



LOCAL AGENCY FORMATION COMMISSION

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Item 4

January 8, 2014

TO: Members, Formation Commission

FROM: Martha Poyatos, Executive Officer *Martha Poyatos*

SUBJECT: Supplemental Report: LAFCo File No. 13-5--Proposed Reorganization of Granada Sanitary District into a Community Services District adding the Service of Park and Recreation (Continued from November 20, 2013 and December 18, 2013)

Summary

The Granada Sanitary District (GSD) filed an application with LAFCO to reorganize into a community services district in order add park and recreation service in El Granada, Princeton and Miramar to be funded with existing property tax, in addition to the District's current services of sanitary sewer and garbage collection. The April 2013 application also requests reduction of the District's boundaries consistent with the Local Coastal Program and amendment of the District's sphere to be coterminous with the reduced boundaries. Because GSD boundaries overlap the northern portion of the City of Half Moon Bay, the application proposes a property tax pass-through agreement between the proposed community services district and the City for the area of the District located in the City.¹

The Commission has received the November 14, 2013 and December 12, 2013 staff reports which are attached and incorporated herein. The reports contain background on community services district enabling legislation (Government Code Section 61000)², GSD outreach efforts, comments from affected agencies, groups and individuals and staff analysis of the proposal.

The application was first considered by the Commission at the November 20, 2013 hearing and continued to December 18, 2013 to address: 1) more specific information on park projects that would be implemented; 2) how shifting property tax in a phased approach to park and

¹ The overlap area currently represents 18.2% of the total property tax revenue generated within GSD boundaries. GSD proposes a pass through agreement based on a formula to be calculated annually.

² GCS 61000 provides that a community services district may provide all municipal services provided by a city except land use. Once formed, activation of inactive services of community services districts require application to LAFCo.

recreation would impact sewer rates; and 3) initiation by GSD of consolidation discussions with Montara Water and Sanitary District. The December 12 supplemental report included information concerning these issues and two alternative recommendations:

- a) Tentatively approve the proposal with conditions and continue the hearing to the January meeting for formal approval, which would result in a protest hearing and mandatory election on the June ballot.
- b) Deny the application without prejudice, which would allow the District to reapply with the goal of making the November ballot if approved by LAFCo.

The Commission voted 6-1 to tentatively approve the application with conditions and continued the hearing to allow time for GSD and affected agencies to confer and follow through with the conditions.

Because LAFCo is prohibited from continuing a hearing for more than 70 days, the Commission is required to either approve or deny the application at the January 15, 2014 hearing. The following report provides an update on GSD actions regarding recommended conditions, additional recommended conditions and actions the Commission would need to take in approving the application, which would be subject to a protest hearing and election to be held within the entire boundaries of Granada Sanitary District. If approved by LAFCo the application would be placed on the June 3, 2014 ballot.

Update on Status of Conditions:

Since the December meeting the District has provided the following update on the status of conditions and the District has suggested a minor amendment to Condition Number 1 adding the word "initial" regarding the Action Plan as a guiding document. The stated reason for this amendment is to avoid restricting the District to the 2007 Action Plan in the long term if other local park and recreation priorities or opportunities are identified and supported by District constituents.

1) GSD establishing the County's Midcoast Action Plan for Parks and Recreation as an initial guiding document as a Community Service District.

Status: Scheduled for GSD Board approval at the January 16th GSD board meeting.

2) A GSD "Proposed Budget" for a five-year period as a reasonable representation of property tax revenues directed to park and recreation services and its potential effect on future sewer service charges

Status: Proposed budget complete and submitted to be included as part of the Executive Officer's report.

3) Agreement with the City of Half Moon Bay regarding pass through of property tax revenue for “overlap area” for the purpose of parks and recreation

Status: Draft agreement completed by GSD and sent to the City of Half Moon Bay on December 20th. Staff for GSD and the City have held several discussions on the proposed pass through agreement. The City Attorney is currently reviewing the agreement, and it is tentatively scheduled for review by the City Council at their January 21st or early February meeting.

4) Memorandum of Understanding with the San Mateo County Farm Bureau

Status: The MOU has been approved by both GSD and the San Mateo County Farm Bureau.

5) Memorandum of Understanding with the San Mateo County Resource Conservation District

Status: The MOU has been approved by both GSD and the San Mateo County Resource Conservation District.

6) Short-term Agreement with the County of San Mateo Parks Department to implement the Midcoast Action Plan for Parks and Recreation as an interim plan for services

Status: GSD staff is in discussion with Marlene Finley, San Mateo County Parks Director, and will be working towards developing a partnership agreement with the County.

7) GSD letter to the Montara Water and Sanitary District requesting establishment of a joint consolidation committee

Status: GSD has appointed an ad-hoc committee to study consolidation of services along the coast. A letter from GSD to MWSD has been sent requesting that MWSD establish a similar ad-hoc committee for future discussions.

Additional Standard Conditions:

Government Code Section 56886 includes two types of conditions, those that are specific to an individual proposal including actions such as contracts, agreements, payments and generic or standard conditions that apply to all proposals and provide guidance in regard to continuation of services, charges, revenues or board composition. In the first case, conditions of approval may be completed after LAFCo approval but before recordation. Conditions 1 through 7 fall into this category. In the second case, conditions are implemented upon recordation. Since the December hearing, LAFCo staff has prepared additional conditions which are standard conditions included in Government Code Section 56886 or supported by provisions found in Sections 57000 that address the reorganized district as successor to assets, liabilities, revenues, charges, etc., continuance of the current board as governing body, the required State Board of Equalization map of the revised boundaries including indication of where sewer, solid waste

collection and park and recreation services will be provided and the effective date if the proposal is approved by the Commission and the voters.

The recommended additional standard conditions are as follows and continue the numbering sequence of the conditions already recommended:

8) The governing board of the newly formed GCSD will be established by continuance in office of the existing GSD governing board. Current board members elected in November 2011 will serve their full term until the November 2015 election, and current board members elected in November of 2013 will serve their full term until the November 2017 election.

This condition is a standard condition of approval by LAFCo pursuant to Section 56886 (k).

9) The newly formed Granada Community Services District (GCSD) will be the successor to GSD and succeed to all of the rights, property interests, duties and obligations of the existing GSD, including but not limited to: enforcement, performance, or payment of any outstanding bonds, including revenue bonds, or other contracts and obligations of the reorganized local agency; continuation or provision of any service provided, or previously authorized to be provided by an official act of GSD; taxes, assessments, charges or fees; and/or all property, real or personal (including but not limited to land, easements, licenses, moneys, funds, or cash on hand or due but uncollected, and any other obligations).

This is a standard condition of approval by LAFCo pursuant to Section 56886 (b), (c), (m), (r), (t).

10) Submittal of a map and legal description (metes and bounds) meeting State Board of Equalization requirements reflecting the amended boundaries of the reorganized GCSD and a separate map depicting zones in which services are provided, as well State Board of Equalization filing fees.

This is a standard condition of approval of any LAFCo approved application that was not submitted with the State Board of Equalization Metes and Bounds and fees pursuant to Section 57204.

11) The effective date of the reorganization, if approved by simple majority vote of voters within the boundaries of the District, shall be October 1, 2014 or the first day of the next feasible fiscal quarter.

This is a standard condition set forth in Section 56886 (p). If LAFCo does not set an effective date, the effective date as directed by Section 57202 (c) would be the date the Executive Officer records the certificate of completion if the proposal is approved by the voters. Choosing the beginning of the fiscal year or the beginning of a fiscal quarter for the effective date facilitates a transition by the reorganized district and provides for distinct accounting periods for the

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organizational change. Given the timing of the June 3, 2014 election and deadline of July 1 for certification of election results, setting July 1, 2014 as the effective date is not feasible.

Process and Timing of Key Events:

Community Services District enabling legislation requires that reorganization of GSD into a community services district be subject to an election if approved by LAFCo and following a protest hearing at which less than majority written protest is received by LAFCo. The following table includes completed and pending actions and events in processing this proposal.

Activity	Date
Receipt of Application by LAFCo	April 19, 2013
Referral to Affected Agencies/Data Collection	April 19 to August 16, 2013
LAFCo Notice of Incomplete Application (Noting Application requirements met but additional time is required in order for affected agencies, organizations and individuals to provide comments and input necessary for preparation of the Executive Officer's Report.)	May 17, 2013
Issue Certificate of Filing	October 18, 2013
San Mateo LAFCo Hearing LAFCo may approve, approve with conditions or modifications or deny	November 20, 2013 December 18, 2013 January 15, 2014
Send Legal notice for publication for Protest Hearing to run January 22, 2014 for hearing on February 19, 2014	January 16, 2014
Notice of Protest Hearing Publication – Half Moon Bay Review	January 22, 2014
Protest Hearing – Conducted by Executive Officer *If less than majority protest LAFCo Executive Officer as conducting authority requests the Board of Supervisors to call an election and LAFCo would approve an impartial analysis *If majority written protest received, application is terminated	February 19, 2014
Last Board of Supervisors' meeting prior to 88 day deadline to call an election	Board of Supervisors meeting of February 25, 2014
Deadline of 88 days to call election for June, 2014 Election	March 7, 2014
LAFCo approves Impartial Analysis for Ballot	March 19, 2014
Deadline for Impartial Analysis	March 22, 2014
Election on Reorganization Proposal	June 3, 2014
Certification of Election results	By July 1, 2014
Recordation of Certificate of Completion ordering reorganization or terminating reorganization based on election results	Upon Certification of Election Results
Effective Date if approved by the Voters	October 1, 2014

Recommendation:

In the course of processing this proposal, concerns and opposition to the proposal have focused on the proposal failing to fully implement the LAFCo sphere designation of a single Midcoast community services district by consolidating GSD and Montara Water and Sanitary District (MWSD), lack of specific detail on park projects to be implemented, lack of detail on how shifting property tax to park and recreation would affect sewer rates, potential impacts to agriculture resulting from expansion of park facilities and how to address the GSD territory that is included in the City of Half Moon Bay. Recommended conditions 1 through 7 incorporate the Midcoast Action Plan as a guiding document, provide for continuity in implementation of the Plan through a contract with the San Mateo County Parks Department, calls for a revised budget that illustrates how sewer rates would be affected by shifting property tax to fund park and recreation, requires an agreement with the City of Half Moon Bay establishing a formula for pass through of property tax generated in the overlap area for park and recreation, memoranda of understanding with the Farm Bureau and the Resource Conservation District and initiation of consolidation discussion with MWSD. LAFCo may approve the proposal with these conditions that must be met prior to recordation of the Certificate of Completion.

As previously written, the GSD proposal requires the Commission to weigh the benefits of shifting property tax from subsidizing an enterprise activity to fund demonstrated park and recreation needs against the proposal failing to fully implement the LAFCo sphere designation of a single community services district for the entire unincorporated Midcoast. Because the Cortese Knox Hertzberg Act allows for consolidation of districts with unlike enabling legislation, reorganization of GSD into a community services district would not preclude future consolidation of GSD and MWSD into a single community services district with authority to provide sewer, water, solid waste and park and recreation for the entire unincorporated Midcoast. As an enterprise district that also receives property tax, subsequent consolidation of GSD and MWSD could facilitate reallocation of MWSD property tax currently subsidizing sewer and water rates to fund park and recreation consistent with State policy.³ In essence, reorganization of GSD as a community services district offers a phased approach to consolidation and a model for funding park and recreation. If approved with conditions, this model could be expanded to the balance of the Midcoast by consolidation of GSD and MWSD.

The LAFCo record includes a thoroughly documented need for community park and recreation facilities and services versus the regional park facilities located in the study area as well as absence of funding for new community park facilities and programs for existing development. The LAFCo municipal service review and sphere update documents the challenges of municipal service provision presented by existence of three agencies with sewer authority and two agencies with water authority for a population of approximately 25,000 persons. With the exception of Half Moon Bay, none of these agencies have the authority to provide park and recreation service. Even though the County of San Mateo Parks Department has a presence on

³ See Page 8 of December 12, 2013 supplemental report regarding the legislative intent of Proposition 13 and discussion of additional benefits of consolidation.

the Midcoast, it does not have a budget or program that supports construction or maintenance of new community or neighborhood parks or an ongoing active recreation program.

The GSD proposal recognizes the need for community park and recreation facilities and programs, offers a solution to the lack of ongoing funding and offers an incentive to consolidation in the form of the potential for a Midcoast-wide park and recreation program funded with existing property tax. The GSD proposal has also brought the issue of consolidation to the forefront. Meaningful dialogue by and between GSD and MWSD of consolidation has long been avoided. While LAFCo is responsible for adopting spheres of influence to promote efficient service delivery and eliminate redundancy, LAFCo does not have unilateral authority to implement consolidation. This authority rests with the elected boards of the independent special districts and ultimately the voters. The GSD proposal presents an opportunity for the elected boards of GSD and MWSD and the communities they serve to work toward consolidation with the goal of providing community park and recreation for the entire unincorporated Midcoast.

Recommended LAFCo Actions in Approving LAFCo File 13-05:

If the Commission votes to approve the proposal, it is required to take the following actions:

1) By motion, certify that the Commission has considered the Granada Sanitary District Revised Mitigated Negative Declaration for the Granada Sanitary District Reorganization Project.

2) By Resolution:

- a) Accept the Executive Officer reports dated November 14, 2013, December 12, 2013 and January 8, 2014.
- b) Adopt the following determinations concerning the sphere of influence amendment and establishing active services of sewer, garbage collection and park and recreation

The GSD application to reorganize into a community services district does not preclude implementation of the LAFCo sphere of influence designation for a single Midcoast community services district to provide park and recreation. Sphere of influence determinations in approving the proposal and amending the boundaries of the District are as follows:

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

Land uses within the GSD boundary are varied including agricultural and open space lands, and include both incorporated and unincorporated territory. The District territory is under both County and City land use jurisdiction and is subject to the County's Local Coastal Program and the City of Half Moon Bay Local Coastal Plan. There is a variety of County and City General Plan

and zoning designations with the District territory including agricultural land use. GSD has or will implement policies, ordinances and agreements that address preservation of agricultural lands. GSD has entered into a Memorandum of Understanding with the San Mateo County Farm Bureau.

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

The District boundary contains urbanized areas that have a documented lack of park and recreation facilities and demonstrated need for same.

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

The District lacks adequate land inventory for park and recreation but proposes utilizing district lands, acquiring other lands and improving lands owned by other agencies for the purpose of park and recreation. Current GSD sewer collection and treatment services are provided by the Sewer Authority Midcoastside and through a franchise agreement with a private company. Park and recreation facilities and services proposed by the District are not currently provided by an existing agency and there is no current funding source for these facilities and services. The District receives a portion of the 1% property tax and fees for sewer and garbage collection. The district proposes reallocating property tax for the purpose of park and recreation as outlined in the District's plan for service, application and revised budget. Conditions of LAFCo approval include a short term contract with the County of San Mateo to provide continuity in implementing the Midcoast Action Plan for Parks and Recreation.

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

The proposal area is part of the urbanized, Coastal subregion of San Mateo County comprised of the City of Half Moon Bay, Miramar, El Granada, Moss Beach, Princeton and Montara. The unincorporated area lacks park and recreation facilities and unincorporated residents therefore place a demand on County, State and City of Half Moon Bay park and recreation facilities and programs. While the proposal does not include the entire unincorporated area, it responds to park and recreation needs for a substantial portion of the unincorporated population by allocating existing property tax for park and recreation and in the long term result would reduce the demand on park and recreation facilities and programs of other agencies.

5. The nature, location, extent, functions and classes of service to be provided.

Services to be provided include sewer, garbage collection and park and recreation. Sewer and garbage collection service will continue to be provided throughout the revised boundaries of the District. Park and recreation service will be provided within the unincorporated boundaries of the District. The portion of the District included in the City of Half Moon Bay will continue to

receive park and recreation service from the City. All other services permitted by community services district law are inactive and would require LAFCo application and approval by LAFCo.

c) Approve LAFCo File 13-05-Proposed Reorganization of Granada Sanitary District into a Community Services District adding the Service of Park and Recreation and amending the sphere of influence of the District to be conterminous with reduced boundaries of the District as shown in the map accompanying the application, with the following conditions:

- 1) GSD establishing the County's Midcoast Action Plan for Parks and Recreation as an initial guiding document as a Community Service District
- 2) GSD amending the revised budget from a "Sample Budget" to "Proposed Budget" as a document voters can rely on as a reasonable representation of sewer service charges and revenues directed to park and recreation services
- 3) Agreement with the City of Half Moon Bay regarding pass through of property tax revenue for "overlap area" for the purpose of park and recreation
- 4) Memorandum of Understanding with the San Mateo County Farm Bureau
- 5) Memorandum of Understanding with the San Mateo County Resource Conservation District
- 6) Short-term Agreement with the County of San Mateo Parks Department to implement the Midcoast Action Plan for Parks and Recreation as interim plan
- 7) GSD letter to the Montara Water and Sanitary District requesting establishment of a joint consolidation committee
- 8) The governing board of the newly formed GCSD will be established by continuance in office of the existing GSD governing board. Current board members elected in November 2011 will serve their full term until the November 2015 election, and current board members elected in November of 2013 will serve their full term until the November 2017 election.
- 9) The newly formed GCSD will be the successor to GSD and succeed to all of the rights, property interests, duties and obligations of the existing GSD, including but not limited to: enforcement, performance, or payment of any outstanding bonds, including revenue bonds, or other contracts and obligations of the reorganized local agency; continuation or provision of any service provided, or previously authorized to be provided by an official act of GSD; taxes, assessments, charges or fees; and/or all property, real or personal (including but not limited to land, easements, licenses, moneys, funds, or cash on hand or due but uncollected, and any other obligations).
- 10) Submittal of a map and legal description (metes and bounds) meeting State Board of Equalization requirements reflecting the amended boundaries of the reorganized GCSD and a separate map depicting zones in which services are provided, as well State Board of Equalization filing fees.

- 11) The effective date of the reorganization, if approved by simple majority vote of voters within the boundaries of the District, shall be October 1, 2014 or the first day of the next feasible fiscal quarter.
- d) Delegate conducting authority proceedings to the Executive Officer and direct the Executive Officer to conduct protest proceedings pursuant to Government Code Section 57000
- e) At the March LAFCo meeting, approve the impartial analysis for the ballot measure

If the Commission votes to deny the application, it is recommended that denial be without prejudice, removing the mandatory one year waiting period before a similar application can be submitted to LAFCo.

Attachments:

- Attachment A: December 12, 2013 and November 14, 2013 staff reports
- Attachment B: Midcoast Action Plan for Parks and Recreation
- Attachment C: GSD Revised Proposed Budget
- Attachment D: Draft Agreement with City of Half Moon Bay for pass through of property tax for overlap area
- Attachment E: Memorandum of Understanding with San Mateo County Farm Bureau
- Attachment F: Memorandum of Understanding with San Mateo County Resource Conservation District
- Attachment G: GSD letter to Montara Water and Sanitary District regarding consolidation

Link to Mitigated Negative Declaration: www.granada.ca.gov



December 12, 2013

TO: Members, Formation Commission

FROM: Martha Poyatos, Executive Officer

SUBJECT: Supplemental Report: LAFCo File No. 13-5--Proposed Reorganization of Granada Sanitary District into a Community Services District adding the Service of Park and Recreation (Continued from November 20, 2013)

Summary

The Granada Sanitary District (GSD) filed an application with LAFCo to reorganize into community services district in order to provide park and recreation service in El Granada, Princeton and Miramar in addition to the District's current services of sanitary sewer and garbage collection. The April 2013 application also requests amendment of the District's sphere of influence boundaries. GSD adopted a mitigated negative declaration (MND) as lead agency. LAFCo as responsible agency would rely on the MND if the Commission approves the proposal. On May 17, 2013 LAFCo issued a certificate of incomplete application to allow the District additional time for affected public agency and community outreach. On October 22, a Certificate of Filing was issued.

At the November 20, 2013 LAFCo hearing the Commission received the November 14, 2013 staff report which is attached and incorporated herein. The report contains background on community services district enabling legislation (Government Code Section 61000)¹, GSD outreach efforts, comments from affected agencies, groups and individuals and staff analysis of the proposal. In summary, the application proposes funding park and recreation service in the unincorporated portion of the District with existing property tax revenue. Because GSD boundaries overlap the northern portion of the City of Half Moon Bay, the application proposes

¹ GCS 61000 provides that a community services district may provide all municipal services provided by a city except land use. Once formed, inactive services of community services districts require application to LAFCo.

a property tax pass-through agreement between the community services district and the City for the area of the District located in the City.²

At the November 20, 2013 hearing the Commission received the Executive Officer's report, opened the public hearing, accepted comments, and continued the hearing to allow staff and the District time to respond to questions and requests for information received at the hearing. Specifically the Commission directed that GSD provide more specific information on park projects that would be implemented, how shifting property tax in a phased approach to park and recreation would impact sewer rates and that GSD initiate discussion with Montara Water and Sanitary District regarding consolidation. Since that time, LAFCo staff has received additional information from San Mateo County Parks, formal response from Granada Sanitary District including revised budgets, and additional comments from others.

Based on information received, staff recommends that the Commission receive this supplemental report, additional comment at the continued public hearing and take one of the following actions:

- a) Tentatively approve the proposal with the following conditions and continue the hearing to allow GSD and affected agencies to confer regarding conditions of approval as follows:
 - 1) GSD establishing the County's Midcoast Action Plan for Parks and Recreation as a guiding document as a Community Service District
 - 2) GSD amending the revised budget from a "Sample Budget" to "Proposed Budget" as a document voters can rely on as a reasonable representation of sewer service charges and revenues directed to park and recreation services
 - 3) Agreement with the City of Half Moon Bay regarding pass through of property tax revenue for "overlap area" for the purpose of park and recreation
 - 4) Memorandum of Understanding with the San Mateo County Farm Bureau
 - 5) Memorandum of Understanding with the San Mateo County Resource Conservation District
 - 6) Short-term Agreement with the County of San Mateo Parks Department to implement the Midcoast Action Plan for Parks and Recreation as interim plan as described below
 - 7) GSD letter to the Montara Water and Sanitary District requesting establishment of a joint consolidation committee

- b) Deny the application without prejudice waiving the one year waiting period for a similar proposal.

² The overlap area represents 18.2% of the total property tax revenue generated within GSD boundaries. GSD proposes a pass through agreement of 18.2% of property tax revenue appropriated for Park and Recreation annually.

Report and Recommendation:

The following section summarizes GSD responses, additional information from SMC Parks Department and other comments received.

