

# CITY OF GRASS VALLEY

# SPHERE OF INFLUENCE PLAN

NEVADA LOCAL AGENCY FORMATION COMMISSION  
950 MAIDU AVENUE  
NEVADA CITY, CA 95959  
(530) 265-7180

2024

PREPARED BY  
LAFCO STAFF



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**2024**

**TABLE OF CONTENTS**

<b>COMMISSION RESOLUTION</b> .....	1
<b>EXECUTIVE SUMMARY</b> .....	1
<b>1.0 INTRODUCTION</b> .....	1-1
1.1 LOCAL AGENCY FORMATION COMMISSIONS .....	1-1
1.2 NEVADA LAFCo POLICIES AND CRITERIA FOR SPHERE PLANS .....	1-1
1.3 MUNICIPAL SERVICE REVIEWS .....	1-3
1.4 SPHERE OF INFLUENCE UPDATE PROCESS .....	1-4
1.5 CALIFORNIA ENVIRONMENTAL QUALITY ACT.....	1-6
<b>2.0 BACKGROUND</b> .....	2-1
2.1 DESCRIPTION AND EXISTING SETTING .....	2-1
2.2 SPHERE OF INFLUENCE.....	2-4
2.3 GROWTH AND POPULATION .....	2-7
2.3.1 METHODOLOGY .....	2-8
2.3.2 GROWTH RATES AND PROJECTIONS .....	2-8
<b>3.0 RELATED MUNICIPAL SERVICE REVIEWS</b> .....	3-1
<b>4.0 SPHERE OF INFLUENCE AND SPHERE PLAN</b> .....	4-1
4.1 PRESENT AND PLANNED LAND USE .....	4-1
4.1.1 LAND USE DESIGNATIONS .....	4-3
4.1.2 SPECIAL LAND USE DESIGNATIONS .....	4-9
4.1.3 VACANT LANDS INVENTORY AND ANALYSIS.....	4-10
4.2 PRESENT AND PROBABLE NEED FOR PUBLIC FACILITIES AND SERVICES.....	4-14
4.3 PRESENT CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES .....	4-17
4.3.1 GENERAL GOVERNMENT SERVICES .....	4-18
4.3.2 CIRCULATION PLANNING .....	4-20
4.3.3 WATER .....	4-21
4.3.4 WASTEWATER.....	4-28
4.3.5 FIRE AND EMERGENCY RESPONSE SERVICES .....	4-31
4.3.6 PARKS AND RECREATION.....	4-39
4.3.7 STREET OPERATIONS AND MAINTENANCE.....	4-41
4.4 SOCIAL AND ECONOMIC COMMUNITIES OF INTEREST .....	4-45
4.5 DISADVANTAGED UNINCORPORATED COMMUNITIES.....	4-48
<b>5.0 RECOMMENDATIONS</b> .....	5-1
5.1 SOI BOUNDARY RECOMMENDATION .....	5-1
5.2 SOI PLAN RECOMMENDATIONS .....	5-5
5.2.1 RELEVANT RECOMMENDATIONS FROM 2011 SPHERE UPDATE .....	5-5
5.2.2 SPHERE OF INFLUENCE BOUNDARY RECOMMENDATIONS .....	5-5
5.2.3 SPHERE OF INFLUENCE PLAN RECOMMENDATIONS FOR 2024.....	5-9

Table of Contents (Cont'd)

6.0 CALIFORNIA ENVIRONMENTAL QUALITY ACT ..... 6-1  
7.0 ACRONYMS AND DEFINITIONS ..... 7-1  
8.0 APPENDICES ..... 8-1

**LIST OF TABLES**

TABLE 1-1. MUNICIPAL SERVICE REVIEWS RELEVANT TO THE CITY OF GRASS VALLEY ..... 1-4  
TABLE 2-1. SPHERE HORIZONS FOR THE CITY OF GRASS VALLEY ..... 2-4  
TABLE 2-2. CITY GROWTH RATES BY DECADE, 1970–2020 ..... 2-8  
TABLE 2-3. CUMULATIVE REGIONAL POPULATION GROWTH 2000–2020 ..... 2-9  
TABLE 3-1. MUNICIPAL SERVICE REVIEWS RELEVANT TO THE CITY OF GRASS VALLEY ..... 3-1  
TABLE 4-1. SUMMARY OF SUBSTANTIAL ANNEXATIONS SINCE INCORPORATION ..... 4-2  
TABLE 4-2. CITY OF GRASS VALLEY’S GENERAL PLAN DESIGNATIONS (WITHIN CITY  
BOUNDARIES) ..... 4-3  
TABLE 4-3. SUMMARY OF VACANT LAND PERMITTING RESIDENTIAL USES WITHIN THE  
CITY LIMITS ..... 4-11  
TABLE 4-4. CITY OF GRASS VALLEY WASTEWATER TREATMENT PLANT CAPACITY AND  
RATES ..... 4-30  
TABLE 4-5. PARKS AND RECREATION FACILITIES PROVIDED BY THE CITY OF GRASS  
VALLEY ..... 4-39

**LIST OF FIGURES**

FIGURE 2-1. NEVADA COUNTY, INCLUDING INCORPORATED AREAS AND COMMUNITIES ..... 2-3  
FIGURE 2-2. CITY OF GRASS VALLEY SPHERE OF INFLUENCE CHANGES ..... 2-6  
FIGURE 2-3. GRASS VALLEY HISTORIC POPULATION GROWTH 1900 - 2020 ..... 2-7  
FIGURE 4-1. CITY OF GRASS VALLEY GENERAL PLAN 2020 LAND USE DESIGNATIONS ..... 4-7  
FIGURE 4-2. WATER SERVICE PROVIDERS WITHIN THE CITY OF GRASS VALLEY ..... 4-23  
FIGURE 4-3. GRASS VALLEY/NEVADA CITY FIRE DEPARTMENT AND NEIGHBORING FIRE  
AGENCIES ..... 4-37  
FIGURE 4-4. GRASS VALLEY FRINGE COMMUNITY: ALTA HILL ..... 4-49  
FIGURE 5-1. RECOMMENDED SOI BOUNDARY FOR THE CITY OF GRASS VALLEY ..... 5-3

**LIST OF APPENDICES**

APPENDIX A INITIAL STUDY AND NEGATIVE DECLARATION  
APPENDIX B GRASS VALLEY/NID SERVICE AGREEMENT  
APPENDIX C ANNEXATION AGREEMENTS BETWEEN CITY AND COUNTY  
APPENDIX D AGENCY AND PUBLIC COMMENTS

**COMMISSION RESOLUTION**

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## EXECUTIVE SUMMARY

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The City of Grass Valley was incorporated in 1893. A full-service city, Grass Valley provides (1) General government services involving (a) Community Development with Planning, Building, Housing; (b) Police Services/Animal Control; (c) Code Enforcement; and (d) Stormwater Drainage; (2) Water Treatment and Distribution; (3) Wastewater Collection, Treatment and Disposal; (4) Fire Protection and Emergency Response Services; (5) Parks and Recreation; and (6) Roads and Street Operations and Planning.

Since its incorporation, Grass Valley's population has experienced fluctuations, with both periods of rapid growth and declines in population. The City's incorporated area has increased in size from 574 acres in 1893 to its current size of approximately 3,985 acres. An additional 3,119 acres are within the City's current 2011 sphere of influence, and a total of 2,766 acres are proposed for the City's 2024 sphere of influence. The City is surrounded by unincorporated lands of Nevada County, although the City's boundary is nearly adjacent to the Nevada City boundary along State Route 20/49.

The last Grass Valley Sphere of Influence Plan was adopted in 2011; since that time, the City has annexed approximately 1,000 acres. LAFCo has prepared various Municipal Service Reviews that evaluate the adequacy and capacity of the existing public facilities and services that serve the needs of Grass Valley's population. However, it should be noted that various operational and economic conditions have changed since the MSR's were initially prepared. In consideration of the complexity and critical nature of water and wastewater services, the Commission opted to prepare new MSR's for these two topics, both of which were completed in 2015.

Based on the determinations within the MSR's and those developed from this study, recommendations for the City's sphere of influence map include the following:

- 1) Confirm near- and long-term planning horizons as depicted in [Figure 5-1](#).
- 2) Omit areas from the sphere of influence that are unlikely to be annexed within the sphere plan's timeframe or that are unlikely to require City services.
- 3) Confirm an "Area of Interest" to include the areas within the City-established "Planning Area" that are not included in the sphere of influence.

In addition, based on discussions with the City and other service providers, several recommendations for further review and study of issues unique to several specific areas are appropriate:

1) McCourtney Road Area Infrastructure.

A coordinated planning effort between the City and Nevada Irrigation District relative to water service infrastructure in the McCourtney Road area (including the County Fairgrounds, and also several properties now annexed to the City located south of McCourtney Road, such as Grass Valley RV Resort and the CHP headquarters) should be considered to ensure provision of adequate fire flow to this developing area.

2) East Bennet Road.

The City notes this area needs a higher level of vegetation management attention and considers City vegetation management standards and enforcement to be more rigorous than the County's. Annexation would allow the City to deploy improved management, however, the City also notes that the current City/County Master Tax Apportionment Agreement does not provide adequate revenues to the City to support City services in this area.

3) Fire and Emergency Response Services.

In response to severe financial challenges facing western county fire and emergency responders, LAFCo initiated a municipal service review and sphere update to identify a pathway toward financial and operational sustainability. Because the fire protection service structure in western county is highly integrated, the combined Grass Valley/Nevada City fire department has been included in that study, which is anticipated to be completed in 2024.

Due to geography, road access, and fire station locations, the City's Fire Department is often the first responder to calls originating in territory outside the City within the jurisdiction of adjacent Fire Districts. For the greater public good, and pursuant to the provisions of the Joint Operations Agreement between the Cities of Grass Valley and Nevada City and the Nevada County Consolidated Fire District (effective February 28, 2014), the City has consistently provided fire and emergency response to these Fire District areas without receiving compensation. It is recommended that the City and Fire

District(s) work together to ensure the City's response levels do not represent a disproportionate share of reciprocal services.

4) Master Tax Apportionment Agreement.

The City has indicated that the current City/County Master Tax Apportionment Agreement does not provide adequate funding to support the City's full range of municipal services, particularly regarding areas that are already developed for residential use (e.g., the Alta Hill Fringe Area). It is recommended that the County and City initiate discussions to renegotiate aspects of the Master Tax Apportionment Agreement in light of current conditions and projected growth and development patterns.

## **SUMMARY OF SPHERE OF INFLUENCE DETERMINATIONS FOR THE CITY OF GRASS VALLEY**

The following determinations are recommended based on the previously prepared MSRs and updated information collected as part of this SOI study. See Section [4.0](#) for the discussion and analysis for these determinations.

### **SOI DETERMINATIONS 4.1: PRESENT AND PLANNED LAND USE**

- *The City's General Plan designates lands within the Sphere of Influence for various types of land uses, including residential, manufacturing/industrial, commercial, public, recreation, open space, and planned development.*
- *In general, the City's land use designations are compatible with the County's land use designations for lands within the City sphere of influence.*
- *Approximately 18 % of the parcels within the Sphere of Influence are undeveloped.*
- *Approximately 65% of the total acreage within the Sphere of Influence is undeveloped.*
- *The inventory of vacant land within the City's boundaries is sufficient to accommodate the dwelling units assigned to the City by the Regional Housing Need Allocation Plan for the City's Housing Element Update 2019 - 2027.*

### **SOI DETERMINATIONS 4.2: PRESENT AND PROBABLE NEED FOR PUBLIC SERVICES AND FACILITIES**

#### **GENERAL GOVERNMENT SERVICES**

- *City annexations will result in increased demand for City General Government services (including planning and community development, police services and animal control, circulation planning, solid waste and stormwater drainage planning); funding to meet these service demands will generally come from property tax revenues. For some services, grant funds, sales tax and transient & occupancy tax (TOT) will be available.*

#### **WATER**

- *The City provides treated water service to approximately 60 percent of the territory within the City's boundaries, with the remaining area receiving water service from Nevada Irrigation District.*
- *The City's water source is raw water purchased from the Nevada Irrigation District. The City's agreement with NID provides for the City to purchase up to 5 MGD of raw water for treatment and distribution to its customers, subject to availability of surplus raw water. The agreement was originally adopted in 1983 and was most recently extended in 2013 for a period of 30 years.*
- *Most of the lands within the Grass Valley Sphere of Influence are within Nevada Irrigation District's service area. Because NID's service boundary includes approximately 40 percent of the City's territory and most of the area within the City's sphere of influence, growth in the City's water service area is limited to infill development. Many improved parcels in the City sphere already receive treated water service from the District and would continue to receive NID service even if annexed by the City. Other developed properties within the sphere are served by private wells and would continue to use private wells for domestic water following annexation.*
- *The Nevada Irrigation District provides treated water service to customers within its service area, which includes lands within the City and its Sphere of Influence from the District's Elizabeth George Treatment Plant on Banner Mountain. The plant has a capacity of 18 MGD and usage commitment of 7.6 MGD.*
- *According to the Nevada Irrigation District's 2015 Urban Water Management Plan, the District has adequate water supply through the year 2030, even during multiple dry years. Note that NID is in the process of updating this planning document.*
- *The City's water system has a peak capacity of 5.0 MGD and in 2020 served an average day demand of 1.27 MGD.*

#### **WASTEWATER**

- *Eighty-two percent of the parcels in the City's Sphere of Influence are already developed; the major portion for residential use. These properties generally use private septic systems for wastewater disposal. However, 65% of the acreage in the sphere is undeveloped at present, and it is likely that at least a portion of this area will be developed for uses that will require public sewer service.*
- *There are several areas in the City's sphere that are designated for Planned Development and have significant development potential which will require public sewer service when developed.*
- *The City's current WWTP permitted average dry weather flow capacity is 2.78 MGD, which is equivalent to 14,555 EDUs, and the 2021 average flow volume was approximately 1.07 MGD.*
- *The City's plant can accommodate between 4,000 and 4,800 additional EDUs based on average annual flows and has sufficient capacity to serve the City's population within the near- and long-term sphere planning horizon (next 20 years).*

#### **FIRE/EMS**

- *The City’s fire department has integrated services with the neighboring Nevada City fire department per an agreement adopted in 2020.*
- *The City also continues cooperative arrangements for joint training and operations with Nevada County Consolidated Fire District.*
- *The City staffs three fire stations: Stations 1 & 2 in Grass Valley, and Station 5 in Nevada City.*
- *The City funds fire and emergency response services through its General Fund, which is supplemented by Measure E sales tax revenues. The City of Nevada City also pays an annual fee to the City of Grass Valley in conjunction with the Fire Protection Services Agreement between the two agencies. In addition, a 3/8 cent sales tax (Measure B) is proposed to be considered on the March 2024 ballot, and could fund additional firefighters, vegetation management, and emergency evacuation planning for seven years, if not reduced or repealed sooner.*

**PARKS AND RECREATION**

- *The City’s park and recreation facilities consist of 7 developed parks, including 5 with playgrounds. There are approximately 108 acres of developed parkland.*
- *The City has adequate park and recreation facilities to support its population, providing approximately 9.0 acres per 1,000 people, a rate that is consistent with the national recreation and park standard of 6 to 10 acres per 1,000 people.*
- *The City’s recreational park facilities and recreation programming are used by many residents of unincorporated Nevada County, in addition to City residents.*
- *Recreation and park services are funded through the City General Fund and Measure E sales tax funding.*

**ROADS AND STREET OPERATIONS AND PLANNING**

- *The City’s Capital Improvement Plan addresses the present and future need for these services.*
- *Funding for street operations and circulation planning is generally provided through development impact fees, including the Regional Transportation Mitigation Fee and local mitigation fees, gas tax revenues, state and federal grants, and the City’s Measure E sales tax.*

**SOI DETERMINATIONS 4.3: PRESENT CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES**

**GENERAL GOVERNMENT SERVICES**

- *The City of Grass Valley continues to provide services that are well matched to the needs of its population.*
- *General service requirements from annexed properties will generally be funded through the property tax revenues, impact fees, etc.*

**WATER SERVICES**

- *The City provides water to approximately 60 percent of the properties within the City’s boundaries, the remaining areas being within NID’s service area.*

- *The City has an agreement with NID to purchase up to 5 MGD of raw water for treatment and distribution to its customers. A new extension of the water supply agreement was approved in 2013 and provides for the sale of surplus water to the City for a 30-year period.*
- *The City's water treatment plant is rated at 5.0 MGD; the system serves a peak day demand of 2.4 MGD.*
- *There is a high degree of water supply reliability.*
- *Expansion of the City's water service area is unnecessary given it is entirely surrounded by NID's service area.*
- *Although currently within NID's service area, there is potential for the City to serve the northern two-thirds of the North Star property, Berriman Ranch area, La Barr Meadows Road between McKnight and the proposed Crestview extension, and a portion of development on East Bennett Street. However, studies would be required to determine the most suitable service provider for those areas. Additionally, amendment and approval of the agreement with NID would need to be obtained.*
- *According to NID's 2020 Urban Water Management Plan (2021), the District has ample supply to meet demand during normal hydrologic years, but during single dry year and multiple dry year scenarios, demand may exceed supply. The District is engaged in developing a comprehensive future water resource management supply strategy (i.e., the District refers to this as its "Plan for Water"), which will evaluate management and operational strategies to address drought-related supply shortfalls. Options for management include demand reductions, carryover storage strategies, system operational strategies, supplemental supplies, and increased storage.*

#### **WASTEWATER SERVICES**

- *The City wastewater service area includes all properties within its boundaries and Sphere of Influence.*
- *The City has a permitted average dry weather capacity of 2.78 MGD, which is equivalent to 14,555 EDUs.*
- *The City's wastewater system is capable of meeting the foreseeable demand within the next 20 years, as projected by the City's 2020 General Plan.*

#### **FIRE/EMS SERVICES**

- *The City provides fire and EMS services to all properties within its jurisdiction and SOI. Annexation and buildout of the SOI will require the construction, equipping and staffing of an additional fire station in order to maintain existing levels of service.*
- *The Grass Valley Fire Department has merged with the Nevada City Fire Department and also operates under automatic aid agreements with Nevada County Consolidated Fire Department, Penn Valley Fire Department, and the Ophir Hill Fire Department.*

#### **PARKS & RECREATION SERVICES**

- *The City has adequate parks and recreation facilities to support its population and currently exceeds the median acreage/resident statistics made available by the National Recreation and Park Association in 2020.*
- *The City provides operation and maintenance of its parks through its Public Works Department. Since the 2011 sphere of influence update, the City has expanded and restored various recreation programs that had been limited during the post-2008 national economic recession.*

#### **ROAD AND STREET OPERATIONS AND PLANNING**

- *The City has developed a pavement management plan to address aging streets and sidewalks. The City has made great strides towards rehabilitating many streets identified in the prior Pavement Management Plan since the passage of Measure E. An update of the Pavement Management Plan is anticipated to be budgeted for and worked on next fiscal year to more accurately reflect current roadway conditions, considering that several major street rehabilitation projects were completed in the last 5 years.*
- *Measure E funding is available for use to rehabilitate several downtown streets, including pavement resurfacing, installation of ADA ramps, and installation of missing sidewalk segments.*

#### **SOI DETERMINATIONS 4.4: SOCIAL AND ECONOMIC COMMUNITIES OF INTEREST**

- *The lands included in the City’s sphere of influence have substantial social and economic ties to the City, and the City generally has the capacity to serve these areas, if requested.*
- *Development of the lands within the City’s Area of Interest could potentially impact the City, and LAFCo will therefore forward any notifications of development proposals within such territory to the City.*
- *Territory removed from the City’s 2011 sphere of influence will become part of the City’s 2024 “Area of Interest”.*

#### **SPHERE OF INFLUENCE DETERMINATIONS 4.5: DISADVANTAGED UNINCORPORATED COMMUNITIES**

- *The City has designated the Alta Hill area as a Disadvantaged Unincorporated Community.*
- *The Alta Hill area is mostly developed for residential use. Treated water is provided to the area by Nevada Irrigation District, with the majority of parcels being connected to*

*NID's system. Structural fire and emergency response service is provided by Nevada County Consolidated Fire District. Most of the properties have private septic systems.*

- *The City's wastewater treatment plant and sewer collection system could accommodate demand from the area.*

## **1.0 INTRODUCTION**

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### **1.1 LOCAL AGENCY FORMATION COMMISSIONS**

Local Agency Formation Commissions (LAFCo) are independent public agencies created by the California Legislature in 1963; there is one in each county. They exercise quasi-legislative authority under Government Code Sections 56000-57550 (the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 or “CKH”). This law charges LAFCos with responsibility for:

- Encouraging orderly growth and development,
- Encouraging the logical formation and determination of local agency boundaries,
- Ensuring that affected populations receive adequate, efficient and effective governmental services, and
- Preventing premature conversion of open space and prime agricultural land.

Their principal activities include regulating boundary changes of local agencies (cities and special districts) through annexations and detachments; approving or disapproving city incorporations; and forming, consolidating, or dissolving special districts.

### **1.2 NEVADA LAFCo POLICIES AND CRITERIA FOR SPHERE PLANS**

#### **LAFCo LAW**

Under CKH (Section 56425), LAFCos are required to “develop and determine the sphere of influence of each local governmental agency within the county and enact policies designed to promote logical and orderly development of areas within the sphere.” A long-range planning tool, a sphere of influence plan is defined by Government Code Section 56425 as “...a plan for the probable physical boundary and service area of a local agency or municipality...”. According to CKH, LAFCos are required to review and update SOIs every five years, as necessary.

When determining the sphere of influence, the Commission shall consider and prepare a written statement of its determinations with respect to each of the following:

- 1) The present and planned land uses in the area.
- 2) The present and probable need for public facilities and services in the area.

- 3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
- 4) The existence of any social or economic communities of interest in the area.
- 5) For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

## NEVADA LAFCO POLICIES

Section III of Nevada LAFCo's Policies (last amended July 2018) sets forth the general policies and specific requirements applicable to Sphere of Influence Plans for all government agencies within LAFCo's jurisdiction.

1. A Sphere of Influence Plan must include a sphere map and a phased plan for annexation of the depicted territory defining the probable boundary of the agency's service area 20 years hence (the long-term horizon) and identifying a near-term development horizon defining the agency's logical boundary for lands likely to be annexed prior to the next sphere review or update (typically within five years).
2. A Sphere Plan must provide documentation to support the Commission's determinations regarding the factors stated in Government Code §56425(e):
  - a. The present and planned land use in the area, including agricultural and open-space lands.
  - b. The present and probable need for public facilities and services in the area.
  - c. The present capacity of public facilities and adequacy of public services provided by the agency.
  - d. Any social or economic communities of interest in the area that the Commission determines are relevant to the agency.
  - e. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.
3. Special Designations:
  - *Areas of Interest:* In some cases, the Commission may designate an area beyond the sphere of influence as an "Area of Interest." This designation is appropriate

when land use decisions or other actions of one agency have potential to impact directly or indirectly on the subject agency. For example, approval of a housing project developed to urban densities outside the city limits of a city and its sphere of influence may subsequently require the city to extend sewer services to the area in response to sanitary system failures.

- *Zero and Minus Spheres:* If the Commission has determined that the public service functions of an agency are either non-existent, no longer needed, or should be reallocated to some other agency of government, it may adopt a “zero” sphere of influence (encompassing no territory) for the agency, thus indicating that the agency should ultimately be dissolved. The Commission may initiate dissolution of an agency when it deems such action appropriate.

The Commission may adopt a “minus” sphere (excluding territory currently within that agency’s boundaries) when it has determined that territory within the agency’s boundaries is not in need of the agency’s services or when the agency has no feasible plans to provide efficient and adequate service to the territory in question.

Generally speaking, the necessary documentation is provided in one or more Municipal Service Reviews (MSRs) incorporated into the Sphere Plan.

### **1.3 MUNICIPAL SERVICE REVIEWS**

Sphere of Influence Plans must be based upon thorough analyses of how essential services are provided in defined geographical areas. This need is satisfied by Municipal Service Reviews (MSRs), which identify and evaluate public services provided throughout the subject agency.

The legislative authority for conducting MSRs is provided in Section 56430 of the CKH Act, which states: “In order to prepare and to update spheres of influence in accordance with Section 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission.”

Each Municipal Service Review includes a written statement of the Commission’s determinations with respect to the following:

1. Growth and population projections for the affected area.
2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies, including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
4. Financial ability of agencies to provide services.
5. Status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by commission policy.

The Municipal Service Reviews prepared by Nevada LAFCo that are relevant to the Grass Valley sphere of influence update are listed below in [Table 1-1](#). Note that in each case, additional information from the City has been collected and various planning documents have been reviewed, including the City and County General Plans, land-use zoning maps, and service master plans in order to obtain the most current and accurate information available. Interviews with City staff were also conducted to gain further insight into City issues.

**TABLE 1-1. MUNICIPAL SERVICE REVIEWS RELEVANT TO THE CITY OF GRASS VALLEY**

MUNICIPAL SERVICE REVIEW	YEAR ADOPTED
Western Nevada County Water Service Providers	2015
West County Wastewater Service Providers	2015
West County General Services (planning and community development, transportation and circulation planning, solid waste, storm drainage planning)	2004
Countywide Fire and Emergency Services	2005
Countywide Recreation and Parks Services	2006
Western Nevada County Road and Street Operations and Planning	2005

#### **1.4 SPHERE OF INFLUENCE UPDATE PROCESS**

This document addresses the sphere of influence update for the City of Grass Valley. Nevada LAFCo adopted the original sphere of influence plan for the City in 1983 (Resolution 83-03). In 2011, LAFCo updated the sphere of influence plan (Resolution 11-02). In 2003, the Commission amended the sphere plan to incorporate a plan for annexation of the Glenbrook Basin to the City (Resolution 03-02). The Glenbrook Annexation plan has since been fully implemented, resulting in the annexation of the entire basin to the City over several years. The City’s boundaries

currently contain approximately 3,985 acres, with an additional 3,119 acres within the City's current 2011 sphere of influence, and a total of 2,766 acres proposed for the City's 2024 sphere of influence. Since 1983, approximately 3,400 acres have been annexed to the City in 45 separate proposals.

Since 1983, there have been a number of important changes that impact the preparation of sphere of influence reviews and updates. These include updates to LAFCo law and to Commission policy, as well as changes to local government financial circumstances and land use policies.

1. Definition of Sphere of Influence:

In 1983, LAFCo law defined this term as "...the ultimate boundary and service area of a local government agency." The definition now reads "...a plan for the probable boundary and service area of a local government agency."

2. Requirement to Periodically Review and Update Spheres of Influence:

LAFCo is now required to review and update each agency's sphere of influence plan every five years, as necessary, as a result of the last major update of the Local Government Reorganization Act, which took place in 2000 with the adoption of Assembly Bill 2838 (Hertzberg).

3. Requirement to Prepare Municipal Service Reviews:

Before taking action on a sphere of influence, LAFCo is now required to review municipal services provided by each agency, including projections for growth and development; present and planned capacity of facilities and adequacy of services, including infrastructure needs and deficiencies; the agency's financial capability to provide services; and the service relationships between providers in the region.

4. Commission Sphere Policies:

The Commission's sphere of influence policies now require a sphere plan to include a phased twenty-year plan for annexation of the lands within the sphere, and also state that LAFCo will not include lands in an agency's sphere that are unlikely to require the services provided by the agency, and also will not include lands which cannot feasibly be served by the agency. Commission policy now also provides for the designation of "Areas of Interest," which are areas beyond an agency's sphere of influence where land use and other decisions may impact the agency.

5. General Plans:

The County's General Plan includes policies that respect City land use designations within spheres of influence and that foster coordination between the County and the City with respect to annexation and development.

6. Increasing Cost of Providing Municipal Services:

The cost of providing municipal services, especially fire and police, have increased dramatically since 1983. Annexation of lands located considerable distances from the current City boundaries would result in increases to the City's fire and police service costs.

### **1.5 CALIFORNIA ENVIRONMENTAL QUALITY ACT**

Sphere of Influence Plans are subject to Environmental Review under the California Environmental Quality Act (CEQA). In general, an agency's sphere plan merely defines the present and anticipated physical boundary of a local agency or jurisdiction and the present and probable need for services within that area. The sphere plan does not convey development rights or entitlements. However, while the impacts of adoption of a sphere of influence plan are generally indirect, they can be significant in their facilitation of growth and the resulting environmental consequences. Inclusion of lands within the sphere of influence of an agency is the first step toward annexation of the territory. Annexation would result in the area becoming a part of the incorporated City with access to City services, including services that are necessary to support growth and development, such as public sewer service.

Nevada LAFCo, in its capacity as Lead Agency for the sphere of influence update project, has prepared an Initial Study to review the potential for environmental impacts resulting from the update of the City's sphere of influence. The Initial Study found the proposed project impacts resulting from the sphere of influence update are variously (1) less than significant, or (2) have no impact.

The completed Initial Study/Negative Declaration is provided in this document as Appendix A.

## 2.0 BACKGROUND

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### 2.1 DESCRIPTION AND EXISTING SETTING

The City of Grass Valley (City) is located in the Sierra Nevada foothills, approximately 55 miles northeast of Sacramento, in central western Nevada County ([Figure 2-1](#)). The City lies at an average elevation of 2,400 feet above sea level, straddling a portion of the stretch of California State Highway 49 where it overlaps with Highway 20, also known as the Golden Center Freeway. The original Townsite was settled in 1850, surveyed in 1872, and officially incorporated in 1893 (Durham's place names of California's Gold Country of 2000).

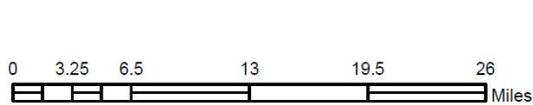
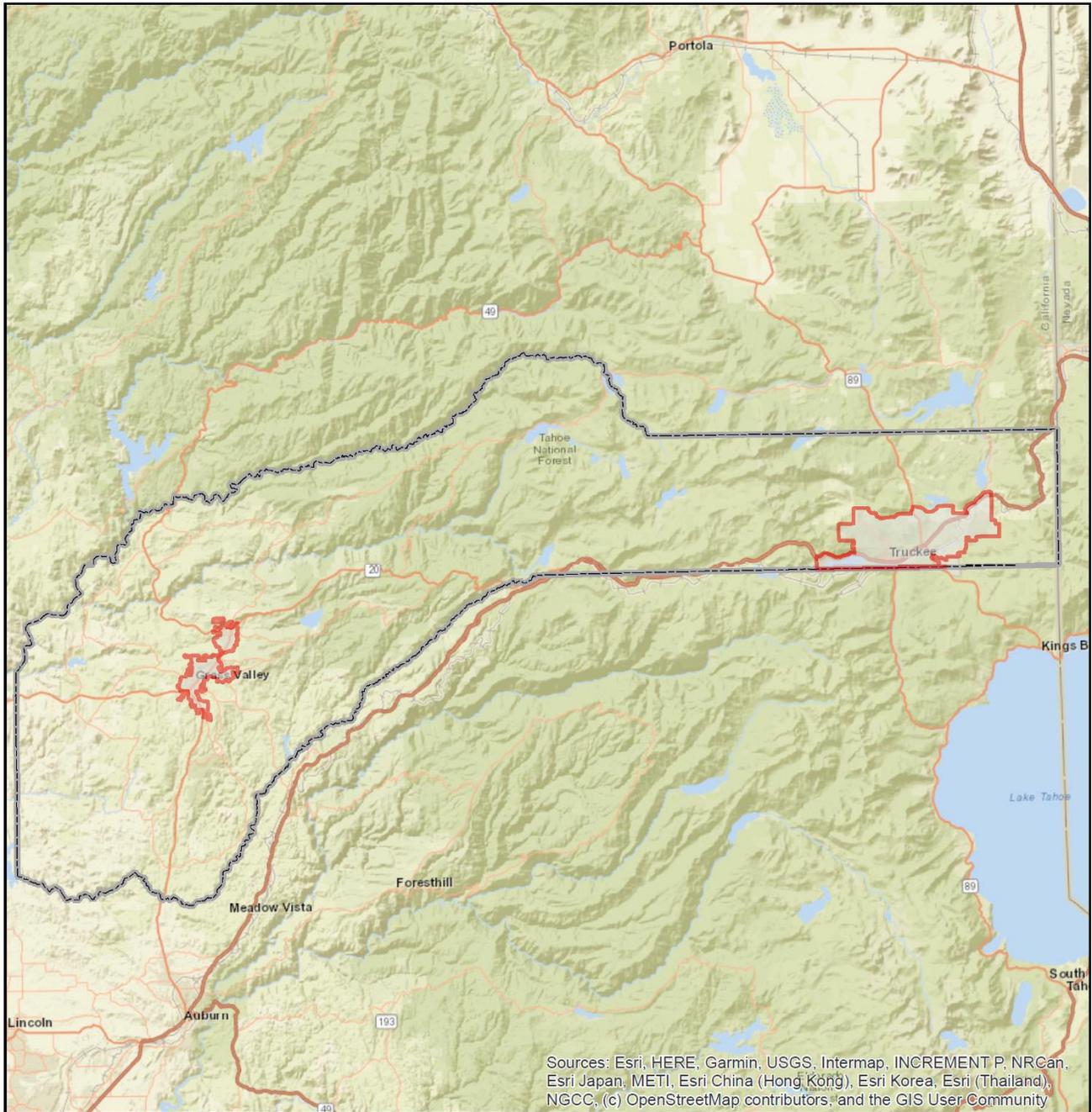
With the discovery of gold in Northern California in 1848 came the advent of the California Gold Rush, and every stream, creek, and river in the foothills swarmed with hopeful prospectors from across the continent. While the Sierra Nevada foothills, including what is now Grass Valley, had been inhabited for thousands of years by the Nisenan branch of the Maidu Indians, before long the Native Americans were displaced and driven out by the miners and settlers.

