



CITY OF MARTINEZ

**CITY COUNCIL AGENDA
January 19, 2011**

TO: Mayor and City Council

FROM: Dina Tasini, Contract Planner
Michael Chandler, Senior Management Analyst
Corey Simon, Senior Planner

SUBJECT: North Pacheco Annexation

DATE: January 13, 2011

RECOMMENDATION:

The City of Martinez proposes to annex a portion of Contra Costa County (North Pacheco area) that is subject to the John Muir Specific Plan. In this regard, the City Council will consider the following:

- Adopt a Negative Declaration.
- Amend the Martinez General Plan (John Muir Parkway Specific Area Plan) Land Use Map to show the annexation area within the City limits and the new associated designations.
- Amend the Zoning Ordinance to include new designation P-1 (Planned Unit Development) to allow for Contra Costa County's Planned Unit Development designation and approved Planned Developments to be incorporated into the City's Zoning Ordinance and Map.
- Amend the Zoning Map to show the annexation area within the City limits and the new Zoning Districts for the annexation area.
- Approve pre-zonings and General Plan Land Use designations of the properties to be annexed.
- Direct staff to submit an application to the Local Agency Formation Commission (LAFCO).

Staff recommends that the Council review the staff report and attachments, hold a public hearing to consider the proposal, and approve the above actions.

BACKGROUND:

The City Council has been discussing and analyzing the feasibility of annexing parcels in the North Pacheco Boulevard area since 2008. Additionally, the City's Community and Economic Development Department began discussions with the Contra Costa Local Area Formation Commission (LAFCO) in 2008.

In response to the City Council's expressed desire to annex this area, staff retained the services of CH2MHill and Economic and Planning Systems, Inc. (EPS) to complete a fiscal analysis and required environmental review. Subsequently, staff worked with EPS to revise the draft fiscal report to more accurately reflect current fiscal conditions; expectations for revenues and expenditures; and provision of City services (Exhibit B); and hired Tasini and Associates to revise the Initial Study (Exhibit C), initiate communication with the residents and businesses in the area, meet with LAFCO and prepare all relevant staff reports and application materials.

City staff met with business and property owners on several occasions and held two publicly noticed meetings (on May 12, 2010 and July 13, 2010), which were well attended. Additionally, on September 20, 2010, the City conducted a meeting with the homeowners' association at Belmont Terrace. In general, the public wanted to discuss the various fiscal and service level impacts related to the annexation. In response, staff prepared a Chart of Public Services (Attachment D) to illustrate the impact, if any, of the annexation on residents, businesses and property owners. The analysis of public services shows that the service providers for most of the basic services (water, wastewater/sewer, garbage/recycling, cable television, fire, and schools) will remain unchanged, with little to no impact on the cost of these services. The two most significant changes will be that City police forces will be the primary public safety presence in the area instead of the County Sheriff's office, and property owners will be subject to an additional property tax resulting from the passage of the Measure H Parks Bond at a rate of approximately \$34.71 per \$100,000 of assessed valuation.

Staff compiled information from numerous site visits, residents, business owners and community members at large and developed compatible General Plan designations and Zoning districts for the area (Attachments E-H). From this process, the City now understands the following:

- Annexation of this area provides an excellent opportunity for the City to enhance an important gateway;
- Rezoning of the area will be consistent with the General Plan and the John Muir Specific Area Plan;
- There are no significant environmental impacts as a result of the annexation; and
- The annexation area does not include any new development; however there are a number of residential projects that have been approved by Contra Costa County and once developed will remain consistent with the proposed Zoning and General Plan land use designations. Staff has proposed Zoning designations that will provide for continued development in a manner that is consistent with the current development pattern.

Planning Commission Hearing

On November 23, 2010, the Planning Commission held a public meeting to discuss the proposed annexation of North Pacheco and related planning actions. At that meeting, the Commission reviewed the materials presented and took public testimony. The Commission was concerned with the timing of the proposed annexation in light of the City's effort to update its General Plan. Staff assured the Commission that the General Plan update was considered and the land use designation as proposed for this area would not be any different if this process were delayed for

another year. Furthermore, there was a great deal of discussion about the designated boundaries of the annexation area. The Commission expressed an interest in considering an expanded area that would include Pacheco Boulevard to the north of the railroad trestle. Staff informed the Planning Commission that additional areas could be analyzed at a later date, but that both the fiscal and environmental analysis contemplated only the area within the proposed boundaries. The public discussed issues related to public services, infrastructure, and preservation of development rights for projects previously entitled through Contra Costa County. Based on the public testimony and the information provided to the Commission, the annexation and related actions were unanimously approved.

The Planning Commission staff report and meeting minutes are attached (Attachment I).

DISCUSSION:

Existing and Proposed Land Use Regulatory Framework

Land use and development in the North Pacheco Annexation area is currently controlled by the Contra Costa County General Plan and Zoning regulations. The City is proposing to prezone the areas with similar commercial and residential zoning designations allowing for existing uses to continue, and new uses to be consistent with the long range plans for the southern portion of the annexation area as largely commercial uses, and the northern portion as predominantly residential uses. Hence, the proposed Zoning and General Plan land use designations will be consistent with current ones.

The northern portion of the annexation area located between the BNSF Railroad and Sunrise Business Park (westerly boundary) and the Contra Costa Canal (easterly boundary) consists of approximately 50 acres currently designated Multiple Family Residential–Low Density (7.3 to 11.9 dwelling units per acre) by the Contra Costa County General Plan. The City has proposed General Plan designations and Zoning designations that are consistent with the existing and permitted uses in the County with two exceptions. The two exceptions are as follows:

1. Approximately three acres adjacent to the Contra Costa Water District property, above Weatherly Lane, will be designated Open Space.
2. Approximately five acres adjacent to the BNSF Railroad and Pacheco Boulevard will be redesignated commercial as opposed to residential to reflect the current and historic use of the properties.

The southern portion of the annexation area, generally located to the east and south of the Contra Costa Canal, consists of approximately 40 acres. All but four acres are designated for Service Commercial and/or Public Semi-Public within the Contra Costa County General Plan. The City does not plan any substantial changes to the existing or planned residential uses in this area. Permitted uses will remain consistent with the proposed General Plan designations and Zoning regulations, with the exception of two areas. The first is approximately 4.5 acres that is located on a piece of property somewhat landlocked between the Contra Costa Canal and Highway 680 and is currently designated Multi-Family Residential, Low Density (area currently zoned R-7, Single-Family Residential, 7,000 square foot minimum lots). There is no public access to this area, as the only access is through private properties that are designated and used for Service

Commercial purposes. Therefore, commercial as opposed to residential purposes are proposed for this area. In addition, there is a one acre site at Hanson Court that is currently designated Commercial in the County's General Plan but is fully developed with high density housing. The City proposes a new General Plan designation of R 19-25 units per acre (Multi Family Residential) for this area, with the conforming R-1.5 (Residential, 1500 square feet per unit; 10,000 square feet minimum parcel size) zoning district.

Contra Costa Local Agency Formation Commission (LAFCO) Annexation Application Guidelines:

If the Council decides to proceed with an annexation application, staff will assemble and submit it to LAFCO. The application consists of a number of parts, the specifics of which are outlined in the Filing Requirements for Submitting Boundary Change Applications form from LAFCO (Attachment J). As can be seen from the checklist, many of the items required are administrative in nature, but some, such as the Resolution of Application and Completed Proposal Questionnaire require Council input and/or action. The Resolution of Application is the document adopted by the Council that conveys to LAFCO the City's annexation proposal for their consideration. A draft has been prepared and is attached (Attachment K).

The Completed Proposal Questionnaire contains a number of questions that are administrative in nature; however, there are three substantive areas that merit discussion: the reasons for the proposal; the City's plan for providing services; and the reasons why the particular boundaries had been chosen.

Reasons for the proposal. The area under consideration for annexation is along the City's eastern boundary and is within the City's urban limit line and sphere of influence. This area serves as a gateway to Martinez at the major transportation crossroads of Interstate 680 and Highway 4 to the south, and the BNSF railroad trestle to the north. Annexation of this area could potentially facilitate economic revitalization and visual improvement.

City's plan for providing services.

Law Enforcement. The only major change in the provision of services to the annexation area would be that pertaining to law enforcement. The responsible agency for law enforcement for the annexation area would switch from the County's Sheriff's Department to the Martinez Police Department (MPD). The analysis in the Fiscal Report and Initial Study regarding the provision of law enforcement focused on the City's ability to properly serve the area. The MPD currently has a minimum of four officers and one sergeant on duty at all times. Officers are typically divided in groups of two and assigned to one of two sectors (the City is divided into north and south sectors along Highway 4). MPD has previously responded to calls in the proposed annexation area on behalf of the Sheriff's Department when needed and is well familiar with the area. MPD estimates that it can meet the initial needs in the proposal area with existing staff and that no new police resources will be needed to address new calls for service. The City will evaluate the number and level of service calls from this area after annexation and provide periodic reports to the Public Safety Subcommittee of the City Council to determine whether or not additional staffing will be required in the future. In addition, the City and the County have an existing mutual aid agreement regarding response in the event of emergency situations.

Streets and Infrastructure Maintenance. Another change in the provision of services that would affect some of the proposed annexation area would be the maintenance of streets and related infrastructure. A concern noted by some of the Commissioners at the public hearing was in regards to the City's ability to provide and maintain these services in the proposed annexation area. Staff provided an overview of a recent public works assessment of the area that indicated the majority of maintenance impacts on the City are minimal, with street sweeping twice per month and traffic markings once per year as the most consistent maintenance requirements. Road maintenance in the annexation area will be limited to basic pothole repair with no major resurfacing planned until 2014, when portions of Pacheco Boulevard and Blum Road are scheduled for widening to two through lanes in each direction as part of a Measure J project. Since a significant portion of Pacheco Boulevard within the annexation area is located with the City's boundaries (from approximately Arnold Drive to Weatherly Lane), the City already has responsibility for some of the existing maintenance requirements along this corridor.

Why are these particular boundaries being used? These boundaries were chosen because they represent a logical geographic expansion of the City of Martinez. The annexation would expand the City's easterly border to the intersection of two major thoroughfares on the south, Interstate 680 and Highway 4, and the BNSF railroad trestle to the north.

California Environmental Quality Act (CEQA):

The North Pacheco annexation project consists of a series of actions to be undertaken by the City and LAFCO. The environmental analysis was undertaken pursuant to CEQA. The majority of the annexation area is built out. The proposed annexation will not increase or significantly change the allowed uses, permitted density or scale of development compared to existing conditions or existing County policies and regulations. The City received two comment letters, one from a community member and another from LAFCO. The issues raised by LAFCO required additional clarification and some editing, none of which required recirculation since no additional impacts resulted as part of the changes. Based on the findings in the Initial Study (Attachment C), staff has determined that the proposed annexation project will not have a significant impact on the environment and that a Negative Declaration is the appropriate document to complete the CEQA process.