Response from Granada Sanitary District (December 11, 2013)

Request to Initiate Consolidation Discussions with Montara Water and Sanitary District (MWSD)

The GSD response suggests that reorganization into a community services district can serve as a stepping stone to further consolidation of like services along the Midcoast. The District does not provide indication that it has or will contact MWSD regarding consolidation. In LAFCo follow up to the District's letter, the District indicated that the long established opposition to consolidation on the part of utility districts and the complexity of individual district finances, debt, infrastructure condition, rate methodology, and range of service presented obstacles to consolidation. For these reasons, the District maintains that meeting park and recreation needs should not be conditioned upon consolidation.

Property Tax Allocation for Park and Recreation and Impact on Sewer Service Charges:

GSD's comment letter includes a revised budget with a status quo budget for GSD as a sanitary district and a budget as a CSD with sewer, garbage franchise and park and recreation service. In doing so, the District illustrates the difference in the sewer rates under current sanitary district status versus sewer rates if GSD is reorganized into a community services district, shifting a portion of property tax to fund park and recreation in a phased approach. The revised budget is based on the following assumptions:

- The baseline status quo budget assumes no increase in sewer service charges due to a balanced budget
- Additional revenue from repayment of advance by District to Assessment District.
- Retirement of long term debt of \$94,000 in FY 2015-16
- Allocation of property tax to Parks & Recreation services increases each year by \$50,000
- Sewer Authority Midcoastside (SAM)³ is in the process of preparing a 5 Year Capital Plan. The unknown GSD contribution and impact to sewer fees is not included in either budget

³ As noted in the November 14, 2013 report, SAM is a joint power agency consisting of GSD, Montara Water and Sanitary District and City of Half Moon Bay. The SAM governing board includes members from each agency and sets rates and adopts a capital plan. SAM operates the sewage treatment plan and the sewage collection system of all three agencies.

As shown in the District’s response letter and revised status quo and proposed community services district budgets, the following compares current estimated rates as a sanitary district versus community services district. The community services district budget (revised from the November 20th version) shows the transfer of a portion of property tax from sewer operations to parks and recreation services. The effect of transferring property on the sewer service charge is illustrated below.

	FY <u>2014</u>	FY <u>2015</u>	FY <u>2016</u>	FY <u>2017</u>	FY <u>2018</u>	FY <u>2019</u>
Sewer Service Charge-Baseline	\$402	\$402	\$402	\$402	\$402	\$402
Sewer Service Charge with Parks and Recreation Services	\$402	\$415	\$440	\$450	\$460	\$485

The baseline budget with no addition of parks and recreation services shows the sewer service charge remaining at \$402 for the next five years, and maintenance of a district reserve of \$3.4 million. The key difference between sewer fees in the original CSD budget submitted with the application and revised CSD budget is that the original budget projected building a reserve over five years and the revised budget projects maintaining the reserve at \$3.4 million. The District therefore projects no rate increase based upon the five year baseline budget if parks and recreation services are not added. However, as noted above, neither budget reflects the increase in sewer rates that would result from the GSD share of the SAM 5 Year Capital Budget which is not yet available.

From the LAFCo perspective, providing a status quo budget in addition to the proposed community services district budget that includes park and recreation provides for “apples to apples” comparison of a sewer rates under both scenarios. Based on these assumptions, the projected impact of transferring property tax to park and recreation service over five years is a 20% increase in annual sewer service charges by the fifth year of operation as a community services district. In either case, sewer rates would likely be higher upon adoption and implementation of the SAM 5 Year Capital Plan based on GSD’s share of the capital plan. In addition, the District’s reserve is impacted in that stabilization of rates relies on maintaining a flat reserve rather than building a reserve over time.

The proposed budget for park and recreation shows: \$50,000 property tax revenue in Year 1 with no parks expenditures but allocation to reserve; \$100,000 property tax revenue in Year 2 with \$55,000 in park expenditures and \$45,000 to reserve; \$150,000 property tax revenue in Year 3 with \$64,000 park expenditures and \$87,000 to reserve⁴; \$200,000 in property tax revenue in Year 4 with \$200,000 in property tax revenue and \$72,000 in park expenditures and \$129,000 to reserve; and \$250,000 in property tax revenue in Year 5 with \$80,000 in park

⁴ Years 3-5 also include miscellaneous revenue also \$1,000 contributed to reserve

expenditures and \$171,00 to reserve. The ending Parks and Recreation Reserve is projected at \$282,000 with \$200,000 additionally set aside for capital projects. Each year individual park expenditures reflect partnering with the County on Quarry Park, Cabrillo Unified School District on field maintenance, City of Half Moon Bay property tax pass through, and maintenance of the District's Burnham Strip parcel. With the exception of the City of Half Moon Bay, the partnering allocations are relatively small amounts. Consideration could be given to alternating partnering with individual agencies to fund larger individual initiatives each year.

If the proposal is approved by LAFCo, impartial analysis for the election required for formation of a community services district would include rate information contained in the proposal. Additionally, if the District is formed subsequent rate increases would be subject to Proposition 218 which provides that sewer rates may not be increased if there is a simple majority protest of sewer fee increases. In both cases, the rate payers and voters are given the opportunity to weigh the merits of funding park and recreation with property tax that would otherwise subsidize sewer fees.

Proposed Park and Recreation Facilities and Programs

The GSD response to the request for more detail on proposed park facilities and programs references the Midcoast Action Plan for Parks and Recreation-Planning Team Report, July 31, 2007 and lists potential projects from the Plan including: park structures (picnic benches, swings, playground equipment) in pocket parks located on the broad medians of El Granada; funding for Quarry Park and including expansion of tot lot and benches and maintenance; funding on-going maintenance or enhancement of school sports fields to accommodate increased use; cost sharing with the City of Half Moon Bay for programs benefiting residents in the Granada Sanitary District; improvements on the District's 6 acre parcel on the Burnham strip based on site analysis; making space in the District's existing office building for community center services such as ping pong, pool, educational programs for local residents.⁵

From the LAFCo perspective, while the proposed parks projects lack detail that would be found in the project description for a specific park, they do meet the requirements for a Plan for Service required in a LAFCo application. In this regard, the GSD Plan for Service is similar to a Program Environmental Impact Report (EIR) which is prepared for a series of projects that are related and authorized under the same statutory authority, versus a project EIR which analyses individual projects such as construction or development in which footprint and construction specifications are known. Staff believes that identification of projects in the paragraph above could be incorporated in LAFCo approval of reorganization approval, especially if the County's Midcoast Action Plan For Parks And Recreation is established as the guiding document for the reorganized district.

⁵ The District currently allows several organizations to use the District's meeting room. These include MidCoast Community Council, Midcoast Parklands, Friends of Quarry Park and the County of San Mateo.

Related supplemental correspondence from the County Parks Department dated November 25, 2013 and December 10, 2013 (attached) detail Park Department park planning and improvement efforts on the Midcoast since 2002 and the Midcoast Park Mitigation Fee Fund.⁶ Excluding Fitzgerald Marine Reserve which is a regional park, projects and improvements benefiting the Midcoast include the following. (Projects with an asterisk are Midcoast Action Plan Projects and funded with Midcoast Park funds and in many cases augmented with additional grants.)

- 2002 Midcoast Recreational Needs Assessment
- 2003 Midcoast Park Mitigation Fee approved and implemented
- 2005 Mirada Surf East and West acquired
- 2008 County acquired Quarry Park, improved Quarry Park community garden and created a Midcoast Parks Operations District within the Parks operations structure
- 2009 Mirada Surf CA Coastal Trail Phase 1 and 2 constructed
El Granada Elementary playfield installed*
- 2010 Quarry Park Tree House constructed
CA Coastal Trail from Half Moon Bay to Princeton approved
CA Coastal Trail signs installed from Ritz Carlton to Princeton*
Highway 1 Safety and mobility Improvement Project Phase 1 approved
- 2011 Quarry Park playground and parking lot constructed*
- 2012 Highway 1 Safety and Mobility Improvement Project Phase 2 approved
400' gap in CA Coastal Trail at Surfers Beach grant secured, and meetings with CalTrans facilitated to collaborate in the future*
- 2013 Mirada Surf Coastal Trail Phase 3 and bathroom constructed
Moss Beach Park Acquired*
- 2014 Moss Beach Park bathroom installation (February)*
Devils Slide CA Coastal Trail and interpretive sign construction (March)
Vicente Creek habitat enhancement and cypress forest management to be approved and first phase implemented (December)
Green Valley trail easement secured and trail designed and permitted.
Funding to be secured for construction

Given the established presence of the County Parks Department on the Midcoast and the Department's expertise and organizational structure, consideration could be given to a condition of approval requiring an initial five-year contract between the CSD and the County Parks Department, in which the County Parks Department could continue to implement the Midcoast action plan leveraging CSD property tax revenue designated for parks with the Midcoast Mitigation Fund and the County's ability to secure grant funding. This short term contract would take advantage of the County Parks Department expertise related to the action plan, established departmental structure and relationship with park related entities on the Midcoast. It could also serve as a bridge while GSD and MWSD work toward consolidation into

⁶ As of 6/30/13 the balance of the fund was \$492,920 of which \$440,000 is currently allocated for project listed below.

a Midcoast-wide community services district to include the existing services of the two districts as well as park and recreation. A short term contract would recognize the County Parks Department's long range focus on regional versus neighborhood parks and provide for a transition of community park service by the County to a locally governed Midcoast Community Services District with the powers of sewer, water, solid waste and park and recreation.

Other Correspondence:

City of Half Moon Bay:

City of Half Moon Bay's comment letter received at the Commission's November 20 LAFCo meeting expressed concern about lack of project specificity and impact on sewer rates described above and as well as a request that a proposal for reorganization be conditioned upon an agreement between the District and City of Half Moon Bay that would to ensure that a proportional share of property tax currently allocated to GSD for parcels within Half Moon Bay would be reallocated to the City of Half Moon Bay based on the Community Services District total shift of property tax to park and recreation annually.

As noted in the November 14, 2013 report, GSD proposes a pass through agreement with the City of Half Moon Bay that would result in the City receiving 18% of the total property tax revenue GSD allocates for parks and recreation. This formula reflects the proportion of property tax the overlap area bears to total property tax received by the District. This allocation is shown in the Five Year Budget under "Partner with Half Moon Bay". The individual allocation in Years 2 through 4 exceeds the 18% formula and allocation in Year 5 equals 18% of the annual property tax revenue allocated for park and recreation. An agreement with this language would be a permissible condition of LAFCo approval.

San Mateo County Association of Realtors (SAMCAR):

On December 5, 2013 LAFCo received the November 19, 2013 letter of opposition from SAMCAR, stating that the proposal represents more duplication of government services and the region already suffers from too many overlapping districts. The letter also cites lack of specificity of how park and recreation would be improved, that GSD is not involved with other groups already providing park and recreation, GSD is the wrong government model to accomplish this goal and asks the Commission to reject the proposal.

Cabrillo Unified School District:

Following the November 20, 2013 LAFCo meeting, LAFCo staff renewed the request for comment from the Cabrillo Unified School District and was informed via e-mail that "the Cabrillo Unified School District and its Governing Board have no comments to contribute. GSD presented an informational item to the Board and the Board had no comment."

The fact that the Cabrillo Unified School District accepted funding of field improvements from the County indicates that there is benefit to the District of such revenues being available. However, lacking comments from the School District or Board, it is not clear if the School District or Board on behalf of affected constituents would be willing to work with a reorganized community services district in collaborating on park related improvements on school facilities or use of school facilities for recreational programs.

San Mateo County Resource Conservation District (RCD):

The RCD has provided LAFCo with a draft Memorandum of Understanding (MOU) that would provide for appropriation at the beginning of each fiscal year by the reorganized CSD to contract with RCD to identify resource management work on CSD lands. The RCD requests that execution of the MOU be a condition of LAFCo approval.

San Mateo County Farm Bureau:

Please see November 14, 2013 report regarding MOU between GSD and the Farm Bureau.

Analysis:

The GSD proposal requires the Commission to weigh the benefits of shifting property tax from subsidizing an enterprise activity to fund demonstrated park and recreation needs against the proposal failing to fully implement the LAFCo adopted Midcoast sphere designation of a community services district for the entire unincorporated Midcoast.

The proposal to shift property tax for park and recreation is supported by State policy directing that property tax be used for non-enterprise activities and that enterprise districts establish rates that cover the cost of providing service. In essence, Proposition 13 enacted in 1978,⁷ changed special district funding in that enterprise districts lost the ability to raise revenue through property tax other than the limited property tax that was distributed to enterprise districts when Proposition 13 was implemented. Government Code Section 16270 states: *The Legislature finds and declares that many special districts have the ability to raise revenue through user charges and fees and that their ability to raise revenue directly from the property tax for district operations has been eliminated by Article XIII A of the California Constitution. It is the intent of the Legislature that such districts rely on user fees and charges for raising revenue due to the lack of the availability of property tax revenues after the 1978-79 fiscal year. Such districts are encouraged to begin the transition to user fees and charges during the 1978-79 fiscal year.*

⁷ Proposition 13 limited property tax to 1% of assessed value and limited reassessment to 2% per year unless property is improved or sold. The impact of Proposition 13 on local government revenues and services was catastrophic and permanent, particularly impacting non-enterprise activities such as park and recreation.

The proposal to create a community services district with sewer, solid waste and park and recreation power for a portion of the Midcoast does not fully implement the adopted sphere and underscores the obstacles to coordinating governmental collaboration, leveraging resources and creating efficiencies in the study area of approximately 12,000 persons owing to the number and fragmentation of government agencies. Consolidation of GSD and MWSD would not only facilitate implementing a park and recreation program for the entire Midcoast but would eliminate the arbitrary sewer service boundary separating the communities of El Granada, Princeton and Miramar from Moss Beach and Montara. Furthermore, consolidation of GSD and MWSD would encourage a Midcoast Community Services District with water power to collaborate with Coastside County Water District, the County, LAFCo and the Coastal Commission on how to best serve urban territory currently excluded from the boundaries of either water agency. Please see Page 11 for service area map.

Reorganization of GSD as a community services district could be considered a first step in implementing adopted spheres of influence because if approved with conditions set forth below, would provide funding for park and recreation in the District's boundaries and promote future consolidation.

Recommendation

It is recommended that the Commission receive the Executive Officer's report, open the public hearing and take one of the following actions:

- a) Tentatively approve the proposal with the following conditions and continue the hearing to allow GSD and affected agencies to confer regarding conditions of approval as follows:
 - 1) GSD establishing the County's Midcoast Action Plan for Parks and Recreation as a guiding document as a Community Service District
 - 2) GSD amending the revised budget from a "Sample Budget" to "Proposed Budget" as a document voters can rely on as a reasonable representation of sewer service charges and revenues directed to park and recreation services
 - 3) Agreement with the City of Half Moon Bay regarding pass through of property tax revenue for "overlap area" for the purpose of park and recreation
 - 4) Memorandum of Understanding with the San Mateo County Farm Bureau
 - 5) Memorandum of Understanding with the San Mateo County Resource Conservation District
 - 6) Short-term Agreement with the County of San Mateo Parks Department to implement the Midcoast Action Plan for Parks and Recreation as interim plan as described below
 - 7) GSD letter to the Montara Water and Sanitary District requesting establishment of a joint consolidation committee

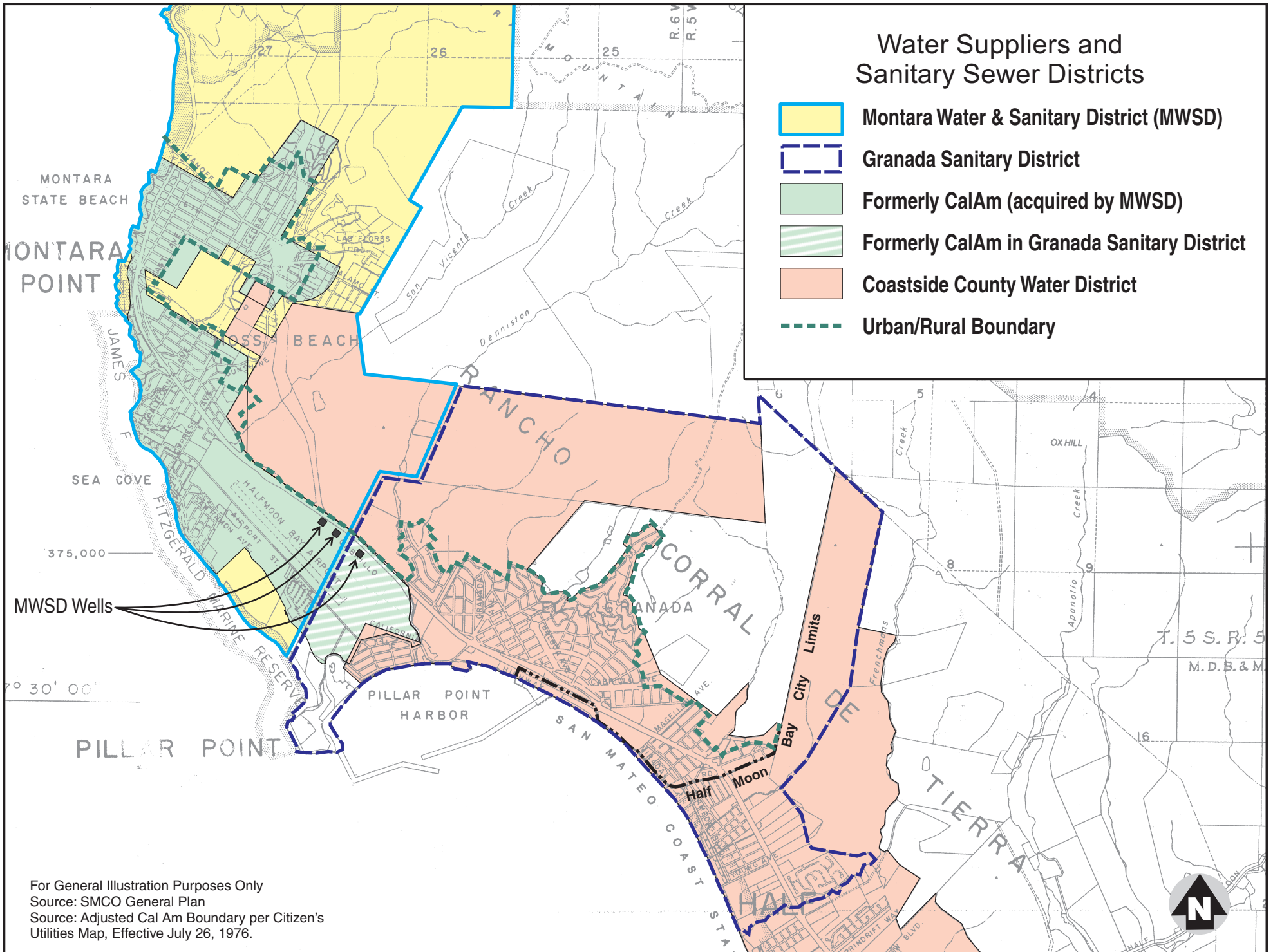
- b) Deny the application without prejudice waiving the one year waiting period for a similar proposal.

If the Commission approves the tentatively approves the proposal, at the January 15, 2014 meeting considerations for final action would include:

- Certification that the Commission has considered the GSD Mitigated Negative Declaration.
- Acceptance of the Executive Officer's report and supplemental report
- Adoption of a statement of determinations concerning the sphere of influence amendment and establishing active services of sewer, garbage collection and park and recreation as described in the November 14 staff report on pages 14 and 15
- Adoption of a resolution amending the sphere of influence and approving with conditions LAFCo File 13-05—Proposed Reorganization of Granada Sanitary District as a Community Services District Adding Park and Recreation Service
- Direction and delegation to the Executive Officer to conduct protest proceedings pursuant to Government Code Section 57000 et seq.

Attachments:

- Attachment A: GSD Response Letter
Attachment B: November 25, 2013 and December 11, 2013 SMC Parks Correspondence
Attachment C: Comment letters received after November 20, 2013
Attachment D: November 14, 2013 staff report and attachments





GRANADA SANITARY DISTRICT
OF SAN MATEO COUNTY

Attachment A

Board of Directors

Leonard Woren, President

Matthew Clark, Vice President

Ric Lohman, Secretary

Gael Erickson, Treasurer

Jim Blanchard, Board Member

December 11, 2013

Martha Poyatos, Executive Officer
Local Agency Formation Commission
455 County Center, 2nd Floor
Redwood City, CA 94063-1663

Re: Application for Reorganization of Granada Sanitary District into a Community Services District in Order to Add Parks and Recreation Services – Response to Comments from the LAFCo November 20th Public Hearing

Dear Martha,

This letter is written to summarize and respond to the comments received in conjunction with the November 20th LAFCo Public Hearing to consider the District's proposed reorganization into a community services district. The Commission continued the public hearing and requested additional information on increased specifics for the proposed projects listed in the application, as well as more information on the effects that the transfer of property tax revenue to parks and recreation services will have on sewer operations and the annual sewer service charge.

The addition of parks and recreation services would enable the district to provide a wide variety of activities for all residents. It would assist families and community organizations in planning and scheduling personal, private and special recreational opportunities. Programming areas could include instructional classes, youth and adult sports, teen activities, camps, special needs programs, and special events.

The reorganization application lists multiple proposed projects from the Midcoast Action Plan for Parks and Recreation drafted by the County of San Mateo Task Force. Attached to this letter are some excerpts from the Midcoast Action Plan. The list of potential projects includes:

- Development of neighborhood parks along the broad avenues of El Granada, as originally intended in architect Daniel Burnham's design of El Granada – The avenues and boulevards within El Granada contain broad median areas which are well suited for construction of neighborhood playgrounds. Hardscaping such as picnic benches, swings, and other playground equipment can be employed in these pocket park areas.
- Partnering opportunities with the County of San Mateo including Quarry Park and/or the County owned Mirada Surf properties – Quarry Park has had an uneven history of operations, with various non-profit groups helping to operate the park along with the County. The County recently used funds from its Midcoast Park Mitigation Fee Fund to construct improvements to the Quarry Park playground and bathrooms. However, this Mitigation Fund is for capital projects only, and cannot be used to fund operations and maintenance of improvements. Partnering with a newly formed Granada CSD to provide locally controlled park operations would provide a steady

and stable revenue source. The existing benches and tot lot could be expanded and maintained with funding from the CSD.

