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LOCAL AGENCY FORMATION COMMISSION  
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KATE McKENNA, AICP  
Executive Officer

DATE:            October 10, 2005

TO:              Chair and Members of the Formation Commission

FROM:          Kate McKenna, AICP, Executive Officer

**SUBJECT:    CONSIDERATION OF A PROPOSAL SUBMITTED BY RESOLUTION OF THE MONTEREY COUNTY BOARD OF SUPERVISORS FOR FORMATION OF THE EAST GARRISON COMMUNITY SERVICES DISTRICT CONSISTING OF 244± ACRES (LAFCO FILE NO. 05-08).**

**SUMMARY OF RECOMMENDATIONS:**

It is recommended that the Commission adopt the attached resolutions:

1. Approving the formation of the East Garrison Community Services District; and
2. Authorizing waiver of conducting authority protest proceedings.

**EXECUTIVE OFFICER'S REPORT:**

Applicant

Alana Knaster, Chief Assistant Director of the Monterey County Planning & Building Inspection Department, on behalf of Monterey County, submitted a resolution of application for the formation of a Community Services District for the East Garrison Specific Plan area consisting of 244± acres (Exhibit D).

Location

The affected territory is located approximately 2 miles east of the City of Marina and 5.5 miles southwest of the City of Salinas

Description of Proposal

The application consists of the formation of the East Garrison Community Services District (CSD) consisting of 244± acres. The affected territory consists of two parcels owned by the Monterey County Redevelopment Agency that comprise the East Garrison Specific Plan area. A map of the affected territory is attached (Exhibit "A").

On October 4, 2005, the Monterey County Board of Supervisors adopted a Specific Plan, approved General Plan and zoning text amendments and a development agreement, and certified an Environmental Impact Report for the redevelopment of an approximately 244-acre site located on the former Fort Ord. The proposed CSD will provide a mechanism for the provision of public services while maintaining the fiscal neutrality of Monterey County.

### Sphere of Influence

Government Code Section 56425 requires that LAFCO determine a sphere of influence for each district and city. The attached resolution includes language that would create the new District's Sphere of Influence coterminous to the boundaries of the proposed CSD. In determining a sphere of influence, LAFCO is required to make the following written determinations:

#### Land Use and Future Development Plans

The East Garrison Specific Plan area is currently a vacant military facility. The Specific Plan establishes new zoning designations, which include residential, commercial, public, and open space. The approved development consists of 1,400 residential units plus up to 70 accessory (carriage house) units, 75,000 square feet of commercial use, 11,000 square feet of public use, 100,000 square feet of artist, cultural and educational space in renovated historic structures, and approximately 50 acres of open space (including approximately 12 acres of improved parks and trails).

#### Present and Probable Need for Public Facilities and Services in the Area

The approved development will require the provision of water, sewer, road maintenance, fire protection, storm drainage, transportation and security services.

#### Present Capacity of Public Facilities and Adequacy of Public Services Which the Agency Provides or is Authorized to Provide

Community Services District law allows for the provision of all of the requested services, plus additional services. The proposed CSD will oversee the private roads within the Specific Plan area, street lighting, transit facility maintenance, recreation program funding, library construction and maintenance, and open space/park maintenance. No other agency currently exists which could provide these services required by the approved development.

The Marina Coast Water District (MCWD) will provide water and sewer services. The Salinas Rural Fire Protection District will provide fire protection services. The Monterey County Free Library system will operate a branch of the Monterey County Free Library system, which will be located within the Town Square. The County Sheriff's office will operate a community field office within the Town Center, possibly within the Library, for deputies to work on reports and have an address in the community.

### Municipal Service Review

Government Code Section 56430 requires the adoption of a Municipal Services Review (MSR) prior to or in conjunction with a Sphere of Influence update. MSRs identify and evaluate public services and provide LAFCO decision-makers with important information about various aspects of locally provided services on which to base decisions about updating various Spheres of Influence within their jurisdiction.

