

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT

June 8, 2016
Agenda Item 8

June 8, 2016 (Agenda)

LAFCO 13-08 Northeast Antioch Reorganization Area 2A - Annexations to the City of Antioch and Delta Diablo (DD) and detachment from County Service Area (CSA) P-6 *This item was continued from the February 12, 2014, March 12, 2014, April 9, 2014 June 11, 2014, and June 10, 2015, LAFCO meetings*

PROPONENT City of Antioch (by Resolution)

ACREAGE & LOCATION Area 2A comprises 116± acres (19 parcels) and is located immediately west of State Route 160 (Attachment 1).

PURPOSE Provide municipal services to the area, which is largely built out with marina, commercial, storage and incidental uses, along with several dwelling units.

UPDATE/SYNOPSIS

The Commission last discussed this proposal in June 2015. The Area 2A reorganization is the third and final in a series of three reorganizations encompassing Northeast Antioch. In 2014, the Commission approved annexations of Area 1, comprising 470± acres located both north and south of Wilbur Ave, which is largely industrial; and Area 2B, comprising 103± acres located south of Wilbur Ave and roughly centered on Viera Ave, which is primarily residential. (Attachment 2)

Given that Areas 1 and 2B were previously annexed to the City, Area 2A now constitutes an island, which is surrounded by the City of Antioch to the west and south, the City of Oakley to the east, and the San Joaquin River to the north. LAFCO is precluded from creating islands, as discussed in section #13 below.

As discussed in June 2015, there were several unresolved issues including land use and zoning designations, and the City's General Plan update to address the heavy industrial uses; a City/County remedy to the faulty drain pipe in the area; continued outreach and education by the City to the property owners and members of the Sportsman Yacht Club; and the City's plan to manage the Antioch Dunes wildlife area following annexation. These issues remain unresolved.

In June 2015, the Commission voted to keep the public hearing open and continue the item to the June 8, 2016 regular LAFCO meeting. The Commission requested that the City of Antioch provide an update every four months on the status of the following issues:

- **City's General Plan update** – in April 2014, two of the commercial landowners (i.e., Kiewit Construction and Vortex Marine Construction) spoke in opposition to the annexation and expressed concerns regarding the City's land use designations of their properties and potential costs associated with future sewer service. LAFCO delayed its action to allow the City time to process the necessary General Plan and zoning amendments to address the land use designations for some of the heavy industrial uses, and to explore options to fund a sewer system in the area.
- **Storm water infrastructure** – The pipeline was constructed over 20 years ago in conjunction with the City of Antioch Kmart project, and is owned and maintained by the County with a

drainage easement. According to County records, the pipeline is located in a private road partially owned by Marterm Holdings, LLC and partially owned by Sportmen Inc.

Concerns regarding the pipeline were raised late in the annexation process. A portion of the pipeline was inspected and found to have numerous issues, including buckling, dropped joints, root intrusion, and a potentially adverse pipe slope. City staff indicated that it will not accept the pipeline and structures until the entire length of the pipeline within the proposed annexation area is repaired and/or replaced by the County in a manner acceptable to the City.

We understand that the City and County met recently to discuss the pipeline and a repair strategy. County staff reports that it is currently doing repair work on the storm drain line. Since the beginning of the year, County Public Works Maintenance crews have performed two repairs. The first repair replaced approximately 30 feet of 48 inch pipe (a sink hole opened up near the Sportsman Yacht Club). The second repair, completed in May 2016, replaced approximately 60 feet of storm drain (also near the Sportsman Yacht Club). The cost of the recent repairs was \$150,000. County staff reports that the full cost to repair the existing line would be approximately \$1 million; and the cost for a full removal and replacement of the line would be approximately \$3 million. County staff reports that it currently has no plans to replace any other sections of pipe.

- **Outreach to Area 2A landowners and residents** – a number of the landowners, residents and marina patrons have expressed opposition to the proposed annexation and raised concerns regarding potential increased costs following annexation to the City.
- **Antioch Dunes wildlife area** – the Commission asked about the City's plan to manage this area.

Little progress has been made in the past year. While the City did not provide LAFCO with the requested quarterly updates, it did provide a letter on May 23, 2016 (Attachment 2). In its letter, the City indicates that it is not currently pursuing this annexation for various reasons. Notably, the City remains concerned about the condition of the storm water infrastructure; however, it remains confident that the City and County will reach agreement on how to address this issue. Regarding outreach to the Area 2A landowners and residents, the City would prefer to engage in stakeholder outreach once the storm water infrastructure issue is resolved. The City indicates that it has not prioritized nor directed resources to either resolution of the storm water infrastructure or the outreach efforts. No updates were provided regarding the other issues (i.e., status of the City's General Plan update, City's plan to manage the Antioch Dunes wildlife area).

