

**NOVATO AREA SERVICE REVIEW AND
SPHERES OF INFLUENCE**

Marin Local Agency Formation Commission

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SUMMARY & RECOMMENDATIONS

Novato Area Service Review and Spheres of Influence

A. PURPOSES OF SPHERES OF INFLUENCE ADOPTED BY LAFCO

This report is presented as part of a process mandated by Sections 56425 and 56430 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. As stated in that section, "In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local government agencies so as to advantageously provide for the present and future needs of the county and its communities, the Local Agency Formation Commission shall develop and determine the sphere of influence of each local governmental agency within the county." As used in this section, *"sphere of influence" means a plan for the probable physical boundaries and service area of a local government agency.*

In determining a sphere of influence, the Commission is required to consider and make written findings with respect to the following factors:

- The present and planned land uses in the area, including agricultural and open space lands.
- The present and probable need for public facilities and services in the area.
- The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide.
- The existence of any social or economic communities of interest in the area if the commission determines they are relevant to the agency.

Following adoption, spheres of influence act as a guide to LAFCO review of future proposals for changes to local government boundaries. LAFCO is now required to update adopted spheres of influence every five years.

B. EXISTING NOVATO AREA SPHERES OF INFLUENCE

Marin LAFCO engaged in extensive study of local agency jurisdictions in 1982. The Commission's report, Novato Community Urban Service Area Sphere of Influence, resulted in adoption of the present sphere of influence for the City of Novato shown on Map A. The City's sphere of influence excludes the Bel Marin Keys area. A separate sphere of influence was adopted for the Bel Marin Keys Community Services District.

Insert Map A

C. CHANGES AFFECTING NOVATO AREA SPHERES OF INFLUENCE SINCE 1982

A number of important changes have occurred in Marin County and the Novato area since 1982 that will have an impact on the review of existing spheres of influence:

1. **Definition of Sphere of Influence:** The definition of "sphere of influence" in 1982 was "... a plan for the *ultimate* boundary and service area of a local government agency." The definition now reads "... a plan for the *probable* boundary and service area of a local government agency."
2. **General Plans and Development Regulations:** The County's General Plan and Zoning Ordinance have been made more restrictive since 1982, decreasing potential growth in the unincorporated area. In 1997, the City of Novato adopted an Urban Growth Boundary ordinance, restricting (in most instances) the City's annexation of territory until 2017.
3. **Preservation of Open Space & Agriculture:** Large areas of open space and agricultural land are now permanently preserved in their present uses, restricting the outward expansion of urban land uses and reducing the potential demand for urban services in the unincorporated area.
4. **Sewer vs. Septic Wastewater Treatment Systems:** Deterioration of existing septic systems in the unincorporated rural residential areas of the 1982 sphere are creating increasing water quality protection problems. The County has adopted policies to encourage connection to public sewers in unincorporated areas. This trend creates demand for sewer service in unincorporated areas. Strengthened planning regulations for unincorporated areas have reduced the potential for inducement of disorderly growth that might have accompanied extension of sewer service under earlier conditions.

D. SERVICE REVIEWS

New legislation effective in 2001 requires LAFCO to perform "service reviews" prior to updating spheres of influence. In conducting a service review, LAFCOs must review all of the agencies that provide each local service within a designated geographic area. LAFCO may use guidelines adopted by the State Office of Planning and Research in adopting a series of findings on the effectiveness of the existing local government agencies in providing each service.

Chapter II “Service Reviews” discusses wastewater, police, fire, domestic water and park and recreation services in the study area. In general, the results of service reviews prepared as a part of this report conclude that local governments in the Novato area share a long history of seeking to cooperatively minimize costs and maximize service efficiency. Although the political reorganization of some special districts is possible, such reorganization is unlikely to result in significant public benefits and, in each case, would have undesirable effects on local political responsibility. Accordingly, the findings proposed in this study make no recommendation for further study or for changing the structure of local governments in the Novato area at this time.

E. RECOMMENDATIONS

1. Service Review Recommendations

This report recommends that the Commission adopt the findings required by Government Code Section 56430 as published in the report. Overall, those draft findings recognize that alternatives for reorganization of local government agencies in the Novato area are limited and broadly conclude that:

- a. The boundaries and service relationships between the City of Novato and the special districts that serve the Novato area do not easily lend themselves to reorganization.
- b. The possible reorganizations discussed in Chapter II “Service Reviews” would not be likely to generate significant public benefits and would in each case have some disadvantage in local political accountability for the provision of services.
- c. The services provided by the County, the City of Novato and special districts serving the Novato area are quantitatively and qualitatively different. The different types of organizations provide service in a generally complementary manner, rather than a duplicative manner that could be addressed through consolidation of agencies.
- d. Local government agencies in the Novato area actively and effectively work to reduce costs and maximize service efficiency by sharing facilities and programs wherever possible. Many cost savings that might otherwise be achieved through political reorganization of local agencies have already been realized through these practices.

2. Sphere of Influence Recommendations

The report recommends that the Commission adopt spheres of influence for each local agency in the Novato area, designating the following areas as the probable boundaries and service areas of each agency:

- a. City of Novato:** The recommended sphere of influence for the City of Novato includes all land within the City's current jurisdiction plus the unincorporated areas of Atherton Avenue/Rush Creek, Loma Verde, Leveroni and Vineyard Road as shown on Map B. The unincorporated areas included in the proposed City sphere of influence are within Urban Service Areas designated in the County's General Plan. The Gness Field area should be considered for inclusion in the City's sphere of influence on an interim basis (for study purposes) if the Commission concludes that the City and the County intend to jointly prepare a specific plan for the area within the next five years.
- b. Novato Sanitary District:** The recommended sphere of influence for the Novato Sanitary District would include territory as depicted on Map C. This area includes all territory designated as the City's sphere of influence plus the most of the Indian Valley area and Bel Marin Keys. The Black Point/Green Point Community Plan area is also included on an interim basis for the purpose of allowing LAFCO to approve annexations related to health and safety concerns during a five-year period provided for the updating of the Community Plan. Annexations to the Novato Sanitary District to provide service to new development would be recommended for denial as long as the adopted Community Plan does not anticipate extension of sewer service.
- c. Novato Fire Protection District:** The recommended sphere of influence for Novato Fire Protection District is equal to and coterminous with the District's present boundaries.
- d. North Marin Water District:** The recommended sphere of influence for North Marin Water District (in the District's Novato service area) is equal to and coterminous with the District's present boundaries plus areas within the City of Novato now served by Marin Municipal Water District in the Hamilton Field area.

- e. **Bel Marin Keys Community Services District:** The recommended sphere of influence for Bel Marin Keys Community Services District is equal to and coterminous with the District's present boundaries.
- f. **County Service Areas:** The recommended sphere of influence for County Service Areas #1 (Loma Verde unincorporated island) is "zero," encompassing no territory with the recommendation that County Service Area #1 be dissolved upon annexation of its service area to the City of Novato. The recommended sphere of influence for County Service Area #20 is equal to and coterminous with the present boundaries of its service area.

The full text of this report may be downloaded from the Marin LAFCO website at <http://lafco.marin.org>. Larger scale versions of the report's maps may be viewed at the offices of Marin LAFCO at 165 North Redwood Drive, San Rafael.

Map B

Map C

I. INTRODUCTION

A. PURPOSE

This report will review the spheres of influence of local government agencies in the Novato area. The discussion is intended to provide a basis for boundary planning decisions to be made by the Marin Local Agency Formation Commission and will include analysis and recommendations for the revision of the spheres of influence of the following local government agencies:

City of Novato
Novato Sanitary District
Novato Fire Protection District
North Marin Water District
Bel Marin Keys Community Services District
County Service Areas #1 & #20

B. BACKGROUND

This report is presented as part of a process mandated by Section 56425 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. As stated in that section, "In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local government agencies so as to advantageously provide for the present and future needs of the county and its communities, the Local Agency Formation Commission shall develop and determine the sphere of influence of each local governmental agency within the county." As used in this section, *"sphere of influence" means a plan for the probable physical boundaries and service area of a local government agency.*

In determining a sphere of influence, the Commission is required to consider and make written findings with respect to the following factors:

- The present and planned land uses in the area, including agricultural and open space lands.
- The present and probable need for public facilities and services in the area.
- The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide.
- The existence of any social or economic communities of interest in the area if the commission determines they are relevant to the agency.

While designating an area as part of an agency's sphere does not mandate that the area will be annexed or reorganized, it does signify the belief of the Commission that in the long-term, the agency is the logical and most efficient provider of municipal services. Changes to State Law effective on January 1, 2001 require LAFCOs to study the service relationships between agencies providing municipal services within different sub-regions in each county prior to the periodic review of adopted spheres of influence. "Service Reviews" for municipal services in the Novato area are incorporated in this report beginning on page 31.

Once adopted, the sphere of influence is an important guideline in reviewing individual proposals for changes in boundaries or organization in local government agencies. However, the specific changes in boundaries or organization recommended in a sphere of influence determination must be initiated by registered voters, landowners or an affected city or special district or the county. LAFCO itself may only initiate limited types of proposals affecting the organization of special districts.

Revisions to state law, court action, changes in land use and service plans and the passage of time have made some of the County's established spheres of influence outdated or otherwise insufficient. All LAFCOs in California are required to periodically review and update adopted spheres to account for such changes under Government Code Section 56425(b). Marin LAFCO adopted policies for the periodic review of spheres of influence in September 2000.

The actual effect of this or any other adopted sphere of influence will be to augment local agency plans with policy guidance on matters relating to the organization of local government. In short, the purpose of the Commission's sphere determinations is to answer the question, "What local agencies should provide which services to what geographical area as change occurs?"

C. EXISTING SPHERES OF INFLUENCE

Marin LAFCO engaged in extensive study of local agency jurisdictions in 1982. The Commission's report, Novato Community Urban Service Area Sphere of Influence, resulted in adoption of the present sphere of influence for the City of Novato. The City's sphere of influence excludes the Bel Marin Keys area. A separate sphere of influence was adopted for the Bel Marin Keys CSD. The Commission did not adopt or map distinct spheres of influence for the Novato Fire Protection District, Novato Sanitary District or the North Marin Water District. The spheres of influence of the Novato Sanitary District, Novato Fire

Protection District and the North Marin Water District are assumed to be similar to the sphere of influence adopted for the Novato community, except that the special district spheres do not exclude Bel Marin Keys, which is already served by all four special districts in the area.

The 1982 sphere of influence for the City of Novato includes all of its current jurisdiction plus additional surrounding unincorporated areas except for Bel Marin Keys as shown on Map 1.

A number of important changes have occurred in Marin County and the Novato area since 1982 that will have an impact on the review of existing spheres of influence:

1. **Definition of Sphere of Influence:** The definition of "sphere of influence" in 1982 was "... a plan for the *ultimate* boundary and service area of a local government agency." The definition now reads "... a plan for the *probable* boundary and service area of a local government agency."
2. **General Plans and Development Regulations:** The County's General Plan and Zoning Ordinance have been made more restrictive since 1982, decreasing potential growth in the unincorporated area. In 1997, the City of Novato adopted an Urban Growth Boundary ordinance, restricting (in most instances) the City's ability to annex territory within the 1982 sphere of influence.
3. **Preservation of Open Space & Agriculture:** Large areas of open space and agricultural land are now permanently preserved in their present uses, restricting the outward expansion of urban land uses and limiting the potential demand for urban services in the unincorporated area. (See Map 7.)
4. **Sewer vs. Septic Wastewater Treatment Systems:** Deterioration of existing septic systems in the unincorporated rural residential areas of the 1982 sphere is creating increasing water quality protection problems. The County has adopted policies to encourage connection to public sewers in unincorporated areas. This trend creates demand for sewer service in unincorporated areas. Strengthened planning regulations have reduced the potential for inducement of disorderly growth that might have accompanied extension of sewer service under earlier conditions.

Each of the changes described above may affect the territory that LAFCO includes in the sphere of influence - boundary plan - for each city and special district in the study area.

MAP 1

D. DESCRIPTION OF EXISTING AGENCIES & SERVICES

Table 1 lists the City of Novato and special service districts described in this report and shows summary data for each. The following sections of the report discuss the services, governance and budget of each district.

Table 1
Summary Data - City of Novato & Novato Area Special Districts

City/District	Year Formed	Services	2000 Population	Area (sq. mi.)	Full-Time Staff	Budget (\$million)
City of Novato	1960	Gen. Admin, Police, Bldg & Planning, Parks & Recreation, Streets, Redevel.	48,950	28	230	\$27
Novato Sanitary District <i>Health & Safety Code 6400</i>	1925	Wastewater & Solid Waste Collection, Treatment & Disposal	56,000	22.6	26	\$4
North Marin Water District <i>Water Code 30000</i>	1948	Domestic water service (Novato Service Area only)	54,000	75	49	\$8
Novato Fire Protection Dist. <i>Health & Safety Code 13800</i>	1926	Fire Protection, Emergency Medical	58,500	75	81	\$11
Bel Marin Keys CSD <i>Government Code 61000</i>	1961	Street lighting, waterway & landscape maintenance	1,800	1	2	\$0.26
County Service Area #1 <i>Government Code 25210.1</i>	1974	Street lighting, landscape maintenance	1,050	.33	0	\$0.13
County Service Area #20 <i>Government Code 25210.1</i>	1961	Open space maintenance	800	1.0	0	\$0.04

1. City of Novato

The City of Novato was incorporated in 1960. The population of the City in 2000 was approximately 47,630, about 85% of the study area population. Services provided by the City include general administration, police, maintenance of public facilities (streets, parks, municipal buildings), planning and building, and parks and recreation. Total budgeted expenditures for fiscal year 2000-01 were approximately \$27 million. Other municipal services (fire protection, water and sewer) are provided by independent special districts as summarized in sections below. More detailed information on City services is included in the "Service Reviews" chapter of this report.

The City's boundaries include most but not all of the urbanized area within the sphere of influence designated by LAFCO in 1982. Substantial agricultural and open space areas also lie within the City's present boundaries. The City's 1982 sphere of influence includes all of the City's present jurisdiction, most unincorporated areas surrounded or nearly surrounded by the City boundary plus hillside open space areas within the City's drainage and view-shed. The 1982 sphere of influence excludes the Bel Marin Keys area.

Since the designation of the City's sphere of influence, the City and the County have used the sphere of influence to coordinate the land use designations of the City and County general plans. The County's General Plan focuses additional attention on areas within the Novato sphere of influence through adopted community plans for the Indian Valley and Black Point/Green Point areas and through the designation of "urban service areas". The community plans add greater specificity of County land use policy, including policy on the extension of sewer service.

The 1993 County General Plan Community Facilities Element further designates "urban service areas" within the sphere of influence as a means of delineating areas where urban development patterns can best be accommodated over the next ten years given the availability of services and close proximity to existing urban areas and facilities. Map 2 shows the relationship between the present City boundary, County-designated urban service areas, community plan areas and the 1982 Novato Sphere of Influence.

Water, sanitary and fire districts were founded well before the incorporation of the City. The reorganization of these districts was not part of the incorporation proceedings in 1960, presumably because the jurisdictions of the water, fire and sanitary districts included extensive rural areas deemed inappropriate for city incorporation. These service functions have accordingly remained independent of the City. The limited service functions of the City prior to the 1978 passage of Proposition 13 required a low property tax rate relative to

MAP 2

total property taxes levied by all local agencies in the area. This, in turn, meant that the City's post-Proposition 13 property tax revenues have been very low relative to other public agencies. The effects of Proposition 13 on the City's ability to fund the services it provides have been particularly harsh. As the City has continued to grow and develop, property tax revenue has contributed a declining share of total revenue requirements. Sales tax-generating land uses - commercial development - has expanded very significantly in recent years, but have not eliminated financial constraints on the City's ability to extend services to new areas through annexation. This is especially true for low density, semi-rural residential areas distant from the City's center.

In 1997, Novato voters passed an Urban Growth Boundary ordinance (UGB) that defined very limited circumstances in which the City would willingly annex new territory and extend urban services. The Urban Growth Boundary was adopted to include only the currently incorporated territory of the City and add only areas necessary for public facilities, affordable housing, open space and for protection of public health.

The City of Novato has always been a potential partner for the consolidation of special service districts as discussed in previous consolidation studies (see page 32). Of the independent districts serving the Novato area, only the Novato Sanitary District has a service area similar enough to the City boundary to enable action to establish Novato Sanitary District as a "subsidiary district"¹ of the City. This alternative is discussed in Chapter II "Service Reviews". Given the existing boundaries and sphere of influence of the City, no political consolidation of the City with Bel Marin Keys CSD, Novato Fire Protection District or North Marin Water District is currently possible. However, the City and special districts have frequently worked together to achieve some of the cost savings and service efficiencies that would be the goals of agency consolidations.

¹ A subsidiary district is a special service district in which a city council is designated as the ex officio board of directors of the district. In the case of Novato Sanitary District, the District would remain as a separate entity with different boundaries than those of the City, but would be governed by the Novato City Council. Not less than 70% of the district's land area and total registered voters must lie within the City's boundaries in order to form a subsidiary district.

2. Novato Sanitary District

The Novato Sanitary District was formed in 1925 originally providing solid waste disposal service. The District began construction and operation of its sewer system in 1949.

Map 3 shows the portion of the study area that is provided public sewer service by the Novato Sanitary District and the Las Gallinas Valley Sanitary District. Novato Sanitary District provides service to most of the incorporated territory of the City of Novato plus unincorporated areas including Bel Marin Keys, Loma Verde, Vineyard Road, and Rush Creek. Las Gallinas Valley Sanitary District provides service to a mobile home park in the Hamilton Field area, which drains toward Las Gallinas Valley Sanitary District facilities rather than Novato Sanitary District facilities. Parts of the study area developed in semi-rural residential use, such as Indian Valley and Black Point/Green Point rely on individual on-site septic systems.

Sanitary districts are authorized in State Law under Health and Safety Code Section 6400, et seq., and may acquire, construct and operate works for the collection, treatment and disposal of garbage, storm water and sewage and operate water recycling and distribution systems. A district may include incorporated or unincorporated territory. The governing board consists of five elected members.

The District's annual operating budget for fiscal year 2000-01 is \$4.5 million; this year's capital improvement budget totals approximately \$3.8 million. The current annual service charge levied by Novato Sanitary District to its residential customers is \$118, the lowest rate charged for sewer service in Marin County.

Novato Sanitary District's service area is approximately 23 square miles. The District provides service to 22,339 connections (residential equivalent), maintaining and operating 195 miles of sewer main and two wastewater treatment plants with a total treatment capacity of 6.55 million gallons per day (mgd). District treatment plants currently process an average dry weather flow of 5.25 mgd.

The District's sphere of influence includes all of the territory in the sphere of the City of Novato plus the Bel Marin Keys area.