As gold proved to be both abundant and widespread in the vicinity of Grass Valley, there were soon numerous mining operations producing massive quantities of it. Chief among them was the Empire Mine, “the largest, oldest, and richest” hard-rock gold mine in California, which produced 5.8 million ounces of gold from 1850 to 1956 (Empire Mine State Historic Park website). Other major mines in the vicinity included the North Star Mine and the Idaho-Maryland Mine. Over the next 100 or so years, the gold mines would see periods of intermittent success and decline until finally, in 1957, the last substantial mine finally closed.

Coinciding with the demise of gold mining in Grass Valley was the arrival of two Stanford University alumni and engineers, Charles Litton, Sr., in 1953 and Dr. Donald Hare in 1959. Between the two, their businesses—Litton Engineering and Grass Valley Group—became the foundation from which numerous local high-tech companies were launched, and many others were subsequently drawn to the area, earning it the nickname of “Silicon Valley of the Sierras.”

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**FIGURE 2-1. NEVADA COUNTY, INCLUDING INCORPORATED AREAS AND COMMUNITIES**



Map prepared by LAFCo staff using information provided by County GIS

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Grass Valley is a charter city and has the power to “make and enforce all laws and regulations in respect to municipal affairs” (City of Grass Valley City Charter amended in 1996). The City’s charter, first adopted in 1851, has been amended several times over the years. The most recently amended charter was approved by the voters in 2012. The form of government established by the charter is “Council-Administrator,” in which a five-member City Council, elected by the voters for four-year terms, appoints a City Manager to perform the duties of Chief Administrative Officer.

The City of Grass Valley is a full-service city, providing (1) General government services involving (a) Community Development with Planning, Building, Housing; (b) Police Services/Animal Control; (c) Code Enforcement; and (d) Stormwater Drainage; (2) Water Treatment and Distribution; (3) Wastewater Collection, Treatment and Disposal; (4) Fire Protection and Emergency Response Services; (5) Parks and Recreation; and (6) Roads and Street Operations and Planning.

## 2.2 SPHERE OF INFLUENCE

The City of Grass Valley’s boundaries include approximately 3,985 acres, with an additional 2,766 acres within the City’s proposed 2024 sphere of influence ([Figure 5-1](#)). The sphere is presently partitioned into two planning horizons, which reflect an anticipated schedule for probable annexation. The current acreage and parcel breakdown of planning horizons is as follows ([Table 2-1](#)):

**TABLE 2-1. SPHERE HORIZONS FOR THE CITY OF GRASS VALLEY**

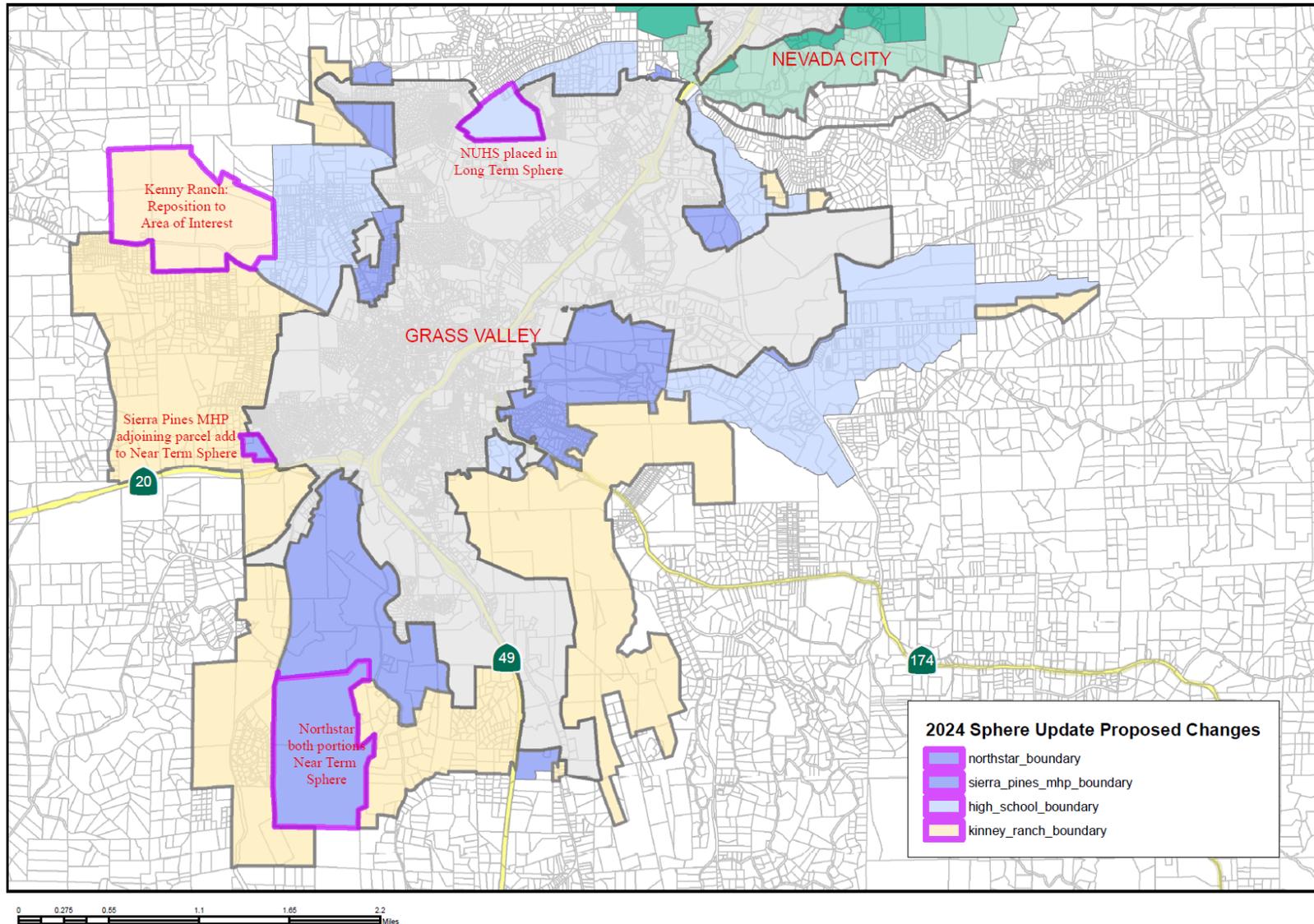
SPHERE HORIZON	NUMBER OF DEVELOPED PARCELS	*PARCEL ACREAGE	NUMBER OF UNDEVELOPED PARCELS	*PARCEL ACREAGE
Near Term	295	216	106	1116
Long Term	670	711	113	597
Area of Interest	783	1122	176	2064

\*The parcel acreage is not reflective of the total area acreage because it does not include road right-of-way.

This update of the City’s Sphere of Influence Plan includes four changes from the 2011 Sphere Plan detailed below and shown on [Figure 2-2](#).

1. **North Star property:** 325 acres in the southern portion of this property transferred from the Long Term to the Near Term Sphere. (2 unimproved parcels)
2. **Sierra Pines properties:** 24 acres adjacent to the Sierra Pines Mobile Home Park in the Brighton Street area transferred from the Area of Interest to the Near Term Sphere. (1 improved parcel and 1 unimproved parcel)
3. **Kenny Ranch properties:** 365 acres located along Rough and Ready Highway transferred from the Long Term Sphere to Area of Interest. (1 improved parcel and 11 unimproved parcels)
4. **Nevada Union High School:** 67 acres transferred from the Near Term to the Long Term Sphere. (5 improved parcels)

**FIGURE 2-2. CITY OF GRASS VALLEY SPHERE OF INFLUENCE CHANGES**



Map prepared by LAFCo Staff using County GIS data

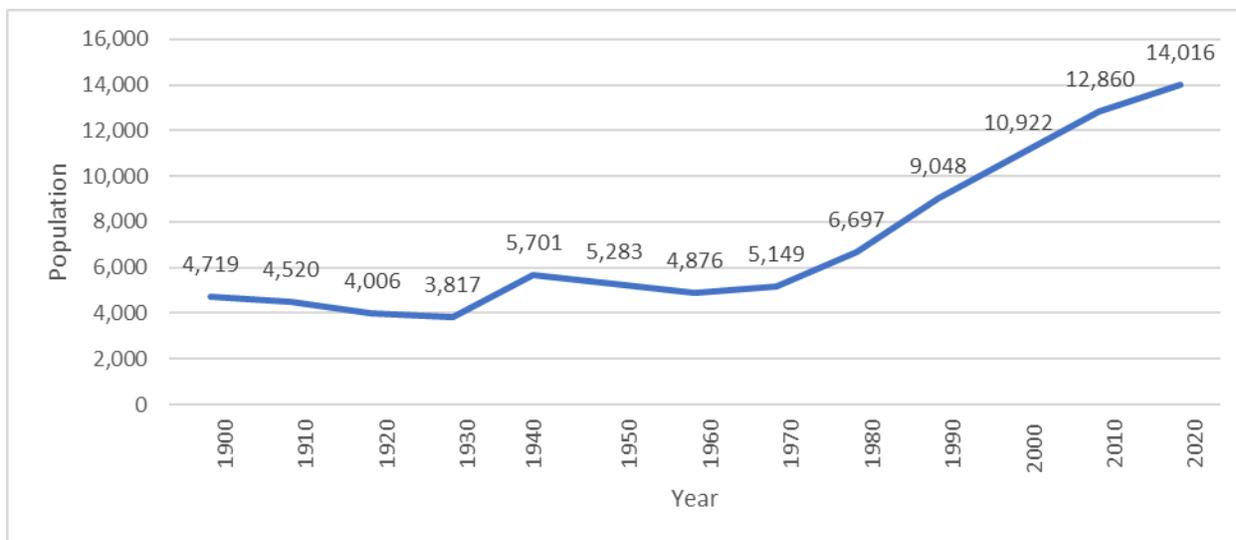
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The governing bodies of the City and the County have several planning and tax share agreements in place to coordinate planning efforts within the City’s sphere of influence. These include a 1998 agreement to coordinate review/approval of discretionary projects located within the City’s sphere, the Master Revenue Sharing Agreement adopted in 2001, and a 2004 memorandum of understanding establishing more review procedures for annexation and land use proposals within the City’s sphere.

### 2.3 GROWTH AND POPULATION

Since incorporation, the City of Grass Valley has experienced periods of rapid growth as well as periods of very low growth. The Gold Rush during the latter half of the 19th century resulted in a dramatic spike in population, from approximately 450 at settlement to 4,700 residents at incorporation. The first 70 years of the 20th century showed a fluctuating population within the City ([Table 2-3](#)), with an overall average population of approximately 4,760. However, the City grew exponentially from the 1970s through 2005, at which point growth leveled off with the past few years showing a slight decline ([Table 2-3](#)).

**FIGURE 2-3. GRASS VALLEY HISTORIC POPULATION GROWTH 1900 - 2020**



*Source: State of California, Department of Finance. Historical Census Populations of Counties and Incorporated Cities in California, 1850–2020.*

The past few decades brought periods of considerable population growth to the City, some of which is due to annexations of adjacent developed County areas particularly within the

Glenbrook Basin. From an average annual growth rate of 3 percent from 1970 to 1980, to the high annual average rate of 3.5 percent during the decade 1980–1990, the first decade of the 21st century has experienced a rate slowing to approximately 1.8 percent ([Table 2-2](#), [Table 2-3](#)).

**TABLE 2-2. CITY GROWTH RATES BY DECADE, 1970–2020**

DECADE	INCREASE IN POPULATION	GROWTH RATE (%)	AVERAGE ANNUAL GROWTH RATE (%)	CUMULATIVE POPULATION
1970–1980	1,548	30	3.01	6,697
1980–1990	2,351	35	3.50	9,048
1990–2000	1,874	21	2.10	10,922
2000–2010	1,938	18	1.80	12,860
2010–2020	1,156	9	0.90	14,016

*Source: State of California, Department of Finance. Historical Census Populations of Counties and Incorporated Cities in California, 1850–2020.*

### 2.3.1 METHODOLOGY

Growth rates used in this study are consistent with the estimates used in the latest adopted Grass Valley Housing Element (2019–2027): one percent for growth within the City and one percent in the surrounding unincorporated areas. Population projections were calculated from estimates established by the State Department of Finance.

### 2.3.2 GROWTH RATES AND PROJECTIONS

Population projections provided in the 2020 Grass Valley General Plan estimated that the City might have 23,395 residents by 2020, nearly double the current population. In 2000, the Grass Valley Planning Area identified in the General Plan, not including the incorporated areas, had a population of approximately 5,078. In 1999, when the City’s General Plan was prepared, it was anticipated that the City would have a growth rate near three percent, while Nevada County’s population was expected to grow by approximately two percent per year. However, in recent years growth rates have leveled off to a more moderate pace, to approximately one percent.

When evaluating the growth and population of Grass Valley, it is important to consider the regional growth factor as well, specifically the compounding impact of growth within the unincorporated areas around the City. Another important consideration regarding population

growth within the City is the impact on population resulting from annexation of adjacent developed lands. From 1990 to 2000, while Grass Valley’s population increased by a total of 21 percent, or approximately 2 percent per year, the unincorporated areas of the County grew by 17 percent, or less than 2 percent annually. During the 2000s, the City’s rate slowed to an average annual growth rate of slightly less than 2 percent—a total of 18 percent between 2000 and 2010 ([Table 2-2](#)). During that same period, the County’s growth rate was less than one percent annually. The County’s growth rates tend to be slightly less than the City’s; nevertheless, the cumulative growth in the region does have an impact on the City and its ability to provide adequate services ([Table 2-3](#)).

**TABLE 2-3. CUMULATIVE REGIONAL POPULATION GROWTH 2000–2020**

	<b>2000</b>	<b>2010</b>	<b>2015</b>	<b>2020</b>
City of Grass Valley	10,922	12,860	12,814	12,806
City of Nevada City	2,996	3,068	3,159	3,101
Town of Truckee	13,864	16,180	16,033	16,108
Nevada County	92,033	98,764	98,153	97,775
Unincorporated County	64,251	66,656	65,727	65,760

*Source: State of California, Department of Finance. Population Estimates for Cities, Counties and the State, 2011–2020 with 2010 Benchmark.*

Although the City’s population has remained the same since 2008, it is anticipated that annual growth rates will return to an average of two percent as the local, regional, and state economies stabilize in the wake of the COVID-19 pandemic of 2020-2021. For the purpose of calculating population projections, it is assumed that the County’s growth rate will average one percent annually.

### **3.0 RELATED MUNICIPAL SERVICE REVIEWS**

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Prior to, or in conjunction with, the preparation of a Sphere of Influence Plan, a Municipal Service Review (MSR) is prepared for the agency. MSRs for Grass Valley’s services have been prepared under separate cover and in the years indicated in [Table 3-1](#), below. Analyses of the services provided by the City were included with those of similar services provided by other agencies within the County rather than in an MSR prepared for the City alone.

The following MSRs addressed services provided by the City of Grass Valley. Each of the listed MSRs are available for review on LAFCo’s website.

**TABLE 3-1. MUNICIPAL SERVICE REVIEWS RELEVANT TO THE CITY OF GRASS VALLEY**

<b>MUNICIPAL SERVICE REVIEW</b>	<b>YEAR ADOPTED</b>
Western Nevada County Water Service Providers	2015
West County Wastewater Service Providers	2015
West County General Services (planning and community development, transportation and circulation planning, solid waste, storm drainage planning)	2004
Countywide Fire and Emergency Services	2005
Countywide Recreation and Parks Services	2006
Western Nevada County Road and Street Operations and Planning	2005

#### **WESTERN NEVADA COUNTY WATER SERVICE PROVIDERS (2015)**

This MSR was initiated in 2014 and approved by Nevada LAFCo in 2015 (Resolution 15-01). The MSR examined the City’s water service system as well as that of Nevada Irrigation District, the City of Nevada City and two small County Water Districts located in western Nevada County. Note that water services in Grass Valley are provided by both the City and Nevada Irrigation District, with the City responsible for providing treated water service to approximately 2,600 connections that are located within the original township boundaries. Outlying portions of the City, as well as lands in the City’s sphere of influence are served by the Nevada Irrigation District. Note also that the City’s water treatment plant purchases its raw water from the District.

### **NEVADA COUNTY WESTERN REGION WASTEWATER SERVICE AGENCIES (2015)**

This MSR was initiated in 2014 and approved by the LAFCo Commission in 2015 (Resolution 15-03). In addition to reviewing Grass Valley’s public sewer system, the MSR also examined the systems of Nevada City, the County Sanitation District and one small wastewater system located near Alta Sierra.

### **WESTERN NEVADA COUNTY GENERAL GOVERNMENT SERVICES (2004)**

This MSR was initiated in 2003 and approved by Nevada LAFCo in 2004 (Resolution 04-14). The MSR reviewed General Government Services, including Planning and Community Development, Public Safety and Animal Control, Circulation Planning, Public Transit, Solid Waste, and Storm Drainage Planning. The MSR examined how these services are provided by the County of Nevada and the Cities of Grass Valley and Nevada City.

### **NEVADA COUNTY FIRE PROTECTION AND EMERGENCY SERVICES (2005)**

This MSR was initiated in 2004 and approved by Nevada LAFCo in 2005 (Resolution No. 05-01). In addition to reviewing Grass Valley’s fire and emergency service provision, it also examined how these services are provided by Nevada City and nine independent special districts.

In 2023, the Commission initiated a new MSR and Sphere of Influence Updates for all of Nevada County’s fire agencies. This MSR and the Sphere Updates are anticipated to be complete in 2024.

### **NEVADA COUNTY RECREATION AND PARK SERVICES (2006)**

This MSR was initiated in 2005 and approved by Nevada LAFCo in 2006 (Resolution No. 06-04). In addition to reviewing the recreation and park services that Grass Valley provides, the study also reviewed how these services are provided by Nevada City, and four independent special districts.

### **WESTERN NEVADA COUNTY ROAD AND STREET OPERATIONS AND PLANNING (2005)**

This MSR was initiated in 2004 and approved by Nevada LAFCo in 2005 (Resolution No. 05-02). In addition to examining the manner in which Grass Valley provides road and street maintenance, operations and planning, the study also reviewed these services as provided by

Nevada City, the County of Nevada (including nine County Service Areas) and three independent special districts.

## **4.0 SPHERE OF INFLUENCE AND SPHERE PLAN**

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This section analyzes the City of Grass Valley’s ability to serve existing and future residents within the sphere of influence. While LAFCo encourages the participation and cooperation of the subject agency, LAFCo alone is responsible for adopting the SOI and is the sole authority as to the sufficiency of the documentation and the Sphere Plan’s consistency with law and LAFCo policy. In adopting the SOI for the City of Grass Valley, LAFCo must consider and prepare a written statement of its determinations with respect to the following five factors as stated in Section 56425(e) of the Cortese-Knox-Hertzberg Act:

- The present and planned land uses in the area, including agricultural open space lands.
- The present and probable need for public facilities and services in the area.
- The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
- The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.
- For an update of a sphere of influence of a city that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In order to adopt a Sphere of Influence Plan, LAFCo must conduct a review of the municipal services provided within the City and Sphere of Influence. The standards, procedures, and policies for service reviews are contained in Nevada LAFCo’s policies and procedures. The Sphere of Influence must be consistent with the determinations of the Municipal Service Reviews. Nevada LAFCo requires that the Sphere Plan include maps and explanatory text describing the probable boundary and service area comprising the sphere of influence.

### **4.1 PRESENT AND PLANNED LAND USE**

Incorporated in 1893, Grass Valley has experienced periods of growth ([Figure 2-3](#)) and has increased in size from 574 acres in 1893 to its current size. The City’s boundaries currently contain approximately 3,985 acres. An additional 3,119 acres are included within the City’s current 2011 sphere of influence, and a total of 2,766 acres are proposed for the City’s 2024 sphere of influence. The City is surrounded by the unincorporated lands of Nevada County, except on the north where the SOI is coterminous with the City of Nevada City’s sphere of

influence. The City’s last Sphere Plan was prepared in 2011. Since the City’s incorporation, more than 3,400 acres have been added to the City’s boundaries. Annexations greater than five acres in size are listed in ([Table 4-1](#)).

**TABLE 4-1. SUMMARY OF SUBSTANTIAL ANNEXATIONS SINCE INCORPORATION**

<b>Year</b>	<b>Acreage</b>	<b>Location</b>
1893	574	Incorporation of Townsite
1893	117	South Grass Valley
1893	96	West Grass Valley
1940	8	Memorial Park
1966	172	Taylorville – southeast of Townsite
1967	191	Hills Flat – northeast of Townsite
1973	258	Litton Property
1986	163	Whispering Pines
1997	25	Doris Drive
1997	10	Brunswick Inn Apartments/Sutton Way
1998	18	NID Offices/East Main
2004	113	Glenbrook Area - West C (west of 49 and Fowler Center)
		Glenbrook Area - East B (Brunswick, Town Talk area)
2004	70	Glenbrook Area - West A
2004	9	Spree Avenue Island/Spring Hill Village Subdivision and Dorsey Drive
2006	14	Makiah Woods/Brunswick Road east of 49
2006	13	DeMartini Property/Glenbrook Area
2006	74	Glenbrook Area – West E, F, G, and portions of West I, H (west of 49, north of Fowler Center)
2011	8	Milco
2011	455	Loma Rica Ranch
2015	32	Berriman Ranch
2019	50	Scotten and Gilmore Schools
2022	400	Southern Sphere Area
2022	46	Grass Valley R.V. Resort

*Sources: Grass Valley General Plan Background Report, 1998. Grass Valley General Plan Draft EIR. 1999  
Supplemented by LAFCo records.*

In order to achieve an accurate overview of the growth and development potential within the City, a number of factors (as listed below) must be considered. Taken together, they reflect existing development within the City and provide a picture of development potential.

- Land use designations, including existing and any proposed changes
- Special land use limitations, including Williamson Act and designated open spaces
- An inventory and analysis of vacant lands

#### 4.1.1 LAND USE DESIGNATIONS

##### 2020 GENERAL PLAN

State law requires every city and county in California to adopt and maintain a comprehensive and long-term General Plan that is to serve as a “blueprint” for land use and development. The General Plan for the City of Grass Valley contains the land use policies and standards that provide the blueprint for the future growth of the City. The current General Plan was adopted in 1999 and contains all seven mandatory elements, as well as several non-mandatory elements including: Recreation, Historical and Community Design Elements. The Housing Element of the General Plan is updated every seven years, with the most recent update having occurred in 2019. [Figure 4-1](#) shows the 2020 General Plan Land Use diagram, which includes all lands within the City’s Planning Area.

The Land Use Element of the General Plan establishes the framework for development of the City and identifies the general distribution, location, and extent of land uses for housing, business, industry, open space, recreation, natural resources and other uses of public and private land. The Land Use Element also contains land use maps that designate the various types and locations of land uses for the City. [Table 4-2](#) identifies the City’s General Plan land use designations and acreages within the City boundaries.

**TABLE 4-2. CITY OF GRASS VALLEY’S GENERAL PLAN DESIGNATIONS (WITHIN CITY BOUNDARIES)**

General Plan Designator	General Plan Classification	Acreage
BP	Business Park	412.02
C	Commercial	445.40
ING	Institutional, Non-governmental	57.28
M-I	Manufacturing Industrial	134.68
OP	Office Professional	136.23
OS	Open-space	23.70
P	Public	55.82
PR	Parks & Recreation	160.28
SC	School	234.42
SDA	Special Development	512.95
U	Utilities	30.21
UED	Urban Estate Density	223.36
UHD	Urban High Density	212.96

<b>General Plan Designator</b>	<b>General Plan Classification</b>	<b>Acreage</b>
ULD	Urban Low Density	827.87
UMD	Urban Medium Density	218.01
<b>Total</b>		3685.19

*Source: Nevada County GIS data, 2022.*

In addition to the land use designations, the Land Use Element includes two overlay maps for the City: a Town Center overlay and an Open Space Opportunity. The Town Center (TC) is intended to define downtown Grass Valley, the original 1872 Townsite, and areas that are considered to be “at the doorstep” of downtown. The Town Center overlay denotes the City’s central “neighborhood” for purposes of design standards, architectural treatment, streetscape improvements, and historical preservation and enhancement (City of Grass Valley 2020 General Plan).

#### **GRASS VALLEY PLANNING AREA**

The City’s General Plan covers not only the lands within the City’s boundaries, but also includes adjacent lands within the unincorporated area that are considered likely for future inclusion within the City. This area, known as the “Grass Valley Planning Area” – terminology that is distinct from “sphere of influence” – consists of approximately 10,000 acres (15.6 square miles), of which over 6,000 acres consist of unincorporated lands adjacent to the City’s boundaries. The purpose of establishing a Planning Area is to identify areas in which future development would likely impact the City, or that the City may wish to annex in the future, and which will benefit from collaborative planning efforts by the City and County. For example, a substantial portion of the region’s industrial and commercial development is presently outside of the City, but within the unincorporated Planning Area (City of Grass Valley 2020 General Plan). While similar in area and purpose, the City’s SOI is the plan for “the probable physical boundary and service area of a local agency or municipality as determined by the Commission” (Government Code Section 56425). The City’s mapped Planning Area varies somewhat from LAFCo’s adopted sphere of influence for the City ([Figure 4-1](#)). For example, the area west of the Nevada County Fairgrounds, consisting primarily of residential properties, is within the Planning Area but outside the SOI (City of Grass Valley 2020 General Plan).

## **SPECIAL DEVELOPMENT AREAS**

The 2011 Sphere of Influence Plan discussed four areas located within the City's sphere of influence that are designated as Special Development Areas (SDAs) on the City's 2020 General Plan Land Use Planning Map: Loma Rica Ranch, North Star, Kenny Ranch, and the South Hill Village.

At the time of this sphere update, the 452-acre Loma Rica Ranch Special Development Area has been annexed to the City following the City's 2011 approval of a specific plan for development of the territory. Construction of the first phase neighborhood (*The Creeks*) is ongoing as of 2023.

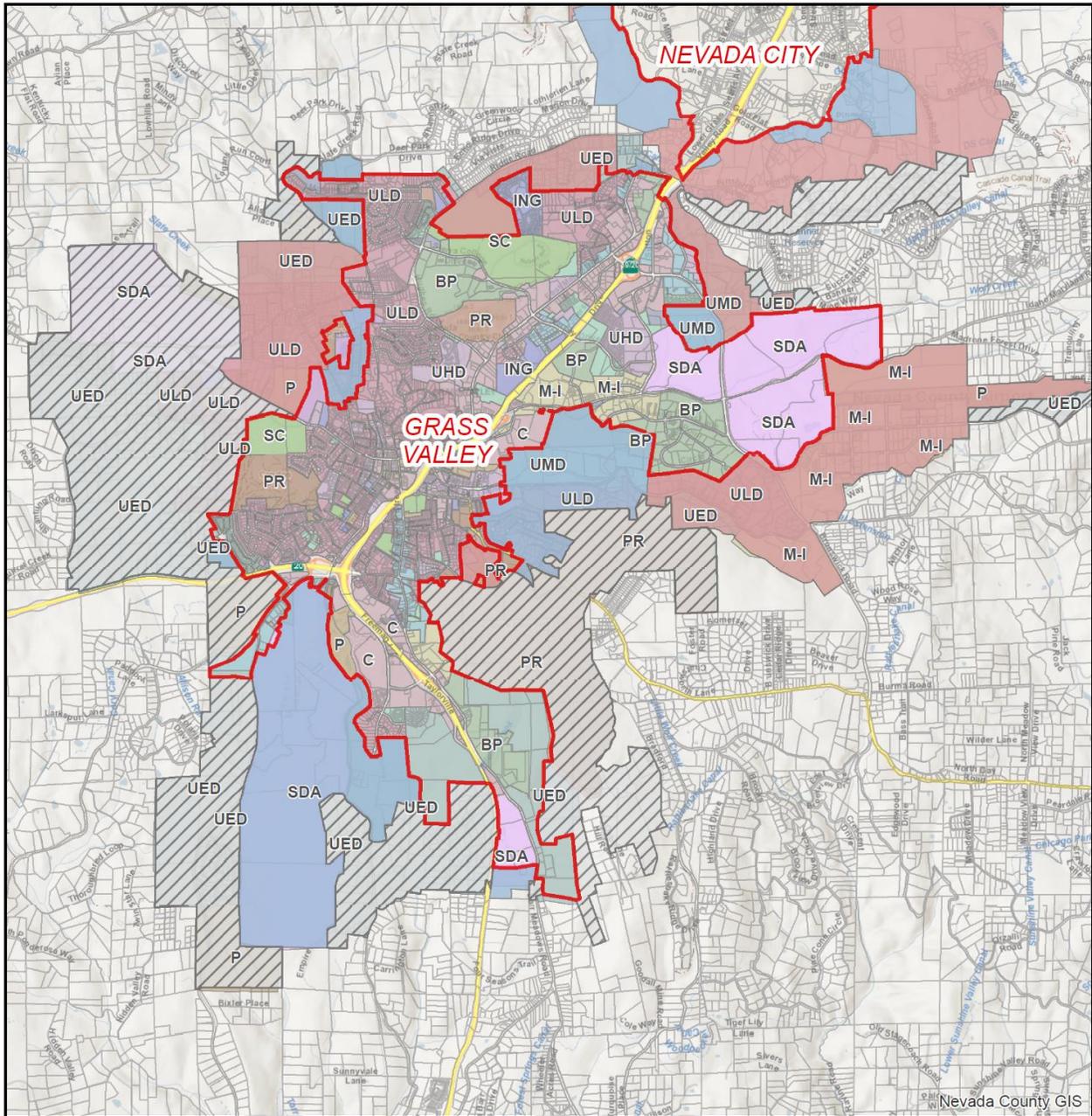
The 750-acre North Star property is no longer considered suitable for large scale development due to residual on-site hazards related to the property's previous use as the North Star mine. There are ongoing discussions between the City and the landowners about future uses for the property, which may include recreation, open space and utility uses.