FISCAL IMPACT:

The City retained Economic & Planning Systems, Inc. (EPS) to prepare the fiscal impact analysis of annexation of North Pacheco (Attachment B). A draft report was prepared in May 2009 and in response to comments from the public, staff and the City Council, the document was subsequently updated as a final report in July 2010 to more accurately reflect current fiscal conditions; expectations for revenue and expenditures; and provision of City services. Staff prepared a summary outlining the key changes between the draft and final reports; this overview document has been provided as part of the EPS report (Attachment B).

The fiscal impact analysis was based on two assumptions:

- A. Property tax estimates were based upon the current Master Tax Sharing Agreement between the City and Contra Costa County dated December 18, 1980. City staff has met with County staff who indicated that this formula would still be the basis of negotiation; and

- B. Revenue and expenditure projections were determined for two time frames – at annexation and at build out.

The following are the key findings of the annexation fiscal report:

1. Following annexation, the City's revenues required to serve the North Pacheco area will exceed the expenditures generated from this area;
2. The fiscal impacts will improve as new growth occurs in North Pacheco and will increase revenues generated to the City at buildout;
3. Additional annexation benefits could be realized by the City to the extent that the costs could be minimized or revenues increased;
4. Annexed properties will contribute towards the repayment of the City's Measure H Park Bonds (up to a maximum of \$34.71/\$100,000 assessed value); and
5. Development and reuse in North Pacheco offers the potential to improve the infrastructure, landscaping, and economic potential of the area, and creates additional jobs.

ACTION:

Approve the following:

1. Motion approving a resolution adopting a Negative Declaration pursuant to the California Environmental Quality Act (CEQA) AND amending the Martinez General Plan (John Muir Parkway Specific Area Plan) Land Use Map to show the annexation area within the City limits and the new associated designations.
2. Motion introducing an ordinance amending the Zoning Ordinance to include new designation P-1 (Planned Unit Development) to allow for Contra Costa County's Planned Unit Development designation and approved Planned Developments to be incorporated into the City's Zoning Ordinance and Map.
3. Motion introducing an ordinance amending the Martinez Zoning Map to show the annexation area within the City limits and the new Zoning Districts for the annexation area and approving rezonings for the properties to be annexed.
4. Motion to direct staff to prepare and submit an annexation application to Contra Costa Local Agency Formation Commission (LAFCO).

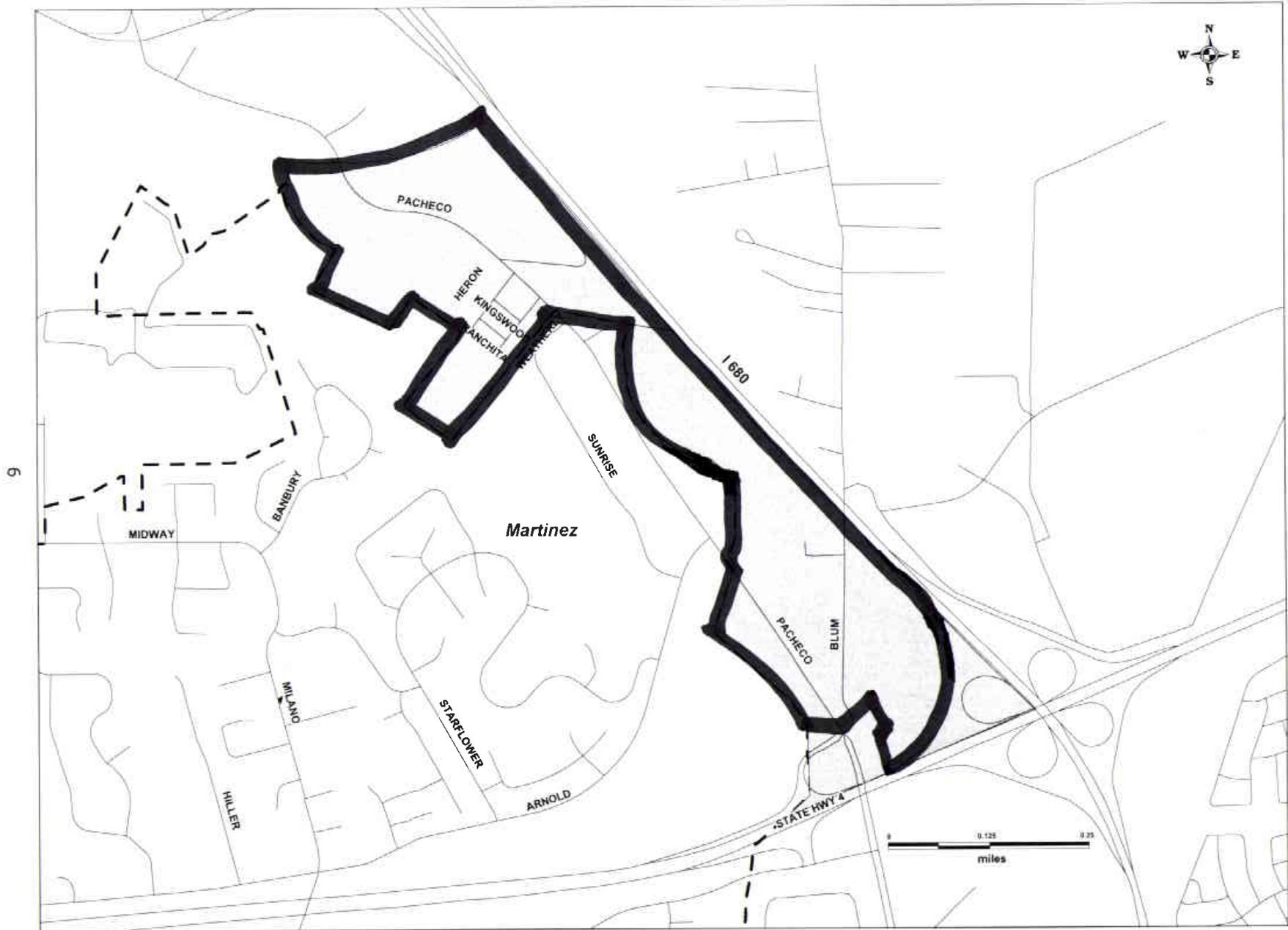
ATTACHMENTS:

- A. Area Location Map
- B. Economic & Planning Systems, Inc Annexation Analysis (July 2010) and Overview of Changes from May 2009 Draft to July 2010 Final Report (July 2010)
- C. Initial Study Dated November 2010
- D. Chart of Impacts
- E. Proposed City of Martinez Land Use Map for Annexation Area
- F. Contra Costa County Existing Land Use Map (General Plan)
- G. Proposed City of Martinez Zoning Map for Annexation Area
- H. Contra Costa County Existing Zoning Map
- I. Planning Commission Staff Report and Meeting Minutes (November 23, 2010) and Planning Commission Resolution No. PC 10-04
- J. Filing Requirements for Submitting Boundary Change Applications (LAFCO)
- K. LAFCO Questionnaire
- L. Resolution of Application
Resolutions and Ordinances



APPROVED BY: City Manager

Proposed North Pacheco Annexation Area



Overview of Changes to Economic & Planning Systems (EPS)
Annexation Analysis of North Pacheco from May 2009 Draft to July 2010 Final Report

Note: EPS was hired by the City of Martinez to complete an economic analysis of the North Pacheco Annexation. EPS prepared a Draft Report in May 2009, and in response to comments by staff, the City Council and public, prepared a Final Report in July 2010. This report provides a brief summary of the changes between the two documents.

Table 1 of the Draft Report (May 2009) combined both General Fund and non-General Fund revenues and expenditures, and was broken down by "Area A" in the southern portion of the proposed annexation area, and "Area B" in the northern portion. This table showed an initial net financial shortfall of \$33,112 as a result of total anticipated revenues of \$81,754 versus projected expenditures (all in Public Works) of \$114,866. Table 1 of the Final Report (July 2010) removes references to areas A and B; segregates revenues and expenditures into two categories, General Fund and Public Works/Road Fund; and revises certain numbers as explained below to result in an overall net surplus to the City of \$16,442.

The key General Fund changes from the Draft Report to Final Report include addition of a P-6 Police Tax revenue of \$11,826 (which is based on an existing property tax allocation the City would acquire), offset by a reduction to sales tax of \$25,000 (to account for County's expected 50% share of sales tax), resulting in estimated revenues of \$66,222 vs. \$81,754 as initially projected. As in the Draft Report, no police expenditures are budgeted at annexation as the existing workforce will initially serve this area, resulting in a positive net impact to the General Fund at annexation of \$66,222.

The key Public Works/Road Fund revenue changes from the Draft Report to the Final Report are the addition of \$3,164 in L-100 Landscaping and District fees and \$4,699 in National Pollutant Discharge Elimination System (NPDES) fees. Expenditures were initially estimated to be \$114,866, but further analysis determined that capital improvement funding for Pacheco Boulevard will be available from the State upon annexation. The cost of maintaining the newly reconstructed pavement is expected to be \$60,000, roughly half of the typical annual expense. The net impact to the Public Works/Road Fund is -\$49,781.

Table 2 in both reports estimates revenues and expenditures at buildout, with little change in the overall net impact to the City (a \$68,299 surplus in the Draft Report, and a \$65,511 surplus in the Final Report). In addition to the change in format as seen in Table 1 and discussed earlier in this summary, the most significant change in Table 2 is that sales tax to the City has been reduced. Sales tax of \$60,000 in the Draft Report is now listed as \$25,000 to account for anticipated sales tax sharing with the County, and for maintaining the existing commercial space at 51,176 square feet. This revenue estimate is decidedly conservative, as it does not contemplate an increase in existing sales; development of new and successful businesses; positive impact of the 680 and 4 corridor transit center that is being developed; or the potential development of approximately 80,000 square feet of underutilized parcels to usable office space. Should any or all of these four scenarios occur, future sales tax to the City at buildout will likely exceed current estimates.

Report

The Economics of Land Use

ANNEXATION ANALYSIS OF NORTH PACHECO AREA



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1. INTRODUCTION

This report presents a fiscal analysis of the potential annexation of the North Pacheco area (annexation area) to the City of Martinez. Currently, the County of Contra Costa provides municipal services including sheriff protection, public works, and road maintenance to the unincorporated area. The division of property taxes, and potentially sales taxes, from the area would be governed by a Tax Sharing Agreement to be negotiated between the City and the County. The City would also receive other revenues from the area to help in funding the municipal services that would transfer to City responsibility.

This analysis evaluates the potential annual fiscal impacts of the annexation on the City's General Fund and Road Fund budgets. It compares the costs to provide services to the North Pacheco area to the annual revenues that could be generated to the City. The impacts of capital facility and infrastructure funding are not included in this analysis. The methodology is summarized in this report, and detailed calculations and assumptions are further documented in **Appendix A**.