Although the applications to annex Northeast Antioch were submitted to LAFCO in three separate proposals, it is assumed by all parties that all three areas would ultimately be annexed to the City and the two districts. The property tax transfer agreement approved by the City and County covers all three areas and assumes that all areas would be annexed to the City.

A number of options are presented for the Commission's consideration at the end of this report. Should the Commission decide to take action today to approve or deny the proposal, we have included the full staff analysis as presented below.

DISCUSSION

The Cortese Knox Hertzberg Act (CKH) sets forth factors that the Commission must consider in evaluating any proposed change of organization or reorganization as discussed below (Gov. Code §56668). In the Commission's review of these factors, no single factor is determinative. In reaching a decision, each factor is to be evaluated within the context of the overall proposal.

1. *Consistency with the Sphere of Influence of Any Local Agency:*

LAFCO is charged with both regulatory and planning functions. Annexations are basically a regulatory act, while establishing spheres of influence (SOIs) is a planning function. The SOI is an important benchmark as it defines the primary area within which urban development is to be encouraged. In order for the Commission to approve an annexation, it must be consistent with the jurisdiction's adopted SOI. The annexation area is within both the City of Antioch and the DD SOIs, and within both the City of Antioch and County voter-approved Urban Limit Lines.

2. *Land Use, Planning and Zoning - Present and Future:*

Area 2A is part of the City's Eastern Waterfront Employment Focus Area as identified in the City's General Plan. In 2011, the City and County formed a committee to develop and implement a joint economic development strategy for the Northeast Antioch area. This committee was instrumental in addressing some of the concerns relating to the reorganization proposals, including fiscal and infrastructure issues.

The land in Area 2A is largely built out and includes some underdeveloped properties. Existing uses are predominately marina, commercial, storage and incidental uses, along with several residential dwelling units. The City's General Plan designations for Area 2A include "Marina/Support Uses" and "Commercial." The City has rezoned Area 2A as "Urban Waterfront" and "Regional Commercial."

Surrounding land uses include the San Joaquin River to the north; Highway 160 and heavy industrial to the east; heavy and light industrial to the south; and heavy industrial to the west.

The current and proposed uses are consistent with the City's plan and rezoning designations. No changes in land uses are proposed in conjunction with the proposal.

Other factors relating to land use and growth that LAFCO considers in its review of a proposal are a regional transportation plan and regional growth goals and policies.

In consideration of these factors, LAFCO staff reviewed the *Plan Bay Area* which is a long-range integrated transportation and land-use/housing strategy through 2040 for the nine county San Francisco Bay Area. In July 2013, the *Plan* was jointly approved by the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC). The *Plan* includes the region's Sustainable Communities Strategy and the 2040 Regional Transportation Plan.

The *Plan* identifies Priority Development Areas (PDAs) - 25 in Contra Costa County, and Priority Conservation Areas - 12 in Contra Costa County. Area 2A is not identified as a PDA.

3. *The Effect on Maintaining the Physical and Economic Integrity of Agricultural Lands:*

The State Department of Conservation produces a map every two years that identifies California's agricultural lands (e.g., Prime Farmland, Unique Farmland, Farmland of

Statewide Importance, Farmland of Local Importance, Grazing Land, etc.) based on ratings that take into account soil quality and irrigation status.

Both LAFCO law and the California Environmental Quality Act (CEQA) provide their respective definitions of "agricultural land" and "prime agricultural land."

Under CEQA, the conversion of Prime Farmland, Unique Farmland, or Farmland of Statewide Importance is considered a significant impact. There is no farmland in Area 2A, and no portion of the area is under a Williamson Act Land Conservation Agreement.

4. *Topography, Natural Features and Drainage Basins:*

Area 2A is located just south of the San Joaquin River. A portion of Area 2A immediately adjacent to the San Joaquin River is located within a 100-year flood hazard zone. As discussed in the City environmental review, the City's project does not propose any new buildings or structures within an identified area of heightened flood risk.

The area has a relatively level topography. There are no other significant natural features affecting the proposal.

5. *Population:*

The area is designated primarily for marina, commercial, storage and incidental uses. There are an estimated four existing residential units in Area 2A, which appear to be caretaker quarters for existing storage facilities. Also, there is a small number of boat residents in the area. In accordance with the City's General Plan and zoning designations, no new residential development is proposed for this area. Thus, no increase in population is anticipated.

6. *Fair Share of Regional Housing:*

Pursuant to §56668 of the CKH, 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. Regional housing needs are determined by the State Department of Housing and Community Development; the councils of government throughout the State allocate to each jurisdiction a "fair share" of the regional housing needs. Given the current and proposed land uses in Area 2A, there is no impact to regional housing needs associated with the proposed reorganization.

