

CITY OF TWENTYNINE PALMS

Service Review and Sphere of Influence Update

INTRODUCTION:

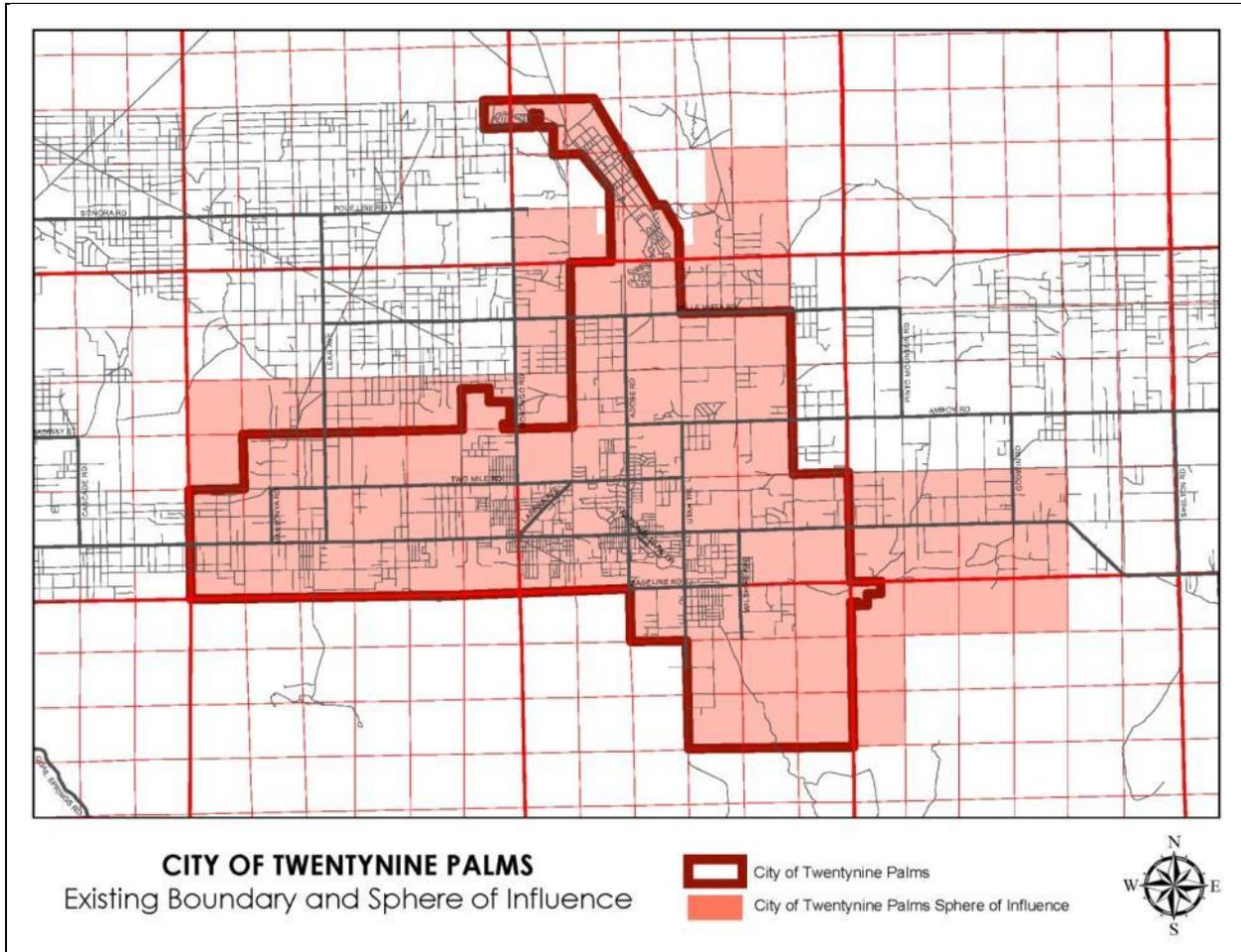
LAFCO 3101 consists of a service review pursuant to Government Code Section 56430 and sphere of influence update pursuant to Government Code 56425 for the City of Twentynine (“City”).

The City incorporated in 1987 following both LAFCO and local voter approval. The city operates under the council-manager form of government. Five council members are elected at large for four-year overlapping terms with the mayor chosen on an annual basis by the members of the city council.

As discussed in the City’s Sphere of Influence Update section in this report, staff is recommending modifications to the City’s sphere of influence to coincide with the Commission’s definition for the Twentynine Palms community (with the exception of the City’s existing sphere area within the Marine Corps Base). The modifications include reducing the City’s existing sphere of influence by approximately 1,280 acres and expanding its sphere of influence of approximately 23,810 acres.

LOCATION AND BOUNDARIES:

The service review and sphere of influence update study area encompasses approximately 89 square miles (59 square miles of which is the city boundary including 3.9 square miles of the Marine Corps Air Ground Combat Center) and is located in the south desert region of the County. The study area is generally bordered by the Joshua Tree National Park on the south, a combination of section lines and the Joshua Tree Community Plan on the west, a combination of section lines and parcel boundaries (including the residential portion of the Twentynine Palms Marine Corps Base) on the north, and the Wonder Valley community as defined by the boundaries of County Service Area 70 Zone M on the east. A map of the City and its current sphere is shown below and is included as a part of Attachment #2.



CITY OF TWENTYNINE PALMS SERVICE REVIEW

In 2003, LAFCO adopted the Governor's Office of Planning and Research (OPR) Municipal Service Review Guidelines by reference for its use during the conduct of service reviews. These Guidelines provide a step-by-step approach to understanding the service review process as set for by Government Code Section 56430 as well as factors that LAFCO may wish to address in its service review of an agency.²

At the request of LAFCO staff, the City prepared a service review pursuant to San Bernardino LAFCO policies and procedures. The response to LAFCO's original and updated requests for materials includes, but is not limited to, the narrative response to the factors for a service review, response to LAFCO staff's request for information, and financial documents (included as Attachment #2). LAFCO staff responses to the mandatory factors for consideration for a service review (as required by Government Code 56430) are identified below and incorporate the City's response and supporting materials.

