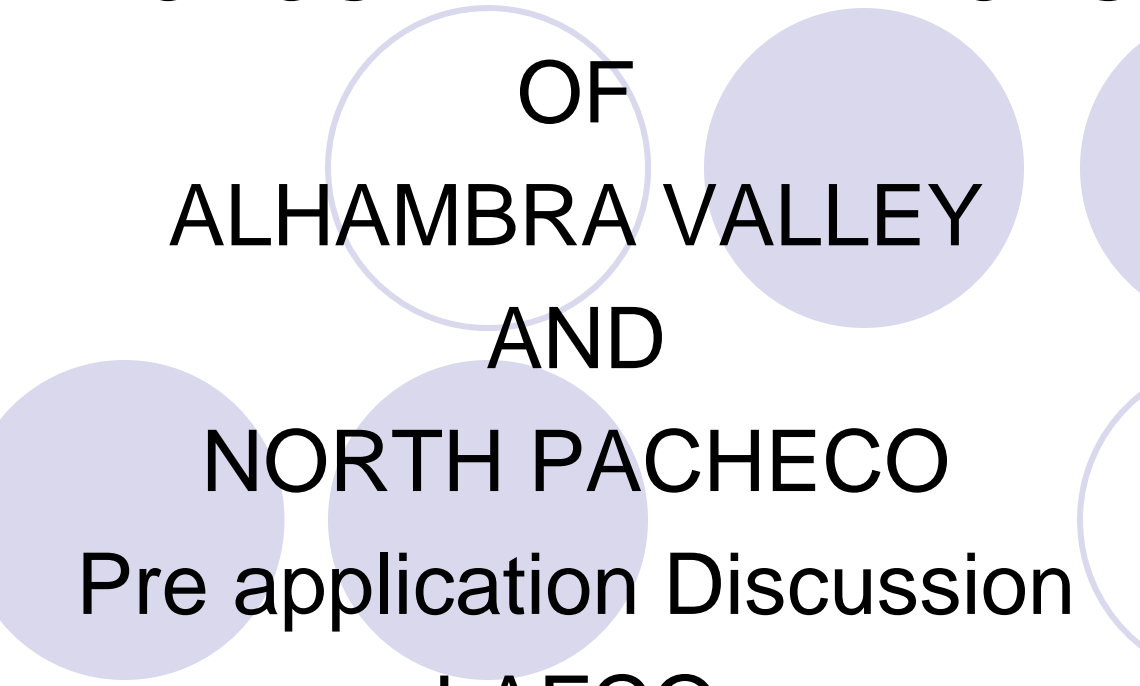


**CITY OF MARTINEZ
PROPOSED ANNEXATIONS
OF
ALHAMBRA VALLEY
AND
NORTH PACHECO
Pre application Discussion
LAFCO**

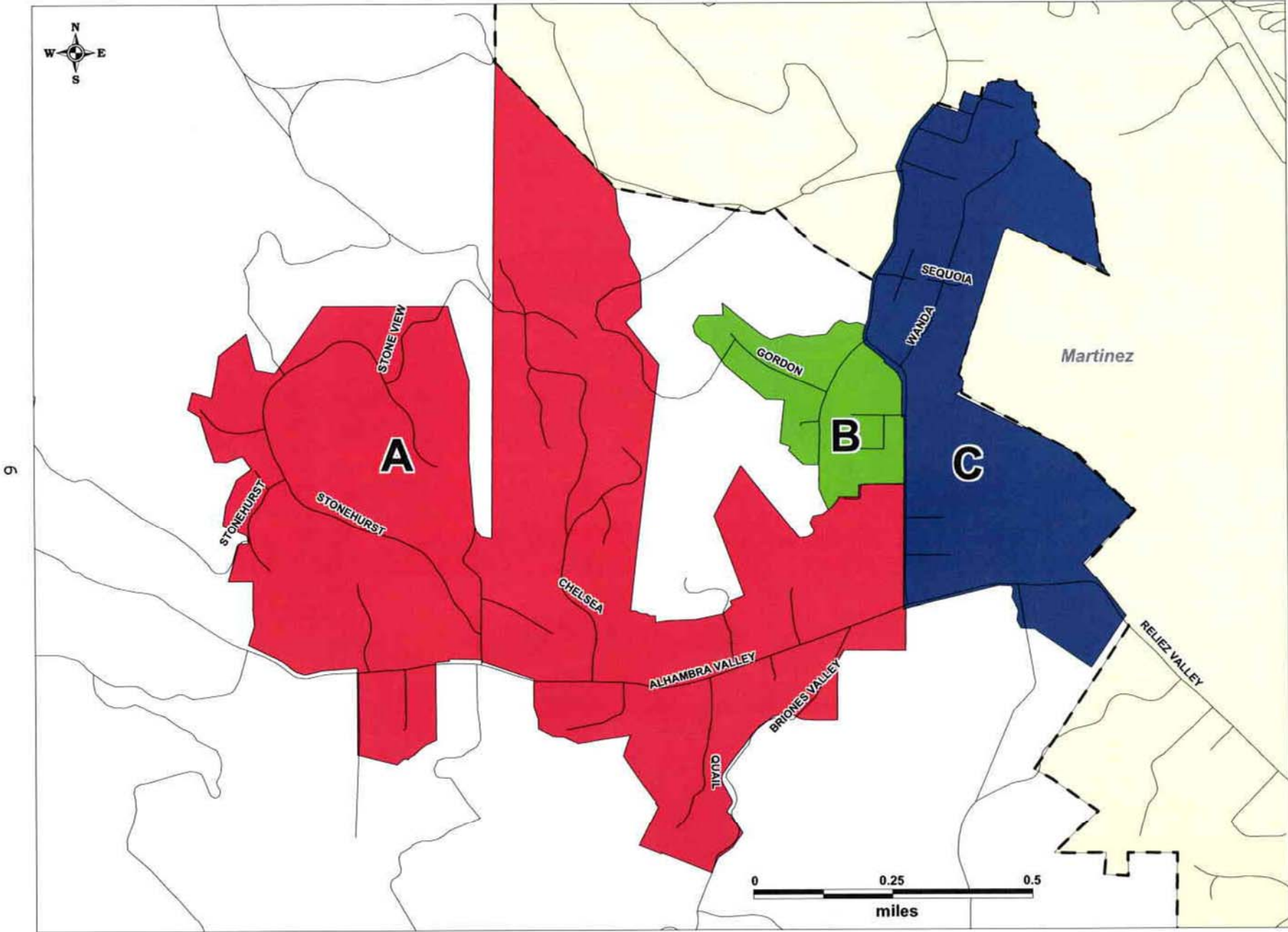


June 10, 2009

Proposed Alhambra Valley Annexation

- Request from LAFCO (pursuant to municipal services review) to implement Deferred Annexation Agreements.
- Majority of Deferred Annexation Agreements are in Alhambra Valley.
- Previously the City of Martinez provided water service to areas outside the City's boundaries but within Martinez's Sphere of Influence and water service boundary. City Resolution 169-87

Figure 1:
Proposed Alhambra Valley / Stonehurst Annexation Area and Analysis Sections



Proposed Alhambra Valley Annexation

- City retained CH2MHill and EPS to provide land use, municipal service, environmental impact and fiscal impact information.
- Background Information:

Number of Parcels: 340

Acreage: 677

Number of deferred Annexation Agreements: 105









Assessed Value: \$212,848,223

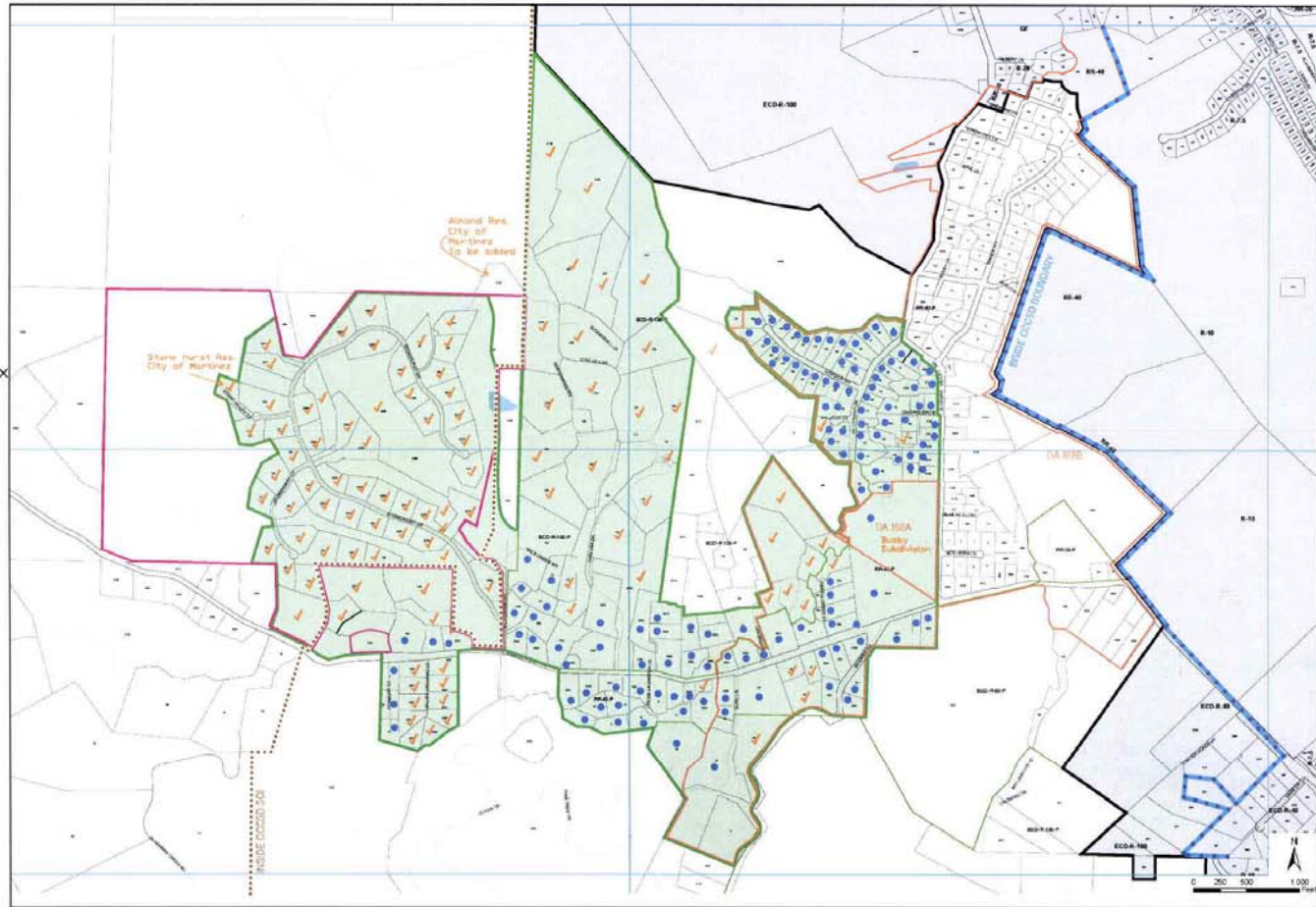
County Property Tax Share: \$400,211

City Share Pursuant to Tax Sharing Agreement when annexed: \$91,428

Planning Document: County Alhambra Valley Specific Plan

LEGEND

-  City Limits
-  Proposed Annexation Area
-  Proposed CCOSD Annexations 169A & 169B
-  CCOSD Boundary
-  CCOSD Sphere of Influence
-  Sanitation District #6 Boundary
-  No Agreement
-  Differed Annex Agreement



56%	133	 No Agreement
44%	109	 Differed Annex Agreement
100%	238	TOTAL

FIGURE 6
Existing and Future Wastewater Utilities
Application for the Annexation of Alhambra Valley/
Stonehurst to the City of Martinez

Proposed Alhambra Valley Annexation

Findings

- The City's pre-zoning of some parcels in the proposed annexation area does not match the current adopted County Alhambra Valley Specific Plan (AVSP). City will need to change the pre-zoning on some parcels prior to or during annexation process so they are consistent with the AVSP.
- City's current police services can accommodate the proposed annexation area.
- Property tax generated from all 3 areas exceeds costs to maintain roads at annexation and at build out.
- City Council directed staff to pursue annexation of only Area A.