The 340-acre Kenny Ranch property has no potential development proposals as of this sphere of influence update. Portions of this Special Development Area have been developed with school, hospice, and church facilities. The Bear Yuba Land Trust recently acquired 128 acres in the southeast portion of this area for the Wildflower Ridge Preserve. This area, located west of the City on Rough and Ready Highway, is recommended for re-designation as an Area of Interest, with the understanding that the status of this property would be reconsidered during the next sphere of influence update.

The major portion of the 65-acre South Hill Village Special Development Area was annexed by the City in 2022, having been recategorized for manufacturing/industrial uses. Three parcels in this former SDA are now owned by the County and utilized as a corporate yard.

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**FIGURE 4-1. CITY OF GRASS VALLEY GENERAL PLAN 2020 LAND USE DESIGNATIONS**



Map prepared by LAFCo Staff using County GIS data



Grass Valley General Plan			
	Office Professional		Utility
	Open Space		Urban Estate
	Public		Urban High Density
	Park and Recreation		Urban Low Density
	Service Commercial		Urban Medium Density
	Special Dev Area		
	Business Park		
	Commercial		
	Institutional Non Gov't		
	Manufacturing-Industrial		

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## **CURRENT DEVELOPMENTS UNDERGOING ENTITLEMENT IN THE VICINITY OF THE CITY**

Substantial developments undergoing planning and entitlement within the City are discussed below. Most are located within City boundaries (although several are located in the City's sphere of influence and would require annexation prior to development).

### ***Berriman Ranch***

The first phase of the Berriman Ranch project, comprised of 32 acres, was annexed to the City in 2014. The area is located in the City's southern area, west of Taylorville Road and adjacent to the Carriage House and the Gazebos residential developments. This phase resulted in creation of 30 single-family residential parcels; most of the homes have been constructed.

The remaining Berriman Ranch territory was annexed to the City in 2022. This territory includes a 10-acre residential development area that can accommodate up to 60 duplex and 68 multi-family residential units. The goal is to create an opportunity for *by-right* development which is being encouraged by the state to reduce processing times and costs for new housing. This project is currently under construction.

### **4.1.2 SPECIAL LAND USE DESIGNATIONS**

In addition to the range of land use designations, the City's General Plan includes two 'Overlay Designations' that pertain to specific areas:

#### ***The Town Center (TC)***

The Town Center overlay defines downtown Grass Valley, including the original 1872 Townsite and areas near downtown. The Town Center is intended to designate the City's central "neighborhood" for purposes of design standards, architectural treatment, streetscape improvements and historical preservation and enhancement.

#### ***Open Space Opportunity***

The Open Space Opportunity (OSO) overlay is a designation indicating the City's intent to

establish permanent open space while acknowledging the rights of owners to utilize their properties in other ways if permanent open space status is not achieved. Where the OSO designation is implemented on a permanent basis, underlying land uses are to be designated either Open Space (OS) or, if appropriate, Parks and Recreation (PR) on the Land Use Plan map (City of Grass Valley 2020 General Plan).

#### **AGRICULTURAL LANDS/WILLIAMSON ACT**

There are no agricultural zoned or designated lands either within the City or the City's sphere of influence.

#### **4.1.3 VACANT LANDS INVENTORY AND ANALYSIS**

A vacant land inventory was recently prepared for the City of Grass Valley 2019-2027 Housing Element (Grass Valley HE), which was adopted August 13, 2019. The City identified a total of approximately 581.55 acres of developable lands within the City, which, based on the City's analysis, is adequate to accommodate between 811 and 2,394 (minimum/maximum) dwelling units with a likely buildout of approximately 948 dwelling units. The likely buildout assumes that Residential-1 (R-1) and Neighborhood General-2 (NG-2) zoned parcels develop at 2.5 units per acre; and that R-2, R-3, and NG-3 zoned parcels develop at 50 percent of the maximum range. A thorough analysis and list of the vacant lands within the City is provided in the Housing Element; however, a summary of the inventory and analysis is provided in [Table 4-3](#) below.

**TABLE 4-3. SUMMARY OF VACANT LAND PERMITTING RESIDENTIAL USES WITHIN THE CITY LIMITS**

<b>ZONE</b>	<b>ACRES<sup>1</sup></b>	<b>DENSITY RANGE (DU/AC)</b>	<b>UNIT POTENTIAL: MIN/MAX DENSITY</b>	<b>UNIT POTENTIAL: LIKELY DENSITY<sup>2</sup></b>	<b>POTENTIAL AFFORDABILITY (BY INCOME LEVEL)</b>
RESIDENTIALLY ZONED PROPERTIES					
R-1	125.57*	1-4	126-502	313	Moderate to Above Moderate
R-1-X <sup>3</sup>	1.49	1-4	3	3	Above Moderate
R-2/R-2A	19.52	4-8	78-156	117	Moderate to Above Moderate
R-3	17.60	8-20	140-352	246	Low to Very Low
NG-2	10.65	1-4	10-43	27	Above Moderate
NG-3	16.39	8-20	131-327	229	Low to Very Low
SP4-G & I <sup>3</sup>	1.32	1-4	5	5	Above Moderate
<b>Total Vacant Residential</b>	<b>192.54</b>		<b>492-1,388</b>	<b>940</b>	
NON-RESIDENTIALLY ZONED OR MIXED USE ZONED PROPERTIES <sup>4</sup>					
NC-Flex <sup>5</sup>	27.32	1-20	27-409	163	Very Low to Moderate
OP	10.29	1-15	10-154	10	Low to Moderate
C-1	0	1-15	0	0	Low to Moderate
C-2	26.21	1-15	26-393	28	Low to Moderate
C-3	5.97	1-15	5-89	5	Low to Moderate
CBP	43.31	1-15	43-649	43	Low to Moderate
M-1	22.05	Not Allowed	0	0	N/A
Loma Rica Specific Plan	446.40	N/A	700	700	Low to Moderate
<b>Total Vacant Non-Residential/ Mixed Use</b>	<b>581.55</b>		<b>811-2,394</b>	<b>948</b>	
PENDING ANNEXATIONS OF SPECIAL DEVELOPMENT PLAN AREAS <sup>6</sup>					
Southern Sphere Planning & Annexation Project	416	1-8+	534	534	Low to Above Moderate
<b>Total</b>	<b>416</b>	<b>1-8+</b>	<b>534</b>	<b>534</b>	
TOTAL POTENTIAL DWELLING UNITS					
TOTAL EXISTING CITY LIMITS	774.09	1-20	1,238-3,870	1,935	
<b>TOTAL (ALL)</b>	<b>1,190</b>	<b>1-20</b>	<b>1,782-4,165</b>	<b>2,380</b>	

\*The residential parcels include 10 underdeveloped lots, ranging in size from 1.58 to 7.56 acres, containing only one existing dwelling, and the City expecting development at their full potential.

- 1 Only lots greater than 0.20 acres in size were included in the vacant land inventory.
- 2 Assumes R-1 and NG-2 zoned parcels develop at 2.5 units per acre; and R-2, R-3, and NG-3 zoned parcels develop at 50 percent of the maximum range.
- 3 The maximum potential dwelling units is based on vacant lots within approved subdivision for Ventana Sierra and Morgan Ranch Specific Plan.
- 4 Unless as noted in (5) below, the minimum potential dwelling units is used.
- 5 The maximum potential for this zone (6 dwelling units/acre) is based on previously approved projects within this zone as noted in the corresponding text.
- 6 The EIR certified for this project assumed 534 dwelling units in all of the analysis. The intent of the residentially designated land is to provide housing in close proximity to the designated industrial and commercial lands.

*(Source: Grass Valley Housing Element 2019--2027)*

#### **SOI DETERMINATIONS 4.1: PRESENT AND PLANNED LAND USE**

- *The City's General Plan designates lands within the Sphere of Influence for various types of land uses, including residential, manufacturing/industrial, commercial, public, recreation, open space, and planned development.*
- *In general, the City's land use designations are compatible with the County's land use designations for lands within the City sphere of influence.*
- *Approximately 18 % of the parcels within the Sphere of Influence are undeveloped.*
- *Approximately 65 % of the total acreage within the Sphere of Influence is undeveloped.*
- *The inventory of vacant land within the City's boundaries is sufficient to accommodate the dwelling units assigned to the City by the Regional Housing Need Allocation Plan for the City's Housing Element Update 2019-2027.*

#### **APPLICABLE CITY OF GRASS VALLEY GENERAL PLAN POLICIES**

- 10-LUP Annex properties within the GV Planning Area prior to or in conjunction with their development.
- 39-LUP Assure that acceptable inter-agency agreements regarding future service and facility provision are in place prior to approval of any major new development.
- 40-LUP Refer all development proposals to potentially affected government entities for review and comment.
- 41-LUP Request and respond to referrals from Nevada County concerning pending land use decisions within the Grass Valley Planning Area.
- 43-LUP Establish and maintain a clear boundary between the City of Grass Valley and unincorporated areas of Nevada County, beyond which urban land use types and densities will not be permitted.
- 44-LUP Encourage the application of City standards throughout the City's sphere of influence.
- 8-LUI Coordinate with LAFCo, Nevada County and other agencies and special districts regarding provisions of the General Plan, application of General Plan provisions incorporated portions of the Planning Area, and the timing and directions of future annexations.
- 9-LUI Establish standard processes and procedures for planning, annexation, and service provision in the unincorporated Planning Area.

## 4.2 PRESENT AND PROBABLE NEED FOR PUBLIC FACILITIES AND SERVICES

The City provides a broad range of services including: (1) General government services involving (a) Community Development with Planning, Building, Housing; (b) Police Services/Animal Control; (c) Code Enforcement; and (d) Stormwater Drainage; (2) Water Treatment and Distribution; (3) Wastewater Collection, Treatment and Disposal; (4) Fire Protection and Emergency Response Services; (5) Parks and Recreation; and (6) Roads and Street Operations and Planning, as described in the various Municipal Service Reviews described in Section 3.0 above. The MSR documents the City's capability to provide these services on a continuing basis. The City has bolstered its resources by entering into agreements for staffing and/or cost sharing with the City of Nevada City (fire and emergency response), Nevada County Consolidated Fire District (fire and emergency response), and the Nevada Irrigation District (raw water supply).

LAFCo is responsible for determining that an agency is reasonably capable of providing necessary services and basic infrastructure to serve areas within its boundaries and will have the capacity to serve areas within its sphere of influence upon annexation. It is important that determinations of service capacity take place when revisions to the sphere and annexations occur. In the case of this sphere of influence plan update, it is prudent for LAFCo to evaluate present and long-term infrastructure demands and resource availability in order to determine that:

1. Resources and services can be available at needed levels, and
2. Maintenance and expansion of such resources and services are in line with increasing demands.

The following determinations are based on the MSR documents noted in Section 3.0 of this document, updated as necessary to reflect more current information.

### SOI DETERMINATIONS 4.2: PRESENT AND PROBABLE NEED FOR PUBLIC SERVICES AND FACILITIES

#### GENERAL GOVERNMENT SERVICES

- *City annexations will result in increased demand for City general government services (including planning and community development, public safety and animal control, circulation planning, solid waste and stormwater drainage); funding to meet these service demands will generally come from property tax revenues. For some services,*

*grant funds, sales tax and transient and occupancy tax (TOT) will be available.*

#### WATER

- *The City provides treated water service to approximately 60 percent of the territory within the City's boundaries, with the remaining area receiving water service from Nevada Irrigation District.*
- *The City's water source is raw water purchased from the Nevada Irrigation District. The City's agreement with NID provides for the City to purchase up to 5 MGD of raw water for treatment and distribution to its customers, subject to availability of surplus raw water. The agreement was originally adopted in 1983 and was most recently extended in 2013 for a period of 30 years.*
- *Most of the lands within the Grass Valley Sphere of Influence are within Nevada Irrigation District's service area. Because NID's service boundary includes approximately 40 percent of the City's territory and most of the area within the City's sphere of influence, growth in the City's water service area is limited to infill development. Many improved parcels in the City sphere already receive treated water service from the District and would continue to receive NID service even if annexed by the City. Other developed properties within the sphere are served by private wells and would continue to use private wells for domestic water following annexation.*
- *The Nevada Irrigation District provides treated water service to customers within its service area, which includes lands within the City and its Sphere of Influence from the District's Elizabeth George Treatment Plant on Banner Mountain. The plant has a capacity of 18 MGD and usage commitment of 7.6 MGD.*
- *According to the Nevada Irrigation District's 2015 Urban Water Management Plan, the District has adequate water supply through the year 2030, even during multiple dry years. Note that NID is in the process of updating this planning document.*
- *The City's water system has a peak capacity of 5.0 MGD and in 2020 served an average day demand of 1.27 MGD.*

#### WASTEWATER

- *Eighty-two percent of the parcels in the City's Sphere of Influence are already developed; the major portion for residential use. These properties generally use private septic systems for wastewater disposal. However, 65% of the acreage in the sphere is undeveloped at present, and it is likely that at least a portion of this area will be developed for uses that will require public sewer service.*
- *There are several areas in the City's sphere that are designated for Planned Development and have significant development potential which will require public sewer service when developed.*
- *The City's current WWTP permitted average dry weather flow capacity is 2.78 MGD, which is equivalent to 14,555 EDUs, and the 2021 average flow volume was approximately 1.07 MGD.*
- *The City's plant can accommodate between 4,000 and 4,800 additional EDUs based on average annual flows and has sufficient capacity to serve the City's population within the near- and long-term sphere planning horizon (next 20 years).*

#### FIRE/EMS

- *The City's fire department has integrated services with the neighboring Nevada City fire department per an agreement adopted in 2020.*
- *The City also continues cooperative arrangements for joint training and operations with Nevada County Consolidated Fire District.*
- *The City staffs three fire stations: Stations 1 & 2 in Grass Valley, and Station 5 in Nevada City.*
- *The City funds fire and emergency response services through its General Fund, which is supplemented by Measure E sales tax revenues. The City of Nevada City also pays an annual fee to the City of Grass Valley in conjunction with the Fire Protection Services Agreement between the two agencies. In addition, a 3/8 cent sales tax (Measure B) is proposed to be considered on the March 2024 ballot, and could fund additional firefighters, vegetation management, and emergency evacuation planning for seven years, if not reduced or repealed sooner.*

#### PARKS AND RECREATION

- *The City's park and recreation facilities consist of 7 developed parks, including 5 with playgrounds. There are approximately 108 acres of developed parkland.*
- *The City has adequate park and recreation facilities to support its population, providing approximately 9.0 acres per 1,000 people, a rate that is consistent with the national recreation and park standard of 6 to 10 acres per 1,000 people.*
- *The City's recreational park facilities and recreation programming are used by many residents of unincorporated Nevada County, in addition to City residents.*
- *Recreation and park services are funded through the City General Fund and Measure E sales tax funding.*

#### ROADS AND STREET OPERATIONS AND PLANNING

- *The City's Capital Improvement Plan addresses the present and future need for these services.*
- *Funding for street operations and circulation planning is generally provided through development impact fees, including the Regional Transportation Mitigation Fee and local mitigation fees, gas tax revenues, state and federal grants, and the City's Measure E sales tax.*

### **4.3 PRESENT CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES**

The purpose of this section is to summarize the status of the facilities and services provided by the City of Grass Valley, particularly as they relate to the current and future recipients of these services. Grass Valley is a full-service city that provides a wide range of municipal services to its residents, including the following:

- General government services, including the following:
  - Community Development (Planning, Building, Housing)
  - Police Services/Animal Control
  - Code Enforcement
  - Stormwater Drainage
  - Water Treatment and Distribution
  - Wastewater Collection, Treatment and Disposal
  - Fire Protection and Emergency Response Services
  - Parks and Recreation
  - Roads and Street Operations and Planning

Municipal Service Reviews that were prepared in 2004, 2005, 2006 and 2015 evaluated infrastructure needs and deficiencies in terms of supply, capacity, condition of facilities, and service quality with correlations to operational, capital improvement, and finance plans. The relevant determinations adopted with those MSR's have been summarized in the following sections. This sphere update also provides updated information to support MSR determinations as appropriate.

Although the City has financial challenges as do most small municipalities, it has been very successful in leveraging its resources by obtaining federal and state funds and by coordinating with other service providers to ensure residents continue to receive efficient and sustainable services. Following the COVID-19 pandemic, the City's financial position is stable, as indicated in the City's most recently adopted budget report (FY 2023-2024). The City's revenue from sales tax and transient occupancy have rebounded to pre-pandemic levels. However, inflation levels have risen dramatically, and the City will continue to closely monitor its financial situation.

LAFCo is responsible for determining that an agency is reasonably capable of providing necessary services and basic infrastructure to serve the lands within its boundaries and will have the capacity to serve areas within its sphere of influence upon annexation. It is important that LAFCo be able to determine that resources and services can be provided at needed levels and that maintenance and expansion of resources and services are in line with increasing demands.

#### **4.3.1 GENERAL GOVERNMENT SERVICES**

General services provided by the City include planning and community development, police services and animal control, circulation planning, solid waste, and stormwater drainage planning. A thorough review and analysis of these services was completed in the Western Nevada County General Government Services MSR, adopted in 2004.

Following are summaries of each general government service provided by the City, including any updated information relevant to the sphere plan.

## **PLANNING AND COMMUNITY DEVELOPMENT**

The City provides services relating to land development, housing, building inspection, code enforcement, implementation of the General Plan, and other aspects of community growth through its Community Development Department (CDD). The CDD is responsible for ensuring that housing and community development services can continue to be provided within new growth areas as the City annexes lands located within its sphere of influence. The City recently certified its 2019–2027 Housing Element in August of 2019. The Community Development Department is funded through General Fund allocations, fees and grants.

## **POLICE SERVICES AND ANIMAL CONTROL**

The Grass Valley Police Department (GVPD) is a full-service community policing organization with 31 sworn officers, a fluctuating number of reserve officers, community service officers and several professional support staff. In addition to general law enforcement activities, the police department also provides animal services (control and shelter) for the cities of Grass Valley and Nevada City. The police department also functions as a partner in the City’s code enforcement efforts. Two sworn officers are ‘K9 officers,’ who work with loyal canine partners and two officers are assigned, one each, to both a continuation high school as well as for the Grass Valley School District’s middle and elementary schools. The department also has a volunteer program which assists with special events and other day to day tasks of the Department. Dispatch services are provided via a contract with the Nevada County Sheriff’s Office.

Over the past several years, the department has bolstered community response to homelessness issues, and the City partners with a wide range of organizations engaged in that effort, including Hospitality House, Nevada County Behavioral Health, Turning Point Community programs, the Home Team (Homeless Outreach and Medical Engagement) and other non-profit partners. The Police Department staff offer specialty positions including major crimes investigation detectives, a downtown business liaison officer, and a parks resource officer, among others. Police services are funded through General Fund allocations, Measure E revenues, fees, and grants.

## **STORMWATER DRAINAGE PLANNING**

The City's Public Works department maintains the stormwater drainage system, including planning, repair, and maintenance of storm drain systems within the City. Grass Valley has a well-maintained stormwater drainage system. Funding for stormwater drainage planning comes from the Public Works Department General Fund allocations and AB 1600 fees. The City has detailed the local drainage improvements needed in the near- and long-term and has identified a number of improvements in the Strategic Plan (City of Grass Valley Strategic Plan 2022 Updates).

## **SOLID WASTE**

The City has a franchise agreement with *Waste Management, Inc.*, a private refuse collection and disposal service provider. The 20-year franchise agreement was executed in 2012 and provides for annual CPI adjustments. Waste collection is funded by user charges; the County also levies a parcel charge related to operation of the McCourtney Road landfill/transfer station.

### **4.3.2 CIRCULATION PLANNING**

Grass Valley's Public Works Department performs street maintenance and repair (as discussed in Section 4.3.7 below), traffic engineering, long range planning, and coordination with other transportation service providers in the County. The Public Works Department identifies needed transportation improvements in the City of Grass Valley Street System Master Plan, which includes such projects as street, intersection, and interchange improvements.

Regional transportation circulation planning efforts are coordinated with the Nevada County Transportation Commission, including preparation of the Regional Transportation Plan (RTP). The NCTC is responsible for the oversight and prioritization of regional transportation improvements necessary for all Nevada County.

**SOI DETERMINATIONS 4.3: PRESENT CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES – GENERAL GOVERNMENT SERVICES**

- *City annexations will result in increased demand for City General Government services (including planning and community development, police services and animal control, circulation planning, solid waste and stormwater drainage planning); funding to meet these service demands will generally come from property tax revenues. For some services, grant funds, sale tax and transient & occupancy tax (TOT) will be available.*

**4.3.3 WATER**

The City’s water system serves approximately 60 percent of the territory within the City’s boundaries, the remainder being served by the Nevada Irrigation District ([Figure 4-2](#)). The City’s water supply is purchased from the District under the terms of an agreement most recently updated in 2013.

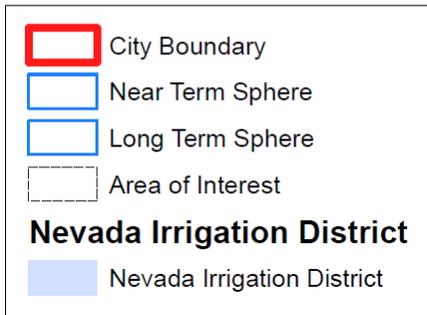
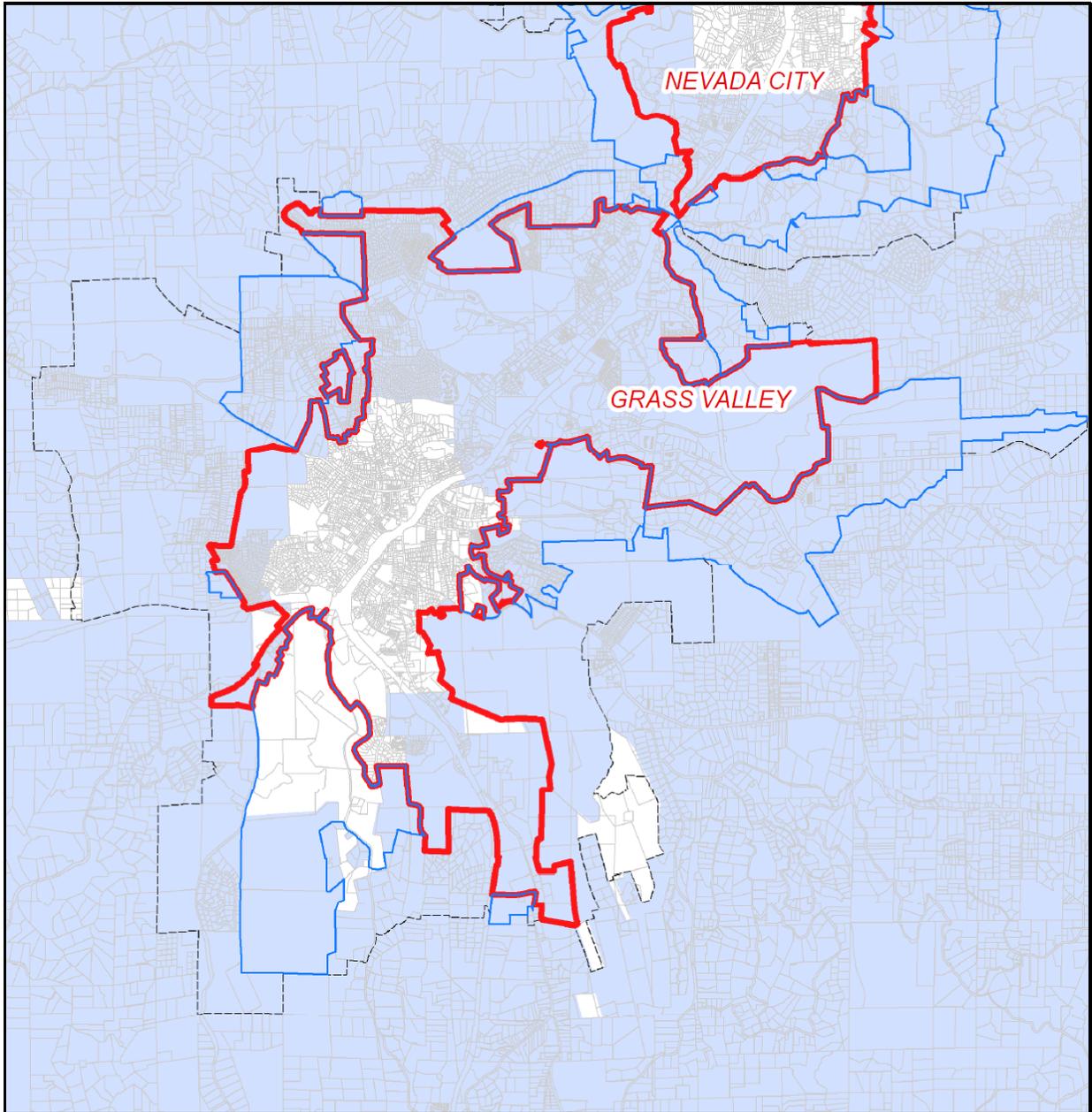
With a service area of approximately 2,500 acres, the City’s water system serves a population of approximately 6,000 (LAFCo 2015 Western Water Service MSR). Since the City’s service area is entirely surrounded by the NID service area, any future increases of the City’s treated water connections would most likely result from infill development within the existing City service area.

The NID/City raw water purchase agreement specifies that NID will sell and deliver surplus raw water to the City in an amount not to exceed 5 million gallons per day (mgd) and limited to use within the boundaries of the City’s water service area (LAFCo 2015 Western Water Service MSR). Nevertheless, a few properties located outside the City also receive City water services, including the Nevada County Fairgrounds, located on the City’s western boundary on the north side of McCourtney Road.

The City’s water system is financed as an enterprise fund. The water fund revenues average approximately \$2.2 million annually. The City’s FYE 2024 budget anticipates revenues of \$2,303,000 and expenditures of \$4,259,913. Planned expenditures are approximately \$1.4 million higher than the prior year due to carryover of capital projects.

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**FIGURE 4-2. WATER SERVICE PROVIDERS WITHIN THE CITY OF GRASS VALLEY**



Map prepared by LAFCo Staff using County GIS data

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## SUPPLY AND RELIABILITY

The City has no water rights of its own and purchases the raw water for treatment and distribution to customers from the Nevada Irrigation District. The purchase agreement was adopted by both parties in 1983 and has been extended several times over the years. The agreement specifies that NID will sell and deliver surplus raw water to the City in an amount not to exceed approximately 5 million gallons per day (MGD) and limited to use within the boundaries of the City's service area. NID's raw water sales are subject to the availability of surplus raw water and capacity in NID's existing conduits. In addition to providing raw water for the City to treat and distribute, the Nevada Irrigation District directly serves approximately 40 percent of the City's territory from the District's Elizabeth George and Loma Rica Water Treatment Plants.

The Nevada Irrigation District supplies treated and raw water to municipal and raw water customers in portions of western Nevada and Placer Counties, as well as a very small area in Yuba County. The District's service area includes a wide range of land use settings, including urban, suburban, rural and agricultural uses. In 2020, the District had approximately 5,200 raw water customers and 19,700 treated water customers.

LAFCo's 2015 Municipal Service Review for water service providers in Western Nevada County compared NID's water demands to supply. The study concluded that NID's capacity to meet demand was sufficient through 2020. In 2020, the Nevada Irrigation District completed an update to its Urban Water Management Plan. According to the 2020 UWMP:

*The District's water supplies are sufficient to meet customer and other demands during normal hydrologic years. However, the District projects supply to demand shortages during single and 5- year drought periods due to projected reduced watershed runoff. To address these shortages, the District's Drought Plan identifies six drought stages that include actions for the District and customers to implement to either reduce demand and/or increase supplies.*

The District is engaged in a multi-year planning effort termed the "Plan for Water," which it terms *a public collaboration process to determine the best ways to meet the community's demand for water over the coming decades.*

## **CAPACITY/INFRASTRUCTURE**

The City's water treatment and distribution system includes approximately 45 miles of pipeline, a water treatment plant, and three storage facilities. The treatment plant has a maximum capacity rated at 5 MGD. However, an analysis of the City's water treatment system, prepared by Sauer's Engineering in 2002, indicated that the City's system has potential for expansion up to 7.5 MGD. The system currently serves approximately 2,600 customers. The average day demand within the City's water service area for 2020 was 0.94 MGD, with the summer demand average of 1.27 MGD (City Engineer 2022 WWTP and WTP Flows Data). The City's three storage facilities have a combined capacity of 4.6-million-gallons: two 1-million-gallon steel tanks at the City's water treatment plant on Alta Hill, and a 2.5-million-gallon steel tank on Empire Street.

## **FUTURE DEMAND**

Both the City and the Nevada Irrigation District provide treated water service to city residents, with the City's service area constituting about 60% of the territory within City boundaries, and NID serving the remainder. Because the City's water service area is entirely surrounded by NID's service area, increased water demand within the City's service area will come primarily from infill development.

The City's 2019–2027 Housing Element estimates that buildout of vacant lots (infill) could add between 1,238 and 3,870 dwelling units within the City's boundaries. As discussed above, many of the vacant lands are located within the Nevada Irrigation District's service area, although a number of vacant parcels are located in the City's 'core' area which generally is within the City's water service area.

## **WATER QUALITY**

In 2021, the quality of the City's treated water complied with or exceeded all state and federal drinking water requirements. The City of Grass Valley receives raw water from the Nevada Irrigation District which it treats at the Alta Vista Treatment Plant for distribution within the City's water service area. The 2021 Consumer Confidence Report for the City of Grass Valley's Water System reported no violations for the City's treated water supply. Similarly, the Nevada Irrigation District's 2021 Consumer Confidence Report reported no violations from any of its

water treatment facilities, including the Elizabeth George treatment plant, which serves the portions of the City that are within the District's service area.

#### **RELEVANT MSR DETERMINATIONS: 2015 WESTERN COUNTY WATER SERVICES**

##### *Location of Disadvantaged Communities*

- The City of Grass Valley recognizes a fringe community, Alta Hill, along Ridge Road and Alta Road that qualifies as a Disadvantaged Unincorporated Community (DUC). The DUC area receives treated water from NID, fire services from the Nevada County Consolidated Fire District, but currently has no public sewer service.

##### *Present and Planned Capacity of Public Facilities*

- The City's water system facilities and infrastructure include a water treatment plant, three treated water storage structures, and a distribution system consisting of approximately 45 miles of pipeline.
- NID sells and delivers up to 5 million gallons of raw water a day to the City. NID also directly serves approximately 40 percent of Grass Valley.
- The City's water treatment plant has a maximum capacity rated at 5 mgd. However, an analysis of the City's water treatment system indicated that the City's system has potential for expansion up to 7.5 mgd. The system currently serves approximately 2,600 customers and has a maximum peak day demand of 2.4 mgd. The water treatment plant has sufficient capacity to serve city residents.

##### *Financial Ability to Provide Services*

- Operating expenses over the last five years averaged around \$1.4 million. Water sales were sufficient to meet expenses so that there was net positive operating revenue each year. Revenues are sufficient to meet expenses.
- The City's water rates are structured so that customers pay a base rate dependent on the size of the water meter and a separate charge based on usage. The average single family domestic customer will have a base fee of \$26.00 per month. Water usage is billed at a residential rate of \$3.75 per thousand gallons.
- The City has a modest level, approximately \$3 million, of outstanding debt for its water department.

##### *Status and Opportunities for Shared Facilities*

- The City works with NID to reduce costs for providing water to the community. The City collaborates with other groups such as the Wolf Creek Alliance to obtain DWR grants. In addition, the City is working with Op Terra Energy Services on a solar energy project at the water treatment plant to help offset costs.

