

SAN BENITO LOCAL AGENCY FORMATION COMMISSION

REGULAR MEETING AGENDA

Thursday, February 8, 2018

Board of Supervisors Chambers
481 Fourth Street, Hollister CA

6:00 P.M.

1. Call to Order and Roll Call
2. Recitation of the Pledge of Allegiance
3. Public Comment Period - This is an opportunity for members of the public to speak on items that are not on the agenda

CONSENT AGENDA

No Items

BUSINESS ITEMS – NON-HEARING ITEM

4. Commission direction on granting authority to sign “Agreement to Comply with City of Hollister & County of San Benito Tax Sharing Agreement for Annexations” imposed as a condition of approval on recent annexations to the City of Hollister
5. Current status of Municipal Service Reviews and preliminary discussion on upcoming 2018-19 Fiscal Year Budget

BOUNDARY CHANGE PROPOSALS

No Items

INFORMATIONAL

6. Commissioner announcements and requests for future Agenda Items
7. Executive Officer oral status report on pending proposals
8. Adjourn to regular meeting at 6:00 PM on March 8, 2018 unless meeting time is changed based on Commission action or cancelled by Chair

Disclosure of Campaign Contributions – LAFCO Commissioners are disqualified and are not able to participate in proceedings involving an “entitlement for use” if, within the 12 months preceding the LAFCO decision, the Commissioner received more than \$250 in campaign contributions from the applicant, an agent of the applicant or an financially interested person who actively supports or opposes the LAFCO decision on this matter.

Those who have made such contributions are required to disclose that fact for the official record of the proceedings. Disclosures must include the amount of the contribution and the recipient

Commissioner and may be made either in writing to the Executive Officer of the Commission prior to the hearing or by an oral declaration at the time of the hearing.

The foregoing requirements are set forth in the Political Reform Act of 1974, specifically in Government Code section 84308.

Disability Accommodations - Persons with a disability who require any disability-related modification or accommodation, including auxiliary aids or services, in order to participate in the meeting are asked to contact the LAFCO office at least three (3) days prior to the meeting by telephone at 831/637-5313 or by email at bnicholson@cosb.us.

LOCAL AGENCY FORMATION COMMISSION

SAN BENITO COUNTY

2301 Technology Parkway

Hollister, CA 95023

Phone: (831) 637-5313 Fax: (805) 647-7647

DATE: February 8, 2018 (Agenda)

TO: Local Agency Formation Commission

FROM: *BN*
Bill Nicholson, Executive Officer

RE: Commission direction on granting authority to sign "Agreement to Comply with City of Hollister & County of San Benito Tax Sharing Agreement for Annexations" imposed as a condition of approval on recent annexations to the City of Hollister
(Agenda Item 4)

With the approval of the Allendale Annexation on September 14th, and the Borelli Annexation on October 12, the Commission required a condition of approval regarding compliance with the property tax sharing agreement between the County and the City of Hollister, or to an updated agreement or a project specific agreement. The condition also prohibited recordation of the annexation until an agreement with LAFCO has been entered with the property owner.

After crafting a template with LAFCO Council and representatives of the applicants, the first agreement, involving the Allendale Annexation (LAFCO File No. 520) has been signed by the property owner. However, before recording the Agreement, the Commission needs to grant authority for the proper party to sign the Agreement on behalf of LAFCO. This should either be the Commission Chair or the Vice-Chair if the Chair is not available, or as an alternative, it could be the Executive Officer.

A copy of the property-owner's signed Agreement is attached for the Commission's reference, and we are simply seeking the Commission's direction on granting authorization to sign this, and future tax sharing agreements, on behalf of the Commission.

Action Requested

Designate either the Commission Chair or the Vice-Chair if the Chair is not available, as the signing authority for tax sharing agreements between LAFCO and property owners, or designate this authority to the Executive Officer.