Map 3

Novato Sanitary District staff reports that the District's network of trunk lines and sewer mains was originally planned and sized for a total population of 100,000 to 150,000, well in excess of current build-out populations anticipated by the current general plans of the City and County. The District's current treatment capacity may require development of an additional 1.0 million gallons per day if all of the area's unincorporated communities (Black Point/Green Point, Indian Valley, Atherton Avenue, Gness Field, etc.) are maintained in the District's sphere of influence and eventually provided service by Novato Sanitary District. Such expansion is within the capabilities of the District.

Novato Sanitary District is also responsible for solid waste disposal in the Novato area. The District provides this service through a franchise contract with Novato Disposal Service, Inc. Novato Sanitary District and the City work cooperatively through the joint City/District Solid Waste Committee composed of members of the City Council and District Board.

The District Board has recently adopted a strategic plan which includes the long-range goal of zero wastewater discharge to San Francisco Bay. Implementation of this goal will require development of an extensive wastewater recycling system in conjunction with the North Marin Water District. During dry weather months, Novato Sanitary District currently discharges its treated wastewater to irrigate pastureland owned by Novato Sanitary District and the County Flood Control District on both sides of Highway 37. Novato Sanitary District's permit to discharge effluent into San Francisco Bay requires that no discharges be made to the Bay for at least three months per year. To date, the District has had no difficulty in meeting this requirement.

Further expansion of wastewater recycling efforts will occur with the extension of tertiary treated water lines to the Stone Tree Golf Course near Black Point. Although this system has not yet been built, the developer has posted a performance bond to ensure its installation as a condition of development approval. Although no other specific recycling projects are planned, Novato Sanitary District is a member of the North Bay Watershed Association, a joint powers agency composed of 14 Marin and Sonoma County Agencies with an interest in water management issues in the North Bay Area. Through the Association, Novato Sanitary District and North Marin Water District will be able to examine a broader range of opportunities for wastewater recycling in a broader geographic area than would otherwise be the case. The Association was established in 1999 and is exploring the potential linkages between suppliers of highly treated wastewater and locations where such wastewater might be efficiently put to use.

3. Novato Fire Protection District

Novato Fire Protection District was formed in 1926. The original boundary and 75 square mile service area of the District is nearly unchanged since formation. The District's service area is similar to that of North Marin Water District's Novato service area and includes all of the City of Novato, Bel Marin Keys, all unincorporated areas in the present Novato Sphere of Influence plus significant undeveloped open space areas west of the City's boundary as shown on Map 4.

Fire protection districts are authorized by Section 13800, et seq., of the State Health and Safety Code. A fire protection district may provide fire protection services including ambulance services, rescue and first aid services, clearing of land, adoption of fire prevention ordinances, issuance of burning permits and dissemination of fire prevention information. A district may establish special fire protection zones when improvements are made which benefit only a portion of the district or for similar purposes. A district may consist of any incorporated and unincorporated territory which has not been declared the responsibility of the state for fire protection. The district board may be three or five members directly elected or, in some cases, appointed by a city council or the board of supervisors.

Novato Fire Protection District provides the following services within its service area: structural and wildland fire protection, emergency medical, emergency preparedness, rescue, hazardous materials mitigation, fire prevention and plan checking. The District contracts for dispatch service with the County Communications Center (at substantial cost savings to the District).

Wildland fire protection on undeveloped "State Responsibility Areas" within much of the District's service area is the responsibility of the County Fire Department. However, Novato Fire Protection District wildland fire capabilities are often first to respond to incidents within the District boundaries. Quick initial response to wildland fires is critical to protect structures and minimize the potential for large-scale wildland/urban fires such as the Oakland/Berkeley Hills fire and the recent Mt. Vision fire in West Marin. The District's wildland fire protection capabilities are backed by the resources of the County Fire Department and the California Department of Forestry.

In 1999, the Novato Fire Protection District received a total of 4,057 calls for service. Approximately 63% of those calls were for medical service, 4% were for fire and 6% were requests for aid from other jurisdictions.

Map 4

Novato Fire Protection District operates four stations (also shown on Map 4) and employs a total of 81 full-time positions, including 13 administrative positions. (A total of 85 positions are authorized in the current budget.) The District's budget for fiscal year 2000-01 is approximately \$10.7 million. About 90% of the District's total revenue is derived from property tax. The District's operations are hampered by its obligation to transfer approximately \$1.2 million to the State's Educational Revenue Augmentation Fund (ERAF). This obligation weighs heavily on the District in light of expanding service needs from the redevelopment of the Hamilton Field area. Novato Fire Protection District charges a voter-approved special assessment that generates a total of approximately \$1.2 million for fiscal year 2000-01. The March 5, 2002 ballot will include authorization of an increase in the District's special tax and the use of an annual adjustment for inflation to ensure adequacy of operating funds for the long term.

The Insurance Services Office, Inc., calculates ratings for fire protection agencies in the United States. The Insurance Services Office collects information on a community's public fire protection and analyzes the data using a classification rating schedule from 1 (most effective fire suppression) to 10 (no qualifying fire suppression organization). The rating schedule is a fire insurance rating tool which takes into account building types, fire flow, equipment, personnel, training, and communications systems. The rating system does not account for urban/wildland fire protection capabilities. The ratings generated by the Insurance Services Office classification system correlate statistically with the cost of fire insurance claims within rated areas, but is not intended to reflect all aspects of a public fire protection program.

In populated areas, Novato Fire Protection District has an Insurance Services Offices rating classification of 3. Nationwide, only 1,534 (3.4%) of approximately 45,000 rated fire agencies have an Insurance Services Offices rating of 3 or better. Rural areas of the District's jurisdiction without public water service have a rural class 9 Insurance Services Office rating. The District does maintain specialized equipment to provide service in rural areas east of Stafford Lake and other similarly remote areas.

The District has adopted and met its own performance standard of responding to 90% of calls for fire and paramedic services within five minutes or less.

For areas under the responsibility of County Fire, the Insurance Services Office rating is 4 for structures within five miles of a fire station and within 1,000 feet of a fire hydrant. Areas not meeting those requirements have an Insurance Services Office rating of 9.

4. North Marin Water District

The North Marin Water District was formed in 1948 as a County water district under Section 30000 of the State Water Code to take over the services of the Novato Water Company. At that time, a public agency was better able to finance and construct the expansion of local facilities required to avoid water shortages and support growth in the Novato area.

North Marin Water District is a County water district, authorized under Section 30000, et seq., of the State Water Code. A county water district may furnish water, provide sewer service, operate recreational facilities, provide for waste collection and disposal, operate fire protection facilities and reclaim land. A district may include both incorporated and unincorporated territory. The governing board consists of a five member elected board of directors.

The North Marin Water District jurisdiction includes all of the City of Novato plus all unincorporated areas in the present Novato Sphere of Influence as shown on Map 5. The District's Novato service area overlaps all of the jurisdiction of the Novato Sanitary District. In addition, North Marin Water District has other service areas in the West Marin communities of Tomales, Marshall, Inverness, Point Reyes Station and Olema. The District provides sewer collection and treatment in the Oceana Marin area of Dillon Beach.

As shown on Map 5, parts of the Hamilton Field area are within the boundary of Marin Municipal Water District. North Marin Water District and Marin Municipal Water District have negotiated an agreement for the transfer of facilities to North Marin Water District and submitted an application for reorganization of the boundary between the two districts for consideration by LAFCO. The resulting boundary under the proposal would conform to the boundary of the City of Novato in the Hamilton Field area.

The District currently provides water service to a total of 18,944 service connections and a population of approximately 56,430. Of those amounts, 17,936 service connections and a population of approximately 54,000 are within the District's Novato service area. The District's water distribution system consists of approximately 312 miles of water main of which 283 miles are within the Novato service area. The District employs a total of 48.8 full-time equivalent employees. The District's total budget for fiscal year 2000-01 is \$10.4 million.

Map 5

In the Novato area, average daily demand for water is 9.6 million gallons per day (mgd), with current peak demand at 14.05 mgd. Twenty percent of the District's water supply is from the North Marin Water District-owned Stafford Lake. Approximately 80% of North Marin Water District's Novato area water supply is received from the Russian River through a supply agreement with the Sonoma County Water Agency. North Marin Water District is one of nine contracting jurisdictions receiving water through this agreement.

The District's treatment plant treats only water from Stafford Lake. Water from the Russian River pipeline does not require treatment by North Marin Water District. Water provided by the District meets all State and Federal water quality requirements for surface and ground water sources of supply.

The availability of additional water to support future development is sufficient under the terms of the District's agreement with Sonoma County Water Agency. That is, North Marin Water District's maximum supply entitlement to Russian River water under the terms of that agreement would support build-out of the City and County general plan land use designations. Calculation of water demand under buildout assumptions of the City and County general plans includes successful implementation of water conservation and wastewater recycling programs. However, future actions of regulatory agencies for environmental protection could affect total available water from Russian River sources for urban uses and conceivably reduce North Marin Water District's anticipated supply under the agreement.

Within the District's Novato service area, North Marin Water District works with Novato Fire Protection District to maintain adequate pressure for fire flow in four pressure zones within North Marin Water District's Novato service area. Having studied the Mt. Vision fire in West Marin, the two districts jointly determined the need for increasing fire flow from 1,000 gallons per minute to as much as 1,700 gpm in areas subject to the demands of fighting fire in urban/wildland interface areas. As a result, North Marin Water District's Capital Improvement Plan includes provision for increased storage tank capacity and other improvement in the Novato Heights, Old Ranch Road, Cherry Hill/Olive Ave, Verissimo and Wildhorse Valley areas. North Marin Water District is currently constructing new reservoir facilities in the Hamilton Field area to serve the general needs and improve fire flow in the City's redevelopment area.

As described above, North Marin Water District is a member of the North Bay Watershed Association, a joint-exercise-of-powers agency (or JPA) formed to facilitate wastewater recycling and other conservation projects in Marin, Sonoma and Napa Counties. When wastewater recycling projects such as the Stone Tree Golf Course irrigation system are implemented within the North Marin Water District boundaries, North Marin Water District will own and operate transmission facilities providing highly treated wastewater for non-domestic purposes. Novato Sanitary District will act as a source of supply.

Potential applications of recycled wastewater in the Novato area include irrigation water for freeway, cemetery and park landscaping. Additional applications of recycled wastewater for marsh restoration will be evaluated by the North Bay Watershed Association.

The major capital improvements necessary to provide water service for further development (additional transmission and storage facilities) are financed primarily through connection fees collected as new development occurs within present District boundaries. As with other "enterprise" districts, the ongoing costs of North Marin Water District's operations are funded by fees for service. The District Board of Directors sets its own water rate as required to pay those costs. However, the establishment of a wastewater recycling system represents the construction of an entirely new system of water distribution lines parallel to the existing domestic water system facilities. The funding sources for capital costs of new wastewater recycling facilities have not been clearly identified.

5. Bel Marin Keys Community Services District

The Bel Marin Keys Community Services District was formed in 1961 to provide limited public services to new waterfront residential development. The District's jurisdiction now encompasses approximately one square mile, 700 housing units and a population of approximately 1,800. Bel Marin Keys CSD's boundaries and service area are shown with those of the City of Novato in Map 6.

Community services districts are authorized under Section 61000, et seq., of the State Government Code. A community services district may be formed to provide water, sewer or garbage services, fire protection, public recreation, street lighting, mosquito abatement, police services, library services, street improvements, conversion of overhead electric and communication facilities to underground locations, ambulance services, airport facilities, flood control and transportation services. The board of directors may consist of three or five members elected at large, or may be the county board of supervisors.

Bel Marin Keys CSD is governed by a five-member board of directors. The Board meets monthly. Board members receive no compensation for their service. In the past ten years, four of five elections for expired board member terms have been contested elections.

Map 6

The District's primary responsibility is the maintenance of the locks and waterways that provide water access to the community's residences. The District also maintains a small community center, four parks (3.25 total acres), three acres of passive open space, landscaped street medians and 144 streetlights. In cooperation with Novato Fire Protection District, Bel Marin Keys CSD is directly involved in disaster preparedness, maintaining caches of emergency equipment provided by Novato Fire Protection District. Bel Marin Keys CSD also meets to review development proposals for compliance with covenants, codes and restrictions that apply to private property in Bel Marin Keys. The District undertook this responsibility following the suspension of activity by the area's private property owners association. No significant further development of the Bel Marin Keys area or expansion of facilities maintained by the District is expected under the adopted Countywide Plan.

The District employs one full-time general manager and part-time contract employees totaling 2.25 full-time equivalent positions. Total budgeted expenditures for fiscal year 2000-01 are \$231,000. Over 90% of the District's operating revenue has historically been derived from the property tax. As with other property tax-dependent local agencies, the limited annual increases in property tax revenues have not kept pace with the rate of increase in the cost of local services.

Residents of Bel Marin Keys have not, until recently, paid any additional charge or special tax for the maintenance of their waterways. Bel Marin Keys CSD only receives a small portion (12.8%) of total property tax revenues collected from the exclusively residential Bel Marin Keys area. Bel Marin Keys CSD's revenues are not sufficient to adequately meet demand for its services, especially the cost of maintaining the navigability of its waterways.

Bel Marin Keys, like Bahia, Santa Venetia, San Rafael Canal and other water-oriented communities in Marin, is subject to siltation of its waterways and the need for periodic dredging. With insufficient property tax revenues, the District has been beset by the difficulties associated with its waterways: increasing maintenance costs, availability of a viable spoils disposal site and complex permitting procedures. Costs of recent litigation have also affected the District's regular maintenance programs. Bel Marin Keys CSD is now authorized by its voters to sell bonds for reconstruction of its locks and District voters have recently approved a \$351 per unit parcel tax for on-going waterway maintenance needs including lock maintenance and dredging.

The Bel Marin Keys CSD Board has re-established expenditures for landscape maintenance, retained bond counsel and a consultant to evaluate the District's administration, staffing and facilities management needs. The District is pursuing permits for dredging its waterways and the purchase of the Leveroni property, immediately to the west of Bel Marin Keys, as a site for the deposit of dredge spoils.

LAFCO excluded the Bel Marin Keys area from the sphere of influence of the City of Novato in 1982. The residents' desire for the exclusive enjoyment of its waterways and the City's desire to avoid cost liability or potential for service responsibility associated with the waterways has created a mutual disinterest in any reorganization involving the City and the District. An incorporation proposal for Bel Marin Keys in the early 1980s was undertaken to pre-empt the possibility of annexation by the City. The effort was dropped after LAFCO excluded Bel Marin Keys from the City's sphere of influence.

The sphere of influence of Bel Marin Keys CSD designated by LAFCO in 1982 includes all territory excluded from the sphere of the City of Novato as shown on Map 6. The Leveroni property is not currently within the District's sphere of influence.

6. County Service Areas

The Novato study area also contains smaller areas served by County Service Area #1 and #20.

County service areas are authorized under Government Code Section 25210, et seq. County service areas may provide extended police protection; structural fire protection; park, recreation facilities and services; extended library facilities and services; television translator station facilities and services; and any other governmental services which the county is authorized by law to perform and which the county does not perform to the same extent on a countywide basis both within and without cities. Contiguous or noncontiguous unincorporated territory may be included in a county service area (i.e., the area within a County service area may include separate geographic areas). All or a portion of a city may be annexed to a county service area with the consent of the city council. The county board of supervisors is the governing body of all county service areas.

County Service Area #1 provides street lighting maintenance service in the unincorporated Loma Verde area. Service is provided by contract with a private company. Landscape maintenance service previously provided for street medians in the area has been discontinued due to funding constraints. Total expenditures for County Service Area #1 in fiscal year 2000-01 were budgeted at \$130,000 derived exclusively from area property tax revenues.

County Service Area #20 provides open space maintenance service for open space reserves in the unincorporated Indian Valley area. Service is provided by the County Open Space District. Total expenditures for County Service Area #20 in fiscal year 2000-01 were budgeted at approximately \$40,000 derived exclusively from area property tax revenues.

E. PROJECTED AREA GROWTH AND SERVICE DEMAND - POPULATION GROWTH

1. City of Novato

Novato has experienced strong population growth since incorporation in 1960, although growth has slowed in recent years. The City's greatest population increase occurred in the decade between 1960 and 1970 when the population increased from 17,881 to 31,006, an increase of 73.4% (1996 Novato General Plan, page III-22). Between 1980 and 1990, population increased from 43,916 to 47,585, an increase of 8.4% (1996 Novato General Plan, page III-22). According to the 2000 Census, the total population in the City of Novato is currently 47,630. This represents an increase of 0.1%, or only 45 people within a decade. During this period, new population growth was offset by closure of Hamilton Air Force Base. Under the City's Base Re-Use Plan, build-out of the Hamilton Field will include an additional 2,129 residential dwellings not including existing units at Lanham Village and Spanish Housing (City of Novato letter dated July 11, 2001).

Between 1990 and 2000, employment grew by 19%, going from 16,620 jobs in 1990 to 21,210 jobs in 2000 (1996 Novato General Plan, page III-27). Job growth is expected to continue to outstrip population growth in the next decade, increasing by 22% to 31,620 jobs by 2010 (1996 Novato General Plan, page III-23). Like all communities in Marin County, strong demand for affordable housing in Novato is expected to continue, as discussed below in Section F, "Land Use and Housing".

2. City of Novato Plus Unincorporated Sphere of Influence

The City's General Plan and the Association of Bay Area Governments (ABAG) anticipate continued growth in the Novato Sphere of Influence. Between 1980 and 1990, the population within Novato's sphere of influence grew by 3.5%, from 51,209 to 53,015. During the period between 1990 and 1995, the population increased from 53,015 to 54,000, a gain of 1.8%. According to census data, in 2000, the population within Novato's sphere of influence is 55,800. The population of the unincorporated areas in the City's sphere of influence represents slightly less than 15% of the total study area population. The Association of Bay Area Government projects that the population within the City and its sphere of influence will reach 65,300 by 2010, an increase of 3.58% over the 2000 population.

3. Marin County

Urban development in Marin County is established in the eastern portion of the County along the Highway 101 and Sir Francis Drake rights-of-way. The Countywide Plan designates this area as the “City-Centered Corridor,” and as the desired location for future urban development. Urban uses are generally excluded from the other two corridors described in the Countywide Plan, the Inland Rural Corridor and the Coastal Recreation Corridor.

The 1994 Countywide Plan adopted Urban Service Area policies to encourage new development around existing city boundaries and to encourage the annexation of urbanized unincorporated areas. The 1994 Plan stated that areas close to existing facilities and city boundaries are suitable for annexation because cities and special districts are best prepared to efficiently provide urban services. The urban service areas were mapped and designated as places where urban development should occur. Urban service area designations in the Countywide Plan are located within spheres of influence designated by LAFCO (1994 County General Plan, Community Facilities Element, page 35).