The impacts of the potential annexation area are considered at two time periods: immediately after annexation and at buildout of vacant parcels. The time period until buildout will depend on future market conditions and City actions, such as potential redevelopment. The fiscal estimates in this analysis could change as a result of policy changes, actual service demands, and economic conditions. Given the magnitude of the potential annexation, the City will need to negotiate a tax sharing agreement with the County, which could include a sharing of sales tax; the current analysis assumes the distributions specified in the Master Property Tax Transfer Agreement for Allocation of Property Tax between the County of Contra Costa and City of Martinez.¹

Key Findings

1. Following annexation, the City's revenues required to serve the North Pacheco area will exceed the expenditures generated from this area.

Net revenues generated from the annexation area would be sufficient to fund additional public services. The General Fund surplus is estimated at \$66,000, in anticipation of initially utilizing existing police personnel in the annexation area, while the Road Fund will likely experience a shortfall of about (\$50,000). These impacts result in the citywide surplus of about \$16,000, as illustrated in **Table 1**.

The area is estimated to generate \$12,000 in proceeds to County Service Area P-6 for sheriff protection and \$3,000 to County Lighting and Landscape District L-100. The analysis shows this revenue transferring to the City upon annexation; however, this issue is subject to decisions to be made by LAFCO and should also be discussed as part of negotiations with the County regarding the sharing of property taxes from the area.

¹ Resolution 241-80 §99 (d).

**Table 1
General Citywide Revenues and Expenditures at Annexation
North Pacheco Annexation Study; EPS #19024**

Item	Total
General Fund	
Revenues	
Property Tax	\$13,510
Property Tax In Lieu of VLF	\$0
Sales and Use Tax	\$25,000
Motor Vehicle In-Lieu VLF (1)	\$6,756
Business Licenses	\$2,336
Franchise Fees	\$3,543
Document Transfer Tax	\$1,901
P-6 Police Tax (2)	\$11,826
Prop 172 Proceeds	<u>\$1,350</u>
Total Revenues	\$66,222
Expenditures	
Police (3)	\$0
Total Expenditures	\$0
Net General Fund Impact	\$66,222
Public Works/Road Fund	
Revenues	
Highway User Taxes (Gas Taxes)	\$2,357
L-100 Landscaping and Lighting District (4)	\$3,164
NPDES (5)	<u>\$4,699</u>
Total Revenues	\$10,219
Expenditures	
Public Works	\$114,866
(less) Capital Improvement Impact (6)	<u>(\$54,866)</u>
Total Expenditures	\$60,000
Net Road Fund Impact	(\$49,781)
TOTAL NET IMPACTS	\$16,442

(1) Assumes the citywide average of \$6.77 per capita with additional \$50 per capita for new annexation
(2) Based on the existing property tax allocation of 1.21% of the 1% property tax and special assessments applied to certain residential and commercial parcels in TRA 76042.
(3) It is assumed that the City would initially utilize the existing staff, although an additional 1/2 a police officer may be required before eventually hiring a new full-time officer. This is assumed to occur one to two years after the annexation occurs and is subject to evaluation of calls for service, crime rates, and effectiveness of future prevention efforts
(4) Based on the existing property tax allocation of about 1% of the 1% property tax and special assessments applied to selected parcels in TRA 76042 and all parcels in the other TRAs
(5) Assumed at \$30 per household and at \$0.06 per square foot for commercial uses
(6) Regional funding will be available for widening and re-alignment which is assumed to reduce initial maintenance cost by about one half.

Sources: City of Martinez and Economic & Planning Systems, Inc.

The North Pacheco area has a commercial base; however, sales tax revenues have declined significantly in recent years from \$190,000 annually several years ago to approximately \$50,000 in 2008, of which 50 percent, or \$25,000, is expected to be the City's share under a Sales Tax Sharing Agreement with the County. The area also has a large number of calls for police service.

2. The fiscal impacts will improve as new growth occurs in North Pacheco and will increase revenues generated to the City at buildout.

As the buildout of North Pacheco occurs, the revenues to the City will continue to exceed the costs associated with the annexation area. The fiscal benefit at buildout is estimated at \$153,000 to the General Fund and a shortfall of (\$87,000) to the Road Fund. These impacts combine for a citywide positive impact of \$66,000 at buildout, as shown in **Table 2**. To the extent that additional taxable sales occur in the area, the net surplus would be greater.

3. Additional annexation benefits could be realized by the City to the extent that the costs could be minimized or revenues increased.

For instance, recent sales tax revenues in North Pacheco have been weak and are estimated at \$25,000 a year after the split with the County. If a new major retailer could be located in the area or if the prior sales tax of \$190,000 a year could be achieved, the annexation would result in higher fiscal benefits to the City with revenues further exceeding costs.

4. Annexed properties will contribute towards repayment of City park bonds.

Existing and new development in the annexed area would contribute towards repayment of recently issued park bonds. Upon annexation, these payments could contribute \$12,000² towards reducing the burden upon other City taxpayers and/or could help to reduce the total years required for repayment of the bonds.

5. Development and reuse in North Pacheco offers the potential to improve the infrastructure, landscaping, and economic potential of the area, and creates an additional 160 jobs.

Given the North Pacheco area's strategic location as the "gateway" to the City along Pacheco Boulevard, the City plans to undertake significant efforts to revitalize the area, improving its infrastructure capacity and increasing its economic potential, which will result in new jobs to the City.

² Assumes \$34/\$100,000 assessed value.

**Table 2
General Citywide Revenues and Expenditures At Buildout
North Pacheco Annexation Study; EPS #19024**

Item	Total
General Fund	
Revenues	
Property Tax	\$90,002
Property Tax In Lieu of VLF	\$46,921
Sales and Use Tax (1)	\$25,000
Motor Vehicle In-Lieu VLF (2)	\$6,756
Business Licenses	\$5,989
Franchise Fees	\$14,448
Document Transfer Tax	\$7,066
P-6 Police Tax (3)	\$14,413
Prop 172 Proceeds	<u>\$5,535</u>
Total Revenues	\$216,130
Expenditures	
Police	\$126,435
(less) Citywide Benefit (4)	<u>(\$63,218)</u>
Total Expenditures	\$63,218
Net General Fund Impact	\$152,912
Public Works/Road Fund	
Revenues	
Highway User Taxes (Gas Taxes)	\$9,665
L-100 Landscaping and Lighting District (5)	\$3,452
NPDES (6)	<u>\$14,349</u>
Total Revenues	\$27,465
Expenditures	
Public Works	\$114,866
Total Expenditures	<u>\$114,866</u>
Net Road Fund Impact	(\$87,401)
TOTAL NET IMPACTS	\$65,511

(1) The estimate is conservative; reflects a potential net of sales tax sharing agreement with the County
(2) Assumes the citywide average of \$6.77 per capita with additional \$50 per capita for new annexation
(3) Based on the existing property tax allocation of 1.21% of the 1% property tax and special assessments applied to certain parcels in TRA 76042.
(4) While it is likely that one full-time police officer would be hired before buildout, it is assumed that about 1/2 an officer would be required as the result of the Pacheco area annexation, while the remaining 1/2 officer would be a citywide benefit and is not attributed to the annexation.
(5) Based on the existing property tax allocation of about 1% of the 1% property tax and special assessments applied to certain parcels in TRA 76042 and all parcels in the other TRAs
(6) Assumed at \$30 per household and at \$0.06 per square foot for commercial uses
Sources: City of Martinez and Economic & Planning Systems, Inc.

2. PROJECT DESCRIPTION

The City of Martinez is located in central Contra Costa County and is home to 36,000 residents. The City is surrounded by unincorporated areas, one of which—North Pacheco—is being considered for annexation to the City. The area proposed for the annexation is located within the City's urban limit line and sphere of influence, and is currently served by Contra Costa County.

North Pacheco

North Pacheco is located at the intersection of Interstate 680 and Highway 4 and is adjacent to the City's eastern edge (see **Figure 1**). The area serves as a gateway to Martinez. Annexation potentially could facilitate economic revitalization and visual improvement. The City could focus its enforcement efforts on the area to potentially reduce the high volume of public safety calls currently received from the area which are handled by the County Sheriff's Office. The area is estimated to contain about one mile of public roads.

North Pacheco consists of a range of land uses including commercial, industrial, and residential development. Older residential development includes an apartment building, while more recent residential development has been occurring on single-family lots. The area has a population of about 120 residents and an assessed value of \$34.6 million (see **Table 3**). North Pacheco is also estimated to include about 51,000 square feet of commercial space with approximately 100 employees (see **Table 4**). By buildout, the area is projected to increase to 490 residents and 130,000 square feet of commercial uses that will support approximately 250 total employees. The analysis assumes reuse of underutilized parcels and potential new office development.

Several new residential subdivisions are currently under development and will likely build out over the next several years. While North Pacheco may potentially become a redevelopment area, this analysis does not evaluate potential impacts of redevelopment designation.

**Figure 1:
Proposed North Pacheco Annexation Area**



Table 3
Proposed Annexation Areas Description
North Pacheco Annexation Study; EPS #19024

Item	Total
2009 Total	
Residential Parcels	
Occupied	50
Vacant	<u>155</u>
Total	205
Commercial Parcels	
Occupied	20
Vacant	<u>4</u>
Total	24
Other Parcels	
Land	0
Unbuildable Vacant	1
Miscellaneous (1)	<u>30</u>
Total	31
Total Parcels	260
Population (2)	119
Assessed Value	
Residential (per unit)	
Occupied	\$305,179
Vacant	\$37,901
Commercial (per parcel)	
Occupied	\$503,376
Vacant	\$160,425
Total Assessed Value	\$34,558,070
Buildout Total (3)	
Residential Parcels	
Occupied	205
Vacant	<u>0</u>
Total	205
Commercial Parcels	
Occupied	24
Vacant	<u>0</u>
Total	24
Other Parcels	
Land	0
Unbuildable Vacant	1
Miscellaneous (1)	<u>30</u>
Total	31
Total Parcels	260
Population (2)	488
Total Occupied Assessed Value (4)	\$134,987,851
(less) Value Lost to New Development (5)	<u>(\$6,516,398)</u>
New Assessed Value	\$128,471,453

(1) Include public, nonprofit and other miscellaneous uses.

(2) An average citywide population of 2.38 per household is assumed.

(3) Assumes that all vacant parcels and developable land will be developed.

(4) Market value of new residential units are assumed to be 50% above current average assessed values; new commercial development is assumed to average \$150 per square foot applied to 6 occupied commercial parcels with the area of 5.75 acres in Area A identified as underutilized and assumed to be redeveloped with potential net new addition of up to 80,000 square feet.

(5) Reflects the assessed value of currently vacant parcels assumed to be developed and occupied by buildout.

Sources: City of Martinez and Economic & Planning Systems, Inc.

**Table 4
Proposed Annexation Areas Commercial Space Description
North Pacheco Annexation Study; EPS #19024**

Item	Total
<u>2009 Total</u>	
Commercial Parcels	
Occupied	20
Vacant	4
Total	24
Existing Commercial Space (sq.ft.) (1)	51,176
Employment (2)	102
<u>Buildout Total (3)</u>	
Commercial Parcels	
Occupied	24
Vacant	0
Total	24
Commercial Space (sq.ft.) (4)	131,176
Employment (2)	262

(1) This estimate is conservative as estimates are not available for many parcels.

