
MENDOCINO **Local Agency Formation Commission**

Ukiah Valley Conference Center ♦ 200 South School Street ♦ Ukiah, California 95482

NOYO HARBOR DISTRICT
SPHERE OF INFLUENCE UPDATE

Prepared in accordance with Government Code §56425

Adopted May 2, 2016

MENDOCINO LOCAL AGENCY FORMATION COMMISSION

LAFCo Resolution No. 15-16-22

**A RESOLUTION OF
THE LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY
APPROVING THE NOYO HARBOR DISTRICT
SPHERE OF INFLUENCE UPDATE 2016**

WHEREAS, the Mendocino Local Agency Formation Commission, hereinafter referred to as the "Commission", is authorized to establish, amend, and update spheres of influence for local governmental agencies whose jurisdictions are within Mendocino County; and

WHEREAS, the Commission conducted an update for the Noyo Harbor District's sphere of influence pursuant to California Government Code Section 56425; and

WHEREAS, the Executive Officer gave sufficient notice of a public hearing to be conducted by the Commission in the form and manner prescribed by law; and

WHEREAS, the Executive Officer's report and recommendations on the sphere of influence update were presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at a public hearing held on the sphere of influence update on May 2, 2016; and

WHEREAS, the Commission considered all the factors required under California Government Code Section 56425.

NOW, THEREFORE, the Mendocino Local Agency Formation Commission does hereby RESOLVE, DETERMINE, and ORDER as follows:

1. This sphere of influence update has been appropriately informed by the Commission's earlier municipal service review of Noyo Harbor District, which was accepted by the Commission on February 3, 2014.
2. The Commission, as Lead Agency, finds the update to the Noyo Harbor District's sphere of influence is exempt from further review under the California Environmental Quality Act pursuant to California Code of Regulations Section 15061(b)(3). This finding is based on the Commission determining with certainty the update will have no possibility of significantly effecting the environment given no new land use or municipal service authority is granted.
3. The Noyo Harbor District confirmed during the review of its sphere of influence that its services are currently limited port and harbor services. Accordingly, the Commission waives the requirement for a statement of services prescribed under Government Code Section 56425(i).
4. This sphere of influence update is assigned the following distinctive short-term designation: "Noyo Harbor District Sphere of Influence Update 2016"
5. Pursuant to Government Code Section 56425(e), the Commission makes the written statement of determinations included in the Noyo Harbor District Sphere of Influence Update report, hereby incorporated by reference.

6. The Executive Officer shall revise the official records of the Commission to reflect this update of the Noyo Harbor District's sphere of influence.

BE IT FURTHER RESOLVED that the Noyo Harbor District's sphere of influence is reaffirmed to remain coterminous with the District boundary, as depicted in Exhibit "A".

The foregoing Resolution was passed and duly adopted at a regular meeting of the Mendocino Local Agency Formation Commission held on this 2nd day of May, 2016, by the following vote:

AYES: *Brown, Doble, Hammerstrom, McCowen, McVerlin, Orth, Ward*

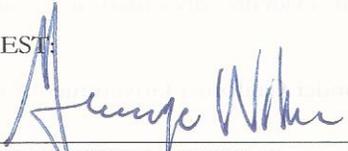
NOES: *none*

ABSTAIN: *none*

ABSENT: *Madrigal*



JERRY WARD, Chair

ATTEST:


GEORGE WILLIAMSON, Executive Officer

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INTRODUCTION

OVERVIEW

This update is prepared in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act (CKH Act) which states, “In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local government agencies so as to advantageously provide for the present and future needs of the county and its communities, LAFCo shall develop and determine the Sphere of Influence (SOI) of each local governmental agency within the county” (GC §56425). A “SOI” is defined under the CKH Act as “.... a plan for the probable physical boundaries and service area of a local (government) agency” (GC §56076).

