

DATE: August 6, 2010

TO: LAFCO Members

FROM: Peter Banning, Executive Officer

SUBJECT: Periodic Update – Adopted Spheres of Influence for Cities in Southern Marin County

Summary & Recommendation

As directed by the Commission's adopted policy on review of adopted spheres of influence, staff has conducted a preliminary study of the spheres of influence of the City of Belvedere, Town of Tiburon, City of Mill Valley and the City of Sausalito. This preliminary study has not identified changes to the conditions that led to the revision and adoption of the spheres of influence of any of the four cities in 2004. Staff therefore concludes that no restudy of these spheres of influence are necessary and recommends that they be reaffirmed without change.

Background

Government Code Section 56425(f) requires the Commission to periodically review adopted spheres of influence:

(f) Upon determination of a sphere of influence, the commission shall adopt that sphere, and shall review and update, as necessary, the adopted sphere not less than once every 5 years.

The Commission's adopted Policies, Procedures and Guidelines include provisions for compliance with Section 56425 requirements in the following sequence:

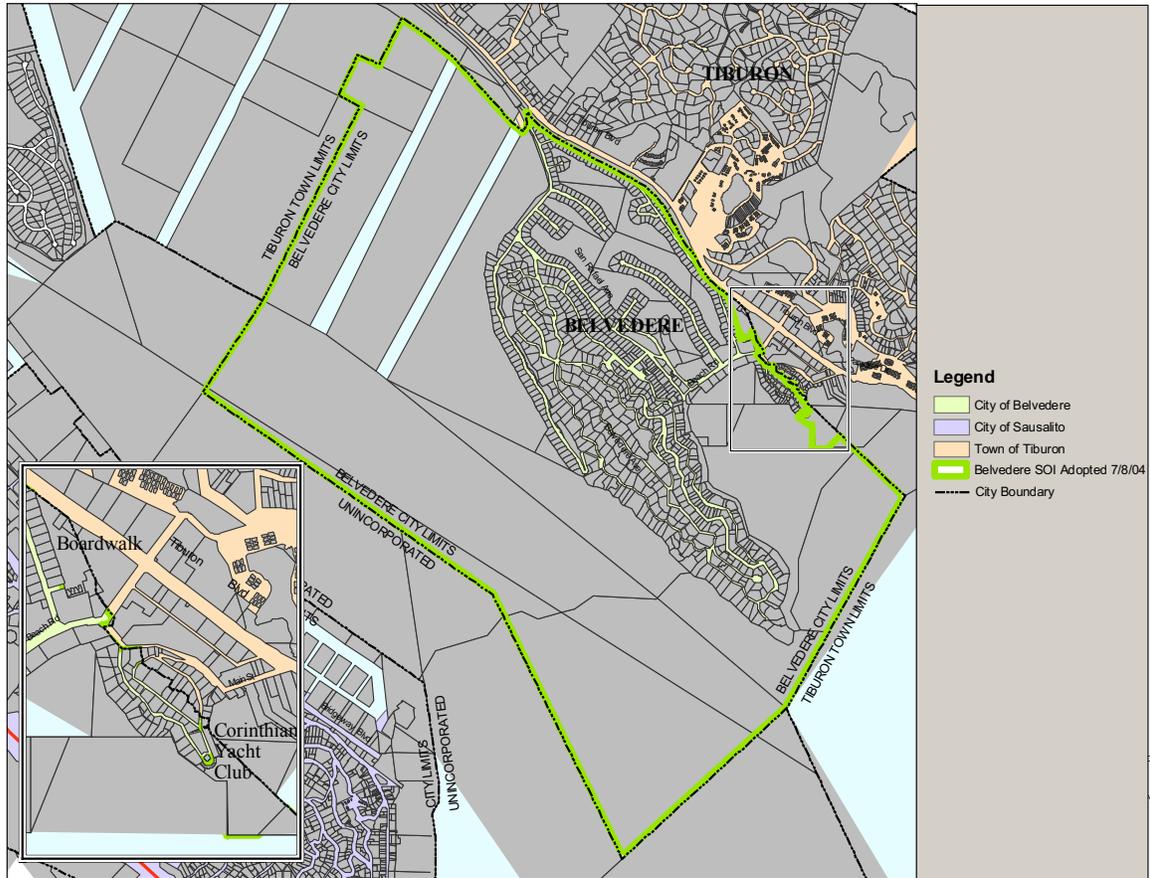
1. Each year the Commission will consider the oldest one-fifth of the adopted spheres of influence and determine which may be reaffirmed without additional review and which will require restudy for possible amendment. In order to assist the Commission in its determinations, staff will conduct a preliminary survey to assess the adequacy of the selected spheres and make recommendations for reaffirmation or restudy to the Commission at a public hearing.
2. The Commission will take action to reaffirm existing spheres not selected for restudy following a noticed public hearing.

3. Spheres of influence authorized for restudy will be examined for changes in conditions and policies since adoption or most recent review.
4. The Commission will hold noticed public hearings and make determinations on the spheres of influence which have been restudied. Staff will provide a report and recommendation on spheres of influence reviewed by the Commission.
5. Commission actions to adopt, amend or affirm spheres of influence will be taken by resolution, including a map of the adopted sphere of influence and a statement of the Commission's determinations.

Five years have elapsed since the Commission adopted spheres of influence for cities and special districts (other than sanitary districts) for the southern Marin area. Earlier this year, staff circulated a questionnaire to each of these agencies requesting information that might indicate changes in the factors leading up to the Commission's approval of its sphere of influence (see Attachment A). Affirmative responses to questions on general plan amendments, demand for services, infrastructure projects, or inter-agency relationships may carry implications for the agency's boundaries and organization. If so, the Commission would determine the need to reevaluate the adopted sphere of influence. The following sections discuss the results of staff's contact with each of the four cities and information relating to changed circumstances that might bear on their spheres of influence. A similar report on southern Marin special district spheres of influence will be prepared for the Commission's September meeting.