(2) Assumes an average employment density of 500 square feet per employee.

(3) Assumes that all vacant parcels and developable land will be developed.

(4) Includes 6 occupied underutilized commercial parcels in Area A assumed to be redeveloped with potential net new addition of up to 80,000 square feet.

Sources: City of Martinez and Economic & Planning Systems, Inc.

3. REVENUES

This chapter summarizes key revenues that will be generated as annexation occurs. Revenues at annexation and buildout are shown in **Tables 1** and **2**, with the City's budget summary and estimating factors shown in **Table A-1**. Additional details regarding assumptions and calculations are included in **Appendix A**.

Property Tax

Property tax based on 1.0 percent of assessed value is currently collected by Contra Costa County. The City of Martinez will share in a portion of the County's tax share based on a Property Tax Transfer Agreement to be negotiated between Contra Costa County and the City; the analysis assumes the distributions specified in the Master Property Tax Transfer Agreement for Allocation of Property Tax between the County of Contra Costa and City of Martinez,³ whereby the City would receive 22.85 percent of the County's current property tax base from the area.

In addition, the City is assumed to share 45.69 percent of the County's 19 percent tax share from future assessed value growth, resulting in a City share of approximately 9 percent from future growth. This allocation of base tax and increment translates into the City's overall tax capture of about 7.2 percent of total property tax at buildout. Additional property tax share is assumed to be allocated to the City from the CSA P-6 (sheriff protection) and Lighting and Landscape District L-100. The County currently collects this share of property tax which is 1.2 percent and just below 1.0 percent, respectively.

The property tax calculations are displayed in **Tables A-2** and **A-3**. New residential values in 2009 ranged between \$408,000 and \$574,000 per unit; new commercial values are assumed at \$150 per square foot. Recent market information indicates declines of approximately 5 to 10 percent from 2009 through May 2010. If prices do not recover, future property tax revenues will be less than estimated; however, a significant positive surplus will still result at buildout.

Property taxes and assessed values are based on 2008-09, which generally increased slightly by comparison to the prior year. It is likely that the 2009-10 property tax revenues will decline relative to the assumptions in the current analysis.

Property Tax In-Lieu of Vehicle License Fees

Recent changes in the State budget converted a significant portion of Motor Vehicle License Fee (VLF) subventions, previously distributed by the State based on a per-capita formula, into property tax distributions. These distributions increase over time based on assessed value growth, though the increase in assessed value in the initial year of annexation would not be reflected in the citywide assessed value formula. Although the City's Property Tax In-Lieu of VLF does not increase because of the initial bump in assessed value, State Law does provide an

³ Resolution 241-80 §99 (d).

allocation of VLF based on the population of the annexed areas. The City will receive \$50 per capita based on an allocation determined by State legislation (AB 1602). The annual amount will change depending on the growth in Statewide VLF and population.

In future years, increased values in the annexation area will contribute to growth in citywide assessed value; this growth will result in additional property tax in-lieu of VLF to the City, as shown in **Table A-3**.

VLF proceeds⁴ will also be generated as a result of the population added by the annexation. The initial amount allocated to the City is based on a per-capita amount of \$6.77 per resident.

Sales Tax

Sales tax revenues will be generated to the City by the commercial space located within the annexation area. Given the established nature of existing retail patterns, the annexation will not result in new sales tax revenues from the annexation area residents. About \$25,000 in sales tax is assumed to be generated from the North Pacheco area based on the County estimate (see **Table A-4**). North Pacheco has historically generated higher sales taxes, as much as \$190,000 a year. The actual amount of sales tax attributable to the City of Martinez will depend on a sales tax sharing agreement with the County. For the purpose of this analysis, a 50/50 split is assumed. Sales tax revenues are likely to increase slightly from new population growth as the area builds out over time, though this impact is not considered in this analysis.

A decrease in recent years in the sales tax proceeds generated in North Pacheco reflects the economic downturn and reduction in consumer spending. In addition, RV sales, a major generator of sales tax in the area, have been particularly hit because of rising gasoline prices. Future sales tax generated in the area may be higher if the economy returns to the prior levels and/or new retail development occurs.

Business License Tax

Business license tax is a general tax on businesses within a local jurisdiction. For estimating purposes, the fiscal analysis uses a "per-employee" approach based on total jobs in Martinez; the resulting factor is multiplied by the estimated employment total for the North Pacheco area.

Franchise and Other Fees

Annexation of North Pacheco will result in additional revenue to the City through franchise fees and license, permit, and other fees, as well as fines and forfeitures. A service population approach is used to estimate these revenues.

⁴ Called Motor Vehicle in Lieu of VLF in the City's budget.

Document Transfer Tax

Martinez receives a document transfer tax of \$0.55 per \$1,000 of transferred value upon sale of a property. The analysis estimates the tax based on the existing assessed values upon annexation and projected assessed values at buildout. The City will receive the tax upon sale of the newly developed units, as well as the resale of built space. The resale of built space is assumed to occur every ten years, on average, or about 10 percent annually.

Other Revenues

Services funded by fees and/or provided by other agencies will continue after annexation. Mt. View Sanitary District will continue wastewater service to the North Pacheco annexation area. These services, or future changes to service, are assumed to have no impact on the City's General Fund.

The analysis assumes special assessments generated by the County Service Area P-6 and County Service Area L-100 (lighting) will be collected by the City after annexation. A lighting and landscape district, LL 2 Zone 75 also exists in the area; the assessment is approximately \$10 per year per parcel and generates about \$2,000 annually. It is assumed that the assessments would continue, although it may be necessary for the City to create a mechanism to assure that the assessments are properly accounted.

4. EXPENDITURES

This chapter summarizes the key public costs for services that will be required as annexation occurs. This analysis applies the "case study" approach and is based on interviews with the City's departments. The costs are shown in **Table 1**.

Currently, municipal services are provided by Contra Costa County. Following the annexation, municipal services, such as police, community development, and public works, will be provided by Martinez. In some cases, the City services will replace the current assessments, such as the County Service Area P-6 (sheriff protection), County Service Area L-100 (lighting) and LL 2 Zone 75 (landscape). Other services, such as County Health and Human Services, will continue to be provided by the County. Other agencies will also continue to provide services, including wastewater service provided by special districts.

General Government

The City's General Government includes City Council, City Clerk, City Treasurer, City Manager, City Attorney, and Economic Development. The potential annexation is assumed to have no significant impact on the General Government costs.

Administrative Services

The Administrative Services Department consists of Administration, Finance, Personnel, and Information Systems and is charged with the overall administration of the City's programs. The potential annexation is assumed to have no impact on the Administrative Services Department costs.

Public Works/Road Fund

The Public Works Department is responsible for the City's maintenance, fleet management, water system treatment, and parking meter collection functions. Maintenance of roadways will include routine maintenance, striping and signs, storm drain, and street sweeping, as well as resurfacing and reconstruction that will be necessary as roads age. Overhead and administration are not included in the costs.

It is assumed that annual costs based on about one mile of publicly maintained roads in the annexation area will be incurred by the City. These costs are based on the optimum target level of maintenance which currently may not be consistently achieved by the City.

A portion of the public works cost estimates associated with pothole repair is excluded from the analysis as these costs are assumed to be covered by pavement and road maintenance costs. This analysis assumes that some State funding will be available for capital improvements of Pacheco Boulevard upon annexation. As a result of improvements, initial Road Fund cost is estimated at about \$60,000, below a typical annual cost of \$115,000 expected by buildout since the pavement will be newly reconstructed.

In addition, a portion of the Road Fund expenditure is assumed to be offset by the County Lighting and Landscape District L-100,⁵ NPDES proceeds, and Highway User taxes (Gas Taxes), as shown in **Table A-5**.

Police Services

Upon annexation, police service responsibility would be transferred from the County Sheriff's Office to the City's Police Department. The current level of City staffing may initially provide capacity to handle calls from North Pacheco upon annexation, although demand from the annexation area is expected to eventually require additional personnel support based on evaluation of calls for service, and future crime rates and prevention efforts. The City's Police Department already handles a share of the existing calls for service. Between April and September 2008, the County Sheriff received 172 calls from the North Pacheco area.

The analysis assumes the hiring of one officer within about one to two years after the annexation based on the calls for service from North Pacheco and the City's familiarity with the area, although only half of the officer's time would actually be required to serve the area, according to the City Police Department. The remaining 50 percent of the cost and staff capacity is shown as a benefit to the rest of the City. The timing and need for the additional staff would depend on the outcome of a concentrated enforcement and crime reduction effort in the area.

A portion of Police Department costs associated with annexation is assumed to be offset by the County Service Area P-6 proceeds⁶ and Proposition 172 proceeds, which is a statewide sales tax dedicated to public safety. Police service costs are shown in **Table A-6**. No initial increases in service costs are projected, as it is anticipated that existing needs in the North Pacheco area can be met by the existing staff. Over time, after an additional officer is hired, it may be possible to reduce the incidence of police activity and service calls generated from the area.

Community and Economic Development

The Community and Economic Development Department is responsible for managing the City's Planning, Engineering, and Community Services/Recreation functions. The costs associated with Community Development are assumed to have no impact on the General Fund as the majority of expenditures will be offset by fees.

Other Services

Fire Protection

Fire prevention and emergency services are provided by the Contra Costa County Fire Protection District (CCCFPD) to the potential annexation area and the City of Martinez. Fire services are not affected by the annexation.

⁵ Include property taxes and special taxes.

⁶ Ibid.

Water

The Contra Costa Water District is assumed to continue its provision of treated water to the North Pacheco area. The Contra Costa Water District also serves other areas in Pacheco, the east part of Martinez, Clayton, Clyde, Concord, Port Costa, and parts of Brentwood and Pleasant Hill.

Wastewater

Mt. View Sanitary District will continue service to the North Pacheco annexation area. The service of this special district is assumed to have no impact on the City's General Fund.