The population of Marin County increased by 7.5% between 1990 and 2000, from 230,096 to 247,289 (Census 2000). California’s population grew by 13.8% during the same time period, making Marin County’s growth rate well below average among the State’s 58 counties. The largest increase in population growth in Marin County occurred in San Rafael, which increased by 7,659. Total population is projected to increase to 267,900 in the County by 2010 according to Association of Bay Area Governments projections. During the same period (1990-2010), job growth in Marin County is expected to increase from 107,410 to 136,800 jobs.

According to the Association of Bay Area Governments projections, employment and housing trends in the Bay area and Marin County include:

- a. Housing production will continue to lag behind the increase in new jobs, with employment in the City of Novato producing more than three jobs for each projected new household between 2001-2006;
- b. A corresponding undersupply of housing, which has contributed to steep increases in housing prices and rents. The average price for new and existing homes in Marin County increased from just under \$400,000 to nearly \$600,000 per unit between 1990 and 2000, an increase of approximately 50% compared to an increase in family income of approximately 36%.

- c. Increased commute times as the jobs/housing imbalance has increased.
- d. Increasing disparities between the wealthiest and least affluent, with household incomes in Marin County increasing from a mean household income of \$83,200 in 1990 to \$113,600 in 2010.

F. LAND USE AND HOUSING

Land use within the City of Novato is predominantly residential in the valley areas west of Highway 101 and in pockets along the San Pablo Bay historic flood plain east of the freeway. The majority of housing is single-family detached on lots under one acre in size. However, as land costs have increased, the number of attached and multi-family units has also increased. Commercial uses are concentrated downtown along Grant Avenue, along Redwood Boulevard, in pockets along Highway 101, and in various convenience centers within the City's boundaries. A major regional shopping center, Vintage Oaks, opened in 1991. Office uses are located along the freeway, in and around Downtown, near the former Novato Community Hospital site, along Novato and South Novato Boulevards and in the industrial parks. Agricultural uses continue both inside and outside the City limits, in the areas on both sides of Highway 37, west and north of Gness Field, south of Bel Marin Keys and within the Indian Valley area.

Currently the City has approximately 23,000 dwelling units. Between 1990 and 2000, the City added approximately 1530 housing units to its housing stock, for an average of 139 units per year. Total projected housing need according to the Association of Bay Area Governments is 2,582 within the City limits between 2001 and 2006, or approximately 514 units per year (Regional Housing Needs Determination, 2001– 2006 Housing Element Cycle). Of the total projected need, 476 of the units would be for very low-income families, 242 for low-income families, 734 for families with moderate-income levels, and the remainder, 1,130 for families with above-moderate incomes. While the City has sufficient vacant land to accommodate the housing need allocation, historically the City has not produced this level of housing development.

The current and planned redevelopment of Hamilton Field will address a significant portion of the City's housing goals. The Hamilton Re-Use Plan includes construction of over 700 units of affordable housing and over 1,000 market-rate housing units ranging from apartments to custom homes.

Allocation of unincorporated land to the City's sphere of influence will not significantly affect implementation of the City's housing goals. The City's existing incorporated area includes significant amounts of undeveloped or underdeveloped land. Underdeveloped areas surrounding the City's existing boundary are generally planned for open space or very low-density residential use.

While the City currently enjoys a nearly balanced jobs housing ratio (1.36 jobs to housing ratio), job growth between 2001 and 2006 is projected to outpace new housing by 3+ jobs per new household. Approximately 501 households are projected to be created and 1,652 new jobs during that period (communication on August 9, 2001 with Alex Amoroso of the Association of Bay Area Governments; Association of Bay Area Governments 1999 Projections Modeling based on information provided by the City of Novato).

Table 2
Build-out Under the 1996 General Plan

Land Use	Existing Built and Vested 1995	1996 General Plan Estimated Increase Above 1995		1996 General Plan Total Estimated Buildout
Residential	21,044 Units	5,465 Units	25%	26,509 Units
Commercial	6,207,352 SF	3,372,103 SF	54%	9,579,455 SF
Industrial	135,549 SF	2,080,229 SF	1,534%	2,215,778 SF
Office	1,138,793 SF	1,253,848 SF	110%	2,392,641 SF

Notes:

"Existing built and vested" includes developments under construction as of May 1995 and development which is "vested" as guaranteed by a Development Agreement or other means.

"Commercial" includes all development not strictly defined as "Industrial" or "office". It includes retail, wholesale, services, mixed non-residential uses, etc.

Build-out estimates include development on all vacant or under-developed land not publicly owned.

1. Limitations to Growth in the City of Novato

In November 1997, the City of Novato approved an Urban Growth Boundary (UGB) by voter initiative (Ordinance No. 1379A). The Urban Growth Boundary is the same as (coterminous with) the current city boundaries.

The policies of the Urban Growth Boundary seek to limit development outside the City's boundaries to non-urban uses such as agriculture, conservation, parkland and open space for a period of 20 years. Policies added by the Urban Growth Boundary ordinance include:

- ❑ LU Program 10.1: Request that the Marin County LAFCO revise the Novato Sphere of Influence in accordance with the Novato General Plan.
- ❑ LU Program 10.2: Study potential urban service areas as defined by LAFCO and consider amending the General Plan to delineate them and adopt appropriate policies.
- ❑ LU Program 10.3: Request that LAFCO and the County of Marin recognize the Urban Growth Boundary in their official plans.
- ❑ LU Policy 10A Urban Growth Boundary: Land use designations outside the Urban Growth Boundary have been established for long term planning purposes. For the 20-year duration of the Urban Growth Boundary, development outside the Urban Growth Boundary shall be limited to non-urban uses such as agricultural, conservation, parkland, and open space uses, except as provided herein. The City, its departments, boards, commission, officers, and employees shall not grant or approve any general plan amendment, rezoning, or zoning ordinance amendment, specific plan, master plan, precise development plan, tentative, or final subdivision map, conditional use permit, building permit, or any other discretionary or ministerial land use or development approval or entitlement for urban land uses outside the Urban Growth Boundary except as provided in this policy.

The City's Urban Growth Boundary can be amended only by a vote of the residents of the City, but does provide for annexations under certain exceptions:

- To provide low and very low income housing;
- To avoid an unconstitutional taking of private property;
- To promote the public health, safety and welfare by developing public schools or parks; or
- To address a significant threat to the public health, safety, or welfare.

The City's adoption of an urban growth boundary will continue to affect growth within the City by acting to limit City support for annexations to its own boundaries. The City of Novato is not the sole provider of services necessary for development in the unincorporated area. Therefore, the City's Urban Growth Boundary has no direct effect on land use in areas outside the City's jurisdiction. Marin LAFCO and the County will independently determine how their planning policies will respond to the provisions of the City's Urban Growth Boundary.

2. Limitations to Growth in the Novato Sphere of Influence

There are approximately 2,400 parcels on 7,292 acres located between Novato's Urban Growth Boundary and sphere of influence. The City of Novato General Plan and the applicable Marin Countywide Plan designate most of the area for low density residential, conservation or agricultural uses.

The County Community Development Agency generated estimates of the maximum development potential for the areas between the Urban Growth Boundary and current sphere of influence. These estimates are based on current zoning, and allocate at least one unit to all parcels, including small, nonconforming lots (such as the very small lots in the "gridiron" at Black Point). With the exception of the Indian Valley area, the development potential estimates do not account for slope or other topographic features that would constrain actual development to significantly less than the unit count indicated by the zoning designations.

The development potential in the City's sphere area is constrained by Countywide Plan designations (for agriculture, open space) and public ownership as shown on Map 7.

MAP 7

Fifty-seven percent of the 7,292 acres of land between the Urban Growth Boundary and sphere of influence is designated as agriculture or open space, or is in public ownership. Areas in residential use currently account for 25% of the area between the City's present boundary and sphere of influence, but will eventually account for 37% of this area under build-out of the Countywide Plan. Many rural residential parcels are already developed, with relatively few large parcels remaining to be subdivided. Most of the potential number of units estimated for this area result from allocating one unit per legal lot of record, without regard to setback requirements, slope or other constraints. The application of these constraints would significantly reduce the total projected units, especially in the Black Point area.

According to the County's parcel database, the area between the City's present boundary and sphere of influence could eventually see a maximum buildout of an additional 466 new units. The distribution of this development potential in the study area is shown in Table 3 below. Numbers in parentheses in Table 3 refer to area designations on Map 8.

Table 3
Summary of Potential Development Between Novato's UGB and SOI

Area	Acreage	Potential New Units
Atherton/101 (NE-9)	129	66
Green Point (NE-10)	823	143
Black Point (NE-10)	255	174
Vineyard Road (SW-6)	444	9
Indian Valley (SW-4)	731	71
Gross Field (NE-2)	458	*3
Total	2,840	466

* 500,000 sq. ft. of new commercial development

(Note: Potential new units do not include second units because such units are considered by the County to be incidental accessory uses limited to 750 square feet.)

II. SERVICE REVIEWS

A. NEW REQUIREMENTS FOR SERVICE REVIEWS

In 1997, the State Legislature enacted AB 1484, establishing the Commission on Local Governance for the 21st Century (CLG). The members of the CLG were appointed by the Governor and represented a broad spectrum of constituent groups and perspectives including counties, cities, special districts, educators, industry, and elected officials. "The Commission was asked to assess governance issues and make appropriate recommendations, directing special attention to the Cortese-Knox Local Government Reorganization Act of 1985, the 57 Local Agency Formation Commissions (LAFCOs) governed by the Act, and citizen participation in local government."

The results of those efforts were published in Growth Within Bounds, which was published in January 2000. In Growth Within Bounds, the Commission reported that:

LAFCO's legislated directives imply that each LAFCO has comprehensive knowledge of the services available within its county, the current efficiency of providing service within various areas of the county, future needs for each service, and expansion capacity of each service provider. Although some LAFCOs may have access to such essentials, many do not, and the Cortese-Knox Act offers no mechanism for assisting and encouraging them to gather the basic necessary information. The Commission believes that such provision should be added to the statute.

Information on public service capacity could be gathered as part of the implementation of a new requirement for periodic service reviews. LAFCOs could conduct such reviews prior to or in conjunction with amendments to spheres of influence. A service review would encompass a comprehensive study of each identifiable public service provided by counties, special districts, and the cities in the region. The review would not focus exclusively on an individual jurisdiction to determine its future boundary or service areas. Rather, it would require LAFCO to look broadly at all agencies within a geographic region that provide a service. The review would also include a component that examines the benefits or disadvantages of consolidation or reorganization of service providers. LAFCOs should be provided flexibility in designating the geographic area to be analyzed, the timing of conducting particular reviews, and the scope of the reviews (Growth Within Bounds, pp. 98-99).

The State Legislature recognized the validity of the Commission's findings and codified a tool that could be used to collect information and evaluate service provision from a broader perspective. The tool for conducting service reviews is provided in Section 56430 of the Government Code. Section 56430 requires "that in order to prepare and to update spheres of influence in accordance with Section 56425, LAFCOs are required to conduct a service review of the municipal services provided in the county or other appropriate designated area. LAFCOs must include in the area designated for service review the county, the region, the sub-region, or other geographic area as is appropriate for an analysis of the service or services to be reviewed and, as noted previously, must prepare a written statement of its determination with respect to each of the following:

- Infrastructure needs or deficiencies;
- Growth and population projections for the affected area;
- Financing constraints and opportunities;
- Cost avoidance opportunities;
- Opportunities for rate restructuring;
- Opportunities for shared facilities;
- Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers;
- Evaluation of management efficiencies; and
- Local accountability and governance.

In conducting a service review, LAFCOs must comprehensively review all of the agencies that provide the identified service or services within the designated geographic area. In addition, service reviews are to be conducted before, or in conjunction with, but no later than the time it is considering an action to establish (Section 56430 of the Cortese-Knox-Hertzberg Act) or update a sphere of influence pursuant to Sections 56425 or 56426.5. The Commission on Local Governance for the 21st Century advised and recommended that:

A service review should not replace designations or updates of spheres of influence, but should be conducted in the establishment or amendment of any spheres (Growth Within Bounds, p. 99).

The Governor's Office of Planning and Research has been charged with developing service review guidelines to assist LAFCOs with this effort. Although State guidelines are not yet final, draft guidelines have been circulated for comment and have been utilized in preparing this report.

For this initial set of service reviews associated with the periodic review of spheres of influence in the Novato area, the scope of the service review will be confined to municipal-type services provided by the County of Marin, City of Novato and various special districts within the Novato sub-region. For purposes of these service reviews,

"municipal-type services" will include the following broadly defined categories:

- Wastewater Collection, Treatment & Disposal
- Fire & Emergency Medical
- Domestic Water & Wastewater Recycling
- Police/Law Enforcement
- Street and Landscape Maintenance
- Parks & Recreation

B. LEVEL OF ANALYSIS

This report will take a minimalist approach to the initial service reviews in the Novato sub-region for several reasons. First, within the study area, there is little duplication of service roles between the different local government agencies and correspondingly little potential for generating credible alternatives that would result in more efficient service arrangements. Previous studies have partially analyzed alternatives for restructuring the relationships between the City of Novato and special districts providing service to the Novato area. These studies are summarized in sections below. The various agencies in the study area have responded to cost saving opportunities identified in the studies by pursuing cooperative agreements to reduce costs that do not involve changes to political organization of the City of special districts.

This part of the study will therefore focus on revisiting the incentives and obstacles toward functional or political reorganization as they have changed since 1980 when the Novato agencies and LAFCO last performed the equivalent of a service review. Under these circumstances, a more comprehensive approach would represent wasted effort and increased delay in the Commission's review of adopted spheres of influence.

C. SUMMARY OF PREVIOUS STUDIES

In May of 1968, a committee composed of the elected officials and managers of the City of Novato and the fire, water and sanitary districts serving the Novato area, published a study entitled Joint Report on Possible Merger of the Novato Sanitary District with the City of Novato or the North Marin County Water District.

The study evaluated a fairly wide range of alternatives, but focused on two ways of redistributing the responsibilities of the Novato Sanitary District to the North Marin Water District or the City:

1. A transition of Novato Sanitary District from an autonomous district to contracting with the City for provision of services (through a joint powers agreement) to a subsidiary district of the City to merger with the City. This alternative was seen as a means of strengthening the City's land use control over the sub-region.
2. "Merger" of Novato Sanitary District with North Marin Water District; i.e., dissolution of Novato Sanitary District with North Marin Water District succeeding to the assets and service responsibilities of Novato Sanitary District. The advantages of this alternative were that it maximized cost reductions and the emerging need to coordinate new regional pollution control programs.

The 1968 study reached the following conclusions:

- ❑ All alternatives, including the status quo, provide adequate service. There is no urgent need to effect changes in the structure of local government. However, the merger of Novato Sanitary District is desirable in the long-term.
- ❑ Consolidation of Novato Sanitary District and North Marin Water District would result in better and more economical provision of sewer service. The merger would maximize long-range economic and operational benefits and provide the most effective pollution control programs.
- ❑ Merger of Novato Sanitary District with the City would provide the City with better means of effectuating the logical growth of City boundaries and development of a more cohesive and viable City government.

Marin LAFCO, then a new agency, approved a proposal for the dissolution of the Novato Sanitary District in November 1968. The proposed dissolution was terminated by election in the following year by a vote of 54% to 46%.

Shortly after passage of Proposition 13 limits on property tax collection in 1978, the City of Novato, North Marin Water District, Novato Sanitary District and Novato Fire Protection

District jointly formed the Novato Agency Consolidation Study Committee. The Committee was once again composed of elected board members and managers of the participating agencies. LAFCO and other agencies were also invited to participate in discussions. The purpose of the Committee's work was:

.... examining the potential benefits of providing services through consolidation, examining alternative ways of providing such service, and recommending areas of possible consolidation of participating agencies/districts.

The Study confined itself to examining potential savings from realigning isolated functions common to each agency. The Committee's report frequently did not fully analyze potential cost savings. Where potential cost savings were expected, the conclusion was to pursue further study rather than quantify what the savings would be.

For example, no plan for re-staffing a consolidated agency was contemplated. Therefore, the savings from the ability of a consolidated agency to eliminate management positions was not evaluated.

In December 1980, the Committee published the Novato Agency Consolidation Study Final Report. The Report concluded that:

".... all of the agencies were reasonably well-run and fiscally solvent, and that no agency in the Novato area could effectively manage another agency and still maintain its quality of service and level of accountability to its constituency."

"... (political) consolidation would not be feasible or necessary at this time. no immediate, significant fiscal benefits would be realized, there would be less responsiveness to public input and service to the community would not be improved above the present level. No long-term advantages to structural consolidation could be proved; rather, any possible benefits lie in the areas of functional consolidation and cooperative agreements."

Accordingly, the City of Novato, the North Marin Water District and Novato Fire Protection District drafted and signed a "Cooperative Services Agreement" (December 1979). The agreement provides for the provision of services and/or equipment at cost by request of one agency (a "benefiting agency") to another (a "cooperating agency").

The participating agencies, which did not include the Novato Sanitary District, expected to realize potential cost savings in budget items including vehicle maintenance, purchasing, communications, fund management, mapping, printing and billing.

In the twenty years since the publication of the Novato Agency Consolidation Study Committee's report, public agencies in the Novato area have continuously sought and achieved service efficiencies through contracting for service with other public agencies and sharing facilities (such as fuel storage) to minimize cost and duplication.

D. WASTEWATER COLLECTION, TREATMENT AND DISPOSAL

The expansion of Novato Sanitary District boundaries has been constrained by the provisions of LAFCO's Dual Annexation Policy and by the cost of expanding the District's collection system to previously un-served areas. As a result, the District's jurisdiction resembles the City of Novato and is substantially smaller than that of the North Marin Water District and the Novato Fire Protection District. Alternatives for the dissolution or establishment of Novato Sanitary District as a subsidiary district remain hypothetically possible as discussed in previous studies and as discussed below.

Overall, Novato Sanitary District is a carefully managed district with stable services and low fees. No obstacles to extension of anticipated service demand under current district organization have been identified.

1. Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers.

Under current State Law, there are two alternatives for the reorganization of Novato Sanitary District that might yield advantage in the total costs of service. Each is discussed separately below:

- a. Dissolution of the Novato Sanitary District with the designation of the North Marin Water District as successor to Novato Sanitary District's assets and obligations.***

The North Marin Water District's boundaries include all of the present jurisdiction of the Novato Sanitary District. North Marin Water District is a county water district, which is empowered to provide all services currently provided by Novato

Sanitary District. The two agencies cannot "consolidate" under the current definition of consolidation; however, LAFCO could consider a proposal for the dissolution of Novato Sanitary District that designated North Marin Water District as successor district. That is, North Marin Water District would assume Novato Sanitary District's service responsibilities and ownership of Novato Sanitary District assets.