(Source: LAFCo 2015 Western Water Service MSR)

**SOI DETERMINATIONS 4.3: PRESENT CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES – WATER SERVICES**

- *The City provides water to approximately 60 percent of the territory within the City’s boundaries, the remaining areas being within NID’s service area.*
- *The City has an agreement with NID to purchase up to 5 MGD of raw water for treatment and distribution to its customers. A new extension of the water supply agreement was approved in 2013 and provides for the sale of surplus water to the City for a 30-year period.*
- *The City’s water treatment plant is rated at 5.0 MGD; the system serves a peak day demand of 2.4 MGD.*
- *There is a high degree of water supply reliability.*
- *Expansion of the City’s water service area is unnecessary given it is entirely surrounded by NID’s service area.*
- *Although currently within NID’s service area, there is potential for the City to serve the northern two-thirds of the North Star property, Berriman Ranch area, La Barr Meadows Road between McKnight and the proposed Crestview extension, and a portion of development on East Bennett Street. However, studies would be required to determine the most suitable service provider for those areas. Additionally, amendment and approval of the agreement with NID would need to be obtained.*
- *According to NID’s 2020 Urban Water Management Plan (2021), the District has ample supply to meet demand during normal hydrologic years, but during single dry year and multiple dry year scenarios, demand may exceed supply. The District is engaged in developing a comprehensive future water resource management supply strategy (i.e., the District refers to this as its “Plan for Water”), which will evaluate management and operational strategies to address drought-related supply shortfalls. Options for management include demand reductions, carryover storage strategies, system operational strategies, supplemental supplies, and increased storage.*

**APPLICABLE CITY OF GRASS VALLEY GENERAL PLAN POLICIES**

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11-SP	Maintain appropriate standards for water supply, pressure, and distribution for fire suppression purposes.
23-COSP	Respond appropriately to state and federal air and water quality policies and policy changes, understanding the implications of regulations and standards, and maintaining a continuing public education program.

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**4.3.4 WASTEWATER**

The City provides wastewater services, including collection, treatment and disposal throughout the City’s jurisdictional boundaries. The City’s wastewater system includes a wastewater treatment plant which is permitted to treat up to 2.78 MGD, and currently treats an average of 2.2

MGD, over 60 miles of collection pipeline and seven active lift stations. The wastewater treatment plant is located off Freeman Lane in the southern portion of the City. The WWTP has periodically been upgraded and expanded and the most recent expansion took place in 2000. The WWTP delivers filtered and disinfected tertiary effluent for discharge to Wolf Creek. City sewer service is available to all properties within the City limits.

In 2016, the City prepared a wastewater system master plan to guide the City's management of the existing wastewater treatment and collection system. The plan provided assessment of the current system as well as options for expanding capacity to serve future development., which assessed the system's available capacity and the need for upgrades to serve future growth scenarios. The growth scenarios include buildout of vacant properties within the City's boundaries, as well as for the properties within the City's sphere of influence. The study also identifies a series of measures for improving the collection and treatment system, including efforts to reduce inflow and infiltration.

Funding for the City's wastewater system is under the Sewer Fund and FY 2023-2024 operating revenues are projected to be \$5,275,000 with expenditures projected at \$8,992,382, leaving a positive fund balance of \$5.6 million, of which \$3.65 million is reserved for specific purposes.

## **WASTEWATER COLLECTION AND TREATMENT**

The City's wastewater collection system consists of nearly 62 miles of sewer collection pipeline, gravity sewers, seven lift stations, and force mains that convey raw wastewater to the WWTP. The system was originally constructed in the mid-20<sup>th</sup> century, and therefore, both preventative maintenance and scheduled replacement of aging infrastructure is critical. Treated wastewater is discharged from the plant to Wolf Creek according to the Regional Water Quality Control Board Central Valley Region's General Order R5- 2017-0085-01 for Municipal Wastewater Dischargers that Meet Objectives/Criteria at the Point of Discharge to Surface Water (Municipal General Order).

Table 4-4 below provides an overview of the WWTP capacity:

**TABLE 4-4. CITY OF GRASS VALLEY WASTEWATER TREATMENT PLANT CAPACITY AND RATES**

WWTP Capacity	2.78 MGD
Average Annual flows	1.9 MGD
Current Number of Connected EDUs	9,500

Source: LAFCo 2015 Western Wastewater Service MSR.

**RELEVANT MSR DETERMINATIONS: 2015 WESTERN COUNTY WASTEWATER SERVICES**

*Present and Planned Capacity of Public Facilities*

- Since the adoption of the 2004 MSR, the City has completed a comprehensive upgrade and expansion of its WWTP, including installation of a UV disinfection system (2009). The WWTP now has a permitted average dry weather capacity of 2.78 mgd, which is equivalent to 14,555 EDUs.
- The City’s 2009 upgrade to the WWTP included the addition of UV disinfection to the process and an upgrade to the biological nitrogen removal process.
- The City’s current WWTP capacity has between 4,000 and 4,400 EDUs available based on average annual flows and has sufficient capacity to serve the City’s population. Additionally, once the discharges received from the Drew Tunnel are diverted to Newmont USA’s own treatment facility, the City’s WWTP capacity will increase to approximately 6,000 EDUs.
- The WWTP is currently adequate to accommodate treatment capacity for the projected 2020 General Plan, which includes the buildout plans for the three major SDAs within the SOI.

*Financial Ability to Provide Service*

- The City prepares a comprehensive annual budget and financial statement, and has adopted financial policies and procedures to ensure adequate funds concurrent with need.
- The Wasterwater Enterprise Fund operates in a cost effective manner. Revenues and the current rate structure are adequate to operate the wastewater system and allow for necessary capital improvements.
- The City annually updates its CIP and identifies collection and treatment projects and potential funding sources.
- A small number of parcels within the Glenbrook Basin are still included in the County Sanitation District Glenbrook Zone. As these parcels are annexed to the City, LAFCo should ensure they are concurrently detached from the County Sanitation District Glenbrook Zone.

Source: LAFCo 2015 Western Wastewater Service MSR.

**SOI DETERMINATIONS 4.3: PRESENT CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES – WASTEWATER SERVICES**

- *The City wastewater service area includes all properties within its boundaries and Sphere of Influence.*
- *The City has a permitted average dry weather capacity of 2.78 MGD, which is equivalent to 14,555 EDUs.*
- *The City’s wastewater system is capable of meeting the foreseeable demand within the next 20 years, as projected by the City’s 2020 General Plan.*

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**APPLICABLE CITY OF GRASS VALLEY GENERAL PLAN POLICIES**

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21-COSP	Continue to implement water quality improvement plans, including storm water separation and sewage treatment plant expansion.
23-COSP	Respond appropriately to state and federal air and water quality policies and policy changes, understanding the implications of regulations and standards, and maintaining a continuing public education program.

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**4.3.5 FIRE AND EMERGENCY RESPONSE SERVICES**

The City’s Fire Department provides fire protection and emergency response services. In 2020, the Cities of Grass Valley and Nevada City entered into a fire protection services agreement. The agreement provided for the full merger of the two departments, with Nevada City contracting for services through Grass Valley. This has resulted in a single agency comprised of a Fire Chief, a Division Chief (NEV), 3 Battalion Chiefs, 7 Fire Captains, 3 Engineers, 13 Firefighters, 1 Emergency Medical Services (Paramedic) Captain, 1 Fire Marshal, 2 half time Prevention Officers and a Fire Mechanic.

The Grass Valley Fire Department (GVFD) operates from three fire stations:

- Station 1 is located at 472 Brighton Street near the Grass Valley downtown area. This station covers the southern portion of the City and also responds to parts of the Nevada County Consolidated Fire District area of Squirrel Creek, McCourtney Road, Ridge Road, Rough and Ready Highway and Bitney Springs.
- Station 2 is located at 213 Sierra College Drive. This station covers the northern portion of Grass Valley including the Brunswick Basin, and part of the Nevada County Consolidated Fire District of Ridge Road, Alta Hill, Echo Ridge and Nevada Union High School. Station 2 is also home to the Public Safety Training Center (PSTC). The PSTC may be used by any fire or law enforcement agency in the County for training on a wide array of props including a training tower, ventilation props, and other amenities. Sierra College hosts a yearly fire academy on the PSTC along with other fire service-related courses.
- Station 5 is located at 201 Providence Mind Road in Nevada City. Station 5 responds to incidents in Nevada City, Grass Valley and areas of the Nevada County Consolidated Fire District.

Grass Valley/Nevada City and Nevada County Consolidated Fire District are signatories to a ‘Master’ Joint Operational Area (JOA) agreement that was adopted in 2014. The JOA agreement provides for a boundary drop/closest resource response to any incident within Grass Valley/Nevada City and Nevada County Consolidated Fire District, thereby leveraging the closest resource(s) to the emergency regardless of jurisdiction.

The City plays a crucial role in fire and emergency response service throughout western Nevada County due to the geographical location of City fire stations relative to fire station locations in surrounding Fire Districts. Due to geography, road access, and fire station locations, the City’s Fire Department is often the first responder to calls originating in territory outside the City within the jurisdiction of adjacent Fire Districts. For the greater public good, and pursuant to the provisions of the Joint Operations Agreement between the Cities of Grass Valley and Nevada City and the Nevada County Consolidated Fire District (effective February 28, 2014), the City has consistently provided fire and emergency response to these Fire District areas without receiving compensation. It is recommended that the City and Fire District(s) work together to ensure the City’s response levels do not represent a disproportionate share of reciprocal services.

The Grass Valley Fire Department provides exceptional services to the community from its 3 strategically placed fire stations. The Department provides structure and wildland fire suppression, physical rescue capabilities, hazardous materials response, public assistance, public education, and emergency medical services. In August of 2023, the City initiated an Advanced Life Support (Paramedic) program providing ALS services to the City and surrounding community as allowed by staffing. Additionally, the City reassigned a Paramedic Captain to oversee all emergency medical services for the Department. Fire Prevention is overseen by the Fire Marshal with two half time inspectors whom conduct fire life safety, construction, sprinkler and State Mandated inspections. The Department responded to approximately 5,641 calls for service in 2022 (City website). In January 2023, the Department responded to over 400 incidents. A map depicting station locations and agency boundaries is included as [\(Figure 4-3\)](#).

Relative to the threat of wildland fire, the lands within the current City boundaries include areas of residential development surrounded by a forest environment, and the surrounding areas within

the City sphere similarly contain low density residential neighborhoods as well as undeveloped areas. Most of these lands are categorized as a Very High Fire Hazard Severity Zone by CALFIRE and are at risk for wildland fire. In response to the threat of wildfire, the City entered into an automatic aid agreement with CALFIRE in 2019, which provides for the state agency to respond on initial dispatch to any fire incidents within the Cities of Grass Valley and Nevada City, based on CALFIRE's designation of the territory as a Mutual Threat Zone.

Fire services are funded through General Fund allocations and the City's Measure E sales tax measure funding (note that Measure E also funds police services as well as street and park projects). In addition, the City has proposed Measure B, a proposed 3/8 cent sales tax, to be considered on the March 2024 ballot. This ballot measure would go into the City's general fund and could be used for general government uses, such as reducing the risk of catastrophic wildfire and extreme weather by funding additional firefighters, vegetation management, and emergency evacuation planning. As proposed, the tax would expire after seven years, and voters could reduce or repeal it sooner.

#### **FUTURE DEMAND – FIRE AND EMERGENCY RESPONSE**

Lands that are annexed to the City would be detached from the Nevada County Consolidated Fire District or Ophir Hill Fire Protection District. The City would assume responsibility for fire and emergency responses services. For planned developments, the City's standards relative to ensuring adequate fire flow and fire hydrants, as well as adequate access roads, will be applied.

#### **REORGANIZATION OF WESTERN COUNTY FIRE AGENCIES**

In 2022, Rough and Ready Fire Protection District announced it would be unable to continue providing services due to extreme financial hardship, and entered into consolidation discussions with neighboring Penn Valley Fire Protection District. Shortly thereafter, Nevada County Consolidated Fire District opted to join this reorganization effort. The three districts have entered into a reciprocal joint operations agreement, which will ensure continued operation of the Rough and Ready Fire Station. This arrangement will ensure stable and sustainable response in the area.

In August of 2023, the County entered an agreement with the three fire districts to provide financial support to the reorganization effort in order to ensure services remain stable in western county. The reorganization effort is ongoing at this time and is expected to be complete in fiscal year 2024-2025.

### **LAFCo FIRE AND EMERGENCY RESPONSE SERVICES STUDY**

In 2023, Nevada LAFCo launched a study of county-wide fire and emergency response services, which will review how these services are provided by nine independent districts and the combined Grass Valley/Nevada City Fire Department. This project utilizes an independent consultant to prepare a Municipal Service Review as well as sphere of influence updates for all Nevada County fire agencies and will also provide recommendations for ensuring a sustainable response pattern in western county.

#### **RELEVANT MSR DETERMINATIONS: 2005 FIRE AND EMERGENCY SERVICES (UPDATED)**

##### *Present and Planned Capacity of Public Facilities*

- The Grass Valley/Nevada City Fire Department operates from three fully staffed stations (Stations 1 & 2 in Grass Valley and Station 5 in Nevada City).
- The Fire Department serves a combined area of approximately 8.58 square miles and responded to 5,540 calls in 2021.
- The Grass Valley Fire Department operates under an automatic aid agreements with Nevada City Fire Department, Nevada County Consolidated Fire Department, Penn Valley Fire Department, and the Ophir Hill Fire Department.
- The Department's average response time met its target in all categories of service.
- The Department's equipment and capital needs are included in the City's capital improvement planning.

##### *Financial Ability to Provide Services*

- The Fire Department is funded through the City's General Fund and a portion of sales tax collected pursuant to Measure E, approved in 2018. In addition, the City of Nevada City pays for services under the 2020 agreement between the two cities. In 2020, Nevada City's payment was \$895,000. In addition, a 3/8 cent sales tax (Measure B) is proposed to be considered on the March 2024 ballot, and could fund additional firefighters, vegetation management, and emergency evacuation planning for seven years, if not reduced or repealed sooner.

**SOI DETERMINATIONS 4.2: PRESENT CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES – FIRE AND EMERGENCY RESPONSE SERVICES**

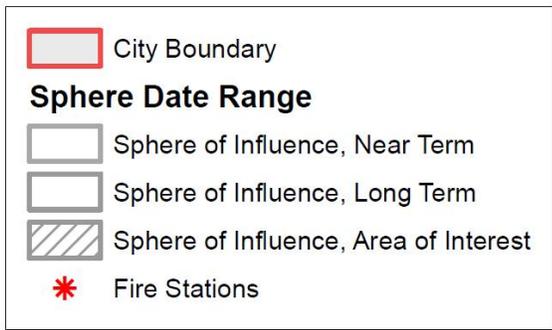
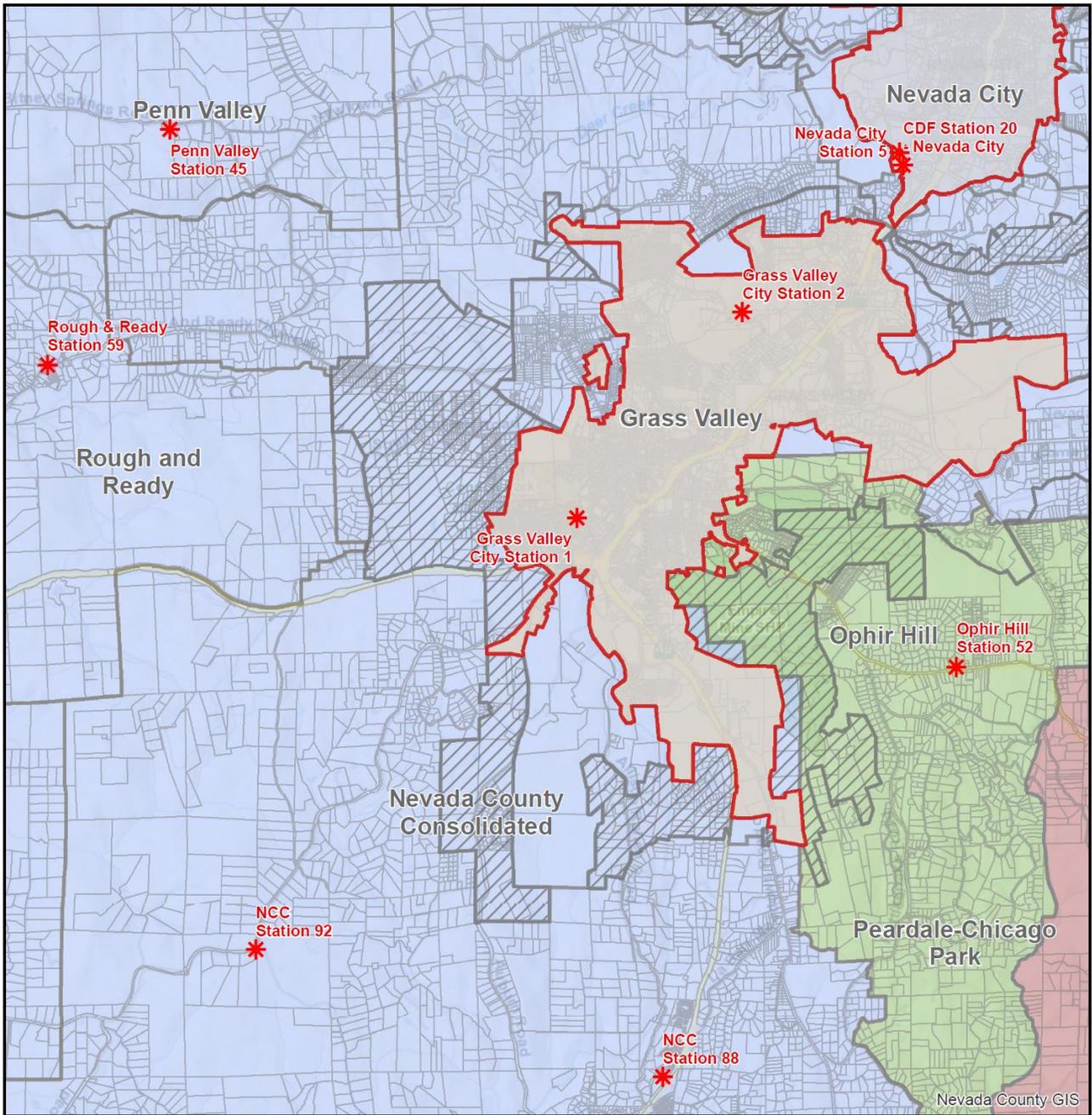
- *The City provides fire and EMS services to all properties within its jurisdiction and SOI. Annexation and buildout of the SOI will require the construction, equipping and staffing of an additional fire station in order to maintain existing levels of service.*
- *The Grass Valley Fire Department has merged with the Nevada City Fire Department and also operates under automatic aid agreements with Nevada County Consolidated Fire Department, Penn Valley Fire Department, and the Ophir Hill Fire Department.*

**APPLICABLE CITY OF GRASS VALLEY GENERAL PLAN POLICIES**

- 
- 12-SP Maintain a high level of inter-jurisdictional cooperation and coordination, including appropriate automatic aid agreements with fire protection/suppression agencies in western Nevada County.
-

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**FIGURE 4-3. GRASS VALLEY/NEVADA CITY FIRE DEPARTMENT AND NEIGHBORING FIRE AGENCIES**



Map prepared by LAFCo Staff using County GIS data

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#### 4.3.6 PARKS AND RECREATION

Grass Valley’s parks and recreation services are enjoyed by a population that includes City residents as well as residents from western Nevada County living outside the City. The use of the City’s recreational facilities is expected to increase as population in the area expands.

The City has over 108 acres of parkland and operates seven developed parks, five with playgrounds (City website). The sports fields off of Gilmore Way, approximately 6 acres, are managed by the Margaret G Scotten School and Lyman Gilmore Middle School, by agreement with the City. The provision of parkland by the City equates to approximately eight acres per 1,000 residents, in line with the median acreage/resident statistics made available by the National Recreation and Park Association in 2020.

In a report to City Council in March of 2023, the City’s Engineering Department reported on park improvement projects that had been undertaken in the previous few years, including installation of artificial turf ball fields, new restrooms, new trail construction, and replacement of the swimming pool at Memorial Park. The City has spent \$15.2 million since 2020 on major park improvements, including funding from its Measure N and Measure E, and has also secured Community Development Block Grant funding as well as grant funding from Propositions 68 and 1.

**TABLE 4-5. PARKS AND RECREATION FACILITIES PROVIDED BY THE CITY OF GRASS VALLEY**

Park	Acreage	Facilities
<b>POCKET PARKS</b>		
Dow Alexander Park	0.25	Playground, picnic
Elizabeth Daniels Park	0.16	Restroom, picnic
Glenn Jones Park	2.00	Northstar Mining Museum, Wolf Creek Trailhead, picnic
<b>NEIGHBORHOOD PARKS</b>		
Minnie Park	2.00	Playground, picnic, restroom
Morgan Ranch Park	4.00	Undeveloped
<b>COMMUNITY PARKS</b>		
Memorial Park	7.60	Softball field, tennis & pickleball courts, playground, club house, annex, group BBQ area, swimming pool
Mautino Park	12.90	Multi use sports field, tennis courts, playground, picnic
<b>REGIONAL PARKS</b>		

Condon Park	80.00	Minor/senior league fields, basketball courts, bocce courts, disc golf course, skate park, trails, fir tree arboretum, fishing pond, playground, small/large group BBQ areas, LOVE Building, picnic, restrooms
<b>Total</b>	<b>108.91</b>	

ADDITIONAL PARK AND RECREATIONAL FACILITIES OWNED AND MAINTAINED BY OTHER ENTITIES:

Scotten Multiuse Field	N/A	Both owned by the Grass Valley School District and available for use under a Joint Use agreement.
Lyman Gilmore Turf Field	N/A	Sierra College campus: soccer, baseball facility
Sierra College Park	N/A	
Hennessy School	N/A	Owned and operated by the Grass Valley Elementary School District: playground, field
Empire Mine State Park	N/A	State owned and operated park: historic and interpretive buildings and exhibits, forested open space with trails and natural areas, hiking, horse trails, picnic, restrooms
Nevada County Fairgrounds	N/A	Owned and maintained by the State Fairgrounds Authority: community facilities, senior citizens building, fairgrounds, campground
Nevada Union High School	N/A	Owned and operated by the Nevada Joint Union High School District; sports fields and facilities

Source: LAFCo 2006 County Parks and Recreation MSR, and City website.

Funding for recreation services is provided through grants, user fees, mitigation fees and the City’s General Fund, namely Measure E funds. The County of Nevada collects and allocates development impact fees to park and recreation improvement projects located within the Grass Valley/Nevada City Benefit Zone. Additionally, the City collects development impact fees which include a Parks and Recreation component for residential projects within the City.

**RELEVANT MSR DETERMINATIONS: 2006 RECREATION SERVICES**

*Present and Planned Capacity of Public Facilities*

- The population of Grass Valley will grow substantially in future years causing increasing demand for parks and recreation services.
- The City provides recreational opportunities to the citizens of the City as well as to residents of the surrounding area.
- Other recreational facilities available in the vicinity include the County Fairgrounds (operated by the 17<sup>th</sup> Agricultural District), Empire Mine State Park (operated by the State of California), various sports facilities operated by the Nevada Union High School, Sierra College and Scotten and Gilmore Schools. The City has adequate parks and recreation facilities to support its population and currently exceeds the national recreation and park standard of 5 acres per 1,000 people.

*Financial Ability to Provide Service*

- The City funds recreation and park services and operations through its general fund, Quimby fees, state grants, donations, user fees, impact fees collected by the County for projects located in the vicinity of the City.

**SOI DETERMINATIONS 4.3: PRESENT CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES – PARKS AND RECREATION SERVICES**

- The City has adequate parks and recreation facilities to support its population and currently exceeds the median acreage/resident statistics made available by the National Recreation and Park Association in 2020.
- The City provides operation and maintenance of its parks through its Public Works Department. Since the 2011 sphere of influence update, the City has expanded and restored various recreation programs that had been limited during the post-2008 national economic recession.

**APPLICABLE CITY OF GRASS VALLEY GENERAL PLAN POLICIES**

- 1-RP Provide parks and open spaces of different sizes and types to respond to the needs of a diverse population, including trails for pedestrian and equestrian use, bicycle pathways, linear parkways, and park-like natural areas.
- 2-RP Increase the standard of park acreage to population.
- 3-RP Distinguish neighborhood park needs from community and regional park needs.
- 4-RP Establish a City-sponsored open space district to operate and manage existing and future open space resources.
- 5-RP Formalize and enhance walking trails in existing City parks.
- 6-RP Provide non-motorized linkages between parks and open spaces.
- 7-RP Include a map in the General Plan designating a trails network for the Planning Area.
- 8-RP Cooperate with other jurisdictions to address regional park and recreation needs.
- 9-RP Develop performing arts in various venues, including a performing arts center.
- 10-RP Expand the existing library as a cultural venue.
- 11-RP Create a public plaza in downtown for community events and activities.
- 12-RP Support efforts to establish a community center for mixed ages and a variety of uses.

**4.3.7 STREET OPERATIONS AND MAINTENANCE**

The City of Grass Valley has jurisdiction over all public roadways located within the City limits, apart from State Routes, and is responsible for planning roadways located within its jurisdiction. Meanwhile, regional transportation planning is performed by the Nevada County Transportation Commission (NCTC).

In recent years, the City has focused on pavement management, improving circulation patterns and connectivity, including bikeways, sidewalks and trails. In 2019, the City completed a series of street improvements including resurfaced roads and installation of ADA ramps. Measure E (approved in 2019) has provided funding from sales tax to support these projects. In 2020, the

City completed more street and sidewalk improvements and installed more ADA ramps using funds from Measure E. Also in 2020, the City Council voted to approve the closure to traffic of two blocks of Mill Street to create a pedestrian-focused town square/community gathering space. The project was completed in 2023.

The City collects two development impact fees to address transportation needs: the Nevada County Regional Transportation Mitigation Fee for regional projects, and a local mitigation fee that is targeted to recover costs of local transportation improvements (Grass Valley Fee Schedule FY 2022-2023). Street maintenance and planning is funded through General Fund allocations and fees.

#### **RELEVANT MSR DETERMINATIONS: 2005 ROAD AND STREET OPERATIONS**

##### *Present and Planned Capacity of Public Facilities*

- The City of Grass Valley maintains 38.6 centerline miles of roadway. The City has adopted a street system master plan to prioritize capital improvement projects and road maintenance planning.

##### *Financial Ability to Provide Service*

- The City uses funding from Federal, State, Local and City sources to fund street maintenance and improvements.
- The City spends approximately 87% of the State average for cities on road maintenance; funding for improvements and maintenance is an ongoing challenge.

#### **SOI DETERMINATIONS 4.3: PRESENT CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES – ROADS AND STREETS**

- *The City has developed a pavement management plan to address aging streets and sidewalks. The City has made great strides towards rehabilitating many streets identified in the prior Pavement Management Plan since the passage of Measure E. An update of the Pavement Management Plan is anticipated to be budgeted for and worked on next fiscal year to more accurately reflect current roadway conditions, considering that several major street rehabilitation projects were completed in the last 5 years.*
- *Measure E funding is available for use to rehabilitate several downtown streets, including pavement resurfacing, installation of ADA ramps, and installation of missing sidewalk segments.*

## APPLICABLE CITY OF GRASS VALLEY GENERAL PLAN POLICIES

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- 1-CP Coordinate bikeway and trail system planning with Nevada County, linking the city network with similar facilities in unincorporated areas.
- 2-CP Plan for multi-purpose transportation/recreation bicycle and pedestrian facilities to optimize facility usage and enhance potential funding.
- 3-CP Improve public transportation to better link existing and future residential areas with high traffic generating commercial/industrial nodes.
- 4-CP Develop plans for free or low-fare transit serving the downtown area, Empire Mine and other areas of particular interest.
- 5-CP Develop plans, in conjunction with existing transit agencies, for a shuttle bus service to accommodate inter-modal transfers and to make transit facilities more convenient.
- 6-CP Locate transit stops and park and ride facilities near freeway interchanges and in conjunction with higher density residential and mixed-use developments.
- 7-CP Provide park and ride facilities to encourage carpooling and discourage excess automobile usage.
- 8-CP Incorporate separated, non-motorized paths in street cross-section designs whenever feasible.
- 9-CP Adopt appropriate designs, techniques and standards to calm traffic through residential neighborhoods.
- 10-CP Encourage Nevada County to utilize City roadway, access and circulation standards within the Planning Area.
- 11-CP Design selected streets and intersections employing modern roundabouts and other traffic calming techniques.
- 12-CP Adhere to high safety standards where pedestrians and bicyclists are exposed to motorized vehicles.
- 13-CP Assure the continuity of sidewalks by instituting a city-wide sidewalk planning/construction programs.
- 14-CP Provide street lighting in existing neighborhoods as necessary.
- 15-CP Avoid environmentally sensitive areas, to the extent feasible, when expanding the roadway network.
- 16-CP Eliminate curb cuts and other vehicular encroachments along arterial and collector streets where feasible and practical, to promote both efficient traffic flow and traffic safety.
- 17-CP Redesign and reconstruct freeway access and connector streets, to include a new interchange at Dorsey Drive and Highway 20/49.
- 18-CP Study bypass routes designed and located to avert undesirable through-traffic in residential and non-residential neighborhoods.
- 19-CP Add vehicular parking in the downtown area.
- 20-CP Redesign intersections on collector streets to improve and “smooth” traffic flow.
- 21-CP Defer to preservation of community character, including historical and architectural features, when planning and implementing transportation improvements.

- 
- 22-CP Remove impediments to emergency access from public streets and rights-of-way.
  - 23-CP Establish and periodically review emergency access standards in appropriate city development codes and ordinances.
  - 24-CP Coordinate circulation and development plans with public safety agencies, fire departments/districts and emergency service providers.
  - 25-CP Defer the extension of Freeman Lane southward across Wolf Creek until such time as the Crestview-Smith extension is constructed between North Star and Highway 49.
  - 26-CP Develop design standards to ensure that road segments being improved to four lanes incorporate aesthetic treatments, including landscaping, landscaped medians, setbacks for sidewalks, street lights, street furniture, signage restrictions, and other design elements.
  - 27-CP Provide pedestrian friendly and walkable streets; protect the historical character of the Downtown.
-

#### **4.4 SOCIAL AND ECONOMIC COMMUNITIES OF INTEREST**

The residents of Grass Valley share social and economic interests with the City of Nevada City and the neighboring communities of Cedar Ridge, Loma Rica, Alta Sierra, Penn Valley, and Lake of the Pines, as well as a variety of more local communities of interest such as businesses, schools, churches, public sector facilities, and other community service programs that serve area residents. Development within the City's sphere of influence has the potential to add residential dwelling units to the City, as well as accommodate additional commercial and industrial development. The increase in residential development and industrial, commercial, and retail business is anticipated to bring jobs and economic growth to the City.

Grass Valley and its sphere of influence are located adjacent to the southwest of Nevada City and its sphere of influence.

##### **NEVADA CITY**

Nevada City, an incorporated city of approximately 3,300 residents, neighbors Grass Valley to the northeast. The two cities are the economic and social centers of western Nevada County, with nearly 17 percent of western county residents residing within their boundaries. The two cities both have significant mining history dating back to the mid-1800s, and tourism relating to their historic character is a significant boon to the area's economy. It is not anticipated that Nevada City's growth rate will accelerate much in future years.

