



MEETING DATE: 12-05-05

ITEM NO. 15

COUNCIL AGENDA REPORT

DATE: NOVEMBER 29, 2005
TO: MAYOR AND TOWN COUNCIL
FROM: DEBRA J. FIGONE, TOWN MANAGER
SUBJECT: PROVIDE DIRECTION TO STAFF REGARDING THE COUNTY ISLAND ANNEXATION PROCESS

RECOMMENDATION:

Provide direction to staff regarding the County island annexation process. Options for consideration include:

- 1. Conduct outreach to property owners in the 15 eligible County islands to inform them about the annexation process...
2. Conduct outreach to property owners in the 15 eligible County islands to inform them about the annexation process...
3. Do not proceed with the island annexation process.

BACKGROUND:

In August 2005, the Town Council discussed the County's commitments to facilitating the island annexation process as it is presently defined by revised State law. The County's commitments included subsidizing cities' costs associated with the annexation process and providing street improvements in the areas annexed.

Pamela Jacobs

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ASSISTANT TOWN MANAGER

Reviewed by: Assistant Town Manager, Town Attorney, Clerk Administrator, Finance, Community Development

Revised: 12/1/05 9:31 am

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At the August meeting, Town Council directed staff to return to Council following County action regarding adopting development standards for unincorporated islands that mirror the surrounding city's development standards. This staff report provides information regarding County action and options for next steps.

DISCUSSION:

At the October 18, 2005 Board of Supervisors meeting, the Board considered the adoption of a "Resolution of Intent in support of the future evaluation, consideration and amendment of County zoning ordinance regulations regarding residential development standards within the urban unincorporated islands" (Resolution of Intent). (Attachment 1). The Board continued the discussion to November 15th, at which time it adopted the Resolution of Intent on a 3 to 2 vote. The Resolution of Intent encourages cities to initiate and complete the annexations of islands under the State's streamlined annexation laws. It further supports the amendment of the County zoning ordinance governing residential development standards for the purpose of eliminating significant differences between the standards of the County and cities. The Resolution of Intent addresses an important issue of interest expressed by the Council and is in addition to the county's previous commitments to subsidize costs associated with annexations and to provide street improvements in the areas annexed.

Council has also expressed an interest in determining if property owners in eligible islands would like to annex to the Town, although the streamlined process does not require protest hearings or a vote. Given this interest, staff suggests two options for Council consideration.

In the first option, the Town could send a letter to property owners in the 15 eligible County islands (approximately 800) seeking their expression of interest in annexing to the Town by returning a postcard noting a "yes" or a "no" regarding annexation by a specified date. The letter would include information about the annexation process and its benefits. Staff would return to Council with the results of the inquiry for direction regarding next steps.

A second option could be sending a similar letter about the process and benefits to residents and property owners in the 15 eligible County islands asking residents interested in annexing to the Town to contact staff via e-mail or phone by a specified date. A postcard could then be sent to residents/property owners in only those islands in which a resident/property owner has expressed a positive interest in annexation.

With either of these two options, the expression of interest would not be considered a formal vote, which would typically involve registered voters. These options assume that each property in the eligible islands would generate one response (in the case of a rental unit, the owners of the property would provide the response). The results of the postcard inquiry may not be representative if a majority of residents do not respond. Council may want to discuss criteria for making a decision regarding next steps. The criteria would relate to the percentage of property owners responding and

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to the percentage of respondents favoring or not favoring annexation; thus the Council could consider the following:

- Criteria regarding percentage of respondents: Council could consider direction to proceed or not with the annexation process based on either a majority (51%), two-thirds (66%), or three-fourths (75%) of property owners responding in any given island, combined with the following criteria.
- Criteria regarding percentage of respondents favoring or not favoring annexation: Council could consider direction to proceed or not with the annexation process based on the criteria selected above combined with the criteria of either a majority (51%), two-thirds (66%), or three-fourths (75%) of respondents in any given island favoring or not favoring annexation.

