



Lou Ann Texeira
 Executive Officer

MEMBERS

Candace Andersen <i>County Member</i>	Michael R. McGill <i>Special District Member</i>
Donald A. Blubaugh <i>Public Member</i>	Rob Schroder <i>City Member</i>
Federal Glover <i>County Member</i>	Igor Skaredoff <i>Special District Member</i>
	Don Tatzin <i>City Member</i>

ALTERNATE MEMBERS

Diane Burgis <i>County Member</i>
Sharon Burke <i>Public Member</i>
Tom Butt <i>City Member</i>
Stanley Caldwell <i>Special District Member</i>

January 10, 2018
 Agenda Item 10

January 10, 2018 (Agenda)

Contra Costa Local Agency Formation Commission (LAFCO)
 651 Pine Street, Sixth Floor
 Martinez, CA 94553

Rollingwood Wilart Park Recreation & Park District

Dear Commissioners:

BACKGROUND: In 2010, Contra Costa LAFCO completed a countywide Municipal Service Review (MSR) covering cemetery, park and recreation services. In conjunction with the MSR, LAFCO learned that the Rollingwood Wilart Park Recreation & Park District (RWPRPD) has been struggling for years with service, governance and administrative issues. Specifically, the District provides limited services, has no staff, and Board members are performing administrative and operational functions. Since the late 1990s, the RWPRPD also experienced accountability challenges; lack of public interest and uncontested elections (one contested election in 1979); a significant decrease in facility rentals; no audited financial statements in over 10 years; and lack of capital planning documents and administrative records. The District continues to function with only four board members.

In conjunction with the 2010 MSR, LAFCO deferred the sphere of influence (SOI) update for the RWPRPD and required the District to provide periodic updates. Since 2010, the District has provided one written update and several verbal updates.

Following the LAFCO MSR, in 2012, the Contra Costa County Grand Jury issued a report on the RWPRPD noting the District’s ongoing challenges and deficiencies and recommending that LAFCO dissolve the District.

Since 2012, LAFCO and the County have continued to work with the RWPRPD. The County Treasurer-Tax Collector holds funds for the District, including property taxes; and the County Auditor maintains an account on behalf of the RWPRPD and administers payment of funds at the direction of the District. The District’s primary source of revenue is property tax; facility rental fees are essentially nonexistent. The District’s finances are in order, and the District has no liabilities; the recreation center and land are assets of the District.

LAFCO SPECIAL STUDY: In February 2017, LAFCO completed a special study of the RWPRPD. The special study provides findings and a discussion of governance options.

Major Findings - Major findings identified in the study include the following:

1. The findings of the study support dissolution of the RWPRPD given the District's ongoing challenges
2. Contra Costa County could be the successor in the event of dissolution
3. Rollingwood is within the City of San Pablo's SOI and could be annexed to the City concurrently with dissolution of the RWPRPD without the need for protest proceedings as the Rollingwood area is an island (less than 150 acres)
4. Rollingwood could be added to the City of Richmond's SOI and annexed to Richmond concurrently with dissolution of the RWPRPD

Governance Options – The study also provides a number of governance options, along with advantages, disadvantages, and the LAFCO process associated with each option. A summary of the governance options is provided below.

1. **Maintain the Status Quo** – Maintaining the status quo does **not** appear to be an option as the District has essentially ceased operations. Use of the facility has been minimal over the past several years; and the current Board has shuttered the facility.
2. **Dissolution with Appointment of Successor to Wind-up Affairs** - Dissolution eliminates the District, and its assets/liabilities would revert to a successor agency to wind up District affairs, or possibly assume services. Property tax would be redistributed to other taxing entities, unless the successor agency takes over ownership and operation of the RWPRPD facility. Contra Costa County qualifies as the successor agency, as there are no cities within the District's boundaries. The successor agency assumes a number of responsibilities as discussed in the study. The successor agency receives the assets of the district (e.g., property tax revenue, Rollingwood recreation building and land). The successor agency also assumes any liabilities. RWPRPD currently has no liabilities.
3. **Dissolution and Annexation to the City of San Pablo** – The Rollingwood area is an unincorporated “island” surrounded by the cities of San Pablo and Richmond, and is currently within the City of San Pablo's SOI. Historically, as portions of the RWPRPD service area were annexed to the City of San Pablo, they were detached from RWPRPD, thus reducing the size and revenues of RWPRPD. Annexation to the City of San Pablo would eliminate the island. Following annexation, the City would extend park and recreation services to the Rollingwood community, and would receive various property tax revenues to help support the extension of City services to the area. The City would also receive the Rollingwood Recreation Center, which the City could use or sell.
4. **Dissolution and Annexation to the City of Richmond** - This option would first require an amendment to Richmond's SOI to include Rollingwood, and a corresponding amendment to the City of San Pablo's SOI to remove Rollingwood. Then, LAFCO could simultaneously dissolve the District and annex the territory to the City of Richmond.
5. **Consolidation of RWPRPD with County Service Area (CSA) R-9** - CSA R-9, which is staffed by the County Public Works Department, is contiguous to RWPRPD. The CSA provides park facility operation and maintenance in the unincorporated community of El Sobrante. The 2010 Parks and Recreation MSR considered governance options that included