² State of California, Governor's Office of Planning and Research. "Local Agency Formation Commission Municipal Service Review Guidelines", August 2003.

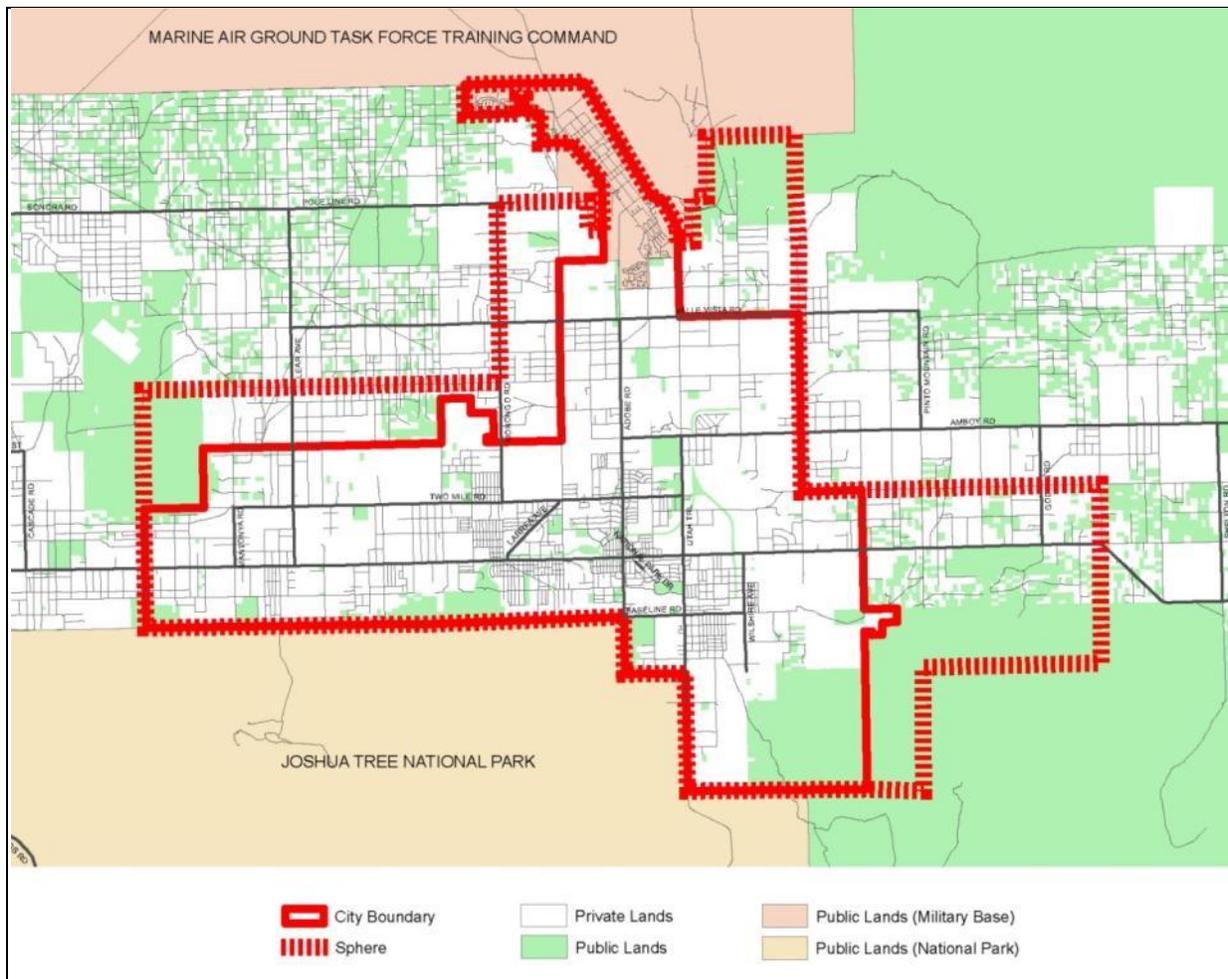
I. Growth and population projections for the affected area.

Land Ownership

The land ownership distribution and breakdown within the City's boundary and current sphere are identified on the map below. Within its entire sphere, roughly 71% of the land is privately owned and the remainder, 29%, is public, which are devoted primarily to resource protection and recreational use.

**Land Ownership Breakdown (in Acres)
 Within the City of Twentynine Palms**

Ownership Type	City	Unincorporated Sphere	Total Sphere Area
Private	30,104	10,457	40,561
Public Lands – Federal (BLM), State, & others	7,530	9,004	16,534
Total	37,634	19,461	57,095

