, GREENFIELD AND KING**

SUMMARY OF RECOMMENDATIONS:

It is recommended that the Commission:

1. Receive report from the Executive Officer;
2. Receive informational presentations from representatives of the Cities of Salinas, Gonzales, Soledad, Greenfield and King;
3. Open and close the period for public comments;
4. Discuss the 2010 Municipal Service and Sphere of Influence Reviews for the Cities in the Salinas Valley (Attachment 2), and
5. Consider and adopt a draft resolution (Attachment 1):
 - a) Finding that the action is exempt from provisions of the California Environmental Quality Act;
 - b) Making required determinations and adopting the Municipal Service and Sphere of Influence Reviews for the Cities of Salinas, Gonzales, Soledad, Greenfield and King (Attachment 2), and
 - c) Making required determinations and affirming the currently adopted Spheres of Influence of the Cities of Salinas, Gonzales, Soledad, Greenfield and King, with no changes at this time (see maps in Exhibit 1 of Attachment 2).

EXECUTIVE OFFICER'S REPORT:

Overview

State law requires LAFCO to periodically review and update the services and boundaries of cities and districts. This report focuses on the services and boundaries of the cities of Salinas,

Gonzales, Soledad, Greenfield and King. It provides information about current and planned municipal services. It also provides information about current and potential Sphere of Influence boundaries. All five cities are contemplating Sphere amendments, but none of those proposals are ready for formal consideration by LAFCO.

Recommended actions are to adopt the service and boundary information (Attachment 2) and affirm the currently adopted Sphere of Influence boundary maps with no changes at this time (Exhibit 1 of Attachment 1). Sphere amendment proposals will be considered at later dates.

City representatives have graciously agreed to supplement this LAFCO process with informational presentations on their planning activities and areas for future coordination with LAFCO.

Statutory Responsibilities

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, as amended, requires the Local Agency Formation Commission to review and update the Spheres of Influence for all cities and special districts in the County. The review and update is to occur every five years, as necessary. A Sphere of Influence is defined in Government Code Section 56076 as "...a plan for the probable physical boundaries and service area of a local agency, as determined by the Commission." A Sphere of Influence ensures the provision of efficient services while discouraging urban sprawl and the premature conversion of agricultural and open space lands. Requirements for the development and determination of Spheres of Influence are contained in Section 56425, et seq. Four determinations need to be made to update a Sphere.

The Cortese-Knox-Hertzberg Act further requires that a review of the services provided by a local agency be conducted before, or in conjunction with, the update of a Sphere of Influence. The legislative authority for conducting a service review is provided in Section 56430. Six determinations need to be made as part of the service review process.

Background

In April 2009, the Commission approved a comprehensive work program to update the municipal service reviews and Spheres of Influence for all cities and districts. LAFCO staff will do the work in phases over several years. Phase One of the work program is a review of all cities, fire protection districts and the countywide emergency medical services district.

This report is part of the Commission's Phase One work effort. It reviews the services and boundaries of the 5 cities of the Salinas Valley. Next up for review will be the 7 Monterey Peninsula cities (December 2010), and the fire protection districts and the countywide emergency medical services district (January 2011).

Discussion

Attachment 2 provides information about the municipal services and boundaries of the cities of Salinas, Gonzales, Soledad, Greenfield and King. Data was gathered from surveys and interviews with the cities, and from other sources. The analysis and recommendations in this report were prepared in consultation with senior City representatives.

Attachment 2 is divided into five sections, one for each city. Each city's section has three parts: an executive summary, a municipal services review, and a Sphere review. The municipal services review describes the city's current and planned municipal services. It summarizes the city's capacity and ability to provide services, the accountability for service needs, and the efficiency of service provision. It is organized by six statutory determinations that need to be made for service reviews. The Sphere review provides information about each city's current Sphere of Influence and lists some potential Sphere amendments. It also includes the information needed to make the four statutory determinations for a Sphere update.

The conclusion is that no changes in the currently adopted Spheres of Influence are necessary or requested at this time. There are no immediate needs to reduce or expand boundaries, and there are no requests to do so. While Sphere amendment proposals are anticipated in coming months or years, none are ready for formal submittal and review by LAFCO. The timing of requests will depend on planning, environmental review and implementation processes and schedules of the individual cities. The cities will consult with the County on growth and other issues prior to submittal of each Sphere amendment application, as required by law. The cities are also encouraged to consult early with LAFCO.

Attachment 1 is a draft resolution to adopt the service and boundary review information in Attachment 2. The resolution also affirms the currently adopted Sphere boundaries for each city (see maps in Exhibit 1). These actions will satisfy State requirements for periodic reviews and updates.

City Presentations

In addition to commenting on this report, City representatives will provide informational updates on comprehensive planning activities and anticipated needs for future coordination with LAFCO.

California Environmental Quality Act (CEQA) Compliance

Municipal service and Sphere of Influence reviews under consideration are Categorically Exempt from the provisions of CEQA as "Information Collection" under Section 15306 of the State CEQA Guidelines. The affirmation of currently adopted Spheres of Influence will qualify for the general rule exemption from environmental review, CEQA Regulation Section 15061(b)(3), based on the determination that this action does not have the potential for causing a significant effect on the environment.

Public Notice and Comments

Notice of the September 27 public hearing for this agenda item was posted in the Salinas Californian on September 6, and mailed to each of the five cities. Notice was also posted on the LAFCO website, at the County Government Center, and at the LAFCO office.

Also in early September, City representatives reviewed and commented on an administrative draft of the information in Attachment 2. The current public hearing draft reflects all technical corrections or updates provided by the cities.

As of the date of preparing this public hearing report and attachments, no other comments have been received from interested parties.

ALTERNATIVE ACTIONS:

The Commission may direct changes to the municipal service and Sphere of Influence reviews prepared for each city (Attachment 2). The Commission may direct changes to the draft Resolution (Attachment 1). The Commission may initiate proceedings to amend the Sphere of Influence of one or more of the five Salinas Valley cities. All of these changes would require a continuation of the agenda item for further coordination with the affected city or cities, including environmental review. Minor changes to Attachments 1 and 2 may not require a continuation and could be acted upon on September 27.

Respectfully Submitted,



Kate McKenna, AICP

Executive Officer

Attachments:

- 1) Draft Resolution Adopting Municipal Service and Sphere of influence Reviews and Affirming the Currently Adopted Spheres of Influence of the Cities of Salinas, Gonzales, Soledad, Greenfield and King
- 2) 2010 Municipal Service and Sphere of Influence Reviews
 - a) City of Salinas (page 2-1)
 - b) City of Gonzales (page 2-9)
 - c) City of Soledad (page 2-17)
 - d) City of Greenfield (page 2-25)
 - e) City of King (page 2-33)

cc: Alan Stumpf, Community Development Director, City of Salinas
Jeffrey H. Weir, Economic Development Director, City of Salinas
René Mendez, City Manager, City of Gonzales
Bill Farrel, Interim Community Development Director, City of Gonzales
Adela P. Gonzalez, City Manager, City of Soledad
Steven McHarris, Community Development Director, City of Soledad
Roger Wong, City Manager, City of Greenfield
Brent Slama, Community Development Director, City of Greenfield
Michael Powers, City Manager, City of King
Doreen Liberto-Blanck, Community Development Director, City of King

ATTACHMENT 1

Draft Resolution Adopting Municipal Service and Sphere of Influence Reviews and Affirming the Currently Adopted Spheres of Influence of the Cities of Salinas, Gonzales, Soledad, Greenfield and King

THE LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

RESOLUTION NO. 10-xx

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF MONTEREY COUNTY ADOPTING MUNICIPAL SERVICE
AND SPHERE OF INFLUENCE REVIEWS
AND AFFIRMING THE CURRENTLY ADOPTED SPHERES OF INFLUENCE
OF THE CITIES OF SALINAS, GONZALES, SOLEDAD, GREENFIELD AND KING**

RESOLVED, by the Local Agency Formation Commission of the County of Monterey, State of California, that:

WHEREAS, State law requires that the Commission conduct periodic reviews and updates of the Sphere of Influence of each city and district in Monterey County (Government Code section 56425(e)); and

WHEREAS, the law also requires the Commission to update information about municipal services before, or in conjunction with, adopting Sphere updates (Government Code section 56430); and

WHEREAS, LAFCO has met and consulted with the Cities of Salinas, Gonzales, Soledad, Greenfield and King and received written information from them regarding current and expected growth boundaries, planned and present capacity of public facilities, adequacy of public services, financial ability to provide services, opportunities for shared facilities and services, government structure and operational efficiencies; and

WHEREAS, while these cities anticipate the future preparation and submission of proposals for Sphere of Influence amendments, no Sphere of Influence amendments are currently being proposed or deemed necessary at this time; and

WHEREAS, prior to acting to affirm the currently adopted Spheres of Influence of these cities, the Formation Commission heard from interested parties, considered the proposal and the report of the Executive Officer and considered the factors determined by the Formation Commission to be relevant to this proposal, including, but not limited to, factors specified in Government Code sections 56425(e) and 56430, and the Formation Commission's policies; and

WHEREAS, the Formation Commission set September 27, 2010 as the hearing date to consider the 2010 Municipal Service Reviews and Sphere of Influence Reviews and Updates for the Cities of Salinas, Gonzales, Soledad, Greenfield and King and gave the required notice of hearing; and

WHEREAS, the public hearing was held by this Commission upon the date and at the time and place specified in said notice of hearing and in any order or orders continuing such hearing; and

WHEREAS, the Executive Officer has reviewed this proposal and prepared a report, including recommendations thereon, and has furnished a copy of this report to each person entitled to a copy or interested in receiving a copy.

NOW, THEREFORE, the Local Agency Formation Commission of the County of Monterey does HEREBY RESOLVE, DETERMINE, AND ORDER as follows:

Section 1. Acting as Lead Agency pursuant to California Environmental Quality Act (CEQA) Guidelines, the Formation Commission finds that the Municipal Service and Sphere of Influence Reviews under consideration are Categorically Exempt from the provisions of CEQA as "Information Collection" under Section 15306. The Formation Commission also finds that the Sphere of Influence affirmations qualify for the general rule exemption from environmental review, CEQA Regulation Section 15061(b)(3), based on the determination that these actions do not have the potential for causing a significant effect on the environment.

Section 2. The currently adopted Spheres of Influence of the Salinas Valley cities were last amended as of the following dates:

- City of Salinas March 29, 2010
- City of Gonzales April 22, 1997
- City of Soledad July 26, 2004
- City of Greenfield March 26, 2007
- City of King March 25, 2002

Section 3. In affirming the currently adopted Spheres of Influence of the Cities of Salinas, Gonzales, Soledad, Greenfield and King, the Formation Commission, in accord with Government Code section 56430, has conducted a service review of the municipal services provided by these cities. The analysis, conclusions and recommendations in this review were prepared with information provided by, and in consultation with, the five cities. Data sources, including reference documents and a detailed survey completed by the cities, are available for review in the office of LAFCO.

Section 4. Regarding the review of municipal services conducted for the Cities of Salinas, Gonzales, Soledad, Greenfield and King, and in accord with Government Code section 56430, the Formation Commission has considered and prepared a written statement of its determinations with respect to each of the following six areas:

a. Growth and Population Projections for the Affected Area.

LAFCO has evaluated the service needs of future residents of the five cities based upon projected growth patterns and population projections as evidenced by the following determinations:

1. Significant population growth is anticipated to occur within certain geographic areas which will affect the provision of government services.
2. The cities have easy access to and readily use population data from verifiable public sources in planning for future service demands.
3. The cities have planned for expanded service to meet an increased resident demand due to population growth projections or pending expansion of the service area.

Support: The total population of the five cities grew from an estimated 197,116 in 2000 to 221,029 in 2010. The Association of Monterey Bay Area Governments (AMBAG) projects a five-city population of 280,485 in 2030, a 27% increase from 2010. The cities provide for the service needs of the existing and projected population through the implementation of General Plans, Capital Improvement Programs, Capital and Operating Budgets and the city planning process. Cities experiencing population growth will receive additional revenues from property taxes, special taxes and assessments for annexations to provide services to new populations.

b. Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs or Deficiencies.

LAFCO has evaluated the infrastructure needs and deficiencies of the five cities in terms of capacity, condition of facilities, service quality, and levels of services, as evidenced by the following determinations:

1. The cities have the capacity to serve existing and additional residents.
2. Facilities are upgraded and maintained by the cities to provide adequate services to existing and future residents, to the extent allowed by current budget constraints, as evidenced by the information provided.

Support: The five cities provide a wide range of public services. All of the cities provide law enforcement and police, parks and recreation facilities, street maintenance, street lighting, street sweeping, sanitary sewer collection, storm drain maintenance and surface water disposal. One or more cities also provide fire protection, library service, recreation programs, airport, landscaping and

landscape maintenance, sanitary sewer treatment, water and water treatment and recycled/reclaimed water.

Each of the cities has adopted a General Plan, which outlines the present and planned capacity of public facilities and services, and presents plans for upgrading facilities and services as local needs increase. Each City Council monitors infrastructure deficiencies annually with the adoption of capital and operating budgets. Public facilities and services are regularly upgraded to the extent allowed by limited budgetary resources.

c. Financial Ability of Agencies to Provide Services.

LAFCO has evaluated factors that affect city financing as evidenced by the following determinations:

1. The cities prepare annual budgets which are adopted by the City Councils with citizen participation and input.
2. LAFCO has identified municipal revenue sources.
3. Financial regulations are specified in the formal codes, ordinances and resolutions of the cities allowing public scrutiny.
4. All cities are currently experiencing financial distress due to stagnant or declining revenues and rising costs of operation including pensions and post-retirement costs. This lack of revenue has forced decision makers to examine and implement drastic solutions.

Support: Each city adopts an annual budget during public meetings. State law includes regulations regarding municipal budget preparation. The cities rely on a wide range of funding sources including property taxes, sales taxes, redevelopment proceeds, building related fees, utility user taxes, vehicle license fees, investment income and subventions from the state and federal governments. Revenues from all of these sources have been significantly reduced from previous levels due to the current national economic downturn. The cities have therefore had to closely review funding priorities and reduce funding for many local programs.

d. Status of, and Opportunities for, Shared Facilities.