consolidation of RWPRPD with CSA R-9. However, CSA R-9 was also determined to be a candidate for dissolution due to the finding that “CSA R-9 has no regular source of financing, lacks public interest to fill advisory committee positions, and provides minimal services at a less than adequate service level.” For these reasons, consolidation with CSA R-9 is **not** considered a viable option.

6. **Reorganization of RWPRPD as a Subsidiary District to the City of San Pablo** – The 2010 Parks and Recreation MSR considered the option of RWPRPD as a subsidiary district to the City of San Pablo. However, establishing a subsidiary district would not be possible until at least 70 percent of the land area and registered voters in Rollingwood are annexed to the City. A subsidiary district would also entail additional management and accounting by the City to manage the subsidiary district. For these reasons listed above, creation of a subsidiary district is **not** considered a viable alternative.

Of the six governance options included in the special study, three are not viable. The two most feasible options include 1) dissolving the RWPRPD and naming the County as successor to wind up the affairs, and 2) annexing the Rollingwood community to the City of San Pablo, whereby the City would assume services to the area, including parks and recreation. While LAFCO has authority to dissolve the RWPRPD and name a successor agency to wind up the affairs of the District, LAFCO does not have the authority to initiate an annexation. Annexations can be initiated by resolution of an affected local agency (i.e., city, county, district), or by a petition of affected landowners or registered voters.

In conjunction with the special study, the consultant and LAFCO staff met with the San Pablo City Council’s Economic Development/Project Management Standing Committee; and subsequently attended a San Pablo City Council meeting. The City acknowledged that it has a need for additional recreational facilities. City staff conducted an inspection of the Rollingwood recreation center and found the building to be structurally sound, restrooms in good shape, the interior including the kitchen needs rehabilitation, some ADA compliance improvements are needed, and the parking lot needs attention and may not provide an adequate number of parking spaces.

On February 6, 2017, the San Pablo City Council adopted a resolution acknowledging LAFCO’s special study of the RWPRPD and the governance options including dissolution of the District, and approved funding for an analysis and evaluation by the City as a potential successor agency.

In response to request by LAFCO staff regarding the status of the City’s evaluation, LAFCO received a letter from the City on November 7, 2017 (Attachment 1). As indicated in the letter, on November 6, 2017, the San Pablo City Council voted to suspend its analysis and evaluation of San Pablo being a potential successor agency for the RWPRD. As an alternative, the City is potentially interested in the asset disposition of the RWPRD multi-purpose facility. The City indicates that *annexation or acquisition of this property would be potentially beneficial to the City as a recreation use facility to supplement the City’s current community services and recreation programs in the vicinity of the former RWPRD service area due to its close proximity to San Pablo’s municipal boundary.* The RWPRPD facility is contiguous to the City of San Pablo’s municipal boundary, and is located within the City’s SOI. Therefore, if feasible, the City would like to explore with LAFCO the potential annexation and acquisition of the property.

OPTIONS/NEXT STEPS: As noted above, the LAFCO special study identifies several governance options including 1) dissolving the district and naming the County as successor agency to wind-up the District's affairs, and 2) annexing the Rollingwood community to the City of San Pablo. The City of San Pablo has suspended its evaluation of being a potential successor agency for the RWPRD due in part to financial limitations and other priorities. Thus, it appears that annexation of the Rollingwood community, and being successor to the RWPRPD is not a feasible option for the City of San Pablo, at least at this time.

In 2012, LAFCO identified the Rollingwood area as a small island (under 150 acres) which can be annexed to the City of San Pablo without a protest hearing. Annexation of the RWPRPD facility only is not an option identified in the special study, nor does this option further LAFCO's mission of facilitating logical and orderly service boundaries and eliminating islands.

