

REPORT TO CITY COUNCIL

DATE: APRIL 23, 2014

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: GREG RAMIREZ, CITY MANAGER *GR*

BY: MIKE KAMINO, DIRECTOR OF PLANNING AND COMMUNITY DEVELOPMENT *MK*

SUBJECT: SUMMARY OF PROPOSED ANNEXATION OF PROPERTIES ALONG AGOURA ROAD IN LOS ANGELES COUNTY UNINCORPORATED AREA TO THE CITY OF CALABASAS

The purpose of this staff report is to provide a summary and update of the annexation application the City of Calabasas (Calabasas) submitted to the Los Angeles County Local Area Formation Commission (LAFCO), and provide options available to Agoura Hills in response to the annexation.

Calabasas proposes to annex properties in an approximately 43-acre territory within the unincorporated area of Los Angeles County on the south side of the 101 Freeway along Agoura Road, from Liberty Canyon Road in the City of Agoura Hills, easterly to Calabasas. Please see Attachment 1, West Agoura Road, for an aerial depiction of the area to be annexed. Within this roughly 43-acre territory are five properties, including three that contain commercial office uses (Parcels 1 and 2: APNs 2064-005-017 and -019 are the existing building at the northeast corner of Agoura and Liberty Canyon Roads which Spirent Communications, Inc. plans to re-occupy, and Parcel 5: APN 2064-005-010 is the Kythera building); one vacant commercial site (Parcel 3: APN 2064-005-015) that previously had a landslide that has now been remediated; and one 27-acre open space parcel (Parcel 4: APN 2064-005-022). The annexation also includes the Agoura Road right-of-way.

Calabasas has stated that the purpose of the annexation is primarily to retain sales tax in Calabasas. Spirent Communications, Inc. proposes to move its facility from the current site, owned by Cypress Land Company, at the southeast corner of Lost Hills Road and Agoura Road in Calabasas to the existing building, also owned by Cypress Land Company, at the northeast corner of Agoura and Liberty Canyon Roads in unincorporated Los Angeles County. Calabasas would like to retain this business within its city limits, as the sales tax is a major source of revenue for the city. Calabasas staff also indicated that another benefit of the annexation is the addition of public open space to connect with state- and Calabasas-owned parklands.

At its regular meeting on Wednesday, March 12, 2014, the City Council of the City of

Calabasas voted 4-1 to approve Resolution No. 2014-1399 to initiate annexation and a sphere of influence amendment application. An application to LAFCO was filed by Calabasas on March 17, 2014. The application is not yet complete, and Calabasas is working on preparing the necessary documents. Calabasas anticipates that LAFCO will consider and approve the annexation by the end of 2014.

According to Calabasas city staff, on February 27, 2014, Calabasas was notified by Spirent regarding its pending move out of Calabasas to the unincorporated area of Los Angeles County. Spirent was the original occupant of the building at the northeast corner of Agoura and Liberty Canyon Roads, and Spirent's plan is to move back to the currently vacant building. Given this potential loss of a major sales tax revenue source, Calabasas prioritized initiating the annexation process. When the City of Agoura Hills was notified of this proposed action by Calabasas, Mayor Koehler requested that the Calabasas City Council defer its decision on whether to move forward with an annexation application until members from both City Councils could meet and discuss the issue further. At its hearing on March 12, 2014, while the Calabasas City Council approved moving forward with the annexation, it also indicated its willingness to meet with the City of Agoura Hills to answer questions.

On March 19, 2014, Mayor Koehler and Mayor Pro Tem Buckley-Weber, along with Agoura Hills' staff members, met with two members of the Calabasas City Council, the Calabasas City Manager, and the Calabasas Community Development Director. The discussion included the concerns of the City of Agoura Hills, and how Calabasas might address those concerns. The concerns included the following:

- Maintaining the original 1999 County issued CUP conditions for the building at the northeast corner of Agoura and Liberty Canyon Roads. These conditions include hours of operation, hours of delivery and shipment, limitation on the type of permitted uses, and notification to the City of Agoura Hills regarding future changes in ownership and use. Any changes to these conditions would require a CUP amendment.
- Not allowing an expansion or intensification of the uses or operations, nor change in use to more industrial/manufacturing, of each of the two existing buildings.
- Prohibiting development on Parcels 3 and 4, but instead preserve as permanent open space and ensure the viability of the wildlife corridor.
- Reducing the number of light poles, or otherwise reduce the effects of lighting/glare, on Agoura Road to be more appropriate to the semi-natural setting.
- Maintaining the existing two vehicle travel lanes, bike lanes and sidewalks on Agoura Road, and do not re-stripe the right-of-way to add vehicle travel lanes.

- Providing median landscaping along Agoura Road compatible with the natural setting of the area.

The City of Calabasas has indicated its intent to pre-zone Parcels 1, 2 (Spirent) and 5 (Kythera) as "Commercial, Office (CO)," and Parcels 3 and 4 as "Open Space – Development Restricted (OS-DR)." Similar to the City of Agoura Hills, the City of Calabasas Municipal Code requires a two-thirds majority vote of its citizens to change the zone in a designated open space district.