LAFCO has evaluated the opportunities of cities to share facilities and resources and to develop more efficient service delivery systems as evidenced by the following determinations:

1. All of the cities share facilities and resources with other public agencies.

2. There is an increased interest in exploring the sharing of resources as public revenues have decreased.

Support: All cities participate in County-wide emergency service communications, the Monterey County Joint Gang Task Force, the Monterey-Salinas Transit (MST) system, the Salinas Valley Solid Waste Authority and the state-designated Salinas Valley Enterprise Zone. The four cities providing fire service participate in fire service mutual aid agreements, and the city not providing direct city fire service cooperates with a local fire protection district to ensure that it has adequate financial and professional support. Individual cities have arranged joint projects with school districts and other local public agencies. City staffs have indicated an interest pursuing the sharing of additional resources.

e. Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies.

LAFCO has reviewed the accountability for community service needs, including government structure and efficiencies as evidenced by the following determinations:

1. The cities make reasonable efforts to maintain a public dialogue regarding city activities by regularly publishing notices of meetings, providing for public testimony at hearings, conducting outreach programs or by other means of public interaction and involvement.
2. City policy and budgetary decisions are made at scheduled public meetings that are accessible to the public in terms of time and location.
3. The cities have formally adopted planning documents to guide them in municipal decision-making.
4. The Sphere of Influence and municipal boundary of each city encompass a logical geographic area.
5. Each jurisdiction is administered by a City Manager who is responsible to the City Council for accomplishing city goals through the retention of competent staff.
6. Staff training, equipment and other staff resources are adequate to meet the needs of the service agency to the extent allowed within current budgetary constraints.

Support: City Council meetings are regularly scheduled, noticed and provide for public testimony. All cities have websites, newsletters, or other regularly published agendas and reports. The cities are subject to compliance with the State Brown Act, which requires that meetings are properly accessible and noticed. The cities have adopted General Plans, Capital Improvement Programs, annual budgets and other studies to guide them in municipal decision-making processes. The Spheres of Influence for the cities will have to be updated to

ATTACHMENT 1-5

accommodate planned growth. Cities report that staffing meets local needs to the extent allowed by city budgets.

f. Any Other Matter Related to Effective or Efficient Service Delivery, as Required by Commission Policy.

LAFCO has evaluated other matters related to effective and efficient service delivery as evidenced by the following determinations:

1. All of the cities have agreed to require regional transportation improvement fund contributions to mitigate the regional traffic impacts of proposed developments.
2. To varying degrees each city has goals, policies and objectives in its General Plan relating to planned, well-ordered and efficient urban development patterns.

Support: The Transportation Agency of Monterey County has confirmed the participation of all Monterey County cities in its regional transportation improvement fund. The General Plan goals, policies and objectives vary from city to city.

Section 5. In affirming the currently adopted Spheres of Influence of the Cities of Salinas, Gonzales, Soledad, Greenfield and King, the Formation Commission, in accord with Section 56425(e) of the Government Code, has considered and prepared a written statement of its determinations with respect to each of the following four areas:

a. The present and planned land uses in the area, including agricultural and open-space lands.

LAFCO has evaluated the present and planned land uses in the area as evidenced by the following determinations:

1. All of the cities contain a mixture of land uses, including residential, commercial, industrial, institutional, and agricultural.
2. The cities regulate land use within city limits through the adoption of General Plans and Zoning Ordinances.
3. Productive agricultural lands surround the Salinas Valley cities. The State Department of Conservation classifies the majority of this land as prime farmland. The County of Monterey regulates land use in this unincorporated area.

Support: All cities and the County have adopted General Plans; the County and the Cities of Gonzales and King are currently updating their plans. LAFCO reviews and comments on General Plans prior to local government adoption or

amendment. The cities are taking action to increase jobs and retail commercial opportunities within city boundaries. One major step in this direction is the designation of a Salinas Valley Enterprise Zone.

b. The present and probable need for public facilities and services in the area.

LAFCO has evaluated the present and probable need for public facilities and services in the area as evidenced by the following determinations:

1. The cities have the capacity to serve existing and additional residents through existing and planned public facilities and services.
2. The cities are upgrading public facilities and services and plan to continue to upgrade and maintain facilities and services, to the extent allowed in the current economy, to provide for current and future residents.
3. The cities require planned developments within city boundaries to pay the infrastructure costs attributed to these developments.

Support: Each city has adopted a General Plan that outlines the needs for public facilities and services in the area. These plans list measures the city is taking to fulfill community needs and measures required to fulfill for the needs of future residents.

c. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

LAFCO has evaluated the present capacity of public facilities and the adequacy of public services as evidenced by the following determinations:

1. The cities provide a full range of government services.
2. Special districts, joint-powers agencies, and private entities provide additional specialized services when these are not provided by individual cities.
3. The cities monitor the capacity of public facilities and the adequacy of public services through the adoption and implementation of General Plans, Capital Improvement Programs, and operating budgets.

Support: The cities review present service levels, and plans for improvement, through the annual review of capital improvement and operating budgets. The cities reallocate scarce resources to provide for the most crucial public facilities and to continue the most important public services within the limits of scarce resources.

d. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

ATTACHMENT 1-7

LAFCO has reviewed the existence of social or economic communities of interest that may be relevant to the affirmation of the Spheres of Influence of the Salinas Valley Cities as evidenced by the following determinations:

1. The City of Salinas contains two unincorporated communities within its currently adopted Sphere of Influence. Bolsa Knolls and Boronda were both developed within the unincorporated County. Past efforts to annex these two areas to the City have met local opposition.
2. Two State prisons with a combined population of approximately 10,000 inmates are within the city limits of the City of Soledad.
3. Immediately to the south of the state prisons, on the east side of Highway 101, are two older farm labor housing developments. One of these, the Camphora development, is planned for reconstruction. The City of Soledad recently agreed to provide sanitary sewer service to the property. A request will be made to LAFCO to approve an "out of jurisdiction service agreement" between the City and the developer.
4. Pine Canyon is a residential area that was developed at suburban densities in the unincorporated County southwest of the City of King. The King City General Plan states that residents of this area have on several occasions rejected proposals to be annexed into the City. This area is within the City's Sphere of Influence.
5. None of these communities of interest are affected by the proposed Sphere of Influence affirmation.

Support: The proposed affirmation of the Spheres of Influence of the Salinas Valley cities will not change government boundaries or the services provided.

Section 6. The Commission has considered, as a part of its deliberations, all oral presentations and written communications received prior to the close of the public hearing.

Section 7. In accordance with Government Code Section 56430, the Formation Commission hereby adopts the 2010 Municipal Service and Sphere of Influence Reviews for the Salinas Valley cities.

Section 8. In accordance with Government Code section 56425(g), the Formation Commission hereby affirms the currently adopted Spheres of Influence of the cities of Salinas, Gonzales, Soledad, Greenfield and King, with no changes. The affirmed Spheres of Influence are shown in Exhibit A.

UPON MOTION OF Commissioner _____, seconded by Commissioner _____, the foregoing resolution is adopted this 27th day of September, 2010 by the following vote:

AYES: Commissioners _____
NOES: Commissioners _____
ABSENT: Commissioners _____
ABSTAIN: Commissioners _____

Don Champion, Ph.D., Chair
Local Agency Formation Commission of Monterey County

ATTEST: I certify that the within instrument is a true and complete copy of the original resolution of said Commission on file within this office.

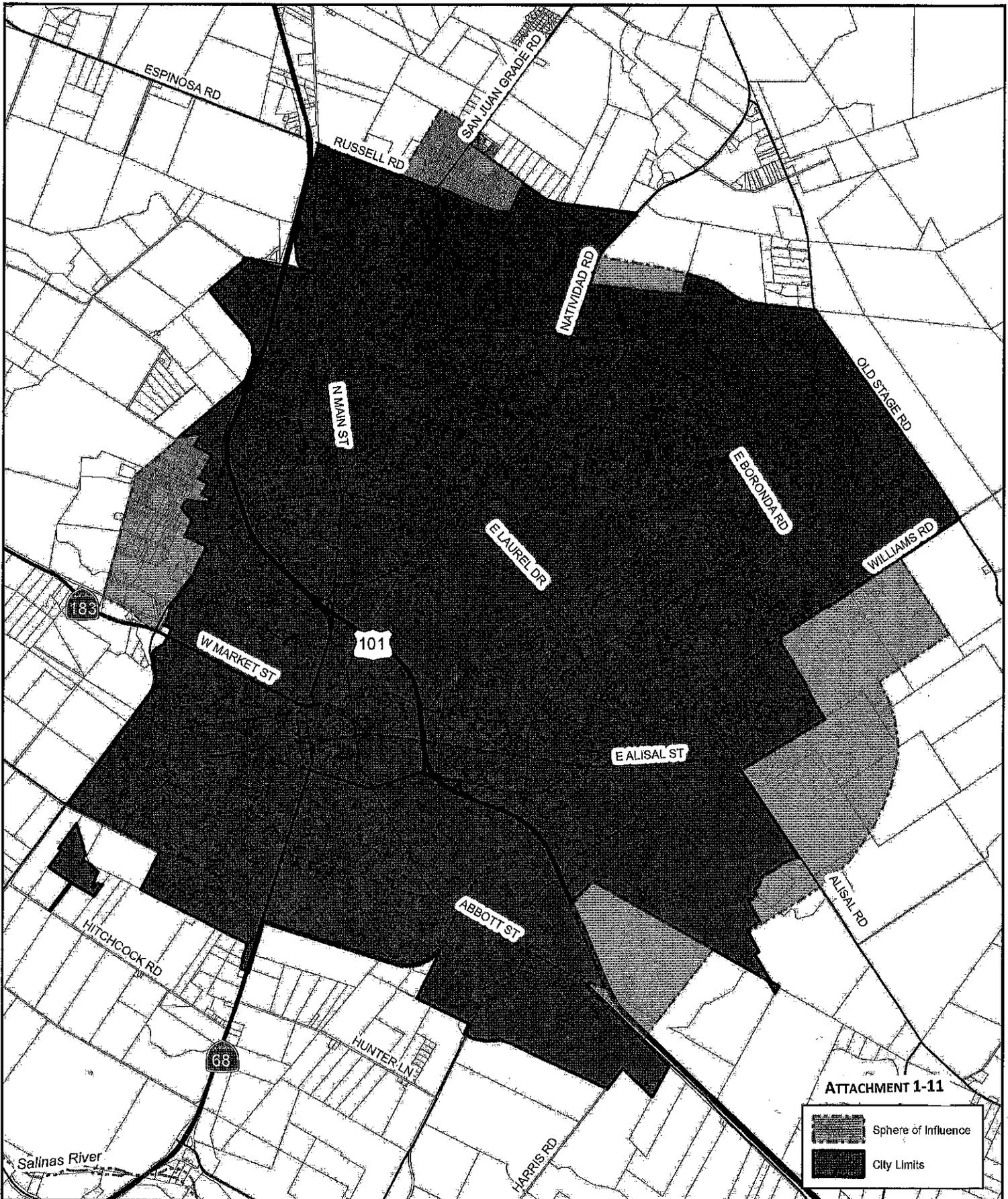
Witness my hand this 27th day of September, 2010

By: _____
Kate McKenna, AICP, Executive Officer

EXHIBIT "A"

**MAPS OF SPHERES OF INFLUENCE
OF THE CITIES
OF SALINAS, GONZALES, SOLEDAD, GREENFIELD AND KING**

City of Salinas, as last amended on March 29, 2010
City of Gonzales, as last amended on April 22, 1997
City of Soledad, as last amended on July 26, 2004
City of Greenfield, as last amended on March 26, 2007
City of King, as last amended on March 25, 2002



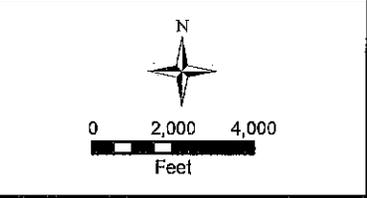
ATTACHMENT 1-11

	Sphere of Influence
	City Limits

LAFCO of Monterey County
 LOCAL AGENCY FORMATION COMMISSION

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 Salinas, CA 93902
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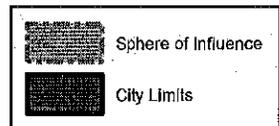
City Boundaries

SALINAS

Last LAFCO-Approved Change: 3/29/10
 Sphere of Influence Affirmed: 9/27/10
 Map Prepared: 9/27/10



