

**APPLICATION TO THE LOCAL AGENCY FORMATION COMMISSION FOR
REORGANIZATION TO COMMUNITY SERVICES DISTRICT (INCLUDING
DETACHMENT AND SPHERE OF INFLUENCE AMENDMENT)**

A. GENERAL INFORMATION

1. Briefly describe the nature of the proposed change of organization or reorganization.

Proposed reorganization of the Granada Sanitary District (“GSD”) into the Granada Community Services District (“GCSD”) with sewer service, garbage disposal, and parks and recreation services under the provisions of Section 61000 *et seq.* of the Government Code. The reorganization will allow the district to provide public recreation facilities and community recreation services pursuant to Government Code Sections 61100(e) and (f), in addition to the existing services noted above pursuant to Government Code Section 61100(b) and (c).

The boundaries of the proposed Granada Community Services District would include all area located within the existing urban/rural boundary. However, the district boundary would be reduced by detachment of a substantial portion of the area outside the District’s urban/rural boundary to reflect the finite territory to be served by the District’s sewer service area, garbage franchise, and the District’s proposed park and recreation services. The GCSD Sphere of Influence would be amended to be consistent with the Detachment and the resulting GCSD would not preclude future implementation of LAFCO’s existing adopted spheres of influence. A map of the proposed new boundaries is provided herewith as Exhibit A. The District’s services for sewage collection, treatment and disposal, and garbage and refuse collection, recycling and disposal will not change in any way as a result of the reorganization.

No new taxes, charges, or fees are planned for parks and recreation (current sewer and garbage fees will remain in place). It is proposed that a portion of the property taxes currently received by the Granada Sanitary District will be used for funding of the parks and recreation services, as set forth in the 5-year budget schedule attached hereto as Exhibit B. This shift of property tax funds to a Governmental activity (as opposed to an Enterprise activity like the sanitary sewer service) is in conformance with the State Legislature’s stated intent to shift property tax revenues away from enterprise districts which have the ability to levy fees for their services, and re-direct these property tax monies to local services such as parks and recreation which are not fee-driven.

2. An application for a change of organization or reorganization may be submitted by individuals in the form of a petition or by an affected public agency in the form of a certified resolution. This application is submitted by (check one):

Landowners or registered voters, by petition

An affected public agency, by resolution

(If this application is submitted by petition of landowners or registered voters in the affected territory, complete the petition form.)

3. What are the reasons for the proposal?

There is a demonstrated overwhelming need for community and neighborhood parks and recreation services and opportunities in the unincorporated Granada Sanitary District area. There have been numerous plans, surveys, community meetings, and reports completed over the past 30 years demonstrating this acute need for community and neighborhood parks and recreation services and opportunities time and again. (See, Exhibits D-H attached). The County Board of Supervisors completed the Midcoast Recreational Needs Assessment in 2002, which spoke to the severe lack of community and neighborhood recreational services on the Midcoast. This study was followed up by the County's Summary of Midcoast Recreation Needs Report (based on input from several community meetings) issued in January 2007. It too reaffirmed the lack of adequate community and neighborhood parks and recreation services. The National Park and Recreation Facility Standards indicate that at present, El Granada area residents have less than one percent (1%) of community and neighborhood park standard, which negatively affects community health and welfare. The newly formed Granada Community Services District would be able to offer parks and recreation services (in addition to the current sewer and garbage services) for the residents within the affected unincorporated County area.

4. Does this application have 100 % consent of landowners in the affected area?

___ yes X no

5. Estimated acreage:

± 4010 acres

B. SERVICES

1. List the name or names of all existing cities and special districts whose service area or service responsibility would be altered by the proposed change of organization or reorganization.

The proposed Granada Community Services District would have no effect on any existing cities or special district service areas or responsibilities. The availability of proposed GCSD facilities would benefit the adjacent City of Half Moon Bay, which presently has limited facilities used by residents in the unincorporated Midcoast. The GCSD could likewise potentially benefit the Cabrillo Unified School District by making public recreation facilities available for school recreation purposes, and the Coastside Fire Protection District and the California Department of Forestry through improvements to park facilities within wildland fire areas. Opportunities exist for the proposed GCSD to assist with maintenance of school playing fields in exchange for the

school allowing use by the community during non-school hours. Moreover, because of the proposed detachment of area, the District's park and recreational services are not anticipated to significantly overlap with services currently provided by the Midpeninsula Regional Open Space District or the Golden Gate National Recreation Area (and indeed present opportunities for coordination or partnering with those agencies).