Because North Marin Water District boundaries also include extensive areas to which sewer is not and would not be extended, the boundaries of Novato Sanitary District would have to be preserved as an improvement district or rate zone within North Marin Water District. The boundaries of such a rate zone or improvement district within North Marin Water District would be under the control of the North Marin Water District Board of Directors. With the North Marin Water District Board in control of the boundaries of a sewer service rate zone within the larger North Marin Water District boundaries, the expansion of the sewer system within that larger North Marin Water District jurisdiction would no longer be controlled by LAFCO or by the City or County – agencies with boundary or land use planning authority.

In order to aid implementation of such a proposal, LAFCO could expand the membership of the five-member North Marin Water District board to as many as 11 members to include members of the Novato Sanitary District Board of Directors, an advantage not available under the subsidiary district alternative discussed below.

The primary advantage of the subsidiary district alternative lies in expected cost savings. The *potential* for cost savings would lie in the following areas of overlapping Novato Sanitary District and North Marin Water District services, personnel and facilities:

<u>Cost Item</u>	<u>NSD 2000-01 Budget</u>	<u>NMWD 2000-01 Budget</u>
District Board of Directors	15,000	14,000
Senior management	160,000	135,000
Legal counsel	38,000	10,000
Laboratory services	278,931	165,000
Accounting/audit	10,200	11,000
Election costs	30,000	30,000
Billing costs	44,000	347,000
HR Contracting/recruiting		19,000
Total	573,456	416,000
Total Operating Expenditures	\$4,535,046	\$8,164,350

The above lists only areas where the budget of Novato Sanitary District and North Marin Water District apparently overlap and may be shown, given more detailed study, to be unnecessarily duplicative. If so, reduction of these costs could be approached only through political reorganization of the two districts. Even under the very liberal assumption that one-half of the total budget amounts of the overlapping cost items could be saved through combining the operations of the two districts, total savings would be no more than four percent of the districts' combined operating budgets. In reality, this assumption could be made only with regard to the costs of maintaining and electing two separate district boards of directors. Actual savings would therefore be significantly less than four percent.

The combination of responsibility for both water and sewer service in the Novato area could not be expected to significantly improve development of wastewater re-use or coordination of pipeline maintenance programs in public rights-of-way. Novato Sanitary District and North Marin Water District have already planned expanded wastewater recycling. Pipeline maintenance for Novato Sanitary District and North Marin Water District is already coordinated through the City's capital improvement and utility notification process when public rights-of-way are affected.

This alternative would require the reshaping of North Marin Water District from an agency with stable boundaries responding to demands for service within those boundaries to an organization with a more complex set of responsibilities. North Marin Water District would provide water in all of its jurisdiction, but would provide sewer and solid waste disposal in separately defined areas. The District's revenue collection activities would be accordingly different within these separately defined areas (as is the case with any improvement district or zone of benefit set up

by a local government within its boundaries).

Within the boundaries of the reorganized district, the District Board would have a series of different service responsibilities to different local areas for water, wastewater, and solid waste within and beyond the Novato area. The complexity and potential for internal conflicts in allocation of the district's resources would be increased. The District Board would become responsible for decisions affecting growth in the Novato area in ways that it is not currently responsible. The needs and concerns of residents in any given part of the new district's jurisdiction could be quite different from the needs and concerns in another part of the same district where a different set of services would be provided.

b. *Establishment of the Novato Sanitary District as a subsidiary district of the City of Novato*

A subsidiary district is a district of limited powers in which a city council is designated as the ex officio board of directors of the district. The subsidiary district remains a distinct entity with its own boundary and budget, but may be staffed by city staff members or set up as a separate department of the city's administration – in this case, a sanitation division of the City of Novato's Department of Public Works.

In order for Novato Sanitary District to become a subsidiary district of the City of Novato, the City's boundaries must contain 70% of the District's land area and 70% of its registered voters. Staff estimates that Novato's boundaries currently contain approximately 89% of Novato Sanitary District's jurisdictional area² and 83% of registered voters.

² (2.5 sq. miles as the estimated total area of the District's major unincorporated areas (Bel Marin Keys, Vineyard Rd., Atherton Ave. and Loma Verde) versus 22.6 total square miles in the NSD jurisdiction equals approximately 11% of the District outside Novato boundaries. Registered voters estimate: Total District pop: 55,800 less pops of Indian Valley and Black Point/Green Point un-served areas (say 3,000) = 52,800 vs. city pop of 47,800 (2000 Census). Assuming that voter registration mirrors population, 90.5% of District voters also live in the City.

The primary advantage of the subsidiary district alternative lies in expected cost savings. The *potential* for cost savings would lie in the following areas of overlapping City and District services, personnel and facilities:

- ❑ District Board of Directors
- ❑ Senior management
- ❑ Legal Counsel
- ❑ Election costs
- ❑ Billing costs

The above lists only areas where the budget of Novato Sanitary District and the City of Novato appear to overlap and may be shown, given more detailed study, to be unnecessarily duplicative. As under the previous alternative, some cost savings could be achieved through the subsidiary district alternative, these savings would be marginal and not justified by the inherent disadvantages.

A less clear-cut advantage to this alternative is the strengthening and coordination of land use control exercised by the City of Novato in the Novato area. The City's control over extension of sewer service could be considered advantageous to the prevention of urban sprawl and the orderly development of local government agencies by reinforcing the City's ability to limit the scale and timing of urban development in the unincorporated areas outside of its boundaries. The City's policy of attempting to restrain growth in the unincorporated area is clearly expressed by the adoption of an urban growth boundary ordinance.

However, City control over services to areas outside its jurisdiction also represents the major disadvantage of this alternative. The City's Urban Growth Boundary Ordinance would require the City Council (acting as the District's governing board) to deny extension of sewer service to unincorporated areas for reasons other than the exceptions listed in the ordinance even where the plans and policies of the County call for extension of sewer. Residents of the unincorporated area who would be ineligible to vote in City elections might find this arrangement unacceptable. The City Council would bear no political responsibility to residents of the unincorporated area; either those that received the District's sewer and solid waste services or those who wished to connect to the sewer in the unincorporated area.

Furthermore, the Bel Marin Keys area, which is served by Novato Sanitary District, is outside of the City's sphere of influence. For LAFCO to approve the establishment of Novato Sanitary District as a subsidiary district of the City, the Commission would need to amend the City's sphere to include this area. If not, the Commission would be instituting a permanent service arrangement where the City of Novato was responsible for sewer service to an area where other City services would not be extended in the future and where the residents could not hold the City responsible for the quality or cost of the service³.

The argument is sometimes advanced that when cities assume the functions of "enterprise" districts (water or sewer districts supported by fees for service rather than taxes), that any cost savings resulting from reorganization are applied to other city service functions rather than being rebated to ratepayers. Or, alternatively, the city could elect to raise rates to help defray the costs of a portion of the city's central administration. This possibility is sometimes cited as a disadvantage of consolidation of special districts with cities. LAFCO action to approve this alternative could not restrict a city's future administrative decisions, including a city's decision to increase rates or to distribute benefits of costs savings in ways other than reduction of sewer rates.

Recommended Finding: Given the relatively low potential for cost savings and the disadvantages of uneven political accountability for either of the alternatives for reorganization of sanitary sewer service in the Novato area, the Commission favors continuation of cooperative efforts of agencies toward cost efficiency until such time as the effected agencies themselves initiate action toward reorganization.

2. Infrastructure Needs or Deficiencies

Infrastructure for wastewater collection, treatment and disposal is not deficient in the study area. As described and mapped in other sections of this report above, the system provides adequate service to existing uses within district boundaries. Expansion of the collection system and marginal addition to treatment capacity can be brought on line when/if additional un-served areas and new development are brought into the District.

Infrastructure allowing the District to supply recycled wastewater to areas other than 820 acres of District-owned agricultural lands is not yet in place. The Stone Tree Golf Course project is planned, but not yet implemented. Novato Sanitary District and other

³ Although the Cortese-Knox-Hertzberg Act does not specifically prohibit this arrangement, the similar extension of service to areas outside of a local agency's boundaries through an outside service agreement does specify that service can only be extended to areas within the agency's sphere of influence. Establishment of Novato Sanitary District as a subsidiary district under these circumstances might be considered contrary to this intent.

members of the North Bay Watershed Association are beginning to study costs and benefits of other projects where tertiary treated wastewater could be efficiently used. Novato Sanitary District has adopted a long-term goal of zero discharge to San Francisco Bay. With the gradual construction of transmission infrastructure, Novato Sanitary District would act as the source of supply for recycled wastewater distributed by the North Marin Water District.

Recommended Finding: Existing and planned capacity of wastewater collection, treatment and disposal facilities are sufficient to provide service to build-out of the Novato area under current general plans of the City of Novato and the County. Planning and construction of infrastructure for wastewater recycling is being actively pursued by Novato Sanitary and North Marin Water Districts. Infrastructure needs for sewer collection and treatment are not significant and would not be significantly affected by changes to local government structure.

3. Growth and Population Projections for the Affected Area

Projected population growth in the study area (as described in Section II. E, above) is expected to be moderate in relation to existing population. The available supply of buildable land and the policies of LAFCO, the City of Novato and the County indicate that growth will be accommodated primarily within the incorporated area of Novato. The Commission's previous study, *Novato Area Boundary Policy Review*, has shown that extension of sewer service to planned semi-rural residential development within the area planned for such uses in City and County land use plans.

Recommended Finding: Extension of sewer service to areas planned for urban and semi-rural residential use in the Novato area will enhance the protection of public health and will not induce growth beyond that provided for in City and County land use plans.

4. Financing Constraints and Opportunities

Wastewater system infrastructure in the Novato area is in good condition with adequate capacity for anticipated growth. Operations and maintenance are supported by fees set at needed levels by the District Board. Reorganization of the District under the alternatives described above would create neither constraints nor opportunities.

Recommended Finding: Reorganization of wastewater collection, treatment and disposal service would create neither constraints nor opportunities in the Novato study area.

5. Cost Avoidance Opportunities

The District has the ability to provide and extend additional service within its existing administrative structure. Novato Sanitary District regularly pursues cost efficiencies through cooperation with other agencies in the Novato area including North Marin Water District and the City of Novato. For example, Novato Sanitary District and North Marin Water District work together to minimize the treatment cost for North Marin Water District water treatment sludge, maximizing efficiency for both districts. Other areas of on-going cooperation include:

- ❑ Billing information
- ❑ Purchasing
- ❑ Specialized equipment
- ❑ Specialized laboratory expertise
- ❑ Video inspection data
- ❑ Identification and clarification of liability issues

As discussed above, small to moderate cost savings could be available through dissolution or establishment as a subsidiary district. The amount of such savings would not justify the shortcomings in political accountability (from dissimilar boundaries) and transitional costs associated with the reorganization alternatives. Cost avoidance opportunities other than those offered by district reorganization are realized by public agencies in the Novato area. The development of facilities for wastewater recycling represents a financial opportunity for Novato Sanitary District because reduction of discharge to San Francisco Bay will reduce costs of maintaining outfall facilities.

Recommended Finding: Action to reorganize the provision of wastewater collection, treatment and disposal service in the Novato area is not justified by potential cost savings at the present time. Cost avoidance opportunities through wastewater recycling are being actively pursued.

6. Opportunities for Rate Restructuring

Novato Sanitary District sewer service rates are low relative to other adjacent sanitary districts and have remained constant for six years at \$118 per residential equivalent service unit. Rates are expected to rise in the immediate future due to imposition of increasingly stringent water quality standards.

Recommended Finding: No opportunities for productive rate restructuring through district reorganization have been identified.

7. Opportunities for Shared Facilities

Novato Sanitary District recycles treated wastewater to irrigate agricultural land on both sides of Highway 37, some owned by itself and some owned by Marin County Flood Control District. The recycling program is effective in meeting the requirements of Novato Sanitary District's present permit to discharge to San Francisco Bay and in maintaining the function of the Flood Control District's land for flood control purposes.

Potential for economies of scale may be available from the functional consolidation of water and sanitary district laboratory facilities. However, such consolidation would involve significant initial investment and participation by agencies which also have laboratory facilities or contract for laboratory services - other water and sewer agencies outside of the Novato area.

Recommended Finding: Novato area agencies presently pursue opportunities for cost savings through shared facilities. Action to reorganize agencies in the Novato area would not necessarily enhance these opportunities.

8. Evaluation of Management Efficiencies

In its budget, Novato Sanitary District provides reserve funds for working capital, vehicle replacement and self-insurance as well as capital improvements. Operating reserves range from approximately 40% to 100% of annual operating expenditures.

The District budgets for professional development of its staff and board members. Novato Sanitary District participates in pooled and self-insurance programs and the CalPERS retirement system, a secure and low cost source of retirement benefits.

The District meets or exceeds the overall terms of its discharge permit issued by the Regional Water Quality Control Board, discharging to San Francisco Bay no more than nine months per year. Novato Sanitary District self-monitors the content of the discharge and pays fines in instances when content limits for heavy metals or other waste constituents are exceeded. The system of monitoring and fines is effective in providing incentive for continuing investment in improvements to treatment plant technology. The low cost and stability of the District's sewer rates shows that the District's treatment plants perform adequately and that fines from permit violations are minimal.

Recommended Finding: Novato Sanitary District has the resources and management capability to provide sewer service to the study area in both the short and long term. The District meets or exceeds the terms of its operating permits and maintains adequate contingency reserves.

9. Local Accountability and Governance

Novato Sanitary District is governed by a five-member Board of Directors elected to serve four-year terms. Three of the past five elections for seats on the District Board have been contested elections. The District Board meets twice per month. Members receive a stipend of \$196 per meeting for their public service.

Public information on services provided by Novato Sanitary District in the study area is clearly communicated to the public through regular Board meetings, a well-developed budget process and annual audits. Other means of public communications, such as a District website or broadcast of its Board meetings have not been implemented, but are not in great demand for the functions of the District.

As discussed under the Government Structure Options above, alternatives to Novato Sanitary District as an independent special district would reduce the number of independent units of local government in the Novato area. However, the dissimilarity of the Novato Sanitary District service area with the service areas of the City and North Marin Water District would create uneven political representation with respect to wastewater collection, treatment and disposal service, especially with respect to establishment of

Novato Sanitary District as a City subsidiary district (residents of unincorporated areas of the subsidiary district could not vote for members of the city council governing their sewer service).

The greater control of urban services by the City of Novato in the greater Novato area would be consistent with the City's Urban Growth Boundary Ordinance, but would not reflect the City's actual jurisdiction or provide equal political accountability in the provision of sewer service.

Recommended Finding: Local accountability and governance for sewer service in the Novato area would not necessarily be enhanced by reorganizing the Novato Sanitary District under the available alternatives.

E. FIRE AND EMERGENCY MEDICAL SERVICE

In the Novato area, the Novato Fire Protection District provides structural fire protection, emergency medical and associated emergency services. The County Fire Department is responsible for wildland fire protection in designated "State Responsibility Areas" and structural fire protection outside the boundaries of cities and fire districts.

The California Department of Forestry is normally responsible for wildland fire protection and emergency medical service for all areas outside the boundaries of cities and special districts providing fire service. Marin County is one of a small number of California counties where the county fire department is also responsible for wildland fire protection. Marin County Fire provides wildland fire protection for defined "State Responsibility Areas" countywide through its contractual relationship with the California Department of Forestry. The California Department of Forestry provides substantial equipment and funding for services provided by the County's fire stations at Throckmorton (Mt. Tamalpais), Woodacre, Point Reyes, Tomales and Hicks Valley. The County fire station nearest to Novato is the Hicks Valley station near the intersection of Novato Boulevard and Hicks Valley Road, approximately 2.5 miles west of the Novato Fire Protection District boundary.

Novato Fire Protection District's boundary includes wildland areas to the west, north and south of the City of Novato. The District provides wildland fire protection within this area in order to respond rapidly to small incidents (preventing the spread of fire to high value

urban intermix areas) and to back-up the capabilities of Marin County Fire/California Department of Forestry, which may be called to wider responsibilities throughout the County and the State. Overall, Novato Fire Protection District and County Fire have complimentary, not duplicative service roles in the study area.

Previous studies have not approached consolidation of fire functions as a promising area of potential cost savings. However, the Marinwood Community Services District, located immediately south of the study area, may consider contracting with either Novato Fire Protection District or the City of San Rafael for provision of administrative services for its public safety functions. The Marinwood area is outside of the sphere of influence of Novato Fire Protection District and is inside the sphere of influence of the City of San Rafael. A contract for such services to areas already receiving service would not require LAFCO review.

1. Government Structure Options, Including Advantages and Disadvantages of Consolidation or Reorganization of Service Providers:

Given the current configuration of city and special district boundaries in the study area, alternatives for the political consolidation of Novato Fire Protection District with any other agency are very limited. Consolidation with either the City of Novato or the Novato Sanitary District is not legally possible under current law due to the dissimilarity of their service areas with Novato Fire Protection District. Consolidation with North Marin Water District is conceivable, but services provided and the service areas of the two districts are dissimilar enough to conclude that there are few if any significant opportunities for cost savings through political or functional reorganization.

Recommended Finding: This service review has not identified workable organizational alternatives to the current agencies providing emergency services in the study area.

2. Infrastructure Needs or Deficiencies

The District will evaluate the replacement of its Fire Station No. 4 located at Ignacio Boulevard and Enfrente Drive. This station will ultimately have to be rebuilt due to the instability of its pole construction method, which subjects the District to high cost repairs. Plans for rebuilding at some time within a ten-year time frame are being discussed.

Novato Fire Protection District will have to construct another fire station to cover the southern half of the District's jurisdiction east of Highway 101 in order to provide adequate service to the Hamilton AFB area as redevelopment of that area reaches build out.

Recommended Finding: Identified infrastructure needs for fire protection, emergency medical and related services and programs are not related to potential changes to the structure of local government agencies in the study area.

3. Growth and Population Projections for the Affected Area

Novato area population will grow faster than Marin County overall due to availability of land within City boundaries and policies encouraging infill development. Redevelopment of Hamilton AFB area will be the focus of community growth in the near-term and will require construction of an additional station within the Hamilton AFB redevelopment area.

Recommended Finding: Relocation of Novato Fire Protection District Station No. 4 will address the near term population growth in the study area for purposes of maintaining current levels of fire protection and emergency medical service in the study area.

4. Financing Constraints and Opportunities

Property tax, impact fees and other standard revenue sources for Novato Fire Protection District are not sufficient to maintain current levels of service without augmentation provided by the Novato Fire Protection District's special tax. The District has established reserves to purchase land, build another fire station facility and to purchase apparatus and equipment for that fire station. However, the District will have to return to the voters with a ballot measure to place an inflationary clause in the special fire tax to pay for the cost of personnel.