The RWPRPD has struggled for many years. In 2016, the RWPRPD closed its doors. The District has remained inactive and the building is no longer in use. The District supports dissolution, which is a feasible option. That being said, the City of San Pablo is not precluded from applying to LAFCO in the future to annex all or a portion of the Rollingwood community. Further, should the RWPRPD be dissolved, and the County be named successor to wind up the affairs of the District, the City San Pablo can consult with the County as to the potential acquisition of the District's facility.

ALTERNATIVES FOR COMMISSION ACTION: After consideration of this report and any additional materials submitted, the Commission should consider taking one of the following actions:

Option 1 Adopt a resolution initiating dissolution and naming the County as successor agency (Attachment 2), and direct LAFCO staff to work with the County on a succession plan subject to future consideration by the Commission. This is consistent with LAFCO law as Government Code §57451(b)] provides that *"For the purpose of winding up the affairs of a dissolved district...if the territory of a dissolved district is located entirely within the unincorporated territory of a single county, the county is the successor."*

Option 2 If the Commission needs more information, CONTINUE this matter to a future meeting.

RECOMMENDED ACTION: Option 1.

Sincerely,

LOU ANN TEXEIRA
EXECUTIVE OFFICER

Attachments:

- 1 - November 7, 2017 Letter from City of San Pablo
- 2 - Draft LAFCO Resolution Initiating Dissolution of the RWPRPD

c: Distribution

November 7, 2017



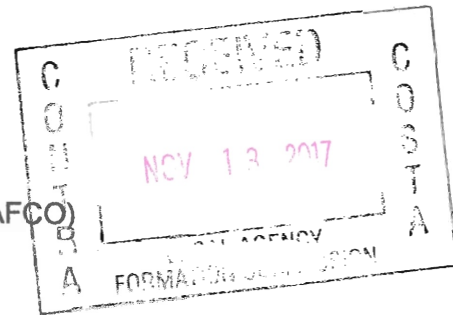
CITY OF SAN PABLO
City of New Directions



2014

E-TRANSMITTAL/U.S. REGULAR MAIL

Ms. Lou Ann Texeira,
Executive Officer
Contra Costa Local Agency Formation Commission (LAFCO)
651 Pine St #6
Martinez, CA 94553



**Re: ROLLINGWOOD WILDART RECREATION PARK DISTRICT (RWRPD) –
SUCCESSOR AGENCY ANALYSIS BY CITY OF SAN PABLO**

Dear Ms. Texeira:

On February 6, 2017, the San Pablo City Council adopted Resolution #2017-027 following a presentation by LAFCO officials and acceptance of findings from the Special Study on the governance options for RWRPD as prepared by LAFCO's consultant, Berkson & Associates (Berkson Study Report).

Following this action, City staff were directed to proceed with analysis and evaluation of the City serving as a potential successor agency for RWRPD as identified in the Berkson Report. On November 6, 2017, the San Pablo City Council received an update on the status of the analysis and evaluation by City staff. Following this update, I have been directed to transmit this correspondence to LAFCO officials.

Initially, the City identified a list of preliminary issues of concern with regard to potentially naming the City of San Pablo as a potential successor agency for the RWRPD. To date, the City has not been successful in addressing all of these concerns to warrant a recommendation to proceed with the City of San Pablo as successor agency to RWRPD at this time. Additionally, specific information is still needed from Contra Costa County to complete a full evaluation in a timely manner. The City is limited in its financial capacity and risk assessment in order to proceed with a beneficial financial analysis that would support the City as a potential successor agency for RWRPD, with resources re-directed for other City priorities at this time.

These outstanding concerns remain, included but not limited to, the following:

- Master Tax Sharing Agreement with Contra Costa County
- CEQA Environmental Review
- Cost and Benefit Analysis on Service Issues and Impact to City's General Fund
- Risk Assessment of Deferred Maintenance of County-owned infrastructure within current RWRPD boundaries
- Survey of RWRPD residents of City as Successor Agency
- Review of Assets and Liabilities for RWRPD facilities and County infrastructure

13831 San Pablo Avenue, Building I • San Pablo, CA 94806

Main: 510-215-3000 • Direct: 510-215-3001 • Fax: 510-215-3011

www.SanPabloCA.gov

Ms. Lou Ann Texeira,
Executive Officer
Contra Costa Local Agency Formation Commission (LAFCO)
November 7, 2017
Page 2

- Future Capital Investment into RWRPD Facility to meet applicable ADA and Building Code Requirements
- Other Legal Services as Required

Due to these ongoing challenges and concerns, the City Council approved by minute action to suspend the City's efforts to evaluate the City as a potential successor agency to RWRPD at this time. While the City certainly respects the LAFCO Commission's role and responsibility to proceed with final dissolution of the RWRPD given the District's current state of affairs, the City of San Pablo does not support the recommendation in the Berkson Report naming the City of San Pablo as a successor agency as a foreseeable option at this time, or in the near future.