2. List all changes to the pattern of delivery of local services to the affected area. For each service affected by the proposed change(s) of organization, list the present source of service (state "none" if service is not now provided), the proposed source of service or construction of necessary facilities (if any) and operation. Examples are given on the first two lines of the space provided for your response.

The only change to pattern of delivery of local services will be to provide parks and recreation services for the unincorporated mid-coastside area within the newly formed District's boundaries because there is currently no source for community or neighborhood park and recreation services. The boundaries of the proposed Granada Community Services District would be reduced by detachment of a substantial portion of the area outside the District's urban/rural boundary to reflect the finite territory to be served by the District, but still include all of the area located within the urban/rural services boundary. The District's services for sewage collection, treatment and disposal, and garbage and refuse collection, recycling and disposal conducted by the District will not change in any way as a result of the reorganization.

SERVICE	PRESENT SOURCE	PROPOSED SOURCE	FUNDING SOURCE	
			CONSTRUCTION	OPERATING
Sewage collection (existing service)	GSD	Community Services District	Sewer connection and service charges, capacity charges, and property taxes	Sewer service charges and property taxes
Solid waste and recycling collection (existing service)	GSD	Community Services District	n/a	Monthly solid waste collection fees
Parks and recreation (proposed new services)	None	Community Services District	n/a at this time	Portion of current property taxes

C. PROJECT PROPOSAL INFORMATION

- 1. Please describe the general location of the territory which is the subject of this proposal. Refer to major highways, roads, and topographical features.**

The proposed territory contains the communities of El Granada, Princeton, Princeton-by-the-Sea ("Clipper Ridge"), Miramar, and the northern portion of the City of Half Moon Bay. It is bisected by Highway 1 and lies alongside Half Moon Bay. The area is bounded by Moss Beach to the west, open space to the north, the City of Half Moon Bay to the east, and the Pacific Ocean to the south.

- 2. Describe the present land use(s) in the subject territory.**

Land uses include single family and multi-family residential, commercial, industrial, light manufacturing, institutional (airport, schools, harbor), and agricultural.

- 3. How are adjacent lands used?**

North: Open space (wildlife and watershed lands)

South: Ocean

East: Open space (wildlife and watershed lands)

West: Single family residential, small business, and agricultural

- 4. Will the proposed change of organization result in additional development? If so, how is the subject territory to be developed?**

No, creation of a community services district will not increase or impact levels of residential or commercial development.

- 5. What is the general plan designation of the subject territory?**

Very Low Density Residential; Medium Low Density Residential; Medium Density Residential; Medium High Density Residential; High Density Residential; Neighborhood Commercial; Commercial Recreation (Coastside); General Industrial; Airport; Institutional; Public Recreation; Agriculture; General Open Space

- 6. What is the existing zoning designation of the subject territory?**

RM; RM CZ/DR/CD; RM CZ/AO/DR/CD; RM CZ/DR/GH/CD; PAD/CD; PAD/DR/GH; R 1/S 10/DR/GH; R 1/S 9/DR; R 1/S 17/DR; R 1/S 17/AO/DR; R1/S 17/DR/GH; R 3 A/S 5/DR; PUD; P/GH; C 1/S 3/DR; CCR/DR; COR/DRIGH; EG/DR; M 1/DR; M 1/AO/DR; H 1/DR; W/AO/DR; W/DR

- 7. What rezoning, environmental review, or development approvals have already been obtained for development in the subject territory?**

An initial study and a mitigated negative declaration have been prepared by the applicant, and have been updated and recirculated for public and agency comment as part of this application.

- 8. What additional approvals will be required to proceed?**

Vote of approval by the electorate, compliance with any lawfully required LAFCo conditions of approval.

9. Does any portion of the subject territory contain any of the following -- agricultural preserves, sewer or other service moratorium or wetlands subject to State Lands Commission jurisdiction?

Yes. There are agricultural preserves and wetlands within the proposed district boundaries.

10. If no specific development projects are associated with this proposal, will the proposal increase the potential for development of the property? If so, how?

No specific development projects are associated with this proposal. It is expected that small amounts of residential development will continue (unrelated to the proposed new community services district) and recreation and park development will occur when the new district becomes operational.