City of Belvedere

The Commission amended the sphere of influence of the City of Belvedere in 2004 to re-allocate small areas of the City's incorporated territory to the sphere of influence of the Town of Tiburon. The purpose of the two minor amendments to the City's sphere was to provide guidance for realignment of the boundary so that the planned boundary did not divide parcels in the area of the Boardwalk Shopping Center and the Corinthian Yacht Club. With these exceptions, the sphere of influence of the City of Belvedere follows the City's current boundary.



Since adoption of Belvedere’s revised sphere of influence, the entire incorporated territory of the City has been annexed to the Tiburon Sanitary District in a process that effectively transferred the City’s sewage collection functions to the district and eliminated the need for the City to contract with the District for sewage treatment services. The annexation was approved by LAFCO in 2006. Residents of the City of Belvedere are now able to vote in district elections and serve as members of the District’s governing board.

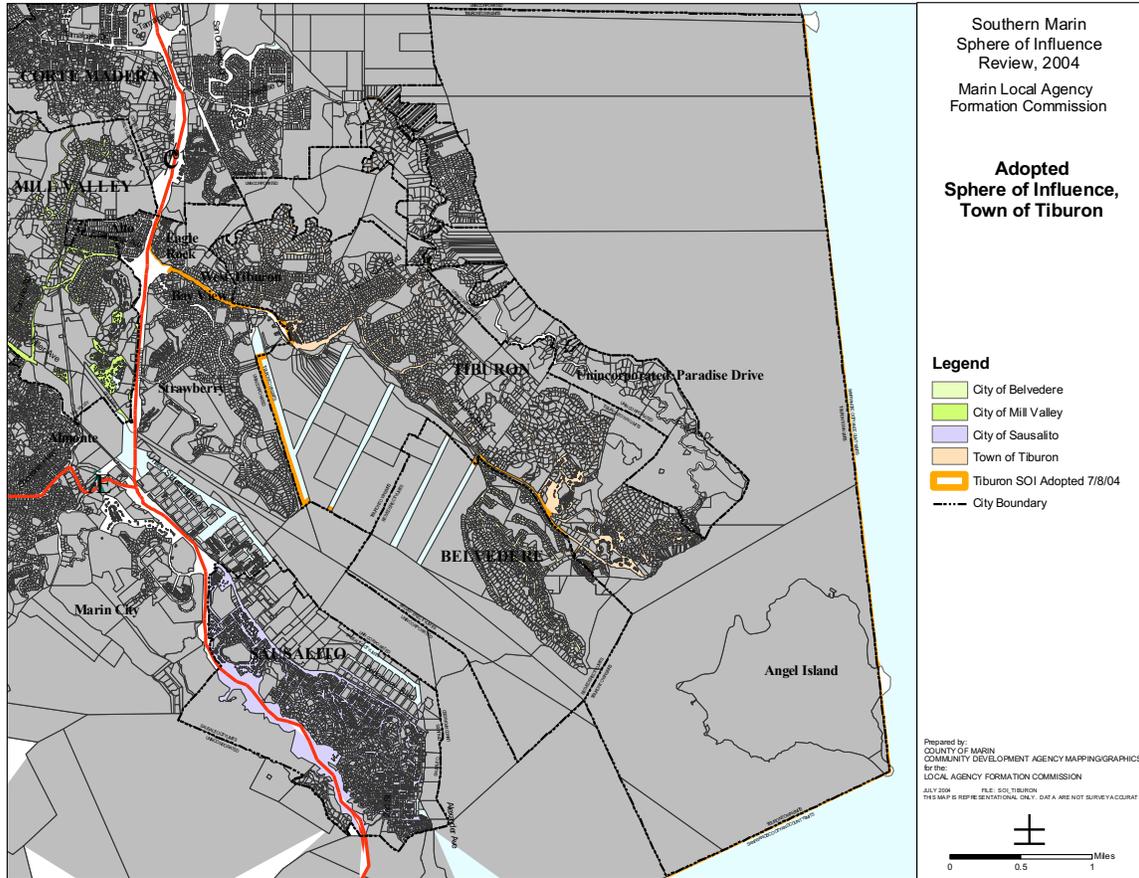
The City’s staff reports recent activity in the update of the Belvedere General Plan, including adoption of a revised Housing Element and its acceptance by the California Department of Housing and Community Development. Portions of the new housing Element call for increased housing densities for parcels identified as under-utilized along the existing Belvedere/Tiburon boundary line. Those parcels include the Boardwalk Shopping Center. The City has indicated its interest in maintaining jurisdiction over commercial and other uses in the Boardwalk area and re-aligning the Belvedere/Tiburon boundary when the shopping center is redeveloped. LAFCO staff has met with officials of both cities and the property owner to discuss the process for realigning the boundary. No other changes to the City’s ability to provide services or other factors affecting Belvedere’s boundaries were identified.

The City has requested that LAFCO remain receptive to further changes to the City's sphere in this area and changes to the Belvedere/Tiburon boundary at the Boardwalk when specific plans to redevelop are proposed. Until such plans are advanced in a definitive form, LAFCO staff recommends that the sphere of influence for the City of Belvedere be reaffirmed without change.

Town of Tiburon

As shown on the map below, the revised sphere of influence adopted by LAFCO for the Town of Tiburon in 2004 excludes the unincorporated areas of Ring Mountain and Strawberry, includes unincorporated territory bordering the municipal limits of the Town of Corte Madera in the Eagle Rock area and is realigned in the vicinity of the Boardwalk Shopping Center and Corinthian Yacht Club to conform to parcel boundaries. Except for the aforementioned discussions concerning the Boardwalk area, staff is not aware of any forthcoming boundary change applications in these areas. Applications affecting other parts of the Town's boundary in the Paradise Drive area are expected within the next five years.

The Town of Tiburon adopted a comprehensive update of its General Plan in 2005 which reflects the revised sphere of influence adopted by LAFCO. Staff has identified no changes to Tiburon's ability to provide services or other factors affecting the Town's adopted sphere of influence that would warrant re-evaluation of the Town's sphere of influence. Accordingly, LAFCO staff recommends that the sphere of influence for the Town of Tiburon be reaffirmed without change.