RWRPD Multi-Purpose Facility (APN: 416-074-004)

Location: 2395 Greenwood Drive, San Pablo (Unincorporated San Pablo, 94806)

As a potential alternative, the City of San Pablo is potentially interested in the asset disposition of the RWRPD Multi-purpose Facility (APN: 416-074-004), located at 2395 Greenwood Drive, in unincorporated County adjacent to the San Pablo city limit. Potential annexation or acquisition of this parcel from RWRPD would be potentially beneficial to the City as a recreation use facility to supplant and supplement the City's current community services and recreation programs in the vicinity of the former RWRPD service area due to its close proximity to San Pablo's municipal boundary. Moreover, the City understands that this County parcel is contiguous to the City of San Pablo municipal boundary, and is located within the City's adopted Sphere of Influence (SOI) boundary as approved by LAFCO for its potential consideration (See Attachments). Therefore, if potentially feasible, the City would like to explore potential annexation and acquisition with LAFCO officials at this time.

Should you have any questions regarding this matter, please contact me at (510) 215-3016 or via email at: MattR@SanPabloCa.gov.

Thank you for the opportunity to provide this information for LAFCO Commission consideration.

Sincerely:



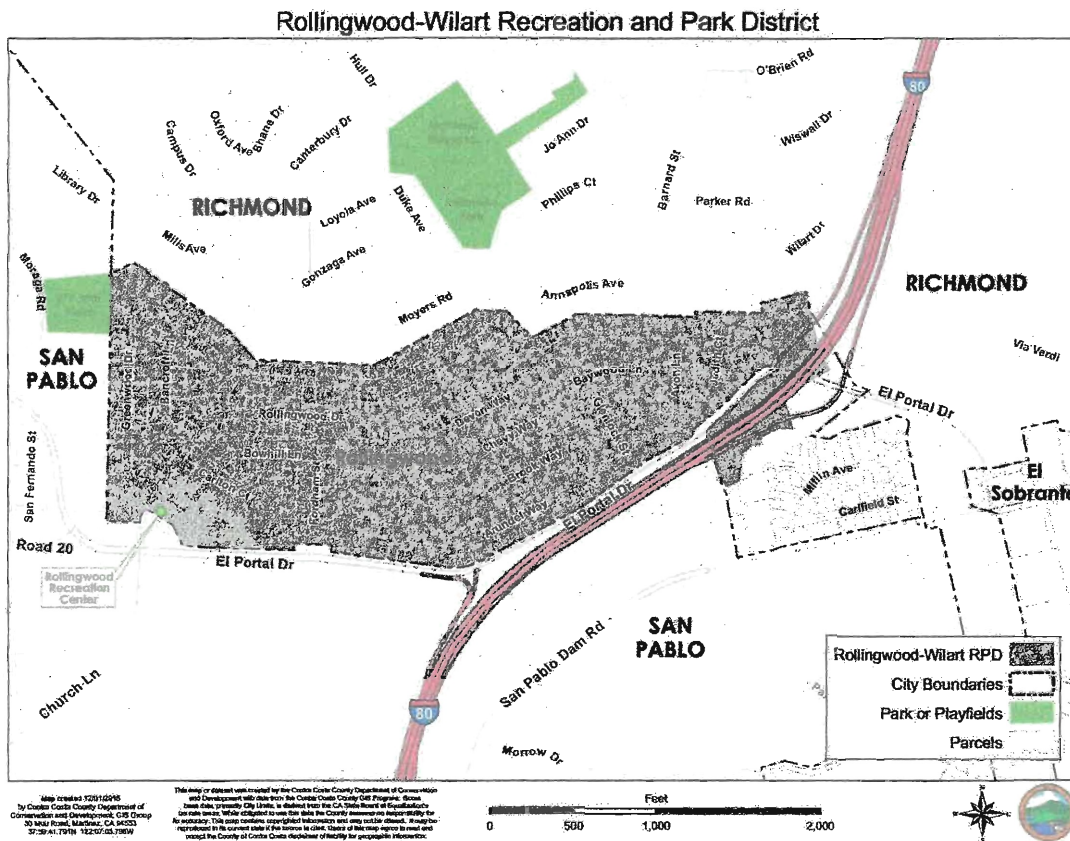
Matt Rodriguez,
City Manager

Attachment: RWRPD Multi-Purpose Facility/Map Information (APN: 416-074-004)

cc: San Pablo Mayor and Councilmembers
City Attorney
Assistant City Manager
Community Services Director
Development Services Director