ATTACHMENT 1-12



LAFCO of Monterey County
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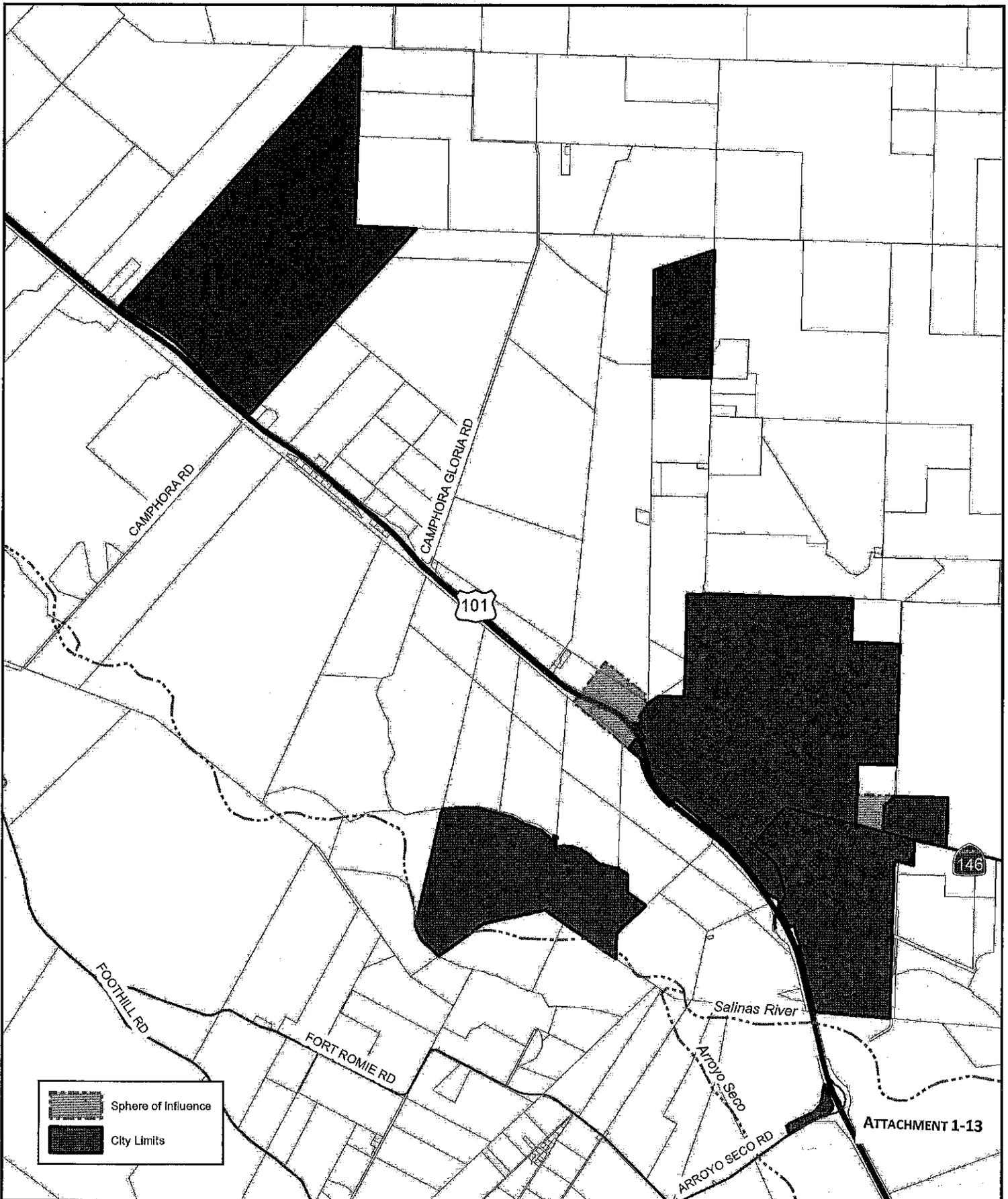
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City Boundaries

GONZALES

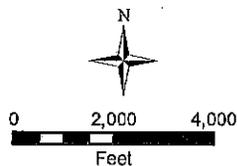
Last LAFCO-Approved Change: 2/27/06
 Sphere of Influence Affirmed: 9/27/10
 Map Prepared: 9/27/10



LAFCO of Monterey County
 LOCAL AGENCY FORMATION COMMISSION

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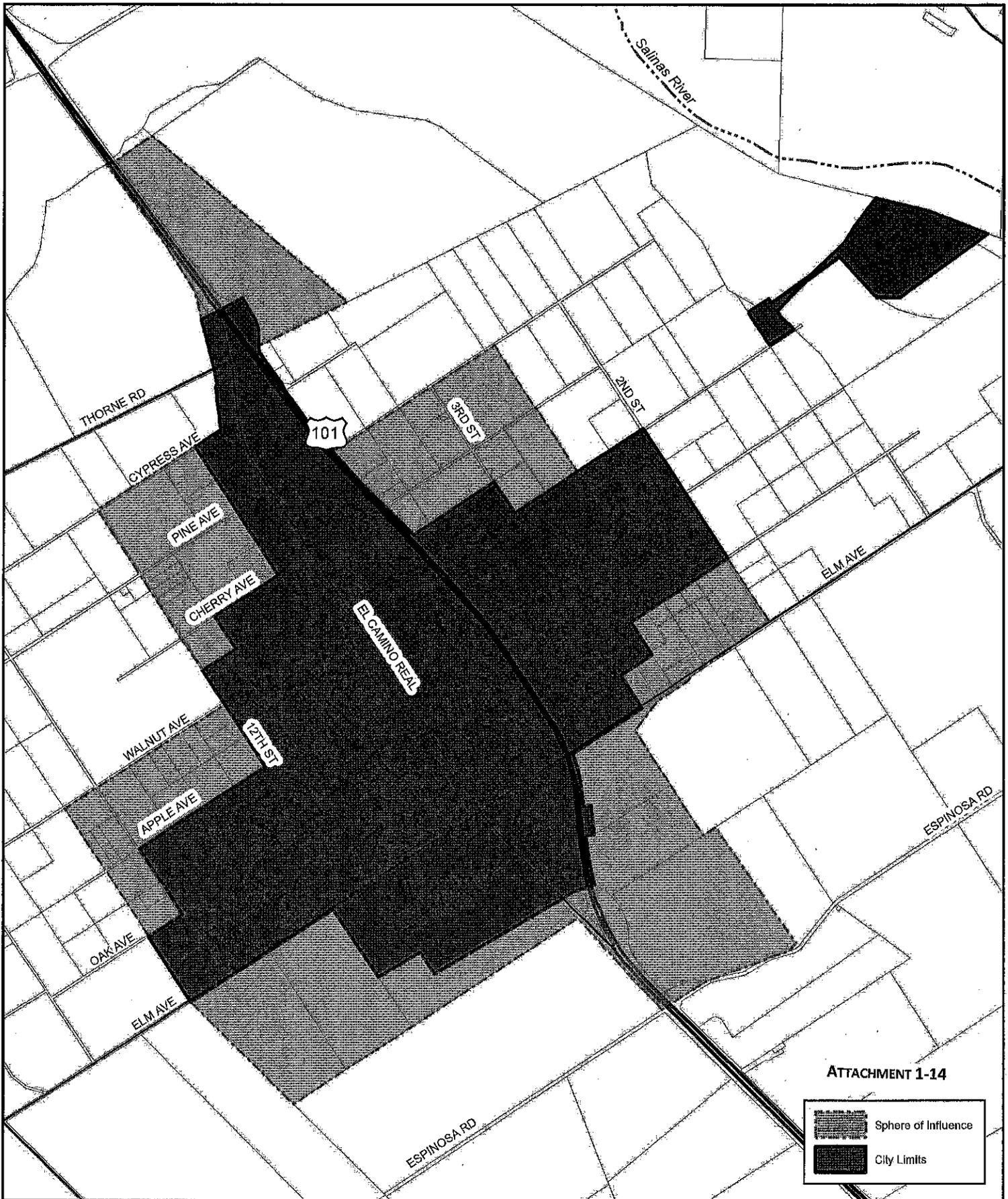
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City Boundaries

SOLEDAD

Last LAFCO-Approved Change: 12/24/06
 Sphere of Influence Affirmed: 9/27/10
 Map Prepared: 9/27/10



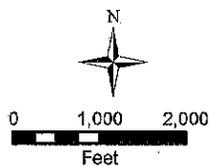
ATTACHMENT 1-14

	Sphere of Influence
	City Limits

LAFCO of Monterey County
 LOCAL AGENCY FORMATION COMMISSION

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City Boundaries

GREENFIELD

Last LAFCO-Approved Change: 12/1/08
 Sphere of Influence Affirmed: 9/27/10
 Map Prepared: 9/27/10

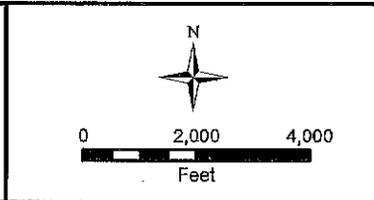


ATTACHMENT 1-15.

	Sphere of Influence
	City Limits

LAFCO of Monterey County
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City Boundaries

CITY OF KING

Last LAFCO-Approved Change: 3/25/02
 Sphere of Influence Affirmed: 9/27/10
 Map Prepared: 9/27/10

ATTACHMENT 2

2010 Municipal Service and Sphere of Influence Review

- | | |
|-----------------------|-----------|
| a. City of Salinas | page 2- 1 |
| b. City of Gonzales | page 2- 9 |
| c. City of Soledad | page 2-17 |
| d. City of Greenfield | page 2-25 |
| e. City of King | page 2-33 |

City of Salinas
2010 Municipal Service and Sphere of Influence Review

PUBLIC REVIEW DRAFT
September 27, 2010

EXECUTIVE SUMMARY

This report provides information about the municipal services and Sphere of Influence boundaries of the City of Salinas. It is for use by the Local Agency Formation Commission in conducting a statutorily required review and update process.

State law requires that the Commission conduct periodic reviews and updates of the Sphere of Influence of each city and district in Monterey County (Government Code section 56425(e)). The law also requires the Commission to update information about municipal services before adopting Sphere updates (Government Code section 56430). In 2009, the Commission adopted a comprehensive work program to carry out these requirements. The Commission's current focus of review is the five cities of the Salinas Valley.

Part One of this report contains information about the municipal services provided by the City of Salinas. Information has been gathered about the capacity of services, the ability to provide services, the accountability for service needs, and the efficiency of service provision. The information is organized by six statutory determinations that need to be made by the Commission. The Executive Officer recommends that the Commission conduct a public hearing and adopt the updated service review information for the City of Salinas. A draft Resolution will be prepared that supports this recommendation.

Part Two of the report reviews the Sphere of Influence of the City of Salinas. Exhibit A is a map of the City's currently adopted Sphere of Influence and City Limits. A Sphere of Influence is the probable extent of the City's boundary and service area. The Sphere is an important tool used by LAFCO to encourage the orderly formation and growth of local government agencies, preserve open space and agricultural lands, discourage urban sprawl, and encourage the efficient provision of services. The Sphere review in this report corresponds to four statutory determinations that need to be made for a Sphere update.

The City of Salinas' current Sphere was recently adopted (2008 and 2010) and provides significant opportunity for expansion. No further amendments are needed or requested at this time. However, for information purposes only, the report identifies several potential Sphere amendments that the City may initiate in the future, the timing of which will depend on the City's planning and environmental review processes. The Executive Officer recommends that the Commission conduct a public hearing to affirm the currently adopted Sphere of Influence (Exhibit A) with no change at this time. A draft Resolution will be prepared that supports this status quo action.

The analysis, conclusions and recommendations in this report were prepared with information provided by, and in consultation with, the City of Salinas. Data sources, including reference documents and a detailed survey completed by the City, are available for review in the office of LAFCO.

PART ONE: MUNICIPAL SERVICE REVIEW

In 2006, the Local Agency Formation Commission of Monterey County conducted a detailed review of the municipal services provided by the City of Salinas. This report presents a brief update. The information is organized by the six determinations that need to be made for a municipal service review:

1. Growth and Population Projections for the Affected Area

With a 2010 population of 153,948, as estimated by the California Department of Finance¹, Salinas is the largest city in Monterey County and in the Monterey Bay Area. More than one in three County residents lives in Salinas. The City population grew 7.9% in the past decade. The Association of Monterey Bay Area Governments projects that the population will grow to 160,401 by 2025 and 173,359 by 2035.

2. Present and Planned Capacity of Public Facilities and Adequacy of Public Services, including Infrastructure Needs or Deficiencies

The City of Salinas provides a broad range of public facilities and services, including: fire protection; law enforcement and police; library service; parks, recreation facilities, open space; recreation programs; resource conservation; airport; street maintenance; street lighting; street sweeping; landscaping and landscape maintenance; sanitary sewer collection; pump station maintenance; storm drain maintenance, and surface water disposal.

¹ California Department of Finance, Table 2: E-4 Population Estimates for Cities, Counties and State, 2001-2010, with 2000 Benchmark

The City has identified a number of existing service deficiencies. Among these are neighborhoods that have inadequate infrastructure to support the existing population densities, a need for additional parks, open space, and neighborhood services.

The City's 2002 General Plan includes goals and policies that provide a framework for orderly growth and development and emphasize that the capacity for services and facilities will be increased as they are needed. The present and planned capacity of public facilities and adequacy of public services are reviewed annually through the City's Annual Budget, Capital Improvement Program and Capital Budget.

In 2008, LAFCO reviewed the existing and planned capacity of City of Salinas services. This review was done before LAFCO approved a 3,347-acre expansion of the Salinas Sphere of Influence and an annexation of 2,388 acres to the City.

Two water providers regulated by the State Public Utilities Commission indicate that they have adequate water to serve the City's projected growth for the next twenty years. In the long term, sources of additional water may be surface water from the Salinas Valley Water Project and desalinated water.

The environmental review for the 2002 Salinas General Plan determined that the project's impact on the regional highway system could result in significant and unavoidable impacts to the regional highway system. The City requires developers to pay fees to the regional transportation improvement fund.

3. Financial Ability of Agency to Provide Services

Declining revenues, budget reductions and revenue alternatives have been the subject of intense scrutiny by the public, the Salinas City Council and City staff for the past year.

The City's organizational structure and budget were reviewed by two independent citizen committees. The goal has been to position the City for long-term financial stability and efficient government. In May 2010, the City Council directed staff to incorporate a number of budget balancing recommendations into the budget. The measures included renegotiating the garbage contract with Republic Services of Salinas (formerly BFI Waste Services) to allow an increase in revenue and services, using the Community Oriented Policing Services grant to minimize police officer layoffs, and leasing out City facilities, including the City's Community Center/Sherwood Hall, the Municipal Pool and the Firehouse Recreation Center.

With these recommendations, the City Council approved a balanced Fiscal Year 2010-11 budget. The approved General Fund and Measure V budget for Fiscal Year 2010-11 is just over \$77 million and the Capital Improvement Budget is just under \$11 million.

City Manager Artie Fields noted that all of the City's financial reserves had been used over the past three years to maintain services. He projected a budget shortfall of at least \$4 million for the Fiscal Year 2011-12 budget.

Measure V was approved by voters in 2005. Measure V increased the local sales tax by a half-cent "to address an existing emergency related to Salinas' ability to fund all general public services." This Measure currently provides 11% of the City's annual revenues. It will expire in 2016.

4. Status of, and Opportunities for, Shared Facilities

The City coordinates with other local agencies to implement cost-efficient service delivery. The City Fire Department participates in automatic and mutual aid agreements. Salinas participates in the county-wide dispatch and emergency communications system. Salinas is a member of the joint-powers Monterey Regional Water Pollution Control Agency for processing wastewater. The City worked cooperatively with the other Salinas Valley cities and the County to secure the regional designation of a State Enterprise Zone. The City is working with a school district to develop multi-purpose buildings.

