

City of King
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 King. 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 King. 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 to correspond to 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 King. A draft Resolution will be prepared that supports this recommendation.

Part Two of the report reviews the Sphere of Influence of the City of King. 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.

To address the City's probable long term needs, the City of King is engaged in a comprehensive update of the 1998 General Plan. The scope of the General Plan update has been prepared and funding is being sought to complete this planning process and the accompanying reports. The General Plan update will include plans for a Sphere update. The last Sphere amendment was adopted in 2002. Through the General Plan update process, the City will refine its Sphere expansion concepts and determine the nature of the Sphere applications to be proposed to LAFCO. In the meantime, the City's current planning activities are focused on development of lands within the City limits.

Because the City of King is not yet ready to initiate a formal Sphere amendment proposal, the Executive Officer recommends that the Commission affirm the City's 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 in coming years, the timing of which will be determined by the City's General Plan preparation and implementation processes and schedules.

The analysis, conclusions and recommendations in this report were prepared with information provided by, and in consultation with, the City of King. 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 King. 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 California Department of Finance has estimated the City's 2010 population at 12,140, as estimated by the California Department of Finance¹. This is an 8% population increase from 2000 when the population was 11,204. While this percentage increase is less than that experienced by the other three south Salinas Valley cities, it is consistent with the rate of increase experienced in the City of Salinas and the County as a whole. Between 1990 and 2000, the City of King experienced a 45% rate of population increase.

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

The Association of Monterey Bay Area Governments projects that the City's population will grow to 19,295 by 2025 and 24,726 by 2035. If this projection is accurate, the City of King will experience a faster growth rate in coming decades than any other Salinas Valley city except for Gonzales.

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

The 1998 General Plan Land Use Element includes a goal, supporting policies and programs to ensure the provision of adequate government offices and community facilities to accommodate the existing and future needs of the City. This goal and these policies and programs also address the adequate provision of police and fire protection services, public utilities, health and medical services and park and recreation facilities.

The King City Wastewater Treatment plant uses primary and secondary ponds, with facilities for non-recoverable industrial wastewater. The average flow capacity is 1.2 million gallons per day (mgd), which is well below the design capacity of 3.0 mgd. In June 2010 the City Council approved a contract of over \$900,000 to make improvements to the wastewater ponds including expansion of capacity. Water is supplied to King City residents by the privately-owned California Water Service Company. The City Police Department has an adopted response time of five minutes. The actual response time for the Department is between three and five minutes. The City's Fire Department has an adopted response standard of five minutes. Actual responses meet this standard on most occasions and range from three to seven minutes.

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

The recent decrease in municipal revenues has led to the reduced maintenance of parks and streets. The City is also considering the outsourcing of a significant number of city services, as well as a number of other cost cutting measures, as a means to maintain a balanced budget.

3. Financial Ability of Agency to Provide Services

The City of King has experienced a decrease in revenues for the second consecutive year, as is the experience of most cities. City Manager Michael Powers projected that revenue for the 2010-11 Fiscal Year will be close to a million dollars less than it was in the peak year of 2007. The City used a number of measures to balance this budget. The

City increased revenues by approximately \$75,000 by raising fees and increasing business licenses. The City is reducing expenditures by approximately \$595,000 by implementing a wide variety of measures including reducing salaries and eliminating cost of living adjustments, eliminating two positions, and increasing the City's self-insurance. On August 10, 2010, the City Council adopted a budget with \$9.26 million in revenues and \$9.11 million in expenditures. Overall, the City's goal is to maintain the level of service through every possible effort.

4. Status of, and Opportunities for, Shared Facilities

The City coordinates with other local agencies to implement cost-efficient service delivery. The King City Fire Department has automatic aid agreement with the South Monterey County Fire Protection District, and mutual aid agreements with other County fire service providers. The City participates in the countywide dispatch and emergency communications system. The City of King worked cooperatively with the other Salinas Valley cities and the County to secure the regional designation of a State Enterprise Zone.

The City of King is participating in 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 participates in the Monterey Bay Self Insurance Authority, a joint powers authority providing insurance to member cities. The City contracts out for services of a City Engineer, Community Development Director and City Attorney. The City previously contracted with the County of Monterey to provide building inspection services, but found that in-house services are more cost-efficient and effective.

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 1998 King City General Plan includes objectives for the development of a balanced

range of land uses, for the protection of prime agricultural land, and the prevention of urban sprawl.