Decisions on organizational changes must be consistent with the SOI boundary and determinations. The adopted SOI is used by LAFCo as a policy guide in its consideration of boundary change proposals affecting each city and special district in Mendocino County. Other agencies and individuals use adopted SOIs to better understand the services provided by each local agency and the geographic area in which those services will be available. Clear public understanding of the planned geographic availability of urban services is crucial to the preservation of agricultural land and discouraging urban sprawl.

The following update will assess and recommend an appropriate Noyo Harbor District (NHD or District) Sphere of Influence (SOI). The objective is to update NHD’s SOI relative to current legislative directives, local policies, and agency preferences in justifying whether to (a) change or (b) maintain the designation. The update draws on information from the Noyo Harbor District Municipal Services Review (MSR), which includes the evaluation of availability, adequacy, and capacity of services provided by the District.

REVIEW PERIOD

SOI reviews and updates typically occur every five years, or as needed. A local agency’s services are analyzed with a twenty year planning horizon, and a sphere is determined in a manner emphasizing a probable need for services within the next 5-10 years. Actual boundary change approvals, however, are subject to separate analysis with particular emphasis on determining whether the timing of the proposed action is appropriate.

EVALUATION CONSIDERATIONS

When updating the SOI, the Commission considers and adopts written determinations:

Sphere Determinations: Mandatory Written Statements

1. Present and planned land uses in the area, including agricultural and open space.
 2. Present and probable need for public facilities and services in the area.
 3. Present capacity of public facilities and adequacy of public services the agency provides or is authorized to provide.
 4. Existence of any social or economic communities of interest in the area if the commission determines they are relevant to the agency.
 5. If the agency provides services related to water, sewer, or fire, then the present and probable need for these services by any disadvantaged unincorporated communities within the existing sphere should be considered
-

Policies specific to Mendocino LAFCo are also considered along with determinations in administering the CKH Act in Mendocino County. This includes considering the merits of the SOI, or any changes, relative to the Commission’s seven interrelated policies, as listed below, with respect to determining the appropriate SOI.

General Guidelines for Determining Spheres of Influence

The following is excerpted from *Mendocino LAFCo’s 2016 Policies and Procedures*, “Chapter 9: Spheres of Influence, MSRs, and Special Studies”:

Section 1. Spheres of Influence

Reduced Spheres

The Commission shall endeavor to maintain and expand, as needed, spheres of influence to accommodate planned and orderly urban development. The Commission shall, however, consider removal of land from an agency’s sphere of influence if either of the following two conditions apply:

- the land is outside the affected agency’s jurisdictional boundary but has been within the sphere of influence for 10 or more years; or
- the land is inside the affected agency’s jurisdictional boundary but is not expected to be developed for urban uses or require urban-type services within the next 10 years.

Zero Spheres

LAFCo may adopt a “zero” sphere of influence encompassing no territory for an agency. This occurs if LAFCo determines that the public service functions of the agency are either nonexistent, no longer needed, or should be reallocated to some other agency (e.g., mergers, consolidations). The local agency which has been assigned a zero sphere should ultimately be dissolved.

Service Specific Spheres

If territory within the proposed sphere boundary of a local agency does not need all of the services of the agency, a “service specific” sphere of influence may be designated.

Agriculture and Open Space Lands

Territory not in need of urban services, including open space, agriculture, recreational, rural lands, or residential rural areas shall not be assigned to an agency’s sphere of influence unless the area’s exclusion would impede the planned, orderly and efficient development of the area. In addition, LAFCo may adopt a sphere of influence that excludes territory currently within that agency’s boundaries. This may occur when LAFCo determines that the territory consists of agricultural lands, open space lands, or agricultural preserves whose preservation would be jeopardized by inclusion within an agency’s sphere. Exclusion of these areas from an agency’s sphere of influence indicates that detachment is appropriate.