The Mayor and the Chief of Police have effectively worked for the permanent presence of state and federal law enforcement assets in Salinas. The Police Department is in the process of establishing a Law Enforcement Operations Center (LEOC), which will house the special operations and investigations teams of participating agency personnel and create a synergistic environment for the sharing of operational intelligence and enforcement strategies. Agencies indicating an interest in co-locating at the LEOC include the FBI, the US Drug Enforcement Agency, the federal Bureau of Alcohol, Tobacco, Firearms, and Explosives, the California Bureau of Narcotic Enforcement, and the Monterey County Gang Task Force.

Salinas recently formed alliances and leased City facilities to nonprofit organizations as a way to keep essential facilities open. For example, the City recently leased the Community Center and Sherwood Hall facilities to The National Steinbeck Center, which leads an "Arts Consortium" that includes the Monterey Symphony and El Sistema, a music program for at-risk youth. The Firehouse Recreation Center will be operated by Go Kids, Inc. and services remain available to the public. The municipal pool will be operated by Salinas Valley Aquatics and remains open to the public.

5. Accountability for Community Service Needs, including Government Structure and Operational Efficiencies

The City Council is composed of six Council Members who are elected by district for four-year terms, and a Mayor elected at large for a two-year term. Public meetings and City operations are widely publicized through the media, through mailings and by use of the City web site.

The City received extensive feedback from its residents in setting budget priorities. During the past year, the City of Salinas has had five City Council meetings on the budget, two Measure V Committee meetings, three City Council district community meetings, two City Council Workshops, and over 25 City Council Finance Committee meetings. Also, as described above, two independent citizen committees provided advice on restructuring and financial issues.

The City adopted three key initiatives with this year's budget: youth crime and gang violence prevention, prosperity, and organizational effectiveness.

6. Any Other Matter Related to Effective or Efficient Service Delivery, as Required by Commission Policy

The City's Blue Ribbon Community Budget Review Committee recommended a number of structural changes in City government to position Salinas for long-term financial stability and efficient government. These included the updating of the City's 2002 General Plan, rebuilding the City's organization structure, and investing in the City's infrastructure with savings derived from restructuring and reducing personnel costs. Some of these recommendations have been implemented by the City and others are under consideration.

The City requires that proposed developments mitigate their regional traffic impacts through contributions to a regional transportation improvement fund. The 2002 Salinas General Plan contains a number of policies that call for the City to implement "Smart Growth" and "New Urbanism" models of development. These policies encourage city-centered growth, minimum required densities, and mixed use developments.

The Executive Officer will recommend that the Commission adopt this updated service information for the City of Salinas. A draft Resolution will be prepared with determinations that support this recommended action.

PART TWO: SPHERE OF INFLUENCE REVIEW

Exhibit A is a LAFCO-approved map of the City of Salinas' adopted Sphere of Influence and City limits. The map reflects significant expansions approved in 2008 and 2010. In 2008, LAFCO approved the 3,347-acre "Future Growth Area" Sphere of Influence amendment and annexation for the City of Salinas. In that application, the City provided a City-County

ATTACHMENT 2-5

agreement and detailed plans for the City's provision of services and facilities. An additional 246 acres were added to the Salinas Sphere of Influence and City limits in March 2010 for the "Uni-Kool" Ag-Industrial Center.

Following is a review of the City of Salinas Sphere of Influence. The review is organized by the four determinations that need to be made for a Sphere update:

1. The Present and Planned Land Uses in the Area, Including Agricultural and Open-Space Lands

The 2002 Salinas General Plan states that about 33% of the City's area at that time was devoted to residential uses. Commercial retail uses were approximately 9% and industrial uses 6%. The General Plan includes a goal (Goal LU-1) to "develop a balanced land use pattern that provides a wide range of jobs, housing, shopping services and recreation."

While Salinas is surrounded by lands considered as "prime farmland," the lands to the south and west of the City are the most productive. In April 2008, the City Council adopted an Agricultural Land Preservation Program, which contains measures to preserve agricultural lands to the south and west.

Since the City's 2002 General Plan adoption, LAFCO has approved two expansions of the Sphere of Influence. In 2008, LAFCO approved a 3,347-acre "Salinas Future Growth Area" Sphere of Influence amendment on the northeast side of the City. This area contains a wide variety of urban land uses including areas for mixed land uses. In 2010, LAFCO approved an additional 246-acre Sphere of Influence amendment for the Salinas Ag-Industrial Center ("Uni-Kool") development on the City's southern edge along Abbott Street. Both expansions were preceded by City-County agreements.

2. The Present and Probable Need for Public Facilities and Services in the Area

The City provides a wide variety of municipal services. The 2002 Salinas General Plan includes goals and policies for the provision of city facilities and services. The General Plan states that a fiscal analysis will be prepared prior to consideration of a Specific Plan in the Future Growth Area to determine the impact of that development and to identify necessary impact fees.

Recent City Council discussions and budget deliberations have focused on prioritizing the City's need for public facilities and services in light of the current budget crisis. The Blue Ribbon Community Budget Review Committee recommended that the City "preserve high priority services by leveraging City and community resources."

3. The Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide

The City of Salinas reviews service levels, and plans for their improvement, through its capital improvement planning process. The Capital Improvement Program details the capital investments required by the community to maintain and enhance the City's quality of life. The current six-year Capital Improvement Program covers the years from 2008 through 2014 and outlines over \$364 million in potential investments. The Salinas Fire Chief estimates that three of the City's six fire stations are currently in poor condition, with replacement or major renovation needed. The City is seeking state and federal grants to improve its industrial wastewater conveyance system and improve the functional capacity of its existing industrial wastewater treatment plant.

4. The Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines that They are Relevant to the Agency

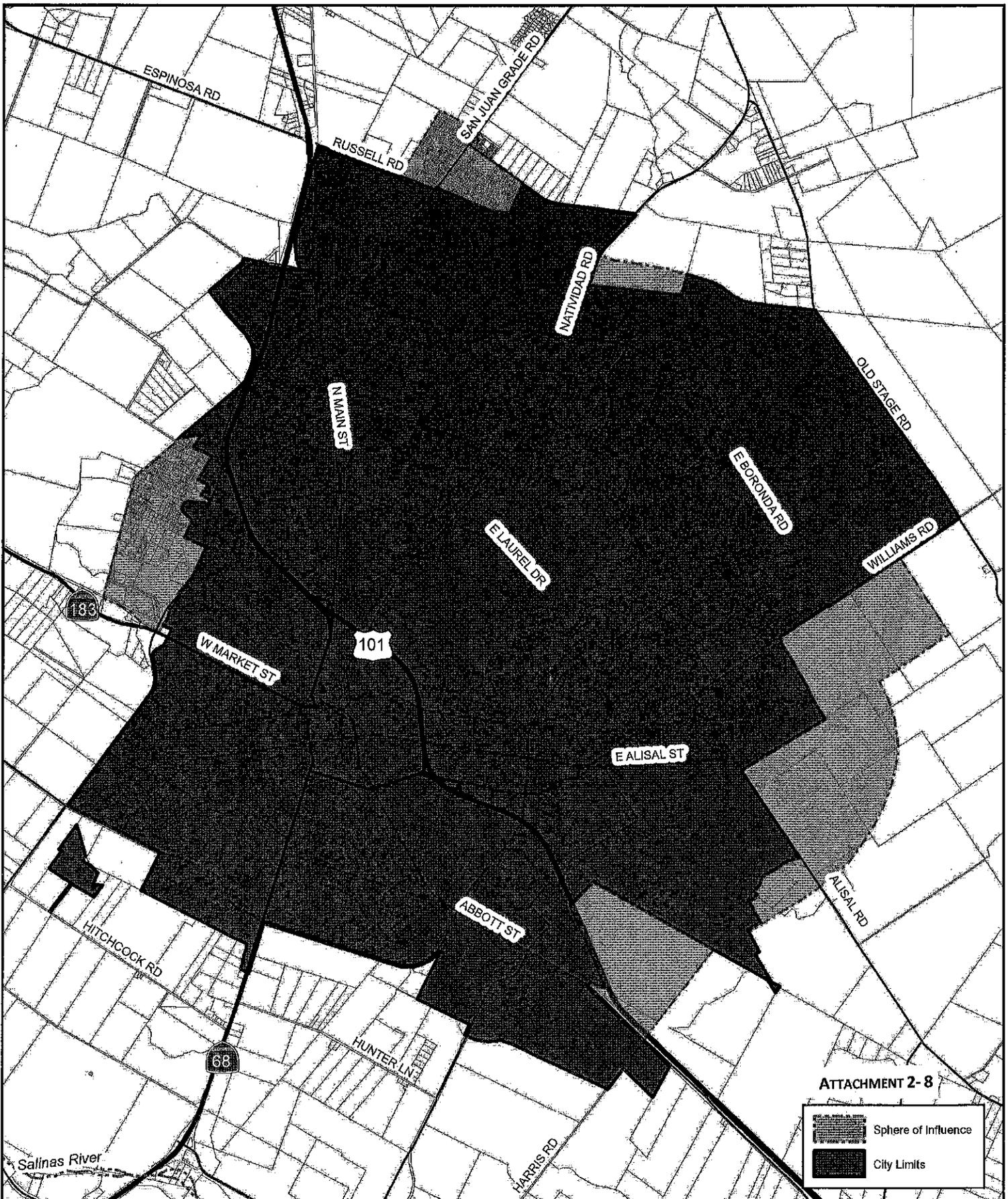
The City of Salinas has two unincorporated communities within its currently adopted Sphere of Influence. Bolsa Knolls and Boronda were developed in the unincorporated County and contain a housing stock primarily composed of detached single family dwellings. Both communities also contain commercial land uses, and Boronda has a significant number of older industrial uses. Past efforts to annex these two areas to the City have met with local opposition.

The County of Monterey and the City are working collaboratively on the planning of the South Boronda area as part of the refinement of the Draft Boronda Community Plan.

Due to recent significant expansions of the Salinas Sphere of Influence, no additional changes to the Sphere are necessary or requested at this time. However, for information purposes only, the City is considering three future amendments for future consideration by LAFCO. The potential amendments include: a) a 22-acre amendment for the expansion of an agricultural warehouse and fresh fruit and vegetable processing and packaging facility adjacent to the existing Fresh Express facility on Blanco Road; b) an amendment to accommodate the proposed Westside Bypass Expansion, and c) an amendment to accommodate the Eastside Bypass and the location of a new County jail and juvenile detention facility along Abbott Street. The schedule for initiating these amendments will depend on the City's own planning and environmental review processes.

The Executive Officer recommends that the Commission affirm the currently adopted Sphere of Influence for the City of Salinas (Exhibit A), with no changes at this time. A draft Resolution will be prepared that provides the necessary determinations for this action.

Exhibit A: Currently Adopted Sphere of Influence and City Limits Map, City of Salinas



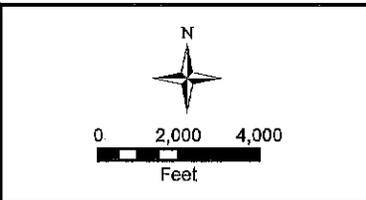
ATTACHMENT 2-8

	Sphere of Influence
	City Limits

LAFCO of Monterey County
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City Boundaries

SALINAS

Last LAFCO-Approved Change: 3/29/10
 Sphere of Influence Affirmed: 9/27/10
 Map Prepared: 9/27/10

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

City of Gonzales 2010 Municipal Service and Sphere of Influence Review

PUBLIC REVIEW DRAFT
September 27, 2010

EXECUTIVE SUMMARY

This report provides information about the municipal services and Sphere of Influence boundaries of the City of Gonzales. It is for use by the Local Agency Formation Commission in conducting a statutorily required review and update process.

State law requires that the Commission conduct periodic reviews and updates of the Sphere of Influence of each city and district in Monterey County (Government Code section 56425(e)). The law also requires the Commission to update information about municipal services before adopting Sphere updates (Government Code section 56430). In 2009, the Commission adopted a comprehensive work program to carry out these requirements. The Commission's current focus of review is the five cities of the Salinas Valley.

Part One of this report contains information about the municipal services provided by the City of Gonzales. Information has been gathered about the capacity of services, the ability to provide services, the accountability for service needs, and the efficiency of service provision. The information is organized by six statutory determinations that need to be made by the Commission. The Executive Officer recommends that the Commission conduct a public hearing and adopt the updated service review information for the City of Gonzales. A draft Resolution will be prepared that supports this recommendation.

Part Two of the report reviews the Sphere of Influence of the City of Gonzales. Exhibit A is a map of the City's currently adopted Sphere of Influence and City Limits. A Sphere of Influence is the probable extent of the City's boundary and service area. The Sphere is an important tool used by LAFCO to encourage the orderly formation and growth of local government agencies, preserve open space and agricultural lands, discourage urban sprawl, and encourage the efficient provision of services. The Sphere review in this report corresponds to four statutory determinations that need to be made for a Sphere update.

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The City of Gonzales Sphere of Influence was updated in April 1997 to implement a General Plan adopted in 1996. No Sphere amendments have been processed since then, but there have been several annexations including two areas (175 acres and 40 acres) approved in 2006. Except for vacant land in those two annexation areas, the City is largely built out. The current Sphere contains approximately 50 acres outside of the City limits, and is not adequate for the City's probable expansion needs over the next twenty years. In the Fall of 2010, the Gonzales City Council will consider adopting the draft *Gonzales 2010 General Plan*. As part of the General Plan implementation process, the City will authorize one or more applications for a Sphere of Influence update. The draft General Plan presents a vision of what Gonzales will be like 35 years or more in the future. Growth is planned primarily to the east, away from the highest value prime farmlands.

Because the City of Gonzales is not yet ready to initiate a formal Sphere amendment proposal, the Executive Officer recommends that the Commission affirm the currently adopted Sphere of Influence (Exhibit A) with no changes at this time. A draft Resolution will be prepared that supports this recommended action. The Commission can expect to receive one or more Sphere amendment proposals, the timing of which will be determined by the City's General Plan implementation process and schedule.

The analysis, conclusions and recommendations in this report were prepared with information provided by, and in consultation with, the City of Gonzales. Data sources, including reference documents and a detailed survey completed by the City, are available for review in the office of LAFCO.

