Council Meeting: May 21, 2013

SUBJECT: Authorization for the Mayor and City Manager to sign the Santa Clara County Island Annexation Mapping Request Form to initiate the annexation process for two island areas located within the City of Sunnyvale Urban Service Area but currently under the County of Santa Clara’s jurisdiction (Central Expressway and Butcher’s Corner).

BACKGROUND
The Local Agency Formation Commission (LAFCO) of Santa Clara County and the County of Santa Clara Planning Division sent a letter to the Community Development Department on May 2, 2011 (Attachment A) encouraging the City of Sunnyvale to annex three island areas that are currently unincorporated but within the Urban Service Area (USA) of Sunnyvale.

These island annexations are a high priority for LAFCO and the County of Santa Clara as they create inefficiencies and confusion in terms of provision of emergency and other municipal services. To encourage these annexations LAFCO will waive its fees for the annexations and the County will provide financial incentives including covering the costs for preparing Assessor and Surveyor reports and maps, paying the State Board of Equalization filing fees, and budgeting for road improvements in islands approved for annexations as long as the annexations are completed prior to January 1, 2014.

The signatures of the Mayor and City Manager on the Island Annexation Mapping Request Form (Attachment B) is the initial step in annexing these parcels as they authorize LAFCO to create maps and reports required for subsequent steps in the process.

Staff recommends the City Council authorize the Mayor to sign the Island Annexation Mapping Request Form to initiate the annexation process for the Central Expressway and Butcher’s Corner annexations.

DISCUSSION
Staff has had several discussions internally and with LAFCO and the County and has determined that two of the three island sites shown in the May 2, 2011 letter are appropriate to annex into the City of Sunnyvale. The first site is a 4.3 acre segment of Central Expressway (Attachment C) known as SV01 on the LAFCO letter. This site is (and will continue to be) owned and maintained by
the County of Santa Clara. The annexation of this site merely cleans up the incorporated area within the USA boundary for Sunnyvale.

The second 5.3 acre island site, SV03 (Attachment D), is mainly referred to as Butcher’s Corner by City staff. This site contains 6 parcels and is currently developed with two residential homes, several accessory structures and an orchard. Four of the parcels within this island site are owned by the Butcher family with the remaining two parcels being City owned and currently used as public right-of-way. The Butchers have plans to redevelop their four parcels within the near future and annexation would be required by the County of Santa Clara for any new development on those parcels. Completion of the annexation by the City will streamline the Butcher application process by using documents prepared by LAFCO.

The third site, referred to as SV02 in the letter from LAFCO, is a portion of the Caltrain/Union Pacific railroad tracks. The boundary of this site has changed since the initial LAFCO letter and map was received by the City and currently consists of only the land east of Uranium Road (Attachment E). Staff does not feel it is necessary to annex this land into the City of Sunnyvale because while it is within the City’s Urban Service Area (USA) it would create an odd extension into land under the City of Santa Clara’s jurisdiction. Changing the USA boundary at this site would require coordination with the City of Santa Clara as well as the necessary fees (that are not waived under this process) to LAFCO. LAFCO would not cover the costs of mapping and application fees for an USA boundary change. The City of Santa Clara is not interested in annexing this site at this time.

**FISCAL IMPACT**
The County of Santa Clara has agreed to waive all fees related to the annexation of these island parcels because they wish to incorporate the land into the appropriate USA. As the County and LAFCO are preparing the documentation needed to process the annexations, minimal staff time should be required.

**PUBLIC CONTACT**
Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site. In addition, staff has discussed the annexation with a member of the Butcher family who has indicated that the family has no objection to the City proceeding with the annexation of their property.
**RECOMMENDATION**

Staff recommends the City Council authorize the Mayor and City Manager to sign the Santa Clara County Island Annexation Mapping Request Form to initiate the annexation process for two island areas located within the City of Sunnyvale Urban Service Area but currently under the County of Santa Clara’s jurisdiction (Central Expressway and Butcher’s Corner).

This action will allow annexation procedures to commence, waive the costs of mapping and fees associated with annexations, and clean up the city/county areas of jurisdiction.