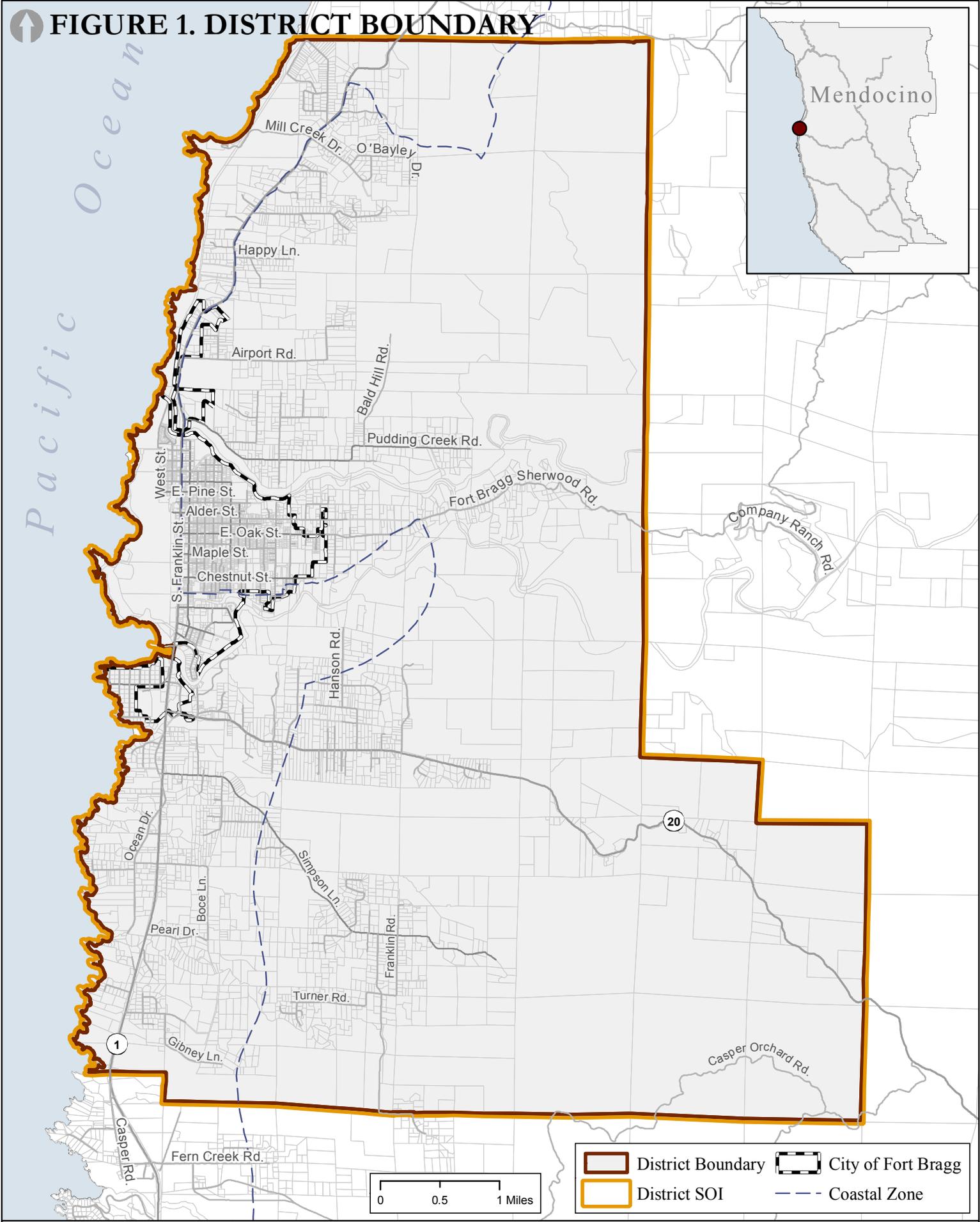
Annexations are not Mandatory

Before territory can be annexed to a city or district, it must be within the agency’s sphere of influence (G.G. §56375.5). However, territory within an agency’s sphere will not necessarily be annexed. A sphere is only one of several factors that are considered by LAFCo when evaluating changes of organization or reorganization.