7. *Governmental Services and Controls - Need, Cost, Adequacy and Availability:*

In accordance with Government Code §56653, whenever a local agency submits an annexation application, the local agency must also submit a plan for providing services to the annexation area. The plan shall include all of the following information and any additional information required by LAFCO:

- (1) An enumeration and description of the services to be extended to the affected territory.
- (2) The level and range of those services.
- (3) An indication of when those services can feasibly be extended to the affected territory.
- (4) An indication of any improvement or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed.
- (5) Information with respect to how those services will be financed.

The City has provided a "Plan for Services" as required by statute. The level and range of services will be comparable to those services currently provided within the City. City services will be needed to support future development in the area. As part of the reorganization proposal, the City and County have entered into a tax sharing agreement.

Following annexation, the City will provide a range of municipal services to Area 2A, including police, streets and roads, street lighting, drainage, parks & recreation, library, and other services. Fire services will continue to be provided by the Contra Costa County Fire Protection District (CCCFPD).

Following annexation, the City will provide sewer collection, and DD will provide sewer treatment and disposal. The City will provide retail water, and Contra Costa Water District (CCWD) will provide wholesale water as summarized below. The City has existing sewer and water lines located within Area 2A that can serve the area following annexation.

Police Services – Law enforcement services are currently provided to Area 2A by the Contra Costa County Sheriff's Department. Upon annexation, police services will be provided by the City, and the area will be detached from the County's police services district (CSA P-6).

The City's standard for providing police services is 1.2 sworn officers per 1,000 residents. By including Community Service Officers in the sworn officer category, Antioch has maintained this ratio. Police response times are dependent on the agency's staffing level and size of the jurisdiction served. The Antioch General Plan establishes a response time goal of 7-8 minutes for Priority 1 (emergency) calls. The Antioch Police Department reports that the average response time is 11 minutes due to a lack of staffing. The City's CEQA document concludes that the three Northeast Antioch annexation areas would not significantly impact or worsen the ratio of police staff to population or adversely affect the response times.

Streets and Roads – The City indicated that the road network is already in place in Area 2A. The City anticipates that as development occurs in Northeast Antioch, appropriate frontage improvements will be made to existing public streets in this area. The City currently maintains 314 total centerline miles; 669 total lane miles. There is one mile of public streets within Area 2A that would be added to the City's road inventory following annexation.

Street Lighting - The City reports that there are several existing street lights in Area 2A in close proximity to Highway 160, which are installed and maintained by Caltrans. Any new street lights installed in Area 2A would be in conjunction with new development.

Drainage – The City indicates that there are currently no drainage facilities that serve the annexation area; however, there are two large storm drain trunk lines that cross Wilbur Avenue and drain into the San Joaquin River. The extent and location of any storm drainage improvements in Area 2A will depend on future development in the area. Capacity in the existing storm drain lines is limited, and significant new development within the Northeast Antioch reorganization area will require construction of a new outfall to the San Joaquin River. All new development in the annexation area must comply with provisions of various municipal, regional, State and federal requirements, including measures to remove pollutants from stormwater for compliance with the federal Clean Water Act and the National Pollution Discharge Elimination System.

Parks & Recreation – The City of Antioch has 33 parks. The City's General Plan Performance Standards for parks propose five acres of improved public and/or private neighborhood parks and public community parkland per 1,000 residents, including appropriate recreational facilities. The City exceeds this standard when the trail system, the Costa Loma Regional Park, and the Lone Tree Golf Course are factored in. There are currently no public parks in the Northeast Antioch reorganization area.

The City operates a comprehensive recreation program including aquatics, sports, leisure time activities, community and cultural events, Prewett Family Water Park, Senior Center, youth activities, excursions, and 300 instructional programs for pre-school, youth, adult, seniors, and on-line.

The annexation is not expected to create any significant demand on the City's existing parks & recreation facilities and programs due to the limited number of residents in the area.

Other Services – The City provides a multitude of other services, including arts & cultural, capital improvements, code enforcement, landscape maintenance, library and special services which will be extended to Area 2A following annexation.

Fire Protection – Fire and emergency medical services are, and will continue to be, provided by CCCFPD following annexation. There are four fire stations located in Antioch: Station 81 - located downtown at 315 W. 10th St; Station 82 - located at 196 Bluerock Dr., just west of Lone Tree Way in the south central portion of the City; Station 83 - located at 2717 Gentrytown Dr., south of Buchanan Road in the western portion of the City; and Station 88 - located at 4288 Folsom Dr., just east of Hillcrest Avenue in the eastern portion of the City.

The City's CEQA document concludes that the annexation will result in no change to fire services and no impacts will occur.

Sewer Services – The City provides wastewater collection services, while DD provides conveyance, treatment and disposal services to the City.