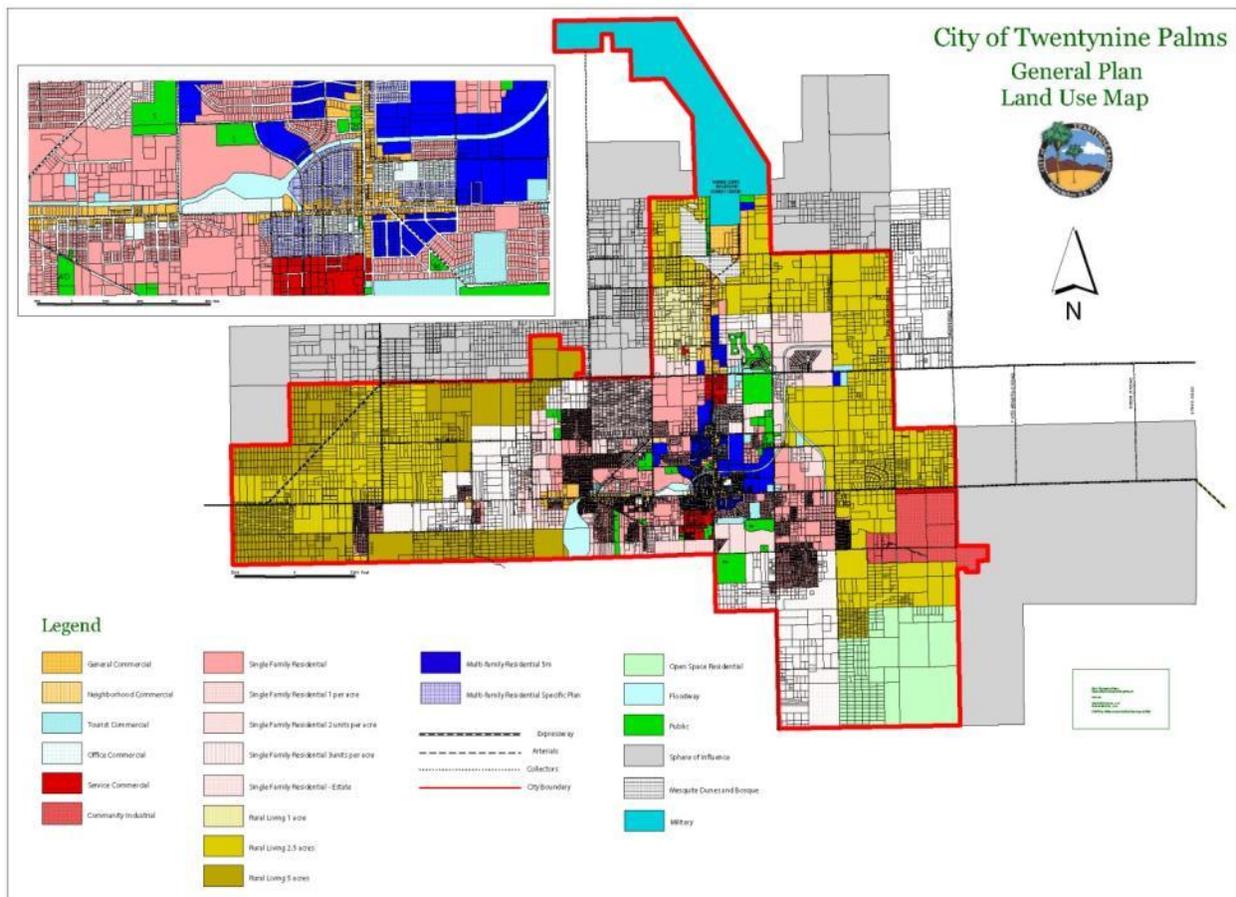


It should be noted that the northern section of the City's boundaries includes a portion of the Marine Corps Air Ground Combat Center (approximately 2,450 acres). This represents approximately 33% of the total public lands identified within the City's boundaries.

Land Use

Incorporated Area

Below is the current adopted General Plan land use and zoning map for the City of Twentynine Palms (originally adopted in October 2001 and amended in March 2002). Approximately 43% is Rural Living, 32% Single-Family Residential, 6% Open Space Residential, 3% Multi-Family Residential, 4% Commercial, 3% Industrial, 3% Public and Floodway, and 6% Military (portion of the City within the Marine Corps Air Ground Combat Center). The commercial development within the City is generally located along the major corridors, which are the Twentynine Palms Highway (State Route 62) and Adobe Road, and within the City's downtown area. All land use authority within the base is under the jurisdiction of the military (Department of Navy).