PART ONE: MUNICIPAL SERVICE REVIEW

In 2006, the Local Agency Formation Commission of Monterey County conducted a detailed review of the municipal services provided by the City of Gonzales. This report presents a brief update. The information is organized by the six determinations that need to be made for a municipal service review:

1. Growth and Population Projections for the Affected Area

The City of Gonzales was home to an estimated 9,114 residents in 2010, as estimated by the California Department of Finance¹, a 20.5% increase from its 2000 population of 7,564. While this percentage increase is more than twice the county-wide decennial increase it is only slightly above the 18.9% increase experienced by the four south Salinas Valley cities. The Association of Monterey Bay Area Governments projects that

¹ California Department of Finance, Table 2: E-4 Population Estimates for Cities, Counties and State, 2001-2010, with 2000 Benchmark

the City's population will grow to 18,199 by 2025 and 23,418 by 2035. This projected rate of growth is higher than the rate projected for any other city in the Salinas Valley.

The draft *Gonzales 2010 General Plan* estimates that the City's existing Sphere of Influence, at build out, can accommodate a population of 12,000. The Urban Growth Area identified in the General Plan would provide residences for an additional 25,000 people, which would bring the City's population to an estimated 37,000. There is no timeframe given for the General Plan's build out.

2. Present and Planned Capacity of Public Facilities and Adequacy of Public Services, Including Infrastructure Needs or Deficiencies

The City's infrastructure has been designed to support the area within the 1996 General Plan, which is the same as the City's Sphere of Influence. Infrastructure expansion and improvements are guided by master plans prepared for water supply, wastewater collection and treatment and storm water and retention.

The draft *Gonzales 2010 General Plan* proposes an urban expansion within a 2,150-acre Urban Growth Area. The General Plan reviews the capacity of public facilities needed to provide for this growth and projects adequate resources based on newly completed Water and Sewer Master Plans.

When properties are developed, it is the developer's responsibility to fund needed system improvements. Following adoption of the draft *Gonzales 2010 General Plan*, prospective developers will provide more detailed engineering plans for General Plan and Specific Plan implementation.

The *Gonzales 2010 General Plan* Draft Environmental Impact Report identified several significant unavoidable impacts: the conversion of prime farmland, visual impacts, light pollution and glare, and the generation of greenhouse gases.

The Draft EIR states that Highway 101 will need to be expanded with or without the General Plan's projected growth. By the year 2050, Highway 101 is projected to require between 6 or 8 lanes through the Gonzales area. To help accomplish this expansion, the City will require developers to contribute to the Transportation Agency of Monterey County's transportation improvement fund.

The City of Gonzales provides many services, including: fire protection/emergency medical response; law enforcement and police; parks, recreation facilities and programs, open space; street construction and maintenance; street lighting; street sweeping; landscaping and landscape maintenance; retail and wholesale water; water treatment; water conservation; sanitary sewer collection and treatment; pump station maintenance; storm drain maintenance, and flood control.

The City is working to increase the amount of City parkland, which is below the City's per capita goal of 5 acres per 1,000 residents. The City is currently developing a community center in conjunction with the school district. The City is also at capacity in terms of administrative office space.

3. Financial Ability of Agency to Provide Services

The current economic downturn has resulted in a reduction of revenues and expenditures associated with General Fund programs. The proposed Fiscal Year 2010-11 budget reflects the second year of a Three Year Budget Alignment Strategy presented to the City Council. The strategy addresses the need to bring General Fund expenditures in line with anticipated revenues within a three year period.

In the adopted Fiscal Year 2010-11 budget, the City proposes expenditures are approximately \$11.4 million. The gap between the City's anticipated revenues and proposed expenditures is covered by budgetary fund balances.² The City plans to use \$119,000 of the General Fund Balance to fill a deficit in General Fund expenses of \$3,237,637. This will leave over \$1 million in reserves remaining for FY 2010-11. The use of fund balances was anticipated as part of the Three Year Budget Alignment Strategy. While the City's conservative budgetary policy has allowed a buildup of reserves, the fiscal environment remains uncertain with the continuing recession, decreased property values and proposed State takeaways from local government.

4. Status of, and Opportunities for, Shared Facilities

The City coordinates with other local agencies to implement cost-efficient service delivery. The Gonzales Fire Department provides fire suppression and prevention services to the Gonzales Rural Fire Protection District. The Fire Department also has automatic aid agreements with California Training Facility Fire Department and the Monterey County Regional Fire District, and mutual aid agreements with other County fire service providers. The City participates in the county-wide dispatch and emergency communications system. Gonzales has worked cooperatively with the other Salinas Valley cities and the County to secure the regional designation of a State Enterprise Zone.

Gonzales is in the lead agency for the Monterey County Joint Gang Task Force with the FBI and state and local law enforcement offices. The City, along with the other three south Salinas Valley cities, is also participating in an attack against crime dubbed the "Four Cities for Peace Plan." The City has collaborated with the Gonzales Unified School

² A fund balance is not a fund or separate account, but by definition, is simply the difference between the assets and liabilities of a government fund.

District on joint-use agreements for a school/park and gym/community center. Solid waste is collected by Tri-Cities Disposal and Recycling, which was formed through a joint-member agreement between Gonzales, Soledad, and Greenfield. The City participates in the Monterey Bay Self Insurance Authority, a joint powers authority providing insurance to member cities.

5. Accountability for Community Service Needs, including Government Structure and Operational Efficiencies

The City Council is composed of five Council Members who are elected at large for four-year terms. One Council Member is appointed Mayor for a two-year term by the Council. Public meetings and City operations are widely publicized through the media, through mailings and by use of the City web site. The City Council has used public hearings on the City's budget as a forum for discussing ways to increase operational efficiencies while maintaining municipal services.

6. Any Other Matter Related to Effective or Efficient Service Delivery, as Required by Commission Policy

The City has agreed to require that proposed developments mitigate their regional traffic impacts through contributions to a regional transportation improvement fund. The recently-released draft *Gonzales 2010 General Plan* seeks to achieve the following objectives:

- a. Diverse, Self-Sustaining Local Economy;
- b. Long-Term Vision;
- c. Small-Town Character;
- d. Discouragement of Suburban Sprawl;
- e. Protection of Best Agricultural Lands;
- f. Sustainability;
- g. Protection, Re-creation & Enhancement of the Natural Environment, and
- h. Competitive Development Environment.

The Executive Officer will recommend that the Commission adopt this updated service information for the City of Gonzales. A draft Resolution will be prepared with determinations that support this recommendation.

PART TWO: SPHERE OF INFLUENCE REVIEW

The City's Sphere of Influence was last updated in April 1997, following the 1996 adoption of a General Plan. Exhibit A is a map of the currently adopted Gonzales Sphere of Influence and City limits. The Sphere of Influence boundary is almost the same as the City limits. Only 50 acres of the Sphere lie outside of the City boundary. The City of Gonzales is substantially built out,

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except for about 215 acres of land annexed in 2006 for industrial purposes. The current Sphere is not sufficient for the probable expansion needs of the City over the next 20 years.

The draft General Plan projects growth primarily to the east, away from the highest value prime farmlands. The Plan identifies an "Urban Growth Area" of approximately 2,150 acres. An additional 2,130 acres is designated for urban reserve, which would be available for development only after substantial build-out of the Urban Growth Area. This is estimated to be decades away if AMBAG's projected growth rates are accurate.

Following is a review of the City of Gonzales Sphere of Influence. The review is organized by the four determinations that need to be made for a Sphere update:

1. The Present and Planned Land Uses in the Area, Including Agricultural and Open-Space Lands

A land use inventory prepared for the draft *Gonzales 2010 General Plan* indicates that 33% of the City's area is occupied by residential uses. Other uses are Public and Semi Public, including the wastewater plant (16%), Industrial (12%), Open Space (3%) and Commercial (2%). 21% of the City was covered by streets, railroads and utility facilities and 13% was vacant.

The City is surrounded by productive agricultural land, primarily categorized as "prime farmland" by the State Department of Conservation. A number of agricultural conservation easements are located to the north and west of the City where the most productive farmland is located.

The draft *Gonzales 2010 General Plan* contains a mixture of land uses and is designed to reorient the City's planning approach to one that emphasizes neighborhood form and character through the development of Specific Plans. The draft General Plan calls for an easterly direction of growth toward the hills and away from the best agricultural land. The draft Plan provides for long-term development capacity, but does not stipulate a specific timeframe for build out. It increases average density and the range of housing types, and defines a permanent urban/rural boundary. The City is surrounded by large land holdings. Participation of the land owners in the planning process will facilitate comprehensive planning.

The City started the Gonzales Grows Green ("G3") sustainable community initiative to support green businesses and programs throughout the City. This effort includes the development of a green business cluster emphasizing biodiesel, organic farming and solar power. The City also plans to encourage the development of recycling facilities. The Johnson Canyon Landfill to the east of the City is the primary landfill in the Salinas Valley, and there are benefits to recycling as much of this waste as possible.

2. The Present and Probable Need for Public Facilities and Services in the Area

The City provides a wide variety of municipal services. The draft *Gonzales 2010 General Plan* contains a "Community Facilities and Services" Element, which sets goals, policies, and actions for the provision of public facilities and services. The element addresses issues relating to water, sanitary sewer, storm drainage, solid waste, schools, libraries, social services and civic buildings.

3. The Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide

The City's water system has been operating on a reliable basis for many years even during periods of prolonged drought. The municipal wastewater treatment plant operates at 1.30 million gallons per day (average daily flow) and serves all residential, commercial and industrial customers in the City. The City's storm drainage system utilizes a combination of natural and engineered channels, street inlets, storm drains, and retention basins. The new draft General Plan outlines plans for the provision of facilities and services to meet the needs of anticipated future residents.

4. The Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines that They are Relevant to the Agency

There are no communities of social or economic interest that are relevant to consideration of the City's Sphere of Influence.

In the Fall of 2010, the Gonzales City Council will consider adopting the draft *Gonzales 2010 General Plan*. Upon adoption of the General Plan, the City will initiate an implementation process that includes one or more applications for an update to the Sphere of Influence. As the City is not yet ready to initiate the Sphere amendment process, no changes to the current Sphere are necessary or requested at this time. The draft General Plan does not designate the boundary for a proposed Sphere of Influence. The City's intent is to leave this determination to a later and separate process that will involve close cooperation with LAFCO and the County of Monterey. The schedule for initiating these amendments will remain flexible, depending on the City's own processes and discussions with property owners.

The Executive Officer recommends that the Commission affirm the currently adopted Sphere of Influence for the City of Gonzales (Exhibit A), with no changes at this time. A draft Resolution will be prepared that provides the necessary determinations for this action.

Exhibit A: Currently Adopted Sphere of Influence and City Limits Map, City of Gonzales

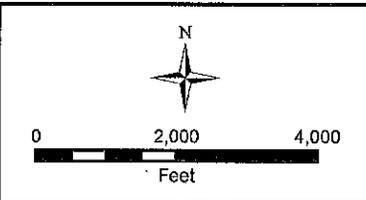


ATTACHMENT 2-16

	Sphere of Influence
	City Limits

LAFCO of Monterey County
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City Boundaries

GONZALES

Last LAFCO-Approved Change: 2/27/06
 Sphere of Influence Affirmed: 9/27/10
 Map Prepared: 9/27/10

**City of Soledad
2010 Municipal Service and Sphere of Influence Review**

**PUBLIC REVIEW DRAFT
September 27, 2010**

EXECUTIVE SUMMARY

This report provides information about the municipal services and Sphere of Influence boundaries of the City of Soledad. It is for use by the Local Agency Formation Commission in conducting a statutorily required review and update process.

State law requires that the Commission conduct periodic reviews and updates of the Sphere of Influence of each city and district in Monterey County (Government Code section 56425(e)). The law also requires the Commission to update information about municipal services before adopting Sphere updates (Government Code section 56430). In 2009, the Commission adopted a comprehensive work program to carry out these requirements. The Commission's current focus of review is the five cities of the Salinas Valley.

Part One of this report contains information about the municipal services provided by the City of Soledad. Information has been gathered about the capacity of services, the ability to provide services, the accountability for service needs, and the efficiency of service provision. The information is organized by six statutory determinations that need to be made by the Commission. The Executive Officer recommends that the Commission conduct a public hearing and adopt the update service review information for the City of Soledad. A draft Resolution will be prepared that supports this recommendation.

Part Two of the report reviews the Sphere of Influence of the City of Soledad. Exhibit A is a map of the City's currently adopted Sphere of Influence and City Limits. A Sphere of Influence is the probable extent of the City's boundary and service area. The Sphere is an important tool used by LAFCO to encourage the orderly formation and growth of local government agencies, preserve open space and agricultural lands, discourage urban sprawl, and encourage the efficient provision of services. The Sphere review in this report corresponds to four statutory determinations that need to be made for a Sphere update.

The Soledad Sphere of Influence was adopted by LAFCO in 1994, following the City's adoption of a new General Plan in 1993. The last update of the City's Sphere was a 92-acre expansion for a portion of the Miravale II project in 2004. For the most part, the City's Sphere boundaries are the same as the City limits. The current Sphere does not provide adequate area for future expansion needs over the next twenty years.

In 2005, the City adopted a comprehensive General Plan update. The City anticipates that it will initiate several Sphere amendment proposals pursuant to its General Plan. The timing of these Sphere proposals will depend on the City's planning, environmental review and implementation processes and schedules. One step was taken in early September 2010, when the City Council authorized its staff to initiate an early consultation process with LAFCO regarding the Miravale III Specific Plan area.

Because the City of Soledad is not yet ready to initiate formal Sphere amendment proposals, the Executive Officer recommends that the Commission affirm the currently adopted Sphere of Influence (Exhibit A) with no changes at this time. A draft Resolution will be prepared that supports this recommended action.

The analysis, conclusions and recommendations in this report were prepared with information provided by, and in consultation with, the City of Soledad. Data sources, including reference documents and a detailed survey completed by the City, are available for review in the office of LAFCO.

