PRE-ANNEXATION & DEVELOPMENT AGREEMENTS
Case Study
Napa County LAFCO

CASE STUDY OVERVIEW
SUMMARY
- Annexation filed by the City of Napa in 2007
  - Purpose to facilitate development of 144 acres
  - Supported by a pre-annexation agreement setting the stage for a development agreement between the affected parties
  - Example of how pre-annexation and development agreements can (+) bring different parties together in support of a LAFCO action while (-) creating sense of inevitability
  - Annexation withdrawn in 2008, but expected to be resubmitted in the near future.

PRESENTATION POINTS
BACKGROUND
- Napa's urban growth boundary
- LAFCO's sphere of influence update
- Proposed annexation site
PRE-ANNEXATION/DEVELOPMENT AGREEMENTS
- Affected Parties
- Interests and Accommodations
LAFCO TAKEAWAYS
- Positives
- Challenges
BACKGROUND

NAPA'S URBAN GROWTH BOUNDARY
- Rural urban limit line (RUL) established in 1975
- Requires voter approval to amend
- Successful: remains unchanged with 2.0% annual growth average

LAFCO'S SPHERE OF INFLUENCE UPDATE
- Completed in 2005 in response to CHKC
- First comprehensive update since 1972
- Policy focus on aligning sphere to generally match RUL
BACKGROUND

PROPOSED ANNEXATION SITE
- Six parcels totaling 144 acres
- Mostly undeveloped
  - three single family residences
  - ornamental cow grazing
  - equestrian complex
- Designated by Napa for a mix of urban uses
  - single-family (70%), multi-family (10%), corporate park (20%)
- Prezoned "master plan"
- Cannot be developed for urban uses under County General Plan

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AFFECTED PARTIES
Three Key Landowners
- Largest landowner with 110 acres is a family trust
  - wants to annex, but needs to bring in others
  - principal interest is to develop single family residences
- Second largest landowner with 30 acres is an equestrian complex
  - agreeable to annexation, but wants concessions from Napa
  - main interest is to legalize existing uses and expand
- Third largest landowner is resident with three acres
  - less agreeable to annexation
  - main interest is to build second unit and keep shooting...
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AFFECTED PARTIES

Napa

- City Council has historically resisted requests from the family trust to support annexation.
- Sensitive to neighbors who enjoy the site as is for walking
- Practice not to bring in anyone against their wishes
- Beginning in early 2000, Napa begins to change pathologies and now is amenable to supporting annexation. What changed?
  - New management
  - Regional housing needs allocation

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PRE-ANNEXATION AGREEMENT

- After the site's inclusion into sphere, family trust and City staff negotiate a pre-annexation agreement. Key conditions are memorialized in resolution of application and include:
  - Napa agrees to serve as applicant
  - Napa agrees current uses at the equestrian center are consistent with existing policies and certain expansions will be allowed.
  - Equestrian center provides consent and agrees to dedicate land for a public right-of-way.
  - Napa and family trust agree to complete a development agreement to address - among other things - the scoping and funding of a master plan.

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DEVELOPMENT AGREEMENT

- Before adopting the resolution of application and continuing thereafter, Napa and the family trust representatives begin work on a development agreement. Key negotiation issues:
  
  **Use:**
  - Napa wants an industrial buffer on east side while family trust wants commercial use

  **Density:**
  - Napa wants higher residential uses while family trust wants lower densities to build larger single family homes

  **Cost:**
  - Napa wants family trust to cover master plan costs while family trust wants to cover costs only proportionally.
LAFCO TAKEAWAYS

POSITIVES

• The pre-annexation agreement developed shared meaning and purpose among key stakeholders. Also simplifies the processing of the application given:
  - Napa serves as applicant and assumes lead agency role
  - Eliminates the potential for an election

CHALLENGES

• Because there is no specific project, the development agreement remains in draft form and could change after LAFCO action.
  - Uncertainty about densities (hot button issue)