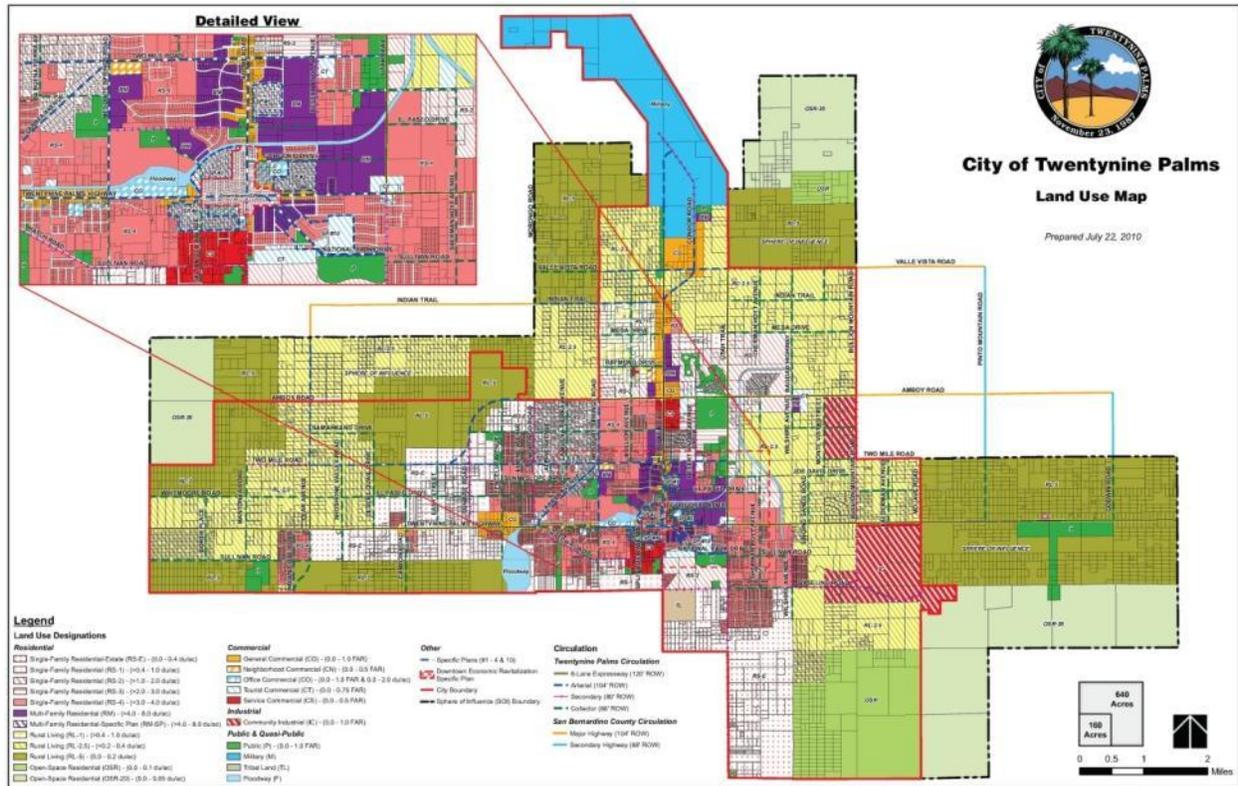


**General Plan Land Use Districts
 Within the City of Twentynine Palms
 City Land Area = +/-37,634 acres**

City's Land Use	% of Total Land Area
Open Space Residential	6%
Rural Living 5 acres	12%
Rural Living 2.5 acres	29%
Rural Living 1 acre	2%
Single Family Residential - Estate	11%
Single Family Residential – 3 units/acre	<1%
Single Family Residential – 2 units/acre	7%
Single Family Residential – 1 per acre	3%
Single Family Residential	11%
Multi-family Residential	2%
Multi-family Residential Specific Plan	<1%
General Commercial	2%
Neighborhood Commercial	<1%
Tourist Commercial	<1%
Office Commercial	<1%
Service Commercial	<1%
Community Industrial	3%
Floodway	1%
Public	2%
Military (portion within the MAGTFTC)	6%
Total	100%

The City is currently in the process of updating its General Plan, which is tentatively scheduled for adoption sometime in 2012. If the City adopts the new General Plan Land Use and Zoning Map, the land uses will generally be the same compared to its current designations except for a few minor changes. Some of the changes include a new land use designation identified as the Downtown Economic Revitalization Specific Plan Area (Approximately 95 acres) which replaces some of the current General Commercial and Multi-family Residential-Specific Plan land uses within the downtown area, a Tribal Land designation (approximately 160 acres) previously designated Public, and additional lands designated as Public (100 acres) previously designated Rural Living 5 acres.

The major difference between the current General Plan and the proposed General Plan Update is that the City is now pre-zoning its entire unincorporated sphere. Based on the land use designations proposed in the new General Plan Land Use and Zoning Map, the City's pre-zone land uses for its unincorporated sphere area generally mirror the County's current land uses for the area. The map below is the proposed General Plan Land Use and Zoning Map.