- Partnering opportunities with the Cabrillo Unified School District – Multiple local sports organizations such as the Half Moon Bay AYSO and the Half Moon Bay Little League utilize school district fields for their operations. Funds from the Midcoast Park Mitigation Fee Fund were used to construct improvements to the Granada Elementary School sports field. A Granada CSD partnering with the school district could help leverage funding for enhanced services for parks and recreation and for the maintenance or enhancement of these fields due to increased use.
- Partnering opportunities with the City of Half Moon Bay – The City of Half Moon Bay has long borne the burden as the primary agency responsible for local parks and recreation on the Midcoast. Reorganizing an existing neighboring agency with parks and recreation powers for the unincorporated Midcoast, with its own funding source, would provide a substantial benefit to both the City and residents within a Granada CSD. Cost sharing for existing or enhanced program management activities would benefit all residents of the Midcoast.
- Use of the parcel on the Burnham Strip owned by GSD – GSD owns a 6 acre parcel on the Burnham Strip. The sub-surface land is utilized by the Sewer Authority Midcoastside for a wet weather flow management system, but the surface land is free to be used in any manner consistent with parks and recreation services. Further site analysis would be needed to determine the best uses for this parcel.
- Community Center services – Should a Granada CSD be formed, it would have the ability to rent additional space in its existing office building to partner with an entity like the Boys & Girls Club to offer community center services such as ping pong, pool, educational programs, etc. to local residents. GSD currently allows agencies such as the Midcoast Community Council, Midcoast Parklands, Friends of Quarry Park, and the County, to utilize its meeting room for meetings and other community functions.

Reorganization into a CSD will allow proper discussion and public input for any projects proposed for the benefit of the community.

In response to questions concerning the potential effects that a transfer of property tax revenue to parks and recreation services would have on sewer operations and the annual sewer service charge, I have attached two representative budgets. The baseline budget (newly created) shows the sewer service charge assuming no parks and recreation services. The second budget (revised from the November 20th version) shows the transfer of some property tax to parks and recreation services. The resultant effect on the sewer service charge is summarized below.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Sewer Service Charge-Baseline	\$402	\$402	\$402	\$402	\$402	\$402
Sewer Service Charge with Parks and Recreation Services	\$402	\$415	\$440	\$450	\$460	\$485

The baseline budget with no addition of parks and recreation services shows the sewer service charge remaining at \$402 for the next five years, and a district reserve of \$3.4

million at the end of five years. The District would therefore not expect to raise rates based upon this five year baseline budget if parks and recreation services are not added.

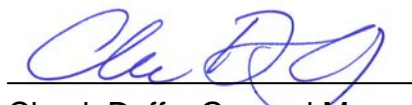
The revised budget with parks and recreation services shows a re-allocation of some portion of the property taxes received to the parks and recreation budget. In this version, sewer service charges would have to increase from \$402 to \$485 over the course of five years in order to maintain the district reserve at \$3.4 million (allowing for an apples to apples comparison between the two budgets). Both the new baseline budget and the revised budget showing allocation of funds to parks and recreation services are included as attachments to this letter.

At its essence, this proposed reorganization is a proposal to bring parks and recreation services to the unincorporated Midcoast, an area that by all accounts is sorely underserved. It is a proposal to direct property tax revenues towards the funding of governmental services such as parks and recreation, in accordance with the State legislature's intent. This action would bring a new source of substantial funding to the Midcoast to complement the existing recreational organizations and agencies. The proposed reorganization provides an efficient means of delivering public services to the Midcoast, and can serve as a stepping stone to further consolidation of like services along the Midcoast.

The District has spent significant time and effort over the past several years conducting public outreach and in presenting the proposed reorganization to other agencies. We appreciate the opportunity to again appear before the Commission to discuss this proposed reorganization. Should this proposal be approved by the Commission, we believe it would provide a unique opportunity to allow the residents of the District to decide their own fate regarding parks and recreation along the Midcoast.

Sincerely,

Granada Sanitary District



Chuck Duffy, General Manager

Excerpts from the Midcoast Action Plan for Parks and Recreation drafted by the County of San Mateo Task Force

Description

The park and recreation resources envisioned in this Action Plan include neighborhood parks, community parks with playfields, a community recreation building and a Midcoast trail system.

Quarry Park / Wicklow

Quarry Park is (was) operated by Midcoast Park Lands in a partnership with the County and the Cabrillo School District. Quarry Park is virtually surrounded by the POST Wicklow property and the two together have a long term potential as a trails and passive recreation park. The existing tot lot, improvements to the open meadow and proximity to a POST meadow area make the need for improved restroom facilities critical. This Park serves several needs for the local community of El Granada, as well as the Midcoast.

Neighborhood Parks

Areas with recreation structures and/or picnic tables and grass areas are an important component of neighborhoods. They are developed with neighborhood consensus and support.

El Granada Avenues

The broad avenues in El Granada provide informal passive recreation opportunities today. These are representative of what could be an expanding number of community play sites serving local neighborhoods. Recreational use of these Avenues was identified in the original land use plan for El Granada prepared by Daniel Burnham.

Burnham Strip

There is significant community interest in the community use of the Burnham Strip to provide a view shed to the oceans as well as a passive park area. Ownership issues and perspectives of multiple groups make planning near term use of this area difficult.

Two important parts of a longer term plan for Midcoast recreation should be mentioned:

Community Center

This is an expensive facility and also one difficult to site. It is a key component in the overall long-term plan. Locations for a Community Center include the Etheldore Triangle, Princeton Area and Old Navy Base sites.

12-11-2013 BASELINE SAMPLE GRANADA SANITARY DISTRICT
5 YEAR BUDGET NO PARKS AND RECREATION SERVICES

Budget assumptions:

1. No increase is sewer service charge necessary due to balanced budget.
2. Additional funding from repayment of monies advanced to the Assessment District.
3. Retirement of long term debt payment of \$94,000 in FY 2015/16
4. Baseline budget shows no need for increase in sewer service charge.
5. SAM is in the process of preparing a 5 Year Capital Budget which is not reflected here but affects both versions of the budget equally.

Sewer Service Charge	<u>FY 2013/14</u> \$402	<u>FY 2014/15</u> \$402	<u>FY 2015/16</u> \$402	<u>FY 2016/17</u> \$402	<u>FY 2017/18</u> \$402	<u>FY 2018/19</u> \$402
<u>SEWER SYSTEM OPERATING REVENUES</u>						
	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
1 . Property Tax Allocation	\$480,000	\$480,000	\$480,000	\$480,000	\$480,000	\$480,000
2 . Annual Sewer Service Charges	\$1,257,000	\$1,259,000	\$1,261,000	\$1,263,000	\$1,265,000	\$1,267,000
3 . Reim. from A.D. - Salary and Overhead	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
4 . Recology of the Coast Franchise Fee	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000
5 . Miscellaneous	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
SEWER SYSTEM TOTAL NON-OPERATING REVENUES	\$1,776,000	\$1,778,000	\$1,780,000	\$1,782,000	\$1,784,000	\$1,786,000
<u>SEWER SYSTEM NON-OPERATING REVENUES</u>						
1 . Interest on Reserves	\$12,300	\$12,300	\$12,300	\$12,300	\$12,300	\$12,300
2 . Connection Fees	\$18,800	\$18,800	\$18,800	\$18,800	\$18,800	\$18,800
3 . SAM Refund from Prior Year Allocation	\$101,000	\$86,000	\$71,000	\$56,000	\$41,000	\$26,000
4 . Repayment of Monies Advanced to the Assessment District	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000
5 . ERAF Refund from Prior Year	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
SEWER SYSTEM TOTAL NON-OPERATING REVENUES	\$317,100	\$302,100	\$287,100	\$272,100	\$257,100	\$242,100
SEWER SYSTEM TOTAL REVENUES	\$2,093,100	\$2,080,100	\$2,067,100	\$2,054,100	\$2,041,100	\$2,028,100
<u>SEWER SYSTEM OPERATING and ADMINISTRATIVE EXPENDITURES</u>						
	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
<u>OPERATIONS</u>						
1 . SAM General (Treatment and Admin.)	\$949,473	\$949,473	\$949,473	\$949,473	\$949,473	\$949,473
2 . SAM Collections	\$232,527	\$237,178	\$241,921	\$246,760	\$251,695	\$256,729
3 . Plant Shortfall Debt Service (COP)	\$94,000	\$94,000	\$94,000	\$0	\$0	\$0
Sub-Total Operations Expenditures	\$1,276,000	\$1,280,651	\$1,285,394	\$1,196,233	\$1,201,168	\$1,206,202
<u>ADMINISTRATION</u>						
1 . Sub-Total Administration Expenditures	\$517,900	\$528,158	\$538,621	\$549,294	\$560,180	\$571,285
SEWER SYSTEM TOTAL OPERATING EXPENDITURE	\$1,793,900	\$1,808,809	\$1,824,015	\$1,745,526	\$1,761,348	\$1,777,487

12-11-2013 BASELINE SAMPLE GRANADA SANITARY DISTRICT
5 YEAR BUDGET **NO PARKS AND RECREATION SERVICES**

NET TO/(FROM) SEWER SYSTEM RESERVES	\$299,200	\$271,291	\$243,085	\$308,574	\$279,752	\$250,613
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12-11-2013 BASELINE SAMPLE GRANADA SANITARY DISTRICT
5 YEAR BUDGET NO PARKS AND RECREATION SERVICES

	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19
<u>SEWER SYSTEM NON-OPERATING REVENUES</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
1 . Interest on Reserves	\$12,300	\$12,300	\$12,300	\$12,300	\$12,300	\$12,300
2 . Connection Fees	\$18,800	\$18,800	\$18,800	\$18,800	\$18,800	\$18,800
3 . SAM Refund from Prior Year Allocation	\$101,000	\$86,000	\$71,000	\$56,000	\$41,000	\$26,000
4 . Repayment of Monies Advanced to the Assessment District	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000
5 . ERAF Refund from Prior Year	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
SEWER SYSTEM TOTAL NON-OPERATING REVENUE	\$317,100	\$302,100	\$287,100	\$272,100	\$257,100	\$242,100

SEWER SYSTEM CAPITAL PROJECTS AND RESERVE FUND BALANCE

	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19
<u>SEWER SYSTEM CAPITAL PROJECTS</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
1 . Mainline System Repairs and Investigation	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
2 . Sewer Main Replacement CIP	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
3 . SAM - Projects	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
TOTAL CAPITAL IMPROVEMENT PROJECTS	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000
 <u>SEWER SYSTEM CAPITAL RESERVE FUND</u>						
1 . Beginning Balance on July 1	\$3,444,000	\$3,473,200	\$3,474,491	\$3,447,576	\$3,486,150	\$3,495,902
2 . Capital Projects	(\$270,000)	(\$270,000)	(\$270,000)	(\$270,000)	(\$270,000)	(\$270,000)
3 . Transfer (to)/from Operating Budget	\$299,200	\$271,291	\$243,085	\$308,574	\$279,752	\$250,613
SEWER SYSTEM RESERVE AT END OF FISCAL YEAR	\$3,473,200	\$3,474,491	\$3,447,576	\$3,486,150	\$3,495,902	\$3,476,515

12-11-2013 REVISED SAMPLE GRANADA COMMUNITY SERVICES DISTRICT
5 YEAR BUDGET WITH PARKS AND RECREATION SERVICES

Budget assumptions:

1. No increase is sewer service charge necessary due to balanced budget.
2. Additional funding from repayment of monies advanced to the Assessment District.
3. Retirement of long term debt payment of \$94,000 in FY 2015/16.
4. Sample allocation of property taxes to Parks and Recreation services increases each year by \$50,000.
5. SAM is in the process of preparing a 5 Year Capital Budget which is not reflected here but affects both versions of the budget equally.

Sewer Service Charge	<u>FY 2013/14</u>	<u>FY 2014/15</u>	<u>FY 2015/16</u>	<u>FY 2016/17</u>	<u>FY 2017/18</u>	<u>FY 2018/19</u>
	\$402	\$415	\$440	\$450	\$460	\$485
<u>SEWER SYSTEM OPERATING REVENUES</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
1 . Property Tax Allocation	\$480,000	\$430,000	\$380,000	\$330,000	\$280,000	\$230,000
2 . Annual Sewer Service Charges	\$ 1,257,000	\$ 1,299,000	\$ 1,380,000	\$ 1,413,000	\$ 1,447,000	\$ 1,528,000
3 . Reim. from A.D. - Salary and Overhead	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
4 . Recology of the Coast Franchise Fee	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000
5 . Miscellaneous	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
SEWER SYSTEM TOTAL NON-OPERATING REVENUES	\$1,776,000	\$1,768,000	\$1,799,000	\$1,782,000	\$1,766,000	\$1,797,000
<u>SEWER SYSTEM NON-OPERATING REVENUES</u>						
1 . Interest on Reserves	\$12,300	\$12,300	\$12,300	\$12,300	\$12,300	\$12,300
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SEWER SYSTEM TOTAL REVENUES	\$2,093,100	\$2,070,100	\$2,086,100	\$2,054,100	\$2,023,100	\$2,039,100
<u>SEWER SYSTEM OPERATING and ADMINISTRATIVE EXPENDITURES</u>						
<u>OPERATIONS</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
1 . SAM General (Treatment and Admin.)	\$949,473	\$949,473	\$949,473	\$949,473	\$949,473	\$949,473
2 . SAM Collections	\$232,527	\$237,178	\$241,921	\$246,760	\$251,695	\$256,729
3 . Plant Shortfall Debt Service (COP)	\$94,000	\$94,000	\$94,000	\$0	\$0	\$0
Sub-Total Operations Expenditures	\$1,276,000	\$1,280,651	\$1,285,394	\$1,196,233	\$1,201,168	\$1,206,202
<u>ADMINISTRATION</u>						
1 . Sub-Total Administration Expenditures	\$517,900	\$528,158	\$538,621	\$549,294	\$560,180	\$571,285
SEWER SYSTEM TOTAL OPERATING EXPENDITURE	\$1,793,900	\$1,808,809	\$1,824,015	\$1,745,526	\$1,761,348	\$1,777,487

12-11-2013 REVISED SAMPLE GRANADA COMMUNITY SERVICES DISTRICT
5 YEAR BUDGET **WITH PARKS AND RECREATION SERVICES**

NET TO/(FROM) SEWER SYSTEM RESERVES	\$299,200	\$261,291	\$262,085	\$308,574	\$261,752	\$261,613
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12-11-2013 REVISED SAMPLE GRANADA COMMUNITY SERVICES DISTRICT
5 YEAR BUDGET WITH PARKS AND RECREATION SERVICES

	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19
<u>SEWER SYSTEM NON-OPERATING REVENUES</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
1 . Interest on Reserves	\$12,300	\$12,300	\$12,300	\$12,300	\$12,300	\$12,300
2 . Connection Fees	\$18,800	\$18,800	\$18,800	\$18,800	\$18,800	\$18,800
3 . SAM Refund from Prior Year Allocation	\$101,000	\$86,000	\$71,000	\$56,000	\$41,000	\$26,000
4 . Repayment of Monies Advanced to the Assessment District	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000
5 . ERAF Refund from Prior Year	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
SEWER SYSTEM TOTAL NON-OPERATING REVENUE	\$317,100	\$302,100	\$287,100	\$272,100	\$257,100	\$242,100

SEWER SYSTEM CAPITAL PROJECTS AND RESERVE FUND BALANCE

	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19
<u>SEWER SYSTEM CAPITAL PROJECTS</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
1 . Mainline System Repairs and Investigation	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
2 . Sewer Main Replacement CIP	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
3 . SAM - Projects	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
TOTAL CAPITAL IMPROVEMENT PROJECTS	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000
<u>SEWER SYSTEM CAPITAL RESERVE FUND</u>						
1 . Beginning Balance on July 1	\$3,444,000	\$3,473,200	\$3,464,491	\$3,456,576	\$3,495,150	\$3,486,902
2 . Capital Projects	(\$270,000)	(\$270,000)	(\$270,000)	(\$270,000)	(\$270,000)	(\$270,000)
3 . Transfer (to)/from Operating Budget	\$299,200	\$261,291	\$262,085	\$308,574	\$261,752	\$261,613
SEWER SYSTEM RESERVE AT END OF FISCAL YEAR	\$3,473,200	\$3,464,491	\$3,456,576	\$3,495,150	\$3,486,902	\$3,478,515

12-11-2013 REVISED SAMPLE GRANADA COMMUNITY SERVICES DISTRICT
5 YEAR BUDGET WITH PARKS AND RECREATION SERVICES

	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19
<u>PARKS AND RECREATION OPERATING REVENUES</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
1 . Property Tax Allocation	\$0	\$50,000	\$100,000	\$150,000	\$200,000	\$250,000
2 . Miscellaneous	\$0	\$0	\$0	\$1,000	\$1,000	\$1,000
TOTAL REVENUES	\$0	\$50,000	\$100,000	\$151,000	\$201,000	\$251,000
<u>PARKS AND RECREATION OPERATING EXPENDITURES</u>						
1 . SAMPLE Operating expenses						
a. Partner with County on maintenance of Quarry Park	\$0	\$0	\$10,000	\$11,000	\$12,000	\$13,000
b. Partner with Cabrillo Unified on field maintenance	\$0	\$0	\$10,000	\$11,000	\$12,000	\$13,000
c. Partner with Half Moon Bay on parks and recreation programs	\$0	\$0	\$30,000	\$35,000	\$40,000	\$45,000
d. Maintenance of District's portion of Burnham Strip property	\$0	\$0	\$5,000	\$6,000	\$7,000	\$8,000
2 . Miscellaneous	\$0	\$0	\$0	\$1,000	\$1,000	\$1,000
TOTAL EXPENDITURES	\$0	\$0	\$55,000	\$64,000	\$72,000	\$80,000
NET TO/(FROM) PARKS AND RECREATION RESERVE	\$0	\$50,000	\$45,000	\$87,000	\$129,000	\$171,000
<u>PARKS AND RECREATION CAPITAL RESERVE FUND</u>						
1 . Beginning Balance on July 1	\$0	\$0	\$50,000	\$60,000	\$92,000	\$166,000
2 . Capital Projects	\$0	\$0	(\$35,000)	(\$55,000)	(\$55,000)	(\$55,000)
3 . Transfer (to)/from Operating Revenues	\$0	\$50,000	\$45,000	\$87,000	\$129,000	\$171,000
PARKS AND RECREATION RESERVE AT FYE	\$0	\$50,000	\$60,000	\$92,000	\$166,000	\$282,000



Attachment B

COUNTY OF SAN MATEO
Inter-Departmental Correspondence

Department of Parks

DATE: December 10, 2013

TO: Martha Poyatos, LAFCO
FROM: Marlene Finley, Director
SUBJECT: Midcoast Park Project Update

For the past 13 years San Mateo County Parks has been involved in extensive park improvement efforts in the Midcoast listed as follows:

<u>Date</u>	<u>Plan or Improvement</u>
2002	Midcoast Recreational Needs Assessment completed. Fitzgerald Marine Reserve Resource Assessment completed.
2003	Midcoast Park Mitigation Fee approved and implemented.
2004	Fitzgerald Final Master Plan approved. Fitzgerald Interpretive Concept Plan approved.
2005	Mirada Surf East and West acquired.
2007	Midcoast Park and Recreation Action Plan approved.
2008	County acquired Quarry Park from Midcoast Parklands. Quarry Park community garden improved. County Parks created Midcoast Park District.
2009	Fitzgerald Marine Reserve interpretive signage approved. Mirada Surf CA Coastal Trail Phase I and II constructed. El Granada Elementary playfield installed.*
2010	Quarry Park tree house constructed. CA Coastal Trail Conceptual Plan from Half Moon Bay to Princeton approved. CA Coastal Trail signs installed from Ritz Carlton to Princeton.* Fitzgerald Marine Reserve Seal Cove stairway constructed. Highway 1 Safety and Mobility Improvement Project Phase I approved.
2011	Quarry Park playground and parking lot constructed.*
2012	Highway 1 Safety and Mobility Improvement Project Phase II approved. 400' gap in CA Coastal Trail at Surfers Beach grant secured, and meetings with CalTrans facilitated to collaborate in the future.*
2013	Mirada Surf CA Coastal Trail Phase III and bathroom constructed (December). * Moss Beach Park acquired (December).

- 2014 Moss Beach Park bathroom installed (February). *
- Devils Slide CA Coastal Trail and interpretive signs constructed (March)
- Fitzgerald parking lot to be improved for storm water control (tbd).
- Fitzgerald Marine Reserve Vegetation Management Plan for San Vicente creek habitat enhancement and Cypress forest management to be approved and first phase implemented (December).
- Green Valley trail easement secured and trail designed and permitted. Funding to be secured for construction.

The Midcoast Park and Recreation Action Plan of 2007 has been a significant milestone guiding much of the improvements. Most of the funding for these improvements is a result of County Parks securing Federal, State and local public grants, and privately raised Park Foundation funding for design, permitting and construction/implementation. Midcoast Park Funds have been used to fund improvements identified in the Midcoast Park and Recreation Action Plan (*), but in many cases augmented by additional grant funding.

Funding from Midcoast Park Mitigation Fees cannot be used for staff or maintenance, so in many cases County Parks has been assuming maintenance until another entity interested in park and recreation improvements in the Midcoast (i.e. Special District) can assume some of the responsibilities for park improvements similar to what a City would have usually provided.

cc: Dave Holland, Assistant County Manager
Gary Lockman, Superintendent, Parks Division
Sam Herzberg, Senior Planner



COUNTY OF SAN MATEO
Inter-Departmental Correspondence

Department of Parks

DATE: November 25, 2013

TO: Martha Poyatos, LAFCO
FROM: Sam Herzberg, Senior Planner
SUBJECT: Midcoast Park Mitigation Fee

In October 2002 the County Parks Department completed a Midcoast Park and Recreation Needs Assessment to provide the Mid-Coast with a strategy for creating and implementing such a system. The report was prepared following extensive public outreach, and acknowledged that the County Park Department's mission is to operate a regional park system and not neighborhood parks or provide active park and recreation programs. Key findings were that the Midcoast community population was 10,356, which was very close in size to Half Moon Bay 11,000. The Midcoast at full build out is expected to be yield a population of 18,700. Recreation services have been mostly provided by the City of Half Moon Bay. The City of Half Moon Bay could not provide the level of recreational programming that they do without the population of the Midcoast. As a result of the Midcoast Recreational Needs Assessment several developments took place:

1. In October 2002 Midcoast Park Development Fees were adopted by the Board of Supervisors based on new construction and remodels in the Midcoast. The Board established a standard of 2 acres of parks per 1000 residents, and set a fee of \$1.17 per square foot of residential development. This fee is collected by the County Building Department for the Parks Department.
2. In July 2007, following extensive public input, a Midcoast Park and Recreation Action Plan was approved by the Board of Supervisors regarding how to spend the Midcoast Park Development Fees on park capital improvements projects. It is important to note that these Park Development Fees cannot pay for operations and maintenance of capital improvements.
3. In 2007 County Parks reorganized to create a Midcoast District to provide increased regional park services to the Midcoast community.