City of Mill Valley

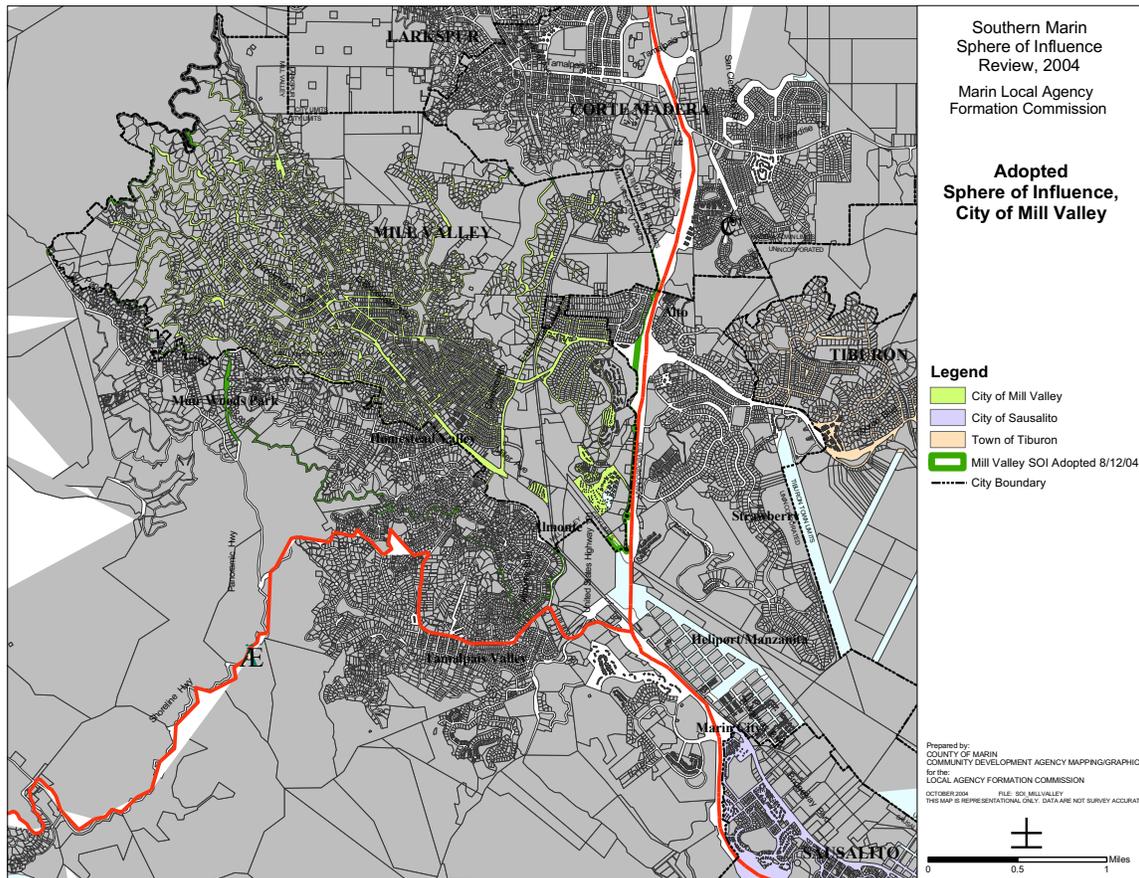
In 2004, LAFCO amended the sphere of influence of the City of Mill Valley, removing unincorporated areas of Tamalpais Valley and most of Muir Woods Park after concluding that the extension of the City’s services to those areas was improbable. The Alto, Almonte and Homestead Valley unincorporated areas remain in the City’s sphere of influence as shown on the map below. Since amending the City’s sphere, the Commission has processed one related proposal, annexing 5 acres on the west side of Miller Avenue between Reed and Gomez Streets in October 2007.

The City of Mill Valley is affected by the passage of AB 1232 because it provides sewage collection service and is the largest member of the Sewerage Agency of Southern Marin (SASM). The City also provides staffing services to SASM on a contractual basis in which city employees operate the SASM treatment plant. This staffing arrangement creates ambiguous lines of authority and responsibility wherein the SASM General Manager reports to both the City Manager and the SASM Board of Directors. Either the City or SASM may terminate the staffing contract with one year’s notice. Both the City Council and the SASM Board of Directors are considering this action. Changes to SASM’s management - as well as actions taken under AB 1232 -

would affect sewer service provided by the City of Mill Valley, but would not have any implication for the adopted sphere of influence.