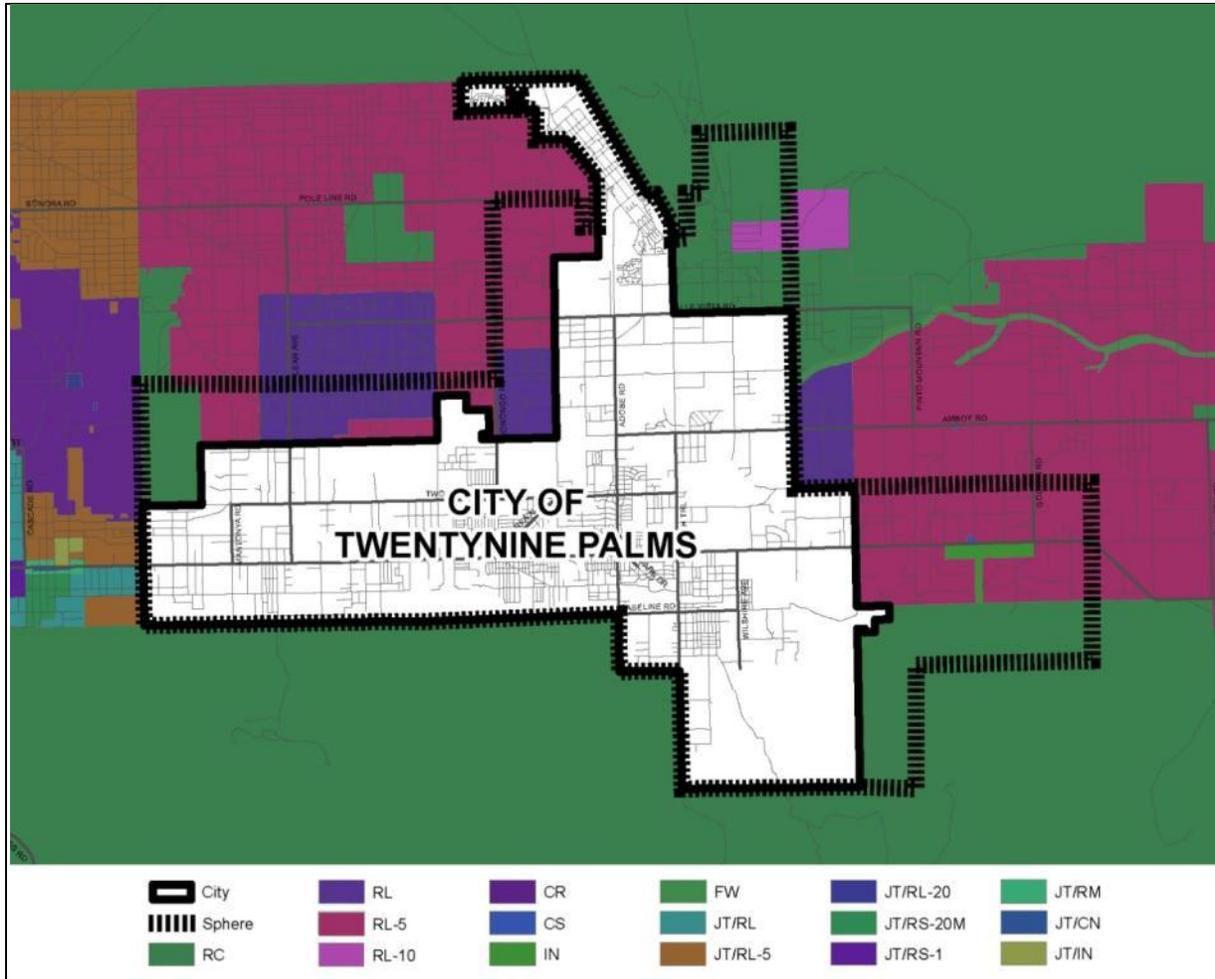


Unincorporated Sphere Area

Below is a map that identifies the County of San Bernardino’s land use designations within the City’s unincorporated sphere area. Within the City’s unincorporated sphere area, approximately 57% is designated Rural Living (total for RL, RL-5, and RL-10), 41% Resource Conservation, and the remainder 2% include Service Commercial and Institutional land uses.

**General Plan Land Use Districts (In Acres)
 Within the City of Twentynine Palms’ Unincorporated Sphere**

County’s Land Use	Acreege
Resource Conservation (RC)	8,040
Rural Living (RL)	2,610
RL-5	8,173
RL-10	325
Institutional (IN)	303
Service Commercial (CS)	10
Total	19,461



Population

Population Projections

In 2000, the population within the City's boundaries was 14,764. By 2010, the City's population increased by 70% to 25,048, mainly due to the annexation of the housing portion of the Marine Corps Base in 2000.

The projected growth for the City's boundaries was calculated utilizing a combination of the growth rates identified in the Regional Council of the Southern California Association of Governments (SCAG) Draft 2012 Regional Transportation Plan (RTP) Integrated Growth Forecast for the City of Twentynine Palms for the given periods and the use of average annual growth rate. By 2040, the population within the City is estimated to reach 45,341. This represents a projected annual growth rate of approximately two percent between 2010 and 2040, which also represents a total population increase of 81 percent from 2010.

**Population Projection 1990-2040
 Within the City of Twentynine Palms**

Census ³			Population Projection					
1990	2000	2010	2015	2020	2025	2030	2035	2040
11,784	14,764	25,048	28,160 ⁴	31,660 ⁵	34,634 ⁶	37,888	41,447	45,341

The City has not experienced any significant growth other than when it annexed the Marine Corps Base. However, the population within the Marine Corps Base has been generally constant for the last 20 years.

In analyzing the forecasts made for the City’s population growth, LAFCO staff believes that the population within the Marine Corps Base was included in the projections – even though, as stated earlier, the population within the base has been stable all these years. In order to correct this anomaly, LAFCO staff has prepared a revised projection for the City that assumes no growth rate for its population within the Marine Corps Base. As shown in the revised projection below, it is estimated that the population within the City is expected to reach only 38,524 (instead of 45,341) by 2040, or a total population increase of just 54 percent (instead of 81 percent) from 2010.

Revised Population Projection 2010-2040
 (Consideration: No Growth within the Marine Corps Base)

Census	Population Projection					
2010	2015	2020	2025	2030	2035	2040
25,048	27,115	29,439	31,414	33,575	35,938	38,524

Build-out

The table below provides the potential build-out within the City’s territory. This build-out scenario takes into consideration the existing land use designations assigned for the area and the dwelling unit densities assigned for each residential land use⁷.

³ Data derived from the 1990, 2000, and 2010 Census for the City of Twentynine Palms.

⁴ 2015 projection were calculated using Average Annual Growth Rate based on the compounded rate between 2010 and 2020

⁵ 2020 and 2035 population data was taken from SCAG’s 2012 RTP Revised Draft Integrated Growth Forecast using local input and latest data from the 2010 Census, the California Employment Development Department, and the California Department of Finance - (published May 2011).

⁶ 2025, 2030, and 2040 projections were calculated using Average Annual Growth Rate based on the compounded rate between 2020 and 2035.

⁷ The information related to densities does not take into consideration the housing units within the Marine Base.

**Land Use Maximum Build-Out
 Within the City of Twentynine Palms**

Land Use	Acreage	Density (D.U. Per Acre)	Maximum Build-out (DU's)
Open Space Residential	2,430	0.05	121
Rural Living 5 acres	4,337	0.2	867
Rural Living 2.5 acres	11,225	0.4	4,490
Rural Living 1 acre	675	1.0	675
Single Family Residential - Estate	4,025	0.4	1,610
Single Family Residential – 3 units/acre	160	3	480
Single Family Residential – 2 units/acre	2,612	2	5,224
Single Family Residential – 1 per acre	1,026	1	1,026
Single Family Residential	4,084	6	24,504
Multi-family Residential	711	8	5,688
Multi-family Residential Specific Plan	160	8	1,280
Total Residential	31,446		45,965

The revised population projections identified earlier indicates that the population within the City's territory will be 38,524 by 2040. Based on the maximum residential build-out within the City's territory, the projected maximum population is anticipated to reach 135,505⁸. Likewise, based on the projected population for 2040, it is anticipated that the number of households within the City's territory will be 13,068 with a maximum potential build-out to reach approximately 45,965. These imply that the study area will reach 28 percent of its potential household and population capacity by 2040.