APPENDIX A:
Fiscal Impacts



**Table A-1
Budget Summary and Estimating Factors
North Pacheco Annexation Study; EPS #19024**

Item	FY2008-09 Budget	Allocation Factor
Citywide General Fund Revenues		
Property Tax	\$7,169,946	Tables A-2 and A-3
Property Tax In Lieu of VLF	\$2,522,970	Table A-3
Sales and Use Tax	\$3,829,699	Table A-4
Motor Vehicle In-Lieu VLF	\$244,800	\$6.77 per capita (1)
Transient Occupancy Tax	\$275,706	- not impacted
Business Licenses	\$520,200	\$22.83 per employee
Franchise Fees	\$1,395,000	\$29.34 per service population
Document Transfer Tax	\$286,761	\$0.55 of \$1,000 in value
Water System In-Lieu Tax	<u>\$391,492</u>	- not impacted
Subtotal	\$16,391,774	
License, Permit, and Fees	\$684,000	\$14.39 per service population
Fines and Forfeits	\$303,000	\$6.37 per service population
Intergovernmental	\$553,350	- not impacted
Charges for Service	\$746,500	- not impacted
Use of Money and Property	\$396,000	- not impacted
Other Revenue (2)	<u>\$162,300</u>	- not impacted
Subtotal	\$2,845,150	
Total Revenues	\$19,236,924	
Citywide General Fund Expenditures		
General Government (3)	\$1,108,835	- not impacted
Administrative Services	\$822,509	- not impacted
Public Works	\$3,927,141	Table A-5
Police	\$10,307,758	Table A-6
Community and Economic Development (4)	\$2,956,508	- not impacted
Non-Departmental (5)	<u>\$1,261,099</u>	- not impacted
Total Expenditures	\$20,383,850	
Net	(\$1,146,926)	
Other Sources of Funds		
Highway User Taxes	\$724,500	Table A-5
Prop 172 Proceeds	<u>\$410,000</u>	Table A-6
Subtotal	\$1,134,500	

Note: excludes operating and capital transfers.

(1) City would receive additional \$50 per capita based on AB1602.

(2) Includes water system admin fee, solid waste, maps and publications, interest payment on loan, miscellaneous revenue, refunds, and rebates, workers comp/liability rebate, restitution, damage and recoveries, and donations and contributions.

(3) Includes City Council, City Clerk, City Treasurer, City Manager, City Attorney, and Economic Development.

(4) The Economic Development portion of the department's budget is included under the General Government costs.

(5) Includes General Services, Franchise, Contingencies, and Retiree Benefits.

Sources: City of Martinez and Economic & Planning Systems, Inc.

**Table A-2
Property Tax and Property Tax In Lieu of VLF Calculation
North Pacheco Annexation Study; EPS #19024**

Item	Assumption / Factor	Total
Baseline Property Tax Revenue		
Base Assessed Value (current value)		\$34,558,070
Property Tax	1.0% of base assessed value	\$345,581
Existing County Tax (1)		\$59,139
City Share (2)	22.85% of the existing County tax	\$13,510
New Property Tax to the City		\$13,510

(1) Based on the proposed areas' share of the total AV for each TRA; Area B consists of two separate TRAs; post ERAF.
(2) Based on the Master Property Tax Transfer Agreement for Allocation of Property Tax between Contra Costa County and the City of Martinez.

Sources: City of Martinez; Contra Costa County Auditor's Office; and Economic & Planning Systems, Inc.

Table A-3
Property Tax and Property Tax In Lieu of VLF Calculation
North Pacheco Annexation Study; EPS #19024

Item	Assumption / Factor	Total
Baseline Property Tax Revenue		
Base Assessed Value (current value)		\$34,558,070
Property Tax	1.0% of base assessed value	\$345,581
Existing County Tax (1)		\$59,139
City Share (2)	22.85% of the existing County share	\$13,510
Tax Increment Property Tax Revenue (1)		
Assessed Value Gross Increment (at buildout)		\$89,754,183
Property Tax	1.0% of AV increment	\$897,542
County Tax Share (1)		\$76,492
City TAF (2)	45.69% of the County tax share	\$90,002
Net New Property Tax to the City		
<u>Property Tax In Lieu of VLF</u>		\$2,522,970
Existing Property Tax in Lieu of VLF		\$4,826,097,584
Citywide Assessed Value (3)		1.86%
% Increase in Assessed Value		\$46,921
Net New Property Tax In Lieu of VLF		

(1) Based on the proposed areas' share of the total AV for each TRA; Area B consists of two separate TRAs; post ERAF.
(2) Based on the Master Property Tax Transfer Agreement for Allocation of Property Tax between Contra Costa County and the City of Martinez.

(3) FY 2008-09 total tax rate base and the base assessed value of the proposed annexation areas combined.

Sources: City of Martinez; Contra Costa County Auditor's Office; and Economic & Planning Systems, Inc.

**Table A-4
Sales Tax Calculations
North Pacheco Annexation Study; EPS #19024**

Item	Total
<u>2009 Total</u>	
Existing Commercial Space (sq.ft.) (1)	51,176
Taxable Sales (2)	\$5,002,454
Sales Tax to the City (3)	\$25,000
<u>Buildout Total</u>	
Commercial Space (sq.ft.) (4)	51,176
Taxable Sales (2)	\$5,002,454
Sales Tax to the City (3)	\$25,000

(1) This estimate is conservative as estimates are not available for many parcels.

(2) Assumes 50% of commercial space generates taxable sales with an average of about \$195 per square foot in taxable sales.

(3) Assumes 1.0% to the City's General Fund; rounded. The \$50,000 revenue total provided by the County for the North Pacheco area; based on the recent year's data. A 50/50 sales tax split between the City and the County is assumed.

(4) Excludes 80,000 square feet associated with potential redevelopment of underutilized parcels to office space.

Sources: City of Martinez, Contra Costa County, and Economic & Planning Systems, Inc.

**Table A-5
Public Works/Road Fund Annual Cost Estimate
North Pacheco Annexation Study; EPS #19024**

Item	Total
2009 Total	
Pavement	\$81,180
Annual Stripings/Signs	\$22,200
Road Maintenance	\$2,100
Storm Drain	\$1,500
Nuisance Abatement	\$5,500
Street Sweeping	\$2,386
Expenditures	
Total Public Works Expenditure	\$114,866
(less) Capital Improvement Impact (1)	(\$54,866)
Expenditure Total	\$60,000
Revenues	
Highway User Taxes (Gas Taxes) (2)	\$2,357
L-100 Landscaping and Lighting District (3)	\$3,164
NPDES (4)	\$4,699
Revenues Total	\$10,219
Buildout Total	
Expenditures	
Total Public Works Expenditure (5)	\$114,866
(less) Capital Improvement Impact (1)	\$0
Expenditure Total	\$114,866
Revenues	
Highway User Taxes (Gas Taxes) (2)	\$9,665
L-100 Landscaping and Lighting District (3)	\$3,452
NPDES (4)	\$14,349
Revenues Total	\$27,465

(1) Some State funding will be available for capital improvements upon annexation which is assumed to reduce initial operating cost by about one half.

(2) Includes Highway User Tax 2105, 2106, and 2107 proceeds based on the City's FY2008-09 budget per capita estimate of \$19.81.

(3) Based on the existing property tax allocation of about 1% of the 1% property tax and special assessments applied to certain parcels in TRA 76042 and all parcels in the other TRAs.

(4) Assumed at \$30 per household and at \$0.06 per square foot for commercial uses.

(5) Assumed to be unchanged from the annexation period.

Sources: City of Martinez, and Economic & Planning Systems, Inc.

**Table A-6
Police Department Service and Cost Estimate
North Pacheco Annexation Study; EPS #19024**

Item	Citywide Total	Total
Sworn Officers	39	
Cost per Sworn Officer (1)	\$126,435	
Officers per 1,000 Population	1.1	
2009 Total		119
Population		0.00
Project-Related Officer Increase (2)		
Expenditures		\$0
Total Project Cost		\$0
(minus) Citywide Benefit (3)		
Revenues		\$1,350
Prop 172 Proceeds (4)	\$410,000	\$11,826
P-6 Proceeds (5)		
Buildout Total		488
Population		1.00
Project-Related Officer Increase (3)		
Expenditures		\$126,435
Total Project Cost		(\$63,218)
(minus) Citywide Benefit (3)		
Revenues		\$5,535
Prop 172 Proceeds (4)	\$410,000	\$14,413
P-6 Proceeds (5)		

(1) Provided by the Martinez Police Department.
(2) Based on the interview with the City's Police Department, the current level of staffing is assumed to be sufficient to cover additional service demand from annexation, though an additional officer would eventually be hired.
(3) While it is likely that one full-time police officer would be hired due to the current beat structure and staffing levels, it is assumed that about 1/2 an officer would be required as the result of the Pacheco area annexation, while the remaining 1/2 officer would be a citywide benefit and is not attributed to the annexation. It is also assumed that no additional police cost would be incurred as the areas are built out.
(4) Based on the citywide per capita distribution in FY2008-09 budget.
(5) Based on the existing property tax allocation of 1.21% of the 1% property tax and special assessments applied to certain residential and commercial parcels in TRA 76042.

Sources: City of Martinez Budget and Economic & Planning Systems, Inc.

**Table A-7
 Citywide 2008 General Assumptions and Data
 North Pacheco Annexation Study; EPS #19024**

Item	Amount	Sources
Housing Units	14,953	DOF
Occupied Households	14,649	DOF
Population	36,144	DOF
Persons/Household	2.4	DOF
Jobs (1)	22,789	ABAG 2007
Service Population (2)	47,538	DOF/ABAG 2007

(1) Estimates 2008 employment based on the annual growth rate of 1.5% between 2005 to 2010.

(2) Calculated by adding total residential population and half of total employment. It represents a measure of public service demand in which employees are given one-half the weight of residents because of more limited service requirements.

Sources: Department of Finance (2008), ABAG Projections 2007, and Economic & Planning Systems, Inc.

Initial Study Checklist

North Pacheco Annexation

Initial Study Checklist

Environmental Factors Potentially Affected:

The following Environmental Checklist contains an analysis of each environmental issue identified in the City of Martinez Initial Study for the North Pacheco Annexation Project. The proposed annexation would not result in substantive changes to the content and purpose of the County's existing land use policies and regulations that apply to the annexation area. The annexation will be developed and regulated in the same manner that the County currently uses. The annexation does not involve any physical changes to the area. Development would be permitted to proceed according to new City policies and regulations that are essentially the same as the County's. Existing development that conforms to County policies and regulations is anticipated to also comply with the City policies and regulations. In addition, there will no increase in allowable density or scale of development than what is currently permitted under existing County policies and regulations.

Because no specific development is proposed as part of the annexation project, this CEQA evaluation focuses on the establishment of new regulations, and implementation of the proposed annexation as well as potential to further subdivide vacant properties or infill development within other properties.

The environmental factors checked below would be potentially affected by this project, as indicated by the checklist on the following pages.

	Aesthetics		Agriculture/Forest Resources		Air Quality
	Biological Resources		Cultural Resources		Geology /Soils
	Hazards & Hazardous Materials		Hydrology / Water Quality		Land Use / Planning
	Mineral Resources		Noise		Population / Housing
	Public Services		Recreation		Transportation/Traffic
	Utilities / Service Systems		Mandatory Findings of Significance		

PROJECT DESCRIPTION

Project Title:	North Pacheco Annexation Project
Lead Agency Name and Address:	City of Martinez, Planning Division 525 Henrietta Street Martinez, CA 94553
Contact Person:	Dina Tasini, Contract Project Manager, (dinatasini@comcast.net)
Project Location and APN:	Multiple Parcels in Contra Costa County, California
General Plan Designation:	Contra Costa County: Single Family –Low; Single Family - Medium; Commercial, Business Park and Open Space
Zoning Designations:	R-6 Single Family Residential; R-7 Single Family Residential; M-29 Multi-family Residential; R-B Retail Business; C General Commercial; C-P Planned Commercial

Description of Project:

Project Location:

The North Pacheco Annexation project area is located at the intersection of Interstate Highway 680 and Highway 4 and extends north along Pacheco Avenue to the Burlington Northern Santa Fe (BNSF) Railroad trestle, which demarks its most northern boundary. The area is located within the northeastern portion in unincorporated Contra Costa County outside the eastern boundary of the City of Martinez but within the City's sphere of influence and County Urban Limit Line. The annexation area consists of approximately 111 acres. The northern portion of the area also contains a few businesses including two large contractor yards, auto repair, a church, and a drug and alcohol rehabilitation center (Contra Costa owns and operates the site).