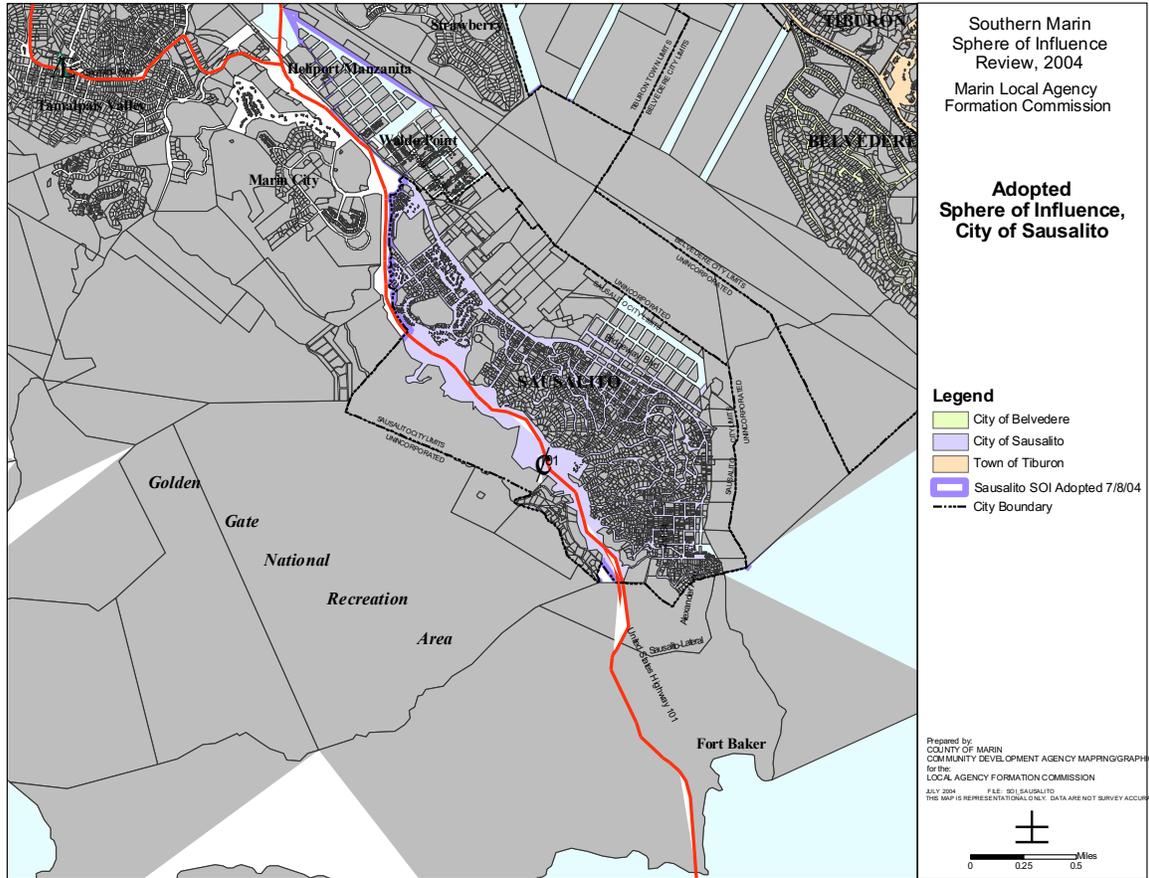
The City of Mill Valley will also re-set sewer rates for collection and treatment services within the next year. The rate increase will be significant due to the poor overall condition of the collection system, greater maintenance and administrative requirements imposed through EPA compliance orders and recent increase in sewage treatment charges. City staff reports some reductions in common revenue sources such as property and sales taxes due to the economic downturn, but no corresponding reductions in service levels are currently anticipated.

Staff has identified no changes to the City of Mill Valley's ability to provide services or other factors affecting the City's adopted sphere of influence. The City has made no request for amendment or restudy of its adopted sphere. Accordingly, LAFCO staff recommends that the sphere of influence for the City of Mill Valley be reaffirmed without change.



City of Sausalito

The sphere of influence of the City of Sausalito was amended in 2004 to remove the Marin City unincorporated area as shown in the following map.



The staff of the City of Sausalito reports that the City has nearly completed new police and fire buildings which will be ready for use later this summer. The City Council has decided to move forward with annexation to Southern Marin Fire Protection District and is now determining the more precise content of its application (financing plan) to LAFCO for the transfer of service responsibility to the District.

Sausalito, like the City of Mill Valley, is subject to enforcement orders from the Environmental Protection Agency for improvement of its sewage collection system and has raised its sewer service charge by 40% to finance the necessary improvements. Improvement of the collection system requires joint planning with the Sausalito Marin City Sanitary District and the Tamalpais Community Services District for new storage ponds to manage wet weather flows.

The City of Sausalito, working with SMFPD, is in the process of finalizing a service contract for emergency medical service to the Golden Gate National Recreation Area south of the City's boundary. Such an agreement will resolve long-standing service and cost equity issues between the City and the National Park Service. If SMFPD assumes the City's fire protection and emergency medical responsibilities through annexation, the District will succeed to the City's responsibilities under the new contract.

The City also reports reductions in some of its major sources of revenue, but no reductions in basic service programs to date. However, if the City is not annexed to SMFPD and must instead either re-establish its own fire department or re-negotiate its service contract with SMFPD, the increase in cost to the City would be significant and would be expected to have a significant impact on the City's budget and services going forward.

The unincorporated house boat residential area to the north of Sausalito's current boundary remains a matter of interest to the City largely due to the number of public safety calls for service for which the City is the logical first responder. The City might also provide other services now provided by the County or special districts on a contractual basis. This area is already within the City's sphere of influence.

Staff has identified no changes to Sausalito's ability to provide services or other factors affecting the City's adopted sphere of influence that would warrant re-evaluation of the City's sphere of influence at the present time. The City has made no request for either amendment or restudy of any aspect of its current sphere of influence, but may do so within the next five years as service issues at its northern and southern boundary further emerge. Accordingly, LAFCO staff recommends that the sphere of influence for the City of Sausalito be reaffirmed without change.

Recommendation

Under adopted policy and procedure, the Commission re-examines sphere of influence determinations for each local government agency every five years. In implementing the Commission's policy, staff has contacted each agency for information on changes to adopted plans, demand for their services and their ability to provide service - the basic factors involved in sphere of influence determinations.

This preliminary study of the spheres of influence of the southern Marin cities under review this year presented no information indicating a need to restudy their boundaries or spheres of influence at this time. Accordingly, staff recommends that the Commission adopt the attached draft resolutions re-affirming without change the spheres of influence of the cities of Belvedere, Mill Valley, Sausalito and the Town of Tiburon. The Commission, of course, retains the option of continuing the public hearing in response to testimony on this report or the need for additional information.

Respectfully submitted,

Peter Banning
Executive Officer

DATE: September 3, 2010

TO: LAFCO Members

FROM: Peter Banning, Executive Officer

SUBJECT: Periodic Update – Adopted Spheres of Influence for Special Districts in Southern Marin County (not including sanitary districts & Tam CSD)

Summary & Recommendation

At the Commission's August meeting, spheres of influence for the four cities in southern Marin County were re-affirmed without change pursuant to the Commission's adopted policy on review of adopted spheres of influence. Staff has conducted a similar preliminary study of the spheres of influence of the Marin City Community Services District, Strawberry Recreation District, Tiburon and Southern Marin Fire Protection Districts (Tamalpais CSD will be included in a subsequent survey of southern Marin sewer agencies). This preliminary study has not identified changes to the conditions that led to the revision and adoption of the spheres of influence of any of these special districts in 2004.