##### **LOMA RICA AIRPORT/INDUSTRIAL PARK**

The Loma Rica Airport/Industrial Park is located within the City's current sphere of influence, east of the City between Highways 49 and 174. The area is a hub for industrial businesses and operations. Located southeast of the City via Brunswick Road, the Loma Rica Airport and Industrial Park is located within the City's sphere of influence but there are no immediate plans for the City to annex the area. Treated water service is available from Nevada Irrigation District, and most developed parcels are connected to the system. There is some potential for additional industrial development and redevelopment in this area, particularly if the City wastewater services are extended to serve this area. Relative to fire and emergency response, the City notes

that due to the location of its fire stations, the City Fire Department is usually first dispatched to incidents in this area, despite the fact that it is within Nevada County Consolidated Fire District's jurisdiction. Police response is also feasible for the area.

### **KENNY RANCH**

One of four Special Development Areas designated during the City's 2020 General Plan Update, the Kenny Ranch SDA was located to the west of the City along Rough & Ready Highway. The parcels within the SDA are no longer held in single ownership, and there are no current plans for comprehensive development of the SDA; however, the City's General Plan specifies the potential for 100 residential units, 88 acres of business park designation and 22 acres of commercial designations. The Bear Yuba Land Trust recently acquired 128 acres in the southeast portion of this area for the Wildflower Ridge Preserve. Because it is unlikely that the area will be subject to a comprehensive development plan that would require annexation in order to receive City wastewater and other services, it has been reclassified as part of the City's area of interest.

### **NORTH STAR**

The North Star area is another of the four Special Development Areas referenced above. The area is comprised of eleven parcels, ten of which are owned by New Verde Mines, an LLC for Newmont Mining Corporation. The City's 2020 General Plan encouraged a development pattern for this SDA that would locate all residential and neighborhood commercial land uses in the northern one-third of the North Star property, to provide linkage to existing development within the City and to facilitate efficient City service and infrastructure extensions (City of Grass Valley 2020 General Plan). Since the 2011 Sphere Update for Grass Valley, the landowners have determined the territory is not appropriate for development. One parcel has been donated to the North Star Historic Conservancy, and the remaining parcels will likely be held for conservation/recreation purposes. Annexation of the area is likely, according to City staff.

### **LOMA RICA RANCH**

The Loma Rica Ranch SDA is located to the west of the Loma Rica Industrial Park. The City adopted a specific plan for the project in 2011, certified an EIR and annexed the 450-acre area in 2012. The adopted specific plan provides for 700 residential units, 418,161 square feet of

industrial and commercial development, and approximately 314 acres of parks and open space, configured in a series of four clustered neighborhoods. Construction commenced for the first neighborhood phase in 2022.

### **SOUTH HILL VILLAGE**

The South Hill Village SDA territory was included in the City’s 2022 “Southern Sphere” annexation, which is located south of the City’s limits between Highway 49 and La Barr Meadows Road. Plans to develop the SDA for business park and commercial development did not move forward and the property was eventually sold to other landowners to expand existing businesses in the vicinity.

<b>SOI DETERMINATIONS 4.4: SOCIAL AND ECONOMIC COMMUNITIES OF INTEREST</b>
<ul style="list-style-type: none"><li>• <i>The lands included in the City’s sphere of influence have substantial social and economic ties to the City, and the City generally has the capacity to serve these areas, if requested.</i></li><li>• <i>Development of the lands within the City’s Area of Interest could potentially impact the City, and LAFCo will therefore forward any notifications of development proposals within such territory to the City.</i></li><li>• <i>Areas omitted from the City’s sphere of influence will be considered part of the City’s “Area of Interest.”</i></li></ul>

## 4.5 DISADVANTAGED UNINCORPORATED COMMUNITIES

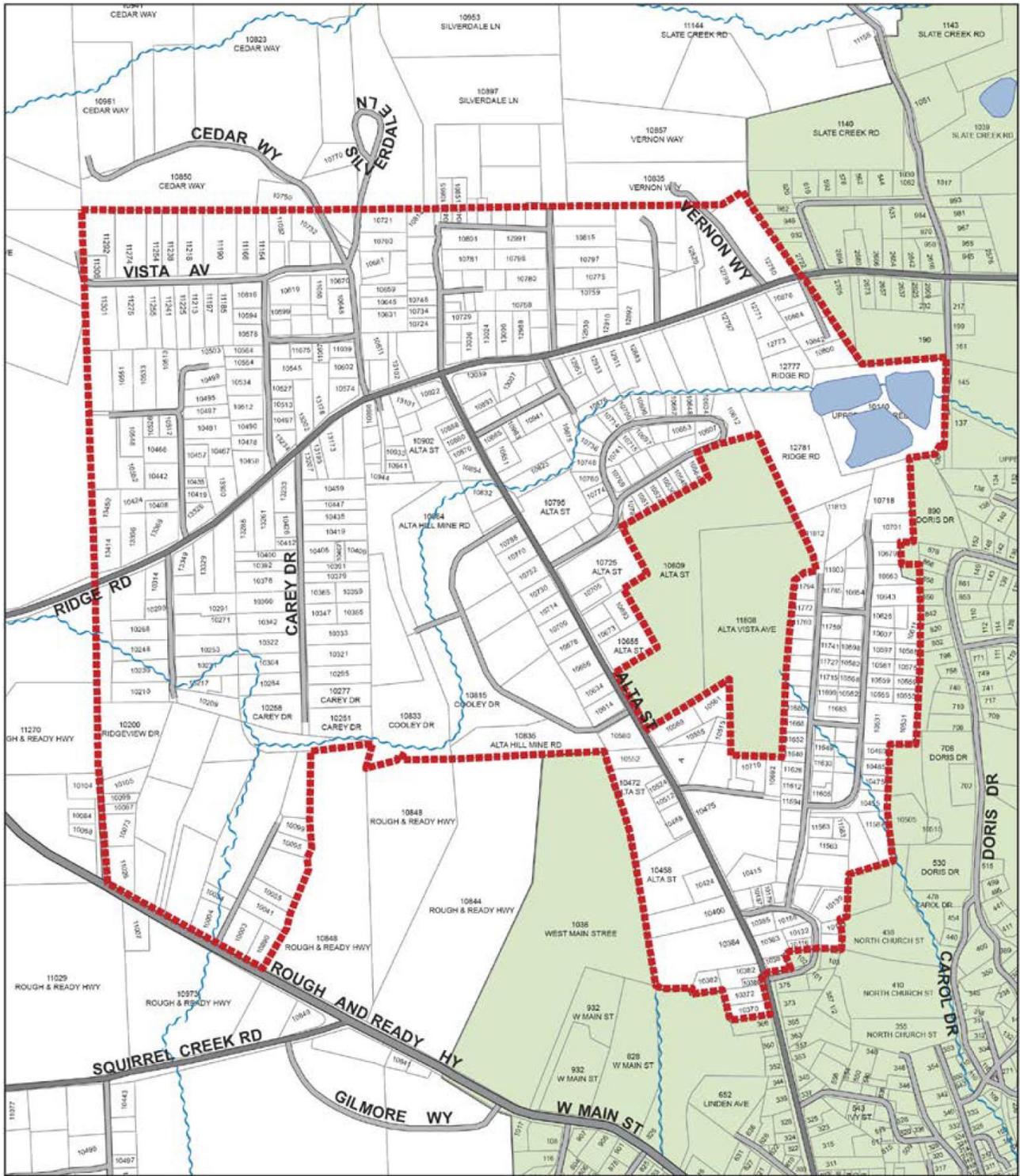
When updating the Sphere of Influence for a city or special district that provides public facilities or services related to sewers, municipal or industrial water, or structural fire protection, LAFCo is required to consider the presence of any Disadvantaged Unincorporated Communities within the City's Sphere of Influence. The Commission's policy on Disadvantaged Unincorporated Communities (Section II P) recognizes any Disadvantaged Unincorporated Community that has been so designated by the County or a city. The policy also includes provisions for residents or landowners within a potential Disadvantaged Unincorporated Community to seek recognition of such designation.

The City has designated the Alta Hill area as a Fringe Community (i.e., a Disadvantaged Unincorporated Community that is located within a city's sphere of influence). A map depicting the area is provided as [Figure 4-4](#) below. Nearly all of the homes in the area have private septic systems (note that the LAFCo 2015 Wastewater Services MSR acknowledged that a handful of these properties are connected to the City's wastewater system). The MSR noted that the expansion of the City's wastewater treatment plant in 2000 was completed in anticipation of the City providing wastewater services to meet expected demand from the entire City and sphere, including the Alta Hill area. The MSR also noted that the City's Wastewater Master Plan includes a plan to serve the area if needed.

### SOI DETERMINATIONS 4.5: DISADVANTAGED UNINCORPORATED COMMUNITIES

- *The City has designated the Alta Hill area as a Disadvantaged Unincorporated Community.*
- *The Alta Hill area is mostly developed for residential use. Treated water is provided to the area by Nevada Irrigation District, with the majority of parcels being connected to NID's system. Structural fire and emergency response service is provided by Nevada County Consolidated Fire District. Most of the properties have private septic systems.*
- *The City's wastewater treatment plant and sewer collection system could accommodate demand from the area.*

**FIGURE 4-4. GRASS VALLEY FRINGE COMMUNITY: ALTA HILL**



**City of Grass Valley ~ Fringe Community Map**  
 Qualifies as Disadvantaged Unincorporated Community

July, 2014

 Fringe Community  
 City Limit



0 250 500 1,000 Feet

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## **5.0 RECOMMENDATIONS**

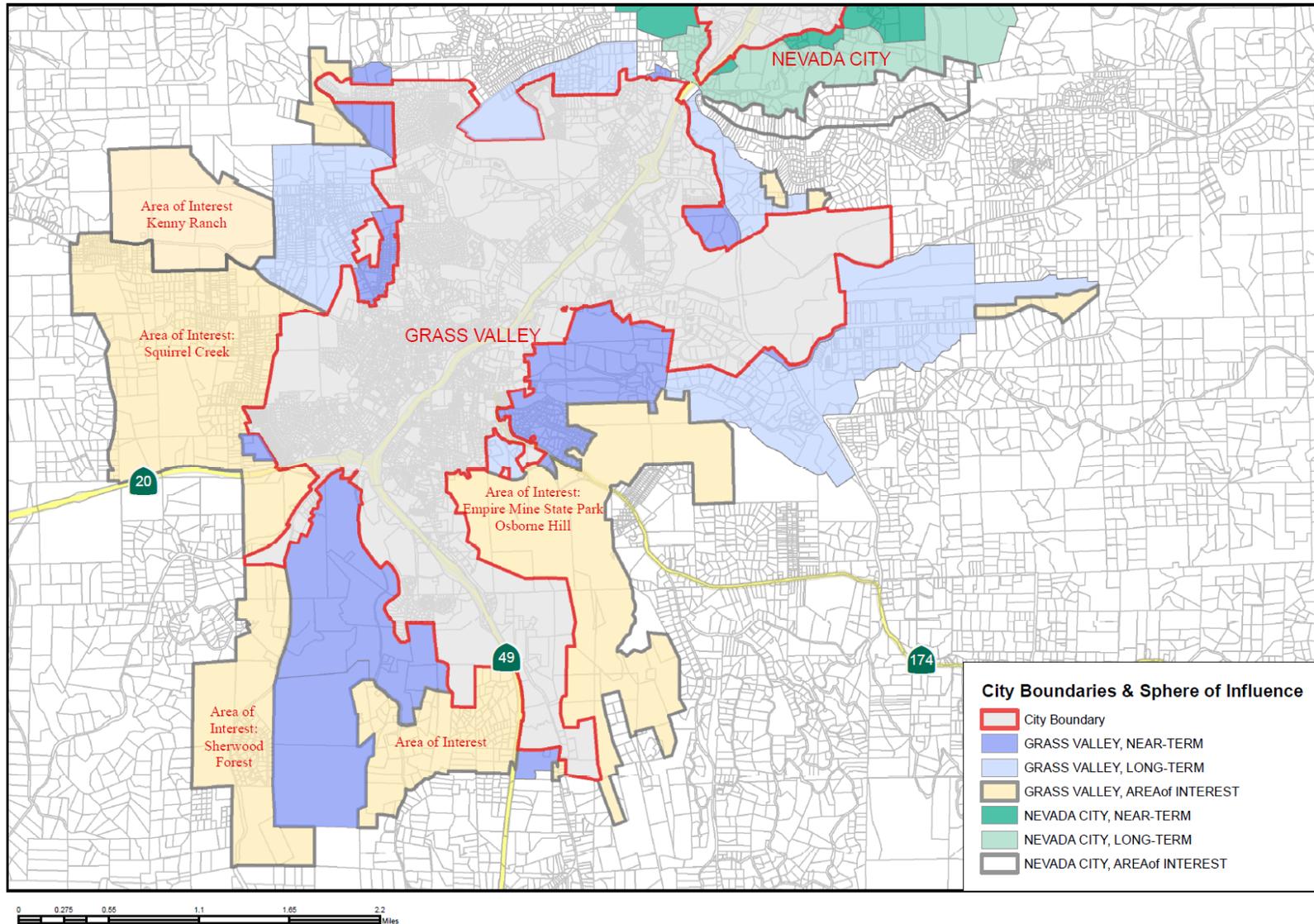
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### **5.1 SOI BOUNDARY RECOMMENDATION**

It is recommended that the City's sphere of influence plan map, as depicted in [Figure 5-1](#), be adopted along with the sphere of influence plan provided herein.

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**FIGURE 5-1. RECOMMENDED SOI BOUNDARY FOR THE CITY OF GRASS VALLEY**



Map prepared by LAFCo Staff using County GIS data

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## **5.2 SOI PLAN RECOMMENDATIONS**

### **5.2.1 RELEVANT RECOMMENDATIONS FROM 2011 SPHERE UPDATE**

The resolution adopting the City's 2011 Sphere of Influence Plan (LAFCo Resolution 11-02) had one order which is appropriate to carry forward:

- 1) The City shall continue to participate in discussions with the County regarding regional affordable housing issues and to collaborate in meeting the goal of the Regional Housing Need Allocation, pursuant to Government Code Section 65584.07 and the Memorandum of Understanding between the two agencies dated July 13, 2004. The Commission will consider the outcome of any such discussions when reviewing proposals for annexation to the City.

### **5.2.2 SPHERE OF INFLUENCE BOUNDARY RECOMMENDATIONS**

#### **SPHERE BOUNDARY RECOMMENDATIONS:**

As required by Nevada LAFCo sphere of influence policy, the City's sphere of influence plan includes a map and phased plan for annexation defining the probable boundary of the City's jurisdictional boundary and service area 20 years hence (i.e., the long-term horizon) and identifying the near-term horizon of lands likely to be annexed prior to the next sphere review or update (typically within five years).

A brief description of some of the significant areas in each horizon, and suggested City or LAFCo requirements for each is provided below:

#### **NEAR TERM SPHERE**

The following areas are anticipated to be annexed in the first five years following the 2024 update of the Grass Valley Sphere of Influence. These areas were prioritized for annexation during discussions with City staff.

- Oak Tunnel/Aspen/Durbrow Residential Neighborhood.  
This is a residential neighborhood overlooking the Glenbrook basin along Nevada City Highway. There is some indication landowners in the area would support annexation. The area is within the Glenbrook Zone of the County Sanitation District, but the City has always been responsible for all sewer service and billing. LAFCo and County Sanitation

District staff have plans to detach the entire Glenbrook zone area from the County Sanitation District.

- Ranchview Court.  
Five parcels north of the Loma Rica development are located in the Near-Term sphere in consideration of their proximity to the development. One undeveloped parcel is under ownership of the Timberwood Estate residential development (the developed portion of which is already within City boundaries). One of the remaining four parcels is developed while the other three are undeveloped. All are designated for medium density residential development by the City's General Plan.
- East Bennet Street.  
This area includes several properties owned by Rise Grass Valley, which has applied to the County for a project including a conditional use permit for operation of the Idaho-Maryland mine. Other properties are designated by the City's General Plan for medium density residential development. Several properties in this area are owned by California State Parks. This area will continue to be positioned in the Near-Term sphere, although annexation and development plans do not appear to be imminent. The City is aware that the area is greatly in need of vegetation management attention, and notes that application of the City standards and enforcement practices would benefit the area. However, the City also has noted that under the present City/County tax apportionment agreement, tax revenues following annexation would be unlikely to provide adequate revenue to support City services for the area.
- Hanging Wall & Footwall Drive.  
This residential neighborhood is just west of the Empire Mine State Historic Park, east of Memorial Park, and bounded by State Route 174 on the south. Treated water is provided by NID. Nearly all parcels appear to be developed; the City's General Plan designation for this area is Urban Low Density.
- North Star Special Development Area.  
This 750-acre area is located south of City boundaries. Although the 2020 General Plan allocated a mix of land uses to the property for Residential, Business Park, Commercial, Public and Open Space uses, the previous land ownership has changed. The new landowner (New Verde Mines LLC, a subsidiary of Newmont Mining Corporation) has no plans for pursuing any kind of development for the property. In 2019, there were discussions between the City and landowner representatives regarding the City acquiring ownership of the southern portion of the property, which would be used for trails, while the northern portion would be held by New Verde, with no development plans in order to protect the public from the hazardous site conditions. The entire 750-acre site has been positioned in the Near-Term Sphere.
- Sierra Pines Mobile Home Park Expansion.  
This thirteen-acre area was the subject of a plan for expansion of the neighboring Sierra Pines Mobile Home Park (already located within City boundaries). Although the expansion plan has not moved forward following discussions with the City, the property location and topography seem to be a logical candidate for expansion of the mobile home park.

## LONG TERM SPHERE

The following areas are anticipated to be annexed in the years following the first five years following the 2024 update of the Grass Valley Sphere of Influence. These areas were prioritized for annexation during discussions with City staff.

- Airport and Airport Industrial Area.  
This area includes the Nevada County Airport and the adjacent industrial area. Most of the parcels are connected to Nevada Irrigation District's treated water system. The City would be interested in annexation of the area if financial circumstances were favorable. The City notes the financial implications for both the City and County would need to be assessed prior to an annexation proposal. The area is presently within Nevada County Consolidated Fire District, and annexation to the City would also have financial impacts to the District which would need to be assessed. The City notes fire and emergency response generally involves City fire resources, although the City receives no tax revenue to support the response.
- Alta Hill Fringe Area.  
This is a mostly residential area that entirely surrounds Mautino Park (an island of incorporated territory completely surrounded by unincorporated territory). Most properties receive treated water from NID. The City recognizes this area as a 'Disadvantaged Unincorporated Community.' The City points out that annexation of this area would be a financial challenge given the terms of the current Master Tax Apportionment Agreement between the City and the County. The area is residentially developed, and a great deal of public outreach would be required if an annexation proposal were initiated. Further discussion between the City, LAFCo and the County will be needed prior to initiation of an annexation proposal.
- Nevada Union High School Campus.  
This 67-acre property amounts to a 'pocket' surrounded on three sides by the City's boundaries. This area is retained in the Long-Term sphere, although annexation of this tax exempt property would result in very little property tax revenue available to address potentially high service needs.

## AREA OF INTEREST

Nevada LAFCo sphere policies allow for the designation of "Areas of Interest," defined as a geographic area beyond an agency's sphere of influence in which the land use decisions or other actions of another agency may impact directly or indirectly upon the subject agency. LAFCo will work with both agencies to encourage communication and consideration of impacts on the subject agency.

For this most recent update of the Grass Valley Sphere of Influence Plan, the Area of Interest consists of the City’s “Planning Area” (as identified in the City’s 2020 General Plan), plus several areas that have been shifted from the previous update sphere map in recognition of the unlikelihood of annexation within the twenty-year timeframe of the sphere of influence plan.

The Area of Interest includes approximately 950 parcels, of which 783 are improved. Some of the areas are described below:

- Empire Mine State Historic Park.  
Home to the Empire Mine, which operated from 1850 to 1956, this park includes more than 800 acres, and features a visitor center and museum, historic buildings, mining equipment yard, picnic grounds with fourteen miles of trails. The City is frequently the first responder to this area for police, fire, and emergency response services, particularly the McKnight Way, Empire Cross, and Penn Gate areas.
- TDS Ranch.  
Located south of the Empire Mine State Historic Park, this 250-acre site is home to an invitation-only “TDS Enduro” mountain bike race.
- Alison Ranch Road.  
This area is located to the west of Highway 49 and east of the North Star SDA property. Designated for residential use, it appears to be mostly developed for low density residential uses. Treated water via Nevada Irrigation District appears to be available to the eastern portion of this area.
- Sherwood Forest.  
This is an established residential neighborhood on the west side of the North Star SDA property. Treated water from via Nevada Irrigation District is available.
- County Fairgrounds.  
The 90-acre County Fairgrounds is operated by the 17<sup>th</sup> District Agricultural Association and is located just outside City limits on McCourtney Road. The regional facility hosts dozens of annual community events, and the site includes an RV park, miles of walking trails, event stages, exhibit halls and barns. The facility also can serve as a fire camp headquarters and evacuation center. Relative to infrastructure, portions of the property are connected to the City’s sewer system, while other portions use on-site septic. Some parts of the Fairgrounds receive treated water from the Nevada Irrigation District, while the ‘Treat Street’ portion is connected to the City’s treated water system. The City indicates annexation of the Fairgrounds would not be fiscally neutral, and given the facility serves the regional population, would not be willing to annex under these circumstances. However, the City and LAFCo agree that the service patterns for wastewater and water service (including fire flow) to the Fairgrounds and to the surrounding area should be reviewed. City and LAFCo staff have recommended

retention of this area in the City's Area of Interest in recognition that the Fairgrounds serves as a regional facility. Additionally, LAFCo recommends initiation of a multi-jurisdictional effort (including the City, the County and the Nevada Irrigation District) to review service capacity and need to identify a strategy for ensuring sustainable service delivery. Finally, LAFCo supports the City-NID joint study of fire flow infrastructure improvements in this area, funded by a County grant, and LAFCo recommends that the City provide an update to the Commission when the study is finished.

- Squirrel Creek Residential Area.

This area is located west of Condon Park and Scotten and Gilmore Schools on the north and south sides of Squirrel Creek Road. The neighborhood is mostly developed for residential use. Treated water service is provided by the Nevada Irrigation District; public wastewater service is not available. Due to the nearby proximity of the City's Fire Station #1, the City's Fire Department is generally the closest available resource; note that the City does not receive financial compensation for responding to this area. However, the City is not inclined to pursue annexation of this area given the financial provisions of the current City/County master tax apportionment agreement.

- Kenny Ranch Special Development Area.

This area includes five undeveloped large parcels in private ownership north and south of the intersection of Ridge Road, Rough and Ready Highway and West Main Street. This area has been designated by the City's 2022 General Plan as a "Special Development Area," which would entail a more comprehensive planning effort. However, there appear to be no plans for development of the area at this time. Extension of public wastewater service from the City would be costly, although economy of scale could be achieved if coupled with expansion of service to the Alta Hill area. The City has been awarded grant funds from the EPA to address Brownfields (land that is abandoned or underutilized due to pollution or contamination from past industrial or commercial use) in this area. LAFCo supports a partnership between the County and City for the cleanup of Brownfields near City limits and encourages securing grant funding for such cleanup efforts. This area has been placed in the City's Area of Interest for 2024.

### **5.2.3 SPHERE OF INFLUENCE PLAN RECOMMENDATIONS FOR 2024**

The following recommendations apply to LAFCo and the City:

- McCourtney Road Infrastructure Planning.

The City and the Nevada Irrigation District should coordinate planning efforts for water infrastructure and service planning in this developing area. During consideration of a recent annexation proposal in the vicinity of the County Fairgrounds, the District was unable to supply the volume of water required for fire flow for the project from the existing system, and offsite upgrades to NID's water infrastructure to enable it to serve the project site for fire suppression are financially prohibitive for the project. Consequently, it became necessary for the project to design a backup system where fire flow could be provided via a pond to be constructed at the site, using NID raw water available from the Allison Ranch Canal. This work-around approach has also been utilized at the Nevada County Fairgrounds.

- East Bennet Road.

This area is in the City's Near-Term Sphere, and also within the Nevada Irrigation District boundaries. The ownership pattern includes privately held lands on the north side of East Bennet, and lands held by the State Parks on the south side. The City has noted this area is greatly in need of vegetation management attention, and also notes the City's standards are more rigorous than the County's. However, the City also notes that the current Tax Apportionment Agreement does not provide adequate revenues to the City to support City services in this area. This area has a history of significant nuisance issues related to unsanctioned camping by unhoused individuals, including human caused fire in the wildland-urban interface, the need for cleanups, and potential environmental impacts. The unhoused population in this unincorporated area also has impacts on the businesses located to the north in the City's jurisdictional boundary.

- Fire and Emergency Response Services.

In response to severe financial challenges facing western county fire and emergency responders, LAFCo initiated a municipal service review and sphere update to identify a pathway toward financial and operational sustainability. Because the fire service structure in western county is highly integrated, Grass Valley/Nevada City Fire Department is included in this study.

Due to geography, road access, and fire station locations, the City's Fire Department is often the first responder to calls originating in territory outside the City within the jurisdiction of adjacent Fire Districts. For the greater public good, and pursuant to the provisions of the Joint Operations Agreement between the Cities of Grass Valley and Nevada City and the Nevada County Consolidated Fire District (effective February 28, 2014), the City has consistently provided fire and emergency response to these Fire District areas without receiving compensation. It is recommended that the City and Fire District(s) work together to ensure the City's response levels do not represent a disproportionate share of reciprocal services.

- Master Tax Apportionment Agreement.

The City has indicated the current City/County master tax apportionment agreement does not provide adequate funding to support the City's full range of municipal services, particularly with regard to areas that are already developed for residential use (e.g., the Alta Hill Fringe Area). It is recommended that the County and City initiate discussions to renegotiate aspects of the Master Tax Apportionment Agreement in light of current conditions and projected growth and development patterns.

## **6.0 CALIFORNIA ENVIRONMENTAL QUALITY ACT**

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Actions taken by LAFCo are subject to the California Environmental Quality Act (CEQA). For CEQA purposes, LAFCo is the Lead Agency and must prepare an environmental analysis of the impacts of adopting the proposed sphere of influence.

LAFCo has prepared an Initial Study/Negative Declaration for this project, which consists of an update to the Grass Valley Sphere of Influence Plan. This document has been included under separate cover as Appendix A.

The City of Grass Valley Sphere of Influence (SOI) Plan Update does not propose or entitle any new development or include any new construction or infrastructure improvements, nor would it change any existing land use designations or result in a change of zoning. Additionally, future projects would be required to comply with applicable rules and regulations and would undergo project-specific environmental review. Therefore, the SOI Plan Update would not result in a potentially significant impact requiring mitigation.

Neither LAFCo nor the City have direct land use authority within the proposed sphere of influence territory. The jurisdiction for land use matters in the affected territory remains with the County until it has been annexed to the City. Therefore, neither LAFCo nor the City have the authority to facilitate future development in a manner different than is currently outlined by the County's General Plan and Land Use and Development regulations.

## 7.0 ACRONYMS AND DEFINITIONS

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ADWF	Average Dry Weather Flow
AOC	Area of Concern
Caltrans	California Department of Transportation
CAL FIRE	California Department of Forestry – Fire Division
CDD	Community Development Department
CDO	Cease and Desist Order
CEQA	California Environmental Quality Act
CKH	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
CIP	Capital Improvement Plan
DOF	State Department of Finance
D.U.	Dwelling Unit
EDU	Equivalent Dwelling Unit
FPD	Fire Protection District
GIS	Geographical Information System
GV	Grass Valley
GVFD	Grass Valley Fire Department
GVPRD	Grass Valley Parks and Recreation Division
GVPD	Grass Valley Police Department
HCS	Housing and Community Services
JOA	Joint Operating Agreement
JPA	Joint Powers Authority
LAFCo	Local Agency Formation Commission
LOS	Level of Service
LRA	Local Response Area
MGD	Million Gallons Per Day
MH	Mobile Home
MOU	Memorandum of Understanding
MSR	Municipal Service Review
NCCFD	Nevada County Consolidated Fire Department
NCFD	Nevada City Fire Department
NCTC	Nevada County Transportation Commission
NID	Nevada Irrigation District
NPDES	National Pollutant Discharge Elimination System
OHFPD	Ophir Hill Fire Protection District
OS	Open Space
OSO	Open Space Opportunity
PVFPD	Penn Valley Fire Protection District
RES	Residential
RTP	Regional Transportation Plan

RWQCB	Regional Water Quality Control Board
SDA	Special Development Area
SOI	Sphere of Influence
SRA	State Response Area
STEP	Septic Tank Effluent Pumping
TC	Town Center
UMD	Urban Medium Density
UV	Ultraviolet
WMI	Waste Management, Inc.
WWTP	Wastewater Treatment Plant

## **8.0 APPENDICES**

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### **LIST OF APPENDICES**

[APPENDIX A INITIAL STUDY AND NEGATIVE DECLARATION](#)

[APPENDIX B GRASS VALLEY/NID SERVICE AGREEMENT](#)

[APPENDIX C ANNEXATION AGREEMENTS BETWEEN CITY AND COUNTY](#)

[APPENDIX D AGENCY AND PUBLIC COMMENTS](#)

APPENDIX A

INITIAL STUDY AND NEGATIVE DECLARATION

**NOTE: INITIAL STUDY AND NEGATIVE DECLARATION**  
WILL BE INCLUDED HERE AFTER ADOPTION  
(PUBLIC HEARING IS SCHEDULED FOR THURSDAY, MAY 16, 2024)

DURING THE PUBLIC COMMENT PERIOD  
(FRIDAY, MARCH 15, 2024 – MONDAY, APRIL 15, 2024)  
DOWNLOAD THE ENVIRONMENTAL DOCUMENT FROM THE [LAFCO WEBSITE](#)

APPENDIX B

GRASS VALLEY/NID SERVICE AGREEMENT

CONTRACT BETWEEN NEVADA IRRIGATION DISTRICT  
AND CITY OF GRASS VALLEY  
FOR A WATER SUPPLY

THIS AGREEMENT, made and entered into this 28th day  
of September, 1983 by and between NEVADA IRRIGATION  
DISTRICT, an irrigation district organized and existing under  
and by virtue of the laws of the State of California, First  
Party, hereinafter referred to as "District", and the CITY OF  
GRASS VALLEY, a municipal corporation, organized and existing  
under and by virtue of the laws of the State of California,  
Second Party, hereinafter referred to as "City".

W I T N E S S E T H:

WHEREAS, by Agreement, District is currently operating  
and maintaining the Grass Valley Treatment Plant, which treats  
water for the major portion of the City's service area and  
which facility is owned by City; and

WHEREAS, City wishes to assume the responsibility of  
operating and maintaining the Grass Valley Treatment Plant;  
and

WHEREAS, District and City have agreed to terminate the  
prior Agreement, dated December 27, 1971, and the three (3)  
amendments thereto, relating to the construction, operation,  
maintenance, loan repayment and purchase of raw water; and  
Agreement, dated August 11, 1972, relating to purchase of  
treated water for the Broadview Heights/Washington Heights  
area; and

WHEREAS, City wishes to enter into a consolidated agreement with District for the purchase of surplus treated water and surplus raw water; and

WHEREAS, City wishes to treat the raw water at its sole cost, expense and responsibility to supply its municipal requirements.

NOW, THEREFORE, the parties hereto agree as follows:

1. District agrees to sell and deliver to City, during the term of this Agreement, such surplus raw water as may be ordered by City, not to exceed 8 cubic feet per second (approximately 5 MGD), subject to the availability of surplus raw water and capacity in District's existing conduits, for use within the present boundaries of City's service area No. 1 (present service area No. 1 being shown in Exhibit "A" attached hereto and made a part of this Agreement).

2. District's point of delivery for surplus raw water shall be at its Alta Hill Reservoir outlet as shown on Exhibit "A"; however, as a temporary arrangement until a new station is constructed at District's expense, the surplus raw water shall be measured at the existing measuring station, located at the Grass Valley Treatment Plant site. Said existing measuring station will be maintained and operated by District, until such time as the new station is constructed; and at that time, the existing measuring station shall be abandoned and District will maintain and operate the new station.

