



STAFF REPORT

Harbor Industrial Area: Status Report and Resolution

Honorable Mayor and Council Members:

Summary:

Over the past three plus years, the City Council's Harbor Industrial Area (HIA) liaisons and staff have participated in a series of meetings with representatives of the Harbor Industrial Association. The purpose of these meetings has been to explore issues related to possible annexation of the HIA to the City. On August 13, 2002, the liaisons and staff presented to the Council a status report and conceptual proposal of City actions in furtherance of annexation. While the initial reaction from both the City Council and the HIA group was positive, considerable work remained on the specifics of the proposal.

A more specific proposal was presented to the HIA representatives in September of 2003 (attached summary table), addressing several issues identified by the City liaisons and staff. The HIA representatives responded to the City that not all concerns have been satisfactorily resolved, but that the direction was positive and they would like to continue working towards agreement.

The purpose of this report is to update the Council regarding the remaining issues and staff's suggested process to forge a consensus for annexation. The liaisons – currently, Council members Bauer and Feierbach – and staff also believe it would be highly beneficial to adopt an updated Council resolution to reaffirm the City's cooperative approach to the annexation effort. An updated Council resolution is attached for adoption.

Background:

On February 26, 2002, the City Council adopted a resolution pledging the City's support for a cooperative approach to annexation, and its commitment that it will not initiate any unilateral annexation proposal in the Harbor Industrial Area including, but not limited to, applying the provisions of AB1555. At that meeting, staff outlined a program of conceptual responses by the City to key issues identified by HIA representatives, including the following:

1. Zoning – A cooperative process to revise the present pre-zoning for the area, to provide zoning which is more appropriate to the needs of the owners and tenants of the HIA.

2. Transition Period – A transition period and process to involve property owners and businesses in planning decisions during the transition and in longer term planning for the area.
3. Traffic Circulation – Engineering analysis of traffic circulation alternatives in the HIA, including the use of barricades, signalization, and/or other options.
4. Financing - Identification of one or more preferred financing mechanisms for funding Belmont Creek flood control improvements, after determination of the City's share of the project costs.
5. Inter-Agency Agreements – Coordination with and development of agreements with the City of San Carlos (and San Mateo County) for flood control and sewer improvements.
6. HIA Consent – A process for accurately assessing the support of HIA property owners and businesses, to assure that annexation, if and when proposed, will be a mutually sustained effort.

Adoption of the resolution was intended to represent the City's response to the HIA's concern about political uncertainty, which is a longer-term issue to be addressed through the City's continued cooperative approach.

Discussion:

Staff has continued to work on and refine the above program items, except that the HIA Consent process will not begin until after initial concurrence by the HIA representatives. Progress to date on each element of the proposal includes the following:

1. Land Use and Zoning

Planning staff and the City's planning consultant have prepared an outline of revisions to the City's regulations to create a unique zoning district – M-HIA (Manufacturing – Harbor Industrial Area) – to cover the area and to provide more uniformity with the current County zoning and the adjacent San Carlos zoning. A 3-year grace period would be provided for design review and business license requirements, and most existing nonconformities would be allowed to remain indefinitely. The 3-year period would also allow for preparation of a Specific Plan for the area, driven by input from area businesses and property owners. Staff anticipates that, upon agreement for annexation, the revised amendments would be approved on first reading, and that the final ordinance reading would be tied to the annexation. HIA representatives have indicated general support for the changes, but would like 1) some added assurances that the business license process will be expeditious, and 2) to explore means of providing more certainty to the changes, such that they are not readily modified after annexation.

2. Traffic Circulation

The City has proposed two primary actions to improve traffic circulation through the HIA and

particularly from the HIA to northbound Hwy. 101: 1) signal improvements along Ralston, and 2) widening of Old County Road to two lanes northbound from O'Neill to Ralston. The HIA representatives have stated that these will be helpful, but have requested continued analysis to see if other measures are available as well. They have also indicated concern that the City should not install speed bumps or other measures to restrict flow on Elmer Street.