Proposed Alhambra Valley Annexation

Findings Continued

- There are 183 parcels in Area A, 103 subject to Deferred Annexation Agreements (56%)
- Property tax revenue generated from the construction of the 50 residential units already approved by Contra Costa County pursuant to the AVSP will offset maintenance costs.
- Annexed area will contribute toward repayment of Measure H Bonds.
- CEQA Documentation: Either Negative Declaration or Addendum to Alhambra Valley Specific Plan EIR.

**Table 1
General Citywide Revenues and Expenditures at Annexation
Alhambra Valley/Stonehurst Annexation Study; EPS #19024**

Item	Alhambra Valley/Stonehurst			Total
	Area A	Area B	Area C	
General Fund				
Revenues				
Property Tax	\$61,736	\$8,697	\$20,995	\$91,428
Property Tax In Lieu of VLF	\$0	\$0	\$0	\$0
Sales and Use Tax	\$0	\$0	\$0	\$0
Motor Vehicle In-Lieu VLF (1)	\$20,084	\$8,825	\$18,258	\$47,167
Business Licenses	\$0	\$0	\$0	\$0
Franchise Fees	\$10,381	\$4,561	\$9,437	\$24,380
Document Transfer Tax	\$7,905	\$1,114	\$2,688	\$11,707
P-6 Police Tax (2)	\$17,329	\$2,441	\$5,893	\$25,664
Prop 172 Proceeds	<u>\$4,013</u>	<u>\$1,763</u>	<u>\$3,648</u>	<u>\$9,424</u>
Total Revenues	\$121,448	\$27,402	\$60,920	\$209,769
Expenditures				
Police (3)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Expenditures	\$0	\$0	\$0	\$0
Net General Fund Impact	\$121,448	\$27,402	\$60,920	\$209,769
Public Works/Road Fund				
Revenues				
Highway User Taxes (Gas Taxes)	\$7,008	\$3,079	\$6,371	\$16,458
NPDES (4)	<u>\$3,960</u>	<u>\$1,740</u>	<u>\$3,600</u>	<u>\$9,300</u>
Total Revenues	\$10,968	\$4,819	\$9,971	\$25,758
Expenditures				
Public Works	<u>\$188,553</u>	<u>\$63,007</u>	<u>\$95,641</u>	<u>\$347,201</u>
Total Expenditures	\$188,553	\$63,007	\$95,641	\$347,201
Net Road Fund Impact	(\$177,585)	(\$58,188)	(\$85,670)	(\$321,443)
TOTAL NET IMPACTS	(\$56,138)	(\$30,786)	(\$24,750)	(\$111,674)

(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 applied to residential and commercial parcels.

(3) No net police cost is assumed while P-6 and Prop 172 proceeds will help offset the cost of existing services.

(4) Assumed at \$30 per household.

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

Table 2
General Citywide Revenues and Expenditures at Buildout
Alhambra Valley/Stonehurst Annexation Study; EPS #19024

Item	Alhambra Valley/Stonehurst			Total
	Area A	Area B	Area C	
General Fund				
Revenues				
Property Tax	\$102,424	\$10,440	\$24,479	\$137,343
Property Tax In Lieu of VLF	\$24,759	\$1,060	\$2,120	\$27,940
Sales and Use Tax	\$0	\$0	\$0	\$0
Motor Vehicle In-Lieu VLF (1)	\$20,084	\$8,825	\$18,258	\$47,167
Business Licenses	\$0	\$0	\$0	\$0
Franchise Fees	\$14,392	\$4,876	\$10,224	\$29,491
Document Transfer Tax	\$10,510	\$1,225	\$2,911	\$14,646
P-6 Police Tax (2)	\$23,040	\$2,686	\$6,382	\$32,108
Prop 172 Proceeds	<u>\$5,563</u>	<u>\$1,885</u>	<u>\$3,952</u>	<u>\$11,400</u>
Total Revenues	\$200,772	\$30,997	\$68,326	\$300,096
Expenditures				
Police (3)	\$0	\$0	\$0	\$0
Total Expenditures	\$0	\$0	\$0	\$0
Net General Fund Impact	\$200,772	\$30,997	\$68,326	\$300,096
Public Works/Road Fund				
Revenues				
Highway User Taxes (Gas Taxes)	\$9,715	\$3,292	\$6,902	\$19,909
NPDES (4)	<u>\$5,490</u>	<u>\$1,860</u>	<u>\$3,900</u>	<u>\$11,250</u>
Total Revenues	\$15,205	\$5,152	\$10,802	\$31,159
Expenditures				
Public Works	<u>\$188,553</u>	<u>\$63,007</u>	<u>\$95,641</u>	<u>\$347,201</u>
Total Expenditures	\$188,553	\$63,007	\$95,641	\$347,201
Net Road Fund Impact	(\$173,348)	(\$57,855)	(\$84,839)	(\$316,042)
TOTAL NET IMPACTS	\$27,425	(\$26,858)	(\$16,513)	(\$15,947)

(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 applied to residential and commercial parcels.