Because formation of the CSD requires a Sphere of Influence, an expedited MSR for the East Garrison Community Services District was prepared and adopted on September 26, 2005. The MSR provides evidence that the proposed CSD has the necessary capacity to provide the level of service required by the affected territory. The MSR determinations support the proposed CSD formation.

### Plan and Financing for Public Services

The proposed CSD will serve to maintain certain public facilities and services of the East Garrison Specific Plan. These facilities include the private roads within the Specific Plan area, street lighting, transit facility maintenance, recreation program funding, library construction and maintenance, and open space/park maintenance.

The Redevelopment Agency of Monterey County (Agency) entered into an Option Agreement with the East Garrison developers. The Option Agreement requires that the developers fund at least 3.5 million dollars in public facilities and provide a minimum of 34,000 square feet of neighborhood serving retail and public areas in the Town Center. The County consented to the Option Agreement between the Agency and developer. The goal of the County is to ensure that the project is financially self-sufficient. Formation of the CSD is one of the mechanisms proposed to achieve that goal.

The CSD will serve as a local governmental organization that will oversee maintenance and use of areas commonly owned by the community. Except for perimeter roads, the community will own all the roads, parks and open space areas. In addition to the CSD, a Homeowners Association will be formed to oversee functions related to the private property aspects of the community, such as road maintenance, design, landscaping, architectural review, and Codes, Covenants and Restrictions (CC&Rs).

As the site is in a Redevelopment area, FORA will transfer the land to the Agency. The Agency has negotiated a Disposition and Development Agreement (DDA) with the developers to determine financial and transactional terms for build out of the project. The DDA assigns respective financial and procedural obligations. The Agency, upon adoption of the draft DDA, will participate in funding portions of the community to assist with the production of affordable housing, renovation of historic buildings, and construction of civic buildings and uses.

As part of the DDA, financial contributions and timing are being agreed to by the parties to ensure that these facilities are constructed as the project builds out. The Agency will use future tax increment to finance their share of obligations. As part of the project approval, the Agency is required to adopt the DDA.

Infrastructure improvements associated with the District will primarily be funded by private (Mello-Roos) and public taxation. The developers will be responsible for the initial installation of the infrastructure. Fees to fund the CSD have not yet been established, however the fees will be assessed in a manner that results in an amount that is roughly proportional to the value of the property. It is important to note that CSD fees cannot go higher than two percent of the assessed value of the home.

### Appropriations Limit

Per Code Section 56811 LAFCO shall determine the appropriations limit of the new CSD. According to the proposed district's estimated revenue and expenditures, the appropriations for the first year of operation will be approximately \$800,000. Staff therefore recommends an appropriations limit of \$1.5 million, which could be adjusted in future years based on population and cost of living increases within the district.

### Property Tax Exchange

Per Code Section 56842, the Commission shall determine the amount of property tax revenue to be exchanged by affected local agencies in a district formation. If the proposal would transfer all or part of an affected agency's responsibilities to the proposed CSD, then an equivalent proportion of property tax revenues would be transferred to the new agency as well. Currently, no local agencies that receive property tax will be affected, therefore no property tax transfer should occur. The regular County assessment roll will be used by East Garrison to carry taxes and assessments that may be levied within the formation area.

### Boundaries

The County Surveyor has reviewed the boundaries of the affected territory. The affected territory includes two parcels consisting of approximately 244 acres. The boundaries are consistent with Commission policy on CSD formations.

### Other Agency or Property Owner Comments

Staff referred the proposal to 32 affected agencies for comment. Agency comments were received that were either in support of the proposal or had no comment. The letters from the Monterey Bay Unified Air Pollution Control District, Monterey County Health Department, Cypress Fire Protection District and the Department of Forestry and Fire Protection are attached (Exhibit "B").

### Waiver of Conducting Authority Protest Proceedings

The affected territory meets the definition of "uninhabited territory," as defined by Government Code Section 56046. The land owner (Monterey County) has consented in writing to the application. Staff has met the public notice requirements for the hearing. The law provides that the Commission may waive protest proceedings under these circumstances.

### Governance

The County Board of Supervisors will initially govern the East Garrison Community Services District until such time as there are enough residents within the CSD to warrant an election of individuals to an independent CSD Board. Administrative staff onsite will maintain the CSD.

