



LOCAL AGENCY FORMATION COMMISSION

COUNTY GOVERNMENT CENTER • REDWOOD CITY, CALIF. 94063 • TEL. 363-4224

January 7, 1983

TO: Members, Formation Commission

FROM: Executive Officer

SUBJECT: File No. 82-21--PROPOSED AMENDMENT OF THE SPHERE OF INFLUENCE DESIGNATION AND PROPOSED REORGANIZATION OF UNINCORPORATED TERRITORY KNOWN AS EAST PALO ALTO INVOLVING THE MUNICIPAL INCORPORATION OF SAID TERRITORY AND FURTHER ACTION INCLUDING, BUT NOT LIMITED TO, THE DISSOLUTION OF OR MERGER AND ESTABLISHMENT OF SUBSIDIARY DISTRICTS OF THE RAVENSWOOD RECREATION AND PARK DISTRICT, THE EAST PALO ALTO SANITARY DISTRICT, THE EAST PALO ALTO COUNTY WATERWORKS DISTRICT, AND COUNTY SERVICE AREA NO. 5.

Since the Commission has the recently adopted Sphere of Influence designation for East Palo Alto and Menlo Park, the hearings for reconsideration of the sphere of influence and consideration of the reorganization have been combined as joint hearings and noticed as such.

The sphere of influence issue should be decided first, with appropriate action consistent with the sphere of influence on the proposed reorganization, second. Because the two issues are so inextricably bound it is not practical to hear them separately. However, at the close of the hearings the Commission should be prepared to take action by adopting separate resolutions. It will be necessary for the Commission to make findings to support the sphere of influence decision. This is necessary to make the Commission's decision legally defensible.

The request for reconsideration of the Sphere of Influence for East Palo Alto and Menlo Park and affected special districts was the reason for the Commission to retain Angus McDonald & Associates to prepare an updated/revised financial analysis of the alternatives for the area. Financial impact is one of the factors that the Commission is required to consider.

These hearings for the proposed reorganization are a result of the Commission waiving the two year statutory time limit for rehearing a proposed reorganization after the proposed incorporation was defeated by an election.

Unfortunately, because of the delay in obtaining the consultant's financial analysis we have not read the final report; therefore, we plan to present the staff report in two parts. The recommendation will be presented at the January 19 meeting, if possible.

The first part of the staff report will be presented at the beginning of the Sphere of Influence hearing. It will contain:

1. A brief history of the preceding hearings on this subject.

COMMISSIONERS: Supervisor Arlen Gregorio, Chairman • Supervisor John M. Ward • Councilman Malcolm H. Dudley • Councilman William H. Hardwick • Public Member Mary W. Henderson
 ALTERNATES: Supervisor William Schumacher • Councilwoman Jeannine D. Hodge • Public Member Joseph Zucca
 OFFICERS: B. Sherman Coffman, Executive Officer • L.M. Summey, Counsel to the Commission

2. A review of the criteria for evaluating and establishing Spheres of Influence.
3. A listing of possible alternatives based upon our limited analysis of the consultant's report.

An application for reconsideration of the Sphere of Influence for East Palo Alto and Menlo Park and a reorganization including the incorporation of a new city presently known as East Palo Alto, has been submitted to the Commission on the basis of a resident-voter petition containing 563 valid signatures, as of October 5, 1982. At this time there are 8,693 registered voters residing within the entire unincorporated area of East Palo Alto. (We believe the financial study will show that the tally of registered voters will be about 9000.)

Because three (3) members of the Commission did not participate in the previous sphere of influence/incorporation/annexation hearing we believe that it will be helpful to provide a historical perspective. The Commission opened sphere of influence hearings for the City of Menlo Park and the East Palo Alto neighborhood on August 5, 1981 and conducted subsequent hearings on August 19, September 16 and 21, October 15 and 21, and November 16. December 16 and 21 were meetings to hear appeals for reconsideration.

An adopted sphere of influence for a city encompassing all but a portion of the East Palo Alto unincorporated area, was adopted on October 21, 1982, by a split vote of 3 to 2. The area excluded from the Sphere of Influence of East Palo Alto lies West of Bayshore and North of Euclid Avenue. This area was assigned to the City of Menlo Park. The proposal for the reorganization including incorporation was also approved by a split vote of 3 to 2.

One of the purposes of the Local Agency Formation Commission is the encouragement of the orderly formation and development of local governmental agencies, based upon local conditions and circumstances. It is the obligation of the Commission to make studies and obtain and furnish information which will contribute to the logical and reasonable development of local government in each county community. The Commission should examine all information at hand so that they can advantageously provide for the present and future needs of its communities. The Commission should inventory and identify the maximum service areas and service capacities of each local agency. Especially since the passage of Proposition 13, the Commission has an obligation to construct local agencies so as to provide the highest level of service including social and political integration at the minimum cost to the citizens and service providers.

The Commission is provided with a wide variety of factors to be considered in examining a proposal for incorporation of a city in Government Code Section 54796. Included in these factors is the need for organized community services; the present cost and adequacy of governmental services and controls in the area; the probable future needs for such services and controls; the probable effect of the proposed incorporation and of the alternate courses of action on the cost and adequacy of services and controls in the area and adjacent areas.

The law requires the Commission to examine the affect of the proposed action and of alternative actions on adjacent areas, on mutual social and economic interests and on the government structure of the county.

Additionally, the Commission has the responsibility of examining the proposal with respect to its ability of maintaining the physical and economic integrity of the lands in agricultural production which may be included within agricultural preserves at the present time.

Moreover, the Commission has the responsibility to examine the proposal at hand as to its conformity for both the State statutes and adopted Commission policies for providing planned, orderly and efficient patterns of urban development and for providing service for this development.

Finally, the Commission is to examine the proposal as to whether it conforms to the appropriate city and county general and specific plans and the sphere of influence which have been adopted for the area under study.


Fortunately, a comprehensive general plan for East Palo Alto has been adopted. This will be extremely helpful to either a new city, Menlo Park or the County in promoting healthy growth for the East Palo Alto neighborhood.

The following are the possible alternatives:

1. Incorporation of the entire unincorporated East Palo Alto.
2. Incorporation of East of Bayshore and West of Bayshore South of Euclid Avenue.
3. Incorporation of East of Bayshore.
4. Annexation of the entire unincorporated East Palo Alto.
5. Annexation of the West of Bayshore area to Menlo Park.
6. Annexation of West of Bayshore North of Euclid to Menlo Park.
7. Status Quo/holding sphere.

On preliminary analysis of the final draft we believe that the consultant has not recognized that the same financial assistance provided by the County can be available to both major alternatives: Incorporation and Annexation. None of the tables recognize the fact that these funds can be available to the annexation alternatives

Another matter of concern that should be reviewed carefully by the Commission is the registered voter tally of 9000 voters was used as the basis for analysis for revenues for all alternatives. The rolls will be purged in early February. The revenues available for the alternatives will be based on the actual number of registered voters as of July 1, 1983 for incorporation or any effective date for annexation.


B. SHERMAN COFFMAN
Executive Officer

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cc: Interested persons