Staff therefore concludes that no restudy of these spheres of influence are necessary and recommends that they also be reaffirmed without change. The following Background section is identical to that included in staff's August report, summarizing the Commission's policy and procedure for periodic review of adopted spheres of influence.

Background

Government Code Section 56425(f) requires the Commission to periodically review adopted spheres of influence:

(f) Upon determination of a sphere of influence, the commission shall adopt that sphere, and shall review and update, as necessary, the adopted sphere not less than once every 5 years.

The Commission's adopted Policies, Procedures and Guidelines include provisions for compliance with Section 56425 requirements in the following sequence:

1. Each year the Commission will consider the oldest one-fifth of the adopted spheres of influence and determine which may be reaffirmed without additional review and which will require restudy for possible amendment. In order to assist the Commission in its determinations, staff will conduct a preliminary survey to assess the adequacy of the selected spheres and make recommendations for reaffirmation or restudy to the Commission at a public hearing.
2. The Commission will take action to reaffirm existing spheres not selected for restudy following a noticed public hearing.
3. Spheres of influence authorized for restudy will be examined for changes in conditions and policies since adoption or most recent review.
4. The Commission will hold noticed public hearings and make determinations on the spheres of influence which have been restudied. Staff will provide a report and recommendation on spheres of influence reviewed by the Commission.
5. Commission actions to adopt, amend or affirm spheres of influence will be taken by resolution, including a map of the adopted sphere of influence and a statement of the Commission's determinations.

Five years have elapsed since the Commission adopted spheres of influence for cities and special districts (other than sanitary districts) for the southern Marin area. Earlier this year, staff circulated a questionnaire to each of these agencies requesting information that might indicate changes in the factors leading up to the Commission's approval of its sphere of influence (see Attachment A). Affirmative responses to questions on general plan amendments, demand for services, infrastructure projects, or inter-agency relationships may carry implications for the agency's boundaries and organization. If so, the Commission would determine the need to reevaluate the adopted sphere of influence. The following sections discuss the results of staff's contact with each of the four cities and information relating to changed circumstances that might bear on their spheres of influence.

Marin City Community Services District

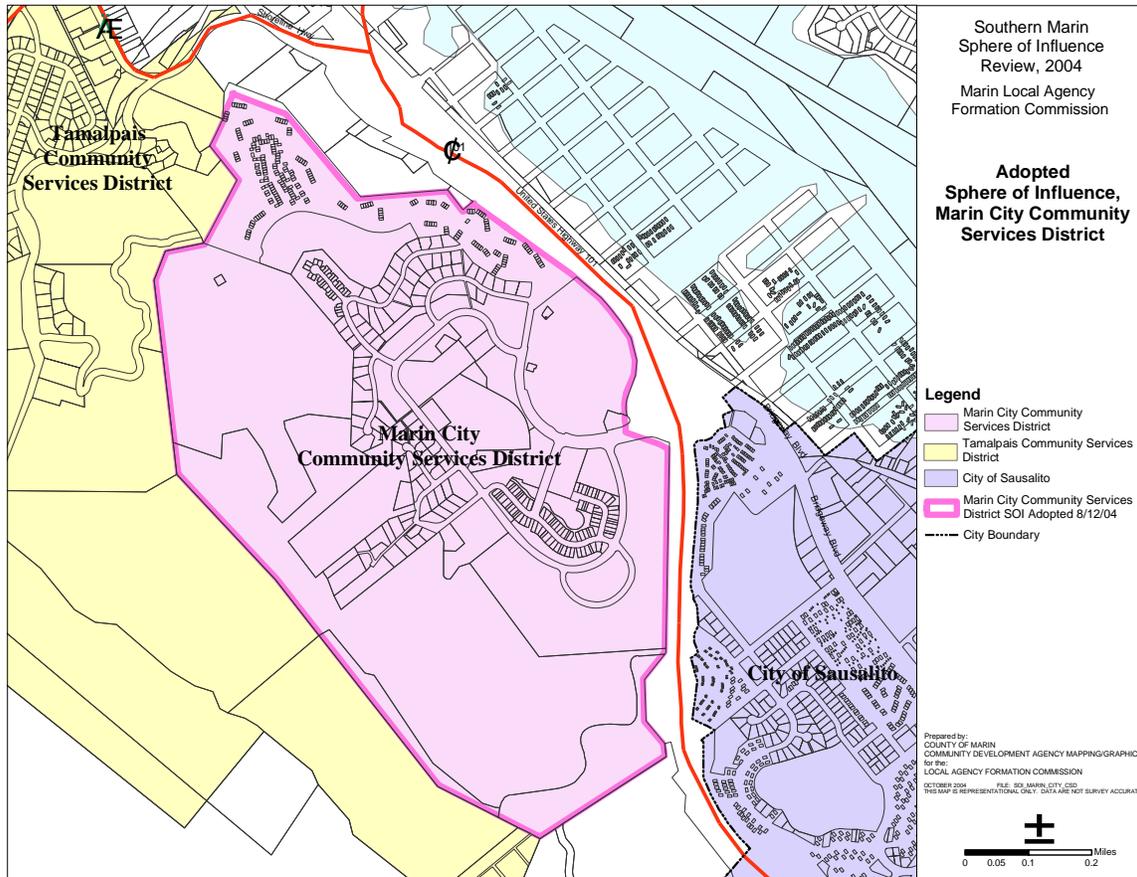
Prior to 2004, the Marin City unincorporated community was included in the sphere of influence of the City of Sausalito. LAFCO had therefore adopted an "interim" sphere of influence for the Marin City Community Services District (MCCSD) anticipating continued operation of MCCSD until annexation of Marin City to Sausalito eventually occurred. In 2004, the Commission concluded that annexation of the area to Sausalito was improbable and designated a coterminous sphere of

influence for MCCSD equal to the District's current boundary as shown in the map below.

