

City of Gonzales
2010 Municipal Service and Sphere of Influence Review

Adopted on September 27, 2010

EXECUTIVE SUMMARY

This report provides information about the municipal services and Sphere of Influence boundaries of the City of Gonzales. It is for use by the Local Agency Formation Commission in conducting a statutorily required review and update process.

State law requires that the Commission conduct periodic reviews and updates of the Sphere of Influence of each city and district in Monterey County (Government Code section 56425(e)). The law also requires the Commission to update information about municipal services before adopting Sphere updates (Government Code section 56430). In 2009, the Commission adopted a comprehensive work program to carry out these requirements. The Commission's current focus of review is the five cities of the Salinas Valley.

Part One of this report contains information about the municipal services provided by the City of Gonzales. Information has been gathered about the capacity of services, the ability to provide services, the accountability for service needs, and the efficiency of service provision. The information is organized by six statutory determinations that need to be made by the Commission. The Executive Officer recommends that the Commission conduct a public hearing and adopt the updated service review information for the City of Gonzales. A draft Resolution will be prepared that supports this recommendation.

Part Two of the report reviews the Sphere of Influence of the City of Gonzales. Exhibit A is a map of the City's currently adopted Sphere of Influence and City Limits. A Sphere of Influence is the probable extent of the City's boundary and service area. The Sphere is an important tool used by LAFCO to encourage the orderly formation and growth of local government agencies, preserve open space and agricultural lands, discourage urban sprawl, and encourage the efficient provision of services. The Sphere review in this report corresponds to four statutory determinations that need to be made for a Sphere update.

The City of Gonzales Sphere of Influence was updated in April 1997 to implement a General Plan adopted in 1996. No Sphere amendments have been processed since then, but there have been several annexations including two areas (175 acres and 40 acres) approved in 2006. Except for vacant land in those two annexation areas, the City is largely built out. The current Sphere contains approximately 50 acres outside of the City limits, and is not adequate for the City's probable expansion needs over the next twenty years. In the Fall of 2010, the Gonzales City Council will consider adopting the draft *Gonzales 2010 General Plan*. As part of the General Plan implementation process, the City will authorize one or more applications for a Sphere of Influence update. The draft General Plan presents a vision of what Gonzales will be like 35 years or more in the future. Growth is planned primarily to the east, away from the highest value prime farmlands.

Because the City of Gonzales is not yet ready to initiate a formal Sphere amendment proposal, the Executive Officer recommends that the Commission affirm the currently adopted Sphere of Influence (Exhibit A) with no changes at this time. A draft Resolution will be prepared that supports this recommended action. The Commission can expect to receive one or more Sphere amendment proposals, the timing of which will be determined by the City's General Plan implementation process and schedule.

The analysis, conclusions and recommendations in this report were prepared with information provided by, and in consultation with, the City of Gonzales. Data sources, including reference documents and a detailed survey completed by the City, are available for review in the office of LAFCO.

PART ONE: MUNICIPAL SERVICE REVIEW

In 2006, the Local Agency Formation Commission of Monterey County conducted a detailed review of the municipal services provided by the City of Gonzales. This report presents a brief update. The information is organized by the six determinations that need to be made for a municipal service review:

1. Growth and Population Projections for the Affected Area

The City of Gonzales was home to an estimated 9,114 residents in 2010, as estimated by the California Department of Finance¹, a 20.5% increase from its 2000 population of 7,564. While this percentage increase is more than twice the county-wide decennial increase it is only slightly above the 18.9% increase experienced by the four south Salinas Valley cities. The Association of Monterey Bay Area Governments projects that

¹ California Department of Finance, Table 2: E-4 Population Estimates for Cities, Counties and State, 2001-2010, with 2000 Benchmark

the City's population will grow to 18,199 by 2025 and 23,418 by 2035. This projected rate of growth is higher than the rate projected for any other city in the Salinas Valley.

The draft *Gonzales 2010 General Plan* estimates that the City's existing Sphere of Influence, at build out, can accommodate a population of 12,000. The Urban Growth Area identified in the General Plan would provide residences for an additional 25,000 people, which would bring the City's population to an estimated 37,000. There is no timeframe given for the General Plan's build out.

2. Present and Planned Capacity of Public Facilities and Adequacy of Public Services, including Infrastructure Needs or Deficiencies

The City's infrastructure has been designed to support the area within the 1996 General Plan, which is the same as the City's Sphere of Influence. Infrastructure expansion and improvements are guided by master plans prepared for water supply, wastewater collection and treatment and storm water and retention.