Enclosure: "Agreement to Comply with City of Hollister & County of San Benito Tax Sharing Agreement for Annexations" LAFCO File No. 520 (Allendale Annexation)

Commissioners: Richard Bettencourt, Chair ♦ Ignacio Velazquez, Vice Chair ♦ Anthony Botelho ♦ Jaime De La Cruz ♦ Jim West

Alternate Commissioners: Don DeVries ♦ Robert Rivas ♦ Roberta Daniel **Executive Officer:** Bill Nicholson

RECORDING REQUESTED BY:
LAFCO of San Benito County
EXEMPT FROM RECORDING FEES
[Government Code section 27383]
WHEN RECORDED MAIL TO:
LAFCO of San Benito County
2301 Technology Parkway
Hollister, CA. 95023

THIS SPACE FOR RECORDER'S USE ONLY

AGREEMENT TO COMPLY WITH CITY OF HOLLISTER & COUNTY OF SAN
BENITO TAX SHARING AGREEMENT FOR ANNEXATIONS
LAFCO FILE NO. 520 (ALLENDALE ANNEXATION)

THIS AGREEMENT TO COMPLY WITH CITY OF HOLLISTER & COUNTY OF SAN BENITO TAX SHARING AGREEMENT FOR ANNEXATIONS LAFCO FILE NO. 520 (ALLENDALE ANNEXATION) ("AGREEMENT") regarding real property identified and legally described in Exhibit A (hereafter "PROPERTY") is entered into on the last date signed below by and between the LOCAL AGENCY FORMATION COMMISSION OF SAN BENITO COUNTY ("SBC LAFCO"), and CIVIC ALLENDALE, LLC, a Delaware limited liability company ("PROPERTY OWNER(S)"), (collectively, the "PARTIES").

RECITALS

WHEREAS, the Local Agency Formation Commission of San Benito County approved the Allendale Annexation (SBC LAFCO File No. 520) on September 14, 2017, subject to Condition of Approval F which reads as follows:

"Direct Staff not to record the annexation until the property owner has, at its option: (1) agreed to comply with the 2010/2011 master tax agreement between the City of Hollister and San Benito County; or (2) agreed to comply with any successor master tax agreement, which is approved and adopted by the City and County, including the obligation to pay taxes and/or fees referenced in that successor master tax agreement; or (3) entered into a project specific annexation agreement agreed to by the City and County."

WHEREAS, when adopting this condition for the Allendale Annexation, the Commission made their intention clear is that at the time of issuance of a building permit, the developer would pay the fee agreed to between the City and County in effect at the time the building permit is requested, and that there would be no reimbursement or request for additional payment for past permits issued that were subject to a lower or higher fee.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the PARTIES agree as follows:

1. The recitals stated above are true and correct and are made a part of this AGREEMENT.

2. **PROPERTY OWNER(S)'s Commitment to Comply With Tax Sharing Agreement.** As the PROPERTY OWNER(S) of the Allendale Annexation project (SBC LAFCO File 520), I hereby agree to fully comply with the provisions contained in the tax sharing agreement indicated below, and to pay any taxes and/or fees referenced in that agreement at the time of issuance of building permit or such other time as agreed to with the County of San Benito, and I understand his agreement has to be complied with as a condition of approval of the project.

(Please select one option of the three):

X The 2010/2011 master tax agreement between the City of Hollister and San Benito County. If the PROPERTY OWNER(S) does not pay any taxes and/or fee as delineated under the 2010/2011 master tax agreement between the City of Hollister and San Benito County for any reason, if there exists a successor tax sharing agreement at that time, then the PROPERTY OWNER(S) will pay the taxes and/or fees as delineated under the successor master tax sharing agreement.

Any successor master tax agreement, which is approved and adopted by the City and County, including the obligation to pay taxes and/or fees referenced in that successor master tax agreement. If the PROPERTY OWNER(S) pull a permit during the interim timeframe between the 2010/2011 master tax agreement and the successor master tax agreement between the City of Hollister and San Benito County, then the PROPERTY OWNER(S) agree to submit payment of the taxes and/or fees imposed under the 2010/2011 master tax sharing agreement. This payment will be submitted to the City of Hollister, and the City of Hollister will thereafter give the payment to San Benito County.