Reviewed by:

[Signature]

Hanson Hom, Director, Community Development Department

Reviewed by: Trudi Ryan, Planning Officer
Prepared by: Amber El-Hajj, Senior Planner

Approved by:

[Signature]

Gary M. Luebbers
City Manager

**Attachments**

A. Letter from LAFCO dated May 2, 2011
B. Island Annexation Mapping Request Form
C. Map of the Central Expressway Island Area
D. Map of the Butcher’s Corner Island Area
E. Map of the Southern Pacific Right of Way Island Area
May 2, 2011

Hansom Hom
Director of Community Development
City of Sunnyvale
456 West Olive Avenue
Sunnyvale, CA 94088-3707

RE: Status of Unincorporated Lands within the City of Sunnyvale's Urban Service Area Boundary (i.e. Unincorporated Islands)

Dear Mr. Hom:

In late October 2010, the Local Agency Formation Commission (LAFCO) of Santa Clara County directed its staff to develop an inventory of the remaining unincorporated islands and to report back to the Commission on each city’s plans regarding its islands.

Three Unincorporated Islands Remains in the City of Sunnyvale

The City has three unincorporated islands within its Urban Service Area (USA). See table below and attached maps.

<table>
<thead>
<tr>
<th>SUNNYVALE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Island ID #</td>
</tr>
<tr>
<td>SV01</td>
</tr>
<tr>
<td>SV02</td>
</tr>
<tr>
<td>SV03</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Annex Islands that Qualify for the Streamlined Annexation Process

Island SV01 consists of a segment of Central Expressway. Island SV02 consists of a segment of the Caltrain/Union Pacific railroad tracks and right-of-way. Island SV03 consists of residential development. All three islands are eligible for annexation through the streamlined annexation process. Islands such as these are substantially developed.
and create inefficiencies / confusion in terms of provision of emergency and other municipal services. Furthermore, residents of such islands are politically disenfranchised from the city government that surrounds them.

Annexation of such islands is a high priority for LAFCO and the County. In order to encourage these annexations, LAFCO continues to waive its fees for island annexations and the County continues to provide financial incentives including covering the costs for preparing Assessor and Surveyor reports and maps, paying the State Board of Equalization filing fees, and budgeting for road improvements in islands approved for annexation. As you may be aware, the law streamlining the annexation process for qualified unincorporated islands sunsets on January 1, 2014.

We encourage the City to take advantage of this process and the incentives currently being offered by both the County and LAFCO for such annexations. Please provide us with an update on the City’s plans and time-line for annexing these three islands.

A Response from the City is Greatly Appreciated

LAFCO staff is willing to work with and assist the City in resolving these island issues. We would appreciate knowing the City’s annexation and /or urban service area amendment plans for these islands as soon as possible and no later than June 10, 2011. If you have any questions or concerns or would like to meet to discuss the City’s plans, I can be reached at (408) 299-5127 or at neelima.palacherla@ceo.sccgov.org or you may contact Dunia Noel, LAFCO Asst. Executive Officer, at (408) 299-5148/ duni.noel@ceo.sccgov.org. Thank for you for your time and consideration.

Sincerely,

Neelima Palacherla
LAFCO Executive Officer

Attachment:
Maps of Unincorporated Islands in City’s Urban Service Area prepared by the Santa Clara County Planning Office

Cc:
Gary Luebbers, City Manager, City of Sunnyvale
Sunnyvale City Council Members
Jody Hall Esser, Director, Dept. of Planning & Development, Santa Clara County
LAFCO Members
The City Council at its meeting on _____________ directed staff to prepare initiation of island annexations within the city under the provision of Government Code section 56375.3. This section allows for an island annexation without protest and election. To utilize this section, the annexation must be completed by January 1, 2014.

The City Council intends to initiate proceedings for the annexation of islands on _____________. Please provide the necessary mapping, Surveyor’s Reports, and Assessor’s Report for the following islands by _____________. (Please note that the County Surveyor’s Office and the Assessor’s Office will need a minimum of 30 days to provide appropriate maps and reports).

Title of Annexations:
1. SV01 - Central Expwy
2. SV03 - Butcher’s Corner
3. ____________________________
4. ____________________________
5. ____________________________
6. ____________________________
7. ____________________________
8. ____________________________
9. ____________________________
10. ____________________________

Please attach maps showing general location of each of the islands listed above as well as a list of Assessor Parcels for each of the islands.

Please contact Amber El-Hajj at the City if the County Surveyor’s Office is unable to complete the mapping by the requested date.

Map preparation costs are $2,000 plus staff time at $115/hr. City understands that County will waive these costs if the island annexation is completed, otherwise City will be billed for the cost.

Mayor: ______________________ City Manager: ______________________
Signature: ____________________ Signature: ______________________
Date: ______________________ Date: ______________________

Return to: LAFCO of Santa Clara County
70 W. Hedding Street
11th Floor, East Wing
San Jose, CA 95110