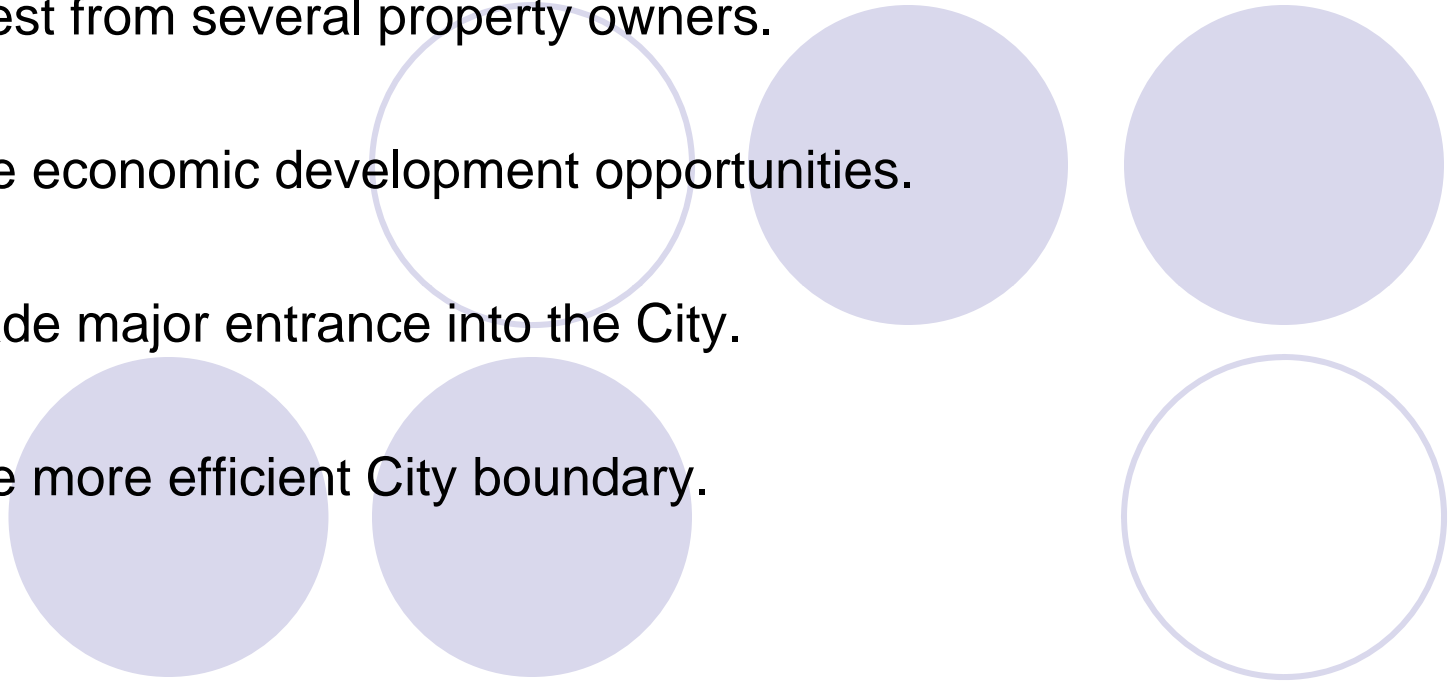
(3) No net police cost is assumed while P-6 and Prop 172 proceeds will help offset the cost of existing services.

(4) Assumed at \$30 per household.

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

Proposed North Pacheco Annexation

- Request from several property owners.
- Create economic development opportunities.
- Upgrade major entrance into the City.
- Create more efficient City boundary.