The draft *Gonzales 2010 General Plan* proposes an urban expansion within a 2,150-acre Urban Growth Area. The General Plan reviews the capacity of public facilities needed to provide for this growth and projects adequate resources based on newly completed Water and Sewer Master Plans.

When properties are developed, it is the developer's responsibility to fund needed system improvements. Following adoption of the draft *Gonzales 2010 General Plan*, prospective developers will provide more detailed engineering plans for General Plan and Specific Plan implementation.

The *Gonzales 2010 General Plan* Draft Environmental Impact Report identified several significant unavoidable impacts: the conversion of prime farmland, visual impacts, light pollution and glare, and the generation of greenhouse gases.

The Draft EIR states that Highway 101 will need to be expanded with or without the General Plan's projected growth. By the year 2050, Highway 101 is projected to require between 6 or 8 lanes through the Gonzales area. To help accomplish this expansion, the City will require developers to contribute to the Transportation Agency of Monterey County's transportation improvement fund.

The City of Gonzales provides many services, including: fire protection/emergency medical response; law enforcement and police; parks, recreation facilities and programs, open space; street construction and maintenance; street lighting; street sweeping; landscaping and landscape maintenance; retail and wholesale water; water treatment; water conservation; sanitary sewer collection and treatment; pump station maintenance; storm drain maintenance, and flood control.

The City is working to increase the amount of City parkland, which is below the City's per capita goal of 5 acres per 1,000 residents. The City is currently developing a community center in conjunction with the school district. The City is also at capacity in terms of administrative office space.

3. Financial Ability of Agency to Provide Services

The current economic downturn has resulted in a reduction of revenues and expenditures associated with General Fund programs. The proposed Fiscal Year 2010-11 budget reflects the second year of a Three Year Budget Alignment Strategy presented to the City Council. The strategy addresses the need to bring General Fund expenditures in line with anticipated revenues within a three year period.

In the adopted Fiscal Year 2010-11 budget, the City proposes expenditures are approximately \$11.4 million. The gap between the City's anticipated revenues and proposed expenditures is covered by budgetary fund balances.² The City plans to use \$119,000 of the General Fund Balance to fill a deficit in General Fund expenses of \$3,237,637. This will leave over \$1 million in reserves remaining for FY 2010-11. The use of fund balances was anticipated as part of the Three Year Budget Alignment Strategy. While the City's conservative budgetary policy has allowed a buildup of reserves, the fiscal environment remains uncertain with the continuing recession, decreased property values and proposed State takeaways from local government.

4. Status of, and Opportunities for, Shared Facilities

The City coordinates with other local agencies to implement cost-efficient service delivery. The Gonzales Fire Department provides fire suppression and prevention services to the Gonzales Rural Fire Protection District. The Fire Department also has automatic aid agreements with California Training Facility Fire Department and the Monterey County Regional Fire District, and mutual aid agreements with other County fire service providers. The City participates in the county-wide dispatch and emergency communications system. Gonzales has worked cooperatively with the other Salinas Valley cities and the County to secure the regional designation of a State Enterprise Zone.

Gonzales is in the lead agency for the Monterey County Joint Gang Task Force with the FBI and state and local law enforcement offices. The City, along with the other three south Salinas Valley cities, is also participating in an attack against crime dubbed the "Four Cities for Peace Plan." The City has collaborated with the Gonzales Unified School District on joint-use agreements for a school/park and gym/community center. Solid waste is collected by Tri-Cities Disposal and Recycling, which was formed through a

² A fund balance is not a fund or separate account, but by definition, is simply the difference between the assets and liabilities of a government fund.

joint-member agreement between Gonzales, Soledad, and Greenfield. The City participates in the Monterey Bay Self Insurance Authority, a joint powers authority providing insurance to member cities.

5. Accountability for Community Service Needs, including Government Structure and Operational Efficiencies

The City Council is composed of five Council Members who are elected at large for four-year terms. One Council Member is appointed Mayor for a two-year term by the Council. Public meetings and City operations are widely publicized through the media, through mailings and by use of the City web site. The City Council has used public hearings on the City's budget as a forum for discussing ways to increase operational efficiencies while maintaining municipal services.

6. Any Other Matter Related to Effective or Efficient Service Delivery, as Required by Commission Policy

The City has agreed to require that proposed developments mitigate their regional traffic impacts through contributions to a regional transportation improvement fund. The recently-released draft *Gonzales 2010 General Plan* seeks to achieve the following objectives:

- a. Diverse, Self-Sustaining Local Economy;
- b. Long-Term Vision;
- c. Small-Town Character;
- d. Discouragement of Suburban Sprawl;
- e. Protection of Best Agricultural Lands;
- f. Sustainability;
- g. Protection, Re-creation & Enhancement of the Natural Environment, and
- h. Competitive Development Environment.