Recommended Finding: Novato Fire Protection District has sufficient resources to extend existing levels of service to growth within present district service area provided voter approval of special tax measures.

5. Cost Avoidance Opportunities

Novato Fire Protection District has pursued opportunities to reduce costs through service agreements with other agencies for communications/dispatch and other services. No further such opportunities for cost avoidance that would flow from organizational changes subject to LAFCO authority have been identified in this study.

Recommended Finding: Opportunities for cost avoidance that would flow from organizational changes subject to LAFCO authority are not currently available.

6. Opportunities for Rate Restructuring

Fire protection and emergency medical services are not significantly funded by user fees or other rates that could potentially be restructured.

Recommended Finding: Criterion not applicable.

7. Opportunities for Shared Facilities

Novato Fire Protection District is the only local agency providing structural fire protection and emergency medical service in the study area. The District has participated in agreements for sharing non-specialized costs (including facilities) with other agencies since 1979.

Recommended Finding: Potential organizational changes subject to LAFCO authority do not significantly add to the pursuit of shared facility economies currently undertaken by Novato Fire Protection District and other public agencies.

8. Evaluation of Management Efficiencies

Novato Fire Protection District is currently discussing extension of administrative services to the Marinwood Community Services District. Those services could be extended by mutual agreement between Marinwood CSD and either Novato Fire Protection District or the City of San Rafael. (The Marinwood area is within the sphere of influence and County-designated urban service area of San Rafael.) Management costs for Marinwood CSD would be reduced under such an arrangement. LAFCO approval of such an agreement may not be required. No other opportunities for management efficiencies have been identified in the course of this study.

In other capacities, Novato Fire Protection District publishes a clear and complete budget document that includes substantial public information on the District's programs and services including the status of reserve funds. This year, the District has developed a business plan to better define revenue needs. The District budgets extensively for

professional development of its staff and board members. Novato Fire Protection District participates in a pooled health insurance program, is self-insured for workers compensation (an important cost for fire districts to control) and participates in the Marin County retirement system.

Recommended Finding: Novato Fire Protection District has the resources and management capability to provide emergency services to the study area in both the short and long term.

9. Local Accountability and Governance

The District is governed by a five-member Board of Directors which meets twice per month. Board members receive a stipend of \$100 per meeting for their service. All elections for expired terms or vacancies have been contested elections in the past ten years.

Public information on services provided by Novato Fire Protection District in the study area is clearly communicated to the public through regular Board meetings, a well-developed budget process and annual audits. Other means of public outreach include a web site that reports board actions, informational mailings to district residents, public partnerships with homeowner associations for disaster preparedness and annual open houses. The district also invites citizens to participate in oral boards for the hiring of entry-level employees.

Recommended Finding: Local accountability and governance for fire and emergency medical service in the Novato area would not necessarily be enhanced by any reorganization alternative, given the District's current boundary configuration.

F. DOMESTIC WATER

The study area is served almost exclusively by North Marin Water District. Marin Municipal Water District provides service to a portion of the Hamilton Field area as shown on Map 5. The two districts maintain a system inter-tie in this area. Either North Marin Water District or Marin Municipal Water District is capable of providing water service to the area now served by Marin Municipal Water District. With the redevelopment of Hamilton Field, North Marin Water District and Marin Municipal Water District are negotiating an agreement for the transfer of storage and transmission facilities and an application to LAFCO for the reorganization of district boundaries. If approved, the prospective boundary would conform to the City's southern boundary. North Marin Water District would be the only agency in the study area providing domestic water service.

1. Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers:

North Marin Water District's service area is too large to allow the District to be established as a subsidiary district of the City of Novato. There are no alternative government structure alternatives for provision of water service in the study area except for consolidation with Marin Municipal Water District. This alternative would involve the entire urbanized area of Marin County.

Recommended Finding: Organizational alternatives to the current provision of water service by North Marin Water District would not be necessarily advantageous to residents of the District and would require investigation beyond the scope of the current study.

2. Infrastructure Needs or Deficiencies

North Marin Water District's domestic water infrastructure provides adequate service for existing needs. The District continues to address needed improvements for storage and fire flow through its capital improvement program. There is currently no infrastructure for the delivery of recycled wastewater. North Marin Water District is actively engaged in identifying markets for treated wastewater in cooperation with other member agencies of the North Bay Watershed Association aimed at reducing wastewater discharges to San Francisco Bay and demand for domestic water from established sources.

Recommended Finding: There are no significant outstanding infrastructure deficiencies affecting domestic water service in the Novato area. North Marin Water District is able to address infrastructure needs to accommodate planned growth in the area as it occurs. North Marin Water District, Novato Sanitary District and other members of the North Bay Watershed Association are in the process of identifying opportunities for wastewater reuse and planning the infrastructure to provide that service.

3. Growth and Population Projections for the Affected Area

Projected population growth in the study area (as described in Section II. E, above) is expected to be moderate in relation to existing population. The available supply of buildable land and the policies of LAFCO, the City of Novato and the County indicate that growth will be accommodated primarily within the incorporated area of Novato.

Recommended Finding: North Marin Water District is able to provide service for current and projected water needs in the study area.

4. Financing Constraints and Opportunities

Funding for the capital costs of developing a wastewater recycling system must be sought on a case-by-case basis for individual projects. The North Bay Watershed Association is working to link sources of recycled wastewater with application sites in Marin, Sonoma and Napa Counties where service can be most economically established and capital funding is available through grants or private resources. The broad membership and geographic extent of the North Bay Water Association can be expected to generate a greater range of funding opportunities than would be available through local action in the Novato area.

Recommended Finding: North Marin Water District will be able to finance planned expansion of domestic water service through existing sources of revenue. Funding for development of a wastewater reuse system is appropriately being sought through participation of local agencies in the North Bay Watershed Association.

5. Cost Avoidance Opportunities

North Marin Water District regularly pursues cost efficiencies through cooperation with other agencies in the Novato area including Novato Sanitary District and the City of Novato. For example, Novato Sanitary District and North Marin Water District work together to minimize the treatment cost for North Marin Water District water treatment sludge, maximizing efficiency for both districts. Other areas of on-going cooperation include:

- ❑ Sharing of billing information and television inspection data
- ❑ Joint purchasing
- ❑ Joint use of specialized equipment
- ❑ Sharing of specialized laboratory expertise
- ❑ Identification and clarification of liability issues

Recommended Finding: North Marin Water District continues to actively pursue cost avoidance opportunities with other agencies in the study area.

6. Opportunities for Rate Restructuring

North Marin Water District water service rates are low relative to other adjacent Bay Area water districts and have remained constant for five years at \$237 per average residential service unit.

Recommended Finding: No opportunities for productive rate restructuring have been identified.

7. Opportunities for Shared Facilities

North Marin Water District regularly pursues cost efficiencies through cooperation with other agencies including the use of some shared facilities as described above under "cost avoidance opportunities."

As discussed above (page 44), potential for economies of scale may be available from the functional consolidation of water and sanitary district laboratory facilities. However, such consolidation would involve significant initial investment and participation by agencies which also have laboratory facilities or contract for laboratory services - other water and sewer agencies outside of the Novato area.

Recommended Finding: North Marin Water District continues to actively pursue opportunities for productive use of shared facilities with other agencies in the study area.

8. Evaluation of Management Efficiencies

North Marin Water District maintains reserve funds for operations and special projects including capital improvements. Operating reserves typically range from 50% to 60% of annual operating expenditures. The District budgets for professional development of its staff and board members through professional associations and the Association of California Water Agencies.

The District meets or exceeds the standards set for California Water Districts by the State Water Resources Control Board and Department of Health Services.

Recommended Finding: North Marin Water District has the resources and management capability to provide water service to the study area in both the short and long term. The District meets or exceeds the terms of its operating permits and maintains adequate contingency reserves.

9. Local Accountability and Governance

Public information on services provided by North Marin Water District in the study area are clearly communicated to the public through regular Board meetings, a well-developed budget process, an annual report on district operations, annual audits and a website.

Recommended Finding: The provision of domestic water service in the Novato area benefits from the extensive effort of the North Marin Water District to provide local accountability through clear and comprehensive public communications.

G. POLICE PROTECTION & TRAFFIC ENFORCEMENT

In unincorporated areas of the County, the Sheriff's Department's Bureau of Field Operations is responsible for police protection and the California Highway Patrol provides traffic enforcement. Except for literally patrolling highways, the California Highway Patrol fulfills its traffic enforcement service obligations generally by responding to traffic incidents with injuries rather than engaging in regularly scheduled traffic patrol activity on local streets. The California Highway Patrol also responds to requests for assistance from local law enforcement agencies.

The Sheriff's Department provides preventative patrol and responds to calls for service within four sub-regional areas of the County which are each served by a substation or the Civic Center Station. The four service areas are further divided into patrol beats. The Novato study area is included in Patrol Service Area III, which also includes unincorporated areas of San Rafael including Lucas Valley and Marinwood.

The Sheriff's Department assigns a minimum of two units to this service area on a 24-hour

basis (three units optimal), including one unit patrolling the Novato area or Novato and part of Marinwood. City and County police forces aid each other on an as-needed basis in emergencies. The County Sheriff does not formally contract with the City of Novato to patrol or provide service in any unincorporated areas.

The County Communications Center provides dispatch services to the Sheriff's Department, the County Emergency Medical Services Program, and to fifteen other fire and police agencies in Marin County, including Novato Fire Protection District. The Communications Division assigns a total of 45.5 full-time equivalent positions to its functions and budgets total expenditures of approximately \$3.8 million. The Communications Division is in the process of significantly upgrading its communications system to broaden its ability to communicate with different County Departments and other agencies. The system expansion has been undertaken by a joint exercise of powers agency, the Marin Emergency Radio Authority (MERA). Planned system expansion will be capable of offering higher capacity and new types of contract services to other public safety agencies in the County.

The Marin County Major Crimes Task Force provides a centralized investigative unit to assist local law enforcement agencies primarily in drug-related activity that no single jurisdiction can effectively deal with alone. The County Sheriff's Office, the California Highway Patrol and cities in Marin County, including the City of Novato. The Task Force is organized as a joint exercise of powers agreement funded by contributions of member agencies, grants and asset forfeitures.

Although the Sheriff's Department does not have primary responsibility for traffic enforcement, the Sheriff's Department responds to specific traffic problems or requests for enforcement service in cooperation with California Highway Patrol in the unincorporated areas. The Sheriff's Office also provides patrol service to the open space preserves, crime prevention, investigation and other specialized services. The Sheriff's Office also operates the County's Office of Emergency Services, including its agreement to coordinate the emergency response plans of other agencies.

The Novato Police Department is presently staffed by 61 sworn law enforcement officers, 23 civilian and 8 volunteer employees. Novato Police Department provides patrol, traffic enforcement, investigation, communications, crime prevention, juvenile and parking enforcement services. The Department's service area is the 28 square mile incorporated area of the City of Novato. That service area is divided in to four beat areas in which Novato Police Department generally maintains 24-hour patrol coverage in each beat area. Additional personnel are assigned as needed to augment coverage or to provide additional services such as traffic enforcement, investigations or crime prevention.

Novato Police Department responded to a total of 25,242 calls for service in 1999 including 8,107 emergency calls. Requests for assistance from other agencies or responses to

unincorporated areas numbered 240. Management information maintained by Novato Police Department indicates that officers were dispatched to City-defined "Priority 1" calls (life-threatening emergencies) for service within one minute in 97% of cases calls. Officers arrived within three minutes 50% of the time in 1999-00. That percentage improved to 67% in 2000-01. Officers arrived in five minutes or less in 71% of Priority 1 calls in 1998-99 and in 84% of Priority 1 calls the following two years. There are no service standards for dispatch or response time for emergency service agencies defined by State Law or State agencies. Each emergency service agency defines its own response time goals or other service standards.

Novato Police Department's communication service consists of 13 dispatch personnel who provide 24-hour coverage. Other members of the Department's Technical Services Division are cross-trained to provide backup as needed. The City Council recently declined a proposal to contract with the County Communications Center for dispatch services.

The Department participates in mutual aid with other law enforcement agencies, the Major Crimes Task Force and a variety of other inter-jurisdictional programs.

1. Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers:

Within the study area, alternatives for police protection services consist of possible contractual agreements between the County Sheriff and the City of Novato. The City contracted for service with the County Sheriff from the incorporation of the City in 1960 until 1979. Although contracts for provision of certain police-related services might be considered, the City clearly places a high priority on law enforcement services carefully tailored to local requirements and responsiveness to community needs.

The County Sheriff's Office continues to provide contract law enforcement services to other smaller cities in Marin County. However, any economies available from a return to contract service for the City of Novato would be offset by reduction in local management of police protection services.

Recommended Finding: Feasible alternatives to the current service arrangements for police protection and traffic enforcement services in the Novato area would affect components of service such as dispatch and communications. The City of Novato regularly evaluates the benefits of contracting for such services.

2. Infrastructure Needs or Deficiencies

City of Novato's police building is one of the only buildings in the County Civic Center designed to meet the specific needs of its municipal service function. Only minor alterations to the police building are included in the City's Capital Improvement Program.

The County Sheriff maintains headquarters in the County Civic Center and manned substations in Kentfield, Point Reyes Station, and Marin City. Infrastructure needs affecting the operations of the County Sheriff's Department include relocation of the Communications Center and the demand for office space generated by gradually increasing staff. The County is considering construction of a separate building to house the Communications Center and disaster management functions.

Recommended Finding: Police facilities maintained by the City of Novato provide adequate space and functionality to support levels of service defined by the City Council. Infrastructure needs affecting police and other emergency service agencies of the County and the Novato area are being adequately addressed.

3. Growth and Population Projections for the Affected Area

Projected population growth in the study area (as described in Section II. E, above) is expected to be moderate in relation to existing population, placing moderate increase in demand for service on local law enforcement agencies.

Recommended Finding: The City of Novato and other law enforcement agencies providing service in the Novato area will be able to adequately respond to additional demand for service required by marginal population growth in the Novato area.

4. Financing Constraints and Opportunities

Recommended Finding: The Novato Police Department and other local law enforcement agencies regularly evaluate financial constraints and opportunities for cost savings. Solutions to budgetary problems or financial opportunities with respect to police services would not be affected by anticipated proposals for changes to local government boundaries or organization or other activity undertaken by LAFCO.

5. Cost Avoidance Opportunities

Recommended Finding: The City of Novato regularly evaluates opportunities for cost avoidance. Opportunities for cost avoidance would not be enhanced by anticipated proposals for changes to local government boundaries or organization or other activity undertaken by LAFCO.

6. Opportunities for Rate Restructuring

Recommended Finding: Opportunities for rate restructuring are not applicable to

law enforcement services in the Novato area.

7. Opportunities for Shared Facilities

The Marin County Major Crimes Task Force assigns one officer to vehicle theft investigations. This position is filled by a member of the Novato Police Department and operates from Novato Police Department facilities. The City of Novato currently operates its own facility in central Novato plus two un-manned substations. The County Sheriff operates from the County Civic Center in San Rafael and does not operate a substation or other facilities in the Novato area. The County Communications Center provides communications and dispatch services to other emergency service agencies in Marin County, sometimes at substantial costs savings to the subscribing agencies.

The City of Novato has developed information on the potential operational and cost implications of contracting for communications services with the County Communications Center. Although some economies could be realized through such a contract, the City of Novato has determined that this alternative is not in the current best interest of the City.

Recommended Finding: The City of Novato periodically evaluates the cost and service implications of sharing communications facilities with the County. The financial benefits from this potential service arrangement and/or computer assisted dispatch functions remain as an alternative to the City in its ongoing service and budgetary decision-making.

8. Evaluation of Management Efficiencies

The City of Novato maintains reserves in its general and other funds for operations and capital projects including those pertaining to police protection services.

The City's budget for Police Protection includes specific personnel assigned to coordinate ongoing staff training and professional development of Department staff.

The City's budget process and budget document are unusually informative on the nature of City services, allocation of resources to those services, performance measures and projections in plain language for a general audience. In addition to the budget, the City's Police Department develops and maintains extensive management information including retention of consultants to evaluate Department operations and tracking of service information by type, beat area and sub-beat reporting district (in cooperation with County Communications).

The City and the County maintain an effective cooperative working relationship, especially with regard to law enforcement information. The County Sheriff's Office and Novato Police Department have not yet adapted their data collection and reporting methods to work with the emerging MarinMap geographic information system. Geographic information technology and the participation of both the City and the County in development of MarinMap may eventually be of benefit to law enforcement agencies in the Novato area. The County and the City currently maintain geographic data through computer assisted dispatch systems.

Recommended Finding: Novato Police Department and the County Sheriff's Office have the resources and management capability to provide law enforcement services to the study area in both the short and long term.

9. Local Accountability and Governance

Public information on services provided by the City of Novato and the Novato Police Department in the study area are clearly communicated to the public through local broadcast of City Council meetings, a well-developed budget process with annual audits and a city website.

The accountability of the Sheriff's Office is applied over a much broader geographic area and a much larger organization. The Marin County Sheriff is an elected official. The Sheriff is directly accountable to the public for the activities of the Sheriff's Office within the budget set by the County Board of Supervisors. The Sheriff's Office publishes an annual report and periodically conducts surveys of the public's satisfaction with the services it provides.

Recommended Finding: The provision of police protection services in the Novato area benefits from the efforts of the City of Novato and the County Sheriff to provide local political accountability through clear and comprehensive public communications.

H. STREET AND LANDSCAPE MAINTENANCE

The County's Department of Public Works, the City of Novato's Community Development Department's Maintenance Division and the Bel Marin Keys Community Services District provide facility maintenance services related to streets, waterways, storm drainage, public buildings, landscape areas, and parks in the Novato study area.

The City of Novato maintains a total of 296 lane miles, expending \$2,785 per lane mile in fiscal year 2000-01 for maintenance service. Total maintenance expenditures of approximately \$800,000 do not include major maintenance and reconstruction of streets and storm drainage facilities which are programmed as capital projects expected to total approximately \$2.25 million per year for the next 20 years. The City augments Road Fund revenues with approximately \$500,000 per year from the City's General Fund.

The City's Maintenance Division is also responsible for maintaining 228 acres of City parks and 90 acres of street or public facility landscape. City staff reports current annual costs of approximately \$4,500 per acre for park maintenance and \$3,250 per acre for landscape maintenance.

The County's Department of Public Works maintains a total of 840 lane miles of road, assigning a total of 56 full-time equivalent positions and a total budget of \$12 million. The County DPW operates two corporation yards in San Rafael and Nicasio.