Figure 1: RWPRPD Boundaries





ROLLINGWOOD MB 26-916 4/6/1943

NOTE: THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE INFORMATION DELINEATED HEREON. ASSESSOR'S PARCELS MAY NOT COMPLY WITH LOCAL LOT SPLIT OR BUILDING SITE ORDINANCES.



Apn: # 416-074-004

SAN PABLO MUNICIPAL BOUNDARY

- 10
- 071
- 072
- 073
- 074
- 57



23011

© 2017 Google

© 2009 Google

RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION TO INITIATE PROCEEDINGS FOR DISSOLUTION OF THE ROLLINGWOOD WILART PARK RECREATION AND PARK DISTRICT (RWPRPD) AND APPOINTING CONTRA COSTA COUNTY AS SUCCESSOR AGENCY TO WIND UP THE AFFAIRS OF THE RWPRPD

WHEREAS, the Commission desires to initiate a proposal pursuant to the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000 (CKH Act), commencing with section 56000 of the California Government Code, for the dissolution of the RWPRPD and appointment of Contra Costa County as successor agency to wind up the affairs of the RWPRPD pursuant to Government Code §57451(b); and

WHEREAS, in accordance with Government Code §56375(a)(3), LAFCO may initiate a dissolution if it is consistent with a recommendation or conclusion of a study prepared pursuant to Government Code §56378, 56425 or 56430, and LAFCO makes the determinations specified in §56881(b); and

WHEREAS, on February 8, 2017, the Commission accepted the *Special Study of Governance Options: Rollingwood Wilart Park Recreation and Park District Governance Options*; and

WHEREAS, dissolution of the RWPRPD is consistent with the findings and conclusions of the special study; and

WHEREAS, this proposed dissolution is being initiated because, for many years, the RWPRPD has suffered from financial, operational and governance challenges. According to the special study, since the late 1990s, the District has experienced accountability challenges; lack of public interest and contested elections; a significant decrease in facility rentals; no audited financial statements in over 10 years; and lack of capital planning documents and administrative records; and

WHEREAS, pursuant to Government Code §57451(b), for the purpose of winding up the affairs of a dissolved district, if the territory of a dissolved district is located entirely within the unincorporated territory of a single county, the county is the successor; and

WHEREAS, pursuant to Government Code §56886, terms and conditions relating to the proposed dissolution and appointment of Contra Costa County as the successor agency to wind up the affairs of the RWPRPD will be developed as part of LAFCO's proposal; and

WHEREAS a map of the affected territory is set forth in Exhibit A, attached hereto and by reference incorporated herein; and

WHEREAS, the LAFCO Executive Officer shall be designated as the contact person for this proposal; and

WHEREAS, the Commission determined, as lead agency for the purposes of the California Environmental Quality Act (CEQA), that the proposed dissolution is exempt under §15320 of the CEQA Guidelines, and direct staff to file a Notice of Exemption.

NOW, THEREFORE, this resolution is hereby adopted by Contra Costa LAFCO to initiate proceedings for dissolution of the Rollingwood Wilart Park Recreation and Park District and appointment of Contra Costa County as successor agency to wind up the affairs of the RWPRPD in the manner provided by the CKH Act.

PASSED AND ADOPTED this 10th day of January 2018

AYES:

NOES:

ABSTENTIONS:

ABSENT:

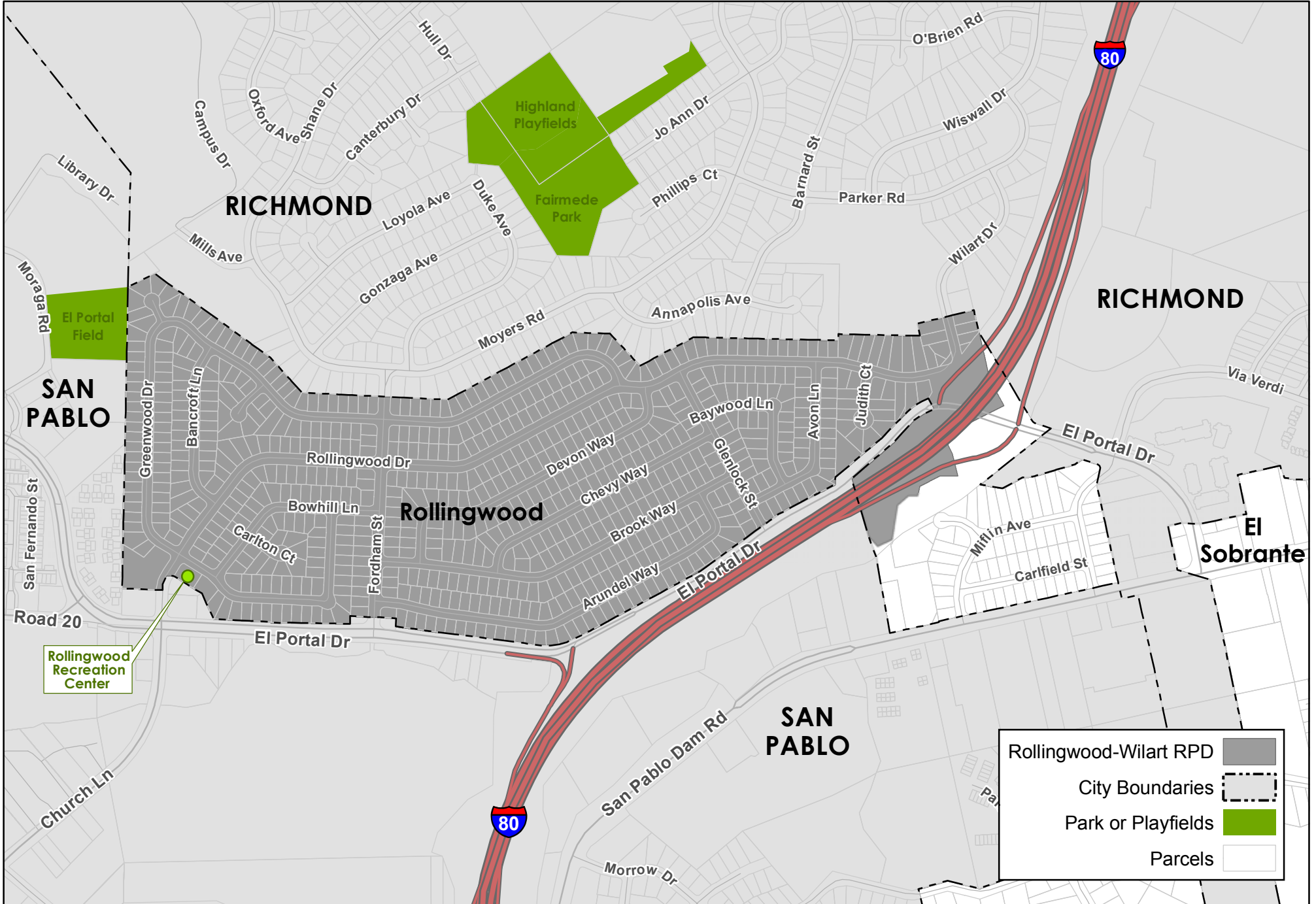
CHAIR, CONTRA COSTA LAFCO

I hereby certify that this is a correct copy of a resolution passed and adopted by this Commission on the date stated above.

Dated: January 10, 2018

Lou Ann Texeira, Executive Officer

Rollingwood-Wilart Recreation and Park District



Rollingwood-Wilart RPD	
City Boundaries	
Park or Playfields	
Parcels	

Map created 12/01/2016
 by Contra Costa County Department of
 Conservation and Development, GIS Group
 30 Muir Road, Martinez, CA 94553
 37:59:41.791N 122:07:03.756W

This map or dataset was created by the Contra Costa County Department of Conservation and Development with data from the Contra Costa County GIS Program. Some base data, primarily City Limits, is derived from the CA State Board of Equalization's tax rate areas. While obligated to use this data the County assumes no responsibility for its accuracy. This map contains copyrighted information and may not be altered. It may be reproduced in its current state if the source is cited. Users of this map agree to read and accept the County of Contra Costa disclaimer of liability for geographic information.

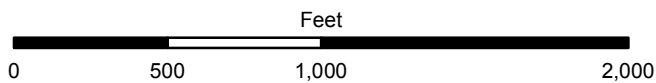


Exhibit A