**Population and Household Projection
 Within the City of Twentynine Palms**

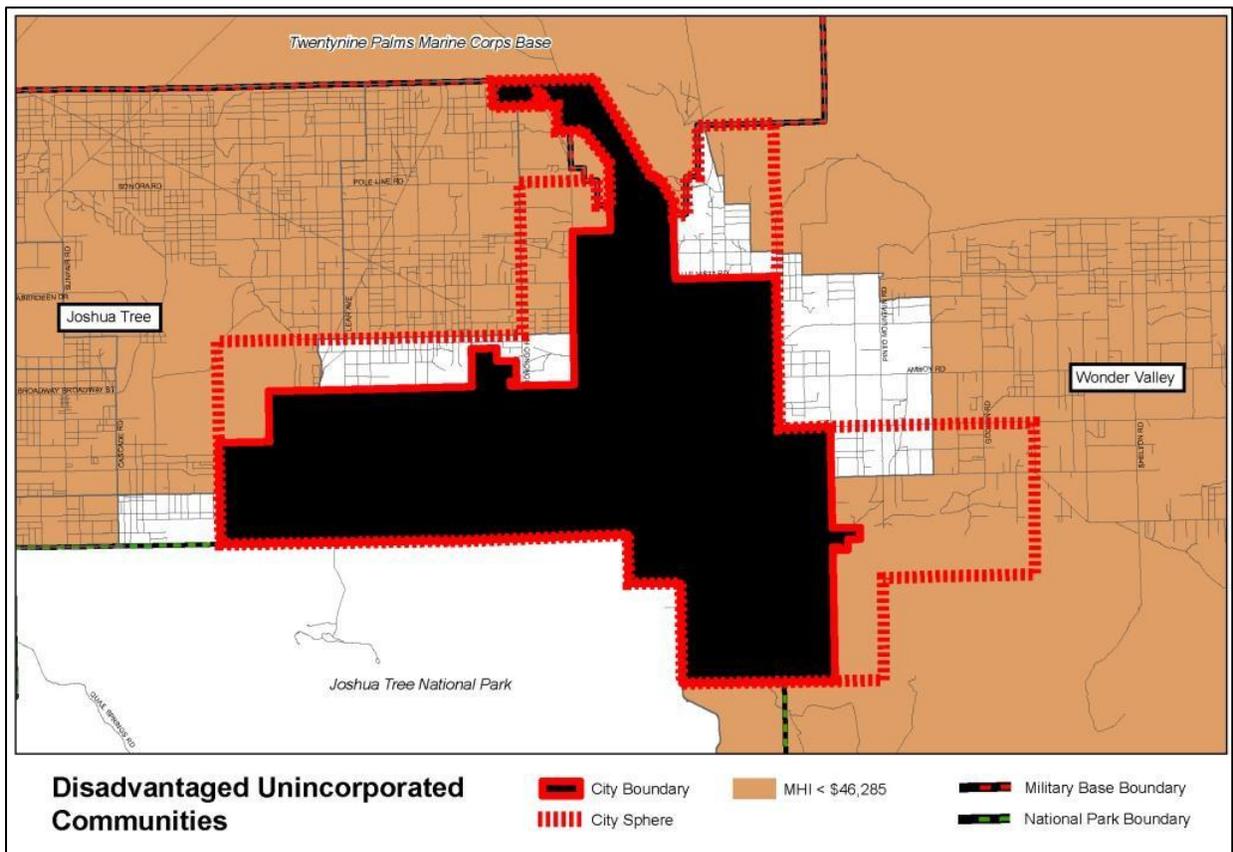
	Projection 2040	Maximum Build-out	Ratio of 2040 Projection with Maximum Build-out
Population	38,524	135,505	0.28
Households	13,068	45,965	0.28

For purposes of planning and designing infrastructure and future service delivery, the seasonal and tourism population must be considered. As the population increases so does the need for service. Any future projects will increase the need for municipal services within the City's existing boundaries as well as within the surrounding unincorporated territory. However, as with all areas within Southern California, the single most tangible factor that could limit growth will be the availability of water.

⁸ Source: Persons per household @ 2.948 based on the ratio for the City of Twentynine Palms as identified in the State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State, 2001-2010, with 2000 Benchmark. Sacramento, California, May 2010.

II. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

Beginning January 2012, LAFCO is now required to determine the location and characteristics of disadvantaged unincorporated communities (hereafter shown as DUC). DUCs are those communities that have an annual median household income that is less than 80 percent of the statewide annual median household income, which is under \$46,285 (defined by Government Code Section 56302). Based on the 2010 census data⁹, the map below illustrates the areas within and around the City's sphere of influence that are classified as disadvantaged unincorporated communities.



As shown on the map, portions of the City's unincorporated sphere of influence are considered disadvantaged unincorporated communities. The rest of the Twentynine Palms community (overall northwestern area of the community), and the communities of Wonder Valley and Joshua Tree are communities considered disadvantaged unincorporated communities that are contiguous to the City's sphere of influence. These areas are all considered to be rural in nature.

⁹ Median Household Income data is taken from the American Community Survey 5 year (2006-2010) summary using the block group level.

Within the City's unincorporated sphere of influence, the areas identified as disadvantaged unincorporated communities are comprised of sparse rural residential development with land use designations of Rural Living (2.5-acre lots), RL-5 (5-acre lots) and/or Resource Conservation (one unit to 40 acres).

The Twentynine Palms' northwestern unincorporated community is adjacent to the City of Twentynine Palms' northern sphere of influence. The area is very rural in nature with large lot residential development (primarily Rural Living, 5-acre lots).

The unincorporated community of Wonder Valley is adjacent to the City's eastern sphere of influence. The community is also very rural in nature with large lot residential development (primarily Rural Living, 5-acre lots).

The unincorporated Joshua Tree community is adjacent to the City's western sphere of influence. The community is characterized by an abundance of open space and natural resources. The community is also rural in nature with residential development primarily with a Rural Living (2.5-acre lots) land use designation. Located between the Town of Yucca Valley and the City of Twentynine Palms, Joshua Tree also serves as the entry point to the Joshua Tree National Park.

III. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs and 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.

For this service review factor, referenced and incorporated materials include the City's narrative response, budgets, 2008 Park Master Plan, current General Plan¹⁰, and Draft General Plan Update¹¹.