Currently, Area 2A is served by onsite septic systems. Following annexation, municipal wastewater services will be available to the area. The existing sewer line in Wilbur Avenue, which runs along Area 2A's Wilbur frontage, was installed by PG&E in conjunction with LAFCO's previous Out of Agency service approval; the line was later extended by NRG. Given that the existing Wilbur sewer line is at the "doorstep" of the Area 2A properties, connecting to this sewer line will be straightforward. However, there are a number of deep parcels in the area that will require lengthy connections, some as long as 1,000 lineal feet.

The City's current population is 108,298 in a 28± square mile service area. The City's wastewater collection system consists of 319 miles of gravity pipeline with three pump stations.

DD serves the cities of Antioch and Pittsburg and the unincorporated Bay Point community. DD serves 190,567 residents in a service area of 49± square miles. DD has over 49 miles of sewer main and five pump stations. The District's treatment plant capacity is 16.5 million gallons per day (mgd); in 2012, the average dry weather flow (ADWF) was 14.2 mgd.

Regarding capacity, the City's existing ADWF is 7.4 mgd; the future ADWF is 10.7 mgd. The City estimates that the future peak dry weather flow (PDWF) is 16.8 mgd. DD allows an ADWF of 16.5 mgd. As noted above, during 2012, the ADWF influent to the treatment plant

was 12.7 mgd; in 2005 and 2010, the ADWF influent to the treatment plant was 14.2 mgd and 13.2 mgd, respectively. It is estimated that all three reorganization areas (Areas 1, 2A, 2B) have an existing estimated ADWF of 2.42 mgd which will increase to 3.71 mgd at buildout.

Both the City and DD indicate that they have the capacity to serve the Northeast Antioch reorganization area.

8. *Timely Availability of Water and Related Issues:*

Pursuant to the CKH, LAFCO must consider the timely and available supply of water in conjunction with a boundary change proposal. Contra Costa LAFCO policies state that any proposal for a change of organization that includes the provision of water service shall include information relating to water supply, storage, treatment, distribution, and waste recovery; as well as adequacy of services, facilities, and improvements to be provided and financed by the agency responsible for the provision of such services, facilities and improvements.

The City provides water treatment and distribution services, with 328 miles of main, seven pump stations and 11 reservoirs. The City obtains a majority of its water supply from CCWD, along with diversions from the San Joaquin River.

CCWD's boundary encompasses 220± square miles in central and eastern Contra Costa County. CCWD's untreated water service area includes Antioch, Bay Point, Oakley, Pittsburg, and portions of Brentwood and Martinez. The District's treated water service area includes Clayton, Clyde, Concord, Pacheco, Port Costa, and parts of Martinez, Pleasant Hill, and Walnut Creek. CCWD also treats and delivers water to the City of Brentwood, Golden State Water Company (Bay Point), Diablo Water District (Oakley), and the City of Antioch. CCWD serves approximately 500,000 (61,085 water connections). The primary sources of water are the U.S. Bureau of Reclamation Central Valley Water Project and delta diversions.

Regarding the water distribution system, the City currently has existing "looped" water mains located in the Northeast Antioch annexation area, consisting of a 16-inch main that runs north/south along the length of Viera Avenue, a 12-inch water line that runs east/west along the length of Wilbur Avenue through Area 1, and 12-inch and 16-inch water lines that run along East 18th Street. Also, there is an existing 8-inch water line in Bridgehead Road that can serve properties in that area. These existing water lines provide the backbone of a future water delivery system that will ultimately be developed to serve properties and businesses located in the Northeast Antioch reorganization area.

In its Water Master Plan, the City examined its ability to serve all three subareas. The analysis confirms that, given the City's allocation of raw water and the City's rights to future water supplies of raw water, and based on the City's current and planned treatment capacity, the City has the ability to provide potable water to all three subareas based on the level of existing and future development.

The City reports that most of the existing uses in Area 2A currently have City water; and that these water service connections pre-date LAFCO.

9. *Assessed Value, Tax Rate Areas and Indebtedness:*

The annexation area is within tax rate area 53004. The total assessed value (secured and unsecured) is \$18,840,624 (2014-15 roll). The territory being annexed shall be liable for all

authorized or existing taxes comparable to properties presently within the annexing agencies, if applicable.

10. *Property Tax Exchange:*

Revenue and Taxation Code §99(b)(6) requires adoption of a property tax exchange agreement by affected local agencies before the Commission can consider a proposed boundary change. Both the City and County have adopted resolutions approving a tax revenue allocation agreement covering all three annexation areas. A tax allocation agreement covering Areas 1, 2A and 2B was previously approved by both the City and County. This agreement provides for various future revenues for both the City and County in conjunction with the annexation of Area 1, which was completed in 2014. These revenues include property tax (base and increment), sales and use tax, surcharge and franchise fees, and a special economic development initiative fund which provides both the City and County \$100,000 per year for five years, with an option to extend the economic development initiative funding for an additional five years. The special funding can be used on economic development initiatives in any of the reorganization areas. This special fund provides that the City and County shall consult with the other party on how the economic funds are expended. As noted above, there are some underdeveloped properties in Area 2A. The City and County could dedicate some of these funds to make the needed pipeline improvements in Area 2A.