PART ONE: MUNICIPAL SERVICE REVIEW

In 2006, the Local Agency Formation Commission of Monterey County conducted its first review of services provided by the City of Soledad. This report presents a brief update. The information is organized by six determinations that need to be made for a municipal service review:

1. Growth and Population Projections for the Affected Area

Soledad's population was estimated at 27,929 in 2010, as estimated by the California Department of Finance¹, a 21% increase over the 2000 population of 23,015. While this percentage increase is more than twice the county-wide decennial increase, it is close to the 18.9% increase experienced by the four south Salinas Valley cities. The Association of Monterey Bay Area Governments projects that the population will grow to 36,392 by 2025 and 41,405 by 2035. This projected increase is significantly higher than the county-wide growth rate, but it is lower than for any other Salinas Valley city except Salinas. An estimated 10,000 of the City's residents live in one of the two prisons

¹ California Department of Finance, Table 2: E-4 Population Estimates for Cities, Counties and State, 2001-2010, with 2000 Benchmark

operated by the State Department of Corrections. Although they are not contiguous with the rest of the City, the prisons are inside the City limits.

2. Present and Planned Capacity of Public Facilities and Adequacy of Public Services, including Infrastructure Needs or Deficiencies

The City's 2005 General Plan includes goals and policies that provide a framework for orderly growth and development and emphasize the provision of services and facilities concurrent with need. The City annually reviews the present and planned capacity of public facilities and the adequacy of services, including any infrastructure needs or deficiencies. This is done through the City's Annual Budget, Capital Improvement Program and Capital Budget. The City Council's review and update of these documents ensures that city services, facilities and infrastructure will address existing demands and projected growth. The City's water recycling facility is currently permitted for processing 5.5 million gallons per day, which is in excess of demand. Adequate potable water is provided through the City's four municipal wells, which have a combined pumping capacity of about 4,300 gallons per minute.

The City of Soledad provides a broad range of public facilities and services. City services include: fire protection; law enforcement and police; parks, recreation facilities, open space; street construction; street maintenance; street lighting; street sweeping; landscaping and landscape maintenance; retail water; wholesale water; water treatment; water replenishment; water conservation; sanitary sewer collection; sanitary sewer treatment; recycled/reclaimed water; pump station maintenance; storm drain maintenance; surface water disposal and flood control.

The City has identified a number of existing service deficiencies. These include police and fire stations that are considered inadequate, a deficiency of approximately 34 acres in improved park facilities, older water mains and fire hydrants in the older part of town that are in need of replacement, and older sidewalk ramps that need to be upgraded. The City has plans to resolve most of these inadequacies, including completed plans for a new or expanded fire station, a police station upgrade, development of an existing unimproved park site, and replacement of older water mains and hydrants.

3. Financial Ability of Agency to Provide Services

The City Manager's transmittal letter for the 2009-10 Fiscal Year Budget stated that the City "continues basic services within the prudent financial means of the City." The adopted 2009-10 General Fund operating budget showed reduced revenues and expenditures of 14.5%, equivalent to an approximately \$1.2 million reduction from 2008-09 levels. Although the current 2010-11 Fiscal Year General fund operating budget shows a 6.4% increase, this increase may be attributed more to a change in fund allocations than to an increase in revenue. Soledad continues to experience a reduction

in revenues. In the past two years, the City has responded to this by reducing pay and benefits for staff, eliminating 15 positions (“full time equivalents”), consolidating City Departments, and implementing furloughs for non-safety departments.

4. Status of, and Opportunities for, Shared Facilities

The City of Soledad coordinates with other local agencies to implement cost-efficient service delivery. The Soledad Fire Department provides fire suppression and prevention services to the Mission Soledad Fire Protection District. The Fire Department also has automatic aid agreements with California Training Facility Fire Department and the Greenfield Fire Protection District, and mutual aid agreements with fire service providers county-wide. The City participates in the county-wide dispatch and emergency communications system. Soledad worked cooperatively with the other Salinas Valley cities and the County to secure the regional designation of a State Enterprise Zone.

Soledad is participating in the Monterey County Joint Gang Task Force with the FBI and state and local law enforcement offices. The City, along with the other three south Salinas Valley cities, is also participating in an attack against crime dubbed the “Four Cities for Peace Plan.” The City provides wastewater treatment facilities to the Correctional Training Facility and Salinas Valley State Prison, as well as the Dole agricultural processing facility located in the unincorporated County. Solid waste is collected by Tri-Cities Disposal and Recycling, which was formed through a joint-member agreement between Gonzales, Soledad, and Greenfield. The City participates in the Monterey Bay Self Insurance Authority, a joint powers authority providing insurance to member cities.

5. Accountability for Community Service Needs, including Government Structure and Operational Efficiencies

The City Council consists of an elected Mayor holding a two-year term and four Council Members elected at large for four-year overlapping terms. Public meetings and City operations are widely publicized through the media, through mailings and by use of the City web site. The City Council has used public hearings on the City’s budget as a forum for discussing ways to increase operational efficiencies while maintaining municipal services.

6. Any Other Matter Related to Effective or Efficient Service Delivery, as Required by Commission Policy

The City has agreed to require that proposed developments mitigate their regional traffic impacts through contributions to a regional transportation improvement fund. The 2005 General Plan requires the development of Specific Plans that would support

the development of integrated areas by mixing residential, neighborhood retail, open space, and public uses while making it possible to travel by transit, bicycle, or foot, as well as by automobile. The General Plan also states, when feasible, that Specific Plan areas should help to achieve the City's jobs/housing balance.

Soledad is now updating the Downtown Specific Plan to incorporate provisions for passenger rail service and mixed use commercial / office/ residential land uses. This work began in the Spring of 2010, when Soledad received assistance from Cal Poly (SLO) graduate Planning students to conduct a visioning process and develop four urban design concepts. The City is now seeking funding to complete this process.

The Executive Officer will recommend that the Commission adopt this updated service information for the City of Soledad. A draft Resolution will be prepared with determinations that support this recommendation.

PART TWO: SPHERE OF INFLUENCE REVIEW

The last comprehensive revision of the Soledad Sphere was adopted by LAFCO in 1994, following the City's adoption of a new General Plan in 1993. The most recent amendment to this Sphere was a 92-acre expansion to accommodate a portion of the Miravale II project in 2004. Exhibit A is a map of the currently adopted Sphere of Influence and City limits. For the most part, the City's Sphere of Influence is the same as the City limits, and does not provide adequate area for probable needs for City growth over the next twenty years.

The City of Soledad updated its General Plan in 2005. The adopted General Plan includes several large planning areas that are anticipated to be added to the City's Sphere of Influence. The General Plan commits the City to pursuing applications with LAFCO for Sphere amendments consistent with the General Plan, and to executing a Memorandum of Understanding with Monterey County formulating the land use management strategy for the City's Sphere. In addition, the City has identified several other Sphere amendments that it also intends to initiate, pending completion of local planning and environmental processes. In September 2010, the City Council took a step toward implementation of its General Plan by authorizing its staff to begin early consultation with LAFCO on the Miravale III Specific Plan area.

Following is a review of the City of Soledad Sphere of Influence. The review is organized by the four determinations that need to be made for a Sphere update:

1. The Present and Planned Land Uses in the Area, Including Agricultural and Open-Space Lands

Excluding vacant land, 58% of Soledad is currently used for residential uses. Commercial and industrial uses consist of 6% and 11% of the available land. The City is surrounded by productive agricultural land, primarily categorized as "prime farmland" by the State Department of Conservation. A significant portion of neighboring lands is protected by Williamson Act restrictions.

The existing City limits contain approximately 3,000 acres. The 2005 General Plan anticipates the development of five expansion areas on 3,254 acres that would more than double the City's area. Only small portions of these expansion areas are within the City's existing Sphere of Influence. To implement the anticipated development, the City will initiate several Sphere of Influence amendments, the timing of which will depend on the City's implementation processes and schedule.

2. The Present and Probable Need for Public Facilities and Services in the Area

The City provides a wide variety of municipal services. The 2005 General Plan includes goals and policies for the development of streets and highways, bicycle and pedestrian circulation, truck routes, parklands, public services and public facilities. New developments will be responsible for the payment of impact fees to ensure the adequacy of municipal facilities and services. The City Council examines the community's need for public facilities and services during annual budget deliberations. The City's budget is based on responding to the needs of the community and to providing service level enhancements where affordable.

3. The Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or Is Authorized to Provide

Public facilities and services are being improved, or planned for improvement, to meet the needs of future populations to the extent allowed with the City's current budgetary constraints. The City reviews service levels, and plans for their improvement, through its Capital Improvements Plan and annual operating budget and through adopted master plans for water, sewer, storm drainage and parks. The upgrade and expansion of Soledad's wastewater treatment plant was completed in January 2010. The plant capacity was elevated from 3.1 million gallons per day to 5.5 mgd. With completion of the project, the plant meets the effluent limits adopted by the State Water Resources Control Board of California.

4. The Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines that They are Relevant to the Agency

The current Soledad City limit and Sphere of Influence includes two State prisons, the Correctional Training Facility and Salinas Valley State Prison, with inmate populations of approximately 6,350 and 3,800. Approximately 34 units of staff housing also exist on

the State-owned property. Although the public infrastructure at these State facilities operates fairly independently, the City contractually provides wastewater treatment services.

Two older farm-labor housing developments exist just south of the state prisons, on the east side of Highway 101. The Camphora development is planned for reconstruction by the non-profit developer, South County Housing, with the assistance of the County Redevelopment and Housing Office. The property is not contiguous with the City limits, and so is not eligible for a Sphere amendment or annexation to the City. However, the City recently provided a "will serve" letter regarding the provision of sanitary sewer services to the property. A request will be made to LAFCO to approve an "out of jurisdiction service agreement" between the City and the developer.

For information only, the City anticipates initiating a series of Sphere of Influence amendment proposals to implement the growth projected in the 2005 General Plan. The first large planning area to be proposed for a Sphere expansion will be the 920-acre, mixed use Miravale III area north of the City limits. As mentioned above, the City Council recently authorized its staff to begin an early consultation process with LAFCO regarding this planning area.

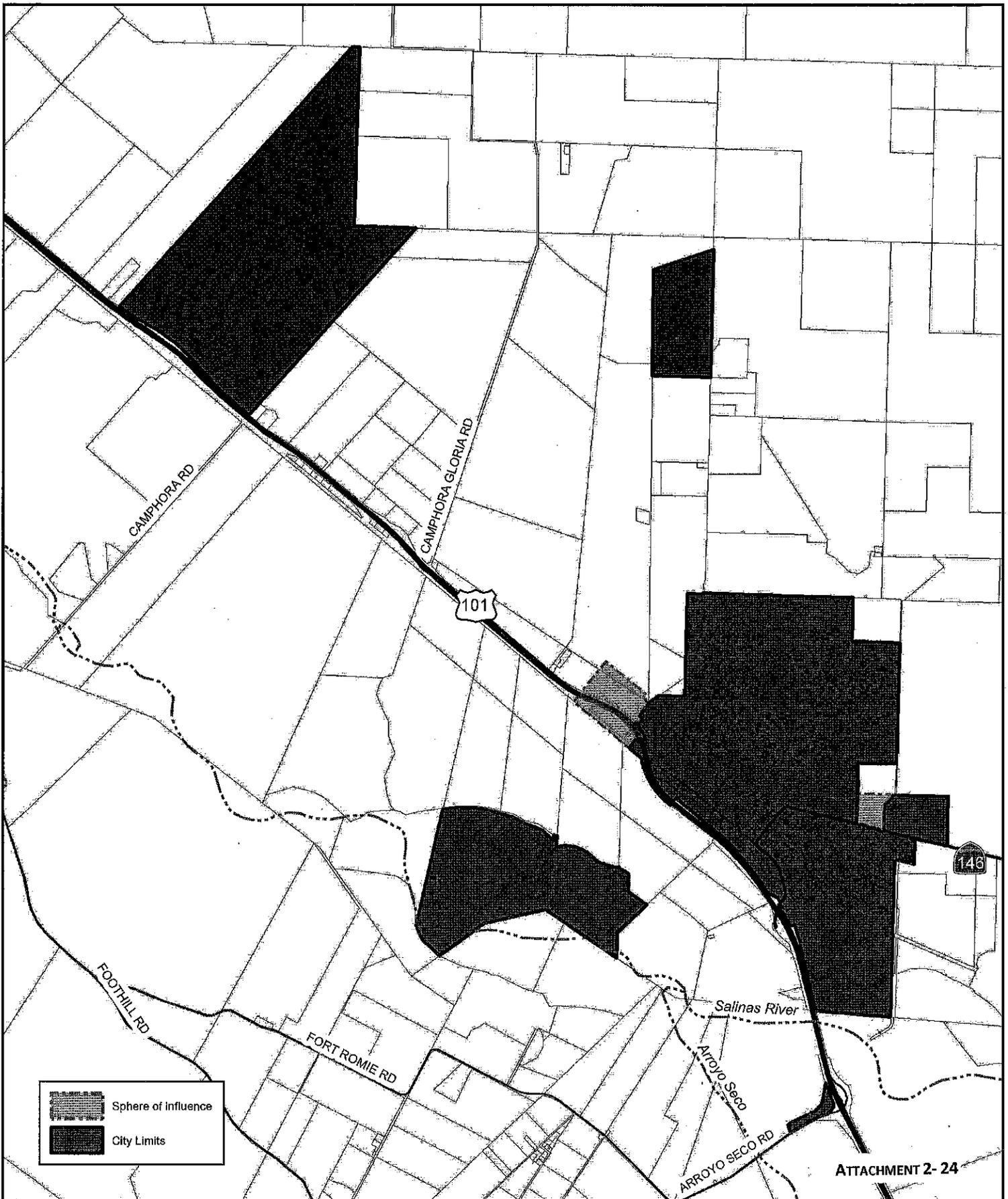
Other potential applications for Sphere amendments include proposals to:

- a) Allow development of the final portion of the Miravale II project along the City's eastern edge. LAFCO started to process that proposal in 2004 but work was put on hold due to drainage channel issues that are not yet resolved;
- b) Accommodate safety improvements at the Front Street freeway interchange;
- c) Facilitate a 4.35± acre expansion of the commercial area planned within the 2006 Soledad Entry Commercial Annexation, and
- d) Facilitate the City's construction of two new roadways, to extend Gabilan Drive northward and to connect Metz Road with Front Street on the south side of the City.