The City is classified as a "contract city". This term is defined by the State of California as a city which has a contract with another agency or private organization for the provision of various governmental services. Such cities provide many of the basic services (i.e. law enforcement, engineering, libraries, and park) through contracts with outside entities with the contract specifying the levels of service to be provided and the financial compensation for the service. Most cities in California which incorporated after Proposition 13 did so as contract cities as a cost savings measure.

As a municipality, the City is responsible for law enforcement within its boundaries and has chosen to contract with the County Sheriff's Department for law enforcement services

¹⁰ The Housing Element was adopted in 2000, Land Use Element was adopted in 2001, and Circulation Element was adopted in 2009. The Noise Element, Conservation Element, Open Space Element, Recreation Element, and Safety Element were adopted in 2002.

¹¹ For this report, the Draft General Plan Update is referenced for descriptive material and not for land use determinations.

tailored to its needs and financial resources. The City is within the boundaries of the Twentynine Palms Water District which provides retail water, fire protection, and emergency medical response services. There currently is no organized municipal sewage collection system or wastewater treatment facility within the City. On-site septic systems have been historically utilized by residences and businesses throughout the City. The City provides some services directly within its limits such as road maintenance and park and recreation services. Building inspection is through contract with a private company.¹²

A. Law Enforcement

Police protection is provided through contract with the San Bernardino County Sheriff's Department. Service is provided from the Morongo Basin station at 6527 White Feather Road in Joshua Tree and Sheriff's Department personnel are provided a satellite office at Twentynine Palms City Hall on Adobe Road. Police services are dispatched from the Communications Center in Victorville but the satellite office is centrally located for efficient response. The Morongo Basin station is equipped with 12 police vehicles, which includes five marked vehicles, one unmarked vehicle, two off-highway motorcycles, three citizen patrol units, and one radar trailer.

There are currently 11 sworn personnel assigned to the City including eight patrol officers, one juvenile (school resource) officer, one traffic officer and one detective. These personnel serve the City's residents on a full-time basis. Sworn supervisory staff includes six sergeants, one lieutenant, and one captain (who serves as the City's Chief of Police) and are shared with the Town of Yucca Valley and the Morongo Basin Station's county patrol operations. Clerical staff, dispatch and specialized law enforcement services (SWAT, aviation, intelligence, narcotics, homicide and specialized investigations, evidence processing and handling, training, etc.) are provided to the City by the San Bernardino County Sheriff's Department pursuant to the law enforcement services contract.

The Sheriff's Office provides various crime reducing projects such as Operation Clean Sweep, Choices Youth Program, Juvenile Crime Reduction Plan, Citizens on Patrol and the appointment of a School Resources Officer.

- Operation Clean Sweep is designed to address problems at local schools, which are not of a significant criminal nature, and allows school personnel to write citations for such violations.
- Choices Youth Program is an activity/education program for at-risk youth administered by the City's Community Services Department in cooperation with the Sheriffs' Department.

¹² On January 9, 1992, the Twentynine Palms City Council entered into an agreement with Charles Abbott Associates, Inc. to provide building inspection services for the City. Compensation to consultant is 66 and 2/3% of all building permit fees collected by the City. Twentynine Palms deposits 33 and 1/3% of the building permit fees into the City's General Fund. The agreement may be terminated at any time by either party upon 30-days notice. Source: FY 2011-12 Budget

- The Juvenile Crime Reduction Plan allows teams of officers to "adopt" local schools to reduce campus-related crime and develop site specific Safe Schools Plans.
- The Citizens on Patrol Unit supplements the City's uniformed patrol officers with more than two dozen trained residents who donate thousands of volunteer hours each year. They patrol the neighborhoods acting as an "extra" set of eyes and ears for the City's patrol officers. They also assist with crowd control, traffic control, community events and the Public Safety Office at City Hall.

B. Roads

Upon incorporation, the City assumed responsibility from the County for a road system in which some streets were maintained and others were not. Streets that were built to the County's standard were in the maintained system and transferred to the City. In addition, dedicated but unpaved, substandard streets were also transferred to the City upon its incorporation. In 2001, the City maintained 174 miles of streets and by 2010 only three additional miles of streets were added to the City's maintained system.

Twentynine Palms Highway (Highway 62) represents a constraint on the City's circulation system as it divides the City in two. Maintenance and highway improvements must be coordinated through Caltrans as Twentynine Palms Highway is part of the State Highway System. Even though Twentynine Palms Highway represents a constraint on the City's circulation system, it also serves as the City's primary access route as there are very limited access alternatives to the highway. Due to the highway's role as the main thoroughfare in and out of the City and region, it receives a high volume of traffic.

Typical street improvements include two-lanes of pavement, one-lane of pavement on each direction. Aside from Twentynine Palms Highway and Adobe Road, even the City's primary corridors are generally only improved to the two-lane pavement standard. The primary reason that most streets are not improved is because street construction is extremely costly. The lack of street improvements is also attributed to the fact that the City is fairly large, which requires more streets to provide an adequate level of service to City residents. According to the City, future improvements will be scheduled based on available budget and possible Federal and State grant awards to the City. Further, the lack of resources limits the ability to perform street maintenance throughout the City. Typically maintenance is only provided to streets improved to City's standards; however, during emergencies, street maintenance is provided to all City streets. At the time the City incorporated in 1987 the issue of an adequate road system was one of the driving factors, which remains as difficult to acquire today 25 years after incorporation.

Accessibility to the National Park is extremely important to the area's tourism industry. As of 2009, there are three access points to the National Park through the City, the main entrance is located on Utah Trail, a second entrance is located on Indian Cove Road, and a third entrance is located on Canyon Road (Fortynine Palms Canyon Road). The Canyon Road entrance ends on a trail staging area located at the park's northern boundary. The Utah Trail and Indian Cove Road entrances provide full access to the National Park. All streets leading up to the National Park entrances are improved. For FY 2011-12, the City budgeted \$450,000 to construct curb, gutter and sidewalk on the west side of National Park Drive from Highway 62 to the Joshua Tree National Park

Headquarters to promote economic development and improve pedestrian circulation between the National Park and downtown. The Project includes constructing sidewalks completely around the Old School House Museum and in front of the 29 Palms Art Gallery.