Requests for changes in water deliveries shall be

submitted to District prior to 10 a.m. each day in order to provide sufficient advance notice, in order to make changes in regulations for that day. Actual regulation of, or changes in, deliveries shall be made by District personnel during normal working hours (7:30 a.m. to 4 p.m.). Regulations or changes in flow, in excess of one (1) per day, during regular working hours, will constitute an extra expense and shall be charged at District's normal rate for labor and equipment. Regulations made outside normal working hours shall be charged at District's overtime rate for labor and equipment.

3. During periods of shut down in the Grass Valley Treatment Plant, due to an emergency or for maintenance and repairs, District will attempt to provide treated water from the Elizabeth George Treatment Plant and pipeline system via intertie facilities, as shown on Exhibit "A", at the Grass Valley Treatment Plant Complex when, and only when, District deems surplus capacity and water are available in the Elizabeth George Treatment Plant and Distribution System.

It is understood and agreed that nothing obligates District to provide water from the Elizabeth George System at any specified rate of flow or in any specified volume or quantity or at any specified time. Only water surplus to District requirements shall be delivered through the intertie. If surplus water is not available or if the delivery of water through the intertie would, in the sole judgement of the District, jeopardize or unduly tax the District's water

supply, water system, property or inhabitants, then such water deliveries may be prohibited, or curtailed or eliminated without advance notice and without obligation or liability of any kind to the City or its inhabitants. In the event that water service were to be curtailed or eliminated, District will endeavor to provide advance notification.

4. A supply of surplus treated water for plant use (domestic, sanitation, irrigation and mixing of chemicals, etc.) at the Grass Valley Treatment Plant is currently supplied to the City from District via a 2 inch meter connection from District's Alta Hill Pipeline System, as a temporary arrangement. District shall terminate this supply and the plant's water requirements will be met from the City water supply within two years of the signing of this Agreement.

Water delivered through the plant use meter, during the interim period, shall be billed at District's domestic rates as they exist or as they may be modified from time to time.

5. District agrees to sell and deliver surplus treated water sufficient to serve the Broadview Heights/Washington Heights area designated as service area No. 2. All water to be furnished to City for the purposes of serving service area No. 2 will be delivered to City at the point shown on Exhibit "A". All water furnished to City for service area No. 2 shall be measured by District at the point of delivery. Meters and equipment shall be operated and maintained by District.

*NID  
DRAWING  
# 3971*

6. All determinations relative to the measuring of

water shall be made by District, and upon request by City, the accuracy of such measurement shall be investigated by District. Any error appearing shall be adjusted retroactively for a period not to exceed six months. If, for any reason, the measuring facilities fail to register during any period of time, the amount of water delivered to City shall be estimated by District, from the best information available. City may inspect such measuring equipment for the purpose of determining the accuracy thereof. After such water has passed the point of delivery, as mentioned hereinabove, neither District nor its officers, agents or employees shall be liable for the control, carriage, handling, use, disposal, distribution or changes occurring in the quality.

7. City shall pay District for the raw and treated water service provided at the applicable rates and charges, including capacity fees, as are established by the District and as they may be modified, from time to time, by action of the Board of Directors of District.

It is understood and agreed that in a year which is considered or deemed to be a drought year or in a year which, in the estimation of District, required rationing or curtailment of use of water, District, at its discretion, may reduce or restrict the water service to City. Reductions due to inadequate water supply, if necessary, will be imposed by District in such a manner to provide equal levels of service to City's and District's domestic customers as District deems necessary and appropriate under the circumstances of the water shortages.

8. District shall not be required to increase service to City beyond the quantity specified in Section 1, as a result of expansion or modification of City's boundaries, customers, or service area, without the express written consent of District.

In order to assure the physical and financial integrity of District's water distribution system, and to avoid duplication of facilities, City shall not expand its service area beyond service areas 1 and 2, as shown on Exhibit "A", without the express written consent of District.

In order to assure the physical and financial integrity of City's water distribution system and avoid duplication, District shall not expand its service area to include areas within service areas 1 and 2, as shown on Exhibit "A", without the express written consent of City.

Should District be unable to serve or refuse to serve a customer(s) within District's service area as defined in Exhibit "A", and if the area is within the City Limits of Grass Valley, the City shall have the option to serve this customer(s) with mutual written consent of District.

9. Raw water sold and delivered hereunder is untreated water which has flowed in open canals, conduits and flumes and which has been stored in open reservoirs. Such water is not potable and District does not represent or guarantee that it is fit for domestic purposes. City shall be solely responsible, at its sole cost and expense, for any treatment of said water as may be required to make it safe for human consumption, and City agrees to hold District free and harmless from any and all injuries and damages that may

result from the use of said water.

City shall indemnify District, its officers, agents and employees against all loss, damage, expense and liability, including attorney fees and costs of litigation, resulting from injury to or death to any person or persons or injury to property, arising out of the use of raw water, provided hereunder, or in any way arising out of or connected with the performance of this Agreement. City shall, on District's request, defend any suit or administrative agency action, asserting any claim covered by this indemnity. City shall pay any costs that may be incurred by the District in enforcing this indemnity. Without, in any way limiting this indemnity and in accordance with the terms hereof, City shall indemnify District against all damages claimed by other water users on the theory that water diverted for City was not owned by City.

10. City agrees to pay District each month through the term of this Agreement, in lawful money of the United States, all sums due and owing for water furnished during the preceding month by District to City pursuant to this Agreement.

11. City agrees that for the period of this Agreement, any return flow from water served the City shall be District's property, if of a quality and quantity deemed usable by District. Such return flow of water shall not become District's property until such water enters a natural water course.

12. District agrees to use reasonable diligence to maintain service without interruption, but it is realized that snow or ice blockages, pipe, ditch or flume breaks, and

other causes may prevent such service. The parties hereto agree that District shall not be liable for damages for interruption of service and District shall be covered under the indemnity set forth in Paragraph 9 for damages occurring as a result of any such interruption or in the event City or its water users suffer damages from not receiving water under this Agreement, or an inadequate amount of water.

13. This Agreement shall become effective as of date specified in Paragraph 14 upon execution by both parties and shall remain in effect through December 31, 2012. After the expiration of the terms of this Agreement, City shall be entitled to continued service for such period and under such terms and conditions as may be mutually agreed upon. The physical conditions of service, including time, place, quantity and rate of delivery, shall remain as are provided for hereunder, unless changed conditions or mutual assent of the parties requires modification thereof. Other terms and conditions of the continued service, including rates, shall be reasonable and equitable and shall be mutually agreed upon. In the event that said terms and conditions provide for continued service for a limited number of years only, City shall have the same option to receive continued service here provided for upon expiration of that and each succeeding period of continued service. As deemed necessary, or upon each five (5) year anniversary, either party may request a meeting to discuss and review the terms of this Agreement. Except for the establishment of the rate as set forth in Paragraph 7 hereof, no modifications of

the other terms and conditions of this Agreement shall be made without the mutual consent of both City and N.I.D.

14. The Agreement is subject to the approval of the Board of Directors of N.I.D. and the City Council of City and the District Securities Division of the State Treasurer's Office, and such other appropriate agencies as are required. This Agreement shall be effective for a period of three (3) years, commencing with the date of July 1, 1983, unless and until such time as the District Securities Division of the State Treasurer's Office approves of the terms and provisions set forth herein. Upon receiving District Securities Division approval, the term of this Agreement and any renewal thereof shall be as otherwise set forth within this Agreement, unless said term is modified by order of the District Securities Division. City shall pay all costs of obtaining approval by the District Securities Division of the State Treasurer's Office of this Agreement as to the obligations incurred herein by either City or N.I.D.

15. Should any dispute between the parties arise over the terms and conditions of this Agreement, or the obligations of the parties thereunder, the parties will use their best effort to continue operating under the Agreement without interruption of service to City, or disruption of payments and other obligations of City to District. In this regard, District will take no action to reduce contract quantities of water to City, as are provided in this contract, and City shall take no action to reduce or with<sup>h</sup>hold amounts due

District under its then established rates and charges, until the dispute is resolved and no longer subject to appeal. In this regard, prior to the initiation of any litigation with respect to said dispute, the parties hereto agree to submit the dispute to arbitration. The process for said arbitration shall be as follows:

The parties will endeavor to mutually agree on a single arbitrator for purposes of considering and ruling on said dispute. If within 30 days from the demand for arbitration, the parties are unable to agree upon a single arbitrator, then the parties will each nominate their own representative to the arbitration panel. Within 30 days after selection of said arbitration panel, the arbitrator so chosen shall agree upon a third neutral arbitrator. The parties hereto will have all rights of discovery during said arbitration as are permitted under the Code of Civil Procedure of the State of California.

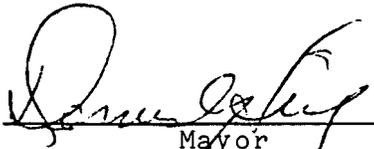
Upon submission of the dispute to the arbitrators, and presentation of the facts thereon, the arbitration panel shall reach agreement within 45 days of said submission. Each party will bear their own costs and expenses of the arbitrator chosen by the parties, and the parties shall split the expenses and costs contributable to the third neutral arbitrator.

16. This Agreement shall not create or convey any right, title or interest, legal or equitable, in or to the property, conduits, water or water rights of District, nor

interfere with or obstruct the full, free and unobstructed use and disposition thereof by District; and District shall have full control of the distribution of water through its system, and the right to establish and enforce such rules and regulations as it may deem expedient; and the furnishing of water hereunder shall not become the basis of a permanent right.

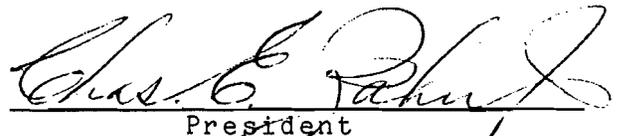
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first hereinabove written.

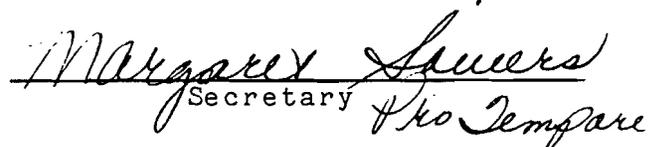
CITY OF GRASS VALLEY

  
\_\_\_\_\_  
Mayor

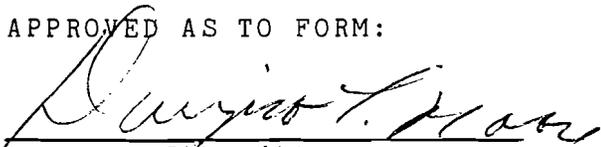
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

NEVADA IRRIGATION DISTRICT

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Secretary Pro Tempore

APPROVED AS TO FORM:

  
\_\_\_\_\_  
City Attorney

ATTEST:

  
\_\_\_\_\_  
City Clerk



**RESOLUTION No. 83-50**

**OF THE BOARD OF DIRECTORS OF THE NEVADA IRRIGATION DISTRICT  
(REQUESTING APPROVAL OF CONTRACT BETWEEN NEVADA IRRIGATION  
DISTRICT AND CITY OF GRASS VALLEY FOR A WATER SUPPLY)**

WHEREAS Nevada Irrigation District has entered into a Contract with the City of Grass Valley for the purchase of surplus treated water and surplus raw water from Nevada Irrigation District for use within the City of Grass Valley and within the service area as set forth in Exhibit A attached to the said Contract and attached to this resolution, subject to certain conditions set forth therein; and

WHEREAS, it is necessary that the approval of the Districts' Securities Division be obtained for this contract;

NOW THEREFORE BE IT RESOLVED that the Nevada Irrigation District does request the Districts' Securities Division to review and approve the contract between this District and the City of Grass Valley insofar as it involves the participation of this District in that contract.

/

/

/

ADOPTED by the Board of Directors of the Nevada Irrigation District at a regular meeting of said Board held on the 23rd day of November, 1983, by the following vote of said Board:

AYES: Directors: Friedrich, Bierwagen, Ferreira & Williams

NOES: None

ABSENT: Zahn

ABSTAINING: None

  
Secretary

APPENDIX C

ANNEXATION AGREEMENTS BETWEEN CITY AND COUNTY



**RESOLUTION No. 90-72**

**OF THE BOARD OF SUPERVISORS OF THE COUNTY OF NEVADA**

(A RESOLUTION AUTHORIZING THE EXECUTION OF A CONTRACT OR AGREEMENT)

BE IT HEREBY RESOLVED by the Board of Supervisors, of the County of Nevada, State of California, that the Chairman of the Board of Supervisors be and he is hereby authorized to execute, on behalf of the County of Nevada, that certain  
AGREEMENT

dated the 13th day of February, 1990 by  
and between said County and City of Grass Valley and Nevada Irrigation District

pertaining to apportionment of property taxes upon annexation.

PASSED AND ADOPTED by the Board of Supervisors of the County of Nevada at a regular meeting of said Board, held on the 13th day of February, 1990, by the following vote of said Board:

Ayes: Supervisors Todd Juvinali, Jim Weir, "G" "B" Tucker.  
Noes: Bill Schultz  
Absent: Jim Callaghan  
Abstain: None

ATTEST;

CATHY R. THOMPSON

Clerk of the Board of Supervisors

By Cathy R. Thompson

Todd Juvinali  
Chairman

DATE	COPIES SENT TO
2-15-90	NID (3)
	Grass Valley (2)
3-20-90	CAO <u>JK</u>
	A-C <u>JK</u>
	Tax Collector <u>JK</u>
	Co. Counsel <u>JK</u>

MASTER AGREEMENT FOR  
APPORTIONMENT OF PROPERTY TAX  
REVENUES DUE TO JURISDICTIONAL CHANGES

County of Nevada  
City of Grass Valley  
Nevada Irrigation District

THIS AGREEMENT is made and entered into this 13<sup>th</sup> day of FEBRUARY, <sup>1990 WED PM</sup> ~~1989~~, by and between the COUNTY OF NEVADA, a political subdivision of the State of California (hereinafter referred to as "County"), the CITY OF GRASS VALLEY, a municipal corporation (hereinafter referred to as "City"), and NEVADA IRRIGATION DISTRICT, a special district (hereinafter referred to as "NID").

WHEREAS, section 99 of the Revenue and Taxation Code provides that no jurisdictional change pending before the Local Agency Formation Commission shall become effective until each local agency whose service areas or service responsibilities would be altered by such jurisdictional change agrees by resolution to accept the negotiated exchange of property tax revenues; and

WHEREAS, the parties have negotiated this Master Agreement for the exchange of property tax revenues upon annexation of specified territory;

NOW, THEREFORE, the parties do agree as follows:

1. Scope: This Agreement shall apply only to annexations involving NID. Any annexations not involving NID shall be subject to the terms of the Master Agreement dated July 13, 1981, between the City and County (hereinafter referred to as the "City-County Agreement") and/or County Resolution 81-316.

2. Definitions:

(a) "Base Year Revenues" - In the event of annexation, "Base Year Revenues" shall be all property tax revenues accruing to the agency, whose service area or service responsibility would be affected by the annexation, in the fiscal year in which the annexation occurs. Annexation to NID shall be deemed to affect its service area and service responsibility, and to confer a service not previously provided, whether or not the subject territory has been previously served with surplus water by NID pursuant to Outside User Agreements.

(b) "Tax Increment" means the amount of property tax revenues in excess of Base Year Revenues accruing to each agency (by TRA) and resulting from the increase in assessed valuation from one year to the next. For the purposes of this Agreement, Tax Increments shall be cumulative. The original Base Year (when annexation occurs) shall remain the Base Year for future calculations of the cumulative increments to be apportioned among the County, City and NID (see example: Exhibit "A").

(c) "TRA" means tax rate area.

3. Apportionment:

(a) Upon annexation of territory to NID, no part of any agency's Base Year Revenues from such territory shall be reapportioned to NID.

(b) Upon annexation of unincorporated territory to NID, ten percent (10%) of the Tax Increment thereafter accruing to County from the annexed territory shall be apportioned to NID.

(c) If any territory which is subject to the ten percent (10%) reapportionment specified in subsection 3(b), above, is subsequently annexed to the City, NID shall continue to receive ten percent (10%) of the Tax Increment that otherwise would have accrued to the County, and the remaining ninety percent (90%) shall thereafter be apportioned between the City and the County pursuant to their Master Agreement dated July 13, 1981, and any amendments or renewals thereof. All future increments accruing to the three affected agencies within the subject territory shall be apportioned in like fashion (See example: Exhibit "C").

(d) Upon the annexation to NID of territory which is within the incorporated boundaries of the City, twenty-five percent (25%) of the Tax Increments accruing to the City after the Base Year (when annexation occurs) shall be reapportioned and paid to NID.

4. Exceptions: Where a proposed annexation contains in excess of Ten Million Dollars (\$10,000,000) in taxable valuation, or where previously tax-exempt property is subsequently placed on the tax rolls, individual agreements shall be negotiated between the parties, consistent with existing law.

5. Term of Agreement: This Agreement shall become effective as of the day specified herein and shall remain in force and effect until the 13th day of July, 1991, and shall be automatically renewed on that date and at the end of all subsequent five (5) year periods unless a party files with the others a notice of intention to terminate or renegotiate the provisions of this Agreement upon expiration, which notice shall be served at least three (3) months prior to the next expiration date with copies to the County Auditor-Controller and the Local Agency Formation Commission. The termination of this Agreement shall not result in a reapportionment of property tax revenues from territories annexed prior to such termination.

IN WITNESS WHEREOF, this Agreement is entered into the date first above written.

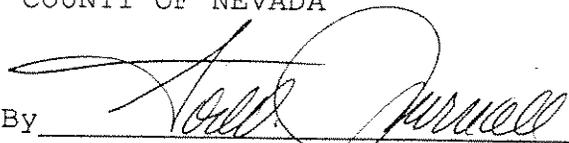
Approved as to Form:

\_\_\_\_\_

County Counsel  
County of Nevada

COUNTY OF NEVADA

By



Chairman of the Board of  
Supervisors

Attest:

  
Clerk of the Board

Approved as to Form:

David R. Sidde  
City Attorney, City of Grass  
Valley

CITY OF GRASS VALLEY

By Edward M. Tamm  
Mayor, City of Grass Valley

Attest:

David A. Breninger  
City Clerk

By: Bobbie Poznik  
Deputy City Clerk

Approved as to Form:

Jay A. Mee  
Attorney for District

NEVADA IRRIGATION DISTRICT

By David E. Hutton  
President of the Board of  
Directors

Attest:

Secretary of the Board of  
Directors

lt:annexA (5/8/89)

DISTRIBUTION OF ASSESSMENTS - NID, NEVADA COUNTY & CITY OF GRASS VALLEY

- Annexation is completed May 1989. Base year is therefore 1988/89. Revenues to County this year are \$224.00. ( $\$80,000 \times 1\% \times 28\%$ )
- \$140,000 of improvements are made in July 1989 through December 1989. This will be reflected in December 89 Supplemental Tax distribution. ( $\$140,000 \times 1\% \times 28\% = \$392.00 \times 6 \text{ months} = \$196.00$ )
- \$110,000 of improvements are made in Jan 1990 through June 1990. This will be reflected in 1990/91 distribution. ( $\$110,000 \times 1\% \times 28\% = \$308.00$ )

	TOTAL	NID	COUNTY	CITY
	100%	10%	54%	36%
<b>DISTRIBUTION</b>				
Fiscal Year 89/90 base revenues	224.00	0.00	224.00	0.00
Fiscal Year 89/90 2% increment	4.48	0.45	2.42	1.61
December 1989 Supplemental Tax (Jan89-June89)	196.00	19.60	105.84	70.56
<b>Total Received</b>	<b>424.48</b>	<b>20.05</b>	<b>332.26</b>	<b>72.17</b>
Fiscal Year 90/91 base revenues	620.48	39.65	438.10	142.73
Fiscal Year 90/91 2% increment	12.41	1.24	6.70	4.47
Fiscal Year 90/91 improvements	308.00	30.80	166.32	110.88
<b>Total Received</b>	<b>940.89</b>	<b>71.69</b>	<b>611.12</b>	<b>258.08</b>
Fiscal Year 91/92 base revenues	940.89	71.69	611.12	258.08
Fiscal Year 91/92 2% increment	18.82	1.88	10.16	6.77
Fiscal Year 91/92 improvements	0.00	0.00	0.00	0.00
<b>Total Received</b>	<b>959.71</b>	<b>73.57</b>	<b>621.28</b>	<b>264.85</b>
Fiscal Year 92/93 base revenues	959.71	73.57	621.28	264.85
Fiscal Year 92/93 2% increment	19.19	1.92	10.36	6.91
Fiscal Year 92/93 improvements	0.00	0.00	0.00	0.00
<b>Total Received</b>	<b>978.90</b>	<b>75.49</b>	<b>631.65</b>	<b>271.76</b>

lt:annexB(5/10/89)

DISTRIBUTION OF ASSESSMENTS - NID & NEVADA COUNTY

- Annexation is completed May 1989. Base year is therefore 1988/89. Revenues to County this year are \$224.00. ( $\$80,000 \times 1\% \times 28\%$ )
- \$140,000 of improvements are made in July 1989 through December 1989. This will be reflected in December 1989 supplemental tax distribution. ( $\$140,000 \times 1\% \times 28\% = \$392.00 \times 6 \text{ months} = \$196.00$ )
- \$110,000 of improvements are made in July 1990 through December 1990. This will be reflected in 1990/91 distribution. ( $\$110,000 \times 1\% \times 28\% = \$308.00$ )

DISTRIBUTION	TOTAL 100%	NID 10%	COUNTY 90%
Fiscal Year 89/90 base revenues	224.00	0.00	224.00
Fiscal Year 89/90 2% increment	4.48	0.45	4.03
December 1989 supplemental tax	196.00	19.60	176.40
<b>Total Received</b>	<b>424.48</b>	<b>20.05</b>	<b>404.43</b>
Fiscal Year 90/91 base revenues	620.48	39.65	580.83
Fiscal Year 90/91 2% increment	12.41	1.24	11.17
Fiscal Year 90/91 improvements	308.00	30.80	277.20
<b>Total Received</b>	<b>940.89</b>	<b>71.69</b>	<b>869.20</b>
Fiscal Year 91/92 base revenues	940.89	71.69	869.20
Fiscal Year 91/92 2% increment	18.82	1.88	16.94
Fiscal Year 91/92 improvements	0.00	0.00	0.00
<b>Total Received</b>	<b>959.71</b>	<b>73.57</b>	<b>886.14</b>
Fiscal Year 92/93 base revenues	959.71	73.57	886.14
Fiscal Year 92/93 2% increment	19.19	1.92	17.27
Fiscal Year 92/93 improvements	0.00	0.00	0.00
<b>Total Received</b>	<b>978.90</b>	<b>75.49</b>	<b>903.41</b>

It:annexC (5/11/89)

DISTRIBUTION OF ASSESSMENTS - NID & NEVADA COUNTY  
- SUBSEQUENTLY ANNEXED TO THE CITY

- Annexation is completed May 1989. Base year is therefore 1988/89. Revenues to County this year are \$224.00. ( $\$80,000 \times 1\% \times 28\%$ )
- \$140,000 of improvements are made in July 1989 through December 1989. This will be reflected in December 1989 supplemental tax distribution. ( $\$140,000 \times 1\% \times 28\% = \$392.00 \times 6 \text{ months} = \$196.00$ )
- \$110,000 of improvements are made in July 1990 through December 1990. This will be reflected in 1990/91 distribution. ( $\$110,000 \times 1\% \times 28\% = \$308.00$ )

DISTRIBUTION	TOTAL ----- 100%	NID ----- 10%	COUNTY ----- 90%	CITY -----
Fiscal Year 89/90 base revenues	224.00	0.00	224.00	
Fiscal Year 89/90 2% increment	4.48	0.45	4.03	
December 1989 supplemental tax	196.00	19.60	176.40	
<b>Total Received</b>	----- 424.48	----- 20.05	----- 404.43	
Fiscal Year 90/91 base revenues	620.48	39.65	580.83	
Fiscal Year 90/91 2% increment	12.41	1.24	11.17	
Fiscal Year 90/91 improvements	308.00	30.80	277.20	
<b>Total Received</b>	----- 940.89	----- 71.69	----- 869.20	
<b>TERRITORY ANNEXED TO THE CITY DISTRIBUTION</b>	100%	10%	54%	36%
Fiscal Year 91/92 base revenues	940.89	71.69	869.20	0.00
Fiscal Year 91/92 2% increment	18.82	1.88	10.16	6.77
Fiscal Year 91/92 improvements	0.00	0.00	0.00	0.00
<b>Total Received</b>	----- 959.71	----- 73.57	----- 879.36	----- 6.77
Fiscal Year 92/93 base revenues	959.71	73.57	879.36	6.77
Fiscal Year 92/93 2% increment	19.19	1.92	10.36	6.91
Fiscal Year 92/93 improvements	0.00	0.00	0.00	0.00
<b>Total Received</b>	----- 978.90	----- 75.49	----- 889.72	----- 13.68

RESOLUTION NO. 88- 48

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AGREEMENTS ON BEHALF OF THE CITY OF GRASS VALLEY WITH NEVADA IRRIGATION DISTRICT AND WITH THE COUNTY OF NEVADA CONCERNING PROPERTY TAX INCREMENT DISTRIBUTION

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GRASS VALLEY, as follows:

1. That the Mayor is hereby authorized to execute an agreement(s) on behalf of the City of Grass Valley with NEVADA IRRIGATION DISTRICT, and with THE COUNTY OF NEVADA, relating to property tax increment distribution.

2. That such agreements shall be prepared under the direction of the City Administrator/City Clerk and approved as to form by the City Attorney prior to being duly signed by the Mayor.

ADOPTED as a Resolution of the Council of the City of Grass Valley at a regular meeting thereof held on the 23rd day of February, 1988, by the following vote:

AYES: Councilmen Parman, Battista, Bennallack, Frisch

NOES: Councilmen None

ABSENT: Councilmen Borgnis

ABSTAINING: Councilmen None

The foregoing instrument is a correct copy of the original Res. No. 88-48 on file in this office.

March 16, 1990

David A. Breninger

City Clerk  
Council of  
Mayor / Grass Valley, CA

*Bobbie Pozarik*  
Deputy city clerk

*A. Frisch*  
\_\_\_\_\_  
Mayor

ATTEST: *David A. Breninger*  
\_\_\_\_\_  
City Clerk



09-28-98P02:05 RCVD

98-19

# RESOLUTION No. 98407

## OF THE BOARD OF SUPERVISORS OF THE COUNTY OF NEVADA

### (A RESOLUTION AUTHORIZING THE EXECUTION OF A CONTRACT OR AGREEMENT)

BE IT HEREBY RESOLVED by the Board of Supervisors, of the County of Nevada, State of California, that the Chairman of the Board of Supervisors be and he is hereby authorized to execute, on behalf of the County of Nevada, that certain \_\_\_\_\_

AGREEMENT

dated the 8th day of September, 1998, and between said County and \_\_\_\_\_

CITY OF GRASS VALLEY

pertaining to AN AGREEMENT BETWEEN THE COUNTY OF NEVADA AND THE CITY OF GRASS VALLEY

IN REGARD TO THE ANNEXATION OF UNINCORPORATED AREAS.

PASSED AND ADOPTED by the Board of Supervisors of the County of Nevada at a regular meeting of said Board, held on the 8th day of September, 1998, by the following vote of said Board:

- Ayes: Supervisors Karen Knecht, Fran Grattan, Rene Antonson, Sam Dardick.
- Noes: Peter Van Zant.
- Absent: None.
- Abstain: None.

ATTEST;

CATHY R. THOMPSON

Clerk of the Board of Supervisors

By Cathy R. Thompson

[Signature]  
Vice Chairman

THE FOREGOING INSTRUMENT IS A  
CORRECT COPY OF THE ORIGINAL Res 98407  
ON FILE IN THIS OFFICE

ATTEST: SEP 23 1998

CATHY R. THOMPSON

Clerk of the Board of Supervisors

COUNTY OF NEVADA

By [Signature] Deputy

DATE	COPIES SENT TO
9-23-98	City of Grass Valley
	DOTS
	A-C
	Counsel
	Administration
	ATTACHMENT #7

AGREEMENT BETWEEN NEVADA COUNTY  
AND THE CITY OF GRASS VALLEY FOR CITY ANNEXATIONS

This Agreement is made by and between the City of Grass Valley, a municipal corporation, hereinafter referred to as "CITY", and the County of Nevada, a political subdivision of the State of California, hereinafter referred to as "COUNTY", effective July 1, 1998.

RECITALS

WHEREAS, COUNTY's General Plan Policy 1.39 provides that for all discretionary projects within a City's Sphere of Influence, COUNTY shall request whether City desires to annex the project within the next five years and, if it does, the application is to be directed to the City; and

WHEREAS, it is anticipated that a number of applications will be made for discretionary projects within the Sphere of Grass Valley in the short term; and

WHEREAS, COUNTY and CITY desire to agree in advance to uniform pre-annexation procedures that can be applicable to any such projects CITY desires to annex, without the need to repeat the same in individual Pre-Annexation Agreements for each project:

NOW, THEREFORE, CITY and COUNTY agree as follows:

1. APPLICATION: Unless otherwise agreed in writing, the provisions of this Agreement shall be applicable to all applications for discretionary projects within CITY's Sphere of Influence filed with the COUNTY Planning Department after July 1, 1998.
2. REFERRAL TO CITY: Within 5 days of receipt of any application for a discretionary project located within CITY's Sphere of Influence, COUNTY shall transmit notice of the application to CITY and request that CITY determine whether it desires to annex the project.
3. ANNEXATION DETERMINATION BY CITY: CITY shall have 15 days to notify COUNTY that it desires to annex. If CITY does desire annexation, the applicant will be advised of the decision and, if applicant desires to proceed with the application in advance of annexation, will be directed to the CITY to agree to the annexation and comply with any additional requirements such annexation may impose. Processing of the application is thereafter subject to the terms of this Agreement. If CITY does not desire annexation, or fails to respond within 15 days, or is not part of the City's five year annexation plan, the application will be referred to CITY for review and comment only and this Agreement shall not otherwise apply.
4. AGREEMENT TO ANNEX: In order to proceed with a project CITY desires to annex, in advance of annexation, the applicant must enter into an agreement with the CITY, irrevocably consenting to annex the property into the incorporated limits of CITY and agree to indemnify CITY and COUNTY and hold them harmless from any liability arising out of

processing the application prior to annexation pursuant to this Agreement. Applicant shall pay all deposits and fees required by the Nevada County Local Agency Formation Commission (LAFCO) and the State Board of Equalization in connection with the annexation and provide all required documents, including necessary annexation maps and legal descriptions, in conjunction with the annexation within 60 days of notice to applicant of CITY's desire to annex. The application for annexation of the project properties and any other unincorporated parcels intervening between the incorporated limits of CITY and the project necessary to include to promote orderly development shall be a cooperative effort between applicant and CITY. The COUNTY and CITY will work cooperatively with the applicant to facilitate the annexation process.

5. PRE-ZONING: CITY agrees to initiate pre-zoning of the properties within the proposed annexation area in conformance with existing COUNTY General Plan designations and zoning classifications so that (1) the present zoning in the COUNTY would remain essentially the same after annexation to the CITY is completed, or (2) in accordance with the CITY's Updated General Plan (anticipated to be completed in 1999), or (3) as identified in an annexation agreement between the applicant and CITY that is developed in coordination with the COUNTY and the Nevada County Transportation Commission.