The timing for all of the anticipated Sphere proposals will depend on the City's planning, environmental review and implementation processes and schedules. The Soledad General Plan establishes the commitment of the City to engage in a City-County consultation and agreement process prior to submittal of formal Sphere applications to LAFCO.

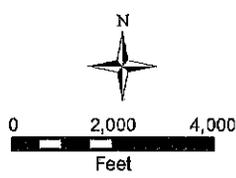
Because the City is not yet ready to request LAFCO to consider formal Sphere proposals, the Executive Officer recommends that the Commission affirm the currently adopted Sphere of Influence for the City of Soledad (Exhibit A) with no changes at this time. A draft Resolution will be prepared that provides the necessary determinations for this action.

Exhibit A: Currently Adopted Sphere of Influence and City Limits Map, City of Soledad.



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City Boundaries

SOLEDAD

Last LAFGO-Approved Change: 12/24/06
 Sphere of Influence Affirmed: 9/27/10
 Map Prepared: 9/27/10

**City of Greenfield
2010 Municipal Service and Sphere of Influence Review**

**PUBLIC REVIEW DRAFT
September 27, 2010**

EXECUTIVE SUMMARY

This report provides information about the municipal services and Sphere of Influence boundaries of the City of Greenfield. It is for use by the Local Agency Formation Commission in conducting a statutorily required review and update process.

State law requires that the Commission conduct periodic reviews and updates of the Sphere of Influence of each city and district in Monterey County (Government Code section 56425(e)). The law also requires the Commission to update information about municipal services before adopting Sphere updates (Government Code section 56430). In 2009, the Commission adopted a comprehensive work program to carry out these requirements. The Commission's current focus of review is the five cities of the Salinas Valley.

Part One of this report contains information about the municipal services provided by the City of Greenfield. Information has been gathered about the capacity of services, the ability to provide services, the accountability for service needs, and the efficiency of service provision. The information is organized by six statutory determinations that need to be made by the Commission. The Executive Officer recommends that the Commission conduct a public hearing and adopt the updated service review information for the City of Greenfield. A draft Resolution will be prepared that supports this recommendation.

Part Two of the report reviews the Sphere of Influence of the City of Greenfield. Exhibit A is a map of the City's currently adopted Sphere of Influence and City Limits. A Sphere of Influence is the probable extent of the City's boundary and service area. The Sphere is an important tool used by LAFCO to encourage the orderly formation and growth of local government agencies, preserve open space and agricultural lands, discourage urban sprawl, and encourage the efficient provision of services. The Sphere review in this report corresponds to four statutory determinations that need to be made for a Sphere update.

The City of Greenfield's current Sphere was adopted in 2007 and provides significant opportunity for expansion. No further amendments are needed or requested at this time. However, for information purposes only, the report identifies one potential Sphere amendment that the City may initiate in the future. The timing of this application will depend on the City's planning and environmental review processes. The Executive Officer recommends that the Commission conduct a public hearing to affirm the currently adopted Sphere of Influence (Exhibit A) with no change at this time. A draft Resolution will be prepared that supports this action.

The analysis, conclusions and recommendations in this report were prepared with information provided by, and in consultation with, the City of Greenfield. Data sources, including reference documents and a detailed survey completed by the City, are available for review in the office of LAFCO.

PART ONE: MUNICIPAL SERVICE REVIEW

In 2006, the Local Agency Formation Commission of Monterey County conducted a detailed review of the municipal services provided by the City of Greenfield. This report presents a brief update. The review is organized by the six determinations that need to be made for a municipal service review:

1. Growth and Population Projections for the Affected Area

Greenfield's 2010 population is estimated at 17,898, as estimated by the California Department of Finance¹, a 41.5% increase from the 2000 figure of 12,648. Over this ten year period, this percentage increase was almost double that of any other city in Monterey County. The Association of Monterey Bay Area Governments projects that the population will grow to 24,912 by 2025 and 30,337 by 2035.

2. Present and Planned Capacity of Public Facilities and Adequacy of Public Services, including Infrastructure Needs or Deficiencies

The Growth Management Element of the City's 2005 General Plan includes goals for the effective and efficient provision and delivery of government services. The City's infrastructure system has been developed to support the area within the General Plan, an area larger than the current Sphere of Influence. The municipal water system has the capacity to pump approximately 8.0 million gallons a day (mgd) while the maximum current demand is reported at approximately 1.8 mgd. The City's Wastewater

¹ California Department of Finance, Table 2: E-4 Population Estimates for Cities, Counties and State, 2001-2010, with 2000 Benchmark

Treatment Plant has a capacity to receive a flow of 2.0 mgd, while the plant currently provides a peak month average daily flow of 0.983 mgd. Completion of a 25,000 sq. ft. Civic Center, which will include adequate space for the City's administrative and police functions, is anticipated in 2010. Infrastructure expansion and improvements are guided by the Water, Sewer, Traffic and Police Master Plans. These plans are regularly updated to ensure the City is able to provide sufficient levels of service. Fire protection is provided by the Greenfield Rural Fire Protection District.

In 2007, LAFCO reviewed the existing and planned capacity of City services and found them adequate for the approval of an 820-acre expansion of the Greenfield Sphere of Influence.

The City of Greenfield directly provides many city services, including: law enforcement & police; parks, recreation facilities, open space; street maintenance; street lighting; street sweeping; retail and wholesale water; water treatment; sanitary sewer collection and treatment; recycled/reclaimed water pump station maintenance; septic system monitoring and maintenance; storm drain maintenance, and surface water disposal.

The City has identified an interest in LAFCO review of the operation and functions of the Greenfield Memorial District and Greenfield Public Recreation District. The provision of recreation services has been identified as a City priority. The review could recommend options to improve the overall efficiency of service provision.

3. Financial Ability of Agency to Provide Services

Total revenues for the Fiscal Year 2010-2011 budget are approximately \$11.05 million. The General Fund comprises approximately 48% (\$5.2 million) of the total budget followed by the Redevelopment Agency at approximately 23% (\$2.5 million), and the Water Operations Fund at approximately 9% (\$1.1 million). Total expenditures for the Fiscal Year 2010-2011 budget are approximately \$11.1 million. The gap between the City's anticipated revenues and proposed expenditures is covered by fund balances.²

Increases in city fees, wage and benefit concessions, and other operating budget reductions are being explored as ways to reduce this deficit. Unless the projected deficit is significantly reduced, the City's General Fund reserves will be severely impacted. If the deficit were to continue unabated, reserves would be eliminated in future years and a financial crisis would ensue.

² A fund balance is not a fund or separate account, but by definition, is simply the difference between the assets and liabilities of a government fund.

4. Status of, and Opportunities for, Shared Facilities

The City coordinates with other local agencies to implement cost-efficient service delivery. The City Police Department patrols up to one mile outside the current City limits through a mutual aid agreement with the County. Greenfield participates in the county-wide dispatch and emergency communications system. The City cooperates with the Greenfield Rural Fire Protection District to ensure that the District has adequate financial and professional support. Greenfield worked cooperatively with the other Salinas Valley cities and the County to secure the regional designation of a State Enterprise Zone.

Greenfield is participating in the Monterey County Joint Gang Task Force with the FBI and state and local law enforcement offices. The City, along with the other three south Salinas Valley cities, is also participating in an attack against crime dubbed the "Four Cities for Peace Plan." Solid waste is collected by Tri-Cities Disposal and Recycling, which was formed through a joint-member agreement between Gonzales, Soledad, and Greenfield. The City participates in the Monterey Bay Self Insurance Authority, a joint powers authority providing insurance to member cities.

5. Accountability for Community Service Needs, including Government Structure and Operational Efficiencies

The City Council is composed of a Mayor and four Council Members who are elected at large for four-year terms. Public meetings and City operations are widely publicized through the media, through mailings and by use of the City web site. The City Council has used public hearings on the City's budget as a forum for discussing ways to increase operational efficiencies while maintaining municipal services.

6. Any Other Matter Related to Effective or Efficient Service Delivery, as Required by Commission Policy

The City has agreed to require that proposed developments mitigate their regional traffic impacts through contributions to a regional transportation improvement fund. The 2005 General Plan contains goals, policies, and programs that require the City to discourage urban sprawl, preserve open space and prime agricultural lands, effectively provide government services and encourage the orderly formation of local agencies.

The Executive Officer will recommend that the Commission adopt this updated service information for the City of Greenfield. A draft Resolution will be prepared with determinations that support this recommended action.

PART TWO: SPHERE OF INFLUENCE REVIEW

Exhibit A is a LAFCO-approved map of the City of Greenfield's adopted Sphere of Influence and City limits. The map reflects the expansion of approximately 820 acres approved by LAFCO in 2007, following the City's adoption of a General Plan update in 2005. The 2007 Sphere adoption was conditioned on the completion of an agreement between the City and LAFCO on solutions to the impacts of growth. The City and LAFCO later agreed to include the County as a signatory party to the agreement. Negotiations are continuing, and applications for annexations within the expanded Sphere will be considered after the agreement is approved by all parties.

Following is a review of the City of Greenfield Sphere of Influence. The review is organized by the four determinations that need to be made for a Sphere update:

1. The Present and Planned Land Uses in the Area, Including Agricultural and Open-Space Lands

The 2005 General Plan lists existing land uses in the City. Forty-seven percent of the City was devoted to residential uses. Commercial and light industrial uses each constituted approximately 3%. Other uses were Public and Quasi-Public uses (19%), Agriculture (15%), mixed-use (3%) and Recreation & Open Space (less than 1%). Ten percent of the City's land was categorized as vacant.

Productive prime farmland surrounds the City, with a predominance of vegetable and "truck" farms to the east and vineyards to the west.

In 2007, LAFCO approved a Greenfield Sphere of Influence update that increased the City's Sphere by approximately 820 acres. City staff estimate that twenty years of growth can be accommodated within the City's existing Sphere of Influence. Several subdivision annexations that were under discussion have been put on hold in part due to the housing market crash.

2. The Present and Probable Need for Public Facilities and Services in the Area

The City provides a wide variety of municipal services. The General Plan's Growth Management Element includes goals for the effective and efficient provision and delivery of government services. The Growth Management Element includes policies that require new development to be fiscally neutral in its impact on the general fund.

3. The Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide

The City's infrastructure has been developed in support of the area within the General Plan. Infrastructure expansion and improvements are guided by master plans. These

plans are regularly updated to provide a sufficient level of service. In assisting with the preparation of this Review, City staff expressed a need for additional funding for street maintenance and park facilities, particularly soccer fields.

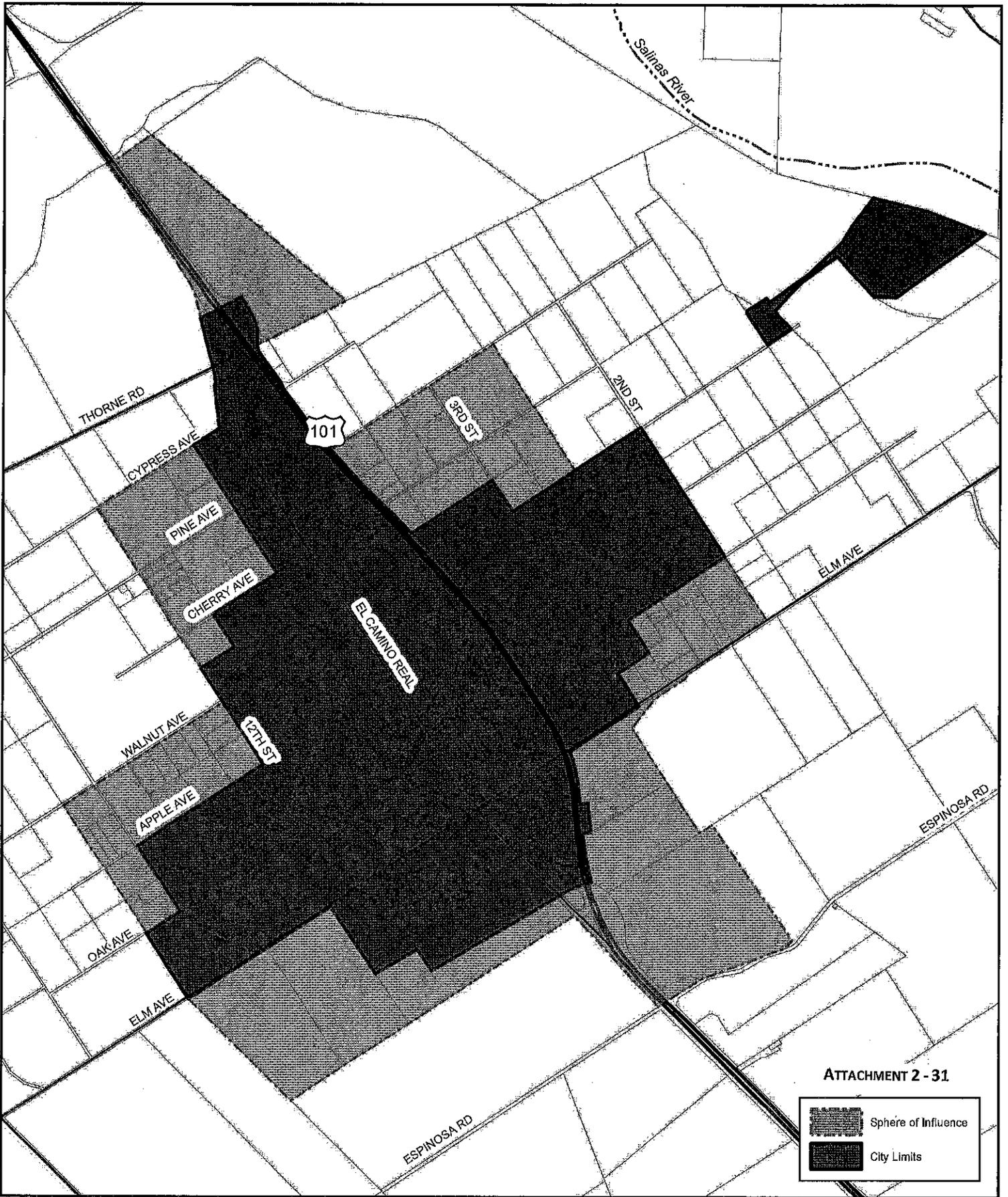
4. The Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines that They are Relevant to the Agency

There are no communities of social or economic interest that are relevant to consideration of the City's Sphere of Influence.