Since the law allowing the streamlined process expires on January 1, 2007, time is limited for completing annexations pursuant to it. Options 1 and 2 above would require a minimum of four and six weeks to complete, respectively; however, due to the holidays, this timeline may need to be extended. This effort would need to be made a high priority for staff, which may result in delays in other work plan items.

The third option is to take no further steps regarding the island annexation process. This option recognizes that to-date, the Town has heard from only a small number of island residents interested in annexation. However, it is possible that some residents who may be interested may not be aware of the opportunity. In considering this option, it is also important to weigh the good faith effort that the County has made to satisfy the Town's interest in proceeding with annexation under the streamlined process.

CONCLUSION:

To-date, the County has taken significant steps to facilitate the annexation of islands to adjacent cities under the streamlined process. Both the County and the Town recognize that annexation of islands has many benefits to the County and Town and to the residents. At the same time, some residents and property owners in the islands have not been supportive of annexation in the past. Given the discussions to date, the Council may want to consider one of the three following options regarding next steps:

1. Conduct outreach to residents and property owners in the 15 eligible County islands to inform them about the annexation process and to inquire as to their interest in annexing to the Town of Los Gatos via their return of a postcard. Return to Council with results of outreach for further direction.
2. Conduct outreach to residents and property owners in the 15 eligible County islands to inform them about the annexation process and to inquire as to their interest in annexing to the Town of Los Gatos via contact to staff. Distribute postcard inquiry to only those islands

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wherein a resident/property owner expresses interest. Return to Council with results of outreach for further direction

3. Do not proceed with the island annexation process.

ENVIRONMENTAL ASSESSMENT:

Is not a project defined under CEQA, and no further action is required.

FISCAL IMPACT:

It is expected that one-time sources are available to cover the costs of outreach required for options 1 and 2.

Attachments:

1. List and Map of County Islands within the Town

Distribution:

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ISLAND ANNEXATION DATA

NO.	SUB-AREA NAME	SQ FT	ACRES	NO. LOTS	L.F. STREET	MILES	LOCATION
1.	La Rinconada	1,811,184.75	41.58	68	5,615.04	1.06	Northwesterly, adjacent to country club
2.	Blossom Hill Manor	7,593,969.63	174.33	623	28,887.48	5.47	Central, east of Los Gatos Blvd.
3.	Winterbrook Rd	104,317.10	2.39	5	0.00	0.00	North of Blossom Hill Rd.
4.	Linda Ave	40,570.17	0.93	2	0.00	0.00	North of Blossom Hill Rd.
5.	Camino del Cerro #1	127,601.57	2.93	4	0.00	0.00	Blossom Hill Rd. & Camino del Cerro (south). These four small areas could be considered one annexation. Need LAFCO approval for this.
6.	Camino del Cerro #2	134,161.62	3.08	3	0.00	0.00	
7.	Camino del Cerro #3	44,760.11	1.03	2	0.00	0.00	
8.	Camino del Cerro #4	94,646.42	2.17	4	0.00	0.00	
9.	Robie Ln	331,340.00	7.61	17	603.89	0.11	
10.	Englewood Ave	20,369.26	0.47	1	0.00	0.00	
11.	Loma St. #1	5,150.60	0.12	1	0.00	0.00	
12.	Loma St. #2	13,319.37	0.31	3	0.00	0.00	
13.	Eastside	3,280,158.85	75.30	229	10,686.33	2.02	Between Shannon & Kennedy Rds & mostly east of Englewood Ave
14.	Peacock Ln.	199,175.88	4.57	11	812.75	0.15	
15.	Eugenia Way	635,325.88	14.59	10	0.00	0.00	Note: Streets are private.
16.	Twelve Oaks Rd.	1,198,876.00	27.52	5	0.00	0.00	
TOTALS		16,149,931.60	370.75	1,003	47,707.92	9.04	

TOWN OF LOS GATOS

ANNEXATION ISLANDS