Islands or Corridors

Sphere of influence boundaries shall not create islands or corridors unless it can be demonstrated that the irregular boundaries represent the most logical and orderly service area of an agency.

FIGURE 1. DISTRICT BOUNDARY



Noyo Harbor District

Prepared for **PLANWEST PARTNERS, INC.**
 Mendocino **LAFCo** by: Date: 3/21/2016

Sources: Boundaries: Mendocino County; Roads: US Census TIGER.
 Path: D:\Planwest_GIS\projects\current\Mendocino_LAFCo\Other_Districts\Noyo_Harbor_District.mxd

OVERVIEW

CURRENT AGENCY OPERATIONS

Noyo Harbor District is located on the central coast of Mendocino County. The District encompasses 43 square miles, including the City of Fort Bragg, and is bordered by Little Valley Road on the north and Jughandle Creek on the south. NHD provides port and harbor services to residents and visitors and operates the harbor, docks, and related facilities; (MSR 2014).

NHD is governed by an appointed five-member Commission: two appointments by the Fort Bragg City Council, two appointments by the Mendocino County Board of Supervisors (BOS), and one appointment by consensus of the City Council and the BOS.

BACKGROUND

NHD was formed in October 1950 as an independent special district. The District was formed to organize, fund, administer, and maintain the Noyo Harbor. The principal act that governs the District is the Harbors and Navigation Code of the State of California (HNC §6200 et seq). Upon formation in 1950, the Noyo Harbor District was formed as a port district pursuant to Section 6231 of the Harbors and Navigation Code. While the chosen name for the District is confusing, it is actually a port district. The District has not undertaken any annexations or detachments since its formation (MSR 2014).

MUNICIPAL SERVICE REVIEW

A Municipal Service Review (MSR) was adopted for NHD by the LAFCo Commission on February 3, 2014. A MSR is a part of and a prerequisite for a SOI Update; as such, much of the information contained herein comes directly from the 2014 Noyo Harbor District MSR.

SPHERE OF INFLUENCE

The Sphere of Influence (SOI) for NHD was established in 1994, and is coterminous with the District boundary (MSR 2014). The 2014 MSR recommended considering a sphere expansion to include what it defined as the District's service area, estimated to be about 225 square miles. The District has requested its SOI be expanded to include all of Mendocino County. This update considers expanding the SOI to capture the District's likely service area or alternately maintaining the SOI as coterminous.

DISADVANTAGED UNINCORPORATED COMMUNITIES

LAFCo is required to evaluate disadvantaged unincorporated communities (DUCs) as part of an SOI review, including the location and characteristics of any such communities. A DUC is defined as any area with 12 or more registered voters where the median household income (MHI) is less than 80 percent of the statewide MHI. Within a DUC, three basic services are evaluated: water, sewage, and fire protection.

Within the Noyo Harbor District Boundary and SOI, there exists one Disadvantaged Unincorporated Community (DUC). This is Cleone, a 'census designated place' with an estimated population of 618, and located at the north end of the district adjacent to the coast. Cleone qualifies as a DUC because its median household income of \$43,920 is less than 80% of the State median household income of \$61,632; or 71.3% (MSR 2014). However, NHD does not

provide water, sewer or structural fire protection services, and is therefore not responsible for assuring that these services are adequately provided to the Cleone community.

POPULATION AND LAND USE

Population and Growth

There are approximately 10,000 residents within the District, of which approximately 7,250 are within the City of Fort Bragg. NHD reported that population of the District has declined since 2008 mainly due to the closure of the lumber mill. Declining population trends have been negatively affecting district service demand; however, an even stronger negative effect is seen from the decline of fisheries (MSR 2014).