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

PART TWO: SPHERE OF INFLUENCE REVIEW

The City of King's Sphere of Influence was expanded in 2002 with the 216± acre Meyer and Mills Ranch Reorganization, as part of the implementation of the City's 1998 General Plan. The previous amendment to the Sphere was in 1990. Exhibit A is a map of the currently adopted Sphere of Influence and City limits. Only two areas of the City's Sphere of Influence are outside of the City limits - the residentially developed Pine Canyon area and an expansion area for the City's Sewage Treatment Plant - and these areas do not allow for new development.

The City informally discussed two Sphere expansion concepts with LAFCO in 2004, and continues to explore other possible areas for expansion. In order to proceed with a formal Sphere update, the City will first need to complete a General Plan update, along with related environmental and fiscal reports.

The City's current planning activities are focused on development within the City limits. Areas in the City limits now being developed, or contemplated for development, include the completion of two residential subdivisions within the 2002 Meyer and Mills Ranch Reorganization area, the 108-acre Downtown Addition Specific Plan (currently being considered for City adoption), and approximately 45 acres near the Highway 101 / First Street interchange that are available for highway commercial development.

Following is a review of the City of King 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

The City's 1998 General Plan indicated that the largest component of the existing land use in the City was agriculture, which accounted for almost 23% of the developable land. Other major uses included Residential (23%), Public and Quasi-Public (20%), Industrial (9%), Commercial (7%) and Open Space (6%). Vacant land constituted approximately 15% of the land area and 1% was listed as unclassified.

Similar to other communities in the Salinas Valley, the City of King is surrounded by some of the best farmland in the nation. In an attempt to protect this land, agricultural

conservation easements have been secured to the north and south of the City. It is estimated that over 1,500 acres of farmland that are contiguous to the City limits are restricted by such easements. These easements remove the development potential of these parcels and therefore limit future development to the east and west. The 1998 General Plan generally follows an east- west development pattern.

Growth has slowed in King City as it has throughout the County. Housing construction within the Meyer and Mills Ranch Reorganization, which was approved by LAFCO in 2002, remains less than half completed.

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

The City Council is currently considering a draft Development Impact Fee (AB 1600). This plan presents a long-range identification and recognition of the City's infrastructure and physical needs. This plan is designed as the foundation for the development of the City's capital improvement plan.

The draft 2010 Development Impact Fee estimates the replacement value of the City's infrastructure at \$191 million. The largest component of this value is the circulation system, which is estimated to be worth over \$82 million. Other major components of the total value are wastewater treatment (\$24 million), wastewater collection system (\$23 million), parkland improvements (\$18 million) and storm drainage system (\$16 million). The report estimates a 50-year average depreciable life for these infrastructure improvements.

The draft Development Impact Fee estimates that \$97 million in infrastructure improvements are needed over the long term. This plan provides for three types of projects: a) the maintenance, repair and rehabilitation of the City's existing infrastructure, b) projects needed to serve future development to allow build-out of the City's General Plan, and c) projects proposed to enhance the quality of life for all City residents.

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

The City uses the annual budget process to set priorities for public facility and service improvements. The City is considering approval of a Development Impact Fee which will be used to develop a Capital Improvements Plan. Once developed, the Capital Improvements Plan will improve the City's ability to maintain and improve its infrastructure while ensuring the efficient use of public funds. The City plans to complete a comprehensive water analysis and modeling study as part of its comprehensive General Plan update.

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

Pine Canyon is a residential area that was developed at suburban densities in the unincorporated County. This canyon, which is in the City's existing Sphere of Influence, is on the west side of Highway 101 and southwest of the City limits. The King City General Plan states that residents of this area have on several occasions rejected proposals to be annexed into the City.

In 2004, the City of King informally consulted with LAFCO regarding a conceptual Sphere of Influence update. The concept included two expansion areas: (1) an area east of City-owned Mesa Del Rey Airport and (2) a 67-acre undeveloped parcel located west of the City limits. Since that time, the City's focus for expansion has changed to emphasize the San Bernabe Area to the City's southwest. The City's concepts for an expansion of its Sphere of Influence will be refined and determined as part of the comprehensive update to the 1998 General Plan.

In conclusion, there is no immediate need or request to amend the City of King's Sphere of Influence amendment. The timing of the City's request will depend on the City's own planning, environmental review and implementation processes and schedules. The Executive Officer therefore recommends that the Commission affirm the currently adopted Sphere of Influence for the City of King (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 King