* * * * *

LAFCO will consider the person signing this application as the proponent of the proposed action(s). Notice and other communications regarding this application (including fee payment) will be directed at:

NAME: Granada Sanitary District

ADDRESS: 504 Avenue Alhambra, Third Floor
P.O. Box 335
El Granada, CA 94018

ATTN: Chuck Duffy, General Manager

PHONE: 650-726-7093

SIGNATURE OF PROPONENT: Granada Sanitary District
By Chuck Duffy, General Manager

D. AFFECTED PUBLIC AGENCIES

Please complete this section if this application is submitted by resolution of one or more affected public agencies. Certified copies of resolutions listed below must accompany this application.

1. The names and resolutions of agencies applying for the change of organization or reorganization described above are as follows:

The Granada Sanitary District is applying for reorganization into a Community Services District (“CSD”) pursuant to the attached certified Resolution (Exhibit C).

AFFECTED AGENCY	RESOLUTION NO.	DATE ADOPTED
Granada Sanitary District	2013-03	04/18/2013

2. Does this application have 100 % consent of landowners in the affected area?

_____ Yes X No (If Yes, include proof of consent.)

E. PLAN FOR PROVIDING SERVICES

1. Enumerate and describe the services to be extended to the affected territory.

The affected territory is already provided with sewage and garbage disposal services by the Granada Sanitary District. The new Granada Community Services District will continue the sewage and garbage disposal services, and will additionally provide parks and recreation services for the unincorporated mid-coastside area within the newly formed District’s boundaries (except for parks and recreation and garbage services in areas of the GCSD inside the City of Half Moon Bay boundaries) as set forth in Exhibit A. Note that the proposed new GCSD park and recreation service boundary would not extend into the City of Half Moon Bay, but the new GCSD would look to collaborate with the City regarding park and recreation service in that area.

2. Describe the level and range of those services.

If the Reorganization Project is approved, the reorganized Granada Community Services District would first involve stakeholders, including, but not limited to, District property owners, residents and school representatives in evaluation of ways to provide community and neighborhood recreational facilities and programs on existing District or other public properties. After noticed public meetings to involve the public, the reorganized District would evaluate (for example): planning for utilization/preservation of acreage currently owned by the District on the historical Burnham Strip; neighborhood benches, picnic tables and/or trails along the broad boulevard medians of El Granada (as originally intended in architect Daniel Burnham's design of El Granada); contracting or partnering with the County of San Mateo for community/neighborhood recreation use, management and/or maintenance of County-owned regional or parks such as Quarry Park and/or Mirada Surf parkland; partnering or contracting with the Cabrillo Unified School District and the City of Half Moon Bay; and contracting or

partnering with Midpeninsula Regional Open Space District for trails or other mutual-interest recreational uses; and other partnering options that may arise with other local agencies. The level and range of services to be ultimately provided would also be informed by the County studies and National Park and Recreation Facility Standards. In general, the level of services would be community and neighborhood parks and the range would include both active and passive recreation.

The GSD currently owns property in an area commonly known as the Burnham Strip. The property was purchased by the GSD for installation of a series of large underground storage pipes to be utilized by the sewer system during heavy rains. Because the pipes are located underground, the surface property could be made available for parks and recreation use by the public. For the near term, the initial range of park and recreational services will include general maintenance of this property to allow for passive recreation by the public. From a long term perspective, there are numerous opportunities for future expansion of parks and recreation services, including:

- Development of neighborhood parks along the broad avenues of El Granada, as originally intended in architect Daniel Burnham's design of El Granada.
- Partnering opportunities with the County of San Mateo for Quarry Park and/or the County owned Mirada Surf properties.
- Additional partnering opportunities with the Cabrillo School District and the City of Half Moon Bay.

The newly formed Granada Community Services District would take a phased approach to projects or added facilities. A portion of the District's property taxes would be allocated to parks and recreation services at the discretion of the District's Board of Directors in general accordance with a 5 year budget (see sample budget included as Exhibit B).

3. Indicate when those services can feasibly be extended to the affected territory.

The near term parks and recreation services by use of the District's Burnham Strip property outlined above can start immediately upon the formation of the proposed community services district, subject to completion of a publicly-noticed process involving input from stakeholders. Longer term parks and recreation projects will be developed over the course of the next several years based upon community input and finances available.

4. Indicate any improvements or upgrading of structures, roads, sewer or water facilities, or other conditions to be imposed or required within the affected territory.

No improvements noted above will be required within the affected territory as a result of this proposal. No structures, roads, or water or sewer facilities will need to be constructed or updated at this time. Structures including but not limited to pocket parks, picnic areas, a community center or restrooms for parks, will be built at a later date as needed, subject to community input and financial wherewithal.