NHD reported that it did not have capacity to provide services to possible future growth. To do so, the District would have to expand in terms of personnel, facilities and boat slips, many of which had been destroyed by the tsunami tidal surge in March 2011 (MSR 2014).

Land Use and Development

The District boundary area is approximately 43 square miles, of which 2.8 square miles are also within the City of Fort Bragg city limits. A majority of the land uses within the District are residential, commercial and industrial within the city limits, and open area, forest lands, and agricultural areas beyond. The harbor area itself is not within the city limits, so land use authority remains with the County of Mendocino (MSR 2014).

CAPACITY AND SERVICE

NHD serves customers and their boats from all over the world. About 45% of clients using the marina are from outside the District boundary. Industrial vessels, fishermen, commercial fishing vessels, and sport and pleasure fishing boats come from all over northern California because the NHD marina can accommodate large boats. In addition, the District accommodates a significant number of world-wide cruisers (MSR 2014).

Several jurisdictions share responsibility for the Noyo Harbor, which is located entirely within Mendocino County's jurisdiction; but is also within the City of Fort Bragg Sphere of Influence. The U.S. Army Corps of Engineers is responsible for maintaining the channel. The State Department of Fish and Wildlife, the State Department of Boating and Waterways, the California Coastal Commission, the County of Mendocino, and the City of Fort Bragg have partial responsibility and jurisdiction in the area (MSR 2014).

Services

NHD provides harbor-related services to residents and visitors of the District and owns and operates select parcels and facilities in Noyo Harbor. These include:

- A pier, a marina, one launch ramp, parking lot, a park facility for community events, four public restrooms, one public shower, and the District office building.
- Managing a second public launch ramp owned by the State Department of Boating and Waterways.
- Collecting rents for the State for the use of tideland and keeps these rents for the maintenance of public facilities.
- Managing the pier motor oil recycling center for customers of the facility.
- Storage facilities for boats, gear and equipment.
- Launching services for the Mendocino County Sheriff's Office patrol boat free of charge.

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MENDOCINO LAFCO

NHD projects its service demand through its annual budgeting process; by studies conducted by USACE; and by responding to specific conditions. NHD has 256 berths which are nearly always occupied; with approximately 43% of the moored boats being commercial craft. During the summer months, the marina and the parking lot are fully occupied. The District maintains a lengthy wait list and believes that there is an additional demand for more boat slips and a larger parking lot during summer. There is additional room for expansion of both; however, the District would have to obtain grant funding to make expansion possible (MSR 2014).

The District is responsible for dredge material management and disposal. Due to changes in the classification of the Noyo Harbor dredge material and associated increased costs of disposal, the District does not have the financial resources to dispose of the channel dredging material. The District is working to transfer channel dredge material disposal responsibility to the Army Corps of Engineers (MSR 2014).

Funding for Services

NHD reported that current revenues were adequate for District operations, but inadequate to complete necessary capital improvements. Challenges include the recent economic downturn, closure of fisheries, and silting that became a problem in 2005-2006, and which creates navigating hazards. In addition, the damage to Noyo Harbor from the tsunami was fairly extensive (MSR 2014).

NHD identified multiple opportunities for additional financing sources and cost avoidance, including soliciting political assistance to cope with the costs of dredging and removing of soils, and applying for grants from the State Department of Boating and Waterways to construct new a bathroom facility, repave the parking lot; and rehabilitate the launch ramp (MSR 2014).

The District also charges for tow services, boat repair in parking lot fees, miscellaneous use of facilities, main pier, hoist, yearly parking permit, fees for lower launch ramp, ground rent, annual permit to launch and/or park, daily parking permit, bumpers, oil spill, and use of Grader Park. District residents and non-residents are charged equal fees (MSR 2014).

The Department of Boating and Waterways owns the land and has paid for the construction of the Noyo Public Access Facility, which is used by NHD to provide services and collect rents (MSR 2014).