The Belmont Terrace subdivision within the northern portion of the annexation area (currently under construction) was approved for 110 single-family homes and is being constructed in phases. The area immediately to the south has been graded and retaining walls have been built in preparation for a subdivision comprised of 20 lots. The property located at 4776 Pacheco Boulevard has been approved for a subdivision of 8 lots. To the east and across Pacheco Boulevard 4775 and 4781 Pacheco Boulevard have been approved jointly for a subdivision of 89 lots.

The Central portion of the annexation area includes a large stretch of the Contra Costa Canal that bisects several properties making access to several properties unfeasible, and so the property between the canal and I-680, remains vacant. The vacant land is unpaved, fenced and has no access. Part of the vacant land provides right of way for Caltrans. The central and southern portions of the annexation area are a mix of commercial, light industrial and a few residential units. The largest business in operation is located at 4949 Pacheco Boulevard. This business was at one time a large RV sales business. Recreational Vehicle sales have seen a large decrease recently clearly this is in response to the economic downturn. In response, the owner has subleased the area to several businesses. The RV site is comprised of several parcels and a trailer sales dealer between the industrial park along Blum Road and I-680.

The remainder of the southern portion of the annexation area consists of commercial uses, older homes that are used for business and few residences. Within the southern portion there are a number of vacant commercial/light industrial buildings.

Three occupied multi-family apartment buildings are located in the southern of the proposal area on Hanson Court. Two single-family homes are situated at the south end of Pacheco Boulevard. A California Highway Patrol office is located at the southeastern portion of the annexation area. Caltrans owns land that borders the junction of I-680 and Highway 4 and operates a park and ride lot at the south end of Blum Road. Contra Costa County Transportation Authority is planning to redevelop a portion of the site into a bus transfer station at the interchange, and the City has agreed in principal to maintain the parking lot for a fee of \$25,000 per year.

Existing General Plan and Zoning

Land use designations in the annexation area from the Contra Costa General Plan include: ML (Multiple Family Residential-Low Density-7.3 to 11.9 units per acre); CO (Commercial) and PS (Public/Semi Public). Contra Costa County Zoning designations in the area are: A-2 (General Agriculture); C (Commercial); D-1 (Two Family Residential); M-12 (Multiple Family Residential maximum 12 units to the acre); M-29 (Multiple Family Residential-maximum 29 units to the acre); R-B (Retail Business); R-6 (Single Family Residential-minimum lot size 6,000 square feet); R-7 (Single Family Residential-minimum lot size 7,000 square feet); L-1 (Light Industrial) and P-1 (Planned Unit) (See Exhibit A).

The proposed changes to the land use designations include: R 7-12 units per acre and R 19-25 units per acre (Multi Family Residential); C (Commercial); PI (Public Institution) and OS (Open Space). City of Martinez proposed Zoning Designations in the area are: R1.5 (Residential 1500 square feet per unit); R-3.5 (Residential 3500 square feet per unit); M-GF/SC (Government Facilities/Service Commercial; M-SC/LI (Mixed Use Service Commercial/Service Commercial); P-1 (Planned Unit Development) introduction of a text amendment to allow for Contra Costa County Planned Unit Development designation and associated regulations; and OS (Open Space). In addition an amendment to the John Muir Specific Plan is required to reduce an Open Space area to half to accommodate for approved and developed residential units designated as open space. (See Exhibit B)

Proposed General Plan and Zoning

The City of Martinez General Plan land use designations that are being proposed for the annexation area are currently within the John Muir Parkway Specific Area Plan, and are: Residential; 7-12 units per acre (Medium Density Residential) and Residential; 19-25 units per acre (Multi Family Residential); C (Commercial); PI (Public Institution) and OS (Open Space). In addition an amendment to the John Muir Specific Area Plan Land Use map is required to reduce an area currently designated as Open Space to accommodate a residential development that had been approved by the County for that location. (See Exhibit B)

The following zoning designations, which are currently within the City of Martinez's Zoning Ordinance, are proposed within the annexation area: R-1.5 (Residential, 1500 square feet per unit; 10,000 square feet minimum parcel size); R-3.5 (Residential 3500 square feet per unit; 40,000 square feet minimum parcel size); M-GF/SC (Government Facilities/Service Commercial; M-SC/LI (Mixed Use Service Commercial/Service Commercial); OS (Open Space) and P-1 (Planned Unit Development, which requires the introduction of a zoning text amendment to allow for Contra Costa County Planned Unit Development designation and associated regulations) (See Exhibit C)

Proposed Project

The City of Martinez proposes to annex a portion of Pacheco Boulevard and associated parcels located along Pacheco Boulevard from the I-680 and Highway 4 interchange considered the southern boundary and extending to the north and ending at the railroad trestle. The entire annexation area encompasses eleven acres. The area shall be referred to in the remainder of this document as North Pacheco Annexation Area. The City proposes to prezone the parcels located in the southern portion of the annexation area that are currently zoned commercial, Multi Family Residential and Retail Business, to Service Commercial/Light Industrial allowing for the current pattern of development to continue. In areas in the northern portion of the annexation area that are zoned for residential use and light industrial the proposed zoning is residential and Service Commercial/Light Industrial with a similar residential density, allowing for the same development potential (See Exhibit D). In order to annex the area into the City of Martinez, the City and Contra Costa County Local Agency Formation Commission (LAFCO) will require the City take the following planning and policy actions:

- Amend the Martinez General Plan (John Muir Parkway Specific Area Plan) Land Use Map to show the annexation area within the City limits and the new associated designations, (City)
- Amend the Zoning Ordinance to include new designation P-1 (Planned Unit Development) to allow for Contra Costa County's Planned Unit Development designation and approved Planned Developments to be incorporated into the City's Zoning Ordinance and Map. (City)
- Amend the Zoning Map to show the annexation area within the City limits and the new Zoning Districts for the annexation area. (City)
- Approve pre-zonings and General Plan Land Use designations of the properties to be annexed. (City)
- Adopt a Negative Declaration. (City)
- Approve a City-Initiated LAFCO application. (City)
- Process and approve the annexation. (LAFCO)

Development Potential

The majority of the annexation area is fully developed, and is characterized by commercial and light industrial activities. The proposed annexation will not significantly change the allowed uses, density or scale of development when compared to existing conditions or existing County policies and regulations, because the City proposes to amend the zoning and general plan designations to permit similar uses, density and intensity of development as is currently permitted.

The majority of the southern portion of the annexation area would be zoned Service Commercial/Light Industrial, while the northern portion would remain multi-family residential, with a small number of single-family dwellings zoned for single family

residential. With a number of parcels along Pacheco Boulevard that are currently used for landscape maintenance service yards and County Facilities it is appropriate to zone the area Service Commercial/Light Industrial.

There are 252 parcels within the annexation area. There are two subdivisions that were approved by the County, but not yet developed for a total of 89 homes. In addition, there is a subdivision upon which construction has begun but that appears to be stalled for a total of 20 units (streets have been developed and pads for homesites are visible). One additional site has been approved for 8 lots. The remaining single-family residences within the southern and central portions of the annexation area are being utilized as businesses. Several are zoned commercial and have been rezoned by the County accordingly. There are 5 vacant lots that are zoned for residential use that are by and large inaccessible or too steep to develop.

I. AESTHETICS

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
Would the project:				
a) Have a substantial adverse effect on a scenic vista?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Substantially degrade the existing visual character or quality of the site and its surroundings?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Increase the amount of shade in public and private open space on adjacent sites?				x

Discussion:

a-d) Though there are no designated state scenic vistas or highways on or adjacent to the proposed annexation area, State Route 4 is a designated scenic highway in both the City of Martinez General Plan (1973) and the Contra Costa County General Plan (2005). No City or County designated scenic ridgelines or waterways are on or adjacent to the proposed annexation site (Contra Costa County, 2005). The project is not expected to affect aesthetics or visual resources because it would not involve any physical changes to the landscape or differing land use regulations which would permit new or additional development.

e) Given no physical development is proposed as part of the annexation project, approval of the annexation would not have a substantial adverse effect related to shade in public and private open space. The proposed zoning would not increase or substantially

change the allowed use, density or scale of development that would be permitted as compared to existing conditions or existing County zoning, policies and regulations. Therefore, no adverse impact to the amount of shade in public and private open space on adjacent sites will result from the proposed annexation.

II. AGRICULTURAL/ FOREST RESOURCES

<p>In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and site Assessment Model (1997) prepared by the California Dept. of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies and refer to information compiled by the California Department of Forestry/Fire Protection regarding the State's inventory of forest land, including the Forest and Range Assessment Project and the Forest Legacy Assessment Project; and forest carbon measurement methodology provided in Forest Protocols adopted by the California Air Resources Board. Would the Project:</p>	<p>Potentially Significant Impacts</p>	<p>Less Than Significant with Mitigation Incorporation</p>	<p>Less Than Significant Impact</p>	<p>No Impact</p>
<p>a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?</p>	<input type="checkbox"/>	<input type="checkbox"/>		<p>X</p>
<p>b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?</p>	<input type="checkbox"/>	<input type="checkbox"/>		<p>X</p>
<p>c) Conflict with existing zoning for, or cause rezoning of forestland (as defined in Public Resources code Section 12220(g) timberland (as defined by PRC Code Section 4526) or timberland zoned Timberland Production (as defined by Government Code Section 51104(g)).</p>				<p>X</p>
<p>d) Result in loss of forest land or conversion of forest land to non-forest use.</p>				<p>X</p>
<p>e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use?</p>	<input type="checkbox"/>	<input type="checkbox"/>	<p>X</p>	

Discussion:

a-b and e) The Farmland Mapping and Monitoring Program (FMMP) of the California Resources Agency designates the annexation area as Urban and Built-Up Land.

No Prime Farmlands, Farmlands of Statewide Importance, or Williamson Act contract lands are located within the in the proposal area. Four parcels in the proposal area are zoned General Agriculture by the County though no agricultural activities appear to be occurring on them. Three of the parcels (4626, 4630, and 4632 Pacheco Boulevard) are only about 10,000 square feet each and appear to contain single-family homes. The three parcels will be rezoned to residential use; this rezoning is appropriate because of the historic use of this area for residential uses. The other (4774 Pacheco Boulevard) is larger but located on a steep slope and appears to be too steep to develop. No agricultural uses take place on those parcels, therefore, the rezoning and annexation of these parcels will not result in the conversion of Farmland to non agricultural use, this is a less than significant impact. c and d) There are no designated forest lands within the annexation area and there is no cause to rezone or conflict with existing zoning as part of this annexation proposal. There will be no loss of forest land or conversion of forest land to non-forest use, therefore there is no impact on forest lands.