11. *Environmental Impact of the Proposal:*

The City of Antioch, as Lead Agency, prepared and adopted the Northeast Antioch Area Reorganization Initial Study/Mitigated Negative Declaration (IS/MND). The City's IS/MND identified potentially significant impacts resulting from Air Quality, Biological Resources, Cultural Resources, Hazards & Hazardous Materials and Noise. Mitigation measures have been provided for each potentially significant impact, reducing all to a less than significant level. Copies of the City's document were previously provided to Commissioners and are available for review in the LAFCO office. The LAFCO Environmental Coordinator finds the City's CEQA document sufficient for LAFCO purposes.

12. *Landowner Consent and Consent by Annexing Agency:*

At the February 12, 2014 LAFCO hearing, members of the Sportsman Yacht Club advised LAFCO that they are opposed to the annexation. At the direction of the Commission, City, County and LAFCO staff met with members of the yacht club and property owners and residents of Area 2A to hear their concerns. A community meeting was held on February 27, 2014 at the New Bridge Marina Yacht Club, located in Area 2A. There were over 50 attendees at the meeting. City staff prepared a Frequently Asked Questions (FAQ) Concerning Annexation which was distributed at the community meeting. At the meeting, City, County and LAFCO staff addressed a range of issues and questions. City staff responded to questions relating to water and sewer services, utility connection fees/rates and potential funding/grant options, zoning and land use, police and marine patrol services, the City's ability to serve the area, curbs and sidewalks, access roads and easements, code enforcement and eminent domain. County staff provided information regarding environmental health and septic system requirements. LAFCO staff provided information regarding LAFCO's role, mission and authority, LAFCO proceedings, protest thresholds, islands and Disadvantaged Unincorporated Communities (DUCs). The majority of attendees indicated opposition to the annexation.

At the March 12, 2014 LAFCO meeting, there were public comments and concerns regarding potential fiscal impacts to the residents of Area 2A following annexation, and requirements to connect to the City's water and sewer systems.

As explained in the FAQ and by City staff, there are no additional taxes or assessments associated with annexation. In November 2013, the Antioch voters passed a ½ cent temporary sales tax. The impact of this sales tax is insignificant given the lack of retail uses in Area 2A. As a sales tax, it would be paid by a customer buying a product or merchandise sold within Area 2A.

Regarding connection to the City's water and sewer utilities, City staff notes that all of the properties in Area 2A have City water service, and that all developed properties within Area 2A currently rely on onsite septic systems to handle wastewater flow. Many of these septic systems have been in operation for decades (in some cases 50 years). The age of the septic systems, as well as the proximity of Area 2A to the San Joaquin River and the high water table in the area, are cause for concern. Following annexation, property owners will have the ability to hook up to the City's sewer system, which is one of the benefits of annexation.

City staff explains that most properties within Area 2A will not be required to be hook up to City sewer, unless they are located a close distance from an existing sewer line. Annexation will give property owners the option to hook up, which would not otherwise exist without annexation. The City's existing ordinance stipulates that any property in the City with a septic system that is located within 200 feet of a City sewer line is required within 30 days to hook up to the sewer line. The distance is measured from the location of the sewer connection in the building to the sewer line. Most properties in Area 2A would not be impacted by this requirement, given how far they are located from the Wilbur sewer line.

On June 3, 2015, LAFCO staff confirmed with County Elections in February 2014, the area is "inhabited" (i.e., 12 or more registered voters). Thus, the Commission's action is subject to notice, hearing, as well as protest proceedings. If the Commission approves the annexation as proposed, a subsequent notice and protest hearing will follow. Authority to conduct the protest hearing has been delegated to the LAFCO Executive Officer.

13. *Boundaries and Lines of Assessment:*

Area 2A is contiguous to existing City of Antioch boundary. A map and legal description to implement the proposed boundary change have been received and are subject to approval by the County Surveyor.

On January 8, 2014, the Commission approved the annexation of Areas 1 and 2B. All three areas are contiguous and could have been included in one proposal; however, the City chose to divide the area into three separate LAFCO proposals due to differences in land use designations and other factors. The approved property tax transfer agreement between the City and County covers all three areas and assumes that all areas will be annexed to the City. Furthermore, LAFCO assumes that all three areas will be annexed.

Given that Areas 1 and Area 2B were annexed to the City, Area 2A now constitutes an island, which is surrounded by the City of Antioch to the west and south, the City of Oakley to the east, and the San Joaquin River to the north.