Service Adequacy

Based on the information about facilities offered, management practices and accountability discussed in the previous sections, NHD's level of service appears to be adequate. NHD offers a broad range of harbor facilities and services and would like to further expand if funding becomes available. The facilities and services provided are appropriate to the needs of district residents and non-residents (MSR 2014).

Presently, the District's facilities have marginal capacity to provide adequate services. There are multiple infrastructure needs for which NHD does not have sufficient funding. NHD does not have enough capacity to provide services to future growth. The District would have to expand in terms of personnel, facilities and number of boat slips (MSR 2014).

DISCUSSION

Sphere of Influence

The District has requested that their SOI be expanded to include all of Mendocino County, which they believe captures their service area, defined by where harbor facilities users originate. There are no other public harbor facilities between Noyo Harbor and Shelter Cove approximately 90 miles to the north or between Noyo Harbor and Point Arena Cove approximately 40 miles to the south. NHD receives tax revenue within District boundaries, and is contemplating the possibility of annexing additional territory in order to enhance its ability to raise revenue to provide essential harbor services (District Manager, December 2015). The District maintains a lengthy boat slips wait list and believes that there is an additional demand for more slips during summer and a larger parking lot. There is additional room for expansion of both; however, the NHD would have to obtain funding to make expansion possible (MSR 2014).

While the 2014 MSR reports that NHD's level of service appears to be adequate and that it is well-managed, it also reports that the District's facilities have marginal capacity to provide adequate services and that there are multiple infrastructure needs for which NHD does not have sufficient funding. NHD does not have enough capacity to provide services to future growth (MSR 2014).

Although additional tax revenue via annexation may be an option, there is the question of capacity and perceived service area. Mendocino County has large rural areas with both coastal and inland communities. While the Noyo Harbor District operates the only public harbor in the region for at least 40 miles in every direction, this does not guarantee that a substantial percentage of Mendocino County residents utilize the Noyo Harbor facilities. The distance and travel time, particularly for the inland communities such as Ukiah pose a barrier to access.

Additionally, as mentioned above, within Mendocino County the City of Point Arena 40 miles south of the Noyo Harbor District also operates Harbor facilities and arguably serves a similar County population. In order to extend a SOI to encompass the whole of the County additional analysis should be conducted to better understand the District's customer-base demographics prior to expanding the District's SOI to the entire County.

An annexation has the possibility of increasing user demand for services, demand which the District does not have the capacity to handle (MSR 2014). District capacity building within existing boundaries via grant funded planning and infrastructure improvements may better position the NHD for future annexation. In 2013, Mendocino County received a Community Development Block Grant Planning and Technical Assistance award for the preparation of a Noyo Harbor Economic Revitalization Study and Development Design Criteria. The County was unable to enter a contract with consultation firm within the grant financial deadline and the grant award was retracted. This was a missed opportunity for the District. Future grant awards should be carefully managed to properly support the District.

Finally, it may be helpful to look at NHD boundaries in the context of comparison to other similar districts. There are a total of thirteen harbor and port districts in California that were formed and operate under the provisions of the Harbors and Navigation Code (Special Districts Annual Report, 2012-2013, California State Controller). Of these districts, the Noyo Harbor District is one of six that receives income from taxes or special assessments. The other five include- Crescent City

Harbor District; Humboldt Bay Harbor, Recreation, and Conservation District; Moss Landing Harbor District; San Mateo County Harbor District; and Ventura Port District. Of these six only two have county-wide district boundaries- the Humboldt Bay Harbor, Recreation, and Conservation District and the San Mateo County Harbor District. It should be noted that San Mateo County Harbor District has been assigned a zero sphere by San Mateo County LAFCo (San Mateo LAFCo District MSR, 2015). The majority of port and harbor districts who receive taxes have District boundaries similar in scope to NHD's existing boundary. They also generally rely on user fees and grants to provide for the majority of their budget.