6. SEWAGE SERVICE: CITY agrees that the properties within the proposed annexation area located within Nevada County Sanitation District No. 1 shall be granted new connections to and will be served by the CITY's sanitary sewer system under the provisions of that certain agreement between said District and CITY dated November 26, 1968, until it expires on November 26, 1998, provided that there is adequate capacity for such service in the Wolf Creek Interceptor and adequate capacity in the wastewater treatment facility as reasonably determined by the CITY's Sewer Evaluation Committee and the CITY Council. This Agreement shall be inapplicable to processing of projects for which the CITY determines it has inadequate capacity or there is not a reasonable ability to provide service. After November 26, 1998, CITY policy requires that any properties desiring sewer connections must either be annexed, be in the process of being annexed or have entered into an annexation agreement with the CITY.

7. PROPERTY TAX REVENUE EXCHANGE: CITY and COUNTY agree that the property tax revenue exchange for any and all annexations will be handled in accordance with the current Master Tax Sharing Agreement as it may be modified in accordance with the final adopted recommendations of a Multi-Jurisdictional Study of the Fiscal Impact of Annexations/Detachments in the City of Grass Valley Sphere of Influence, which is in the process of being initiated by LAFCO in cooperation with the COUNTY, CITY and Nevada County Consolidated Fire District.

8. ROAD MAINTENANCE AGREEMENTS: Certain road segments proposed for annexation into CITY may be short, isolated segments maintained by COUNTY. Prior to completion of annexation, CITY and COUNTY may enter into a road maintenance agreement for such isolated road segments that are to be annexed to CITY that identifies the agency responsible for maintenance and the form of compensation, if any, from the jurisdiction in which the road segment is located.

9. PROCESSING OF PROJECT APPLICATIONS: If the applicant chooses to pursue a project which CITY desires to annex, in advance of annexation, COUNTY will process it in a timely manner. CITY agrees that prior to annexation, COUNTY shall act as lead agency for environmental review and process any and all discretionary project applications, collecting its usual processing fees and requiring applicant to fund environmental review. COUNTY shall incorporate input from CITY's design review process and development standards to the extent reasonable, proceed to process the application with the understanding that applicant must first obtain approval of the project by CITY's Design Review Board and / or Planning Commission. All reasonable conditions of approval required by CITY shall be incorporated as appropriate into COUNTY's conditions of approval for the project. Upon completion of annexation, CITY agrees to accept the project, subject to the terms and conditions thereof, including expiration for non use, as though it had been approved by CITY and to accept dedication of any infrastructure required to be installed as a condition of project approval, provided it is constructed in conformance with CITY's standards as stated in the conditions of approval and is inspected and accepted by the CITY. In the absence of City standards being specified in the conditions of approval, COUNTY standards shall apply.

10. PROCESSING OF BUILDING PERMITS: CITY and COUNTY agree that applications for building permits on approved discretionary projects or for projects that do not require discretionary approvals within an area in the process of being annexed by CITY, shall be processed, issued and finalized by the CITY, to the extent permitted by law, while annexation is pending. Subject to collection of its current permit processing fees, CITY shall be responsible for the entire building permit process, including, but not limited to conducting all grading, building and fire plan checks and inspections and assuring collection of all applicable service, water and sewer connection, mitigation and AB 1600 fees.

11. DEVELOPMENT AND MITIGATION FEES: The mitigation and AB 1600 fees that the CITY and COUNTY agree shall be collected by CITY at the building permit stage of a project in an area for which annexation is pending shall be as follows:

- a. **Jointly Adopted Fees:** Any fee, jointly adopted by the CITY and COUNTY, shall be collected and expended consistent with the most recent enactment of such fee in effect at the time. Such jointly adopted fees shall supersede the necessity for continued collection of CITY or COUNTY fees previously applicable to mitigate impacts on the same or similar facilities.
- b. **Existing AB 1600 Fees:** Absent joint adoption of a uniform fee for the unincorporated Sphere of Influence area, AB 1600 fees, in existence at the time of this agreement shall be collected and transferred to the respective jurisdiction, based upon fees in effect at the time as follows:
  - 1) CITY Drainage Fees;
  - 2) CITY Police, Fire and Administrative / General Facility fees;

- 3) CITY Regional Circulation fees;
- 4) COUNTY Road Development fees; and
- 5) COUNTY Recreation Mitigation fees;

It is recognized that it is the responsibility of the individual entity desiring collection of a the fee to update and present its AB 1600 study and annual report to its elected body for adoption prior to collection of said fees. It is further recognized that said fees may only be utilized to fund improvements that benefit the area being annexed.

c. Future AB 1600 Studies and Fees:

- 1) The COUNTY is currently developing an AB 1600 COUNTY facilities study to mitigate the impact of growth on non-CITY public facilities. These non-CITY public facilities benefit all COUNTY residents, including those that reside within the CITY limits. Therefore, it is agreed that upon completion of this study, the CITY and COUNTY will jointly adopt impact fees for development within their respective jurisdictions, consistent with the study in addition to existing fees, when such fees are adopted by all cities / towns in Nevada County.
- 2) The CITY is proposing to update its AB 1600 Impact fees to include the CITY's Sphere of Influence. Therefore, it is agreed that upon completion of this update and the adoption of fees as described in Section 11.c.1) of this agreement, the COUNTY will modify its AB 1600 study consistent with the CITY's update and CITY and COUNTY will jointly adopt such impact fees for development within their respective jurisdictions consistent with the study in addition to existing fees.

12. COMPLY WITH ALL LAWS: Notwithstanding anything contained in this Agreement, any and all approvals necessary to effect this Agreement shall be subject to all applicable local, State and Federal laws and regulations.

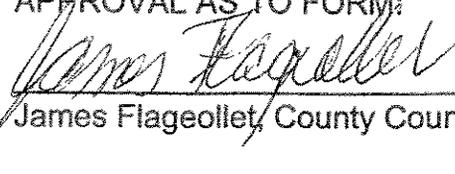
13. TERMINATION: This Agreement shall continue to be in force and effect until such time as either party gives 90 days advance written notice of its intent to terminate this agreement.

COUNTY OF NEVADA:

  
Sam Dardick, Chairman

9/8/98  
Date

APPROVAL AS TO FORM:

  
James Flageollet, County Counsel

ATTEST:

  
Cathy Thompson, Clerk of the Board

CITY OF GRASS VALLEY

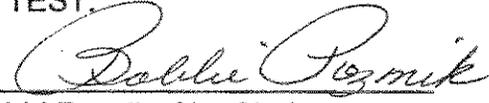
  
Mark A. Johnson, Mayor

9/9/98  
Date

APPROVAL AS TO FORM:

  
Claude L. Biddle, City Attorney

ATTEST:

  
Bobbi Poznik, City Clerk

annexag6.wpd - 9/8/98 Revision



# RESOLUTION No. 01-482

## OF THE BOARD OF SUPERVISORS OF THE COUNTY OF NEVADA

(A RESOLUTION AUTHORIZING THE EXECUTION OF A CONTRACT OR AGREEMENT)

BE IT HEREBY RESOLVED by the Board of Supervisors, of the County of Nevada, State of California, that the Chair of the Board of Supervisors be and is hereby authorized to execute, on behalf of the County of Nevada, that certain \_\_\_\_\_

AGREEMENT

dated the 9th day of October, 2001, and between said County and \_\_\_\_\_  
City of Grass Valley

pertaining to revenue sharing between the County of Nevada and the City of Grass Valley.

PASSED AND ADOPTED by the Board of Supervisors of the County of Nevada at a regular meeting of said Board, held on the 2nd day of October, 2001

by the following vote of said Board:

Ayes: Supervisors Peter Van Zant, Sue Horne,  
Bruce Conklin, Elizabeth Martin.  
Noes: None.

ATTEST:

Absent: Barbara Green.

CATHY R. THOMPSON  
Clerk of the Board of Supervisors

Abstain: None.

By: Cathy R. Thompson

Elizabeth Martin  
Chair Elizabeth Martin

DATE	COPIES SENT TO
10-4-01	City of Grass Valley (2)
12-6-01	A-C
	Administration
	Counsel
	LAFCo
	Treasurer-Tax Collector
	NCCFPD

**MASTER TAX SHARING AGREEMENT  
FOR GRASS VALLEY ANNEXATIONS**

THIS AGREEMENT is made and entered into this 9<sup>th</sup> day of October, 2001 by and between the COUNTY OF NEVADA, a political subdivision of the State of California, (hereinafter "County") and the CITY OF GRASS VALLEY, a municipal corporation, (hereinafter "City) and consented to by the NEVADA COUNTY CONSOLIDATED FIRE PROTECTION DISTRICT, an independent fire protection district (hereinafter "NCCFPD"), with reference to the following facts:

**RECITALS:**

**WHEREAS**, the Nevada County Local Agency Formation Commission (LAFCo) periodically receives applications for annexations involving the City and further annexations are being considered by City; and

**WHEREAS**, the LAFCo Executive Officer is prohibited by law from issuing a Certificate of Filing for such applications until City and County determine, pursuant to section 99 of the California Revenue and Taxation Code, the amount of property tax revenues to be exchanged between and among the local agencies whose service areas or responsibilities will be altered should the annexation occur; and

**WHEREAS**, the primary local agencies affected by such annexations and required to agree to an exchange of property tax are City and County and NCCFPD is the special district whose service area or responsibility would be most likely to be affected by such changes; and

**WHEREAS**, Proposition 11, which was enacted by the State of California's electorate on November 3, 1998, added subsection (b) to section 29 of Article XIII of the State Constitution which authorizes counties and cities to enter into contracts to apportion between them the revenue derived from any sales or use tax imposed by them pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law, or any successor provisions, that is collected for them by the state; and

**WHEREAS**, City and County have cooperated in completion of a Multi-Jurisdictional Fiscal Study, which with agreed upon adjustments has been used to assist in arriving at the calculations and formulas to be used in the event of annexations; and

**WHEREAS**, the parties desire to enter into the following Master Tax Sharing Agreement (hereinafter "this Agreement") to provide, pursuant to Revenue and Taxation Code §99, for the exchange of property tax revenues among and between the affected local agencies and for the apportionment of sales tax revenue between City and County, and for certain provisions regarding the land-use planning of properties within the Grass Valley Sphere of Influence, all of which provisions are to be applicable

to annexations which occur during the period of effectiveness of this agreement and to provide for its adoption by joint or concurrent resolutions of City and County that may be presented to LAFCo and/or the LAFCo Executive Officer as evidence of their agreement so long as this Agreement has not been canceled.

**NOW, THEREFORE,** for and in consideration of the agreement made, the parties agree to the following:

Section 1. Definitions.

A. As used in this Agreement, the words, phrases and terms defined in this Section shall have the meaning ascribed to them herein:

“Annexing territories” means all properties for which an application or resolution pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Division 3 of Title 5 of the Government Code, commencing with §56000) has been filed with LAFCo, proposing to annex the same to City, where the annexation is completed on or after September 8, 1998.

“Base year” means that fiscal year during which the annexation is completed, unless otherwise specified herein. In this regard, for purposes of tax sharing for annexations within the Glenbrook area the “base year” shall be fixed and means Fiscal Year 1999 / 2000 for revenues and expenditures.

“Base property tax revenues” means the amount of revenue attributable to the annexing territories for the base year calculated by multiplying the total tax rate in effect in the tax rate area(s) of the annexing territories for the base year (exclusive of voter approved tax rates for the redemption of bonds) times the taxable assessed valuation of all property, both real and personal, of the annexing territories as shown on all assessment rolls of the County of Nevada and the State of California for the base year. The base property tax revenues for any specified agency are calculated by multiplying base property tax revenues attributable to the annexing territories times the percentage of total estimated property taxes without delinquencies shown to be distributable to that agency for the Tax Rate Area Code in which the annexing territories lie as shown on the distribution spreadsheet prepared by the County Auditor-Controller for the base year prior to adjustment to reflect the completed annexation. A copy of that spreadsheet for the base year 1999-2000 for the Glenbrook area is attached hereto as Exhibit “A” and incorporated herein by such reference.

“Base sales and use tax revenues” means the amount of revenue attributable to sales and use tax receipts received from the annexing territories for the applicable base year as shown in the State Board of Equalization data received by Nevada County Administrator’s Office. A copy of that data summarized by Hinderliter de L’amas for the County Administrator for the base

year 1999-2000 for the Glenbrook area is attached hereto as Exhibit "B" and incorporated herein by such reference.

"Completion of annexation" means the time when the certificate of completion is filed by LAFCo reflecting completion of annexation of that portion of the City's Sphere of Influence to City.

"Incremental property tax revenues" means those property taxes in excess of the amount of base property tax revenues assessed in the annexing territories for the fiscal year(s) following the base year computed in any year by multiplying the assessed valuation growth over the base year times one percent (1%).

"Incremental sales and use tax revenues" means those sales and use tax receipts received from the annexing territories in excess of the base sales and use tax revenues for the established base year.

"Sales tax revenues" means the California sales tax receipts attributable to the annexing territories received back from the State by the local jurisdiction for any given fiscal year.

"Sphere of Influence area" means the area planned for probable future inclusion within the future physical boundaries and service area of City as shown on the City's Sphere of Influence adopted by LAFCo in its Resolution #00-02 and any modifications thereto duly adopted by LAFCo.

"Tax Rate Areas" means that grouping of parcels used by the County Assessor for reporting assessed values of properties by jurisdiction to assist the County Auditor-Controller in distribution of property taxes.

"Use tax revenues" means the use tax receipts attributable to the annexing territories received by the local jurisdiction for any given fiscal year.

"Zone A areas" include those unincorporated areas, outside of the Nevada County Airport Industrial Park area and the Glenbrook area, within the City's Sphere of Influence viewed and treated by City and County as developed prior to annexation. For example, the Alta Hill, Brunswick Pines, Bubbling Wells, Ridge Estates, and Gold Hill are "Zone A Areas". Current Zone A Areas are shown generally on the map attached as Appendix "1" and more specifically described in later exhibits, attached hereto. In advance of any formal amended designation, annexation of developed or partially developed property lying outside Zone A areas shall be treated as annexation of a Zone A area whenever the value of improvements on the annexing territory outside of a Zone A area is greater than the value of the land included in the annexing territory outside of a recognized Zone A area.

"Zone B areas" include those unincorporated areas outside of the Nevada County Airport Industrial Park area and the Glenbrook area within the City's Sphere of Influence, not included in a Zone A area or subject to being treated as a Zone A area pursuant to this Agreement. Generally, these are areas viewed and treated by City and County as undeveloped prior to annexation, e.g. areas such as the Loma Rica Ranch, North Star, Kenny Ranch and Bear River Mill site as of execution of this Agreement. Zone B areas are shown generally on the map attached as Appendix "1" and include those parcels within the City's Sphere of Influence where the value of the land is greater than the value of the improvements.

B. As used in this Agreement, the descriptive area names shall have the meaning ascribed to them herein:

"Alta Hill area" means that already developed unincorporated area within the Sphere of Influence area shown generally on the map attached as Appendix "1", containing those parcels listed in Exhibit "D", attached hereto and incorporated by such reference.

"Bear River Mill site" means that currently undeveloped unincorporated area within the Sphere of Influence area shown generally on the map attached as Appendix "1", containing the parcels listed in Exhibit "E", attached hereto and incorporated by such reference.

"Glenbrook area" means that already developed unincorporated area, and areas whose annexation to the City was completed on or after September 8, 1998, within the Nevada County Sanitation District #1 to which the City provided sewer service to pursuant to a thirty-year agreement entered into on November 26, 1968, excluding only those parcels listed in Exhibit "F", all as shown generally on the map attached as Appendix "1", containing those parcels listed in Exhibit "G", attached hereto and incorporated by such reference.

"Kenny Ranch area" means that currently undeveloped unincorporated area within the Sphere of Influence area shown generally on the map attached as Appendix "1", containing the parcels listed in Exhibit "H", attached hereto and incorporated by such reference.

"Loma Rica Ranch area" means that currently undeveloped unincorporated area within the Sphere of Influence area shown generally on the map attached as Appendix "1", containing those parcels listed in Exhibit "I", attached hereto and incorporated by such reference.

"Nevada County Airport Industrial Park area" means that unincorporated area within the Sphere of Influence area excluded from the scope of this

Agreement, shown generally on the map attached as Appendix "1" and more particularly described in Exhibit "J", attached hereto and incorporated by such reference.

"North Star area" means that currently undeveloped unincorporated area within the Sphere of Influence " area generally shown on the map attached as Appendix "1", containing those parcels listed in Exhibit "K", attached hereto and incorporated by such reference.

"Brunswick Pines" means that already developed unincorporated area within the Sphere of Influence area shown generally on the map attached as Appendix "1", containing those parcels listed in Exhibit "L", attached hereto and incorporated by such reference.

"Bubbling Wells" means that already developed unincorporated area within the Sphere of Influence area shown generally on the map attached as Appendix "1", containing those parcels listed in Exhibit "M", attached hereto and incorporated by such reference.

"Ridge Estates" means that already developed unincorporated area within the Sphere of Influence area shown generally on the map attached as Appendix "1", containing those parcels listed in Exhibit "N", attached hereto and incorporated by such reference.

"Gold Hill" means that already developed unincorporated area within the Sphere of Influence area shown generally on the map attached as Appendix "1", containing those parcels listed in Exhibit "O", attached hereto and incorporated by such reference.

## Section 2. Scope.

This Agreement shall apply to all unincorporated lands within the City Sphere of Influence area, except the Nevada County Airport Industrial Park area, and to all lands whose annexation to the City was completed on or after September 8, 1998. A separate analysis and tax sharing agreement shall be agreed to in writing by the City, County and NCCFPD prior to any annexation of all or any part of the Nevada County Airport Industrial Park area.

Section 3. Land-Use Planning.

A. Land-use planning for properties within the City's Sphere of Influence area will be a joint effort by the County and the City. City and County shall work closely together concerning planning for and development of land within the Sphere of Influence area, striving to develop mutually consistent City and County General Plan provisions and designations, zoning districts and regulations, design and development standards and other applicable standards for properties within the Sphere of Influence area.

B. A joint planning process between the City and County shall commence by January 1, 2002, to identify and resolve differences between City and County General Plans, ordinances, regulations and standards applicable within the Sphere of Influence area. Such efforts shall result in the proposal of amendments by City and County to their respective General Plan and zoning maps, General Plans and zoning codes and regulations, and design, development or other applicable standards as necessary to make them mutually consistent within the Sphere of Influence area. The parties intend that the product of this planning process will be the adoption of mutually consistent land use planning and development controls applicable within the unincorporated Sphere of Influence area in advance of annexation which provide for orderly growth while preventing premature development and urban sprawl.

C. The Sphere of Influence area generally, and the Glenbrook area in particular, is mutually recognized as a prime location for workforce/affordable housing, alone or in mixed use developments, and includes much of the land necessary to meet the County's share of regional housing needs for very low- and low-income households. The joint planning process shall maintain opportunities for location of such housing within the Sphere of Influence area or within any annexing territories. City agrees that after annexation it shall not reduce provision for workforce/affordable housing, including housing for very low- and low-income households, within any annexing territories and that it shall continue to cooperate with proposals to locate such housing in these areas.

D. After full execution of this Agreement, County and City shall actively support proposals to annex areas to the City for which mutually consistent land use planning and development controls have been adopted in logical phases as approved in advance by LAFCo. No annexation will be supported for any area for which consistent City and County land use planning and development controls have not been adopted.

Section 4. Assumption of Services after Annexation.

City shall assume responsibility for providing fire services and all municipal services to annexing territories upon completion of annexation and shall make good faith efforts to annex territories in a logical manner that minimizes transition problems for the previous service provider.

Section 5. Fire Cooperation.

The City of Grass Valley Fire Department and Nevada County Consolidated Fire District (NCDCFPD) shall continue to work cooperatively together to provide coordinated fire planning, suppression and prevention activities for area residents/businesses without interruption in the event of annexation. Nothing in this Agreement shall require County to become involved in any transfer from City back to NCCFPD of property tax revenues after annexation or prevent City and NCCFPD from reaching a contractual agreement regarding fire services.

Section 6. Tax Sharing.

A. Glenbrook area: Tax sharing with regard to annexations within the Glenbrook area is agreed to be different from that for annexations in other areas due to its extensive development as a commercial center and importance to County as a tax revenue source. These tax sharing provisions with regard to the Glenbrook area are intended to de-fiscalize such annexations so that they may proceed in orderly fashion, minimizing impacts for City and County, without regard for existing uses on the property. The Glenbrook area consists of approximately 431.5 acres, 40.8 acres of which were previously annexed to City and are subject to this Agreement pursuant to an agreement regarding annexations between City and County entered into on September 8, 1998 (County Resolution No. 98407) and 390.7 acres of which have not yet annexed to City. For purposes of this Agreement the parties agree that the base property tax revenues were \$286,960 and the base sales and use tax revenues were \$1,189,877 for the base year of 1999-2000 from the Glenbrook area. City, for purposes of this Agreement, projects that the net base year service costs (less offsetting revenues, including NCCFPD's property tax share) of providing services to all of the Glenbrook area will be \$580,535. The transfer of property tax and sales and use tax from County to City and the transfer of sales and use tax from annexing territories from City to County provided for herein is intended to comply with Nevada County LAFCo's revenue neutrality policy, covering all of the calculated City service costs of annexing and providing full municipal services, including fire protection, to the annexing territories without adversely affecting County revenues necessary to provide County services. Calculations of taxes to be shared for annexations within the Glenbrook area shall be based upon proportionate shares of the base year tax revenues derived from the relationship that the acreage of the annexing territories bears to the total Glenbrook area acreage, rather than the actual revenues produced within or by the annexing territories.

1. Exchange of Base Year Base Property Tax Revenues between County and City. It is agreed that 39.3% of the base year base property tax revenues of County from the Glenbrook area (\$286,960) shall be transferred from the property tax revenue of the County general fund to the property tax revenue of City in each fiscal year following completion of annexation to City of the entire Glenbrook area. Completion of annexation of any portion less than all of the

Glenbrook area shall result in transfer of a proportionate share of those revenues reflecting the percentage of the whole area for which annexation was completed in the prior year. In this regard, City completed annexation of 40.8 acres of the entire 431.9 acres of the Glenbrook area in year 1998 and consequently is entitled to an annual transfer of property tax revenues of 9.46% (40.8/431.5) of 39.3% of \$286,960, commencing in fiscal year 2000-2001.

2. Property Tax Increments. It is agreed that incremental property tax revenues of County from the Glenbrook area shall be distributed half (50%) to City and half (50%) to County in each fiscal year after completion of annexation to City of the entire Glenbrook area. Annexation of any portion of the Glenbrook area shall result in transfer of a proportionate share of those revenues reflecting the percentage of the whole area for which annexation was completed.

3. Exchange of Base Property Tax Revenues between NCCFPD and City. It is agreed that one hundred percent (100%) of the base property tax revenues of \$64,662 as identified in the multi-jurisdictional study that is distributable to NCCFPD from the Glenbrook area shall be transferred from NCCFPD to City in each fiscal year following completion of annexation to City of the entire Glenbrook area. Completion of annexation of any portion of the Glenbrook Area shall result in transfer of a proportionate share of those revenues reflecting the percentage of the whole area for which annexation was completed. Notwithstanding this provision for transfer of property taxes, City agrees to guarantee that NCCFPD shall receive as its share of base property tax revenues from the Glenbrook area no less than a sum equal to \$69,000 annually (on a prorated basis depending upon the area annexed) on a straight-line declining basis over the next 20 years for its transitional costs and shall make payments to NCCFPD as necessary for it to receive those sums. Said payments shall be the obligation of City and County shall have no obligation after annexation to withhold from City any base property tax revenues attributable to annexing territories within the Glenbrook area previously paid to NCCFPD.

4. Sales and Use Tax Apportionment between County and City. It is agreed that an amount equal to 39.3% of the base year sales and use tax revenues from the Glenbrook area (\$1,189,877) as provided by the County Administrator's office shall be distributed to City and 60.7 % to County in each fiscal year following completion of annexation to City of the entire Glenbrook area. Completion of annexation of any portion less than all of the Glenbrook area shall result in such division of a proportionate share of those revenues reflecting the percentage of the whole area for which annexation was completed in the prior year. In this regard, City completed annexation of 40.8 acres of the entire 431.5 acres of the Glenbrook area in 1998 and consequently is entitled to an annual share of sales and use tax revenues of 9.46% (40.8/431.5) of 39.3% of \$1,189,877, commencing in fiscal year 2000-2001.

5. Sales and Use Tax Increment Apportionment. It is agreed that the incremental sales tax revenues and use tax for those portions of the Glenbrook area annexed to City shall be distributed half (50%) to City and half (50%) to County in each fiscal year following completion of such annexation. Prior to annexation to City of the entire Glenbrook area, a proportionate share of those revenues will be split between City and County reflective of the percentage of the whole area for which annexation has been completed. In this regard, City completed annexation of 40.8 acres of the entire 431.5 acres of the Glenbrook area in 1998 and consequently, beginning in fiscal year 1999-00, City and County shall annually split equally between themselves 9.46% (40.8/431.5) of the incremental sales and use tax revenues from the Glenbrook area, commencing in fiscal year 2000-2001.

6. For purposes of this subsection A, an annexation shall be viewed as completed in the calendar year in which the certificate of completion is filed by LAFCo reflecting completion of that portion of the Glenbrook area to City. Exchanges or transfers of tax revenues provided for in subsection A as a result of any completed annexation shall occur in the fiscal year immediately following the fiscal year in which annexation is completed.

7. Revenue distribution examples under this Agreement for the Glenbrook area are provided in Exhibit "C".

8. It is agreed base and incremental revenues attributable to solid waste services as related to annexing territories shall be transferred to the City in the following fiscal year in which annexation is complete.

B. Zone A areas.

1. Exchange of Base Property Tax Revenues between County and City. It is agreed that 40% of the base property tax revenues of County from any annexing territories consisting of Zone A areas (other than the Glenbrook area) shall be transferred from property tax revenue of the County general fund to the property tax revenue of City in each fiscal year following completion of annexation to City.

2. Property Tax Increments. Upon completion of annexation of any annexing territory consisting of Zone A areas, a Tax Rate Area code shall be assigned thereto allowing identification of taxes from those parcels. It is agreed that in each fiscal year following the exchange of base property tax revenues pursuant to subsection B.1, the incremental property tax revenues from such Zone A areas annexed to City, shall be distributed 75% to City and 25% to County within the new Tax Rate Area.

3. Exchange of Base Property Tax Revenues between the NCCFPD or Ophir Hill and City. It is agreed that one hundred percent (100%) of the base property tax revenues distributable to NCCFPD or Ophir Hill from any area annexing to City shall be transferred from the NCCFPD or Ophir Hill to City, effective with the first fiscal year after completion of such annexation to City.

4. Sales and Use Tax Apportionment. It is agreed that an amount equal to the base sales and use tax revenues from the annexing territories consisting of Zone A areas shall be distributed 40% to City and 60% to County in each fiscal year following completion of annexation of such area to City.

5. Sales and Use Tax Increment Apportionment. It is agreed that in each fiscal year following an apportionment of base sales and use tax revenues pursuant to subsection B.4, the incremental sales and use tax revenues from such Zone A areas annexed to City, shall be distributed 75% to City and 25% to County.

6. For purposes of this subsection B, an annexation shall be viewed as completed in the calendar year in which the certificate of completion is filed by LAFCo reflecting completion of annexation of that portion of the Zone A areas to City. Exchanges or transfers of tax revenues provided for in subsection B as a result of any completed annexation shall occur in the fiscal year immediately following the fiscal year in which annexation is completed.

7. It is agreed base and incremental revenues attributable to solid waste services as related to annexing territories shall be transferred to the City in the following fiscal year in which annexation is complete.

C. Zone B areas.

1. Exchange of Base Property Tax Revenues between County and City. It is agreed that 40% of the base property tax revenues of County from any annexing territories consisting of Zone B areas shall be transferred from property tax revenue of the County general fund to the property tax revenue of City in each fiscal year following completion of annexation to City.

2. Property Tax Increments. Upon completion of annexation of any annexing territory consisting of Zone B areas, a Tax Rate Area code shall be assigned thereto allowing identification of taxes from those parcels. It is agreed that in each fiscal year following the exchange of base property tax revenues pursuant to subsection C.1, the incremental property tax revenues from such Zone B areas annexed to City, shall be distributed 90% to City and 10% to County within the new tax rate area.

3. Exchange of Base Property Tax Revenues between the NCCFPD or Ophir Hill and City. It is agreed that one hundred percent (100%) of the base property tax revenues distributable to NCCFPD or Ophir Hill from any area annexing to City shall be transferred from the NCCFPD or Ophir Hill to City, effective with the first fiscal year after completion of such annexation to City.

4. Sales and Use Tax Apportionment. It is agreed that an amount equal to the base sales and use tax revenues from the annexing territories consisting of Zone B areas shall be distributed 40% to City and 60% to County in each fiscal year following completion of annexation of such area to City.

5. Sales and Use Tax Increment Apportionment. It is agreed that in each fiscal year following an apportionment of base sales and use tax revenues pursuant to subsection C.4, the incremental sales and use tax revenues from such Zone B areas annexed to City, shall be distributed 90% to City and 10% to County.

6. For purposes of this subsection C, an annexation shall be viewed as completed in the calendar year in which the certificate of completion is filed by LAFCo reflecting completion of annexation of that portion of the Zone B areas to City. Exchanges or transfers of base tax revenues provided for in subsection C as a result of any completed annexation shall occur in the fiscal year immediately following the fiscal year in which annexation is completed.

7. It is agreed base and incremental revenues attributable to solid waste services as related to annexing territories shall be transferred to the City in the following fiscal year in which annexation is complete.

D. Computations for combined areas and partial Tax Rate Areas: Tax sharing with regard to annexations which involve more than one area or less than all of a Tax Rate Area shall be computed as follows:

1. Where an annexation proposal includes a combination of areas falling within more than one of the Glenbrook, Zone A and Zone B areas, tax sharing under this Agreement shall be computed separately for each area under the applicable subsection and combined to ascertain the total.

2. Where an annexation proposal includes only a portion of a Tax Rate Area, calculations for purposes of tax sharing under this Agreement shall assume that tax revenues are earned equally by area over the whole tax rate area and that the revenue attributable to the annexing territory consisting of part of that tax rate area is the same pro rata share of the total as the area annexed bears to the whole area of that Tax Rate Area.

E. City and County agree that Nevada Irrigation District's portion of revenues due to Nevada Irrigation District according to the three way agreement dated February 13, 1990, shall be deducted 50/50 prior to consideration of any revenue sharing outlined in this agreement so long as this agreement is in effect.

Section 7. Transfer of Development Fees.

A list of all AB 1600 fees and Quimby monies collected by County from projects within any annexing territories but not yet expended at the time an application proposing the annexation was filed shall be submitted to the City for review within 180 days of completion of annexation, specifying any proposed uses of such funds where allocation has been made. If that list is accepted by the City Council, allocated funds will be retained by County for expenditure within a maximum of three (3) years of the completion of annexation and any unallocated balance collected from the annexing territories shall be transferred from County to the City, with City assuming responsibility for reserving and expending such funds for the purpose for which the money was collected. City shall report and account to County for all expenditures of such funds turned over to City by County.

Section 8. Financial Administration.

Sales and use taxes will be distributed by the entity receiving them from the State in monthly estimated payments and quarterly adjustments between City and County based upon apportionment of sales and use taxes agreed upon herein. Property tax will be distributed by County pursuant to the Teeter plan. Upon notification of any annexation City and County staffs will jointly approve the calculations in writing. An annual reconciliation of the property tax and sales and use tax distribution will be conducted by the City and County staffs. Such payments and reconciliations may be subject to an outside audit at the request of either City or County. Both staffs shall cooperate fully with any audit.

Section 9. Amendments.

Further refinement of the formulas may be considered depending upon the financial experiences and significant outside events. Any amendments or modifications to this Agreement must be in writing and executed by City and County, and approved by NCCFPD if the change affects it.

Section 10. Cancellation of the Agreement.