4. Highway 1 Safety and Mobility Improvement Plans Phases I (April, 2010) and II (November, 2012) were completed to improve access across and adjacent to Highway 1.
5. April 24, 2013 County Park staff gave a presentation to the Midcoast Community Council regarding the status of its park planning and improvements in the Midcoast (see attached).

It is important to note that current Midcoast Park and Development fees are paying for park improvements that currently benefit Midcoast residents, but are paid for by property owners completing new construction or remodels in the area. Other than the park mitigation fees there is no funding source for neighborhood park and recreation services in the Unincorporated Midcoast.

The following park improvements have been funded using some portion of the Midcoast Park Mitigation Fee Fund: Fitzgerald Coastal Trail, Quarry Park playground and bathroom improvements, and Granada Elementary School sport field improvements.

As of 6/30/13 the balance was \$492,920 of which \$440,000 are currently allocated for projects such as Moss Beach Park restroom, Mirada Surf Coastal Trail Phase III, Farralones View School sports field improvements, and Surfers Beach Coastal Trail.

cc: Gary Lockman, Superintendent, Parks Department



San Mateo County Association of REALTORS®

rec'd 12/5/13

Attachment D

November 19, 2013

Martha Poyatos, Executive Director
San Mateo Local Agency Formation Committee (LAFCo)
455 County Center, 2nd Floor
Redwood City, CA 94063

RE: LAFCo File No. 13-05—Proposed Sphere of Influence Amendment and Reorganization of Granada Sanitary District into the Granada Community Services District

Ms. Poyatos;

On behalf of the San Mateo County Association of REALTORS® (SAMCAR), I am writing to express our opposition to the proposed reorganization of the Granada Sanitary District (GSD) into a community services district. There are two primary areas for our opposition:

- 1) Such a reorganization would create more duplication of government services, **not a reduction as should be the goal for these types of requests**. The region already suffers from too many overlapping districts and the resulting duplication of staff and funding requirements... not to mention the seeming constant disputes over policy and jurisdiction by these overlying agencies. (For example, there are **five** water and sanitary agencies to cover 25,000 users on the coast.)
- 2) We note the proposal offered by GSD conspicuously mentions open space and wetlands as elements of the new community services district authorities. However, their proposal lacks a plan for improving recreational services, providing out-of-doors picnic and meeting areas, playing fields, or for outreach to existing groups that are involved in recreational activities within the coastal community. The GSD and its Board are not involved with the many groups that are currently providing coastal recreational services and maintaining public facilities. Upon analysis, this is the wrong government model to accomplish that goal.

SAMCAR respectfully urges the LAFCo Board to reject the proposed Sphere of Influence amendment and reorganization of the Granada Sanitary District into the Granada Community Services District. Thank you for the opportunity to provide our input.

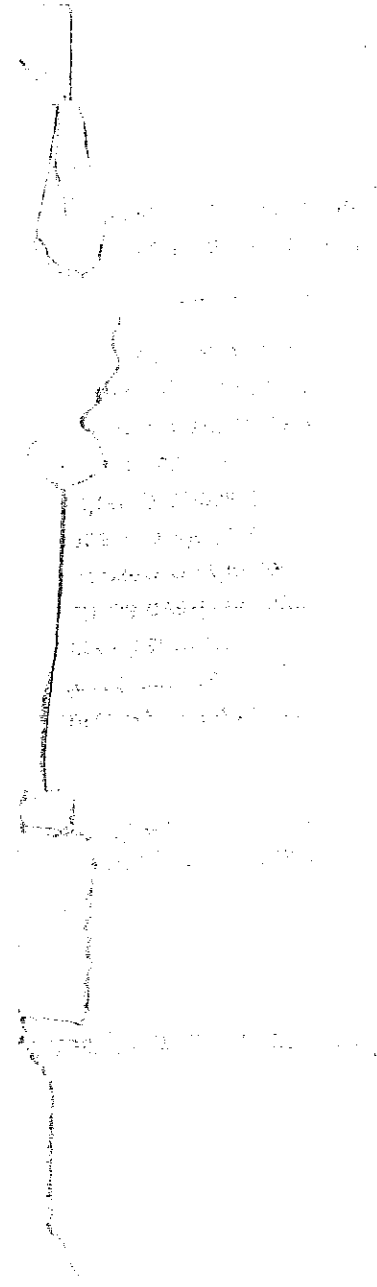
Respectfully,

Paul Stewart
Government Affairs Director
San Mateo County Association of REALTORS®



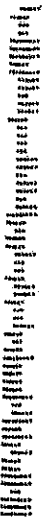
San Mateo County
Association of REALTORS®

850 Woodside Way • San Mateo, California 94401



Martha Poyatos, Executive Director
San Mateo Local Agency Formation Committee
(LAFCo)
455 County Center, 2nd Floor
Redwood City, CA 94063

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MEMORANDUM OF UNDERSTANDING
BETWEEN THE SAN MATEO COUNTY RESOURCES CONSERVATION DISTRICT
AND GRANADA SANITARY DISTRICT

WHEREAS, upon mutually beneficial discussions between their respective representatives, the Granada Sanitary District is entering into and carrying out this Memorandum of Understanding with the San Mateo County Resource Conservation District in consideration of the Resource Conservation District supporting Granada Sanitary District's application for Reorganization enabling the provision of parks and recreation services as filed on April 19, 2013.

Comment [KN1]: See comment below about not taking a position on the reorganization.

WHEREAS, the purpose of the San Mateo County Resource Conservation District ("RCD") is to secure the adoption of conservation practices addressing local resource conservation needs including but not limited to soil, water, air, wildlife, recreation, watersheds, and water quality on lands not limited to farm, range, open space, urban development, and woodlands~~includes soil and water conservation, the control of runoff, the prevention and control of soil erosion, and erosion stabilization, including, but not limited to, these purposes in open areas, agricultural areas, urban development, wildlife areas, recreational developments, watershed management, the protection of water quality and water reclamation, the development of storage and distribution of water, and the treatment of each acre of land according to its needs;~~ and

WHEREAS, the Granada Sanitary District ("GSD") has filed an application with the San Mateo County Local Agency Formation Commission ("LAFCo") to reorganize into the Granada Community Services District ("GCSD") and add parks and recreation services; and

WHEREAS, resource management may be necessary or desirable to protect or enhance ecosystem function and wildlife habitat, reduce erosion, manage stormwater and runoff, protect or enhance water quality, minimize the risk of catastrophic fire, plan for and adapt to climate change, and otherwise protect or improve soil, water, air, wildlife, and other watershed resources, and the potential addition of recreational trails and the impacts of recreational use may require mitigation to protect and enhance habitats and other valuable natural resources; and

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WHEREAS, the RCD and GSD have a history of partnership towards protection of water quality in local creeks and beaches and now desire to work together cooperatively to engage in appropriate resource management and conservation practices on any parks and recreation lands acquired or operated by the newly formed GCSD; and

WHEREAS, the RCD and GSD believe that by such cooperative efforts the RCD will help enable the GCSD to better accomplish its mission of providing parks and recreation services for the benefit of its constituents and all residents of San Mateo County; and

Comment [KN2]: Again, avoiding a position but supporting the mission.

WHEREAS, the GSD desires to consult with the RCD in planning for parks and recreation services to collaboratively identify beneficial projects on lands (trails, parks, etc.) acquired or operated by the GCSD, and to to conduct resource management work on such lands in an ongoing fashion; and

Comment [KN3]: Deleted "to contract with" clause because that action is the agreements listed below and more appropriate there, and because the way it was written in this section implied that the contract would not include/ reimburse RCD for identifying and developing projects.

WHEREAS, GSD desires to offset any financial impacts to the RCD from reduction in property taxes due to any future land acquisitions for parks and recreation purposes by the GCSD; and

WHEREAS, it is the joint desire of the RCD and GSD to enter into this Memorandum of Understanding in order to formalize the goals and understandings of both parties;

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions herein, the RCD and GSD agree as follows:

1. The Parties understand and expressly agree that the promises, covenants and conditions of this Agreement shall only become effective upon the recordation of a Certificate of Completion issued by LAFCo for the Reorganization Project of GSD into the GCSD.
2. ~~At Before~~ the beginning of each fiscal year, ~~the Board of Directors of the~~ GCSD shall consult with RCD and thereafter vote to establish a resource management or conservation practices budget appropriation for contracting with the RCD to collaboratively identify and develop beneficial projects on lands (trails, parks, etc.) acquired or operated by the GCSD for parks and recreation purposes, and for RCD to conduct appropriate resource management work on said lands for the subject fiscal year.
3. At the beginning of each fiscal year, ~~the Board of Directors GCSD~~ shall also consult with RCD and thereafter vote to establish a lump sum payment to RCD to offset any financial impacts to RCD from reductions in property taxes due to GSD acquisitions or activities ~~based on RCD's receipt of approximately 0.0475% of the 1% property tax.~~
4. ~~The RCD agrees to support the Granada Sanitary District's proposed reorganization, as this MOU will help protect resource conservation in the County.~~

Comment [KN4]: Consultation should happen before the beginning of the fiscal year so that an appropriate budget can be approved.

Comment [KN5]: It would be out of character and typically undesirable for the RCD to take a position for or against the reorganization of a special district. If we were to take a position, we would need more time to review the issues involved beyond those that directly affect us (addressed by the MOU). In lieu of this statement of support, I added language in the WHEREAS clauses about the collaborative partnership that we have with GSD now that is supportive of resource conservation/ protection work.

GRANADA SANITARY DISTRICT

SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT

Chuck Duffy,
General Manager

Kellyx Nelson,
Executive Director

Date: _____

Date: _____

ATTEST: _____, Secretary

APPROVED AS TO FORM:

Granada Sanitary District

RCD General Counsel

Comment [KN6]: We don't typically have counsel review MOUs and contracts simply because we don't have the funding for that.



November 14, 2013

TO: Members, Formation Commission

FROM: Martha Poyatos, Executive Officer

SUBJECT: LAFCo File No. 13-5--Proposed Reorganization of Granada Sanitary District into a Community Services District adding the Service of Park and Recreation

Summary

The Granada Sanitary District (GSD) has filed an application with LAFCo to reorganize into community services district in order to provide park and recreation service in El Granada, Princeton and Miramar in addition to the current services of sanitary sewer and garbage collection. In adopting the application, which also requests amendment of the District's sphere of influence boundaries, GSD adopted a mitigated negative declaration which is attached to this report. Community services districts are authorized by Government Code Section 61000 which provides that a community services district may provide all municipal services provided by a city except land use. If the reorganization is approved, provision of any additional service beyond sewer, garbage collection and park and recreation would require application to LAFCo. District reorganization is subject to registered voter approval if the proposal is approved by LAFCo. The application proposes funding park and recreation service in the unincorporated portion of the District with existing property tax revenue. Because GSD boundaries overlap the northern portion of the City of Half Moon Bay, the application proposes a property tax pass-through agreement between the community services district and the City for the area of the District located in the City.¹

It is anticipated that the Commission will receive additional public comment at your hearing of November 20 and it is recommended that the Commission receive the Executive Officer's report, open the public hearing, accept comment, and continue the hearing to allow staff and the District time to respond to questions and requests for information received at the hearing prior to formulating a recommendation to the Commission.

¹ The overlap area represents 18.2% of the total property tax revenue generated within GSD boundaries. GSD proposes a pass through agreement of 18.2% of property tax revenue appropriated for Park and Recreation annually.

Background/Project Description

GSD is one of four independent special districts that provide essential municipal services to the unincorporated Midcoast. Sewer service is provided by GSD for El Granada, Princeton and Moss Beach and the northern portion of Half Moon Bay and by Montara Water and Sanitary District (MWSD) in areas to the north of GSD. Water Service is provided by Coastside County Water District within the City of Half Moon Bay and the GSD boundaries and by MWSD to the majority of the developed urban area in the boundaries of MWSD except the Pillar Ridge Mobile Home Park, the Half Moon Bay Airport and many residential parcels are served by wells. The Coastside Fire Protection District includes the City of Half Moon Bay, surrounding rural unincorporated areas to the east and south and the urban Midcoast from El Granada to Montara and rural areas to the east and north. Garbage collection service for unincorporated areas is provided by franchise by GSD and MWSD.² The County of San Mateo is responsible for sheriff services, roads, street lighting and limited storm drain infrastructure in the unincorporated area. The County's Parks Department operates regional parks including Fitzgerald Marine Reserve in Moss Beach and Quarry Park in El Granada.

Other regional, single-purpose special districts that include the study area are: San Mateo County Harbor District which operates Pillar Point Marina, San Mateo County Resource Conservation District, San Mateo County Mosquito and Vector Control District and Midpeninsula Regional Open Space District.

The District's proposal is for a sphere of influence amendment and reorganization into a community services district to add the service of park and recreation for the urban unincorporated area in GSD boundaries. (Please see application including plan for providing services, budget-map Attachment A). The District has adopted a mitigated negative declaration addressing the potential impacts of the reorganization. The District's application includes a plan for service identifying potential park and recreation facilities on lands including the broad medians in El Granada, Quarry Park, Mirada Surf property and school lands. The plan for services also cites partnering/contracting with the Cabrillo Unified School District, City of Half Moon Bay and Midpeninsula Regional Open Space District. The Plan for Service indicates that the level and range of service would initially involve maintaining District owned lands and would expand in a phased approach and developed based on community input.

Process:

GSD's resolution of application was submitted to LAFCo in April of 2013 and LAFCo subsequently collected data and comments from affected agencies and parties. On May 17, 2013 LAFCo issued a certificate of incomplete application indicating that while the application contained the required application materials, additional time was necessary for the District to

² GSD territory in the City of Half Moon Bay is covered under the City of Half Moon Bay Franchise.

conduct outreach with the public and affected agencies. In response, the District sought input from affected agencies and the application was on the agenda of the following public agencies:

County Parks and Recreation Committee, June 6, 2013

HMB Parks Commission, August 28, 2013

Midcoast Community Council, August 28, 2013

Cabrillo Unified School District, September 12, 2013

HMB City Council October 15, 2013

County Agricultural Advisory Committee Meeting, October 15, 2013³

GSD Special “Town Hall Meeting” at El Granada Elementary School, October 17, 2013

Coastside Fire Protection District, October 23, 2013

On October 22, 2013, LAFCo issued a certificate of complete application, scheduled the application for hearing and published notice in a 1/8 page display advertisement in the Half Moon Bay Review.

LAFCo Consideration

The Cortese Knox Hertzberg Act gives the Commission discretion to may approve, approve with amendments, approve with conditions, or deny application for reorganization.

If approved, the Act requires that San Mateo LAFCo hold a protest hearing in which landowners and voters from within the annexation area may submit written protest. Unless majority protest is received, Community Services District law requires LAFCo to request the Board of Supervisors call an election on the proposal. Reorganization of GSD as a community services district would require majority approval of registered voters residing in the proposed boundaries of the district.

Summary of Agency and Departmental Reports

Upon receipt of the District’s application, LAFCo staff forwarded the application to affected agencies for comment and collection of data pertinent to the annexation application. The following summarizes initial comments and data provided.

County Assessor: The net assessed value of the proposed reorganization area is \$1,520,631,247 and includes 3,690 parcels. The boundaries of the proposal do not divide assessment parcels.

County Clerk: The number of registered voters in the annexation area as proposed is 4,373.

³ The City Council received a presentation from the District and did not take action to formally comment. It is anticipated that the Council will consider formal comments at the November 19, 2013 meeting and LAFCo staff will prepare a supplemental report .

County Planning Division:

The estimated population of the proposal area is 10,900 persons. Overtime, enhanced recreation services might encourage population growth and /or increase in families with children. Over time the proposal might reduce demand on County Park facilities or State beaches. County general plan land use designations range from general open space, agriculture and public recreation to high density residential, commercial and industrial as stated in part C of the application.

Applicable San Mateo County General Plan policy provisions are:

- a. Policy 6.35 calls for providers of park and recreation facilities to cooperate and coordinate their efforts to achieve efficient and effective park and recreation services which meet identified needs and avoid duplication.
- b. Policy 6.28 discourages conveyance of county park facilities unless certain criteria are met. However, no conveyance is proposed at this time.

San Mateo County Parks & Recreation Division: The Parks Division considered the proposal at the June 6, 2013 Parks Commission meeting. The June 11, 2013 letter (Attachment B) from Interim Parks Director states that following public comment the Commission supports the GSD proposal to use property tax revenues to respond to unmet midcoast park and recreation needs, notes that the proposal does not address the needs of the entire midcoast but could be seen as the first phase towards addressing the needs of the complete midcoast. The letter states that consideration should be given to expanding the boundaries to include the midcoast or at a minimum encourage GSD to with other midcoast jurisdictions in provision of park and recreation services.

As noted in the letter, speakers at the June 6 Parks Commission hearing who supported the GSD proposal included: Leonard Woren, GSD Board; Mike Ferreira, Sierra Club, Loma Prieta Chapter; Lennie Roberts, Committee for Green Foothills and Fran Pollard, El Granada resident.

The letter also noted that individual commissioner comments included the need to consider the needs of all midcoast visitors and not just GSD rate payers and the potential for loss of regional park services oversight and provision.

Comments from other agencies & organizations (Attachment C)

San Mateo County Harbor District

The Harbor District's May 14, 2013 letter cites overlap of the GSD boundaries with service area responsibility of the Harbor District and Harbor District facilities. The letter lists the parcels

owned by the District, references LAFCo policy that discourages overlapping service responsibility and cites the omission in the GSD application of reference to the Harbor District. The Harbor district cites reference in the Midcoast Park and Recreation Governance Alternatives Study of the Pillar Point Harbor as a regional facility that helps satisfy local demand for passive recreation such as beach combing, picnicking and hiking. (Please see discussion below under the heading of GSD responses to comments)

Midcoast Community Council (MCCC): The MCCC letter supports the reorganization and cites the County studies identifying Midcoast park needs, GSD ownership of land in the Burnham strip and the ability of GSD to coordinate efforts to beautify traffic medians throughout El Granada. The letter suggests that a community services district could assist with maintenance of El Granada School playing fields.

Midpeninsula Regional Open Space District (MROSD): MROSD's June 6, 2013 and July 1, 2013 letters indicate support for the GSD proposal based on the numerous studies that identify the need for park and recreation facilities on the Midcoast and based on the assumption that the GSD proposal would fund service with existing property tax.

San Mateo County Resource Conservation District (RCD): RCD commented that there is no apparent plan or budget for resource management or conservation and recommended a memorandum of understanding between GSD and RCD to contract with RCD to conduct resource management on lands acquired by the proposed community services district. RCD also noted that RCD receives limited property tax and that acquisition of land by public agencies further erodes the RCD's limited property tax base. The letter recommends a memorandum of understanding between GSD and RCD for offset of revenues lost due to GSD land acquisitions. The letter requests that both memoranda of understanding be conditions of approval of the application.

Coastside Fire Protection District: None

Cabrillo Unified District: None

Coastside Land Trust:

The Coastside Land Trust is a non-profit organization with a mission to protect the urban region of the San Mateo County coast, which includes lands within the communities and regions of Half Moon Bay north to Montara. The Coastside Land Trust letter indicates support for the GSD proposal in order to fulfill the need for additional parks and recreational facilities on the Midcoast that have been identified in numerous reports. The letter cites the GSD ownership of land in the Burnham Strip and the ability of the proposed district to restore and beautify medians throughout El Granada.

The Burnham Strip Committee of the Midcoast Park Lands

The Burnham Strip Committee supports the GSD proposal and states that the Reorganization of GSD into a community services district is the only logical and least expensive means of achieving park and recreation services.

Louie Figone, Coastside Farmer and Affected Property Owner

Mr. Figone's letter, dated May 13, 2013, expresses concern about the potential use of eminent domain to acquire lands for parks if the community services district is formed. He notes that while he has been assured that the District would only acquire land from willing sellers, he requests GSD enter into a memorandum with the San Mateo County Farm Bureau that the proposed Granada Community Services District will only purchase agricultural property (PAD lands) from willing sellers and that in the event that they locate park land next to agricultural land, that a proper buffer zone be implemented to protect the agricultural operation from any park activities including trails, picnic areas or any other activity that could be detrimental to agricultural. (See discussion below regarding GSD responses to public input.)

GSD Responses to Public Input: GSD has submitted a response to San Mateo County Harbor District comments, responses to public input and provided information regarding a Memorandum of Understanding with the San Mateo County Farm Bureau and provided supplemental mitigation measures related to agricultural resources which are attached and summarized below. (Please see GSD letters-Attachment D)

GSD Response to San Mateo County Harbor District Comments:

GSD's October 18, 2013 letter responding to comments from the Harbor District states that the Harbor District's request to be excluded from the proposed community services district boundaries are not supported. The letter states that the services provided by the community services district are qualitatively different than those provided by the Harbor District noting that the Harbor District's charge to provide shoreline access are not the same as community parks and recreational opportunities. The letter emphasizes that GSD has no intention of competing with the Harbor District but would welcome the opportunity to collaborate with the Harbor District where appropriate.

GSD Response to Public Input at Town Hall Meeting:

On October 17, 2013 GSD held a "town hall hearing" at the El Granada Elementary School Auditorium to solicit public input. GSD's November 12, 2013 letter responds to public comments received at the hearing. The letter notes that some speakers questioned the overlap of GSD in the City of Half Moon Bay and notes that it was explained that the proposed community services district would not provide park and recreation service in the overlap area but would pass property tax revenue through to the city to for park and recreation funding for residents in the overlap area.

The letter also addresses one speaker's concern that the District should focus on sewer service because the beaches near Pillar Point Harbor have a documented pollution problem, noting that the Healthy Beach Report Card cites storm drain run off as the greatest source of pollution to local beaches and that a recent study by the San Mateo County Resource Conservation District found that the main source of fecal pollution at Deer Creek is bovine followed by canine.

In response to comments from several speakers that questioned the lack of detail in projects to be implemented by the proposed community service district, the letter cites the District's application identifying specific projects such as park use on District owned land on the Burnham Strip, pocket parks in the broad avenues of El Granada, construction of a community center and partnering with the County at Quarry Park. The District states that projects cannot be finalized in the application because the District does not yet have park and recreation powers. The letter also notes the District's intent to partner with the City of Half Moon Bay and Cabrillo Unified School District to help efficiently supply parks and recreation services in unincorporated areas and cites several community service district partnerships with cities and school districts around the State.