Since 2004, MCCSD has gained an additional, stable source of funding for its current parks and recreation services from the Marin City Community Land Corporation. During that time, the District engaged in an extensive visioning/planning process to identify facility and program needs. This process produced a project master plan with an estimated cost of \$30 million. No source of funding has been identified for implementation of any of the planned facilities. The District's top priority is a new gymnasium and teen center.

MCCSD staff reports that the District's board is interested in expanding MCCSD boundaries to include the unincorporated houseboat area and commercial center immediately to the north of the Sausalito city boundary at Gate 6 (within the City's sphere of influence) and in the activation of latent powers to establish the governing board of MCCSD as an area planning commission or a municipal advisory committee. No specific request for amendment of the District's sphere of influence or other request has been received by LAFCO staff as of the date of this writing.

Staff recommends that any re-study of the adopted MCCSD sphere of influence await a proposal and justification from MCCSD. With or without re-study and amendment of the District's sphere, MCCSD could apply to LAFCO for activation of its latent power to function as an area planning commission or municipal advisory council. Staff will work with the MCCSD General Manager and County staff to ensure that the MCCSD board is fully informed of its alternatives in this regard. For purposes of this review, staff recommends that the coterminous sphere of influence designation of MCCSD be re-affirmed without change.



Strawberry Recreation District

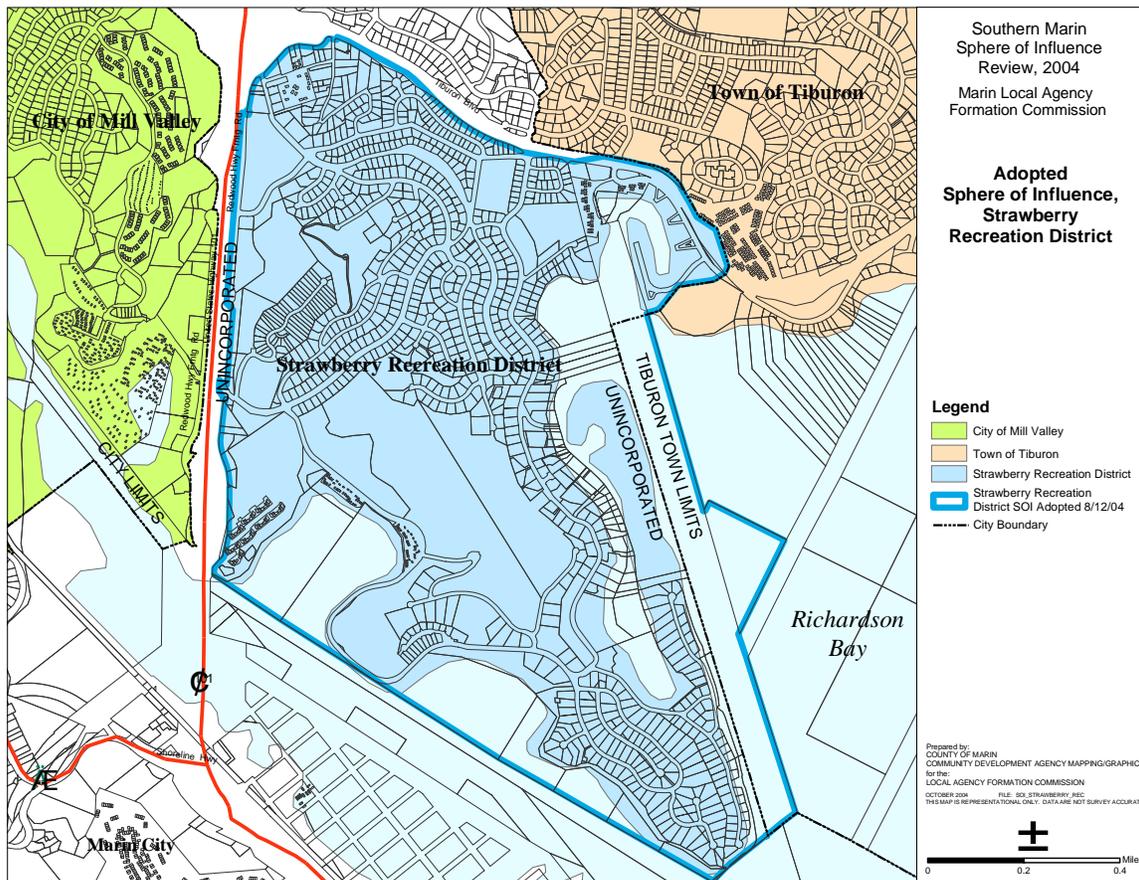
The Commission amended the previous “interim” sphere of influence of the Strawberry Recreation District (SRD) to designate a coterminous sphere of influence equal to the District’s current boundary in 2004. The District provides parks, recreation, landscape maintenance and solid waste disposal services.

In addition to a small proportion of property tax revenues collected in the area within its boundaries, the District receives fee revenue from participants in its recreation programs from both inside and outside its boundaries. In this sense, the District’s boundaries do not necessarily reflect its actual service area.

The SRD Board of Directors earlier this year significantly reduced its staff, citing the need for systematic improvement to its aging facilities and a lack of revenue for capital improvements. The District’s ability to maintain its programs and facilities with remaining staff and to increase revenue for facility upgrades remains to be seen. A special tax or parcel tax to augment revenues for these purposes may be necessary, but has not been proposed.

SRD staff reported no significant change to the conditions which led up to the adoption of its coterminous sphere of influence in 2004. Long term erosion of the District's financial capacity to maintain its facilities and provide programs is a threat to its sustainability but does not, at this point, indicate that re-study of its coterminous sphere of influence would contribute to resolving the District's financial issues.

If near-term efforts to augment District revenues fail and SRD is clearly not able to continue to extend its current level of service, LAFCO would appropriately undertake study of organizational alternatives for SRD, including dissolution. Such a study would be premature under present circumstances. Staff therefore recommends that the coterminous sphere of influence of the Strawberry Recreation District be re-affirmed without change.