Proposed North Pacheco Annexation

- City retained CH2MHill and EPS to provide land use, municipal service, environment impact and fiscal impact information
- Background Information:
 - Number of Parcels: 119
 - Acreage: 111 Acres
 - Assessed Value: \$34,558,070
 - County Property Tax Share: \$59,139
 - City Share Pursuant to County Tax Sharing Agreement when annexed: \$13,510.
 - Planning Document: County General Plan and City John Muir Parkway Specific Plan

**Figure 2:
Proposed North Pacheco Annexation Area and Analysis Sections**



Proposed North Pacheco Annexation

Findings:

- The City's pre-zoning of some properties in the proposed annexation area do not match current use, County Zoning and/or County General Plan designations. City will need to change some pre-zonings prior to or during the annexation process.
- Current City Police services can accommodate the proposed annexation area, however as area develops a .5 FTE (uniformed police) will need to be assigned to the area. Calls for service will determine the timing.
- The property tax generated from this area will exceed the cost to provide road maintenance and related services at annexation.

Proposed North Pacheco Annexation

Findings Continued

- Assuming modest new commercial development (80,000 sq. ft.) and completion of current residential projects, total revenue generated from the area will exceed police, road maintenance and other service costs at build out.
- Future sales tax revenue generation projections is based upon 50/50 split with Contra Costa County.
- CEQA Documentation: Initial Analysis indicates that a Negative Declaration will be required.

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

Item	North Pacheco	Total
General Fund		
Revenues		
Property Tax		\$13,510
Property Tax In Lieu of VLF		\$0
Sales and Use Tax (1)		\$25,000
Motor Vehicle In-Lieu VLF (2)		\$6,756
Business Licenses		\$2,336
Franchise Fees		\$3,543
Document Transfer Tax		\$1,901
P-6 Police Tax (3)		\$11,826
Prop 172 Proceeds (1)		\$1,350
Total Revenues		\$66,222
Expenditures		
Police (4)		\$0
Total Expenditures		\$0
Net General Fund Impact		\$66,222
Public Works/Road Fund (1)		
Revenues		
Highway User Taxes (Gas Taxes)		\$2,357
L-100 Landscaping and Lighting District (5)		\$3,164
NPDES (6)		\$4,699
Total Revenues		\$10,219
Expenditures		
Public Works		\$114,866
(less) Capital Improvement Impact (7)		(\$54,866)
Total Expenditures		\$60,000
Net Road Fund Impact		(\$49,781)
TOTAL NET IMPACTS		\$16,441

(1) Allocation between subareas is not available.

(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 residential and commercial parcels in TRA 76042.

(4) 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.

(5) 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.

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

(7) 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.

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

Item	North Pacheco	Total
General Fund		
Revenues		
Property Tax		\$90,002
Property Tax In Lieu of VLF		\$46,921
Sales and Use Tax (1) (2)		\$50,000
Motor Vehicle In-Lieu VLF (1) (3)		\$6,756
Business Licenses		\$5,989
Franchise Fees		\$14,448
Document Transfer Tax		\$7,066
P-6 Police Tax (4)		\$14,413
Prop 172 Proceeds (1)		\$5,535
Total Revenues		<u>\$241,130</u>
Expenditures		
Police (1)		\$126,435
(less) Citywide Benefit (5)		<u>(\$63,218)</u>
Total Expenditures		\$63,218
Net General Fund Impact		\$177,912
Public Works/Road Fund (1)		
Revenues		
Highway User Taxes (Gas Taxes)		\$9,665
L-100 Landscaping and Lighting District (6)		\$3,452
NPDES (7)		<u>\$14,349</u>
Total Revenues		\$27,465
Expenditures		
Public Works		<u>\$114,866</u>
Total Expenditures		\$114,866
Net Road Fund Impact		(\$87,401)
TOTAL NET IMPACTS		\$90,511

(1) Allocation between subareas is not available.

(2) The estimate is conservative; reflects a potential net of sales tax sharing agreement with the County.

(3) Assumes the citywide average of \$6.77 per capita with additional \$50 per capita for new annexation.

(4) 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.

(5) 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.

(6) 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.

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

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

Next Steps

- Change Pre-Zonings as appropriate.
 - Complete CEQA Documentation.
 - Negotiate Property and Sales Tax Sharing Agreements with Contra Costa County.
 - Complete and file LAFCO Applications.
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