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August 13, 2008 (Agenda)

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

**Alamo Incorporation Update**

Dear Members of the Commission:

This is an update on the proposed incorporation of the Town of Alamo. The update is provided to keep the Commission apprised of the progress of the incorporation proposal, ensure that tasks are completed on schedule, and identify and address issues as they arise. Commissioner comments and questions are encouraged. Major milestones relating to the proposed incorporation are shown on the attached.

***Comprehensive Fiscal Analysis*** – An incorporation proposal involves a number of major tasks including preparation of a Comprehensive Fiscal Analysis (CFA). The Government Code requires LAFCO to prepare, or cause to be prepared, the CFA. The CFA provides an indication of whether the proposed city is economically feasible; and evaluates costs associated with providing services to the new city, estimated revenues, and impacts of these costs and revenues on other affected agencies. The CFA must conform to the statute and be consistent with Contra Costa LAFCO policies and procedures.

In 2007, the Alamo incorporation proponents hired a fiscal consultant to prepare an Initial Fiscal Analysis (IFA). This report is available online at [Alamoinc.org](http://Alamoinc.org). The IFA provides an initial evaluation of cityhood feasibility and is intended to serve as a “fatal flaw” analysis. The IFA found that a new city of Alamo could be financially feasible; however, a more comprehensive fiscal analysis would be required.

LAFCO retained the consulting firm of Winzler & Kelly to prepare the CFA. The CFA concludes that “the new Town of Alamo is considered to be fiscally feasible.” On July 28, the Public Review Draft CFA was released for a 30-day public comment period. The document was posted to the LAFCO website and all affected agencies were notified of the availability of the report.

***Revenue Neutrality*** - Since 1994, feasibility studies for incorporation proposals must provide information necessary to meet the “revenue neutrality” requirements provided by statute. Revenue neutrality requires that incorporation result in a similar exchange of revenue and service

responsibility among the county, the proposed new city and other subject agencies; or in the alternative, a negotiated mitigation payment accepted as adequate compensation by the county or other affected agencies.

The payment amount, schedule and other terms of the revenue neutrality agreement are usually negotiated between the incorporation petitioners and the county. The preliminary results of the CFA assemble the information required by the county and the proponents to structure terms for revenue neutrality that balance the incorporation's feasibility and the losses of net revenue to the county. These terms are typically included in the Public Review Draft CFA.

Revenue neutrality negotiations between the County and the petitioners are complete. On July 22, the Board of Supervisors approved a revenue neutrality agreement. The fiscal impacts of the revenue neutrality agreement are reflected in the Public Review Draft CFA.

***Compliance with CEQA*** – Incorporations are considered a project under CEQA and require an environmental review. The Contra Costa LAFCO is the Lead Agency for an incorporation proposal and must prepare or cause to be prepared an Initial Study (IS).

An IS is required pursuant to CEQA to determine whether the project may have a significant impact on the environment. If the IS shows no substantial evidence that the project will create significant adverse environmental impacts, then LAFCO may adopt a Negative Declaration (ND). If the IS concludes that the project may produce significant environmental impacts, then preparation of an Environmental Impact Report will be required.

LAFCO retained the consulting firm of PMC to prepare the IS. The Draft IS found that no significant effect will result from the proposed incorporation, and an ND was prepared. On July 28, the Public Review Draft IS/ND was released for a 30-day public comment period. The document was posted to the LAFCO website and all affected agencies were notified of its availability.

***Incorporation Boundaries*** – Both the CFA and CEQA review analyzed two boundary scenarios. Given various fiscal and community of interest findings, Study Area 1, as proposed by the incorporation petitioners, appears to be the most desirable boundary option. In addition, LAFCO staff is currently assessing options relating to two areas that are within the proposed incorporation boundaries but are outside the County urban limit line.

***Outreach and Education*** – The LAFCO website contains a section dedicated to the proposed incorporation. All documents and notices, along with a map and Frequently Asked Questions are posted on the website. On August 7, the Alamo Community Foundation will host a community meeting to facilitate an exchange of information regarding the various LAFCO incorporation studies. This meeting will be held at the Creekside Community Church, 1350 Danville Blvd. in Alamo.

Sincerely,

Lou Ann Texeira  
LAFCO Executive Officer

Attachment

**ALAMO INCORPORATION PROPOSAL – MAJOR MILESTONES**  
**August 13, 2008**

- November 5, 2007 – Application and petition submitted to LAFCO
- November 14, 2007 - Petition certified by the County Elections office
- December 19, 2007 – LAFCO awarded contract to Winzler & Kelly to prepare CFA
- January 25, 2008 – CFA consultant initiated data requests
- April 9, 2008 – LAFCO awarded contract to PMC to prepare Initial Study
- May 20, 2008 – Kick-off meeting with CEQA consultant; commencement of Initial Study
- May - July, 2008 – Revenue neutrality negotiation period
- July 28, 2008 – Release of Public Review Draft CFA
- July 28, 2008 – Release of Public Review Draft Initial Study/Negative Declaration
- August 7, 2008 – Alamo Community Meeting
- September 18, 2008 – LAFCO public hearing on incorporation proposal, CEQA document and related issues
- \*October 2008 – County Board of Supervisors calls for election
- \*November 2008 – LAFCO prepares Impartial Analysis for ballot
- \*March 3, 2009 - Election day

\*These tasks will occur only if the incorporation proposal is found by the Commission to be feasible.