ANALYSIS

As presented in the introduction, when updating the SOI, the Commission considers and adopts written determinations. The following are the formal determinations for this SOI Update:

1.) Present and Planned Land Use

With 3,506 square miles of land, Mendocino County is the 15th largest county in California with approximately 25 people per a square mile (Census Quickfacts, 2010). The 2010 United States Census reported that Mendocino County had a population of 87, 841. The estimated District population of 10,000 accounts for approximately 11 percent of the County's population. Therefore the District's boundary and existing SOI already capture a significant amount of the County's coastal population. Given the rural nature of the County and both distinct inland and coastal communities, there is insufficient evidence to support the entire county as the District's service area. Additionally, the physical location of services provided is currently within District boundaries. No services are provided outside of the District, although users of District services may originate from outside of District boundaries.

2.) Present and Probable Need for Public Facilities and Services

Although the District has seen a reduction in population, there is an ongoing demand for harbor and port facilities. The District believes that there is an additional demand for more boat slips and expanded infrastructure. There is additional room for expansion of both; however, the District would have to obtain funding to make expansion possible.

3.) Present Capacity of Facilities and Adequacy of Public Services

NHD is well managed and its level of service appears to be adequate. The District's facilities have marginal capacity to provide adequate services and there are multiple infrastructure needs for which NHD does not have sufficient funding. NHD reported that it does not have capacity to provide services to possible future growth. To do so, the District would have to expand in terms of personnel, facilities and boat slips.

4.) Social and Economic Communities of Interest

The NHD encompasses the City of Fort Bragg and unincorporated lands surrounding the City. It provides a variety of facilities, for commercial, recreational and visitor-serving use- available to the District population and to visitors. The District estimates that 45 percent of clients using the marina are from outside the District boundary. Therefore the County of Mendocino as a whole is a community of social and economic interest. Further analysis may be done to calculate facility users who originate from the County at large.

5.) Present and Probable Need for Water, Sewer, or Fire Protection Services for Disadvantaged Unincorporated Communities (DUCs)

The District does not provide water, sewer or fire protection services. No further analysis is needed.

CONCLUSIONS

This update serves to reaffirm the District's SOI boundary to be coterminous with the existing District boundary as there is insufficient evidence to support the entire County as the District's SOI. This conclusion is based on the following considerations:

- 1) The estimated District population of 10,000 accounts for approximately 11 percent of the County's population. Therefore, the District's boundary and existing SOI already capture a substantial amount of the County's coastal population.
- 2) The City of Point Arena - also offers harbor-related services along the southern coast of Mendocino County.
- 3) The physical location of services currently provided is within the District's boundary. No services are provided outside of the District, although users of District services may originate from outside of the District's boundary.
- 4) NHD does not have capacity at this time to provide expanded services to support a larger service area.
- 5) An SOI expansion which better captures the out of district user-base may be warranted in the future, but additional analysis is needed prior to such an action.

See SOI in Figure 1.

REFERENCES

(Census Quickfacts, 2010) United States Census Bureau. Census Quick Facts- Mendocino County, <http://www.census.gov/quickfacts/table/PST045215/06045>

(MSR 2014) Mendocino County Local Agency Formation Commission. February 3, 2014. Noyo Harbor District Municipal Service Review. <http://www.mendolafco.org/msr/Noyo%20Harbor%20MSR%20-%20Approved%2002-03-14.pdf>

(San Mateo LAFCo, 2015) San Mateo County Local Agency Formation Commission. July 15, 2015. San Mateo County Harbor District Municipal Service Review. <http://lafco.smcgov.org/documents/san-mateo-county-harbor-district-final-7-15-2015>

(Special Districts Annual Report, 2012-2013, California State Controller) California State Controller's Office. "Special Districts Annual Report, 2012-2013. http://www.sco.ca.gov/Files-ARD-Local/LocRep/1112_special_districts.pdf