A project specific annexation agreement agreed to by the City and County.

3. **Authority.** The undersigned warrants and represents that they have the authority duly to make and execute this AGREEMENT.

4. **Agreement Running With The Land and Binding On All Purchasers and Their Successors.** The purpose of this AGREEMENT is to create covenants that run with the land. The rights and duties contained in this AGREEMENT shall inure to the

benefit of SBC LAFCO and are binding upon the PARTIES and their respective successors in interest and assigns.

5. **Binding Effect.** The terms, covenants, conditions, exceptions, obligations and reservations contained in this AGREEMENT shall be binding upon, and shall inure to the benefit of, PROPERTY OWNER(S), SBC LAFCO, and on their heirs, assigns, and successors in interest, whether voluntary or involuntary, and shall continue as a covenant/servitude running with the PROPERTY. Of the terms, covenants, conditions, exceptions, obligations and reservations which have been established pursuant to this AGREEMENT, the same shall be deemed to be covenants running with the land for the benefit of the SBC LAFCO in carrying out its statutory responsibilities under California law. The covenants contained in this AGREEMENT shall be binding for the benefit of the SBC LAFCO and its successors and assigns, and such covenants shall run in favor of the SBC LAFCO, without regard to whether the SBC LAFCO is or remains an owner of any land or interest therein to which such covenants relate. This AGREEMENT shall be binding upon the heirs, executors, administrators, successors and assigns of the PARTIES hereto. This AGREEMENT shall be recorded in the office of the County Recorder for the County of San Benito.

6. **Binding On Successors And Assigns.** All of the conditions, covenants and terms herein contained shall apply to, and bind, the heirs, successors, executors, administrators and assigns of PROPERTY OWNER(S). PROPERTY OWNER(S) and all of PROPERTY OWNER(S)'s heirs, successors, executors, administrators, and assigns shall be jointly and severally liable under this contract.

7. **Liberal Construction.** Any general rule of construction to the contrary notwithstanding, this AGREEMENT shall be liberally construed in favor of the grant to effect the purpose(s) of this AGREEMENT. If any provision in this AGREEMENT is found to be ambiguous, an interpretation consistent with the purpose of this AGREEMENT which would render the provision valid shall be favored over any interpretation which would render it invalid. Notwithstanding Civil Code Section 1654 or any statute or rule of similar import, any ambiguity contained herein shall be construed in favor of SBC LAFCO.

8. **Representation By Counsel.** The PARTIES represent and agree that before executing this AGREEMENT, they have had ample opportunity to consult with counsel and to thoroughly discuss all aspects of this AGREEMENT, that they have apprised themselves of sufficient relevant data, either through experts or through other sources of their own selection, in order that they might intelligently exercise their own judgment in deciding to execute this AGREEMENT. The PARTIES agree that they have carefully read and fully understand all the provisions of this AGREEMENT, and that they are voluntarily entering into this AGREEMENT, without any duress or undue influence on the part of or behalf of any party.

9. **Governing Law.** California law shall govern the construction, interpretation and enforcement of this AGREEMENT. Venue shall be in San Benito County.

10. **Counterparts.** This contract may be executed in any number of counterparts, each of which so executed shall be deemed to be an original. The counterparts shall together constitute one contract.

SIGNATURES

IN WITNESS WHEREOF, PROPERTY OWNER(S) execute this AGREEMENT as of the date set beside their respective signatures.