Either City or County may cancel this Agreement on 180 days written notice to the other parties sent by registered mail to the address provided herein, provided that this Agreement shall not apply to any annexations initiated after notice of cancellation is given and this Agreement shall apply to any annexations in progress when notice of cancellation is given only if City and County both agree that it applies. If this agreement

is ever canceled by either party, the apportionment of taxes and assessments, including sales taxes, for the territories annexed while this Agreement was in effect shall remain the same unless renegotiated and agreed to by both City and County and approved by NCCFPD. This provision shall survive cancellation of this Agreement.

Section 11. Notice. Notices shall be given to County at the following location:

County of Nevada  
Ted Gaebler, CAO  
950 Maidu Avenue  
Nevada City, CA 95959

Notices shall be given to City at the following address:

City of Grass Valley  
Gene Haroldsen, City Administrator  
125 East Main Street  
Grass Valley, CA 95945

Notices shall be given to NCCFPD at the following address:

Nevada County Consolidated Fire Protection District  
Tim Fike, CEO/Chief  
11329 McCourtney Road  
Grass Valley, CA 95949-9759

Section 12. Execution in Counterparts.

This Agreement may be signed in one or more counterparts and shall be effective when signed by the Chairman of the Board of Supervisors and the Mayor of the City of Grass Valley. A faxed signature page may be relied upon as evidence of execution. In executing this Agreement, the representatives of City, County and NCCFPD represent that it has been approved by their respective governing Board or

Council in compliance with all applicable laws governing such agreements and that the person signing was given authority to so act and bind the respective entities.

IN WITNESS WHEREOF, the parties hereunto have executed this Agreement on the date first above written.

ATTEST:

By: *Cathy L. Harper*  
Clerk of the Board

APPROVED BY  
COUNTY OF NEVADA:

By: *[Signature]*  
Chair, Board of Supervisors

ATTEST:

By: *Balbi Poznik*  
Clerk of the Council

CITY OF GRASS VALLEY:

By: *[Signature]*  
Mayor

APPROVED AS TO FORM:  
COUNTY COUNSEL

By: *[Signature]*

CITY ATTORNEY

By: *Clare Bink*

Exhibit "A"

Spreadsheet of Property Tax Distribution for Glenbrook area  
Fiscal Year 1999-2000

Exhibit "B"

Sales and Use Tax Receipts for Glenbrook area  
Fiscal Year 1999-2000

Exhibit "C"

Revenue Example

Exhibit "D"

List of Alta Hill (developed) area included parcels

Exhibit "E"

List of Bear River Mill site (undeveloped) area included parcels

Exhibit "F"

List of Sanitation District #1 parcels excluded from Glenbrook area

Exhibit "G"

List of Glenbrook (developed) area included parcels

Exhibit "H"

List of Kenny Ranch (undeveloped) area included parcels

Exhibit "I"

List of Loma Rica Ranch (undeveloped) area included parcels

Exhibit "J"

Description of Nevada County Airport Industrial Park area excluded from Agreement

Exhibit "K"

List of North Star (undeveloped) area included parcels

Exhibit "L"

List of Brunswick Pines Area(developed) area included parcels

Exhibit "M"

List of Bubbling Wells Area (developed) area included parcels

Exhibit "N"

List of Ridge Estates Area (developed) area included parcels

Exhibit "O"

List of Gold Hill Area (developed) area included parcels

Appendix "1"

[Map showing Zone A (developed) areas]

[Map showing Glenbrook (developed) area]

[Map showing Nevada County Airport Industrial Park (developed) area]

[Map showing Zone B (undeveloped) areas within Sphere]



# RESOLUTION No. 04-318

## OF THE BOARD OF SUPERVISORS OF THE COUNTY OF NEVADA

### (A RESOLUTION AUTHORIZING THE EXECUTION OF A CONTRACT OR AGREEMENT)

BE IT HEREBY RESOLVED by the Board of Supervisors, of the County of Nevada, State of California, that the Chair of the Board of Supervisors be and is hereby authorized to execute, on behalf of the County of Nevada, that certain \_\_\_\_\_

Memorandum of Understanding

dated the 13th day of July, 2004, by and between said County and City of Grass Valley

pertaining to joint land use planning for annexations proposed within the City's sphere of influence.

PASSED AND ADOPTED by the Board of Supervisors of the County of Nevada at a regular meeting of said Board, held on the 13th day of July, 2004, by the following vote of said Board:

Ayes: Supervisors Peter Van Zant, Sue Horne, Robin Sutherland, Barbara Green.  
Noes: None.

ATTEST:

Absent: None.

CATHY R. THOMPSON  
Clerk of the Board of Supervisors

Abstain: None.

By Cathy R. Thompson

Robin Sutherland  
Chair

DATE	COPIES SENT TO
7-13-04	City of Grass Valley <i>PPW</i>
7/23/04	Planning
	A-C*

## MEMORANDUM OF UNDERSTANDING

### BETWEEN THE CITY OF GRASS VALLEY AND COUNTY OF NEVADA REGARDING JOINT LAND USE PLANNING FOR ANNEXATIONS PROPOSED WITHIN THE CITY'S SPHERE OF INFLUENCE IN ACCORDANCE WITH THE MASTER TAX SHARING AGREEMENT BETWEEN THE CITY AND COUNTY

#### Recitals

WHEREAS, the City and County cooperated in the completion and execution of a Master Tax Sharing Agreement in 2001, pursuant to Revenue and Taxation Code, for the exchange of property tax revenues among and between the affected local agencies and for the apportionment of sales tax revenue between City and County, and for certain provisions regarding the land use planning of properties within the Grass Valley Sphere of Influence, and

WHEREAS, Section 3 within the Master Tax Sharing Agreement, "Land Use Planning", states that the City and County shall work closely together concerning planning for and development of land within the City's Sphere of Influence, and

WHEREAS, the City and County wish to work in a collaborative and coordinated fashion on all future development proposals within the City's Sphere of Influence to ensure growth occurs in a manner consistent with the goals and objectives of the City and County General Plans, and

WHEREAS, both the City and County have discussed and agreed upon an approach to establish a "collaborative and coordinated process" for reviewing future development proposals in the Sphere of Influence and in accordance with Section 3 of the Master Tax Sharing Agreement and wish to formalize this approach within a Memorandum of Understanding between the two agencies.

#### Memorandum of Understanding

The City of Grass Valley, hereinafter referred to as "City", and the County of Nevada, hereinafter referred to as "County" do hereby agree to implement the process outlined in this Memorandum of Understanding (MOU) and acknowledge that the steps outlined below serve to address the requirements specified in Section 3 of the Master Tax Sharing Agreement:

#### I. Creation of a City and County Review Team.

- A. A Review Team of City and County representatives who would meet on a monthly or as-needed basis to review the status of all annexation and land use applications proposed within the Sphere of Influence is hereby created (hereinafter "Review Team"). The goals of the Review Team are

to work in a collaborative approach to ensure orderly growth, the timely provision of services and to address issues of significant regional concern. For the more significant annexation and development proposals, the Review Team would also be involved at key points in the application review process to provide input to the lead agency. The primary members of the Review Team [representing the City] would consist of the Community Development Director, Planning Director and Public Works Director or their designees. The primary members of the Review Team [representing the County] would consist of the Community Development Director, Planning Director, Department of Transportation & Sanitation Director, or their designees.

**II. Creation of Mutually Agreeable Development Controls between the City and County for the Sphere of Influence.**

A. The City and County hereby agree to acknowledge, establish and continually update a set of mutually consistent development controls for the City's Sphere of Influence area. The development standards and information on City-County land use policies, as referenced within this MOU, would serve to minimize any future conflicts in land use designations and/or development standards. These development standards and/or land use policies will be monitored by the Review Team and appropriate recommendations made to the respective decision-making bodies. Furthermore, the Review Team will be responsible for reviewing all future ordinances and/or policies that are being proposed by either the City or County that could affect land uses in the Sphere of Influence. The development controls hereby recognized by the City and County include the following:

- 1) City Sphere of Influence Plan, adopted November 1999;
- 2) City and County General Plans, Zoning Ordinances, Road Standards, Design Controls/Guidelines;
- 3) Key Map of Differing City-County Land Use Designations prepared March 2004 and attached as Exhibit "A";
- 4) Matrix of City-County Zoning Standards; and,
- 5) Master Tax Sharing Agreement for Grass Valley Annexations (October 2001).

**III. Creation of Review Procedures for Annexation and Land Use Proposals.**

A. Three separate City-County review procedures are hereby created that relate to future annexations and land use applications that are proposed within the City's Sphere of Influence. The three procedures include; 1) those land use applications not involving an annexation, 2) those annexation proposals that are consistent with the City's and County's Land Use Designations as they do not include properties listed in the Summary Matrix, and 3) those annexation proposals that are inconsistent

with City or County General Plans, as they do include properties in the Key Map (Exhibit "A"), or involve a Special Development Area (SDA). It is understood that any actions pursuant to this section must be consistent with Government Code 66454.

*Procedure 1: Land Use Applications not Involving Annexation.* For those land use applications proposed within the Sphere of Influences which do not involve annexation to the City, the County would refer the application to the City for an initial review and comment (per existing County General Plan Policy 1.39 and City General Plan Policy 41-LUP). If either the County and/or the City Community Development Director request, the Review Team will be convened and provide comments during the comment period. Once the City and/or Review Team comments have been received, the County would work with the applicant to address these comments. All reports and letters conveying the final action on the application shall be routed to the members of the Review Team.

*Procedure 2: Annexations consistent with the City's and County's General Plans Land Use Designations as they do not include properties listed in the Summary Matrix.* For those Annexations with land use applications which are consistent with the City's and County's General Plans, since they do not involve properties referenced in the Summary Matrix and are viewed as minor in nature, the City would advise the County of the filing of this application and request comments. If the County and/or Review Team or City Community Development Director request, the Review Team will be convened and provide comments during the comment period. Once the County comments have been received, the City would work with the applicant to address those comments. As part of the City determination that the application is complete, a schedule would be developed and routed to the County. The schedule would show the public review period, potential public hearing dates and all opportunities for County input. All reports and letters conveying the final action on the application shall be routed to the members of the City-County Review Team.

*Procedure 3. Annexations inconsistent with City or County General Plans, as they include properties shown in the Key Map (Exhibit "A"), or involve a Special Development Area (SDA).* For those Annexations with land use applications which are not consistent with the City's or County's General Plan, as they include properties listed on the Key Map (Exhibit "A"), or involve a SDA, the City would coordinate with the Review Team in the following manner:

- 1) Any formal annexation with a land use application that has been filed with the City would be routed to the County members of the Review Team for their review and comment.

- 2) Once an application has been deemed complete by the City, the City would conduct a preliminary scoping session with the Review Team to ascertain any significant environmental issues.
- 3) A schedule detailing the major steps involved with the project would be routed to the Review Team for their review and comment. The schedule would identify points in the application review process where the Review Team could meet and review the proposal.
- 4) All application materials, reports, studies, City staff reports and public notices would be routed to the Review Team for their review. All reports and letters conveying the final action on the application shall be routed to members of the Review Team.
- 5) Summary minutes of the Review Team meetings, along with any supporting correspondence, will be provided to members of the Review Team and distributed by such members to City and County advisory and decision-making bodies for their consideration prior to any decision on the application. The responsibility for preparing meeting minutes shall be alternately shared between the City and County.
- 6) If proposed projects are inconsistent with either the City or County General Plans or ordinances, the Review Team will continue to work together to achieve consistency with City and County land use planning and development controls.

**IV. Processing and Issuance of Building Permits.** Except as to Procedure 3 of Section III, City and County agree that applications for Building Permits on discretionary projects approved pursuant to this MOU, or for projects that do not require discretionary approvals within an area in the process of being annexed by the City can be processed, issued and finalized by the City, to the extent permitted by law, while annexation is pending, provided an agreement is first executed between the City and County allowing the City to do so for that particular application. This clause would be considered null and void if the City and County establish and approve mutually acceptable criteria for when it is appropriate to allow the City to issue a building permit prior to annexation.

**V. Amendment and Termination.** The parties may amend this MOU at any time by mutual consent in writing, and either party may terminate this MOU after thirty (30) days prior to written notice being provided to the other party.

**CITY OF GRASS VALLEY**

**COUNTY OF NEVADA**

  
\_\_\_\_\_  
Mayor

Dated: 7/15/04  
Attest:

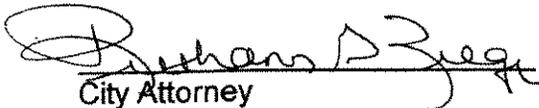
  
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Chair, Board of Supervisors

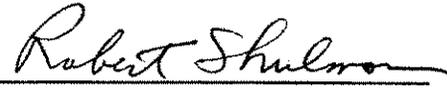
Dated: 7-13-04  
Attest:

  
\_\_\_\_\_  
City Clerk

  
\_\_\_\_\_  
Clerk of the Board of Supervisor

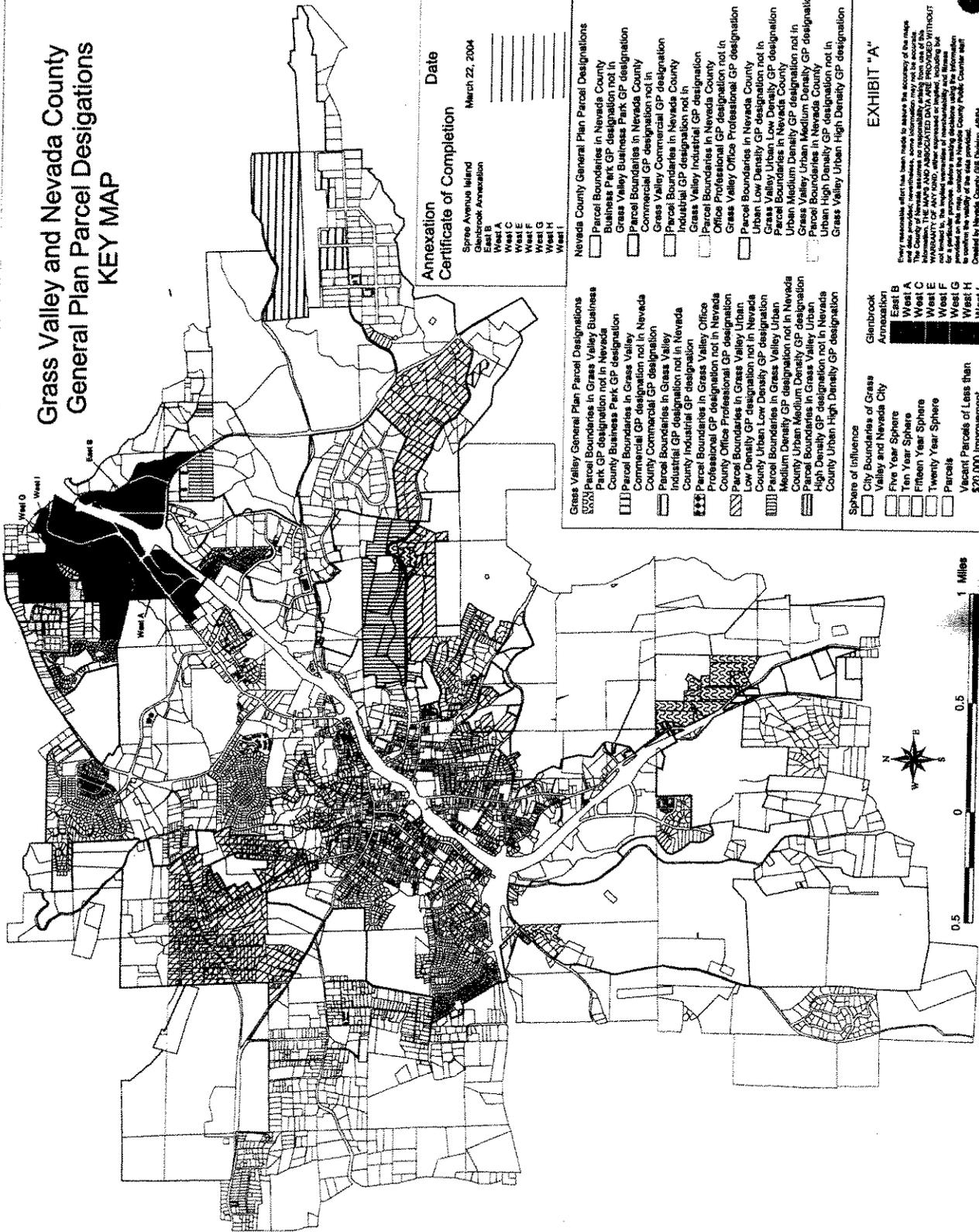
Approved as to Form

  
\_\_\_\_\_  
City Attorney

  
\_\_\_\_\_  
County Counsel

Attachments: Key Map of Differing City-County Land Use Designations  
prepared March 2004

# Grass Valley and Nevada County General Plan Parcel Designations KEY MAP



## Annexation Certificate of Completion

Annexation	Date
Spruce Avenue Inland	March 22, 2004
Shanbrook Annexation	
West A	
West C	
West E	
West F	
West G	
West H	
West I	

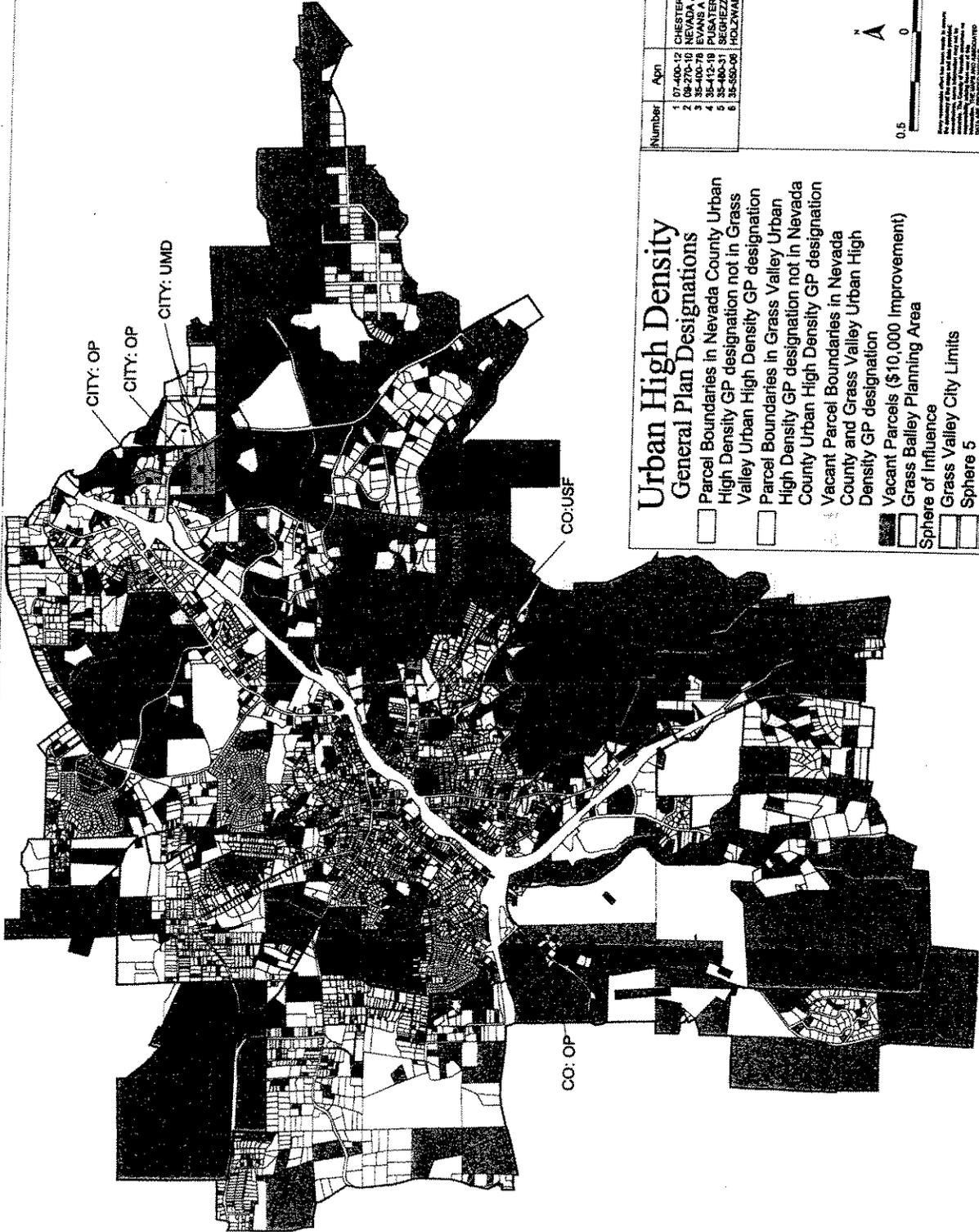
- Grass Valley General Plan Parcel Designations**
- City Boundaries of Grass Valley and Nevada City
  - Five Year Sphere
  - Ten Year Sphere
  - Fifteen Year Sphere
  - Twenty Year Sphere
  - Parcels
  - Vacant Parcels of Less than \$25,000 Improvement

- Nevada County General Plan Parcel Designations**
- Parcel Boundaries in Nevada County
  - Business Park GP designation not in Nevada County
  - Grass Valley Business Park GP designation
  - Parcel Boundaries in Nevada County
  - Commercial GP designation not in Nevada County
  - Grass Valley Commercial GP designation
  - Parcel Boundaries in Nevada County
  - Industrial GP designation not in Nevada County
  - Grass Valley Industrial GP designation
  - Parcel Boundaries in Nevada County
  - Office Professional GP designation not in Nevada County
  - Grass Valley Office Professional GP designation
  - Parcel Boundaries in Nevada County
  - Urban Low Density GP designation not in Nevada County
  - Grass Valley Urban Low Density GP designation
  - Parcel Boundaries in Nevada County
  - Urban Medium Density GP designation not in Nevada County
  - Grass Valley Urban Medium Density GP designation
  - Parcel Boundaries in Nevada County
  - Urban High Density GP designation not in Nevada County
  - Grass Valley Urban High Density GP designation

## EXHIBIT "A"

Every reasonable effort has been made to ensure the accuracy of the map. The County of Nevada does not warrant, represent, or guarantee the accuracy of the information. THE MAPS AND ASSOCIATED DATA ARE PROVIDED WITHOUT WARRANTY OF ANY KIND, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. Before making decisions using the information on this map, you should consult with a professional surveyor or other qualified person to confirm the validity of the data. Nevada County Public Center staff created by Nevada County GIS Division, 4900  
 A:\GIS\MapServer\gispkg\exhibit\_a.mxd



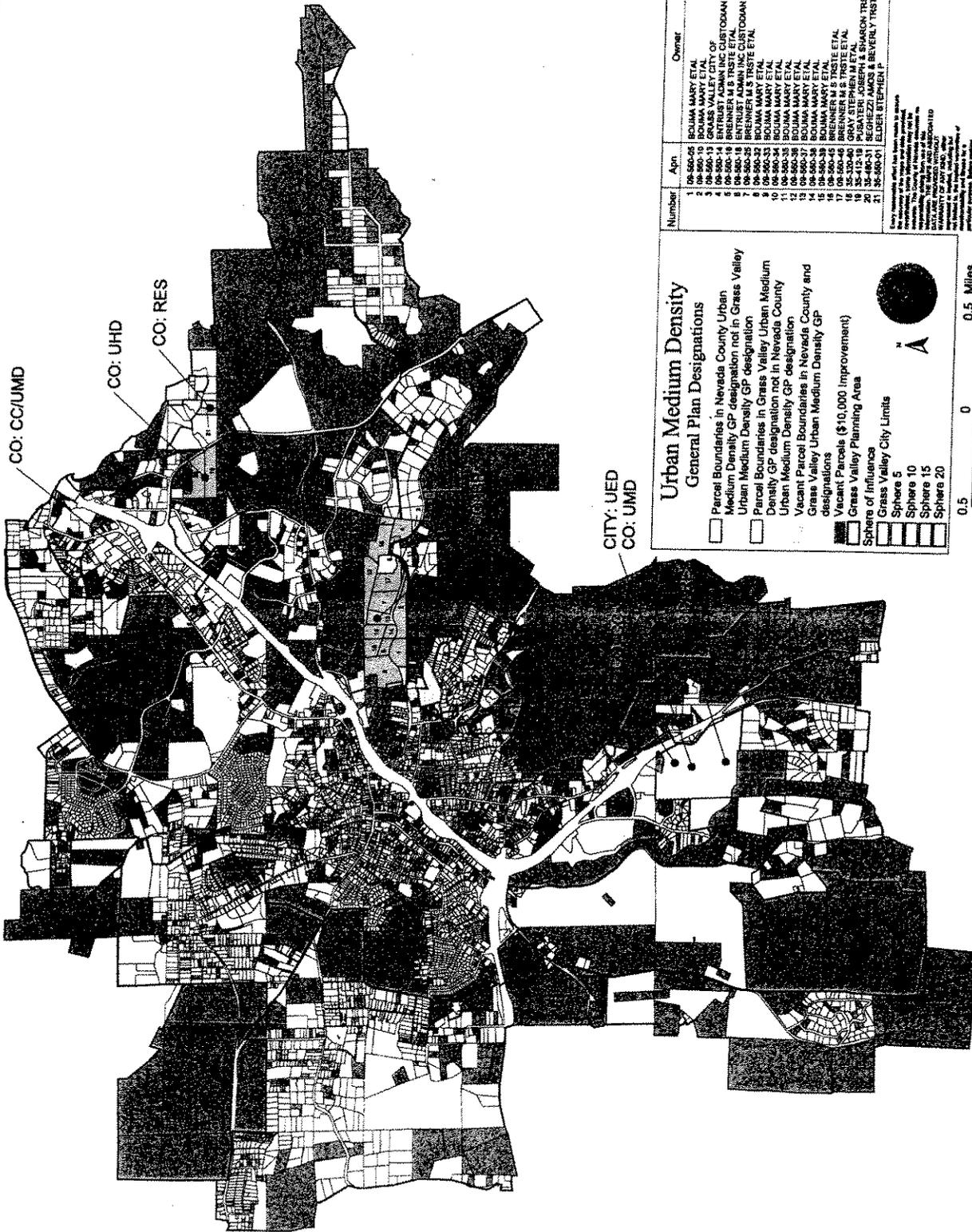


- Urban High Density**  
**General Plan Designations**
- Parcel Boundaries in Nevada County Urban High Density GP designation not in Grass Valley Urban High Density GP designation
  - Parcel Boundaries in Grass Valley Urban High Density GP designation not in Nevada County Urban High Density GP designation
  - Vacant Parcel Boundaries in Nevada County and Grass Valley Urban High Density GP designation
  - Vacant Parcels (\$10,000 Improvement)
  - Grass Bailey Planning Area
  - Sphere of Influence
  - Grass Valley City Limits
  - Sphere 5
  - Sphere 10
  - Sphere 15
  - Sphere 20

Number	Apn	Owner	Acres
1	07-499-17	CHESTER DONNA J TRUST	0.52
2	08-270-10	NEVADA COUNTY HIGH SCHOOL DIST	2.36
3	35-400-78	EVANS A F COMPANY	5.34
4	35-413-18	PUSATERI JOSEPH A SHARON TRUSTS ETAL	8.70
5	35-480-31	SEGHEZZI AMOS & BEVERLY TRUSTS ETAL	4.70
6	35-550-06	HOLZWARTH CLINTON E JOU ETAL	1.79



This map was prepared by Nevada County GIS Division, 11000000\_english\_westmap1.apr  
 The information on this map was derived from the following sources:  
 1. Nevada County GIS Division  
 2. Nevada County Assessor's Office  
 3. Nevada County Planning Department  
 4. Nevada County Public Works Department  
 5. Nevada County Sheriff's Office  
 6. Nevada County Health Department  
 7. Nevada County Fire Department  
 8. Nevada County Water Agency  
 9. Nevada County Library  
 10. Nevada County Historical Society  
 11. Nevada County Chamber of Commerce  
 12. Nevada County Economic Development  
 13. Nevada County Parks and Recreation  
 14. Nevada County Senior Center  
 15. Nevada County Youth Center  
 16. Nevada County Community Center  
 17. Nevada County Community College  
 18. Nevada County High School  
 19. Nevada County Middle School  
 20. Nevada County Elementary School  
 21. Nevada County Daycare Center  
 22. Nevada County Health Center  
 23. Nevada County Fire Station  
 24. Nevada County Police Station  
 25. Nevada County Sheriff's Office  
 26. Nevada County Jail  
 27. Nevada County Courthouse  
 28. Nevada County Administration Center  
 29. Nevada County Public Works Department  
 30. Nevada County Public Health Department  
 31. Nevada County Public Safety Department  
 32. Nevada County Public Works Department  
 33. Nevada County Public Health Department  
 34. Nevada County Public Safety Department  
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 93. Nevada County Public Health Department  
 94. Nevada County Public Safety Department  
 95. Nevada County Public Works Department  
 96. Nevada County Public Health Department  
 97. Nevada County Public Safety Department  
 98. Nevada County Public Works Department  
 99. Nevada County Public Health Department  
 100. Nevada County Public Safety Department



CITY: UED  
CO: UMD

### Urban Medium Density General Plan Designations

- Parcel Boundaries in Nevada County Urban Medium Density GP designation not in Grass Valley
- Parcel Boundaries in Grass Valley Urban Medium Density GP designation not in Nevada County
- Vacant Parcels (\$10,000 Improvement)
- Grass Valley Planning Area
- Sphere of Influence
- Grass Valley City Limits
- Sphere 5
- Sphere 10
- Sphere 15
- Sphere 20

Number	Apn	Owner	Acres
1	08-560-06	BOJAMA MARY ETAL	7.82
2	08-560-07	BOJAMA MARY ETAL	8.86
3	08-560-13	GRASS VALLEY CITY OF	6.01
4	08-560-14	ENTRUST ADMIN INC CUSTODIAN ETAL	1.18
5	08-560-15	BRENNER M S TRSIE ETAL	1.83
6	08-560-16	BRENNER M S TRSIE ETAL	2.43
7	08-560-35	BRENNER M S TRSIE ETAL	2.43
8	08-560-32	BOJAMA MARY ETAL	13.04
9	08-560-33	BOJAMA MARY ETAL	5.32
10	08-560-34	BOJAMA MARY ETAL	5.32
11	08-560-35	BOJAMA MARY ETAL	10.25
12	08-560-36	BOJAMA MARY ETAL	8.81
13	08-560-37	BOJAMA MARY ETAL	2.03
14	08-560-38	BOJAMA MARY ETAL	8.81
15	08-560-39	BOJAMA MARY ETAL	8.81
16	08-560-40	BRENNER M S TRSIE ETAL	9.36
17	08-560-41	BRENNER M S TRSIE ETAL	9.36
18	35-330-40	GRAY STEPHEN M ETAL	9.17
19	35-415-19	PURATER JOSEPH & SHARON TRSIES ETAL	9.17
20	35-415-19	PURATER JOSEPH & SHARON TRSIES ETAL	9.17
21	35-450-01	ELLEN STEPHEN P	1.87

The accuracy of the information shown on this map is based on the information provided by the owner of the land. The Grass Valley Planning Area is a general plan designation and does not constitute a zoning ordinance. The Grass Valley Planning Area is subject to change without notice. The Grass Valley Planning Area is subject to the provisions of the Nevada State Planning Act, Chapter 271, NRS. The Grass Valley Planning Area is subject to the provisions of the Nevada State Planning Act, Chapter 271, NRS. The Grass Valley Planning Area is subject to the provisions of the Nevada State Planning Act, Chapter 271, NRS.

APPENDIX D

AGENCY AND PUBLIC COMMENTS

**NOTE: AGENCY AND PUBLIC COMMENTS**  
WILL BE INCLUDED HERE AFTER THE PUBLIC COMMENT PERIOD  
CLOSES ON MONDAY, APRIL 15, 2024