## City, LAFCO at odds on annexation

By JAMIE MARKS 7, 20:588
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WATSONVILLE — Negotiations are continuing between the city of Watsonville and the Local Agency Formation Commission for an agreement on the Franich annexation, but so far "major differences" still exist, according to LAFCO Executive Director Pat McCormick.

Chuck Comstock, Watsonville's director of administrative services, who is filling in for vacationing City Manager John Radin, was more upbeat, calling the discussions "very cordial."

McCormick and Comstock met Tuesday in their ongoing attempt to arrive at a "memorandum of understanding," outlining the steps that need to be taken to review the annexation application for Tony Franich's 72-acre apple orchard on East Lake Avenue.

If no agreement is reached by Aug. 31, the state Legislature is poised to pass a bill, AB 4367, that would accomplish the annexation and provide 15 percent of the housing built there for poor people.

LAFCO had approved the annexation, several years ago, but that approval was overturned by an appellate court because the findings were never put in writing. The commission's makeup has since changed, and Franich doesn't want to take the issue before the current commission, believing the annexation will be rejected.

McCormick said Tuesday that the city is insisting on "certain clauses that would vastly limit the commission's discretion" in reviewing the controversial annexation.

"They want certain commitments beforehand, before the decisions are made," said McCormick.

Comstock said the city recognizes the need for an environmental impact report. But, he added, the city's position is that the annexation "was approved once, and that's what we're looking at again."

Neither would elaborate on the substance of their \*alks because they still hold hope for a resolution.

State Sen. Henry Mello, D-Watsonville, who is floor manager of the bill while it is in the state

Senate, also has said he wants LAFCO to consider the entire 72 acres. At a meeting here in June, Mello suggested LAFCO adopt new "findings" on the annexation, and follow that with an environmental impact report.

Comstock said the city is ready to start an EIR and hopes to get it completed concurrent with the annexation application.

But McCormick said the EIR would have to be completed before the annexation application could be heard.

"State law says we have to do an EIR, hold hearings on the EIR, and make findings on the EIR," McCormick said. "If LAFCO made a pre-agreement with anyone, it's inviting a lawsuit that's going to win. And we can't do that," McCormick said.

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