LAFCO law (Gov. Code §56744) precludes LAFCO from creating an island; however, Gov. Code section 56375(m) allows LAFCO to waive the restrictions of Section 56744 if

LAFCO finds both “*that the application of the restrictions would be detrimental to the orderly development of the community, and that the area that would be enclosed by the annexation or incorporation is so located that it cannot reasonably be annexed to another city or incorporated as a new city.*”

It is not feasible for LAFCO to make these findings, given that annexation of the Area 2A would actually enhance the orderly development of the area, given that City of Antioch can provide sewer collection and retail water service to the area; and that Area 2A is contiguous to the City of Oakley, and could potentially be annexed Oakley.

14. *Environmental Justice:*

One of the factors LAFCO must consider in its review of an application is the extent to which the proposal 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 annexation is not expected to promote or discourage the fair treatment of minority or economically disadvantaged groups.

15. *Disadvantaged Communities:*

In accordance with recent legislation (SB 244), local agencies and LAFCOs are required to plan for disadvantaged unincorporated communities (DUCs). Many of these communities lack basic infrastructure, including streets, sidewalks, storm drainage, clean drinking water, and adequate sewer service. LAFCO actions relating to Municipal Service Reviews, SOI reviews/amendments, and annexations must take into consideration DUCs, and specifically the adequacy of public services, including sewer, water, and fire protection needs or deficiencies, to these communities. According to the County and City Planning Departments, the annexation area does not meet the criteria of a DUC.

16. *Comments from Affected Agencies/Other Interested Parties:*

Members of the Sportsman Yacht Club expressed their opposition to the annexation at the February 12, March 12, April 9 and June 11, 2014 LAFCO meetings and at the community meeting on February 27, 2014.

On February 26, 2014, LAFCO received a letter from Steve Klee, Chairman and General Manager, The New Bridge Marina, Inc., expressing support for the annexation. Mr. Klee also expressed his support for the annexation at the April 9 LAFCO meeting.

At the April 9 LAFCO meeting, representatives from Kiewit Construction and Vortex Marine Construction expressed opposition to the annexation. At the June 11 meeting, a representative of Kiewit and Vortex indicated that they are working with the City and supported LAFCO's deferral of the proposal.

ALTERNATIVES FOR COMMISSION ACTION

After consideration of this report and any testimony or additional materials that are submitted, the Commission should consider taking one of the following options:

- Option 1** Reopen the public hearing to accept additional evidence and public comment, if any; close the public hearing and *approve the reorganization as submitted by the City.*
- A. Find that, as a Responsible Agency under CEQA, the Commission has reviewed and considered the information contained in the Northeast Antioch Area Reorganization Initial Study/Mitigated Negative Declaration as prepared and adopted by the City of Antioch.
- B. Adopt this report and direct staff to prepare a resolution approving the proposal to be known as **Northeast Antioch Reorganization (Area 2A) - Annexations to the City of Antioch and Delta Diablo and detachment from County Service Area P-6** subject to the following:
1. By May 31, 2017, the City completes the necessary General Plan and zoning amendments to address the land use designations for the heavy industrial uses;
 2. By May 31, 2017, the City and County enter into an agreement to address the storm water infrastructure;
 3. By May 31, 2017, the City provides information to the landowners and residents of Area 2A regarding any potential increased costs following annexation;
 4. By May 31, 2017, the City provides a plan to LAFCO regarding how the City will manage the Antioch Dunes wildlife area; and
 5. The territory being annexed shall be liable for the continuation of any authorized or existing special taxes, assessments and charges comparable to properties presently within the annexing agency.
- C. Find that the subject territory is inhabited, and the reorganization is subject to a subsequent conducting authority (protest) hearing.

- Option 2** Reopen public hearing to accept additional evidence and public comment, if any; continue the public hearing to a specified date.
- Require the City to provide an update to LAFCO by a specified date regarding the following: 1) City's General Plan update to address the heavy industrial uses, 2) City/County agreement to address the faulty drain pipe in the area, 3) City's outreach efforts to landowners and residents in Area 2A regarding potential costs following annexation to the City; and 4) the City's plan to manage the Antioch Dunes wildlife area following annexation.

- Option 3** Reopen public hearing to accept additional evidence and public comment, if any; close the public hearing and take the following actions:
- A. Certify it has reviewed and considered the information contained in the City's Mitigated Negative Declaration.
- B. Adopt this report and DENY the proposal *without prejudice*.

- Option 4** Reopen public hearing to accept additional evidence and public comment, if any; close the public hearing and take the following actions:

- A. Certify it has reviewed and considered the information contained in the City's Mitigated Negative Declaration.
- B. Adopt this report and DENY the proposal.