PROPERTY OWNER Signature

12/22/17
Date

Name: David B. Sanson

Title: _____



PROPERTY OWNER Signature

12/22/17
Date

Name: Lori J. Sanson

Title: _____

SBC LAFCO Signature

Date

Name: _____

Title: _____

LOCAL AGENCY FORMATION COMMISSION

SAN BENITO COUNTY

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Phone: (831) 637-5313 Fax: (805) 647-7647

DATE: February 8, 2018 (Agenda)

TO: Local Agency Formation Commission

FROM: ^{BN} Bill Nicholson, Executive Officer

RE: Current status of Municipal Service Reviews and preliminary discussion on upcoming 2018-19 Fiscal Year Budget and Work Program
(Agenda Item 5)

As we approach the Fiscal Year 2018-19 Budget preparation process which will occur at the April and May 2018 Commission meetings, staff is seeking direction on the potential work program to include in the budget. The past couple years have been focused on processing city annexation applications and on issues involving extension of City of Hollister sewer and/or water services to properties outside the City limits. Some of these extensions were for emergency health and safety circumstances, while others involved City sewer extensions to new development in the County as part of the Hollister Urban Area agreements on regional sewage treatment.

There was a recent request from the California Association of Local Agency Formation Commissions (CALAFCO) to complete a survey on whether local LAFCOs have taken action on recommendations to dissolve or consolidate districts which were identified as actions in an adopted Municipal Service Review (MSR) that LAFCOs are required to prepare in compliance with Government Code section 56430. In conducting this research, data on all special district and city MSRs was consolidated. The table below presents the date when the original Municipal Service Reviews (MSRs) were prepared for each city and special district in the County, and indicates when there was an update to the original round of MSRs adopted in 2007.

City or District	Date SOI Adopted	Date MSR Approved	Date MSR Updated
City of Hollister	12/20/2007	12/20/2007	N/A
City of San Juan Bautista	12/20/2007	12/20/2007	N/A
Aromas Tri-Co. Fire Dist.	8/28/2014	12/20/2007	8/28/2014
Aromas Water Dist.	5/22/2014	12/20/2007	5/22/2014
Pacheco Pass Wtr. Dist.	12/20/2007	12/20/2007	N/A
Pacheco Stormwater Dist.	No sphere	12/20/2007	N/A
San Benito Co. Wtr. Dist.	12/22/2014	12/20/2007	12/22/2014
San Benito Healthcare Dist.	10/23/2014	12/20/2007	10/23/2014
San Benito RCD	10/23/2014	12/20/2007	10/23/2014
San Juan Bautista Cemetery Dist.	12/20/2007	12/20/2007	N/A
Sunnyslope Co. Wtr. Dist.	8/28/2014	12/20/2007	8/28/2014
Tres Pinos Co. Wtr. Dist.	12/20/2007	12/20/2007	N/A
County Service Areas – (CSA)	12/20/2007	12/20/2007	N/A

Commissioners: Richard Bettencourt, Chair ♦ Ignacio Velazquez, Vice Chair ♦ Anthony Botelho ♦ Jaime De La Cruz ♦ Jim West

Alternate Commissioners: Don DeVries ♦ Robert Rivas ♦ Roberta Daniel **Executive Officer:** Bill Nicholson

As the Commission may be aware, there is a requirement for each LAFCO to periodically review spheres of influence of local agencies every five years, as necessary, for local agencies under Government Code section 56425(g). As the table indicates, for several special districts and both incorporated cities, a comprehensive sphere of influence review and corresponding MSR has not occurred for just over 10 years. There were also problems identified with some special districts which are likely still unresolved. Only one recommendation involved a consolidation or dissolution: the inactive Pacheco Stormwater District was recommended to be dissolved, however no action has been taken by LAFCO in this regard.

This agenda item is scheduled to determine what level of MSR and related sphere of influence work should be put into the coming fiscal year work program, or to identify other issues or special studies the Commission is interested in initiating.

Action Requested

Conduct a general discussion on the status and content of the current MSR and related spheres of influence of the cities and special districts, the need for other special studies, and provide direction to the Executive Officer to identify an approach to prepare the studies along with time and cost estimates for the upcoming Fiscal Year 2018-19 Budget process.