### CEQA Compliance

Pursuant to the California Environmental Quality Act, the Commission, acting as a responsible agency under the law, will read and consider the Subsequent Environmental Impact Report (EIR) certified by the County of Monterey on October 4, 2005 (Exhibit "C"). The EIR can be viewed on the Monterey County website.

## Conclusion

Staff recommends approval of the formation of the Proposed East Garrison Community Services District. Essential services required by the conditions of approval on the project are planned for in the proposal, including adequate revenue sources for their operation and maintenance. The Community Services District will be capable of providing needed services to residents within the affected territory.

Respectfully submitted,

Kate McKenna, AICP  
Executive Officer

Attachments: Exhibit "A": Legal Description and Map  
Exhibit "B": Agency Comment Letters  
Exhibit "C": Subsequent Environmental Impact Report (provided on Monterey County website:  
[http://www.co.monterey.ca.us/pbi/docs/eirs/eastgarrison/EG\\_eir\\_main.htm](http://www.co.monterey.ca.us/pbi/docs/eirs/eastgarrison/EG_eir_main.htm))  
Exhibit "D": County of Monterey Resolution of Application

cc: LAFCO File 05-08  
Alana Knaster, Chief Assistant Director, Monterey County Planning & Building Inspection Department  
Mike Novo, Monterey County Planning & Building Inspection Department  
Nick Chiulos, CAO's Office

THE LOCAL AGENCY FORMATION COMMISSION  
OF MONTEREY COUNTY

RESOLUTION NO. 05

**RESOLUTION OF THE MONTEREY COUNTY LOCAL AGENCY FORMATION  
COMMISSION MAKING DETERMINATIONS AND APPROVING THE PROPOSED  
EAST GARRISON COMMUNITY SERVICES DISTRICT FORMATION**

RESOLVED, by the Local Agency Formation Commission of the County of Monterey,  
State of California, that

WHEREAS, a registered voter petition for the proposed "East Garrison Community Service District Formation", in the County of Monterey, was heretofore filed and accepted for filing by the Executive Officer of this Local Agency Formation Commission, pursuant to Title 6, Division 1, commencing with Section 56000, et seq. of the Government Code; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56828, set September 26, 2005 as the hearing date on this proposal and gave the required notice of hearing; and

WHEREAS, the public hearing by this Commission was held upon the date and at the time and place specified in said notice of hearing and in any order or orders continuing such hearing; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56833, has reviewed this proposal and prepared a report, including recommendations thereon, and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, this Commission, on September 26, 2005, heard from interested parties, considered the proposal and the report of the Executive Officer and considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, factors specified in Government Code Section 56841; and

WHEREAS, pursuant to the California Environmental Quality Act, the Commission, acting as a responsible agency under the law, has read and considered the East Garrison Specific Plan Subsequent Environmental Impact Report adopted by the County of Monterey on August 16, 2005 and determined that, upon implementation of the mitigation measures and excepting the significant and unavoidable impacts addressed in the Statement of Overriding Considerations adopted by Monterey County, no significant impacts would result from the project implementation; and

WHEREAS, the affected territory is uninhabited, the property owners have consented to the proposed annexation and a waiver of protest proceedings; and

WHEREAS, the regular County assessment roll will be used by East Garrison to carry taxes and assessments that may be levied within the formation area; and.

NOW, THEREFORE, the Local Agency Formation Commission of the County of Monterey does HEREBY RESOLVE, DETERMINE, AND ORDER as follows:

Section 1. The Commission considered the impacts presented in the environmental documents and found that, upon implementation of the mitigation measures and excepting the significant and unavoidable impacts addressed in the Statement of Overriding Considerations adopted by Monterey County, all the significant impacts presented in the documents resulting from the project implementation could be reduced to less than significant levels.

Section 2. The boundaries of the territory proposed to be formed are hereby approved as described in Exhibit "A" attached hereto and made a part hereof. Said territory is said to be uninhabited, and is assigned the following distinctive short form designation: "East Garrison Community Service District Formation".