Agricultural Resources:

In responding to concerns about potential impacts of park and recreation facilities and services on agriculture, GSD referred to agreements and mitigation measures implemented by the Midpeninsula Regional Open Space District (MROSD) for the MROSD Coastal Annexation. While the scope and scale of the GSD proposal is much smaller than the MROSD proposal, the spirit and intent of the MROSD agreements and mitigation measures address concerns about the potential impacts the proposal could have on agriculture. Two key actions taken by GSD include adoption of mitigation measures related to agriculture and a memorandum of understanding with the San Mateo County Farm Bureau. (Attachment E)

Mitigation Measures:

Mitigation measures related to agricultural resources address CEQA review of individual projects to identify and mitigate potential negative effects on agricultural resources, policies to ensure that projects would not result in conversion of prime agricultural land, provision for buffers between park and agricultural uses, measures related to pesticide use and adoption of project specific land use management plans for protection of rare, threatened and endangered species, ecological systems and resources more specifically described in the Supplemental Mitigation Measures.

Memorandum of Understanding with San Mateo County Farm Bureau:

The Memorandum of Understanding with the Farm Bureau includes the following provisions:

- a) GSD adoption of an ordinance prohibiting the District's use of the power of eminent domain on land zoned PAD (unless mutually acceptable to the landowner) for the purpose of providing parks and recreation services. The District has agreed to adopt such an ordinance and to have such adoption made a condition of any LAFCo approval of the District Reorganization Project. The memorandum of understanding also incorporates the above noted mitigation measures.
- b. The District will consult with the Farm Bureau in the development of site-specific parks and recreation services, uses, and management plans on or adjoining land zoned PAD.
- c. When considering proposed acquisition of land for, or provision of, parks and recreation services or uses on or adjoining land zoned PAD, the District will provide the Farm Bureau prior written notice of any hearings at which acquisition, site services or uses, and/or management plans, reviews or amendments will be considered. Further, the District will provide a prior opportunity for the Farm Bureau to review and comment on any such acquisition, site services or uses, and/or plans. This will insure that the Farm Bureau has the opportunity to share its expertise, resources and viewpoints with the District prior to any decision concerning future acquisition, use or management of such lands. In addition, District staff will meet with representatives of the Farm Bureau from time to time on an informal basis upon request of either party to consult regarding development of such plans.

The Farm Bureau has agreed to the above provisions in the Memorandum of Understanding and does not oppose the reorganization proposal based on the agreement.

Application and Plan for Service

In preparing their reorganization application, GSD prepared a Plan for Providing Service and a sample Granada Community Services District Five Year Budget that reflects a separate budget unit for sewer and solid waste and a separate budget unit for parks and recreation.

The Plan for Providing Service is a requirement of Government Code Section 56653, which states that whenever a local agency submits a resolution of application it shall submit a plan for providing services which shall include enumeration and description of services to be provided, the level and range of services, an indication of when services can feasibly be extended, indication of improvements or upgrading the public agency would require and information with respect to how services will be financed.

The GSD plan for service states that the District would continue to provide sewer and garbage disposal and provide park and recreation service in the unincorporated area of the amended district boundaries. With the intent of providing for both active and passive recreation, the plan for service contemplates beginning with public engagement in establishing a program that would include Burnham Strip, benches and picnic tables or trails on the medians in El Granada, contracting or partnering with the County of San Mateo regarding Quarry Park and/or Mirada Surf parkland and partnering with the Cabrillo Unified School District and City of Half Moon Bay as well as other potential agencies including MROSD. In the longer term the District proposes

implementing phased expansion of park and recreation improvements including development of neighborhood parks along the medians in El Granada, County-owned Quarry Park and Mirada Surf and school facilities. The District's Five Year Budget proposes a phased approach of allocating \$50,000 in the first year of operation and increasing the allocation by \$50,000 through year five.

As noted above, GSD proposes a pass through agreement with the City of Half Moon Bay that would result in the City receiving 18% of the total property tax revenue GSD allocates for parks and recreation. This formula reflects the proportion of property tax the overlap area bears to total property tax received by the District. This allocation is shown on page 5 of the Five Year Budget under 1c "Partner with Half Moon Bay". The individual allocation in Years 2 through 4 exceeds the 18% formula and allocation in Year 5 equals 18% of the annual property tax revenue allocated for park and recreation.

Comment Letters:

Concerns in comment letters include adverse fiscal impact due to property tax revenue loss to the Resource Conservation District (RCD) and the lack for resource management planning on District owned lands, potential impacts on agriculture, and the fact that the proposal does not address park and recreation needs for the entire midcoast area. The District has adopted mitigation measures addressing potential impacts to agriculture and is in the process of entering into a Memorandum of Understanding with the San Mateo County Farm Bureau that would take effect if the proposal is approved.

The Resource Conservation District has requested that a Memorandum of Understanding between the GSD and RCD to address potential fiscal loss and resource management be a condition of approval. LAFCo has the discretion to approve proposals with conditions.

Factors to be considered pursuant to Section 56668

The Cortese Knox Hertzberg Act sets forth factors that the Commission is required to consider in evaluating any proposed boundary change as discussed below (Gov. Code §56668).

a) Population, Land Area & Use, per capita assessed valuation topography proximity to other populated areas, likelihood of significant growth in the area and adjacent areas in the next 10 years.

The Census 2010 population for the City of Half Moon Bay and unincorporated areas was 20,713 persons. The Census 2010 population for City of Half Moon Bay was 11,324 persons, of which approximately 1,860 person reside in GSD boundaries. The estimated population of the reorganization area is approximately 10,909 residents based on 2010 Census data for El Granada, Princeton and Moss Beach and the estimated population of the overlap area.

While the Association of Bay Area Government (ABAG) forecast projects growth of approximately 20% for the urban coastside by 2025, population growth in the study area and surrounding areas is limited by water, sewer and road infrastructure constraints.

b) The need for organized community services, the present cost and adequacy of governmental services; probable future needs; and probable effect on cost and adequacy of services in the area and adjacent areas.

The GSD "Plan for Providing Services within the Affected Territory," as required by Government Code §56653, is attached. The proposed community services district area is served by various local agencies including, but not limited to, the City of Half Moon Bay, Coastside County Water District, Coastside Fire Protection District, and County of San Mateo. As proposed, in the long term the proposed community services district would augment park and recreation services and reduce demand by unincorporated residents on County and City of Half Moon Bay park and recreation facilities.

The District's proposal is based on County studies documenting the lack of park and recreation facilities and services and identification of needs in the study area. As an urban community that existed prior to Proposition 13, park and recreation infrastructure in the study area is limited due to lack of new revenues for park capital improvements and operations. Addition of parks and recreation service by the District, funded with existing property tax is consistent with the State policies directing that property tax funded non-enterprise activities and facilities, would reduce the demand on City of Half Moon Bay service.

The GSD plan for service states that the District would continue to provide sewer and garbage disposal and provide park and recreation service in the unincorporated area of the revised district boundaries. With the intent of providing for both active and passive recreation, the plan for service contemplates beginning with public engagement in establishing a program that would include Burnham Strip, the benches and picnic tables or trails on the medians in El Granada, contracting or partnering with the County of San Mateo regarding Quarry Park and/or Mirada Surf parkland and partnering with the Cabrillo Unified School District and City of Half Moon Bay as well as other potential agencies including MROSD. In the longer term the District proposes implementing phased expansion of park and recreation improvements including development of neighborhood parks along the medians in El Granada, County-owned Quarry Park and Mirada Surf and school facilities.

The GSD board of directors would serve as the governing body for the District, and will ensure that the operations of the District are carried out pursuant to community services district law. The governing Board would continue to hold public meetings, adopt an annual budget, and provide policy direction to the District.

Financing/Budget

The primary source of funding for the proposed community services district includes sewer services fees and property tax revenues.⁴ The proposed five-year budget for the community services district demonstrates how expenditure budgets for sewer service/garbage collection and park and recreation would be segregated and how property tax revenue would be allocated to park and recreation service. Expenditures include continued administrative and operating expenses related to sewer operations and treatment provided by the Sewer Authority Midcoastside (SAM) a joint powers agency that includes the Granada Sanitary District, Montara Water and Sanitary District and the City of Half Moon Bay and garbage collection provided by a franchise agreement with a private company. Park and Recreation Service in the first five years of operation is proposed to include partnering with the County of San Mateo, Cabrillo Unified School District and City of Half Moon Bay, and maintenance of District owned land on Burnham Strip. Revenues for parks and recreation in each year exceed expenditures, resulting in a Parks and Recreation Capital Reserve of \$482,000 at the end of Year Five (FY2017-18). Also of note is that at the end of FY 2016-17, the District will have retired annual debt service in the amount of \$94,000 related to the District's obligation for the SAM treatment Plant.

The budget for sewer system operating shows an increase in sewer service charges of \$348,000 or 27% from \$1,259,000 in the first fiscal year to \$1,607,000 in Year 5. This reflects both anticipated increases in operating costs associated with sewer collection and treatment and reduction of property tax offset. This estimated increase does not factor in retirement of debt service or revenue from repayment of the District's advance to the assessment district.

c) Land Use, Planning and Zoning - Present and Future:

There are a variety of County and City General Plan and zoning designations within the proposed community services district. No changes to the present or planned land uses are requested by the reorganization proposal. Future projects by the District would be subject to development review and permitting.

d) Effect on Maintaining the Physical and Economic Integrity of Agricultural Lands:

District adopted mitigation measures, the Memorandum of Understanding with the San Mateo County Farm Bureau and local land use regulations mitigate potential impacts on the physical and economic integrity of agricultural lands. In addition, each proposed park and recreation project will be subject to individual permitting and environmental review.

⁴ Other revenue includes \$135,000 annually for Repayment of Monies Advanced by the District to the Assessment District. As part of bond issuance financed the Assessment District for treatment plant expansion, the District was required to make two separate advances to the Agency Fund and advances are being repaid.

e) Fair Share of Regional Housing:

LAFCO must consider in the review of a proposal the extent to which the proposal will assist the receiving entity in achieving its fair share of the regional housing needs as determined by the regional council of governments. The proposed reorganization will have no effect on regional housing needs.

f) Assessed Value, Tax Rates and Indebtedness:

The reorganization area is within numerous tax rate areas (TRAs). The assessed value for the proposal area is \$1,520,631,247 based on the 2012-13 roll. GSD receives approximately \$480,000 in property tax revenue (ad valorem). As of June 30, 2012

g) Boundaries and Lines of Assessment:

The reorganization area reflects the exterior boundaries of the Granada Sanitary District reduced to exclude rural lands that are not eligible for urban services and that do not receive solid waste service from the District. GSD territory that includes the City of Half Moon Bay would remain in the boundaries of the District for the purpose of sewer service but would not be included in the GSD service area for park and recreation. GSD proposes an annual park and recreation payment agreement with the City. The proposed boundaries conform to the extent possible with provisions of the County's Local Coastal Program and represent property that currently receives service or could benefit from the augmented park and recreation service.

h) Environmental Justice:

LAFCO is required to consider the extent to which proposals for changes of organization or reorganization will promote environmental justice. As defined by statute, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services. The proposed reorganization would result in location of park and recreation facilities in an area that has a documented lack of such facilities, correcting an inequity in location of park facilities.

i) Consistency with the Sphere of Influence (SOI) of any Local Agency:

In October 2008, after multiple meetings, LAFCo accepted a municipal service review report and updated spheres of influence for the City of Half Moon Bay and special districts on the Coastsides. In summary the Commission reaffirmed the sphere of influence of the City of Half Moon Bay as single coastsides city and amended the spheres of influence of Granada Sanitary District, Montara Water and Sanitary District and Coastsides County Water District to "Consolidation". The sphere designations identified a community services district for the unincorporated area for the purpose of park and recreation and a regional sewer and water

district for Half Moon Bay and unincorporated areas. The sphere amendments also established boundaries for the districts that are coterminous with the Urban Rural boundary and exclude rural lands.

The Municipal Service Review Determinations included several determinations related to park and recreation. These are shown in italics below.

Infrastructure:

- a) In the Unincorporated Area, while the Municipal Service Review identifies existence of regional park facilities, it identifies a lack of active playfields for organized sports, pocket parks or community parks (except for four acres at Quarry Park) and the lack of a community center.*
- b) The County has developed and adopted the Midcoast Action Plan for Parks and Recreation that includes identification of priorities for facilities.*
- c) In the City of Half Moon Bay, the Municipal Service Review identifies 24 acres of developed park facilities, which falls below both a standardized national average and the City General Plan Standard of 8 acres per 1,000 of population or 98 acres.*
- d) In both the City of Half Moon Bay and the Unincorporated Area, the Cabrillo Unified School District facilities provide virtually all playing fields for organized sports and merit inclusion in the broader discussion of park and recreation facilities.*

Financing:

- a) Revenue sources for park and recreation in the City of Half Moon Bay include program fees, development impact fees and City general fund contribution.*
- b) The City's program fees include a fee for nonresidents and the City has the ability to adjust both resident and non-resident fees for better cost recovery.*
- c) The County of San Mateo Parks Department Budget includes approximately \$300,000 annually for services on the Midcoast, including approximately \$30,000 for maintenance at Quarry Park. The County also collects development impact fees on the Midcoast for parks.*
- d) While the County has developed and adopted the Midcoast Action Plan for Parks and Recreation that includes identification of priorities for facilities, implementation requires new funding sources.*

Cost Avoidance:

- b) Potential opportunities for cost avoidance and shared facilities include coordinated efforts by the City of Half Moon Bay, County of San Mateo and Cabrillo Unified School District to fund and provide for facility improvements on Cabrillo Unified School District facilities for recreation purposes.*
- c) Opportunities for partnership between the City of Half Moon Bay, County of San Mateo and other agencies in pooling resources to jointly provide park and recreation that could be explored by the agencies include but are not limited to a contract or agreement with the City of*

Half Moon Bay in which the City of Half Moon Bay provides expanded active recreation programs within the unincorporated area, with the County focusing on resource management of passive recreational lands.

Government Structure Options:

Governance alternatives that include the provision of regional sewer and water service delivery, could also include a community services district for the unincorporated midcoast to better provide for local governance and a more focused approach to recreation and community services.

Analysis:

Consideration of the GSD proposal requires considering the factors pursuant to Section 56668 and weighing the extent to which the proposal is consistent with spheres of influence as well as the benefit of adding park and recreation service funded with existing property tax. It is well documented that the study area is severely lacking in park facilities, primarily because there is no funding source. The District's proposal is consistent with State policies directing that enterprise districts establish rates that recover the cost of providing service and that property tax be used for non-enterprise activities.

In amending the District's SOI, the Commission must consider and prepare a written statement of determination. The GSD proposal relies on the stated preference for a community services district for park and recreation service and proposes a variation of reduced boundaries based on current garbage franchise service. Reorganization of the district as a community services district could be considered a first step in implementing adopted spheres of influence because if approved, it would not preclude future consolidation.

The following discusses the five areas of determination that could be considered in amending the District's sphere of influence.

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

Land uses within the GSD boundary are varied including agricultural and open space lands, and include both incorporated and unincorporated territory. The District territory is under both County and City land use jurisdiction and is subject to the County's Local Coastal Program and the City of Half Moon Bay Local Coastal Plan. There is a variety of County and City General Plan and zoning designations with the District territory including agricultural land use. GSD has or will implement policies, ordinances and agreements that address preservation of agricultural lands.

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

The District boundary contains urbanized areas that have a documented lack of park and recreation facilities and demonstrated need for same.

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

The District lacks adequate land inventory for park and recreation but proposes utilizing district lands, acquiring other lands and improving lands owned by other agencies for the purpose of park and recreation. Current GSD services are provided by contract with the Sewer Authority Midcoastside and through a franchise agreement with a private company. Park and recreation facilities and services proposed by the District are not currently provided by an existing agency and there is no current funding source for these facilities and services. The District receives a portion of the 1% property tax and fees for sewer and garbage collection. The district proposes reallocating property tax for the purpose of park and recreation as outlined in the District's plan for service and application.

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

The proposal area is part of the urbanized, Coastal subregion of San Mateo County comprised of the City of Half Moon Bay, Miramar, El Granada, Moss Beach, Princeton and Montara. The unincorporated area lacks park and recreation facilities and unincorporated residents therefore place a demand on County, State and City of Half Moon Bay park and recreation facilities and programs. While the proposal does not include the entire unincorporated area, it responds to park and recreation needs for a substantial portion of the unincorporated population by allocating existing property tax for park and recreation and in the long term result would reduce the demand on park and recreation facilities and programs of other agencies.

e. The nature, location, extent, functions and classes of service to be provided.

Services to be provided include sewer, garbage collection and park and recreation. Sewer and garbage collection service will continue to be provided throughout the boundaries of the District. Park and recreation service will be provided within the unincorporated boundaries of the District. All other services permitted by community services district law are inactive and would require approval by LAFCo.

Environmental Review

In April of 2013, GSD acting as lead agency under the California Environmental Quality Act (CEQA), adopted the “Revised Mitigated Negative Declaration for the Granada Sanitary District Reorganization Packet”. Environmental review included analysis of impacts related to reorganizing the District as a community services district and adding the services of park and recreation within the unincorporated boundaries of the District. If the reorganization is approved, the District would be subject to the provisions of CEQA in subsequent activities such as land acquisition and park and recreation related land development and activities. The District adopted mitigation measures to minimize potential impacts and found that the reorganization would not have significant impacts on the environment.

As responsible agency under CEQA, the Commission must certify that it has considered the mitigated negative declaration prepared by GSD in making a decision on this application. Staff believes that the Commission can find that the environmental document including mitigation measures adequately address potential environmental impacts of the reorganization of GSD. Furthermore, future projects (land acquisition and improvements) will be subject to environmental review as they are developed by GSD.

Recommendation

It is recommended that the Commission receive the Executive Officer’s report, open the public hearing and continue the hearing to allow LAFCo staff and the District time to address questions and requests for additional information. If at a future public hearing the Commission is to approve the application, considerations for final action would include:

- Certification that the Commission has considered the GSD Mitigated Negative Declaration.
- Acceptance of the Executive Officer’s report
- Adoption of a statement of determinations concerning the sphere of influence amendment and establishing active services of sewer, garbage collection and park and recreation

- Adoption of a resolution amending the sphere of influence and approving LAFCo File 13-05—Proposed Reorganization of Granada Sanitary District as a Community Services District Adding Park and Recreation Service
- Direction and delegation to the Executive Officer to conduct protest proceedings pursuant to Government Code Section 57000 et seq.

Respectfully Submitted,



Martha Poyatos
Executive Officer

Attachments:

- Attachment A: Application, plan for service, map and budget
Attachment B: Letter from San Mateo County Parks Division
Attachment C: Comment letters from other agencies and individuals
Attachment D: GSD responses to comments
Attachment E: Agricultural Mitigation Measures and Draft Memorandum of Understanding with San Mateo County Farm Bureau

Date: _____

APPROVED AS TO FORM

Jonathan Wittwer, General Counsel

Date: _____

Midcoast Action Plan for Parks and Recreation

Planning Team Report



July 31, 2007

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Executive Summary

This report, prepared by the Midcoast Recreation Planning Team, is an Action Plan for providing neighborhood and community recreation services and facilities on the Midcoast. The Action Plan outlines near and long term objectives and a strategy for implementation.

This plan focuses on actions that finally implement recommendations from three assessments conducted over the past 30 years beginning with the adopted *Midcoast Community Plan* from 1978. Preparation of this plan for a Midcoast park and recreation system also meets the *Shared Vision 2010 The Promise of the Peninsula* prepared by the County Board of Supervisors. Six commitments and eleven goals outlined in the County's shared vision are directly applicable to implementing a Midcoast park system. (See Appendix C for the Shared Vision 2010 Goals and Commitments.)

The process for developing this report included holding public meetings to assess the local community needs, and establishing the Midcoast Recreation Planning Team that meets monthly. The planning team members are representatives from Half Moon Bay Parks & Recreation Commission, Cabrillo Unified School District, Midcoast Community Council, and Midcoast Parklands, and two representatives from each of the Midcoast communities (Miramar/Princeton, El Granada, Moss Beach and Montara). San Mateo County Parks with the support of the Midcoast Recreation Planning Team will continue to guide the process and implementation of the plan until a governance organization is determined.

The park and recreation resources envisioned in this Action Plan include neighborhood parks, community parks with playfields, a community recreation building and a Midcoast trail system. The intent of the system is to fulfill the documented local neighborhood needs of Montara, Moss Beach, El Granada, Princeton, and Miramar.

The Action Plan will:

1. Set priorities for the park and recreation system
2. Provide a near term framework for park and recreation
 - a. Resource development
 - b. Operation and maintenance
 - c. Public participation
 - d. Cost
3. Provide long term scenarios for plan implementation
4. Enable policy makers to implement the plan

This document summarizes the current conditions and future vision for Midcoast Parks and Recreation and provides the priorities, goals and objectives that comprise the Action Plan.

Introduction

The Midcoast is the grouping of the unincorporated communities of Montara, Moss Beach, El Granada, Princeton, and Miramar. Located in northwest San Mateo County, along the Pacific Ocean, the Midcoast area offers a unique landscape and lifestyle character. There is a strong sense of community in these residential settlements that is reinforced by the surrounding coastal terrain. The historic context for these communities is also unique, for example, the design of the town of El Granada was done by the well-known 19th century architect and urban planner, Daniel Burnham.

Despite the presence of these impressive neighborhood-forming elements however, the Midcoast area is missing an essential ingredient. It is lacking a system of neighborhood parks connected to a central community center by a system of paths and trails. This system of park oriented public spaces and trails needs to be part of the long-term value and improved quality of life for the community. With a system of organized and interconnected public spaces structured around a vibrant and active community center, the Midcoast community could rival the life style quality of any semi-rural, low-to-medium density community in California.

Local groups such as the Midcoast Community Council, Midcoast Park Lands, Friends of Moss Beach Park, and others have continued to highlight the need for such a park and recreation system. Their advocacy within the community enabled the County Board of Supervisors to complete the Midcoast Recreational Needs Assessment in 2002. The assessment included the area north from the Half Moon Bay city limit at Miramar to the urban-rural boundary north of Montara. The area is bounded on the west by the Pacific Ocean and extends to the easterly Project Area Boundary used in the Midcoast LCP Update Report 2002.

On December 18, 2006, San Mateo County Parks Department conducted a public meeting at Seton Hospital outlining a process for completing an action plan to provide for Midcoast recreational needs. This process included “community” meetings held during January 2007 to assess the local community needs and seek two representatives from each community to participate on an overall planning team for the Midcoast.

Those meetings confirmed earlier assessments that there are specific needs for the following:

1. Priority for different type of recreational uses:
 - a. Multi-use play fields
 - b. Playgrounds/neighborhood parks
 - c. Community Center
 - d. Picnic areas, restrooms, and water fountains
 - e. Ball courts
 - f. Skate park
 - g. Roller hockey
 - h. Dog park

- i. Swimming pool
2. Critical need for management of active sports including baseball, soccer, etc. Currently Half Moon Bay Parks and Recreation provide this service.
3. Trail connections for different type of users are a high priority, primarily the Coastal Trail with more lateral connections to Hwy 1.
4. A Community Center, centrally located, is needed for multi-use activities to accommodate youth, teens, adults and seniors.