RECOMMENDED ACTION: Option 1

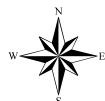
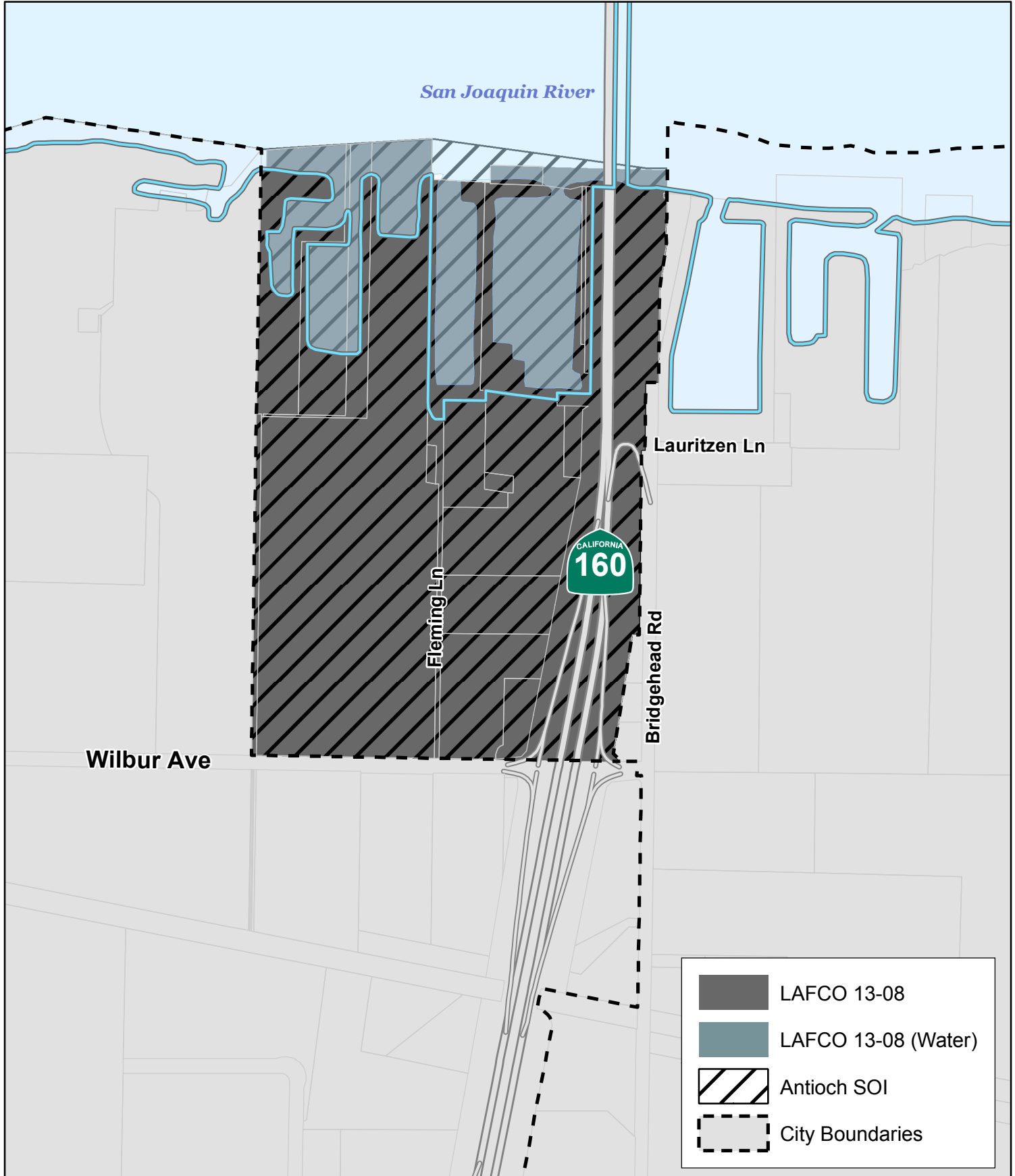
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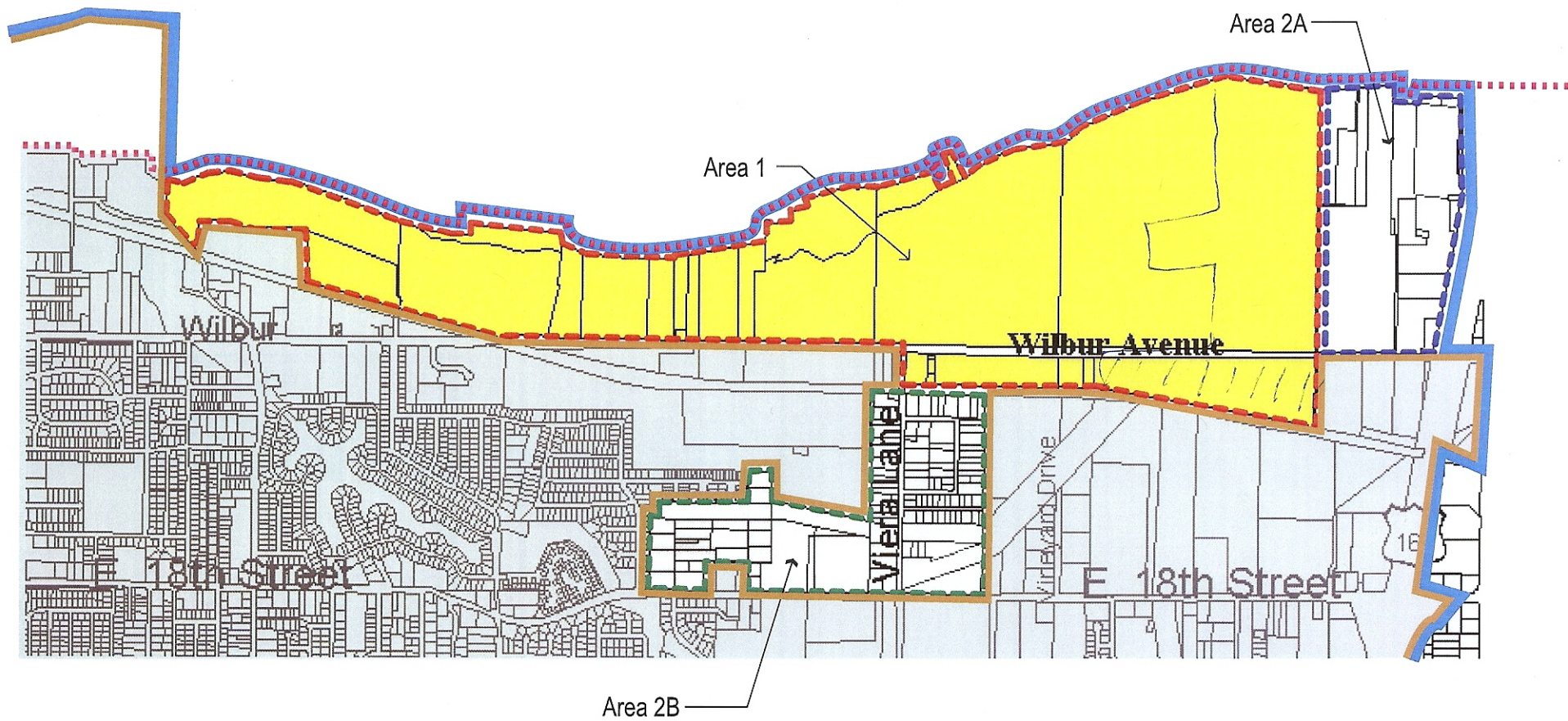
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Attachments