3. Flood Control (Belmont Creek)

The City's Public Works Director has provided a draft letter agreement to the City of San Carlos which would commit Belmont to participate in the costs of flood control improvements already made by San Carlos and to work to identify future creek and drainage improvements. The San Carlos Public Works Director and City Attorney are reviewing the details of such an agreement. The HIA representatives have requested that, in addition to working these issues out with San Carlos, some kind of maintenance effort should be formulated for the creek. While it appears that the State Department of Fish and Game's regulations severely restrict maintenance of the creek, staff expects to attempt to define some limited opportunities to present to the HIA.

4. Sanitary Sewer

Sanitary sewer options also involve structuring an agreement with San Carlos regarding whether to continue to use the San Carlos sewer system or to divert the HIA flow to Belmont. The Public Works Director has also presented a letter agreement to San Carlos committing Belmont to diverting the flow, and is awaiting the San Carlos response. The HIA representatives do not appear to have a concern about this issue.

5. Political Climate/Council Resolution

The uncertain political climate of the past remains of concern to the HIA representatives, but they have not focused on that issue, instead taking a more proactive approach to try to address other outstanding issues. The group has been encouraged by the Council's resolution in 2002 and by other Council communications and attendance at HIA luncheons, and staff believes that it would be helpful for the new Council to reenact that resolution to show its continued commitment to a cooperative annexation effort.

Council Resolution

An updated version of the Council's 2002 resolution is attached to the staff report for action by the Council. Again, it commits the City to working cooperatively with the area businesses and property owners, and not act unilaterally to pursue annexation, particularly with respect to the use of AB1555.

Timeline

No deadline has been set for determining whether to proceed with annexation of the Harbor

Industrial Area, and lack of such a deadline avoids putting pressure on the HIA participants, enhancing the cooperative spirit of the discussions. City staff expects, however, to make significant progress towards resolving the outstanding issues over the course of this year, and then to assess annexation support with the HIA representatives, the general membership, and property owners and businesses. Some of the key task milestones will likely include:

- Revised proposals to HIA representatives
- HIA consent to an agreement
- Implementing programs and ordinances
- Annexation application and LAFCO approval, including:
 - Submittal of application to LAFCO
 - Finalization of fiscal agreements
 - Environmental review
 - Public hearings at City Council and LAFCO
 - LAFCO approval
 - Submittal of information to County and State
- Follow-up implementation measures

The earliest date a potential determination could occur is probably late in 2004, with annexation in early 2005.

Fiscal Impact:

No fiscal estimate of the components of the proposal has yet been determined as the outline remains conceptual until some level of agreement is reached with the HIA representatives. Costs for the continued discussions include staff time to assist with the preparation of the proposal and occasional meetings with the Council liaisons and the HIA study group. The planning consultant's time to continue to facilitate the discussions and prepare support materials is encompassed in his present contract. Costs of public improvements and methods of financing have yet to be determined, but the Finance Director has been involved in many of the discussions and has indicated several options to minimize the costs of annexation. More financing details of these options will be presented along with the specifics of the annexation proposal.

Public Contact:

Public contact to date has primarily been limited to meeting with the Harbor Industrial Association representatives. A single meeting with the Homeview neighborhood was held to discuss the project status and traffic options in September of 2002. As land use and infrastructure improvements are proposed and discussed for the area, staff suggests including not only further contact with the HIA property owners and businesses, but also with the residents of the Homeview neighborhood and perhaps with the owner and residents of the trailer park as well.

Recommendation:

Adopt the attached resolution, reaffirming the City of Belmont's commitment to work with the HIA

towards a cooperative annexation. As this report is an update on the status of HIA annexation efforts, no other action is necessary or recommended.

Respectfully submitted,

Curtis Williams, AICP, Senior Associate
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Jere Kersnar
City Manager

Attachment:

1. Draft Resolution: Cooperative Approach to Annexation
2. Summary Table: Proposed Annexation Approach, dated September 11, 2003

cc: Howard Jones, Harbor Industrial Association
Martha Poyatos, San Mateo County LAFCO