Section 3. The "East Garrison Community Services District Formation" is approved subject to the following terms and conditions:

- a. The District is authorized to provide the following maintenance and services:
  1. private roads,
  2. street lighting,
  3. transit facilities,
  4. recreation programs,
  5. library,
  6. parks and open space, and
  7. such additional services as are allowed by applicable law and as may from time to time be necessary or appropriated for the inhabitants of the district.
- b. No property tax revenues will be transferred from the County of Monterey, or any other agency, to the District as a result of this action.
- c. The District's Appropriations Limit is set at \$1,500,000.00.
- d. A Sphere of Influence that is coterminous with the District boundaries is approved and the Commission determines that:
  1. Land Use and Future Development Plans  
The East Garrison Specific Plan area is currently a vacant military facility. The Specific Plan establishes new zoning designations, which include residential, commercial, public, and open space. The approved development consists of 1,400 residential units plus up to 70 accessory (carriage house) units, 75,000 square feet of commercial use, 11,000 square feet of public use, 100,000 square feet of artist, cultural and educational space in renovated historic structures, and approximately 50 acres of open space (including approximately 12 acres of improved parks and trails).
  2. Present and Probable Need for Public Facilities and Services in the Area  
The approved development will require the provision of water, sewer, road maintenance, fire protection, storm drainage, transportation and security services.
  3. Present Capacity of Public Facilities and Adequacy of Public Services Which the Agency Provides or is Authorized to Provide  
Community Services District law allows for the provision of all of the requested services, plus additional services. The proposed CSD will oversee the private roads within the Specific Plan area, street lighting, transit facility maintenance, recreation program funding, library construction and maintenance, and open space/park

maintenance. No other agency currently exists which could provide these services required by the approved development.

The Marina Coast Water District (MCWD) will provide water and sewer services. The Salinas Rural Fire Protection District will provide fire protection services. The Monterey County Free Library system will operate a branch of the Monterey County Free Library system, which will be located within the Town Square. The County Sheriff's office will operate community field office within the Town Center, possibly within the Library, for deputies to work on reports and have an address in the community.

- e. The County Board of Supervisors will initially govern the East Garrison Community Services District until such time as there are enough residents within the CSD to warrant an election of individuals to an independent CSD Board.

Section 4. The Monterey County Board of Supervisors is designated as the conducting authority and the legislative body is hereby directed to initiate formation proceedings without notice, hearing or election.

Section 5. The Executive Officer is hereby authorized and directed to mail certified copies of this resolution in the manner and as provided in Section 56853 of the Government Code.

Section 6. The applicant agrees as a condition of the approval of this application to defend at its sole expense any action brought against LAFCO, the Commission and its staff, because of the approval of this application. The applicant will reimburse LAFCO for any court costs and attorneys' fees which may be required by a court to pay as a result of such action. LAFCO may, at its sole discretion, participate in the defense of any such action; but such participation shall not relieve applicant of its obligations under this condition. An indemnification agreement shall be entered into by the applicant and the Executive Officer prior to the issuance of this Resolution.

UPON MOTION OF Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, the foregoing resolution is adopted this \_\_\_\_\_ day of \_\_\_\_\_ 2005 by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

ATTEST: I certify that the within instrument is a true and complete copy of the original resolution of said Commission on file within this office.

Witness my hand this \_\_\_ day of \_\_\_, 2005

By: \_\_\_\_\_  
Kate McKenna, Executive Officer



EXHIBIT A  
LEGAL DESCRIPTIONS AND MAP

EXHIBIT B  
AGENCY COMMENT LETTERS

EXHIBIT C

EAST GARRISON SPECIFIC PLAN SUBSEQUENT ENVIRONMENTAL IMPACT REPORT

Please reference County website:

[http://www.co.monterey.ca.us/pbi/docs/eirs/eastgarrison/EG\\_eir\\_main.htm](http://www.co.monterey.ca.us/pbi/docs/eirs/eastgarrison/EG_eir_main.htm)

EXHIBIT D

COUNTY OF MONTEREY RESOLUTION OF APPLICATION