The Executive Officer will recommend that the Commission adopt this updated service information for the City of Gonzales. A draft Resolution will be prepared with determinations that support this recommendation.

PART TWO: SPHERE OF INFLUENCE REVIEW

The City's Sphere of Influence was last updated in April 1997, following the 1996 adoption of a General Plan. Exhibit A is a map of the currently adopted Gonzales Sphere of Influence and City limits. The Sphere of Influence boundary is almost the same as the City limits. Only 50 acres of the Sphere lie outside of the City boundary. The City of Gonzales is substantially built out, except for about 215 acres of land annexed in 2006 for industrial purposes. The current Sphere is not sufficient for the probable expansion needs of the City over the next 20 years.

The draft General Plan projects growth primarily to the east, away from the highest value prime farmlands. The Plan identifies an “Urban Growth Area” of approximately 2,150 acres. An additional 2,130 acres is designated for urban reserve, which would be available for development only after substantial build-out of the Urban Growth Area. This is estimated to be decades away if AMBAG’s projected growth rates are accurate.

Following is a review of the City of Gonzales Sphere of Influence. The review is organized by the four determinations that need to be made for a Sphere update:

1. The Present and Planned Land Uses in the Area, Including Agricultural and Open-Space Lands

A land use inventory prepared for the draft *Gonzales 2010 General Plan* indicates that 33% of the City’s area is occupied by residential uses. Other uses are Public and Semi Public, including the wastewater plant (16%), Industrial (12%), Open Space (3%) and Commercial (2%). 21% of the City was covered by streets, railroads and utility facilities and 13% was vacant.

The City is surrounded by productive agricultural land, primarily categorized as “prime farmland” by the State Department of Conservation. A number of agricultural conservation easements are located to the north and west of the City where the most productive farmland is located.

The draft *Gonzales 2010 General Plan* contains a mixture of land uses and is designed to reorient the City’s planning approach to one that emphasizes neighborhood form and character through the development of Specific Plans. The draft General Plan calls for an easterly direction of growth toward the hills and away from the best agricultural land. The draft Plan provides for long-term development capacity, but does not stipulate a specific timeframe for build out. It increases average density and the range of housing types, and defines a permanent urban/rural boundary. The City is surrounded by large land holdings. Participation of the land owners in the planning process will facilitate comprehensive planning.

The City started the Gonzales Grows Green (“G3”) sustainable community initiative to support green businesses and programs throughout the City. This effort includes the development of a green business cluster emphasizing biodiesel, organic farming and solar power. The City also plans to encourage the development of recycling facilities. The Johnson Canyon Landfill to the east of the City is the primary landfill in the Salinas Valley, and there are benefits to recycling as much of this waste as possible.

2. The Present and Probable Need for Public Facilities and Services in the Area

The City provides a wide variety of municipal services. The draft *Gonzales 2010 General Plan* contains a “Community Facilities and Services” Element, which sets goals, policies, and actions for the provision of public facilities and services. The element addresses issues relating to water, sanitary sewer, storm drainage, solid waste, schools, libraries, social services and civic buildings.

3. The Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide

The City’s water system has been operating on a reliable basis for many years even during periods of prolonged drought. The municipal wastewater treatment plant operates at 1.30 million gallons per day (average daily flow) and serves all residential, commercial and industrial customers in the City. The City’s storm drainage system utilizes a combination of natural and engineered channels, street inlets, storm drains, and retention basins. The new draft General Plan outlines plans for the provision of facilities and services to meet the needs of anticipated future residents.

4. The Existence of Any Social or Economic Communities of Interest in the Area if the Commission Determines that They are Relevant to the Agency

There are no communities of social or economic interest that are relevant to consideration of the City’s Sphere of Influence.

In the Fall of 2010, the Gonzales City Council will consider adopting the draft *Gonzales 2010 General Plan*. Upon adoption of the General Plan, the City will initiate an implementation process that includes one or more applications for an update to the Sphere of Influence. As the City is not yet ready to initiate the Sphere amendment process, no changes to the current Sphere are necessary or requested at this time. The draft General Plan does not designate the boundary for a proposed Sphere of Influence. The City’s intent is to leave this determination to a later and separate process that will involve close cooperation with LAFCO and the County of Monterey. The schedule for initiating these amendments will remain flexible, depending on the City’s own processes and discussions with property owners.

The Executive Officer recommends that the Commission affirm the currently adopted Sphere of Influence for the City of Gonzales (Exhibit A), with no changes at this time. A draft Resolution will be prepared that provides the necessary determinations for this action.

Exhibit A: Currently Adopted Sphere of Influence and City Limits Map, City of Gonzales