Southern Marin Fire Protection District

LAFCO adopted an interim and coterminous sphere of influence designation for the Southern Marin Fire Protection District in 2004. In its resolution adopting the amended sphere, the Commission also

“.... determined that there exists a community of interest between the Tiburon Fire Protection District, the Southern Marin Fire Protection District and other emergency service agencies of southern Marin County. The interim sphere of influence designation adopted with this resolution defines an area within which annexations may take place prior to eventual consolidation or other reorganization of the District to form a larger fire protection district within southern Marin County.”

All of the fire protection agencies in southern Marin are members of a single joint exercise of powers agency for provision of emergency medical service (SMEMPS) and research and implement cooperative cost-saving measures (as discussed under TFPD below).

Beginning soon after adoption of the District’s amended sphere in 2005, SMFPD and the City of Sausalito functionally consolidated fire protection service under a joint exercise of powers agreement. Since that time, the City of Sausalito has paid SMFPD for management services in the operation of its fire department. This service arrangement has been temporary in nature and has not fully compensated SMFPD for a full and proportional share of administrative costs.

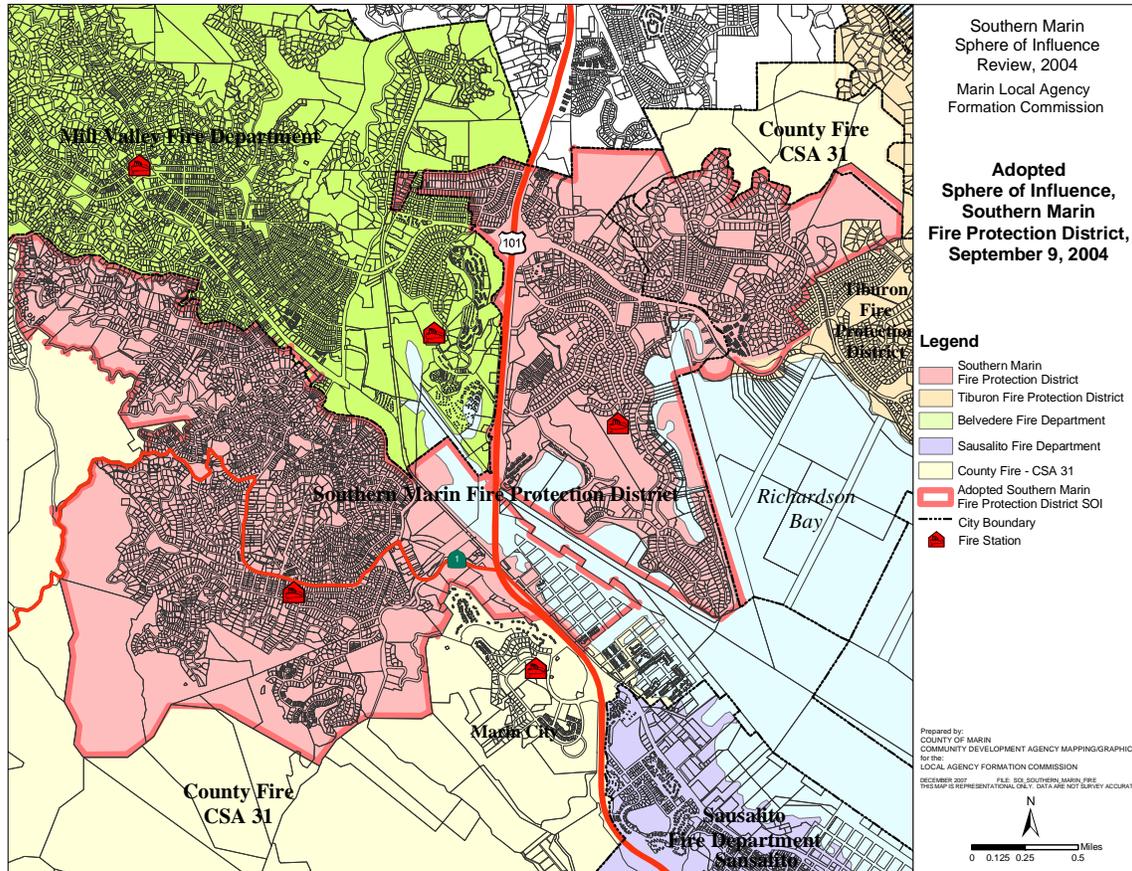
The City of Sausalito and SMFPD have for the past year been engaged in a process of study and negotiation to reach a more permanent solution. Staff has worked with both agencies and their consultants (Citygate Associates) on study of the City’s alternatives for fire service. Those alternatives and their estimated costs are:

Full contract for service or JPA – Sausalito cost	\$3,375,878
Reinstate full fire department Sausalito cost	\$4,375,536
Annexation of City to SMFPD Property tax transfer + special tax	\$2,926,074

Continuation of the current “headquarters contract” at \$2,824,452 is not acceptable to SMFPD. The City has therefore authorized its consultants to prepare an application to

LAFCO for the annexation alternative, which may be submitted to the Commission near the end of this year.

SMFPD staff reports no significant changes to the District's service demand or its ability to provide service since adoption of its sphere of influence in 2004. A proposal for annexation of the City of Sausalito would be consistent with the District's interim sphere of influence designation. Therefore, staff recommends that the existing interim sphere of influence for SMFPD be reaffirmed without change.