In addition there is an urgent need for action because a heavily used field at Cunha Middle School will be out of service for at least two years. This will exacerbate an already critical shortage of playfields on the Midcoast.

The Midcoast Parks and Recreation Planning Team was formed to synthesize public input and prepare this Action Plan based on the feedback in the public meetings during January to August 2007. On the planning team are representatives from each of the communities, Half Moon Bay Parks & Recreation Commission, Cabrillo Unified School District, Midcoast Community Council, Midcoast Park Lands and San Mateo County Parks.

Current Conditions

Description

The Midcoast is comprised of the communities of Montara, Moss Beach, El Granada, Princeton, and Miramar arranged in a long, narrow configuration between the ocean and coastal hills. Sandy beaches, dunes, ocean bluffs, flat coastal plain, creeks, canyons, and hills characterize the topography of the area. The area is geographically isolated by the Coast Range and Devil's Slide, and has remained a unique environment relative to the remainder of the Bay Area.

History and Geography

Historically supported by farming, fishing, and timber, the area now is largely supported by tourism, with some employment and industrial base in Princeton, and is characterized by residential areas interspersed among agricultural and floricultural fields. The open hills, beaches and underdeveloped flat lands create an atmosphere of "open space" that is in great contrast with nearby urban areas and is highly valued by coastal residents as well as regional visitors. Geography, climate, and limited water and sewer capacity have restricted development, allowing the small-scale farming operations to continue.

Community

The social, cultural and economic characteristics of this area are closely tied to Half Moon Bay to the south. Devil's Slide's steep topography to the north separates the

Coastside from Pacifica. Large expanses of agricultural and open space lands to the south separate it from Santa Cruz. While there are subtle differences, the Midcoast area functions as a vital part of the large Coastside-Half Moon Bay Community.

Parks

There are eleven Federal, State and County parks serving residents and others. The majority of these resources, however, fall into the regional parks and recreation category. Regional parks and recreation facilities mainly provide opportunities for passive recreation and are used extensively by communities beyond the Midcoast area as well as Midcoast residents. There are no local government owned playing fields on the entire Midcoast, including Half Moon Bay, outside of fields owned by Cabrillo School District. Playfields in Half Moon Bay at Smith Field are an important youth sports league facility on the Coastside and could be lost if the lease is not renewed. Applying the goal of 6 acres of parkland per 1,000 residents identified in the Midcoast Recreational Needs Assessment (2002), the Midcoast is currently 58 acres short of publicly owned and managed parkland serving existing local needs. Approximately 50 additional acres would be required to accommodate expected future population growth per the LCP. A community center (recreation building), playgrounds, sports fields, picnic areas, and a trail system are the top local recreation facility needs.

Opportunities for park development include sizable amounts of publicly owned property and two school sites with the potential neighborhood park recreation facilities. Land acquisition costs could be significantly offset with the use of publicly owned lands. Joint use agreements with the School District would support an update of existing school recreation facilities and increase the level of on-going maintenance.

Existing parks on the Midcoast include Fitzgerald Marine Reserve (San Mateo County), Quarry Park (Midcoast Parklands), and Moss Beach Park (Friends of Moss Beach).

Transportation

Transportation is a critical constraint related to meeting the recreation needs of the Midcoast community. While the attractive remoteness of the Midcoast is certainly a “quality-of-life” opportunity, it is also a transportation constraint. Due to the limited transportation infrastructure and the nature of the linear coastal community development, Midcoast residents are challenged to travel in and throughout their community. Specific issues related to transportation include:

- Highway 1- Highway 1 is the main arterial road traveling along the coast. High speed and large traffic volumes bisect the Midcoast community with few safe points for pedestrians to cross the highway throughout the Midcoast. In the Midcoast Recreation Needs Assessment seven potential highway crossings are identified. To date only one, at Coronado in El Granada, has been implemented.

Bikers traveling along Highway 1 are also faced with a safety issue, as there are no clear bike lanes or adequate shoulders along the roadway.

- Trails- The trail system throughout the Midcoast community is sparse. There is a trail in Princeton connecting West Point Avenue to Pillar Point Marsh and Shoreline. The other trail is a portion of the California Coastal Trail. This segment is on the west side on Highway 1 connecting the south end of El Granada to Half Moon Bay. There are also a number of undeveloped, but projected regional trails outlined in the County Trails Plan 2001.
- SamTrans - There are two public bus routes run by SamTrans. Route 294 provides service from Pacifica to the Caltrain station in San Mateo via Highway 1 and Route 92. The other is Route 17, Coast Shuttle providing exclusive service between the Midcoast and Half Moon Bay.

Recreation Programs

The only public recreation program provider to the residents of the Midcoast is the City of Half Moon Bay Parks and Recreation Department. In focus interviews with Half Moon Bay Park and Recreation Department, it was estimated that approximately 35% of the recreation program participants are from the Midcoast communities.

The City also operates the outdoor pool located at the high school for the use of the general public. The City's Park and Recreation Department is run by a Director, assisted by one Recreation Coordinator and one Youth Coordinator, reports to the City Manager and Council, and is guided by the five-person Parks and Recreation Commission. The Department provides services to its 12,000 residents plus 11,000 Midcoast residents for a total count of about 23,000 people. This increased service area, beyond the City, allows the City to provide a broad range of recreation programming and generate better revenues to offset the overall program expenses.

Funding

The Midcoast has been trying since the 1970's to implement a local neighborhood park plan. Ongoing efforts have achieved some limited success, but a concerted effort is required to make the system a reality. The County's Needs Analysis & Financing Options Study (2001) scientifically measured community values and cited a strong level of support for funding a park system on the Midcoast. The County has funded and facilitated this Action Plan, and supports the need to examine potential organizations to implement and manage this park system.

This Action Plan outlines the near and long term recreation services and facilities including the funding needed to build, operate and maintain a park system on the Midcoast. The current level of annual support includes volunteer hours, in-kind contributions, and Half Moon Bay City Recreation and County Parks staffing and supplies. This level of base support should be expected to expand as the Action Plan is implemented. The parks and recreation services included in this estimate include Moss

Beach Park, Quarry Park, Fitzgerald Marine Reserve, and active recreation programs provided by the city of Half Moon Bay.

Current Annual Funding for the Midcoast:

Half Moon Bay Recreation Department	\$ 330,000.
San Mateo County Parks Department	300,000.
Volunteer/In-Kind Contributions	<u>65,000.</u>
Total	\$ 695,000.

Governance

The Midcoast area is unincorporated, relying on the County or Special Districts to provide many of its utility and public safety services. The Midcoast area has two sanitary districts; the Montara Water and Sanitary District (MWSD) that serves Montara and Moss Beach, and the Granada Sanitary District (GSD) that serves El Granada, Princeton, Miramar, and northern Half Moon Bay. Water not covered by MWSD is provided by the Coastside County Water District. Power utilities are provided through Pacific Gas and Electric. Schools in the Midcoast are operated by the Cabrillo Unified School District, which currently operates two elementary schools in the area, Farallone View and El Granada Schools.

Park and Recreation Resources Vision

Description

The park and recreation resources envisioned in this Action Plan include neighborhood parks, community parks with playfields, a community recreation building and a Midcoast trail system. The intent of the plan is two fold:

- 1. To fulfill the local neighborhood needs of Montara, Moss Beach, El Granada, Princeton, and Miramar.
- 2. To insure that the development of resources such as beaches, trails, view sheds, surf and picnic and play areas benefit residents and visitors alike and fit in well with the natural scenic resources.

Appendix A contains a list of current and potential park resources of the Midcoast with site locations depicted on the maps in Appendix B.

The following discussion describes key park resources for recognized parks and associated areas. These groupings reflect expected or possible patterns of park development termed recreation resource areas in this report.

A brief discussion elaborates why facilities are grouped in this fashion and reviews the current level of community use and support. The County Midcoast Parks and Recreation Development Fees will be used to provide significant improvement to these parks and the county will provide interim maintenance funding.

- **Fitzgerald Marine Reserve**

This is an established County park providing nature programming. It has a history of sustained community support. This park was established as a marine reserve and does not serve the local community's active recreation needs. No special support from near term use of funds is proposed, but it is a key part of the Midcoast parks landscape.

- **Quarry Park / Wicklow**

Quarry Park is operated by Midcoast Park Lands in a partnership with the County and the Cabrillo School District. Quarry Park is virtually surrounded by the POST Wicklow property and the two together have a long term potential as a trails and passive recreation park. The existing tot lot, improvements to the open meadow and proximity to a POST meadow area make the need for improved restroom facilities critical. This Park serves several needs for the local community of El Granada, as well as the Midcoast.

- **Neighborhood Parks**

Areas with recreation structures and/or picnic tables and grass areas are an important component of neighborhoods. They are developed with neighborhood consensus and support.

- Moss Beach Park

This Park is a private play area developed and funded through the Friends of Moss Beach. The park serves the community of Moss Beach and needs restroom facilities and a drinking fountain. The level of use and position of the park make the need for toilet facilities urgent.

- El Granada Avenues

The broad avenues in El Granada provide informal passive recreation opportunities today. These are representative of what could be an expanding number of community play sites serving local neighborhoods. Recreational use of these Avenues was identified in the original land use plan for El Granada prepared by Daniel Burnham.

- **School Recreation Resource Area**

These schools serve as natural community centers for all types of activities on the Midcoast. The two elementary schools have play fields with potential to support organized recreational sports as well as provide grass areas for community recreation. Both schools are also adjacent to sites with potential as recreation sites for the community. This type of evolution will require focused community support.

- El Granada School / Upper Mirada Surf East
- Farallone View School / Corral de Tierra

- **Coastal Recreation Resource Area**

These areas on either side of Highway 1 support coastal trails, beach use and place heavy parking demands on the area. This area is not a near term focus of this plan's proposals, but will necessarily play a role in some form in parks and recreation on the coast.

- Burnham Strip

There is significant community interest in the community use of the Burnham Strip to provide a view shed to the oceans as well as a passive park area. Ownership issues and perspectives of multiple groups make planning near term use of this area difficult.

- Surfers Beach

This popular beach near Princeton draws a large number of beach and surf users. The current parking provided is largely along on the highway and is an unsatisfactory long term approach.

- Mirada Surf West

These bluffs contain a key connecting section of the coastal trail and are designated to receive a vault toilet with pre-designated funds.

- **Pillar Recreation Resource Area**

These closely clustered facilities fall within marine reserve boundaries but have a different use than the main Fitzgerald facility. They are an easy walk from the Princeton Harbor area and are actively used today for hiking, dog walking, and wildlife watching. They will benefit from coordinated active community support. An improved toilet facility is proposed to replace the existing facility at the Pillar Point

parking lot as a near term improvement. POST is currently constructing a trail system on the bluffs with a trailhead and restroom on Airport Blvd.

- Pillar Point Marsh
- Pillar Bluffs
- Pillar Point
- Mavericks Beach and Surf

- **Trails**

The trail elements form the backbone that connects the coast with the community and its recreation resource areas. The vision for key components emphasizes implementing within the framework of the 2001 Regional Trail Plan:

- Coastal Trail completion
- Highway 1 Commuter Trail
- Trail Connections
- Highway Crossings

Two important parts of a longer term plan for Midcoast recreation should be mentioned:

- **Community Center**

This is an expensive facility and also one difficult to site. It is a key component in the overall long-term plan. Locations for a Community Center include the Etheldore Triangle, Princeton Area and Old Navy Base sites.

- **Outdoor Recreation Complex**

A complex that can support a variety of organized sports is needed. The Princeton/Airport area affords the only expanse of land that can support this facility. Discussions to explore long-term opportunities have been initiated.

Table 1 –Site Identification

The areas mentioned in this section for current or possible future use are listed in the following table. The ID numbers reference description information in the appendices.

ID	Name	Location
26	Fitzgerald Marine Reserve	Moss Beach
3	Quarry Park	El Granada
19	Wicklow	El Granada
	Neighborhood Parks	
4	Moss Beach Park	Moss Beach
25	El Granada Avenues	El Granada
	School Recreation Resource Areas	
1	El Granada School	El Granada
9	Upper Mirada Surf East	El Granada
2	Farallone View School	Montara
15	Corral de Tierra Segment	Montara
	Coastal Recreation Resource Area	
22	Surfers Beach	Princeton
8	Mirada Surf West	El Granada
14	Burnham Strip[El Granada
	Pillar Recreation Resource Area	
27	Pillar Point Marsh	Moss Beach
21	Pillar Bluffs	Princeton
5	Pillar Point	Princeton
28	Mavericks	Princeton
	Outdoor Recreation Complex Possibilities	
13	Half Moon Bay Airport	
	Community Center Possibilities	
6	Etheldore Triangle	Moss Beach
	Princeton Area	Princeton
24	Old Navy Base	Montara
	Other Sites of Interest	
	Cabrillo School District Land	El Granada

Funding

The County's Needs Analysis & Financing Options Study (2001) scientifically measured community values and cited a strong level of support for funding a park system on the Midcoast. The County has funded and facilitated this Action Plan, and supports the need to examine funding sources, and potential organizations to implement and manage this park system.

The Action Plan delineates costs for a minimal park system on the Midcoast. The current level of annual support including volunteer hours, in-kind contributions, and public agency support is \$695,000. The near term actions identified will enhance the recreational services to the Midcoast. The basic operation and maintenance costs to support the near term developments are estimated to be an additional \$300,000 annually. These increased costs would require a budget of \$995,000 for the park system including active recreation programs on the Midcoast. In addition, there is a need to continue to build and expand the volunteer support groups for each of the parkland areas adjacent to local communities.

A variety and combination of funding sources will be necessary to implement and operate the park system. One time fund sources such as State and Federal grants, bond measures, etc. are ideal for limited acquisition and development. Other ongoing and more stable sources of funding such as development fees, Quimby Act funding, and a parcel tax will also be necessary to adequately finance annual maintenance of the system. Funding for the many recreation programs would be primarily through a combination of user fees and agency subsidy. It is likely that much of the acquisition and development funds will have to come from State and Federal grants, use of County-owned lands, a possible local parcel tax or bond measure, and other outside funding over the next twenty years.

Alignment

The Midcoast Parks and Recreation focus is serving the needs of area residents. The proximity of incredible natural recreation areas and cities necessitates alignment with the management and parks for these entities to ensure effective operation of Midcoast parks. Coordination and collaboration among these recreation providers provides the opportunity to share resources in meeting public recreation needs. The other park management agencies include:

- NPS, Golden Gate National Recreation Area (GGNRA)
- California State Parks
- City of Half Moon Bay
- City of Pacifica
- MROSD
- POST

In addition to these agencies Caltrans projects will play a significant role in the parks and recreation future of the Midcoast. Key projects include:

- Commuter Trail

- Devil’s Slide Right Away
- Devil’s Slide Highway (after tunnel completion)
- Highway 1 Realignment for the Coast Recreation Resource Area

Governance

Although San Mateo County Parks Department has a presence on the Midcoast, they are not currently funded for operating parks and recreation services for the unincorporated Midcoast communities. Establishing a governance structure for providing the needed recreational services is critical for constructing, maintaining, operating and administering a community park system. In the 2004 report, *Midcoast Park & Recreation Governance Alternatives*, several options for governance are presented for consideration. LAFCO is currently reviewing, more broadly, the governance options for the Midcoast including creating a Community Services District (CSD). Decisions and options regarding Midcoast Parks governance needs to wait on the recommendations that will follow from the LAFCO report due by December 2007.

Support

Midcoast park and recreation will benefit from a private organization having the dual purpose of raising funds for parks development and programs and helping coordinate operational issues with the management entity. In the near future a meeting of groups with interest should be convened to discuss future vision and next steps for creating a Midcoast “Friends of Parks” and/or “Parks Trust” organization. Several existing community groups should play a role in forming this entity:

- Midcoast Park Lands
- Coastside Lands Trust
- Friends of Fitzgerald
- Friends of Moss Beach Park
- Midcoast Community Council
- Chamber of Commerce
- Cabrillo School District
- Surfriders Foundation

Action Plan

The Midcoast Planning Team has defined an Action Plan with the following elements:

- **Goals / Objectives / Actions**
Specific actions for the Midcoast community must be based on agreed-upon priorities that reflect the long-term goals and aspirations of the population. The statements Goal and Objective statements that follow form the framework for this Action Plan, and establish the direction for the park and recreation system.
- **Cost / Budget**
Provide an estimate of expected cost for short and long term proposals and match with anticipated available funds.
- **Priorities / Next Steps**
Establish priorities to insure that the limited financial and people resources are used well and provide specific near term actions to insure that progress is made.

The measure of the effectiveness of the plan will be the follow through on the specific priorities and action steps and the ability of the County Parks and the Midcoast Planning Team to remain effective in governance until a final approach is implemented.

Goals

- **Goals** are broad statements of purpose that reflect the community's collective vision of the future.
- **Objectives** are the "yardsticks" by which the goals may be measured. They describe specific conditions that are desirable in order to attain a given goal.
- **Actions** are the specific projects to be implemented to meet objectives and attain goals.

Goal 1: ACQUISITION AND DEVELOPMENT

Develop a public park system that provides adequate space and facilities to meet the varied needs of the existing and future population. Insure access to parks by developing a network of pedestrian and bicycle trails to link individual components of the park system and provide better non-motorized access throughout the Midcoast.

Objective 1.1 Adequate Acreage

Provide six acres of developed parkland (neighborhood and community parks) for every 1000 residents in accordance with the standards established by the 2002 Assessment.

1. Identify and inventory potential acreage, to acquire and develop, as outlined in the 2002 Assessment for neighborhood and community parks by 2018. See Appendix ___ on page ___

2. Locate parks throughout the Midcoast to assure equitable distribution and convenient access for all residents.
3. Collaborate with all public agencies, institutions and cooperative parties to provide compatible and complementary park system to maximize the benefits for the greater coastside, and minimize management costs.

Objective 1.2 Provide a Range of Recreation Opportunities

Provide for a broad range of active and passive, and cultural recreation opportunities.

1. Construct a new community center building in the Midcoast to include, a gymnasium, classes and recreation programs, teen activities, senior activities, daycare, and meetings. Locate new community center central to the midcoast.
2. Identify areas to build new, active sports fields and facilities in the midcoast, especially use of the HMB Airport lands along Highway 1.
3. Provide for restrooms, drinking fountain and other amenities in the neighborhood and community parks, and playfields.

Objective 1.3 Integration / Completion of Coastal Trail

Implement a trail system in cooperation with the County, Golden Gate National Recreation Area (GGNRA), Mid-Peninsula Regional Open Space District (MPROSD), Coastal Conservancy, Peninsula Open Space Trust (POST), State Parks, Half Moon Bay, Caltrans and others.

1. Develop trails along all creeks and riparian corridors to connect the foothills east of Highway 1 to the California Coastal Trail
2. Completion of the Coastal Trail through sections of Princeton, Moss Beach and Miramar.
3. Support the request to formally designate Highway 1 as a Scenic Highway.

Objective 1.4 Complementary Trails and Access for Coastside Residents

Implement elements in accord with the Regional Trails Plan.

1. Implement safe crossings per the Midcoast needs assessment.
2. Develop a commuter trail along Highway 1 within the Caltrans easement.
3. Prepare a trail system plan to establish connecting trails, in cooperation with County Parks, Half Moon Bay, Caltrans and others.
4. Include small sitting and picnic areas in the design of the trail system.

Goal 2: OPERATION AND MAINTENANCE

Objective 2.1 Ensure adequate staffing and funding for maintenance

The Action Plan puts the assessment funds to work. That fund cannot be used for operations and maintenance which are critical for program integrity.

1. Accurately plan for the short term and long term operation and maintenance of park facilities (Reference See Appendix A on page __).
2. Maintain facilities to County and State Standards for health and safety.
3. Share costs with the School District to upgrade the quality design and maintenance level of any improvements on District lands to be used for community recreation.
4. Establish initial and ongoing positive relationships with local fire and law enforcement officials.

Objective 2.2 Align Active Recreation Programs Operation

Align operations with related organizations.

1. Collaborate with the School District to provide after hours recreation and educational activities at their facilities.
2. Collaborate with Half Moon Bay as park and recreation providers.
3. Collaborate with the School District to upgrade and maintain the fields for use during non-educational hours; El Granada Elementary and Farrallone View Elementary Schools.

Goal 3: IMPLEMENTATION AND GOVERNANCE

Develop a long- and short-term range program to achieve the actions set forth in this plan through a combination of public and private funding, regulatory methods, and other strategies.

Objective 3.1 Establish a management entity

Establishing a governance structure for providing the needed recreational services is critical for constructing, maintaining, operating and administering a community park system. The 2004 report, *Midcoast Park & Recreation Governance Alternatives*, outlines several options for governance. LAFCO is currently reviewing, more broadly, the governance options for the Midcoast including creating a Community Services District (CSD).

1. Provide input into the LAFCO Municipal Services Review
2. Act upon recommendation of the LAFCO review

Objective 3.2 Establish ongoing funding source

The Action Plan delineates costs for a minimal park system on the Midcoast. The current level of annual support including volunteer hours, in-kind contributions, and public agency support is \$695,000. The near term actions identified will enhance the recreational services to the Midcoast. The basic operation and maintenance costs to support the near term developments are estimated to be an additional \$300,000 annually. These increased costs would require a base budget of \$995,000 for the park system including active recreation programs on the Midcoast.

1. Evaluate and recommend a management agency to create a parks and recreation system and provide funding for the acquisition, development, and ongoing maintenance of park and recreation facilities.
2. Increase and expand the County's use of Quimby Act funding for the Midcoast. Park mitigation fees are in place.
3. Incorporate reasonable user fees into each recreation program to offset programming cost.
4. Pursue funding for direct, matching, and challenge grants from other agencies wherever possible.
5. Expand the volunteer program.
6. Support efforts to pass Measure A at the next county elections
7. If Measure A fails, join efforts to re-establish a Parks Charter Fund for the county.

Objective 3.3 Utilize existing lands owned by government entities

Maximizing the use of existing government owned lands will maximize funding and services to the local communities.

1. Inventory all public agency owned lands (County, Harbor District, SamTrans and other district, State, MPROSD, GGNRA, etc) for parkland opportunities.
2. Develop partnerships for current or future collaboration on both private and public lands.

Objective 3.4 Establish a private citizens support group

Study the feasibility of establishing a "Friends of the Parks and Recreation System" as a parks trust organization to provide private funding resources to the operating entity.