Approximately 41.3 lane miles are County-maintained within the Novato study area. Average County maintenance expenditure per lane mile is approximately \$11,900 including signage, culverts, sweeping, retaining walls and all other maintenance costs within the right-of-way. Major street reconstruction projects are budgeted separately under the County's Capital Improvement Plan. The County's street resurfacing and reconstruction activity has increased substantially in several recent years as a function of increased availability of funding.

The Marin County Board of Supervisors governs the maintenance activities of the County's Department of Parks, Open Space and Cultural Services and the Marin County Open Space District. County staff provides the maintenance services of both entities and is responsible for maintenance of the 139-acre Stafford Lake Park west of the City of Novato and the Black Point Boat Launch. County staff is also responsible for the maintenance of ten open space preserves that partially surround the City of Novato totaling approximately 4855 acres of undeveloped open space lands. Acquisition of most of these preserves has occurred since the adoption of the sphere of influence of the City of Novato. Acquisitions have been funded through the Open Space District's share of the property tax, grant funds and local special assessment districts. In some instances, open space areas maintained by the County provide the equivalent of local park facilities providing passive recreation, as is the case with the Rush Creek Lighting and Landscape Maintenance District.

As described earlier in this report, the Bel Marin Keys Community Services District is responsible for maintenance of waterways, parks and landscape in the unincorporated Bel Marin Keys area. The District has only recently acquired the financial means to effectively provide these services through approval of a special tax.

1. Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers:

There is little potential for political or structural reorganization of the different agencies providing maintenance services or public facilities in the Novato area. Each of the agencies providing these services focuses on specific or unique facilities with different service level needs and costs. For example, the City of Novato maintains a wide variety of park facilities oriented toward participation in sports, educational and civic events. The County manages large areas of undeveloped open space preserves. Both agencies maintain streets (surface, reconstruction, signals, sweeping and storm drainage) with built to different standards for urban and rural use. No discernable advantage has been established to restructuring provision of these or other maintenance services extended in the study area.

Recommended Finding: Organizational alternatives to the current provision of facility maintenance services provided by the City of Novato, County of Marin and the Bel Marin Keys Community Services District have not been shown to be advantageous to residents of the residents of the study area.

2. Infrastructure Needs or Deficiencies

Significant deficiency is known to exist in the maintenance of waterways and associated facilities in Bel Marin Keys due to previous funding constraints. Significant new funding for maintenance of waterways will now be available from voter approval of a special tax measure.

Recommended Finding: Identified infrastructure needs for maintenance of public facilities are not related to potential changes to the structure of local government agencies or their inter-governmental relationships in the study area.

3. Growth and Population Projections for the Affected Area

Novato area population will grow faster than Marin County overall due to availability of land within City boundaries and policies encouraging infill development. Facility maintenance services are not expected to be significantly affected by anticipated population growth. Slow, incremental population growth generally contributes incremental new funding to maintenance activities for existing facilities.

Recommended Finding: Facility maintenance services are not expected to be significantly affected by anticipated population growth in the study area.

4. Financing Constraints and Opportunities

Locally maintained roadways are in generally good condition with adequate capacity for anticipated growth. Maintenance activity is supported by State gas tax funds based on population, supplemented with general fund transfers at the discretion of the city or county governing boards. Facilities maintained by Bel Marin Keys CSD are supported by taxes and fees exclusively from within the Bel Marin Keys area. Changes of organization among local agencies would neither relieve funding constraints nor create financial opportunities for improving facility maintenance in the study area.

Recommended Finding: Changes of organization among local agencies would neither relieve funding constraints nor create financial opportunities for improving facility maintenance in the study area.

5. Cost Avoidance Opportunities

Recommended Finding: Cost avoidance opportunities in the maintenance of streets or other public facilities in the Novato area would not be enhanced or inhibited by LAFCO actions.

6. **Opportunities for Rate Restructuring**

This criterion is not applicable to maintenance of roads and other public facilities, as these services are not supported by fees subject to restructuring.

Recommended Finding: Maintenance of roads and other public facilities in the study area are not supported by fees that would be subject to local action.

7. **Opportunities for Shared Facilities**

Novato area public agencies involved in facility maintenance activities are mutually aware of each other's programs and share facilities when possible. Because of the diversity in facilities, services and methods, such opportunities are neither frequent nor significant.

Recommended Finding: Opportunities for shared facilities would not be enhanced or inhibited by reorganization of local agencies or other LAFCO action.

8. **Evaluation of Management Efficiencies**

The public works departments of the City of Novato and County of Marin both make use of pavement management systems for tracking the condition of roadways and associated facilities. Pavement management systems are used to prioritize and schedule maintenance services where such service will be most cost effective. Until recently, Bel Marin Keys Community Services District has not had the financial resources to retain adequate management staff positions to oversee the District's maintenance responsibilities. The District's newly approved special tax will allow the District Board to consider expansion of management capabilities, including activities that would expand communications and involvement of residents in the Board's programming and budgeting process. The Bel Marin Keys CSD Board should have the opportunity to address the District's needs with new financial resources prior to contemplating change in its relationships with other local agencies.

Recommended Finding: Management efficiency in the maintenance of public facilities in the Novato area would not be enhanced or inhibited by reorganization of local agencies or other LAFCO action.

9. **Local Accountability and Governance**

The County Department of Public Works assists property owners' associations or other community organizations to set road maintenance priorities. In the past year, the Department of Public Works assisted Bel Marin Keys CSD in developing a program resurfacing of several streets in the area for this year. With similar community input, the Board of Supervisors allocated additional funds for correction of roadbed settlement problems in Bel Marin Keys, a process facilitated by the 5th District Supervisor. The governance of maintenance responsibilities of Bel Marin Keys CSD should not be measured based on the District's funding-based inability to address maintenance problems in the past. The District Board will now have the opportunity to improve its effectiveness with new funding resources.

Recommended Finding: Local accountability and governance for maintenance of streets and other public facilities in the Novato area would not be enhanced or inhibited by reorganization of local agencies or other LAFCO action.

I. PARKS AND RECREATION SERVICE

Table 4 lists the parks and recreational facilities of the City of Novato, County of Marin, Marin Open Space District and the Bel Marin Keys Community Services District. Although the data in the table indicates the marked difference between the programs and facilities in the City and those in unincorporated areas, all programs and facilities are available to all residents of the study area. Non-residents must pay a slightly higher fee for use of City facilities (where fees are charged). The higher fees charged to non-residents allow the City to recover only a portion of operating costs of recreational programs attributable to non-residents. Non-residents do not contribute property tax revenues to the City.

Table - Novato Area Recreation Facilities

Table - Novato Area Recreation Facilities - continued

The County Department of Parks, Open Space and Cultural Services and the Open Space District provide large amounts of public open space (4,855 acres in ten preserves) for hiking, equestrian and passive recreational use, but very limited facilities for sports, leisure education and cultural enrichment. This is typical of county governments in California, which serve primarily dispersed rural or suburban populations. Residents of more rural areas of Marin County have greater access to different types of recreational opportunities (such as hiking, boating and equestrian activities) that are a part of living outside of more intensely developed areas.

The facilities operated by the Bel Marin Keys Community Services District are oriented toward water access with very limited local park facilities. Although the locks and boat launch facilities maintained by the CSD are public facilities, use by non-residents is low and not particularly encouraged. The District's financial limitations, even with new sources of funding, will continue to limit the priority of recreational programs and facilities beyond the restoration of locks and channels for boating.

The City of Novato, by contrast, offers not only the sports fields and athletic programs indicated by Table 4, but a wide variety of classes, cultural programs and social services for all age groups. The breadth of the City's programs is unusual for its size indicating the high priority placed on recreation and enrichment programs. The City partners with other agencies, especially school districts to maximize the availability of facilities to the public; e.g., swimming programs at Indian Valley College offered through agreements with both the Community College District and the YMCA. The City also owns substantial amounts of undeveloped park acreage available for future park development as shown in Table 4.

The National Park and Recreation Association publishes standards for various types of regional, community and neighborhood facilities. Those standards specify numbers of ball fields, courts, swimming pools, etc., theoretically required to adequately provide service per 1,000 population. The City's present inventory of developed park and recreation facilities does not meet all of the standards for such facilities as defined by the National Park and Recreation Association. However, the City anticipates developing an updated Master Plan for parks and recreation facilities that will define park and recreation goals and objectives specifically for the City. Currently, the City's General Plan policies call for rehabilitation and development of parks in the Hamilton Field area and place emphasis on improvement of existing parks over acquisition of new park sites.

1. **Government Structure Options, including Advantages and Disadvantages of Consolidation or Reorganization of Service Providers**

The recreational services, programs and facilities offered by the City, County and Bel Marin Keys CSD are very dissimilar in character and purpose. No alternative government structure has been identified that would offer financial advantage or enhance services to any segment of the study area population.

Recommended Finding: This study has identified no alternative government structures that could have a positive effect on provision of park and recreation services in the study area.

2. **Infrastructure Needs or Deficiencies**

Public agencies providing park and recreation services in the Novato area control substantial lands for recreation relative to area population. Although it might be arguable that a particular type of recreational facility or program is lacking in a particular area, the application of national standards for ballfields or swimming pools per thousand population to measure the adequacy of recreational infrastructure will inevitably seem arbitrary in an area as rich in recreational opportunity as Marin County.

Adequacy of recreational infrastructure is a local quality-of-life judgment. Local agency boards respond to quality-of-life issues, such as demand for development of a particular recreational facility, as local demand and financial resources permit and other, more urgent, community priorities may take precedence.

The only clear infrastructure issue related to recreation that would be objectively identified outside of local quality-of-life options is the restoration of locks and waterways in Bel Marin Keys. The funding for maintenance of the waterways is an entirely local matter. The benefits of the facilities as currently configured accrue almost exclusively to residents of Bel Marin Keys.

Recommended Finding: Changes of organization involving LAFCO action or other changes to local government relationships would not be likely to significantly affect local recreational infrastructure.

3. Growth and Population Projections for the Affected Area

Projected population growth in the study area (as described in Section II. E, above) is expected to be moderate in relation to existing population, placing moderate increase in demand for service on local park and recreation services.

Recommended Finding: Local agencies providing park and recreation services in the Novato area will be able to provide service for projected population in the study area. Some fluctuation in provided service levels might be expected as a result of priorities set by agency boards and support for special tax measures. LAFCO actions will not significantly affect population growth in the study area.

4. Financing Constraints and Opportunities

The City of Novato will be able to recover a portion of the capital costs of new recreation facilities to serve new population through land exactions and impact fees paid by developers. The City currently collects slightly higher fees for participation of non-residents in its recreational programs. The City may consider higher non-resident fees as a means of generating modest additional funding to reflect the fact that non-residents do not otherwise contribute to the cost of City facilities or programs.

Recommended Finding: Changes of organization involving LAFCO action would not provide any additional financial resources for local recreational infrastructure finance.

5. Cost Avoidance Opportunities

The City of Novato has an established record of acting on opportunities to avoid costs in the provision of park and recreation services through agreements for the common use of facilities and contracts for efficient staffing of various recreational programs (primarily through agreements with local school and community college districts and the YMCA). Cost avoidance opportunities in the provision of park and recreation services in the Novato area would not be enhanced or inhibited by LAFCO actions.

Recommended Finding: Cost avoidance opportunities in the provision of park and recreation services in the Novato area would not be enhanced or inhibited by LAFCO actions.

6. Opportunities for Rate Restructuring

Rate restructuring has not been identified as a positive approach to enhancing the provision of park and recreation services in the Novato area.

Recommended Finding: Rate restructuring has not been identified as a positive approach to enhancing the provision of park and recreation services in the Novato area.

7. Opportunities for Shared Facilities

As discussed above, the City of Novato has an established record of acting on cost avoidance opportunities in the provision of park and recreation services through agreements for the common use of recreational facilities, particularly in cooperation with school districts. Additional opportunities for shared facilities in the provision of park and recreation services in the Novato area would not be enhanced or inhibited by LAFCO actions.

Recommended Finding: Opportunities for shared facilities in the provision of park and recreation services in the Novato area would not be enhanced or inhibited by LAFCO actions.

8. Evaluation of Management Efficiencies

Both the City of Novato and the County Department of Parks, Open Space and Cultural Resources retain adequate staff to manage the broad range of programs and facilities provided by their departments. The City and the County include substantial information on their programs in their budgets and capital improvement programs that describe their service priorities and funding allocations. The Bel Main Keys CSD, until recently operating with insufficient financial resources to maintain service levels and facilities, retains only minimal staff. The District's budget document is brief, containing only funding allocations without discussion or explanation of funding decisions. The management structure of a larger organization would be available if the Bel Marin Keys area were annexed to the City of Novato, but the area is outside the City's sphere of influence and not eligible for city annexation. The management capacity of the Bel Marin Keys CSD is currently under study. The District has retained a consultant to evaluate the District's staffing and management.

Recommended Finding: Management efficiencies in the provision of park and recreation services in the Novato area would not be enhanced or inhibited by LAFCO actions.

9. Local Accountability and Governance

Park and recreation services provided by the City of Novato are governed not only by the priorities set by the City Council, but also by an appointed Parks and Recreation Commission, Youth Commission and Civic Arts Commission. The system of commissions is aimed at enhancing community input in the City's programs. The City emphasizes communication of recreational opportunities available to its residents through publication of *Novato Activities*, a biannual program guide to the City's classes, events and facilities. The activities guide is also available on the City's website.

The County's Department of Parks, Open Space and Cultural Resources also functions under the auspices of an appointed commission and publishes information on its programs and facilities.

By virtue of being a very small, limited purpose organization providing service to a single residential area, Bel Marin Keys CSD enjoys close connection with residents of the District. Its meetings are well attended. Interest is high in elections for seats on the District Board.

Recommended Finding: Local accountability and governance in the provision of park and recreation services in the Novato area would not be enhanced or inhibited by LAFCO actions.

J. SERVICE REVIEW RECOMMENDATIONS

The findings proposed in each service review section above make no recommendation for further study or for changing the structure of local governments in the Novato area at this time. This report recommends that the Commission adopt those findings by resolution as required by Government Code Section 56430. Overall, the draft findings recognize that alternatives for reorganization of local government agencies in the Novato area are limited and broadly conclude that:

- ❑ The boundaries and service relationships between the City of Novato and the special districts that serve the Novato area do not easily lend themselves to reorganization.
- ❑ The possible reorganizations discussed in Chapter II “Service Reviews” would not be likely to generate significant public benefits and would in each case have some disadvantage in local political accountability for the provision of services.
- ❑ The services provided by the County, the City of Novato and special districts serving the Novato area are quantitatively and qualitatively different. The different types of organizations provide service in a generally complementary manner, rather than a duplicative manner that could be addressed through consolidation of agencies.
- ❑ Local government agencies in the Novato area actively and effectively work to reduce costs and maximize service efficiency by sharing facilities and programs wherever possible. Many cost savings that might otherwise be achieved through political reorganization of local agencies have already been realized through these practices.

III. SPHERES OF INFLUENCE

In adopting an urban growth boundary, the City of Novato sought to limit growth in the unincorporated area until 2017 and anticipate re-evaluation of general plan provisions for the area at that time. Annexations, increased density or more urban uses could then be considered. However, some development in the unincorporated area, usually semi-rural residential development, will continue under County planning regulations during the intervening years. Previous studies have shown the limited extent of such development (Novato Area Boundary Policy Review, December 1, 2000, pages 33-35).

Extension of sewer service in the area between Novato's Urban Growth Boundary and the City's sphere of influence is unlikely to significantly affect the extent of that development. At the semi-rural densities anticipated by County planning regulations, limited development of the unincorporated area will also not significantly affect the common policies of the City, the County and LAFCO focusing on in-fill development of incorporated areas. While it might be possible for LAFCO to further limit growth in the unincorporated area through restricting expansion of the Novato Sanitary District boundaries, to do so would impose terms of a City ordinance in an area outside the City's jurisdiction.

The City's Urban Growth Boundary and County-designated Urban Service Areas create an indirect conflict between the general plans of the City and the County: The Urban Growth Boundary implies that development in the unincorporated area will be minimized at least until 2017. At that time, close-in areas such as Atherton Avenue (between Highway 101 and Bugeia Lane) and the Leveroni property (at Bel Marin Keys) might be considered for more urban uses than now apply. In this sense, the City's Urban Growth Boundary Ordinance considers these unincorporated areas as a form of urban reserve area. However, the County's General Plan lists these areas as Urban Service Areas – areas where services are available and where new development can be most easily accommodated – not as land to be held in reserve for twenty years. The continuing development of the Atherton Avenue area under the County's current planning regulations for low density, semi-rural residential use is not "urban" in the broad sense and will tend to pre-empt the City's future consideration of this area for more intense urban use. The update of the Countywide General Plan, now underway, may resolve this apparent conflict.

Sphere of influence recommendations for the City of Novato, Novato Sanitary District and other special districts discussed in this report are summarized as follows:

A. SUMMARY OF SPHERE OF INFLUENCE RECOMMENDATIONS

<u>Agency</u>	<u>Recommended Sphere of Influence</u>	<u>See Page</u>
City of Novato	Amended as shown on Map 9	86, 87
Novato Sanitary District	Amended as shown on Map 10	89, 91
Novato Fire Protection District	Coterminous with current boundaries	93
North Marin Water District	Coterminous with current boundaries, plus Hamilton	94
Bel Marin Keys CSD	Coterminous with current boundaries	95
County Service Area #1	Zero	97
County Service Area #20	Coterminous with current boundaries	98

B. CITY OF NOVATO AND NOVATO SANITARY DISTRICT

When spheres of influence were originally adopted for local agencies in the Novato area in 1982, City and County general plans anticipated more growth than present general plans and the definition of “sphere of influence” was much more open-ended. Since 1982, those plans have been revised to reduce anticipated growth and changes to State Law have altered the definition of “sphere of influence” from “a plan for the ultimate boundary and service area of a local government agency” to “a plan for the probable boundary and service area of a local government agency.” Other important changes affecting the development of spheres of influence in the Novato area since 1982 include significantly tightened development regulations, public acquisition of open space and the continued erosion of the ability of cities to extend services to low density residential areas.

These important changes will be most noticeably reflected in this report’s recommendations for amendments to the spheres of influence for the City of Novato and the Novato Sanitary District. The services provided by these two agencies are key to urban expansion in the study area.

1. Review of Unincorporated Areas Currently in the Novato Community Sphere of Influence

The following sections of this report examine areas which LAFCO may consider for inclusion in, or exclusion from the spheres of the City and Novato Sanitary District. Each area described below lies between the City’s present boundary (and urban growth boundary) and the City’s 1982 Sphere of Influence. Map 8 identifies each area referenced in the following discussion sections – Northeast 1 or NE-1, SE-4, SW-2, etc. Maps 9 and 10 show staff’s sphere-of-influence recommendations for the City of Novato and Novato Sanitary District based on the following discussion of each area.