5. Describe financial arrangements for construction and operation of services extended to the affected territory (Attach proposed operations budget if available). Will the territory be subject to any special taxes, charges or fees? (If so, please specify.)

If formed, the GCSD would have discretion to perform capital improvements to allow for recreational use as stated above. No new special taxes, charges, or fees are planned for parks and recreation (current sewer and garbage disposal fees will remain in place). It is proposed that a portion of the property taxes currently received by the Granada Sanitary District will be allocated for funding of the parks and recreation services. This shift of property tax funds to a non-enterprise governmental activity (as compared to an enterprise activity like the sanitary district) is in line with the State Legislature's stated intent to shift property tax revenues away from enterprise districts with the ability to levy fees for their services, and re-direct these property tax monies to local services such as parks and recreation which are not fee-driven. Currently the sewer services are partially funded with property tax and the amount of the property tax subsidizing sewer services will be reduced in order to fund park and recreation services. This will ultimately mean that sewer service rates may have to be increased if the GCSD is approved and significant park and recreation programs or improvements are implemented. Attached to this application as Exhibit B is a copy of GSD's current operating budget with a proposed sample 5 year budget for the added parks and recreation services.

6. In as much detail as required to give a clear explanation, explain why this proposal is necessary at this time.

There is a demonstrated need for community and neighborhood parks and recreation services and opportunities in the unincorporated Granada Sanitary District area. There have been numerous plans, surveys, community meetings, and reports completed over the past 30 years demonstrating this acute need for community and neighborhood parks and recreation services and opportunities time and again. (See Exhibits D-H). The County Board of Supervisors completed the Midcoast Recreational Needs Assessment in 2002, which spoke to the severe lack of community and neighborhood recreational services on the Midcoast. This study was followed up by the County's Summary of Midcoast Recreation Needs Report (based on input from several community meetings) issued in January 2007. It too reaffirmed the lack of adequate community and neighborhood parks and recreation services. Excerpts from the Summary Report include:

- The recommendations in the 2002 Mid-Coast Recreation Needs Assessment are still valid; the Mid-Coast still needs community and neighborhood parks.
- The coastside areas within the unincorporated County still place a burden on the limited facilities in Half Moon Bay.
- Serving local needs also serve regional needs. Currently there is over-competition for limited recreational resources.
- Providing more parks in the community will help reduce existing traffic problems.
- There is a need for more restrooms, picnic areas, and water fountains throughout the Mid-Coast.

- Doing something immediately means doing something on lands that are already publicly owned.
- There are additional lands the community would like to see acquired and a need to prioritize what is achievable soonest.

The County's July 2007 Midcoast Action Plan for Parks and Recreation was prepared by the Midcoast Recreation Planning Team. Planning team members included representatives from the Half Moon Bay Parks & Recreation Commission, Cabrillo Unified School District, the Midcoast Community Council, the Midcoast Parklands, and two representatives from each of the Midcoast communities. The San Mateo County Parks Department assisted by guiding the process and implementation of the plan until a governance organization was determined. The 2007 Midcoast Action Plan's identified key park resources for recognized parks and associated areas which reflect expected or possible patterns of park development termed recreation resource areas in this report. These resources included:

Quarry Park / [POST]

Quarry Park is operated by Midcoast Park Lands in a partnership with the County and the Cabrillo School District. Quarry Park is virtually surrounded by POST []property and the two together have a long term potential as a trails and passive recreation park. The existing tot lot, improvements to the open meadow and proximity to a POST meadow area make the need for improved restroom facilities critical. This Park serves several needs for the local community of El Granada, as well as the Midcoast.

Neighborhood Parks

Areas with recreation structures and/or picnic tables and grass areas are an important component of neighborhoods. They are developed with neighborhood consensus and support.

o El Granada Avenues

The broad avenues in El Granada provide informal passive recreation opportunities today. These are representative of what could be an expanding number of community play sites serving local neighborhoods. Recreational use of these Avenues was identified in the original land use plan for El Granada prepared by Daniel Burnham.

School Recreation Resource Area

These schools serve as natural community centers for all types of activities on the Midcoast. The two elementary schools have play fields with potential to support organized recreational sports as well as provide grass areas for community recreation. Both schools are also adjacent to sites with potential as recreation sites for the community. This type of evolution will require focused community support.

o El Granada School / Upper Mirada Surf East

o Farallone View School / Corral de Tierra

Coastal Recreation Resource Area

These areas on either side of Highway 1 support coastal trails, beach use and place heavy parking demands on the area. This area is not a near term focus of this plan's

proposals, but will necessarily play a role in some form in parks and recreation on the coast.