1. Encourage Midcoast Parklands to expand to serve as the "Friends of Midcoast Parks" organization to attract contributions, and to develop active volunteer programs with industry, service clubs, community groups, and citizens.
2. Build constituency for the recreation resource areas.
3. Convene community groups to review and develop a "Friends of Park" organization / trust.
 - Midcoast Park Lands
 - Coastside Lands Trust

- Friends of Fitzgerald
- Friends of Moss Beach Park
- Midcoast Community Council
- Chamber of Commerce
- Cabrillo School District
- Surfriders Foundation

Budget – Revenue and Expense Plan

The costs in developing a park system can be organized into the five categories:

- Acquisition: Cost of land, legal services, title costs, leases, easements, joint powers agreements, etc.
- Development: Topographic and boundaries surveys, environmental studies, design and other landscape architectural services, public outreach services, costs of construction, utilities connection fees, construction management and other costs associated with placing a park into public service.
- Maintenance: Park land maintenance staff to maintain, repair and refurbish the physical facilities within the park, including grounds, buildings, and open space areas.

Management: Salaries of professional management personnel and related overhead costs such as benefits and training, legal and financial services, grant writing and processing, miscellaneous administrative supplies and other costs to assure oversight of the park and recreation system.

Programming: All costs associated with planning and providing the various recreation programs (ie., arts and crafts, dance, swim sessions, etc.); specifically salaries, materials, transportation costs, etc.

Budget (History / Forecast 2003 – 2010)

The Midcoast has been trying since the 1970's to implement a local neighborhood park plan. Ongoing efforts have achieved some limited success, but a concerted effort is required to make the system a reality. The County's Needs Analysis & Financing Options Study (2001) scientifically measured community values and cited a strong level of support for funding a park system on the Midcoast. The County has funded and facilitated this Action Plan, and supports the need to examine potential organizations to implement and manage this park system.

The Action Plan delineates costs for a minimal park system on the Midcoast. The current level of annual support including volunteer hours, in-kind contributions, and public agency support is \$695,000. The near term actions identified will enhance the recreational services to the Midcoast. The basic operation and maintenance costs to support the near term developments are estimated to be an additional \$300,000 annually. These increased costs would require a budget of \$995,000 for the park system including active recreation programs on the Midcoast. In addition, there is a need to continue to build and expand the volunteer support groups for each of the parkland areas adjacent to local communities.

The longer-term action will necessitate increase funding for the basic operation and maintenance costs. The construction, operation, and maintenance costs are identified by project in the sections on Near Term and Longer Term. In the near term, The County Parks Department will be responsible for the implementation of the plan including operation and maintenance costs. The County assumes these responsibilities thru 2010.

Near Term Plan

As a starting point in planning, building and operating the Midcoast neighborhood park and recreation system, an estimate of the overall system wide cost has been included in this plan. This will aid in setting up a capital improvement program, applying for grants, forecasting operations and maintenance costs. Costs are in 2007 dollars and do not account for inflation, escalating land costs, cost of debt service and other important factors that ultimate will be factored into a comprehensive financial plan.

ID	Facility	Location	Proposed	Acquisition	Development	Maintenance
1	El Granada School	El Granada	Ball field improvement		\$ 120,000	\$ 10,000
2	Farallone View School	Montara	Ball field improvement		\$ 120,000	\$ 10,000
3	Quarry Park	El Granada	Vault Toilet		\$ 30,000	\$ 5,000
4	Moss Beach Park	Moss Beach	Toilet with water		\$ 65,000	\$ 10,000
5	Pillar Recreation	Pillar Point	Vault Toilet		\$ 30,000	\$ 20,000
					\$ 365,000	\$ 55,000
Other County Parks Funds						
6	Mirada Surf West	El Granada	Vault Toilet		\$ 30,000	\$ 20,000

Long Term Plan

		Acquisiton	Development	Maintenance
Ball Fields		\$ 1,000,000	\$ 1,000,000	\$ 50,000
9	Mirada Surf East El Granada			
8	Etheldore Triangle Moss Beach			
13	Half Moon Bay Airport			
Playgrounds / Benches			\$ 1,000,000	\$ 50,000
25	Balboa Circle - Avenues El Granada			
15	Farallone View Site Montara			
20	Miramar Paper Streets Miramar			
Trails			\$ 1,000,000	\$ 50,000
	Montara to Princeton			
20	Miramar Paper Streets Miramar			
	Highway 1 Commuter Trail			
	Crossings of Highway 1			
	Highway 1 - State Scenic Designation			
Community Center			\$ 5,000,000	\$ 200,000
8	Etheldore Triangle Moss Beach			
9	Mirada Surf East El Granada			
24	Old Navy Base Montara			
	Princeton Area Princeton			

Priorities

Priority 1: Framework of Actionable Goals and Objectives

Next Step (s): Met by this report

Priority 2: Effective use of existing funds

Next Step (s): Describe how the Midcoast Mitigation development fees will be used and controlled. In the short term Midcoast Mitigation Development Fees would pay for:

- 1) Rehabilitating existing ballfields at Farralones View and El Granada Elementary Schools
- 2) Installing vault toilets at, Quarry Park, Pillar Point Parking, and a flushing toilet at Moss Beach Park

Priority 3: Relationship with School District, San Mateo County Harbor District and Moss Beach Park

Next Step (s): Put agreements in place for San Mateo County Parks Department to work cooperatively with Cabrillo School District, HMB, San Mateo County Harbor District, and Moss Beach Park.

Priority 4: Effective private support organization

Next Step (s): Convene meeting in August to review.

Priority 5: Adequate revenue stream

Next Step (s): Seek grant of matching funds for fund expenditure with County as sponsoring agency.

Private Trust

Support and be involved in Measure A

Charter Fund exploration

Priority 6: Management Continuity and Effectiveness

Next Step (s): Team and County take interim responsibility until there is a determination on management entity and private support organization. Flesh out the long term plan and coordinate other efforts

Appendix A: Summary of Lands

Table of Sites (refer to separate spreadsheet for details - Midcoast Potential Park Opportunity Matrix.xls)

ID	Facility	Location
1	El Granada School	El Granada
2	Farallone View School	Montara
3	Quarry Park	El Granada
4	Moss Beach Park	Moss Beach
5	Pillar Point Parking Lot	Princeton
6	Mirada Surf West	El Granada
8	Etheldore Triangle	Moss Beach
9	Mirada Surf East	El Granada
10	Coastal Trail	Midcoast
11	Highway 1 Commuter Trail	Midcoast
12	Highway 1 Crossings	Midcoast
13	Half Moon Bay Airport	Princeton
14	Burnham Strip	El Granada
15	Farallone - Corral de Tierra	Montara
16	Devil's Slide Bypass	Montara
17	Cabrillo School District Land	El Granada
18	Cabrillo School District Land	El Granada
19	Wicklow Property	El Granada
21	Pillar Bluffs	Moss Beach
22	Surfers Beach	Princeton
23	Devil's Slide Highway (after tunnel)	Montara
24	Old Navy Base	Montara
25	El Granada Avenues	El Granada
26	Fitzgerald Marine Reserve	Moss Beach
27	Pillar Point Marsh	Princeton
28	Mavericks	Princeton

Appendix B: Maps

El Granada, Princeton and Miramar



Montara and Moss Beach

23



Appendix C: Shared Vision 2010 Goals and Commitments

The Action Plan helps fulfill the following goals and commitments

Commitment: Realize the potential of our diverse population.

Goals:

1. Our diverse population works well together to build strong communities, effective government and a prosperous economy.
2. Civic engagement – including voting, public service, charitable giving, volunteerism and participation in public discussions of important issues – is uniformly high among the diverse population.

Commitment: Insure base health and safety for all.

Goals:

5. Children grow up healthy in safe and supportive neighborhoods.

Commitment: Redesign our urban environment to increase vitality, expand variety and reduce congestion.

Goals:

12. Land use decisions consider transportation and other infrastructure needs as well as impacts on the environment and on surrounding communities.

Commitment: Preserve and provide people access to our natural environment.

Goals:

13. Fix the boundary between open space and development to protect the quality of the natural environment.
14. Important natural resources are preserved and enhanced through environmental stewardship.
15. Residents have nearby access to green space, such as parks and recreation opportunities.

Commitment: Response, effective and collaborative government

Goals:

22. County and local governments effectively communicate, collaborate and develop strategic approaches to issues affecting the entire county.

Commitment: Leaders work together across boundaries to preserve and enhance our quality of life.

Goals:

23. Leaders throughout the county provide the impetus for broader regional solutions in land use, housing, childcare, education, health and transportation.
24. Residents accept individual responsibility for contributing to the quality of life of the county as a whole.
25. Residents express their support for regional, collaborative approaches to issues.

PROPOSED GRANADA COMMUNITY SERVICES DISTRICT
5 YEAR BUDGET WITH PARKS AND RECREATION SERVICES

Attachment C

Budget assumptions:

1. Proposed increase in sewer service charge to maintain sewer system reserve level.
2. Additional funding from repayment of monies advanced to the Assessment District.
3. Retirement of long term debt payment of \$94,000 per year in FY 2015/16.
4. Allocation of property taxes to parks and recreation services increases each year by \$50,000.
5. SAM is in the process of preparing a 5 Year Capital Budget which is not reflected here but affects both versions of the budget equally.

Sewer Service Charge	<u>FY 2013/14</u> \$402	<u>FY 2014/15</u> \$415	<u>FY 2015/16</u> \$440	<u>FY 2016/17</u> \$450	<u>FY 2017/18</u> \$460	<u>FY 2018/19</u> \$485
<u>SEWER SYSTEM OPERATING REVENUES</u>						
1 . Property Tax Allocation	\$480,000	\$430,000	\$380,000	\$330,000	\$280,000	\$230,000
2 . Annual Sewer Service Charges	\$ 1,257,000	\$ 1,299,000	\$ 1,380,000	\$ 1,413,000	\$ 1,447,000	\$ 1,528,000
3 . Reim. from A.D. - Salary and Overhead	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
4 . Recology of the Coast Franchise Fee	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000
5 . Miscellaneous	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
SEWER SYSTEM TOTAL NON-OPERATING REVENUES	\$1,776,000	\$1,768,000	\$1,799,000	\$1,782,000	\$1,766,000	\$1,797,000
<u>SEWER SYSTEM NON-OPERATING REVENUES</u>						
1 . Interest on Reserves	\$12,300	\$12,300	\$12,300	\$12,300	\$12,300	\$12,300
2 . Connection Fees	\$18,800	\$18,800	\$18,800	\$18,800	\$18,800	\$18,800
3 . SAM Refund from Prior Year Allocation	\$101,000	\$86,000	\$71,000	\$56,000	\$41,000	\$26,000
4 . Repayment of Monies Advanced to the Assessment District	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000
5 . ERAF Refund from Prior Year	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
SEWER SYSTEM TOTAL NON-OPERATING REVENUES	\$317,100	\$302,100	\$287,100	\$272,100	\$257,100	\$242,100
SEWER SYSTEM TOTAL REVENUES	\$2,093,100	\$2,070,100	\$2,086,100	\$2,054,100	\$2,023,100	\$2,039,100
<u>SEWER SYSTEM OPERATING and ADMINISTRATIVE EXPENDITURES</u>						
	<u>FY 2013/14</u>	<u>FY 2014/15</u>	<u>FY 2015/16</u>	<u>FY 2016/17</u>	<u>FY 2017/18</u>	<u>FY 2018/19</u>
<u>OPERATIONS</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
1 . SAM General (Treatment and Admin.)	\$949,473	\$949,473	\$949,473	\$949,473	\$949,473	\$949,473
2 . SAM Collections	\$232,527	\$237,178	\$241,921	\$246,760	\$251,695	\$256,729
3 . Plant Shortfall Debt Service (COP)	\$94,000	\$94,000	\$94,000	\$0	\$0	\$0
Sub-Total Operations Expenditures	\$1,276,000	\$1,280,651	\$1,285,394	\$1,196,233	\$1,201,168	\$1,206,202
<u>ADMINISTRATION</u>						
1 . Sub-Total Administration Expenditures	\$517,900	\$528,158	\$538,621	\$549,294	\$560,180	\$571,285
SEWER SYSTEM TOTAL OPERATING EXPENDITURE	\$1,793,900	\$1,808,809	\$1,824,015	\$1,745,526	\$1,761,348	\$1,777,487
NET TO/(FROM) SEWER SYSTEM RESERVES	\$299,200	\$261,291	\$262,085	\$308,574	\$261,752	\$261,613

PROPOSED GRANADA COMMUNITY SERVICES DISTRICT
5 YEAR BUDGET WITH PARKS AND RECREATION SERVICES

	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19
<u>SEWER SYSTEM NON-OPERATING REVENUES</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
1 . Interest on Reserves	\$12,300	\$12,300	\$12,300	\$12,300	\$12,300	\$12,300
2 . Connection Fees	\$18,800	\$18,800	\$18,800	\$18,800	\$18,800	\$18,800
3 . SAM Refund from Prior Year Allocation	\$101,000	\$86,000	\$71,000	\$56,000	\$41,000	\$26,000
4 . Repayment of Monies Advanced to the Assessment District	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000
5 . ERAF Refund from Prior Year	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
SEWER SYSTEM TOTAL NON-OPERATING REVENUE	\$317,100	\$302,100	\$287,100	\$272,100	\$257,100	\$242,100

SEWER SYSTEM CAPITAL PROJECTS AND RESERVE FUND BALANCE

	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19
<u>SEWER SYSTEM CAPITAL PROJECTS</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
1 . Mainline System Repairs and Investigation	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
2 . Sewer Main Replacement CIP	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
3 . SAM - Projects	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
TOTAL CAPITAL IMPROVEMENT PROJECTS	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000
<u>SEWER SYSTEM CAPITAL RESERVE FUND</u>						
1 . Beginning Balance on July 1	\$3,444,000	\$3,473,200	\$3,464,491	\$3,456,576	\$3,495,150	\$3,486,902
2 . Capital Projects	(\$270,000)	(\$270,000)	(\$270,000)	(\$270,000)	(\$270,000)	(\$270,000)
3 . Transfer (to)/from Operating Budget	\$299,200	\$261,291	\$262,085	\$308,574	\$261,752	\$261,613
SEWER SYSTEM RESERVE AT END OF FISCAL YEAR	\$3,473,200	\$3,464,491	\$3,456,576	\$3,495,150	\$3,486,902	\$3,478,515

**PARKS AND RECREATION SERVICES
FUNDING AGREEMENT**

This Agreement is made and entered into between the Granada Sanitary District (“GSD”), a sanitary district, and the City of Half Moon Bay (“City”), a municipal corporation on _____, 2014.

WHEREAS, the Board of Directors of GSD has determined that it is in the public interest for GSD to reorganize into a community services district (~~“CSD”~~) under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, to be known as the Granada Community Services District (“GCSD”), for the purposes of providing public recreation facilities and community recreation services under Government Code Subsections 61100(e) and (f). These new services will be in addition to GSD’s existing services for sewage collection, treatment and disposal, and garbage and refuse collection, recycling and disposal under Government Code Subsections 61100(b) and (c) (the “Reorganization”); and

WHEREAS, an application initiating the proposed Reorganization has been submitted to the San Mateo County Local Agency Formation Commission (“LAFCO”), and was considered at public hearings before LAFCO on November 20, 2013 and December 18, 2013; and

WHEREAS, on December 18, 2013, LAFCO granted Tentative Approval of the Reorganization subject to specified conditions, including an agreement by GSD to pass through a portion of the property tax revenue collected in for the “overlap area”, which is defined as property within the City of Half Moon Bay and also within the GCSD boundaries (Overlap Area), ~~proportionate to that budgeted by GCSD~~ for the purpose of park and recreation services; and

WHEREAS, the proposed Reorganization is also subject to a protest hearing before LAFCO, as well as a vote of the electorate pursuant to LAFCO and CSD law should LAFCO give final approval to the proposed Reorganization; and

WHEREAS, the GCSD will continue to provide sewage and garbage disposal services, and will additionally provide parks and recreation services for the unincorporated Midcoast area within the newly formed District’s boundaries, except for parks and recreation and garbage services in the Overlap Area ~~areas of the GCSD inside the City boundary as set forth in Exhibit A~~; and

WHEREAS, the GCSD budget for parks and recreation services will, at least initially, be derived from all or a portion of the property tax revenue received by GCSD; and

WHEREAS, in the event that a Certificate of Completion is issued by LAFCO and recorded for the Reorganization of GSD into the GCSD, the parties believe it would be fair and in the best interest of the public, the entities and their respective constituents that a portion of the GCSD’s property tax revenues be allocated to the City to provide for park

and recreation services for the benefit of those residents located within GCSD's boundary and also within the City.

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions herein, GSD and the City agree as follows. **The Parties understand and expressly agree that the promises, covenants and conditions of this Agreement shall only become effective upon the recordation of a Certificate of Completion issued by LAFCO for the Reorganization of GSD into the GCSD.**

1. Within ninety days after the end of each GCSD fiscal year, the GCSD agrees to provide the City with a lump sum payment of the City's share of GCSD's property tax funds received ~~from or~~ the Overlap Area for the prior fiscal year, calculated as follows:

Property tax revenue ~~received from the County for property which is located within the Overlap Area jurisdiction of both GCSD and the City~~ for the prior fiscal year;

divided by

Total property tax revenue received from property within the jurisdiction of GCSD (including that portion ~~within the Overlap Area of GCSD also within the City~~) for the prior fiscal year;

multiplied by

The amount of property tax allocated to parks and recreation operations by GCSD for the prior fiscal year.

An example of this calculation is included as Exhibit B to this Agreement, attached and incorporated herein. Funding from other sources (including, but not limited to, grants, user fees, or assessment districts) shall not be included in the calculation of the lump sum to be paid to the City. In all cases, property tax received is defined as all property tax monies actually received by GCSD, net of the amount shifted to the Educational Relief Augmentation Fund by the County of San Mateo.

2. The City agrees that any and all payments received pursuant to this agreement shall be used, to the extent feasible, to provide park and recreation services to City residents.

GRANADA SANITARY DISTRICT

CITY OF HALF MOON BAY

Chuck Duffy,
General Manager

Laura Snideman,
City Manager

Date: _____

Date: _____

ATTEST: _____, Secretary

APPROVED AS TO FORM:

Granada Sanitary District

Anthony Condotti, City Attorney

APPROVED AS TO FORM

Date: _____

Jonathan Wittwer, General Counsel

Date: _____

EXHIBIT B

Parks and Recreation Funding Agreement

Example Calculation

Property tax revenue received from the County for property which is located within the jurisdiction of both GCSD and the City for the prior fiscal year \$ 87,360

divided by

Total property tax revenue received from property within the jurisdiction of GCSD (including that portion of GCSD also within the City) for the prior fiscal year \$ 480,000

multiplied by

The amount of property tax allocated to parks and recreation operations by GCSD for the prior fiscal year \$ 200,000

equals

The amount of property tax transfer to the City \$ 36,400

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE SAN MATEO COUNTY FARM BUREAU
AND GRANADA SANITARY DISTRICT**

WHEREAS, upon mutually beneficial discussions between their respective representatives, the Granada Sanitary District is entering into and carrying out this Memorandum of Understanding with the San Mateo County Farm Bureau in consideration of the Farm Bureau not opposing the District's application for Reorganization enabling the provision of parks and recreation services as filed on April 19, 2013.

WHEREAS, the mission of the San Mateo County Farm Bureau ("Farm Bureau") includes the preservation of existing and potential agricultural operations in San Mateo County in order to keep the maximum amount of agricultural land in production and to provide support and expertise to its members and to private and public entities for those purposes; and

WHEREAS, the Granada Sanitary District ("District") has filed an application with the San Mateo County Local Agency Formation Commission ("LAFCo") to reorganize into the Granada Community Services District and add parks and recreation services (including Detachment of certain rural portions of the existing Granada Sanitary District and amendment of the existing District Sphere of Influence to be consistent with such Detachment) and has proposed a related District Agricultural Lands Policy ("District Policy") for the purposes of protecting agricultural resources and production; and

WHEREAS, the Farm Bureau and the District desire to work together cooperatively to support and preserve agricultural operations and to protect the economic and physical integrity of agricultural lands on the San Mateo County Coast; and

WHEREAS, the Farm Bureau and the District believe that by such cooperative efforts the Farm Bureau will help enable the District to better accomplish its mission of providing parks and recreation services for the benefit of its members and all residents of San Mateo County; and

WHEREAS, the District Policy establishes the policy of the District to ensure that where parks and recreation services occur, they are planned and managed in a manner that avoids adverse impacts to adjacent agricultural operations; and

WHEREAS, the District desires to consult with the Farm Bureau in planning for parks and recreation services to ensure that such uses avoid adverse impacts to adjacent agricultural operations; and

WHEREAS, Government Code 65402 provides for a review by the Planning Commission as to County General Plan Conformity for acquisition of land for park purposes; and

WHEREAS, a Planned Agricultural District (PAD) Permit/CDP is required by County Code Section 6355 for development of PAD land for park or recreation purposes (which permit is appealable to the Coastal Commission); and

WHEREAS, if a rezoning is needed for any District park or recreation project, an amendment of the Local Coastal Program Land Use Plan (LCPLUP) is currently required for such rezoning; and

WHEREAS, the District acknowledges the restriction on provision of sewer services outside the urban/rural boundary under the LCPLUP; and

WHEREAS, the District Policy prohibits the District's use of the power of eminent domain on real property zoned PAD for the purpose of providing parks and recreation services (unless mutually acceptable to the landowner), and the Farm Bureau has requested that this prohibition be established through a LAFCo condition of approval requiring a District ordinance establishing such eminent domain prohibition to be adopted, maintained and applied so as to further insure the permanence of this District Policy; and

WHEREAS, the Board of Directors of the District desires to adopt such ordinance to further ensure to the satisfaction of the Farm Bureau and all San Mateo County coastside residents that its Policy prohibiting the use of eminent domain for the purpose of providing parks and recreation services will be secure and permanent; and

WHEREAS, it is the joint desire of the Farm Bureau and the District to enter into this Memorandum of Understanding in order to formalize the goals and understandings of both parties in their efforts to preserve agriculture in San Mateo County; and

WHEREAS, nothing in this MOU or District Policy is intended to affect the District's authority to exercise eminent domain for purposes of carrying out its functions in providing sewer and/or solid waste services.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. The San Mateo County Farm Bureau desires to insure that eminent domain not be used to acquire land for park or recreation purposes in the District's parks and recreation services jurisdiction. The Farm Bureau has requested that the District adopt an ordinance prohibiting the District's use of the power of eminent domain on land zoned PAD (unless mutually acceptable to the landowner) for the purpose of providing parks and recreation services. The District has agreed to adopt such an ordinance and to have such adoption made a condition of any LAFCo approval of the District Reorganization Project. A copy of the proposed ordinance is attached hereto, marked "Exhibit A" and incorporated by this reference. The Farm Bureau has agreed to support this ordinance without amendment.
2. The San Mateo County Farm Bureau and the District desire to insure that the District's implementation of the District Policy will preserve and encourage viable agricultural operations, and avoid adverse effects on agriculture. To accomplish this goal, the Farm Bureau and the District agree that:
 - a. As part of its Application to LAFCo for Reorganization enabling the provision of parks and recreation services, the District has adopted Mitigation Measures to preserve agriculture and to avoid adverse impacts on agriculture. A copy of these Mitigation Measures is attached hereto, marked "Exhibit B" and incorporated by this reference. The Farm Bureau has requested and the District has agreed that these Mitigation Measures shall be incorporated into this MOU. The District agrees that it will implement these Measures, and that implementation of these Measures is a commitment from the District to the Farm Bureau. These Mitigation Measures may not be amended by the District unless required by law.
 - b. The District will consult with the Farm Bureau in the development of site-specific parks and recreation services, uses, and management plans on or adjoining land zoned PAD.

c. When considering proposed acquisition of land for, or provision of, parks and recreation services or uses on or adjoining land zoned PAD, the District will provide the Farm Bureau prior written notice of any hearings at which acquisition, site services or uses, and/or management plans, reviews or amendments will be considered. Further, the District will provide a prior opportunity for the Farm Bureau to review and comment on any such acquisition, site services or uses, and/or plans. This will insure that the Farm Bureau has the opportunity to share its expertise, resources and viewpoints with the District prior to any decision concerning future acquisition, use or management of such lands. In addition, District staff will meet with representatives of the Farm Bureau from time to time on an informal basis upon request of either party to consult regarding development of such plans.