MAP 8

a. NE-1: Petaluma Marsh Wildlife Area

This area is administered by the California Department of Fish and Game. The area is designated in both the County and City General Plans and zoning ordinances for conservation and open space uses. The area is located outside of the City-Centered Corridor as mapped in the Countywide Plan. Because this area is in permanent open space uses, it will not require urban services or facilities. Therefore, the Commission should consider removing the Petaluma Marsh Wildlife area from both the City of Novato and Novato Sanitary District spheres of influence.

b. NE-2: Gness Field Area

Gness Field is Marin's County-owned airport facility. Associated facilities include approximately 400,000 square feet of light industrial uses such as fixed base operations, offices, storage and other light industrial uses. The airport is a general aviation airport and has no scheduled commercial flights. Gness Field is designated for a maximum of 800,000 square feet of light industrial and community facilities under both the City and County General Plans and zoning ordinances. A portion of the Gness Field area is designated for agricultural uses under the County's General Plan.

The City's Urban Growth Boundary Ordinance – a part of the City's General Plan – calls for joint City/County development of a specific plan for the Gness Field area. Neither jurisdiction has acted to plan or schedule this project, although the County will be updating the Airport Master Plan (affecting the airport facility only) within the next year. Gness Field is located outside of the City-Centered Corridor as mapped in the Countywide Plan.

There is presently no wastewater treatment system to serve the airport. Wastewater collection tanks must be pumped out and the sewage removed by trucks to the sewage treatment plant several times each week. While this is a highly undesirable situation, there is currently no feasible means of funding the required two-mile extension of sewer main to the airport.

There is a present and probable need for wastewater service to the airport. However, there has been no analysis of whether such service should be provided by an on-site treatment facility or connection to the Novato Sanitary District. If the solution to wastewater treatment is an on-site package treatment plant, there would be no requirement for annexation to the Sanitary District. In addition, the airport is separated from the City of Novato on the eastside of Highway 101 and on the south by wetlands and permanently protected open space areas (Maps 7 and 8, areas NE-1, NE-6, NE-7 and NE-5), which will not require sewer service.

Based on the foregoing, the Commission should consider removing Gness Field from both the City of Novato and Novato Sanitary District spheres of influence. Until adequate planning studies which determine future land uses associated with the airport and ascertain the most appropriate method of providing wastewater service to those uses are complete, the Gness Field should remain outside the Novato Sanitary District sphere of influence.

However, it is worth noting that development of a specific plan for the Gness Field area as proposed in the Novato Urban Growth Boundary ordinance would resolve land use issues and re-define demand for service. This information, in turn, would more fully describe the necessary service relationships between the Gness Field area, the City of Novato and Novato Sanitary District. If the Commission concludes that the City and County will eventually move to develop a specific plan, the Commission should consider retaining the Gness Field area in the spheres of influence of the City and the District in order to avoid undercutting completion of that planning effort. If so, staff would recommend that inclusion of the area in City and District spheres as a study area for a five-year period specifically to allow for additional planning.

a. NE-3: Leveroni North

This area is currently undeveloped private property. The area is designated in the City General Plan and zoning ordinance for "Conservation." The County's General Plan designates the property for Bayfront Conservation (A-60 minimum parcel size). The property abuts Gness Field on the west, but has no direct access and is largely surrounded by open space and wetlands. (See Maps 7 and 8, areas NE-1, NE-5, and NE-6).

There is currently no present or probable need for City or sanitary district services to the property. Therefore, the Commission should consider removing the property from both the City of Novato and Novato Sanitary District spheres of influence.

b. NE-4: Rancho de Pantano

This private property is designated in the County and City General Plans and zoning ordinances for conservation and agricultural uses. A portion of the property is occupied by the KCBS antenna, and a portion is administered by the Department of Fish and Game as part of the Petaluma Marsh Wildlife area. The property is surrounded by permanent open space uses (areas NE-1, NE-5) and undeveloped land (area NE-3). Because there is little likelihood that this property will require urban services or facilities, the Commission should consider removing the area from both the City of Novato and Novato Sanitary District spheres of influence.

c. NE-5: Petaluma Marsh Wildlife Area #2

As is the case for Area NE-1 above, this area is administered by the California Department of Fish and Game. The area is designated in both the County and City General Plans and zoning ordinances for conservation and agricultural uses. The area is located outside of the City-Centered Corridor as mapped in the Countywide Plan. Because this area is in permanent open space uses, it will not require urban services or facilities. Therefore, the Commission should consider removing the Petaluma Marsh Wildlife area from both the City of Novato and Novato Sanitary District spheres of influence.

d. NE-6: Leveroni - Black John Slough

This private property is designated in the County General Plan for agricultural and conservation uses (Bayfront Conservation), and in the City General Plan and zoning ordinance for conservation. However, the County's General Plan and zoning ordinance are inconsistent, with the zoning ordinance designating this property for industrial uses. The County intends to reconcile the inconsistency between the County's General Plan and zoning ordinance by rezoning the property consistent with the Bayfront Conservation designation. There is currently no present or probable need for sanitary sewer service to the property. Therefore, the Commission should consider removing the property from both the City of Novato and Novato Sanitary District spheres of influence.

e. NE-7: Rush Creek Open Space Preserve

This area is in permanent open space as a result of its dedication to the County Open Space District and Department of Fish and Game at the time Rush Creek Estates was developed. The area is partially within the administration of the Department of Fish and Game as part of the Petaluma Marsh Wildlife area, and part is within the Rush Creek Open Space Preserve administered by the County Open Space District. The property is designated in both the City and County General Plans and zoning ordinances for conservation and open space uses. Because this area is in permanent open space uses, it will not require urban services or facilities. Therefore, the Commission should consider removing this area from both the City of Novato and Novato Sanitary District spheres of influence.

f. NE-8: Petaluma Marsh Wildlife Area #3

As is the case for areas NE-1 and NE-5 above, this area is administered by the California Department of Fish and Game. The area is designated in the County and City General Plans and zoning ordinances for open space uses including conservation and agriculture. Because this area is in permanent open space uses, it will not require urban services or facilities. Therefore, the Commission should consider removing this area from both the City of Novato and Novato Sanitary District spheres of influence.

g. NE-9: Atherton/Rush Creek

On the north side of Atherton Avenue, Rush Creek Estates is completely developed with 89 housing units on 72 acres. Directly across Atherton Avenue from Rush Creek Estates on the south side of Atherton Avenue, the area is partially developed with single family homes and is designated in both the City and County General Plan and zoning ordinances for very low density residential uses (City - .5-1.0 dwelling units per acre; County - 1 dwelling unit per acre). The area is also within a County-designated Urban Service Area (USA), and has probable need for public facilities and services. Rush Creek Estates and some of the parcels south of Atherton Avenue are within the boundaries of the Novato Sanitary District. (See Map 3 "Sanitary District Service Areas.") Novato Sanitary District operates a sewer main in Atherton Avenue. This area is continuing to develop at low residential density. It is surrounded on three sides by the City's boundary and contains an arterial roadway connecting central Novato with the outlying Bahia area. Therefore, the Commission should consider retaining this area within both the City of Novato and Novato Sanitary District spheres of influence.

h. NE-10: Black Point/Green Point

This area is partially developed with single-family homes on lots ranging from ¼ acre to more than 2 acres in size. Black Point/Green Point is designated by both the City and County General Plans and zoning ordinances for very low-density residential use (City – .5-1.0 dwelling units per acre; County – 1 dwelling unit per 2 acres).

The City's General Plan (including the Urban Growth Boundary) indicates that there are developed unincorporated areas within its sphere of influence that the City "does not intend to annex, such as the developed unincorporated communities of Black Point and Indian Valley." As with other areas outside the City's Urban Growth Boundary, the Commission would logically exclude the Black Point/Green Point community from the City's sphere because the City does not plan to extend services to this area at least until 2017.

With respect to sewer service, there is a probable need for service based on the age of existing systems and known instances of failure resulting in applications to LAFCO for annexation to Novato Sanitary District (Lands of Colenbrander, Lands of Smiley, and others). Some of these applications were approved based on the fact that the area is currently within the sphere of Novato Sanitary District, that District sewer mains are close to parts of the Black Point/Green Point area and a demonstrated public health hazard. However, the inclusion of the area in the Novato Sanitary District sphere of influence and the County's policy to require sewer hookup when County permits are requested within 400 feet of an existing sewer are in conflict with the Community Plan that does not anticipate extension of sewer service.

The continued failure of existing septic facilities and the small parcel sizes in the Black Point area indicate that the 1978 Community Plan may be outdated. The County's Community Development Agency has indicated that the Community Plan will be reviewed and updated within three years. Under these circumstances, the Commission should consider retaining the Black Point/Green Point Community Plan area in an interim Novato Sanitary District sphere of influence in which the Commission would consider approval of annexations to Novato Sanitary District in cases where connection to a sewer is needed to provide service to parcels that cannot feasibly support septic systems. Extension of sewer service could be considered either to replace existing septic facilities or to new development. These proposed interim provisions in the proposed Novato Sanitary District sphere of influence would apply until review of the Community Plan is complete and the Novato Sanitary District sphere of influence is again reviewed.

i. SE-1: Leveroni at Highway 37

This currently undeveloped private property is designated in both the City and County General Plans and zoning ordinances for conservation and industrial uses.

The area is within a County-designated Urban Service Area (USA) and surrounded almost entirely by the City boundary. The area's proximity to existing City boundaries and general plan designations indicate that there is a probable need for City and Novato Sanitary District services. Therefore, the Commission should consider retaining the area within both the City of Novato and Novato Sanitary District spheres of influence.

Also, the Bel Marin Keys CSD is exploring the purchase of land within this area as a site for the deposit of dredging spoils. If Bel Marin Keys CSD purchases the site for this purpose, the Commission should consider its inclusion in the Bel Marin Keys CSD sphere of influence.

j. SE-2: Bel Marin Keys

The large undeveloped portion of this area known as Bel Marin Keys Unit 5, has been recently purchased by the California Coastal Conservancy (in cooperation with other conservation organizations) for permanent open space uses. Because this area is in permanent open space uses, it is not expected to require urban services or facilities. Therefore, the Commission should consider removing this area from the spheres of influence of the Novato Sanitary District and the Bel Marin Keys CSD. Bel Marin Keys Unit 5 is not currently within the City's sphere.

The developed portion of this area, the Bel Marin Keys community, was excluded from the sphere of influence of the City of Novato reflecting both the preference of the Bel Marin Keys community and its physical isolation from the rest of the City. This area is also outside the City's Urban Growth Boundary.

The developed portion of the Bel Marin Keys community are already served by Novato Sanitary District (Map 3) and the Bel Marin Keys Community Services District and should remain in the spheres of influence of both districts.

In summary, the Commission should consider removing the undeveloped Bel Marin Keys Unit 5 portion of SE-2 from the spheres of the City, Novato Sanitary District and Bel Marin Keys CSD. The Bel Marin Keys community and the Bel Marin Keys Unit 5 area should remain outside the City's sphere. The developed Bel Marin Keys community is already within the boundaries of Novato Sanitary District and Bel Marin Keys CSD and should remain in the spheres of both agencies.

k. SE-3: North St. Vincent's

This property is a portion of the area owned by United Catholic Charities previously allocated to the Novato sphere of influence. The balance of the site to the south is within the San Rafael sphere and within a County-designated urban service area. A specific plan for proposed development of the southern portion of the site is now under review by the City of San Rafael.

This area is designated in the Novato General Plan and zoning ordinance for conservation, and in the County General Plan and zoning ordinance for agricultural uses. The portion of St. Vincent's shown as SE-3 is located east of the railroad right-of-way and is not within any County-designated urban service area. SE-3 is nearly surrounded by the City of Novato. Access from areas within Novato is possible but not well established. No access has been established to the south from areas within the San Rafael sphere of influence.

The property owner has no specific proposals for this area as it is not within the project area considered for development by the City of San Rafael. There is a fairly high probability that this area will remain in recreation or open space uses. However, active recreational uses (ball fields, golf course, etc.) may be proposed following release of the Specific Plan for the area, according to Diocese representative Ralph Marchese. Novato Community Development staff has stated that the City of Novato would support the development of recreational uses on the property as part of the specific plan process. Ball fields and other active recreational uses may require wastewater services and City emergency services. Therefore, the City has requested that the area be retained in the City's sphere of influence.

The property owner advocates retention of SE-3 North St. Vincent's in the Novato sphere of influence in order to preserve stability in the on-going planning process for the rest of the site in the City of San Rafael. Exclusion of the area from the Novato sphere has not been contemplated in any of the previous planning efforts for St. Vincent's and may inject uncertainty in the specific plan review now underway.

The Commission should consider retaining the area in the City of Novato sphere of influence pending the outcome of the Specific Plan process. If sewer service to the site is eventually needed, that service may be more easily accessed and more

logically provided by the Las Gallinas Sanitary District -- a determination that should be made after completion of appropriate plans for the site. Therefore, SE-3 should not be included in the Novato Sanitary District sphere at this time.

Marin Valley Mobile Home Park

Also of interest in this general area, the Marin Valley Mobile Home Park is located immediately to the west of SE-3 within the City boundary. The Mobile Home Park is the only area within the City that receives sewer service from the Las Gallinas Valley Sanitary District. At the time the Mobile Home Park was developed, service by Las Gallinas Valley Sanitary District was the most efficient source of sewer service. This area could alternatively be served by Novato Sanitary District. However, according to Novato Sanitary District staff, re-alignment of service would require pumping to reach the Ignacio plant, connection fees paid to Novato Sanitary District for each of 315 connections at \$4,700 each with the additional possibility of other improvements needed to the collection system infrastructure. The Ignacio treatment plant will be near capacity with the build-out of the Hamilton Field Re-Use Plan.

If the spheres of influence and boundaries for Novato Sanitary District and Las Gallinas Valley Sanitary District were amended to allow sewer service to the Marin Valley Mobile Home Park to be provided by Novato Sanitary District, the costs of the reorganization would be borne by the property owner, the City of Novato Financing Authority. Las Gallinas Valley Sanitary District might or might not agree to the transfer of its connection fees to Novato Sanitary District. As the district gaining territory, Novato Sanitary District might or might not consent to the annexation, depending on available treatment capacity and condition of the collection system. Staff recommends that the sphere of influence of the Novato Sanitary District remain at the District's present boundary in this area (excluding Marin Valley Mobile Home Park) based on the uncertainties and probable costs of realignment of sewer service.

1. SW-1 and SW-5: Hill Ranch

These privately owned properties are designated for agricultural use in the County's General Plan and zoning. Area SW-1 is under a Williamson Act contract. (Williamson Act contracts require the property owner to maintain land in agricultural use in return for property tax assessment based on agricultural land value for a term of 20 years, extended annually.) Both parcels are designated for conservation in the City's General Plan and zoning ordinance. While not permanently protected, there is little probability these parcels will be developed with uses requiring urban services and facilities, given their remote location and poor access. Therefore, the Commission should consider removing these areas from both the City of Novato and Novato Sanitary District spheres of influence.

m. SW-2: Indian Valley Open Space Preserve

This property consists of publicly owned, permanently protected open space. There is no probability this property will be developed with uses requiring urban services and facilities. Therefore, the Commission should consider removing the area from both the City of Novato and Novato Sanitary District spheres of influence.

n. SW-3: Ebright

This partially developed private property is designated in both the City and County General Plans and zoning ordinances for open space uses including conservation and agriculture. (City – conservation; County – A-60). The property already has reached its maximum density potential of 3 residential units. There is little probability this property will be developed with uses requiring urban services and facilities. Therefore, the Commission should consider removing this area from both the City of Novato and Novato Sanitary District spheres of influence.

o. SW-4: Indian Valley

This area is predominantly developed with single-family homes and agricultural uses. Both the City and County General Plans and zoning ordinances call for very low-density residential uses (City – .5-1.0 dwelling units per acre; County – 1-acre minimum parcel size). The area is within the County’s Indian Valley Community Plan, which calls for the eventual provision of sewer service to the area. The City’s General Plan (including the Urban Growth Boundary) indicates that there are developed unincorporated areas within its sphere of influence that the City “does not intend to annex, such as the developed unincorporated communities of Black Point and Indian Valley.” As with other areas outside the City’s Urban Growth Boundary, the Commission would logically exclude the Indian Valley community from the City’s sphere because the City does not plan to extend services to this area.

However, because there is a probable need for sewer service, the Commission should consider retaining those portions of Indian Valley designated for residential development within the sphere of influence for the Novato Sanitary District. The recommended Novato Sanitary District sphere of influence shown on Map 10 excludes parcels in excess of 10 acres zoned for agriculture.

The County is currently updating the Community Plan with a focus on reinforcing provisions that will ensure the area retains its rural character. Sanitary district annexations within Indian Valley will have only marginal effects on total development potential of the area.

p. SW-6: Point of Vineyard/Rebello

This property is designated in the County General Plan as open space. The City General Plan designates the area as low density residential because it was a part of the adjacent subdivision, which was built as a cluster on a portion of the Vineyard property. Because there is little likelihood this area will ever be developed, the Commission should consider removing this area from both the City of Novato and Novato Sanitary District spheres of influence.

q. SW-7: Vineyard Road

This unincorporated area is developed with single-family homes and is within the boundaries of the Novato Sanitary District. The area is within a County-designated Urban Service Area (USA). Portions of the area are in dedicated open space uses. Therefore, the Commission should consider retaining the developed portions of this area within both the City of Novato and the Novato Sanitary District spheres of influence as shown on Maps 9 and 10.

r. SW-8: Loma Verde

This area is a fully developed unincorporated "island" entirely surrounded by the City of Novato. The area is within the boundaries of the Novato Sanitary District and within a County-designated Urban Service Area. Like many other unincorporated islands, both residents and the surrounding city lack a direct service need or other benefit to be gained from annexation to the city. Neither the City nor area residents have been willing to undertake the costs of annexation to date. The Commission should consider retaining this area within both the City of Novato and the Novato Sanitary District spheres of influence.

2. Recommended Sphere of Influence - City of Novato

Map 9 shows the recommended sphere of influence for the City of Novato based on the detailed discussion of individual unincorporated areas above and the current definition and criteria of spheres of influence in the Cortese-Knox-Hertzberg Act. The recommended City sphere includes unincorporated areas that:

- Are partly or completely surrounded by the City's present boundaries;
- Can be logically and conveniently served by the City;
- Require or are likely to require urban services;
- Are planned to include or already include water and sewer facilities;

All of these unincorporated areas are within County-designated urban service areas (page 8) in the Community Facilities Element of the Countywide General Plan except for the North St. Vincent's area. The County's Plan designates these areas to identify land of importance to the general plans of incorporated cities, where public facilities and infrastructure are available and where development could be most readily accommodated in the next ten years. These criteria are similar to LAFCO criteria for the designation of spheres of influence.