III. AIR QUALITY

Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. Would the project:	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Conflict with or obstruct implementation of the applicable air quality plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Expose sensitive receptors to substantial pollutant concentrations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Create objectionable odors affecting a substantial number of people?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a-e) A proposed project would be judged to conflict with or obstruct implementation of the regional air quality plan if it would be inconsistent with or obstruct implementation, in terms of population, employment or regional growth in vehicle miles traveled (VMT). This could occur if a project requires a general plan or zoning amendment and the proposed change would result in greater vehicle traffic than would occur under current zoning.

The zoning proposed as part of the annexation would not increase or substantially change the allowed use, density or scale of development when compared to existing conditions or existing County Zoning, policies and regulations. As the majority of the annexation area is built out, there are minimal opportunities for additional development to occur based on existing commercial and residential zoning or the City's proposed zoning of service commercial/light industrial and residential where the maximum number of residential units from subdividing additional lots is approximately 8 units. No expansion of utilities and infrastructure is anticipated as part of the annexation; as a result, no new urban development beyond that already planned and approved for the area is anticipated to occur in the area. Therefore; the annexation project would not result in greater population, employment or regional growth in VMT than anticipated under the current County conditions. For these reasons, the annexation project would not conflict with or obstruct the applicable air quality plan and no impact would occur. The proposed annexation is a jurisdictional change that is anticipated to have no direct, physical effects on the environment. No construction is proposed and no change to existing utilities is anticipated.

Given that no physical development is proposed as part of the annexation project, approval of the annexation would not contribute to the Bay Area's non-attainment conditions. In addition, there would be no increase or substantial changes to uses within the project area

as compared to existing County conditions, resulting in no net increase of any criteria pollutants; exposure to substantial pollutant concentrations; or creation of new objectionable odors. Thus no impacts to air quality are anticipated to occur as a result of the proposed annexation.

IV. BIOLOGICAL RESOURCES

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
Would the project:				
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by the California Department of Fish and Game or US Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a-f) the proposed annexation is a jurisdictional change that is anticipated to have no physical effects on the environment. No construction is proposed and no change to utilities is anticipated. There are no known sensitive habitats, wetlands or species located within the area. Thus no impacts to biological resources are anticipated to occur as a result of the proposed annexation. There are no local policies or ordinances protecting that apply to the annexation of this area. There are no habitat or conservation plans adopted for this area.

Therefore the rezoning and annexation of this area will not result in any adverse impacts on biological resources, there is no impact.

V. CULTURAL RESOURCES

Would the project:	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Cause a substantial adverse change in the significance of a historical resource as defined in '15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	x	
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to '15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	x	
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	<input type="checkbox"/>	<input type="checkbox"/>	x	
d) Disturb any human remains, including those interred outside of formal cemeteries?	<input type="checkbox"/>	<input type="checkbox"/>	x	

Discussion:

a-d) Land uses within the annexation area include commercial and residential uses. The annexation area has not been surveyed for historical, archaeological or paleontological resources, or human remains as no physical changes are proposed as part of the annexation. However, record searches and field studies described in the Bodhaine-Field Initial Study- subdivision of 89 residential units within the project area (Contra Costa County, 2006) identified no cultural resources in the proposal area, though the report noted that there is the possibility that future construction activities could reveal cultural resources. There is no increase in density or intensity resulting from the proposed rezoning of the properties within the annexation area, because the proposed zoning and general plan designations is similar.

No impacts to cultural resources are anticipated to occur as a result of the proposed annexation. As part of the annexation, no ground-disturbing activities would occur. It is not possible to predict if and when private property owners may choose to request approval to develop their property. However, if additional subdivisions and or development is requested the project will be subject to CEQA review at the time they are proposed

As part of the annexation project, no ground-disturbing activities would occur. Therefore, any historical resources, archaeological resources, paleontological resources, or human remains that may occur within the project site would not be adversely affected by the proposed project action.

Therefore, any historical resources, archaeological resources, paleontological resources, or human remains that may occur within other areas of the site would not adversely affect the proposed project action. Construction is not part of the proposed annexation. This impact would be less than significant.

VI. GEOLOGY AND SOILS

Would the project:	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:				X
i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ii) Strong seismic ground shaking?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
iii) Seismic-related ground failure, including liquefaction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
iv) Landslides?	<input type="checkbox"/>	<input type="checkbox"/>	x	
b) Result in substantial soil erosion or the loss of topsoil?	<input type="checkbox"/>	<input type="checkbox"/>	x	
c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?	<input type="checkbox"/>	<input type="checkbox"/>	x	
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?	<input type="checkbox"/>	<input type="checkbox"/>	x	
e) Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a-e) There are no Alquist-Priolo Special Study Zones in the proposal area. Strong seismic shaking could occur in the proposal area since the Concord-Green Valley fault is about one mile to the east. The proposal area is also susceptible to landslides since there are slopes along the north eastern and western sides. The northeast part of the proposal area is within a massive landslide area (Contra Costa County, 2004). However, no impacts to geological resources are anticipated to occur as a result of the proposed change in jurisdiction. Construction is not part of the proposed annexation and the existing uses, proposed zoning districts and general plan designations are similar to those currently in place, therefore no increase in development potential will result from the annexation and therefore no significant impact will result from the proposed annexation.

VII. GREENHOUSE GAS EMISSIONS

Would the project:	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Gases that trap heat in the atmosphere are referred to as greenhouse gases (GHGs) because they capture heat radiated from the sun as it is reflected back into the atmosphere, much like a greenhouse does. The accumulation of GHGs has been implicated as a driving force for global climate change. Definitions of climate change between and across regulatory authorities and the scientific community, but in general can be described as the changing of the earth's climate caused by natural fluctuations and anthropogenic activities, which alter the composition of the global atmosphere.

California State law defines GHGs as Carbon Dioxide, Methane, Nitrous Oxide, Hydrofluorocarbons, Perfluorocarbons, and Sulfur Hexafluoride. The primary contributions to GHG emissions in California are transportation, electric power production from both State and out of state sources, industry, agriculture and forestry, and other sources, which include commercial and residential activities.

The City of Martinez Climate Action Plan (CAP), adopted in June 2009, presents goals, principles, and strategies for reducing the City's GHG emissions, conserving energy and natural resources, and preparing the community for the expected effects of global warming. The CAP was developed through a public planning process, under direction of the City Council. The CAP addresses GHG emissions within City limits.

The BAAQMD has established a climate protection program to reduce pollutants that contribute to global climate change and affect air quality in the Bay Area. The climate protection program includes measures that promote energy efficiency, reduce VMT, and develop alternative sources of energy all of which assist in reducing emissions of GHG and in reducing air pollutants that affect the health of residents. The BAAQMD also seeks to support current climate protection programs in the region and to stimulate additional efforts through public education and outreach, technical assistance to local governments and other interested parties, and promotion of collaborative efforts among stakeholders.

Implementation of the annexation project would not involve any physical changes to the annexation area; instead, the project would allow the City to administer planning policy and zoning in the annexation area generally according to the same planning policies and regulations that the County currently uses for the annexation area and therefore there is no impact on greenhouse gasses and the annexation is not in conflict with the City of Martinez Climate Action Plan and community goals for reducing the City's GHG emissions. Therefore the project will not have an impact on Greenhouse gas emissions.

VIII. HAZARDS AND HAZARDOUS MATERIALS

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
Would the project:				
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	x	
f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	x	
g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?	<input type="checkbox"/>	<input type="checkbox"/>	x	

Discussion:

a-d, g, h) No construction is proposed and no change to existing facilities is anticipated. The proposed annexation and changes to the general plan and zoning designations will not create a significant impact because the changes to land use are consistent with ongoing activities in the project area. Thus no impacts of hazards and hazardous materials are anticipated to occur as a result of the proposed annexation. There is an adjacent open space area to the west but there is no increased risk of exposure to wildfires as a result of the annexation since no new development is proposed. In addition, all approved but not yet developed residential projects will adhere to Contra Costa County fire safety standards and the Uniform Building Code, so limited to no exposure to wildfires is anticipated. Since the annexation does not propose any development or intensification of development there is no significant hazard to the public.

e-f) The northern portion of the proposed annexation area is located within the boundary of the adopted Airport Land Use Plan for Buchanan Field. The Plan contains policies regarding land use compatibility with respect to noise, safety and airspace protection. Since the proposed annexation is a jurisdictional change that is anticipated to have no direct, physical effects on the environment, no incompatibility with these policies is anticipated. All policies currently in place with respect to the airport will apply and any land use development will be required to adhere to those regulations, therefore no significant impact or less than significant impact will result.

IX. HYDROLOGY AND WATER QUALITY

Would the project:	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Violate any water quality standards or waste discharge requirements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Otherwise substantially degrade water quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h) Place within a 100-year flood hazard area structures which would impede or redirect flood flows?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Would the project:	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
j) Inundation by seiche, tsunami, or mudflow?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a-j) The proposed annexation would not increase or substantially change the allowed use, density or scale of development when compared to existing density or scale or development or existing County zoning, policies and regulations. The City of Martinez proposes to prezone the annexation area in a manner which is similar to the existing designations and zoning districts, such as pre zoning all existing commercial areas as service commercial/light industrial providing little to no change in permitted uses and development potential and residential densities will kept to the same densities as what is currently permitted. No construction is proposed and no change to existing utilities is anticipated, thus, no impacts to hydrology and water quality are anticipated to occur as a result of the proposed annexation. The proposal area is being served by Mt. View Sanitary District for wastewater treatment, and Contra Costa Water District for water service. No change in water service would occur due to annexation, because no new development is proposed.

X. LAND USE AND PLANNING

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
Would the project:				
a) Physically divide an established community?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?		<input type="checkbox"/>	<input type="checkbox"/>	X
c) Conflict with any applicable habitat conservation plan or natural community conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a and c) The proposed annexation would not physically divide an established community nor would the proposed annexation conflict with any habitat conservation plans or natural community conservation plans. The proposed annexation and associated rezoning and general plan amendments have taken into account the existing uses and development within the area. As such the City of Martinez is proposing to rezone the areas with similar commercial and residential zoning allowing for existing uses to continue and new uses to be in keeping with the long range plans for the southern portion of the annexation area to be largely commercial uses and the northern portion residential hence, the proposed zoning and general plan will be consistent with current land use designations. The Northern portion of the annex area located between the BNSF Railroad and the Sunrise Business Park (Westerly Boundary) and the Contra Costa Canal (Easterly Boundary) consists of approximately 50 acres currently designated "Medium Density Residential" by the Contra Costa County General Plan. The City has proposed General Plan designations and Zoning designations that are consistent with the existing and permitted uses in the County with two exceptions. The two exceptions are as follows: Approximately 3 acres adjacent to the Contra Costa Water District property, above Weatherly Lane, will be designated Open Space as opposed to the current Residential designation to be consistent with the approved Contra Costa County tentative map for the proposed residential development on that property. The second exception is the approximately 5 acres adjacent to the BNSF railroad and Pacheco Boulevard will be redesignated commercial as opposed to residential to reflect the current and historic use of the properties.