- o Burnham Strip

There is significant community interest in the community use of the Burnham Strip to provide a view shed to the oceans as well as a passive park area.

Ownership issues and perspectives of multiple groups make planning near term use of this area difficult.

(Exhibit F - Midcoast Action Plan for Parks and Recreation (July 2007), pp. 9-11.)

While each of these studies point to the need for action and identify potential solutions, there is no governmental entity comparable to the proposed GCSD which has the power to acquire property for community and neighborhood park and recreational purposes and provide local recreation and park facilities and services, which has an elected Board of Directors, and which has the ability to receive grants and levy taxes and assessments and otherwise provide for local park and recreational needs and funding in the Midcoast area. Moreover, a local district would be best able to ascertain the desires of local residents, respond to complaints and requests, focus on park issues and operations, move quickly to acquire available properties and develop a long range plan for Coastsides recreation. This reorganization proposal would be the most prompt and efficient means of providing public recreation facilities and community recreation services to the unincorporated Midcoast area, and is consistent with LAFCO policy because it merely adds powers to an existing district rather than forming a new single purpose special district.

Benefits of a Granada Community Services District include the following:

- A local district would be best able to ascertain the desires of local residents, respond to complaints and requests, focus entirely on park issues and operations, move quickly to acquire available properties and develop a long range plan for Coastsides recreation.
- A local district with its own staff and economic base would not place a burden on County staff or County economic resources.
- There is no existing entity providing park and recreation facilities in the area. The County's policy has been and continues to be to operate only regional park facilities.
- This shift of property tax funds to a Governmental activity (as compared to an Enterprise activity like the sanitary district) is in line with the State Legislature's stated intent to shift property tax revenues away from enterprise districts with the ability to levy fees for their services, and re-direct these property tax monies to local services such as parks and recreation which are not fee-driven. GSD will be able to use a portion of the property tax revenues it currently receives to fund the operations of a parks and recreation district. There is no other governmental agency on the midcoastside able to provide such funding.
- The Coastal Act requires coastal communities to have community parks to mitigate local reliance on beaches as the sole venue for recreational purposes.

- Adding parks and recreation powers to GSD aligns with LAFCo's stated goal of encouraging multi-purpose districts. The reorganization can also serve as a possible stepping stone to future consolidations with other midcoastside districts.

Exhibit A – Map of Boundaries for reorganized GCSD and amended SOI for same

Exhibit B – 5-yr Budget

Exhibit C – Resolution for Application to LAFCO

Exhibit D - 2002 San Mateo County MidCoast Park and Recreation Task Force Report

Exhibit E- Mid-Coast Recreational Needs Assessment (October 2002)

Exhibit F - Midcoast Action Plan for Parks and Recreation (July 2007)

Exhibit G - Midcoast Action Plan for Parks and Recreation – Focus on El Granada Needs
(January 2007)

Exhibit H - Update on Midcoast Park Planning and Improvements (August 2012)

Addendum to Application for Reorganization
(Granada Sanitary District)

Reorganization from Granada Sanitary District
To
Granada Community Services District

As part of above noted application submitted by resolution of the Granada Sanitary District as Applicant and Real Party in Interest, agrees to defend, indemnify, hold harmless, and release the San Mateo LAFCO, its agents, Commissioners, Executive Officer, attorneys, and employees from any claim, action, proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it. This indemnification obligation shall include, but not be limited to, damages, costs, and expenses, including attorney fees. The person signing this addendum to above noted application will be considered the proponent for the proposed action(s) and will receive all related notices and other communications.

_____ Date _____

_____ Date _____

_____ Date _____

_____ Date _____

Exhibit A

Map of Boundaries for GCSD

Exhibit B

SAMPLE BUDGET

Exhibit C

Resolution 2013-003 Application for Reorganization

Exhibit D

2002 San Mateo County MidCoast Park and Recreation Task Force Report

Exhibit E

Mid-Coast Recreational Needs Assessment (October 2002)

Exhibit F
Midcoast Action Plan
for Parks and Recreation (2007)

Exhibit G
Midcoast Action Plan
for Parks and Recreation –
Focus on El Granada Needs (2007)

Exhibit H

Update on Midcoast Park Planning and Improvements (August 2012)