However, Urban Growth Boundary provisions in the City's General Plan severely reduce the likelihood that these areas would be annexed to Novato prior to 2017. These provisions could be viewed as a short-term conflict between City and County general plans which may be resolved in the current update of the County's General Plan. On balance, these areas should remain in the City's sphere despite Urban Growth Boundary provisions because their eventual inclusion in the City's boundary will bring into the City unincorporated islands or other areas nearly surrounded by the City's jurisdiction.

Conversely, the recommended City sphere excludes areas that do not reflect the probable physical boundary and service area of the City for the following reasons:

- The City's General Plan (including the Urban Growth Boundary) indicates that there are developed unincorporated areas within its sphere of influence that the City "does not intend to annex, such as the developed unincorporated communities of Black Point and Indian Valley." The County has adopted community and specific plans for the Black Point/Green Point and Indian Valley areas.

Map 9

- Numerous areas within the City's sphere of influence are in permanent open space or agricultural uses. Approximately 3,600 acres between the City's Urban Growth Boundary and sphere of influence are in such uses and are not expected to require City services.
- The City's services are unlikely to be required by or extended to the County's airport facility at Gness Field. Although the 1997 Urban Growth Boundary passed by voters in the City of Novato calls for the joint City/County development of a specific plan for the airport area, no action has been taken to date by either the City or the County to initiate such a specific plan. The County is currently updating its master plan for the airport facility itself. The Gness Field area is therefore not recommended for inclusion in the City's sphere of influence. However, The Gness Field area should be considered for inclusion in the City's sphere of influence on an interim basis (for study purposes) if the Commission concludes that the City and the County intend to jointly prepare a specific plan for the area within the next five years.

Staff recommends that the Commission adopt a resolution amending the sphere of influence of the City of Novato as shown on Map 9. The resolution should also include a the following statement of determinations specified in Government Code Section 56425:

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

Present and planned land uses in the area designated as the sphere of influence of the City of Novato include low and medium density residential, limited agriculture (permitting residential densities of up to 1.0 units per acre), and vacant industrial and conservation uses. In each case, present and planned land uses are generally similar to adjacent land uses already within the City boundary.

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

Three of the five unincorporated areas included within the Novato sphere of influence (Vineyard Road, Atherton Avenue/Rush Creek and Loma Verde) are at or are approaching build-out of permitted residential density under current provisions of the County's general plan and zoning ordinance. Service levels and efficiency of services provided to these residential uses in close proximity to existing incorporated territory would benefit from eventual annexation to the City of Novato.

The fourth area (Leveroni) is currently vacant land zoned for industrial use where it fronts on Bel Marin Keys Boulevard. The portion of this area without road

access is designated for conservation use similar to adjacent open space and flood control preserves within the City's present boundary. The entire area is 90% surrounded by the City's incorporated territory.

- ❑ The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide.

The operating departments and public facilities of the City of Novato are adequate to provide service to the City's currently incorporated area and areas within its sphere of influence. Areas included in the sphere of influence are located so closely to City facilities that they may already be deemed to benefit from City services and facilities. The City of Novato would provide services and facilities at service levels which are the same as or higher than currently provided by the County.

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

All of the unincorporated areas included in the designated City of Novato sphere of influence rely on circulation links to arterial or collector streets in the City. The consumer needs of residents of the unincorporated areas within the City's sphere of influence are served by shopping areas within the City of Novato. Recreational and Cultural programs offered by the City of Novato are open to and patronized by unincorporated area residents. Each of the unincorporated areas in the designated sphere is served by the same school districts and many of the same community organizations that serve the incorporated area.

3. Recommended Sphere of Influence - Novato Sanitary District

The proposed sphere of influence for the Novato Sanitary District should include areas expected to require sewer service in the foreseeable future. Map 10 shows the area proposed for inclusion in the District's sphere. The proposed Novato Sanitary District sphere of influence includes the following areas as shown on Map 10:

- ❑ All of the area within the present boundaries of the District;
- ❑ All of the area within the City of Novato and the City's Urban Growth Boundary with the exception of the portion of Hamilton Re-Use Project Area presently served by Las Gallinas Sanitary District;
- ❑ All County-designated urban service areas;
- ❑ All unincorporated areas within the proposed City of Novato sphere of influence with the exception of North St. Vincent's;
- ❑ The Bel Marin Keys, Indian Valley, Loma Verde and Atherton Avenue unincorporated areas.

In addition, Map 10 specifies that the Black Point/Green Point area remain in the Novato Sanitary District sphere of influence on an "interim" basis, recognizing the conflict between the probable demand for sewer service and the existing Black Point/Green Point Community Plan, which does not recognize the need for sewer service. The County Community Development Agency will review and update the Community Plan within the next three years. In the interim period, the Commission would consider approval of annexations to the Sanitary District for existing uses with failing septic systems and for new uses where no viable alternative for sewer service is available. If adopted, these restrictions on how the Black Point/Green Point area would be included in an interim Novato Sanitary District sphere should be specified in the Commission's resolution and shown on the sphere of influence map attached to the resolution.

The primary intentions in defining the area to be included in the proposed sphere of influence for the Novato Sanitary District are:

- ❑ To retain in the District sphere areas that have reported failing septic systems and are either within an adopted community plan area designated for sewer service (e.g., SW-4: Indian Valley), or within a County-designated urban service area (e.g., NE-9: Atherton/Rush Creek, SE-1: Leveroni, SW-8: Loma Verde) where demand for sewer service is clear and can be provided efficiently.
- ❑ To exclude areas that are unlikely to require sewer service (e.g., large areas in open space or agricultural designations) or areas where it is not clear that sewer service can be efficiently extended (NE-2: Gness Field).

Map 10

Both the interim inclusion of Black Point/Green Point and the exclusion of Gness Field would be subject to amendment when additional studies, general plan amendments or re-zonings that clarify demand for service are completed by the County.

Staff recommends that the Commission adopt a resolution amending the sphere of influence of the City of Novato as shown on Map 9. The resolution should also include a the following statement of determinations specified in Government Code Section 56425:

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

Present and planned land uses in the area designated as the sphere of influence of the Novato Sanitary District include low and medium density residential, limited agriculture (permitting residential densities of up to 1.0 units per acre), commercial, industrial and conservation uses. Present and planned land uses within the City's current boundaries are generally similar to adjacent land uses in unincorporated areas designated as within the sphere of influence of the City of Novato and the Novato Sanitary District. The planned uses in the unincorporated Indian Valley area are expected to require sanitary sewer service according to the adopted Community Plan. The adopted Community Plan for the Black Point/Green Point area does not anticipate extension of sewer service.

Black Point/Green Point is included in the sphere of influence of the Novato Sanitary District on an interim basis in order to allow the Commission to respond to environmental health problems known to exist in that area. Inclusion of the Black Point/Green Point area in the sphere of influence of the Novato Sanitary District will be reviewed in three years from the date of adoption of the resolution amending the District's sphere of influence.

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

Areas included in the Novato Sanitary District sphere of influence are either approaching build-out of permitted residential density under current provisions of the County's general plan and zoning ordinance or are already within the incorporated area of the City of Novato. Established densities and the incidence of failure of individual septic systems in these areas indicate demand for sewer service.

- ❑ The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide.

The treatment facilities, trunk lines and sewer mains of the Novato Sanitary District are generally sufficient to provide service to the area within the designated District sphere of influence under the assumptions of City and County General Plans. Some marginal expansion of treatment capacity may be required to serve the area at build-out.

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

The Commission has determined that social and economic communities of interest between areas currently within the boundaries of the Novato Sanitary District and the area surrounding its jurisdiction are not relevant to the determination of the District's sphere of influence.

4. Recommended Sphere of Influence - Novato Fire Protection District

The area within the boundaries of the Novato Fire Protection District already includes extensive rural land not requiring the structural fire protection services provided by the District. Rural areas outside of the District's current boundary are appropriately served by the County Fire Department. Therefore, the sphere of influence for Novato Fire Protection District is recommended to be coterminous with (the same as) the District's current boundaries as shown on Map 4.

Staff recommends that the Commission adopt a resolution amending the sphere of influence of the Novato Fire Protection District. The resolution should include the following statement of determinations:

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

Present and planned land uses in the area designated as the sphere of influence of the Novato Fire Protection District include low and medium density residential, open space, agriculture and limited agriculture (permitting residential densities of up to 1.0 units per acre), commercial, industrial and conservation uses.

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

Areas included in the Novato Fire Protection District sphere of influence now require and will continue to require the emergency services provided by the Novato Fire Protection District.

- ❑ The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide.

The facilities and services provided by the Novato Fire Protection District are generally sufficient to provide service to the area within the designated District sphere of influence.

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

The Commission has determined that social and economic communities of interest between areas currently within the boundaries of the Novato Fire Protection District and the area surrounding its jurisdiction are not relevant to the determination of the District's sphere of influence.

5. Recommended Sphere of Influence - North Marin Water District

The area within the boundaries of the North Marin County Water District's Novato service area already include greater territory than will require the services of the District with the exception of territory within the City of Novato currently served by the Marin Municipal Water District. The area served by Marin Municipal Water District in the Hamilton Field area could be served by either district. However, costs to ratepayers would be lower if the area was reorganized and served by NMWD. The two districts have negotiated an agreement for the transfer of water facilities in the area and have submitted an application for reorganization.

The sphere of influence for North Marin Water District's Novato service area is recommended to be coterminous (the same as) the district's current boundaries plus the area within the City of Novato now served by Marin Municipal Water District as shown on Map 5.

Staff recommends that the Commission adopt a resolution amending the sphere of influence of the North Marin Water District. The resolution should include the following statement of determinations:

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

Present and planned land uses in the area designated as the sphere of influence of the North Marin Water District include low and medium density residential, open space, agriculture and limited agriculture (permitting residential densities of up to 1.0 units per acre), commercial, industrial and conservation uses.

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

Areas included in the North Marin Water District sphere of influence now require and will continue to require the services provided by the North Marin Water District.

- ❑ The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide.

The facilities and services provided by the North Marin Water District are generally sufficient to provide service to the area within the designated District sphere of influence.

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

The Commission has determined that social and economic communities of interest between areas currently within the boundaries of the North Marin Water District and the area surrounding its jurisdiction are not relevant to the determination of the District's sphere of influence.

6. Recommended Sphere of Influence - Bel Marin Keys Community Services District

With the purchase of unincorporated territory surrounding the Bel Marin Keys area for public open space use, the extension of services of the Bel Marin Keys CSD to newly developing areas is no longer anticipated. Inclusion of additional territory that will not require the services of Bel Marin Keys CSD in the District's sphere of influence would not be appropriate under the definition of sphere of influence or the criteria that the Commission must consider in developing spheres of influence. Therefore, the sphere of influence for Bel Marin Keys CSD is recommended to be coterminous (the same as) the district's current boundaries rather than drawn to include greater amounts of undeveloped

land area.

In the event that Bel Marin Keys CSD acquires the Leveroni property immediately west of Bel Marin Keys as a spoils disposal site, the Commission should consider amending the District's sphere to include that area. If owned by the District, annexation would exempt the District from paying property taxes on District-owned land.

Staff recommends that the Commission adopt a resolution amending the sphere of influence of the Bel Marin Keys Community Services District. The resolution should include the following statement of determinations:

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

Present and planned land uses in the area designated as the sphere of influence of the Bel Marin Keys Community Services District include low and medium density residential, open space and conservation uses.

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

Areas included in the Bel Marin Keys Community Services District sphere of influence now require and will continue to require the services provided by the Bel Marin Keys Community Services District.

- ❑ The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide.

With the availability of new funding sources, the facilities and services provided by the Bel Marin Keys Community Services District are expected to become sufficient to provide service to the area within the designated District sphere of influence.

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

The Commission has determined that social and economic communities of interest between areas currently within the boundaries of the Bel Marin Keys Community Services District and the area surrounding its jurisdiction are not relevant to the determination of the District's sphere of influence.

7. Recommended Sphere of Influence - County Service Area #1

County Service Area #1 exists only to channel a share of property tax revenues from the Loma Verde unincorporated area to pay for the cost of maintaining street lights in that area. Demand for this service will continue indefinitely, but would not logically be expanded to the incorporated area of the City of Novato that surrounds Loma Verde. The Loma Verde unincorporated area is entirely surrounded by the City of Novato. If the area is eventually annexed to the City of Novato, County Service Area #1 should be dissolved and its functions assumed by the City.

Staff recommends that the Commission adopt a resolution amending the sphere of influence of the County Service Area #1. The sphere of influence for County Service Area #1 would be a zero sphere of influence, encompassing no territory with the recommendation that County Service Area #1 be dissolved upon annexation of its service area to the City of Novato. The resolution should include the following statement of determinations:

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

Present and planned land uses in the area served by County Service Area #1 include low density residential uses only, those uses being similar to the surrounding unincorporated area of the City of Novato.

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

Areas included in the County Service Area #1 service area now require and will continue to require the services provided by County Service Area #1. However, those services may be provided by the City of Novato upon annexation of the area to that City.

- ❑ The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide.

The facilities and services provided by County Service Area #1 are sufficient to provide service to the Loma Verde area now served by County Service Area #1.

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

The Commission has determined that social and economic communities of interest between areas currently within the boundaries of County Service Area #1 and the area surrounding its jurisdiction are not relevant to the determination of the District's sphere of influence.

8. Recommended Sphere of Influence - County Service Area #20

County Service Area #20 provides a mechanism for financing maintenance service for open space preserves in the unincorporated Indian Valley area. Maintenance service financed by County Service Area #20 will be required indefinitely. A sphere of influence coterminous with its current boundaries is recommended for County Service Area #20.

Staff recommends that the Commission adopt a resolution amending the sphere of influence of the County Service Area #20 including the following statement of determinations:

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

Present and planned land uses in the area served by County Service Area #20 include low density residential, agricultural and open space uses.

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

Open space areas maintained by County Service Area #20 service area now require and will continue to require the services provided by County Service Area #20.

- ❑ The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide.

The facilities and services provided by County Service Area #20 are sufficient to continue to provide maintenance service to the open space preserves in the Indian Valley area.

- ❑ The existence of any social or economic communities of interest in the area if the Commission determines they are relevant to the agency.

The Commission has determined that social and economic communities of interest between areas currently within the boundaries of County Service Area #20 and the area surrounding its jurisdiction are not relevant to the determination of this sphere of influence.

GLOSSARY: Common LAFCO and Planning Terms

LAFCO Terms

Annexation: The inclusion of territory in a city or special district.

Change of organization: An alteration of government structure, including: city incorporation; district formation/annexation to, or detachment from a city or district; city disincorporation; district dissolution; city or district consolidation; or merger or establishment of a subsidiary district.

Consolidation: The uniting or joining of two or more cities, or two or more districts located in the same county into a single new successor city or successor district.

Contiguous: In the case of annexation, territory adjacent to an agency to which annexation is proposed. Territory is not contiguous if the only contiguity is based upon a strip of land more than 300 feet long and less than 200 feet wide.

Dependent special district: A special district whose board of directors is another legislative body, such as a city council or board of supervisors. Also see special district.

Detachment: The exclusion of territory from a city or district.

Dissolution: The termination of the existence of a district.

Formation: The creation of a district.

Incorporation: The creation of a city.

Independent special district: A special district that has a directly elected board of directors. Also see special district.

Inhabited territory: Territory within which 12 or more registered voters reside.

Initiating petition: A document signed either by registered voters or landowners that requests LAFCO to consider a change of organization or reorganization.

Island: Unincorporated territory substantially surrounded by a city, or territory surrounded by a city on one or more sides and the Pacific Ocean on the remaining sides.

Merger: The termination of the existence of a district, and the assumption of the district's responsibilities by a city.

Reorganization: Two or more changes of organization initiated in a single proposal.

Special district: A local governmental agency formed pursuant to general law of the state or special act.

Sphere of influence: A plan for the probable physical boundaries and service areas of a city or district.

Sphere-of-influence amendment: The changes or updating of an adopted sphere of influence.

Sphere-of-influence designations: Common types of sphere of influence designations:

1. **Coterminous:** A sphere may be designated for a city or special district that is the same as its existing boundaries if there is no anticipated need for services outside the boundaries of the agency, or if there is insufficient information to support inclusion of additional territory within the sphere.
2. **Larger than:** A sphere may be designated for a city or special district that is larger than its existing boundaries if there is a need for services beyond its boundaries.
3. **Smaller than:** An agency may be designated a sphere that encompasses less territory than its existing boundaries if there is not need for services from the agency in the affected territory, or if the territory is included in the sphere of another agency.
4. **Zero:** A zero sphere which includes no territory maybe designated for an agency, usually a special district. A zero sphere assumes that the public service responsibility and function of the agency should ultimately be reassigned to another agency.
6. **Interim/Special study area:** A special study area may be designated if insufficient information exists to make a sphere determination.

Sphere-of-influence determinations: In establishing a sphere of influence, the Commission must consider and prepare written determinations related to present and planned land uses, need and capacity of public facilities, and existence of social and economic communities of interest.

Subsidiary district: A district of limited powers for which a city council is designated as the ex officio board of directors of the district. At least 70% of the district's land area and number of registered voters must be within the city limits for a district to become a subsidiary district.

Uninhabited territory: Territory within which less than 12 registered voters reside.

Urban Services: Generally those services provided by cities and special districts and required for urban development: Water, sewer, fire, police, road maintenance/public works, recreation and associated services. Urban services as used in this context do not include schools or services typically provided on a regional basis by county or state agencies, such as public health and criminal justice (courts).

Planning Terms

Community plan: A focused planning policy document that is part of a general plan. The community plan addresses a particular region within the overall planning area of an agency and is adopted in the same manner as a general plan. Also called area plan.

General plan: a document containing a statement of development policies including a diagram and text setting forth the objectives of the plan. The general plan must include certain state-mandated elements related to land use, circulation, housing, conservation, open space, noise and safety.

Pre-zoning: (Also see zoning) A zoning action taken by a city prior to annexation of unincorporated territory. Pre-zoning is required prior to city annexation in order to identify land use regulations that would apply if annexation is completed. Pre-zoning has no regulatory effect until the property is formally annexed.

Specific plan: A policy statement and implementation tool that is used to address a single project or planning problem. Specific plans contain concrete standards and development criteria that supplement those of the general plan.

Urban growth boundary or urban limit line: A planning boundary established by a city or county that shows the limits of urban development (i.e., development greater than one residence per acre).

Zoning: The primary instrument for implementing the general plan. Zoning divides a community into districts or “zones” which specify the permitted/prohibited land uses.