The southern portion of the annexation area, generally located to the east and south of the Contra Costa Canal, consisting of approximately 40 acres; all but 4 acres are designated for Service Commercial and/or governmental facilities, within the Contra Costa County General Plan. The City does not plan any substantial changes to the existing or planned residential uses in this area. Permitted uses will remain consistent with the proposed General Plan Designations and Zoning regulations with the exception of 2 areas. The first is an approximately 4.5 acres that is located on a piece of property somewhat landlocked between the Contra Costa Canal and Highway 680 and is currently designated Medium Low Density Residential. There is no

public access to this area, the only access is through private properties that are designated and used for Service Commercial purposes. Therefore commercial as opposed to residential purposes are proposed for this area. In addition there is a one acre site at "Hanson Court" that is currently designated Commercial but is fully developed as High Density residential. The City of Martinez proposes a new designation of residential for this area. There is no conflict with existing land use plans, policies or regulations in fact the changes proposed have no impact on the existing land use patterns or the environment. Therefore the proposed annexation and related changes to the current General Plan Designations and or Zoning Determinations will not have a significant impact because they are consistent with the existing designations and uses in the area and do change the development potential in the area.

b) The proposed annexation would not conflict with the County General Plan the City General Plan (John Muir Parkway) that apply to the proposal area. The proposed project includes the adoption of zoning designations that are compatible with the County development and land use currently in place. There are no conflicts with proposed zoning designations and existing development. There are no applicable habitat conservation or natural community conservation plans within the annexation area. The proposed annexation does not physically divide a community, conflict with existing land use plans and there are no habitat or conservation plans in the area, therefore there is no significant impact.

XI. MINERAL RESOURCES

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
Would the project:				
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a-b) The proposed annexation is a jurisdictional change that is anticipated to have no direct, physical effects on the environment. There are no known mineral resources within the annexation area. No construction is proposed and no change to mineral resources is anticipated. Thus no impacts to mineral resources are anticipated to occur as a result of the proposed annexation.

XII. NOISE

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
Would the project result in:				
a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	x	
f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?	<input type="checkbox"/>	<input type="checkbox"/>	x	

Discussion:

a-d) The proposed annexation is a jurisdictional change that is anticipated to have no direct, physical effects on the environment or exposure to noise levels in excess of permitted standards. No construction is proposed and no change to existing activities that would generate any increase in noise levels is anticipated.

e-f) The northern portion of the proposed annexation area is located within the boundary of the Airport Influence Area for Buchanan Field. In addition to airport noise, the sources of environmental noise in the project vicinity include traffic on Pacheco Boulevard, traffic on I-680 and Highway 4, and noise related to the Burlington Northern Santa Fe railroad. Since the proposed annexation is a jurisdictional change that is anticipated to have no direct, physical effects on the environment, no impacts from noise exposure are anticipated to occur as a result of the proposed annexation. In addition, the proposed rezoning and general plan designations takes into account the existence of the freeways and airport and appropriately zones those areas for service commercial/light industrial and continues to zone predominately residential areas to the south a greater distance from noise sources. If and

when new development occurs within the project area, it would be subject to compliance with the City's existing noise standards and at this point development is speculative as no specific development is proposed as part of the annexation project. Furthermore the proposed annexation will not expose the public to generation of noise levels in excess of standards in the local general plan because the proposed changes to the General Plan and Zoning Ordinance are consistent with the existing Contra Costa County designations, no new development or noise sources are proposed, no temporary or short term noise will result, and no new exposure to airport noise is anticipated. Hence the project will have less than significant impact.

XIII. POPULATION AND HOUSING

Would the project:	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a) *The proposed project includes zoning and general plan designations which are similar to those in place. For instance the areas predominately used and designated for residential purposes will be zoned to permit the residential. In this area, there are a number of approved projects which will be developed. Those developments have been approved by Contra Costa County and will be developed as proposed. The City has anticipated those housing units being developed and has proposed rezoning that will permit the type and density of development already approved within the County. The commercial areas have historically had residences that have been used for business and or have been converted to businesses. There are four parcels that have single-family residences along Pacheco and Blum Road that have been rezoned to commercial and will remain in commercial use. There is no new development proposed as part of the annexation so there will be no substantial population growth as a result of this annexation, therefore, no impact will result from this project.*

b-c) *The proposed annexation will not displace any existing housing necessitating replacement housing. No new development is proposed as part of the proposed annexation. There are several subdivisions that were previously approved by the County and may be developed in the future. Development of those subdivisions in the future will not displace people because the areas of development are vacant or partially developed. The necessary environmental review has been completed for those projects. There is no impact to existing housing.*

XIV. PUBLIC SERVICES

a) Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
Fire protection?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Police protection?	<input type="checkbox"/>			<input checked="" type="checkbox"/>
Schools?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Parks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other public facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

The Contra Costa County Fire Protection Department (CCCYPD) provides fire and emergency services to residents of the City of Martinez as well as the proposal area. There would be no change in this service as a result of the proposed annexation since the County currently serves this area and will continue after annexation.

Upon annexation, police patrol and emergency response would be transferred from the County Sheriff's Office to the City of Martinez Police Department. The Sheriff's Office responded to 171 calls in the beat that includes the proposal area in the six months from April 1, 2008 to September 30, 2008 (Commander Peterson, 2009). The Martinez Police Department estimates that initial needs in the proposal area can be met with existing staff following the annexation and that no new police facilities will be needed in order to address new service calls.

The Martinez Unified School District serves the proposal area north of the intersection of Sunrise Drive and Pacheco Boulevard. Mount Diablo School District serves the proposal area south of this intersection. No change in school district would result from the proposed annexation. There are no parks or schools in the proposal area. There would be no change to other public facilities. There is no impact to existing public services or need for new facilities therefore no impact will result from the proposed annexation.

XV. RECREATION

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a-b) There are no recreational facilities within the proposal area. The area is largely developed there are no opportunity sites to construct or include a new recreational facility. The existing open space to the west is an area for hiking and passive recreation (not within the annexation area) and will remain open space. The proposed annexation is a jurisdictional change that is anticipated to have no direct, physical effects on the environment. No construction is proposed at this time. Thus, no impacts to recreational facilities are anticipated to occur as a result of the proposed annexation.

XVI. TRANSPORTATION/TRAFFIC

Would the project:	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Conflict with an applicable congestion management program, including but limited to the level of service standards and travel demand measures, or other standards established by the County congestion management agency or designated roads or highways	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Result in inadequate emergency access?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a-f) The proposed annexation project would not increase or substantially change the allowed use, density or scale of development when compared to existing conditions or existing County zoning, policies and regulations. In addition, the annexation project would not induce new urban development in the area. The annexation will not result in the expansion of utilities and infrastructure. The proposed annexation is a jurisdictional change that is anticipated to have no direct, physical effects on the environment. There is no proposed or anticipated increase in traffic as a result of the annexation. No construction, improvements or development of infrastructure is proposed. The proposed changes to land use designations will have no impact they are consistent with existing County land use development and existing uses in the area. If new development is proposed, additional

CEQA analysis will be necessary to determine if there are any additional impacts to the existing transportation systems or facilities. Furthermore Contra Costa Transportation Authority as part of their Comprehensive Transportation Plan and goals to reduce trips and provide other modes of alternative transit, plans to development of a transit facility at the intersection of highways 680 and 4. The addition of the transit facility there will be bus service and carpooling from the site and provision of alternative transit modes for residents and businesses in the area. Thus no impacts to traffic and transportation are anticipated to occur as a result of the proposed annexation, because there is no development proposed as part of the annexation, regional alternate modes of transportation will be provided as part of the Transit facility at the junction of Highways 680 and 4 and the area is fro the most fully developed.

XVII. UTILITIES AND SERVICE SYSTEMS

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
Would the project:				
a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?	<input type="checkbox"/>	<input type="checkbox"/>	x	
g) Comply with federal, state, and local statutes and regulations related to solid waste?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a, b, d, e) The proposal area is currently served by Mt. View Sanitary District (MVSD) for wastewater. MVSD also serves the central portion of the City of Martinez and unincorporated areas to the northeast and has been determined by LAFCO to serve these areas adequately (LAFCO, 2008(b)). After annexation, MVSD would continue to serve the proposal area. No change in the amount of wastewater is expected to result from the proposed annexation, since there is no development, improvements or construction proposed as part of the annexation. No Regional Water Quality Control Board requirements would be exceeded and no new facilities would be necessary as a result of the proposed annexation because no new construction, development or improvements are proposed.

Treated water is currently provided to the proposal area by Contra Costa Water District (CCWD). CCWD also serves the rest of Pacheco, the east part of the City of Martinez,

Clayton, Clyde, Concord, Port Costa, and parts of Pleasant Hill and Brentwood. CCWD has been determined by LAFCO to have sufficient supply and conveyance capacity to accommodate current customers and planned growth (LAFCO, 2008(b)). CCWD would continue to serve the proposal area after annexation. No change in the amount of treated water is expected to result from the proposed annexation because there is no new development being proposed as part of the annexation and the area is for the most part fully developed.

c) No new stormwater discharge facilities or infrastructure would be required as a result of the proposed annexation, because no new development and or improvements is proposed.

f-g) Mt. View Sanitary District currently holds the solid waste franchise for the proposal area. Upon annexation, the City could request that the franchise be transferred to the City. This would likely cause a less than significant impact since both the City and the Mt. View Sanitary District contract with the same solid waste service provider, Allied Waste Services.

The proposed annexation will not result in construction of facilities, increase in wastewater or water supply than what has been anticipated and evaluated by the County, adequate treatment of water or compliance with all federal, state and local regulations related to solid waste. Or solid waste service. Because service levels and demand will remain somewhat consistent there is no impact resulting from the annexation.

XVIII. MANDATORY FINDINGS OF SIGNIFICANCE

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?	<input type="checkbox"/>	<input type="checkbox"/>		X
c) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

a) *The proposed jurisdictional change is a procedural action and would not degrade the quality of the environment. The proposed annexation does not include any development, construction and or improvements to the area that could degrade the environment. There are no habitat areas or rare endangered plant or animal communities within the project area. Therefore, there will be no reduction in habitat, elimination of plant or animal communities as a result of the annexation.*

b) *No development will occur as a result of the annexation so there are no cumulative impacts, because no development is considered as part of this action.*

c) *The proposed jurisdictional change is a procedural action and would have no adverse effect on human beings, because there is no development or construction considered as part of this project.*

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