Tiburon Fire Protection District

The Commission acted in 2004 to amend the sphere of influence of the Tiburon Fire Protection District (TFPD) to include the District's current service area and the incorporated territory of the City of Belvedere to which TFPD has provided contractual fire protection service for many years. Similarly to action on the SMFPD sphere, the Commission "... determined that there exists a community of interest between the Tiburon Fire Protection District, the Southern Marin Fire Protection District and other emergency service agencies of southern Marin County. The interim sphere of influence designation adopted with this resolution defines an area within

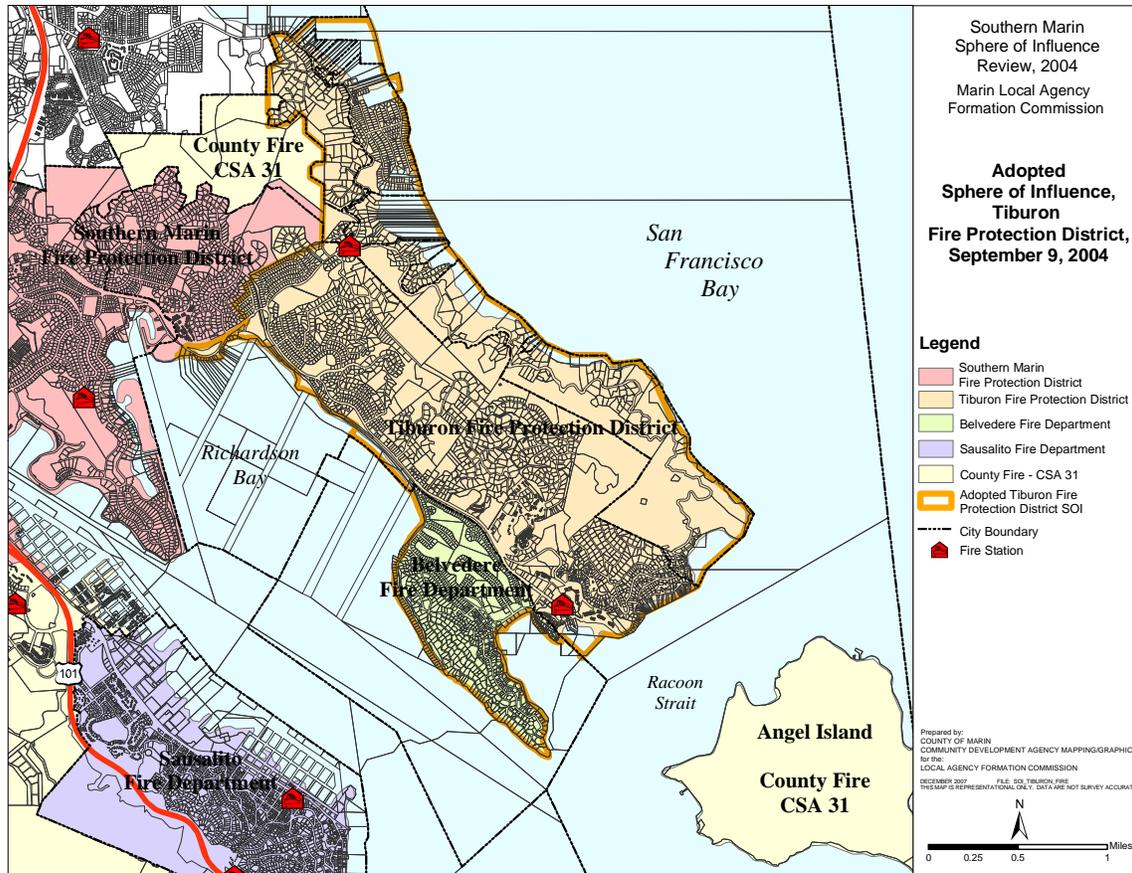
which annexations may take place prior to eventual consolidation or other reorganization of the District to form a larger fire protection district within southern Marin County.”

Since 2004, TFPD reports acquisition of a new fire boat and joint purchase of a new ladder truck with SMFPD. Permanent facilities for docking the new fire boat have not been identified. The District has added firefighter trainee positions to augment staffing and provide entry level training. TFPD and SMFPD are evaluating joint provision of fire prevention programs and the concept of a regional training center to be located at Romberg Center with UCSF. The District reports no current obstacle to continued funding of current service levels or acquisition of capital equipment and that the District Board has acted to address pension funding issues in its budget over the past eight years. TFPD remains concerned that actions taken by the State Legislature to address state budget problems will impact local district budgets and service levels.

As shown on the map below, Angel Island State Park is within the boundaries of County Service Area #31. The inclusion of the Park in CSA#31 appears to have been an oversight during the formation of the CSA. That is, a state park such as Angel Island would ordinarily fall under the State’s responsibility, possibly with a service agreement with a local agency for first responder service.¹ However, CSA#31 and County Fire receive no tax revenue and no compensation from the State for the cost of protection service to Angel Island. Some of the costs of fighting the September 2008 fire on Angel Island have been charged to CSA#31 as a result of this somewhat illogical boundary. County Fire is preparing a proposal to detach Angel Island and other state and federal park lands from CSA#31. TFPD may be a potential source of some fire protection service if the park is detached from CSA#31 and if appropriate state revenue could flow to the District to cover service costs.

Staff has identified no changes to TFPD’s ability to provide services or other factors affecting the District’s adopted sphere of influence. The District has made no request for amendment or restudy of its adopted sphere. Accordingly, LAFCO staff recommends that the sphere of influence for TFPD be reaffirmed without change.

¹ Angel Island is also within the boundaries of the Town of Tiburon. However, the Town does not provide fire protection service and therefore not a potential source of service in this instance.



Recommendation

Under adopted policy and procedure, the Commission re-examines sphere of influence determinations for each local government agency every five years. In implementing the Commission's policy, staff has contacted each agency for information on changes to adopted plans, demand for their services and their ability to provide service - the basic factors involved in sphere of influence determinations.

Preliminary study of the spheres of influence of special district in the southern Marin area under review this year presented no information indicating a need to restudy their boundaries or spheres of influence at this time. Accordingly, staff recommends that the Commission adopt the attached draft resolutions re-affirming without change the spheres of influence of the Strawberry Recreation District, Marin City Community Services District, Southern Marin Fire Protection District and Tiburon Fire Protection District. The Commission, of course, retains the option of continuing the public hearing in response to testimony on this report or the need for additional information.

Respectfully submitted,

Peter Banning
Executive Officer