1. Map of Area 2A Reorganization
2. Map of Northeast Antioch (Areas 1, 2A and 2B)
3. Letter from the City of Antioch dated May 23, 2016

LAFCO No. 13-08 Northeast Antioch Area 2A Reorganization Annexations to City of Antioch and Delta Diablo Detachment from CSA P-6





LEGEND

- Urban Limit Line
- City Sphere of Influence (SOI)
- City Boundary
- DDSD Service Boundary and SOI
- Area 1
- Area 2A
- Area 2B

EXHIBIT 2
 Current Administrative Boundaries
 Industrial Areas Along Wilbur Avenue –
 Administrative Reorganization



May 23, 2016

Lou Ann Texeira
Contra Costa LAFCO
651 Pine Street, 6th Floor
Martinez, CA 94553

RE: Northeast Antioch Reorganization Area

Ms. Texeira,

The purpose of this letter is to advise Contra Costa LAFCO that the City of Antioch is not currently pursuing the annexation of the Northeast Antioch Reorganization Area for a variety of reasons.

Foremost, the City of Antioch is still exploring the condition of critical storm water infrastructure located within the area and the costs of repairing or replacing such a line should the area enter the City of Antioch. The benefits and timing of annexation of this area need to be balanced against the City's ability to responsibly address this deficient infrastructure. Though we remain confident that the City of Antioch and Contra Costa County may eventually reach a mutually-beneficial arrangement to address this specific issue, we have not prioritized the resources to date to develop such an arrangement.

In addition, the last discussions regarding annexation of this area were met with resistance from certain property owners, specifically the Bridge Marina Yacht Club. The City would prefer to explore annexation concurrent with an outreach program to engage these stakeholders and, ultimately, gain their confidence and support. To date, we have not directed resources towards this effort and don't believe that it would be appropriate until all issue concerning the storm water infrastructure are resolved.

Sincerely,

A handwritten signature in blue ink, appearing to read "Forrest Ebbs", is written over a light blue horizontal line.

Forrest Ebbs, AICP
Community Development Director
City of Antioch