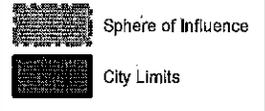
Due to a significant recent expansion of the Greenfield Sphere of Influence, no additional changes to the Sphere are necessary or requested at this time. However, for information purposes only, the City is considering one minor amendment that would facilitate an expansion of Patriot Park. This existing City park is located at the northwest corner of 13th Street and Elm Avenue. The schedule for initiating this possible future amendment will depend on the City's own planning and environmental review processes.

The Executive Officer recommends that the Commission affirm the currently adopted Sphere of Influence for the City of Greenfield (Exhibit A), with no changes at this time. A draft Resolution will be prepared that provides the necessary determinations for this action.

Exhibit A: Currently Adopted Sphere of Influence and City Limits Map, City of Greenfield



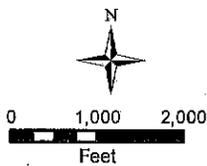
ATTACHMENT 2 - 31



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City Boundaries

GREENFIELD

Last LAFCO-Approved Change: 12/1/08
Sphere of Influence Affirmed: 9/27/10
Map Prepared: 9/27/10

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City of King
2010 Municipal Service and Sphere of Influence Review

PUBLIC REVIEW DRAFT
September 27, 2010

EXECUTIVE SUMMARY

This report provides information about the municipal services and Sphere of Influence boundaries of the City of King. It is for use by the Local Agency Formation Commission in conducting a statutorily required review and update process.

State law requires that the Commission conduct periodic reviews and updates of the Sphere of Influence of each city and district in Monterey County (Government Code section 56425(e)). The law also requires the Commission to update information about municipal services before adopting Sphere updates (Government Code section 56430). In 2009, the Commission adopted a comprehensive work program to carry out these requirements. The Commission's current focus of review is the five cities of the Salinas Valley.

Part One of this report contains information about the municipal services provided by the City of King. Information has been gathered about the capacity of services, the ability to provide services, the accountability for service needs, and the efficiency of service provision. The information is organized to correspond to six statutory determinations that need to be made by the Commission. The Executive Officer recommends that the Commission conduct a public hearing and adopt the updated service review information for the City of King. A draft Resolution will be prepared that supports this recommendation.

Part Two of the report reviews the Sphere of Influence of the City of King. Exhibit A is a map of the City's currently adopted Sphere of Influence and City Limits. A Sphere of Influence is the probable extent of the City's boundary and service area. The Sphere is an important tool used by LAFCO to encourage the orderly formation and growth of local government agencies, preserve open space and agricultural lands, discourage urban sprawl, and encourage the efficient provision of services. The Sphere review in this report corresponds to four statutory determinations that need to be made for a Sphere update.

ATTACHMENT 2-33

To address the City's probable long term needs, the City of King is engaged in a comprehensive update of the 1998 General Plan. The scope of the General Plan update has been prepared and funding is being sought to complete this planning process and the accompanying reports. The General Plan update will include plans for a Sphere update. The last Sphere amendment was adopted in 2002. Through the General Plan update process, the City will refine its Sphere expansion concepts and determine the nature of the Sphere applications to be proposed to LAFCO. In the meantime, the City's current planning activities are focused on development of lands within the City limits.

Because the City of King is not yet ready to initiate a formal Sphere amendment proposal, the Executive Officer recommends that the Commission affirm the City's currently adopted Sphere of Influence (Exhibit A) with no changes at this time. A draft Resolution will be prepared that supports this recommended action. The Commission can expect to receive one or more Sphere amendment proposals in coming years, the timing of which will be determined by the City's General Plan preparation and implementation processes and schedules.

The analysis, conclusions and recommendations in this report were prepared with information provided by, and in consultation with, the City of King. Data sources, including reference documents and a detailed survey completed by the City, are available for review in the office of LAFCO.

PART ONE: MUNICIPAL SERVICE REVIEW

In 2006, the Local Agency Formation Commission of Monterey County conducted a detailed review of the municipal services provided by the City of King. This report presents a brief update. The information is organized by the six determinations that need to be made for a municipal service review:

1. Growth and Population Projections for the Affected Area

The California Department of Finance has estimated the City's 2010 population at 12,140, as estimated by the California Department of Finance¹. This is an 8% population increase from 2000 when the population was 11,204. While this percentage increase is less than that experienced by the other three south Salinas Valley cities, it is consistent with the rate of increase experienced in the City of Salinas and the County as a whole. Between 1990 and 2000, the City of King experienced a 45% rate of population increase.

¹ California Department of Finance, Table 2: E-4 Population Estimates for Cities, Counties and State, 2001-2010, with 2000 Benchmark

The Association of Monterey Bay Area Governments projects that the City's population will grow to 19,295 by 2025 and 24,726 by 2035. If this projection is accurate, the City of King will experience a faster growth rate in coming decades than any other Salinas Valley city except for Gonzales.

2. Present and Planned Capacity of Public Facilities and Adequacy of Public Services, including Infrastructure Needs or Deficiencies

The 1998 General Plan Land Use Element includes a goal, supporting policies and programs to ensure the provision of adequate government offices and community facilities to accommodate the existing and future needs of the City. This goal and these policies and programs also address the adequate provision of police and fire protection services, public utilities, health and medical services and park and recreation facilities.

The King City Wastewater Treatment plant uses primary and secondary ponds, with facilities for non-recoverable industrial wastewater. The average flow capacity is 1.2 million gallons per day (mgd), which is well below the design capacity of 3.0 mgd. In June 2010 the City Council approved a contract of over \$900,000 to make improvements to the wastewater ponds including expansion of capacity. Water is supplied to King City residents by the privately-owned California Water Service Company. The City Police Department has an adopted response time of five minutes. The actual response time for the Department is between three and five minutes. The City's Fire Department has an adopted response standard of five minutes. Actual responses meet this standard on most occasions and range from three to seven minutes.

The City of King provides many city services, including: fire protection/emergency medical response; law enforcement and police; parks, recreation facilities, open space; recreation programs; resource conservation, airport, street construction; street maintenance; street lighting; street sweeping; landscaping and landscape maintenance; sanitary sewer collection; sanitary sewer treatment; recycled/reclaimed water, pump station maintenance; storm drain maintenance; surface water disposal, and flood control.

The recent decrease in municipal revenues has led to the reduced maintenance of parks and streets. The City is also considering the outsourcing of a significant number of city services, as well as a number of other cost cutting measures, as a means to maintain a balanced budget.

3. Financial Ability of Agency to Provide Services

The City of King has experienced a decrease in revenues for the second consecutive year, as is the experience of most cities. City Manager Michael Powers projected that

ATTACHMENT 2-35

revenue for the 2010-11 Fiscal Year will be close to a million dollars less than it was in the peak year of 2007. The City used a number of measures to balance this budget. The City increased revenues by approximately \$75,000 by raising fees and increasing business licenses. The City is reducing expenditures by approximately \$595,000 by implementing a wide variety of measures including reducing salaries and eliminating cost of living adjustments, eliminating two positions, and increasing the City's self-insurance. On August 10, 2010, the City Council adopted a budget with \$9.26 million in revenues and \$9.11 million in expenditures. Overall, the City's goal is to maintain the level of service through every possible effort.

4. Status of, and Opportunities for, Shared Facilities

The City coordinates with other local agencies to implement cost-efficient service delivery. The King City Fire Department has automatic aid agreement with the South Monterey County Fire Protection District, and mutual aid agreements with other County fire service providers. The City participates in the countywide dispatch and emergency communications system. The City of King worked cooperatively with the other Salinas Valley cities and the County to secure the regional designation of a State Enterprise Zone.

The City of King is participating in the Monterey County Joint Gang Task Force with the FBI and state and local law enforcement offices. The City, along with the other three south Salinas Valley cities, is also participating in an attack against crime dubbed the "Four Cities for Peace Plan." The City participates in the Monterey Bay Self Insurance Authority, a joint powers authority providing insurance to member cities. The City contracts out for services of a City Engineer, Community Development Director and City Attorney. The City previously contracted with the County of Monterey to provide building inspection services, but found that in-house services are more cost-efficient and effective.

5. Accountability for Community Service Needs, including Government Structure and Operational Efficiencies

The City Council is composed of five Council Members who are elected at large for four-year terms. One Council Member is appointed Mayor for a two-year term by the Council. Public meetings and City operations are widely publicized through the media, through mailings and by use of the City web site. The City Council has used public hearings on the City's budget as a forum for discussing ways to increase operational efficiencies while maintaining municipal services.

6. Any Other Matter Related to Effective or Efficient Service Delivery, as Required by Commission Policy

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The City has agreed to require that proposed developments mitigate their regional traffic impacts through contributions to a regional transportation improvement fund. The 1998 King City General Plan includes objectives for the development of a balanced range of land uses, for the protection of prime agricultural land, and the prevention of urban sprawl.

The Executive Officer will recommend that the Commission adopt this updated service information for the City of King. A draft Resolution will be prepared with determinations that support this recommended action.

PART TWO: SPHERE OF INFLUENCE REVIEW

The City of King's Sphere of Influence was expanded in 2002 with the 216± acre Meyer and Mills Ranch Reorganization, as part of the implementation of the City's 1998 General Plan. The previous amendment to the Sphere was in 1990. Exhibit A is a map of the currently adopted Sphere of Influence and City limits. Only two areas of the City's Sphere of Influence are outside of the City limits - the residentially developed Pine Canyon area and an expansion area for the City's Sewage Treatment Plant - and these areas do not allow for new development.

The City informally discussed two Sphere expansion concepts with LAFCO in 2004, and continues to explore other possible areas for expansion. In order to proceed with a formal Sphere update, the City will first need to complete a General Plan update, along with related environmental and fiscal reports.

The City's current planning activities are focused on development within the City limits. Areas in the City limits now being developed, or contemplated for development, include the completion of two residential subdivisions within the 2002 Meyer and Mills Ranch Reorganization area, the 108-acre Downtown Addition Specific Plan (currently being considered for City adoption), and approximately 45 acres near the Highway 101 / First Street Interchange that are available for highway commercial development.

Following is a review of the City of King Sphere of Influence. The review is organized by the four determinations that need to be made for a Sphere update:

1. The Present and Planned Land Uses in the Area, Including Agricultural and Open-Space Lands

The City's 1998 General Plan indicated that the largest component of the existing land use in the City was agriculture, which accounted for almost 23% of the developable land. Other major uses included Residential (23%), Public and Quasi-Public (20%), Industrial (9%), Commercial (7%) and Open Space (6%). Vacant land constituted approximately 15% of the land area and 1% was listed as unclassified.

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Similar to other communities in the Salinas Valley, the City of King is surrounded by some of the best farmland in the nation. In an attempt to protect this land, agricultural conservation easements have been secured to the north and south of the City. It is estimated that over 1,500 acres of farmland that are contiguous to the City limits are restricted by such easements. These easements remove the development potential of these parcels and therefore limit future development to the east and west. The 1998 General Plan generally follows an east- west development pattern.

Growth has slowed in King City as it has throughout the County. Housing construction within the Meyer and Mills Ranch Reorganization, which was approved by LAFCO in 2002, remains less than half completed.

2. The Present and Probable Need for Public Facilities and Services in the Area

The City Council is currently considering a draft Development Impact Fee (AB 1600). This plan presents a long-range identification and recognition of the City's infrastructure and physical needs. This plan is designed as the foundation for the development of the City's capital improvement plan.

The draft 2010 Development Impact Fee estimates the replacement value of the City's infrastructure at \$191 million. The largest component of this value is the circulation system, which is estimated to be worth over \$82 million. Other major components of the total value are wastewater treatment (\$24 million), wastewater collection system (\$23 million), parkland improvements (\$18 million) and storm drainage system (\$16 million). The report estimates a 50-year average depreciable life for these infrastructure improvements.

The draft Development Impact Fee estimates that \$97 million in infrastructure improvements are needed over the long term. This plan provides for three types of projects: a) the maintenance, repair and rehabilitation of the City's existing infrastructure, b) projects needed to serve future development to allow build-out of the City's General Plan, and c) projects proposed to enhance the quality of life for all City residents.

3. The Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide

The City uses the annual budget process to set priorities for public facility and service improvements. The City is considering approval of a Development Impact Fee which will be used to develop a Capital Improvements Plan. Once developed, the Capital Improvements Plan will improve the City's ability to maintain and improve its infrastructure while ensuring the efficient use of public funds. The City plans to

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complete a comprehensive water analysis and modeling study as part of its comprehensive General Plan update.

4. The Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines that They are Relevant to the Agency

Pine Canyon is a residential area that was developed at suburban densities in the unincorporated County. This canyon, which is in the City's existing Sphere of Influence, is on the west side of Highway 101 and southwest of the City limits. The King City General Plan states that residents of this area have on several occasions rejected proposals to be annexed into the City.

In 2004, the City of King informally consulted with LAFCO regarding a conceptual Sphere of Influence update. The concept included two expansion areas: (1) an area east of City-owned Mesa Del Rey Airport and (2) a 67-acre undeveloped parcel located west of the City limits. Since that time, the City's focus for expansion has changed to emphasize the San Bernabe Area to the City's southwest. The City's concepts for an expansion of its Sphere of Influence will be refined and determined as part of the comprehensive update to the 1998 General Plan.

In conclusion, there is no immediate need or request to amend the City of King's Sphere of Influence amendment. The timing of the City's request will depend on the City's own planning, environmental review and implementation processes and schedules. The Executive Officer therefore recommends that the Commission affirm the currently adopted Sphere of Influence for the City of King (Exhibit A), with no changes at this time. A draft Resolution will be prepared that provides the necessary determinations for this action.

Exhibit A: Currently Adopted Sphere of Influence and City Limits Map, City of King



LAFCO of Monterey County
 LOCAL AGENCY FORMATION COMMISSION

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City Boundaries

CITY OF KING

Last LAFCO-Approved Change: 3/25/02
 Sphere of Influence Affirmed: 9/27/10
 Map Prepared: 9/27/10