3. The San Mateo County Farm Bureau takes no position on the Granada Sanitary District's proposed reorganization, except that it has determined that: based upon the specific terms and conditions of this MOU being incorporated as a condition of approval of LAFCo's approval of the District's application, and a confirmation by an affirmative vote of the electorate, this MOU will help protect agriculture's physical and economic integrity in the County; and that the limitation of the District's power of eminent domain by ordinance is a key component that will further protect agricultural lands from being removed from production.

4. The Farm Bureau requests that LAFCo consider the District's application for Reorganization enabling the provision of parks and recreation services as filed on April 19, 2013 and amended by this MOU.

5. This MOU may not be amended without the written consent of both the Farm Bureau and the District.

6. Any written notice sent pursuant to this MOU shall be addressed as follows:

Farm Bureau: Executive Administrator
San Mateo County Farm Bureau
765 Main Street
Half Moon Bay, CA 94019

District: General Manager
Granada Sanitary District
504 Avenue Alhambra, Third Floor
El Granada, CA 94018

7. This MOU shall be of no further force or effect if:

- a. LAFCo does not approve the District's application for Reorganization enabling the provision of parks and recreation services as filed on April 19, 2013, in its entirety and with conditions acceptable to the District; or
- b. A majority of the voters voting on the Reorganization described in subsection 7(a) above do not vote in favor of such Reorganization on or before June 30, 2014.

IN WITNESS WHEREOF, the parties have caused this MOU to be executed by their duly authorized officers to be effective as of the date of final execution by the District.

EXHIBIT A

GRANADA SANITARY DISTRICT
Ordinance No. 166

**AN ORDINANCE RESTRICTING THE USE OF EMINENT DOMAIN FOR ACQUISITION
OF PROPERTY INTERESTS FOR THE PARKS AND RECREATION PURPOSES**

The Board of Directors of the Granada Sanitary District does hereby ordain as follows:

SECTION 1. FINDINGS

The Board of Directors ("GSD Board") of the Granada Sanitary District ("GSD") finds and declares as follows:

- A. The Granada Sanitary District ("District") has filed an application with the San Mateo County Local Agency Formation Commission ("LAFCo") to reorganize into the Granada Community Services District and add parks and recreation services (including Detachment of certain rural portions of the existing Granada Sanitary District and amendment of the existing District Sphere of Influence to be consistent with such Detachment) and has adopted a related District Agricultural Lands Policy ("District Policy") for the purposes of protecting agricultural resources and production; and
- B. The District Policy establishes the policy of the District to insure that where parks and recreation services occur, they are planned and managed in a manner that avoids adverse impacts to adjacent agricultural operations; and
- C. The Granada Sanitary District (District) is committed to building and maintaining good relationships with all its neighbors. To demonstrate this commitment, the District's Board of Directors has adopted a Good Neighbor Policy to become effective if and when the Local Agency Formation Commission (LAFCo) approves the District's Reorganization Project which includes establishing it as a community services district with the added powers of providing parks and recreation services.

SECTION 2. REGULATION

The following regulation is hereby adopted:

The Granada Community Services District shall not exercise the power of eminent domain to acquire any real property or any interest in real property zoned PAD (Planned Agricultural District) by the County of San Mateo for the purpose of providing parks and recreation services (unless mutually acceptable to the landowner).

SECTION 3. SEVERANCE CLAUSE

The Board declares that each section, sub-section, paragraph, sub-paragraph, sentence, clause and phrase of this Ordinance is severable and independent of every other section, sub-section, paragraph, sub-paragraph, sentence, clause and phrase of this Ordinance. If any section, sub-section, paragraph, sub-paragraph, sentence, clause or phrase of this Ordinance is held invalid, the Board declares that it would have adopted the remaining provisions of this Ordinance irrespective of the portion held invalid, and further declares its express intent that the remaining portions of this Ordinance should remain in effect after the invalid portion has been eliminated.

SECTION 4. EFFECTIVE DATES

This Ordinance, shall become effective ONLY upon the happening of both of the following:

- a. LAFCo approval of the Granada Sanitary District's application for Reorganization enabling the provision of parks and recreation services as filed on April 19, 2013, in its entirety and with conditions acceptable to the District; and
- b. A majority of the voters voting on the Reorganization described in subsection a. above voting in favor of such Reorganization on or before June 30, 2014;

and then only upon the effective date of this Ordinance as prescribed in Section 5 of this Ordinance.

SECTION 5. PUBLICATION AND POSTING

Upon adoption, this Ordinance shall be entered in the minutes of the GSD Board and shall be published once in the Half Moon Bay Review, or such other newspaper of general circulation as may be determined by the GSD Board, and shall be posted in three (3) public places within GSD for a period of one week. This Ordinance takes effect upon expiration of the week of publication and posting.

The above and foregoing Ordinance was regularly introduced and thereafter passed and adopted at the regular meeting of the Board of Directors of the Granada Sanitary District held on the 17th day of October, 2013, by the following vote.

AYES: BLANCHARD, CLARK, ERICKSON, LOHMAN, and WOREN

NOES:

ABSTAIN:

ABSENT:

/s/ _____
Leonard Woren, President

Countersigned:

/s/ _____
Ric Lohman, Secretary

EXHIBIT B

Granada Sanitary Reorganization Project Mitigation Measures Related to Agricultural Resources:

AGRICULTURAL RESOURCES

Mitigation Measure #2. The District will conduct CEQA review regarding agricultural resources to the extent required by law at the time each individual future project which affects agricultural resources is proposed and the District will identify and review possible mitigation measures and alternatives at that time.

Mitigation Measure #2.5. The District has adopted park and recreation acquisition and program implementation policies to ensure that any projects would not result in the conversion of prime or unique farmland or farms of statewide importance as shown on the Farmland Mapping and Monitoring Program of the California Resources Agency unless certain findings can be made. Furthermore no new buildings, staging areas or recreation facilities shall be located on such lands. Trails and habitat preservation areas shall either be located to avoid such lands or traverse such lands in a manner that does not result in interference with agricultural activities or substantially reduce the agricultural potential of those lands. Owners and operators of agricultural lands shall be consulted to identify appropriate routes on those lands. The agricultural activities and the agricultural potential of traversed lands shall be protected and buffered from trail user impacts by means of distance, physical barriers (*i.e.*, sturdy fences or other non-disruptive methods) provided by the District.

The term "prime agricultural land" as used in the District Agricultural Lands Policy means:

- (a) All land which qualifies for rating as Class I or Class II in the U.S. Department of Agriculture Soil Conservation Service Land Use Capability Classification, as well as all Class III lands capable of growing artichokes or Brussels sprouts.
- (b) All land which qualifies for rating 80-100 in the Storie Index Rating.
- (c) Land which supports livestock for the production of food and fiber and which has an annual carrying capacity equivalent to at least one animal unit per acre as defined by the U.S. Department of Agriculture.
- (d) Land planted with fruit or nut bearing trees, vines, bushes, or crops which have a non-bearing period of less than five years and which normally return during the commercial bearing period, on an annual basis, from the production of unprocessed agricultural plant production not less than \$200 per acre.
- (e) Land which has returned from the production of an unprocessed agricultural plant product an annual value that is not less than \$200 per acre within three of the five previous years.

The \$200 per acre amount in subsections d) and e) shall be adjusted regularly inflation, using 1965 as the base year, according to a recognized consumer price index. The term "prime agricultural land" as used in the District Policy shall also include unique farmland or farms of statewide importance as shown on the Farmland Mapping and Monitoring Program of the California Resources Agency.

Improvements or public uses located upon open space lands other than agriculture shall be located away from existing prime agricultural lands and unique farmlands or farmlands of statewide importance as shown on the Farmland Mapping and Monitoring Program of the California Resources Agency. All trails and other public facilities should be located so as not to fragment agricultural operations unless no

feasible alternative is available. While trails that bisect grazing lands would not be likely to fragment grazing operations, trails that bisect cultivated crops could adversely affect the vitality of agricultural operations and will be avoided. If trails must traverse cultivated lands they shall be permitted only if adequate buffers, signs, and other measures necessary to ensure that trail use does not interfere with the agricultural operations are implemented.

The District shall provide private property signs where appropriate and provide trail users information regarding private property rights to minimize public/private use conflicts and trespassing. The District shall clearly sign trails adjacent to active agriculture and provide trail users with information regarding property rights to minimize trespassing and conflicts with agricultural users.

The District lands or easements upon which trails are sited shall provide width sufficient for management and/or buffer space from adjacent uses so as not to preclude the viability of those uses. Buffers established to separate recreation and other open space uses from agricultural operations shall be designed and managed in accordance with the following standards:

- (a) Buffers shall be designed in relation to the nature of the adjoining land use, potential land uses and proposed public access;
- (b) Buffers shall be designed in relation to the topography and other physical characteristics of the buffer area;
- (c) Buffers shall be designed with consideration of biological, soil, and other site conditions in order to limit the potential spread of non-native invasive species or pathogens onto agricultural lands;
- (d) Buffers shall be of sufficient width to allow agricultural use of adjoining agricultural lands including application of pesticides and other agricultural chemicals on all lands needing treatment taking into account the likelihood and extent of potential pesticide drift.
- (e) All lands used for buffers should be on land or interests in land owned by the District; adjoining landowners shall not be required to provide land for buffers.
- (f) The District shall be responsible for the management and maintenance of all lands used as buffers;
- (g) If a specific buffer fails to resolve conflicts between a recreational use and adjacent agricultural uses the recreational use shall be moved to a different location.

All buffers shall be developed in consultation with the owners and operators of adjoining agricultural lands and the San Mateo County Farm Bureau.

Where pesticides are used, including pesticides for control of noxious weeds, they must be handled, applied, and disposed of in such a manner that they do not adversely affect adjacent agriculture, including organic agriculture. Pesticide use shall be guided by label restrictions, State laws and any advisories published by the California Department of Pesticide Regulation (CDPR) or the County Agricultural Commissioner. These chemicals shall only be applied by a person who is properly licensed and/or trained in their application.

The District shall conduct its land management practices such that they do not have an adverse significant impact on the physical and economic integrity of timberland preserves on or contiguous to properties owned or managed by the District and so that the safety of visitors to District preserves is not compromised by timber harvesting (*e.g.*, establishing appropriate buffers on District lands).

**GRANADA SANITARY DISTRICT POLICIES
ON THE ACQUISITION AND USE OF AGRICULTURAL LAND
FOR PARK OR RECREATION PURPOSES**

1. The Granada Sanitary District (District) is committed to building and maintaining good relationships with all its neighbors. To demonstrate this commitment, the District's Board of Directors has adopted a Good Neighbor Policy to become effective if and when the Local Agency Formation Commission (LAFCo) approves the District's Reorganization Project which includes establishing it as a community services district with the added powers of providing parks and recreation services. Each of the specific policies below will become part of the District's Good Neighbor Policy.
2. Should the Granada Community Services District desire to acquire real property for park or recreation purposes, it will do so from *willing sellers* at fair market value or on other mutually acceptable terms and shall not exercise the power of eminent domain to acquire any real property or any interest in real property zoned PAD (Planned Agricultural District) for the purpose of providing parks and recreation services (unless mutually acceptable to the landowner). Acquisition of real property for park or recreation purposes may occur only after the District determines after a noticed public hearing that the land is necessary for park or recreation purposes.
3. Pending development of a community or neighborhood park on land it acquires, the District supports the continued agricultural use of land acquired for park or recreation use as an economic and cultural resource, including, but not limited to, grazing, orchards, row crops, and vineyards. The District does not consider commercial logging as agriculture for the purposes of this Policy.
4. The District shall provide "private property" signs where appropriate for properties which adjoin District parks properties, and will provide users of its trails with information designed to prohibit trespassing on private property to minimize public/private use conflicts and trespassing (including in particular agricultural users). The District shall clearly sign trails adjacent to active agriculture and provide trail users with information regarding property rights to minimize trespassing and conflicts with agricultural users.
5. The District will conduct CEQA review regarding agricultural resources to the extent required by law at the time each individual future project which affects agricultural resources is proposed and the District will identify and review possible mitigation measures and alternatives at that time.
6. The District will not acquire lands or construct or conduct projects or programs for parks and/or recreation purposes which would result in the conversion of prime or unique farmland or farms of statewide importance as shown on the Farmland Mapping and Monitoring Program of the California Resources Agency unless the District has first made

the following findings after public hearing following at least 20 days prior written notice to the San Mateo County Farm Bureau and owners of property within 500 feet of the boundary of such lands:

- a. Such action avoids adverse effects on agriculture to the extent reasonably feasible.
 - b. The District has consulted with the San Mateo County Farm Bureau prior to such action on or adjoining land zoned PAD.
 - c. Such action complies with District Agricultural Land Policies 2-5 and 7-14.
7. No new buildings, staging areas or recreation facilities shall be located on such lands. Trails and habitat preservation areas shall either be located to avoid such lands or traverse such lands in a manner that does not result in interference with agricultural activities or substantially reduce the agricultural potential of those lands. Owners and operators of agricultural lands shall be consulted to identify appropriate routes on those lands. The agricultural activities and the agricultural potential of traversed lands shall be protected and buffered from trail user impacts by means of distance, physical barriers (*i.e.*, sturdy fences or other non-disruptive methods) provided by the District.

The term "prime agricultural land" as used in the District Agricultural Lands Policy means:

- (a) All land which qualifies for rating as Class I or Class II in the U.S. Department of Agriculture Soil Conservation Service Land Use Capability Classification, as well as all Class III lands capable of growing artichokes or Brussels sprouts.
- (b) All land which qualifies for rating 80-100 in the Storie Index Rating.
- (c) Land which supports livestock for the production of food and fiber and which has an annual carrying capacity equivalent to at least one animal unit per acre as defined by the U.S. Department of Agriculture.
- (d) Land planted with fruit or nut bearing trees, vines, bushes, or crops which have a non-bearing period of less than five years and which normally return during the commercial bearing period, on an annual basis, from the production of unprocessed agricultural plant production not less than \$200 per acre.
- (e) Land which has returned from the production of an unprocessed agricultural plant product an annual value that is not less than \$200 per acre within three of the five previous years.

The \$200 per acre amount in subsections d) and e) shall be adjusted regularly inflation, using 1965 as the base year, according to a recognized consumer price index. The term "prime agricultural land" as used in the District Policy shall also include unique farmland or farms of statewide importance as shown on the Farmland Mapping and Monitoring Program of the California Resources Agency.

8. Improvements or public uses located upon open space lands other than agriculture shall be located away from existing prime agricultural lands and unique farmlands or farmlands of statewide importance as shown on the Farmland Mapping and Monitoring Program of the California Resources Agency. All trails and other public facilities should be located so as not to fragment agricultural operations unless no feasible alternative is available. While trails that bisect grazing lands would not be likely to fragment grazing operations, trails that bisect cultivated crops could adversely affect the vitality of agricultural operations and will be avoided. If trails must traverse cultivated lands they shall be permitted only if adequate buffers, signs, and other measures necessary to ensure that trail use does not interfere with the agricultural operations are implemented.

9. The District lands or easements upon which trails are sited shall provide width sufficient for management and/or buffer space from adjacent uses so as not to preclude the viability of those uses. Buffers established to separate recreation and other open space uses from agricultural operations shall be designed and managed in accordance with the following standards:
 - (a) Buffers shall be designed in relation to the nature of the adjoining land use, potential land uses and proposed public access;
 - (b) Buffers shall be designed in relation to the topography and other physical characteristics of the buffer area;
 - (c) Buffers shall be designed with consideration of biological, soil, and other site conditions in order to limit the potential spread of non-native invasive species or pathogens onto agricultural lands;
 - (d) Buffers shall be of sufficient width to allow agricultural use of adjoining agricultural lands including application of pesticides and other agricultural chemicals on all lands needing treatment taking into account the likelihood and extent of potential pesticide drift.
 - (e) All lands used for buffers should be on land or interests in land owned by the District; adjoining landowners shall not be required to provide land for buffers.
 - (f) The District shall be responsible for the management and maintenance of all lands used as buffers;
 - (g) If a specific buffer fails to resolve conflicts between a recreational use and adjacent agricultural uses the recreational use shall be moved to a different location.

All buffers shall be developed in consultation with the owners and operators of adjoining agricultural lands and the San Mateo County Farm Bureau.

10. Where pesticides are used, including pesticides for control of noxious weeds, they must be handled, applied, and disposed of in such a manner that they do not adversely affect adjacent agriculture, including organic agriculture. Pesticide use shall be guided by label restrictions and any advisories published by the California Department of Pesticide

Regulation (CDPR) or the County Agricultural Commission. These chemicals shall only be applied by a person who is properly trained in their application.

11. The District shall conduct its land management practices such that they do not have an adverse significant impact on the physical and economic integrity of timberland preserves on or contiguous to properties owned or managed by the District and so that the safety of visitors to District preserves is not compromised by timber harvesting (*e.g.*, establishing appropriate buffers on District lands).
12. When acquiring lands in agricultural use, the acquisition shall be subject to continued use by the owner or operator until such time as it is used, sold or leased pursuant to the use and management plan adopted for the property. All agricultural land which is not needed for parks or recreation or for the protection and vital functioning of a sensitive habitat will be permanently protected for agriculture and, whenever legally feasible, the District will offer for sale or lease the maximum amount of agricultural land to active farm operator's on terms compatible with the recreational and habitat use. Lands that do not have significant recreation or sensitive habitat values and which can clearly support productive agricultural operations will generally be offered for sale while other agricultural lands will generally be offered for lease.
13. The provision of parks and recreation services may involve the protection of: rare, threatened and endangered plant and animal species; ecological systems; agricultural resources, water quality; visual resources; unique biological resources, including heritage arid significant trees; and the unique cultural resources in the coastal area, including historic, archaeological and paleontological resources. Therefore, prior to making any lands available to low-intensity public recreational access, the District shall prepare and adopt a use and management plan, which includes site-specific resource management and public access components for any lands acquired by the District or managed through contract for other public or private nonprofit property owners. All lands acquired by the District for parks and recreation services will be inventoried to identify and prioritize resource management issues. Where there are critical issues, such as the presence of non-native invasive species which threaten the habitat of endangered species or the economic viability of an adjacent agricultural operation, resource management plans will be prepared for these areas even if they remain closed to the public.
14. Prior to making any lands available to public access for low-intensity recreation, the District shall have personnel and equipment available to manage public access such that there would be no significant negative impact on existing services; and adequate stewardship to protect natural and agricultural resources will be provided.



GRANADA SANITARY DISTRICT
OF SAN MATEO COUNTY

Board of Directors
Matthew Clark, President
Leonard Woren, Vice President
Jim Blanchard, Secretary
David Seaton, Treasurer
Ric Lohman, Board Member

Attachment G

January 7, 2014

Clemens Heldmaier, General Manager
Montara Water and Sanitary District
P.O. Box 370131
Montara, CA 94037

Re: Formation of Ad Hoc Committee to Discuss Potential Consolidation Issues

Dear Clemens,

At the December 12, 2013 meeting of the Granada Sanitary District, the GSD Board President appointed an ad hoc committee consisting of Directors Lohman and Blanchard to discuss issues related to potential future consolidation of services with MWSD. The San Mateo County Local Agency Formation Commission has requested that GSD investigate this issue as part of GSD's application to reorganize into a community services district with the addition of parks and recreation powers. The GSD board also directed me to contact MWSD to ascertain your district's interest in forming an MWSD ad hoc committee to discuss potential consolidation issues. Thank you for your consideration of this request.

Sincerely,

Granada Sanitary District

Chuck Duffy, General Manager

When acquiring lands in agricultural use, the acquisition shall be subject to continued use by the owner or operator until such time as it is used, sold or leased pursuant to the use and management plan adopted for the property. All agricultural land which is not needed for parks or recreation or for the protection and vital functioning of a sensitive habitat will be permanently protected for agriculture and, whenever legally feasible, the District will offer for sale or lease the maximum amount of agricultural land to active farm operators on terms compatible with the recreational and habitat use. Lands that do not have significant recreation or sensitive habitat values and which can clearly support productive agricultural operations will generally be offered for sale while other agricultural lands will generally be offered for lease.

The provision of parks and recreation services may involve the protection of: rare, threatened and endangered plant and animal species; ecological systems; agricultural resources, water quality; visual resources; unique biological resources, including heritage and significant trees; and the unique cultural resources in the coastal area, including historic, archaeological and paleontological resources. Therefore, prior to making any lands available to low-intensity public recreational access, the District shall prepare and adopt a use and management plan, which includes site-specific resource management and public access components for any lands acquired by the District or managed through contract for other public or private nonprofit property owners. All lands acquired by the District for parks and recreation services will be inventoried to identify and prioritize resource management issues. Where there are critical issues, such as the presence of non-native invasive species which threaten the habitat of endangered species or the economic viability of an adjacent agricultural operation, resource management plans will be prepared for these areas even if they remain closed to the public.

Prior to making any lands available to public access for low-intensity recreation, the District shall have personnel and equipment available to manage public access such that there would be no significant negative impact on existing services; and adequate stewardship to protect natural and agricultural resources will be provided.