The property taxes on Parcels 3 and 4 have been delinquent for some time, and therefore Calabasas believes they have the potential to become tax defaulted properties. Under this assumption, when they become available for purchase at Los Angeles County's sale of tax defaulted properties, the City of Calabasas intends to acquire them. Calabasas is discussing with the Santa Monica Mountains Conservancy/Mountains Restoration and Conservation Authority (SMMC/MRCA) the potential for that agency to take ownership of Parcels 3 and 4. If not, there is the potential for Calabasas to retain ownership of the parcels and deed restrict them so no development occurs. At the March 19, 2014 meeting, and in subsequent conversations with Agoura Hills staff, Calabasas has also expressed an interest in reducing the street lighting along Agoura Road; maintaining Agoura Road with the existing two travel lanes; landscaping the roadway median; maintaining and enforcing the original County CUP conditions on the building at the northeast corner of Agoura and Liberty Canyon Roads; and prohibiting the overnight parking of commercial vehicles along Agoura Road.

At the Agoura Hills City Council hearing of March 26, 2014, the Calabasas Community Development Director made a presentation describing the proposed annexation. The Director reiterated the purpose of the annexation, the intended uses and zoning of the annexed properties, and provided an anticipated timeline for the annexation process.

To summarize, if the area is annexed to the City of Calabasas, the area will be annexed "as is" with all existing development entitlements and associated conditions of approval in place on the developed properties (Parcels 1, 2, and 5) as Calabasas is legally responsible for assuming and enforcing the conditions. However, no modifications to these conditions are allowed as part of annexation. Calabasas will re-zone these properties to "Commercial Office" and any future improvements or redevelopment will be subject to the applicable Calabasas ordinances. If Calabasas is able to purchase Parcels 3 and 4, Parcel 3, the vacant landslide remediation site, will be re-zoned to Open Space-Development Restricted (OS-DR). Parcel 4, the 27-acre open space zoned parcel will likewise be re-zoned to OS-DR. Development rights on both of these open space parcels will be retired and liability on both parcels will be assumed by the City of Calabasas or the Conservancy/MRCA, the new owner(s). The Agoura Road right-of-way will remain a two-lane road, with new landscaped medians and reduction in lighting. All other Calabasas ordinances, including those related to dark skies, signs, oak trees, and scenic corridor, would be applicable.

Given that Calabasas has already formally initiated the annexation procedures, there are three options available to Agoura Hills in response to Calabasas' proposed annexation:

Option 1

- A. Continue to work with Calabasas to satisfactorily address the concerns of Agoura Hills as noted above. This could take the form of a Memorandum of Understanding approved by Agoura Hills and Calabasas, and/or Resolution adopted by Calabasas; and
- B. Submit written comments to LAFCO regarding the City's concerns noted above and participate in LAFCO hearings to ensure that the concerns are satisfactorily addressed through the annexation process.

Option 2

Submit written comments with Agoura Hills' concerns, object to the annexation, and participate in LAFCO hearings with specific information regarding the negative effects of the annexation. According to Government Code Section 56666 *et seq.*, in considering the application, LAFCO shall consider the following factors (summarized by staff):

- a) Population, density and geographical factors that indicate likely growth in future.
- b) Availability of governmental services.
- c) Effect of action on adjacent areas and mutual social and economic issues.
- d) Provision of planned, orderly, efficient urban development patterns.
- e) Maintenance of agricultural lands.
- f) Certainty of the boundaries of the territory and conformance with lines of ownership.
- g) Adoption of a Regional Transportation Plan.
- h) Sphere of Influence of local agencies.
- i) Comments of affected local agency or other public entity.
- j) Ability of receiving entity to provide services.
- k) Availability of water supplies.
- l) Effect on achieving Regional Housing Needs Assessment.
- m) Information or comments from landowners, or owners, voters or residents of the affected territory.
- n) Information relating to existing land use designations.
- o) Promotion of environmental justice.

If the Council chooses Option 2, staff would need direction from the Council on the basis on which to challenge the annexation, based on the above-listed factors.

Option 3

Submit an application to LAFCO for annexation and sphere of influence amendment of the same territory into the City of Agoura Hills. If Agoura Hills does intend to seek annexation of the area, the City should first conduct due diligence regarding the liability of acquiring Parcel 3, the land formerly subject to landslides, and other potential liabilities, including maintenance costs for the section of Agoura Road, prior to deciding on whether to submit an annexation application. LAFCO has indicated that, while rare, it will process two annexation applications on the same territory by adjacent jurisdictions, but that the application that is complete for hearing will be heard first and acted on. Therefore, Agoura Hills' application must be ready for LAFCO hearing prior to Calabasas' application.

If LAFCO adopts a resolution approving annexation, it then will provide notice of a protest hearing. If a "majority protest" exists, LAFCO terminates proceedings. If a "majority protest" does not exist, LAFCO then orders the annexation approved. For uninhabited areas, such as in this case, a "majority protest" shall be deemed to exist if the landowners owning fifty percent or more of the assessed value of the land within the proposed annexation area have filed written protests with LAFCO.

Therefore, for the annexation of the territory to Agoura Hills to be successful, Cypress Land (owner of the building at the northeast corner of Agoura and Liberty Canyon Roads) would need to agree to Agoura Hills' proposed annexation. Given that Cypress Land owns more than 50 percent of the assessed value of the land within the proposed territory, a "majority protest" by Cypress Land would terminate the annexation proceedings. Staff understands that Cypress Land has already consented to Calabasas' annexation application, as it currently owns other properties in the City of Calabasas and has connections to the Calabasas Chamber of Commerce.

RECOMMENDATION

Staff recommends the City Council provide direction to staff on the preferred option to pursue regarding the proposed annexation of unincorporated Los Angeles County lands along Agoura Road to the City of Calabasas.

Attachment: Map 1: Proposed annexation area, "West Agoura Road."

ATTACHMENT

West Agoura Road