The FY 2011-12 budget also identifies that the City will contribute \$200,000 to the widening of Highway 62 from Sunrise to Canyon to include a turn lane and two traffic lanes in each direction. In addition, the City has budgeted \$500,000, including \$200,000 in Measure I funds and \$300,000 from the Redevelopment Agency Capital Projects Fund, to complete the environmental document, engineering and phase I construction of street widening, curb, gutter and sidewalk from Encelia Avenue to Split Rock Avenue on Highway 62 (with the dissolution of redevelopment agencies it is not currently known if the budgeted amounts will remain). To allow residential areas north of the City better access to the commercial areas on Highway 62, the City has budgeted \$200,000 from the General Capital Projects Fund to construct 0.25 miles of two-lane road on Encelia Drive from Sunnyslope Avenue to Two-Mile Road. The City has budgeted \$25,000 for backup batteries for traffic lights and has reserved another \$500,000 for curb, gutter and sidewalk construction in the downtown area at a location to be determined by the City Council.

Morongo Basin Transit Authority

In 1989, the Morongo Basin Transit Authority was created as a joint powers agency by the County of San Bernardino, the City of Twentynine Palms, and the Town of Yucca Valley. The system provides transit services in the City and certain surrounding areas of the Morongo Basin as a means of meeting the transit needs of various transit dependent groups within the area. The system is primarily funded by Article 8 funds.¹³ The City has an ongoing responsibility for providing funding on an annual basis for operating costs of the Authority, but the City has no equity interest in, or claim to the assets of, the Authority.¹⁴

C. Park & Recreation

The City of Twentynine Palms has 175 acres of recreational opportunities made up of parks, special use areas and passive use areas provided by different sources including the City of Twentynine Palms, the Morongo School District and the Marine Corps Air Ground Combat Center.

¹³ *Article 8 Special Revenue Fund* - This fund accounts for monies received from the state through the county for transportation-related uses. The Morongo Basin Transit Authority has the first priority on these monies. Any amount not used is remitted to the City.

¹⁴ The financial statements of the Morongo Basin Transit Authority can be obtained from the Authority at 62405 Verbena Road, Joshua Tree, California 92252.

City Facilities

Parks

The City has five parks in various sizes and the provision of recreational activities. Luckie Park (27-acre) is the biggest and most used park in the City. This park offers the most recreational variety which includes a swimming pool and lighted recreational facilities. Knotts Sky Park (19-acre) and Pioneer Park (18-acre) are the next largest, with Pioneer Park being partially developed. Veteran’s Park (6.4-acre) and Bucklin Park (0.4-acre) are the smallest parks in the City.

In April 2010, the County Board of Supervisors allocated Community Development Block Grant funds totaling \$90,000 for the community center and \$20,000 for Knott Sky Park. The \$90,000 for the community center paid for added concrete pads and a shade structure on the south side of the building.

Facility	Size (ac)	Location	Amenities
Parks			
Luckie Park	27.4	5885 Luckie Avenue	Swimming pool Playground areas (3) Picnic Shelters (3) Basketball courts lighted (3) Skateboard park lighted Baseball fields lighted (4) Horseshoe pits (2 sets of 2) Soccer field lighted Indoor Racquetball courts
Knott Sky Park	19.5	6897 El Sol Avenue	Baseball field Small playground area Picnic shelter Large playground area
Veteran’s Park	6.4	6136 Adobe Road (part of City Hall)	Picnic tables Trees Lawn America’s Veterans Display
Pioneer Park	18.4	73637 Sullivan Road	Theatre 29 (local community theatre group stage)
Bucklin Park	0.4	Northeast corner of Desert Queen Avenue and Twentynine Palms	Picnic tables Shade structures Public art sculpture and nature murals Desert landscaped walkways

Quimby Act

The Quimby Act (Government Code sections 66477 et seq.) authorizes jurisdictions to require developers to set aside land for open space or pay in-lieu fees for park improvements. The goal of the Quimby Act is to require developers to help mitigate the impacts of property improvements. This ensures that jurisdictions adopt Quimby Act standards and provide three to five acres of open space per 1,000 persons. The City’s existing General Plan park standard is four acres of parkland per 1,000 persons. The City currently has 175 acres of parkland, which includes parks, special use areas, and undeveloped parkland sites. Of the 175 acres, 80 acres is currently developed. As shown below, based upon LAFCO’s population forecast and the current acreage of parkland/open space, the City would not need to obtain additional parkland until 2040.

	2010	2015	2020	2025	2030	2035	2040
Population	25,048	28,202	31,660	34,614	37,843	41,447	45,314
2010 parkland/open space acreage	175	175	175	175	175	175	175
Required acreage (4) per 1,000 - City standard	100	113	127	138	151	166	181

Other Community Facilities and Activities

In addition to parks, the City offers a range of community facilities and activities. The senior center is operated by a non-profit group, Reachout 29. The senior center offers a variety of activities and services for senior citizens such as a nutritional information workshop, bingo, computer classes, bridge club, aging and adult services, food distribution, in home supportive services, home weatherization programs, Braille institute visits, senior companion program, volunteer work and movie showings. A City owned facility, Theatre 29, is operated by the local community theatre group that stages performances throughout the year at Pioneer Park. The Youth Club is a non-profit program located in Luckie Park and offers after school and summer programs for youths ranging from ages seven to seventeen.

Improvements and Expansions

The Twentynine Palms Parks and Recreation Master Plan outlines several proposed upgrades and expansions to the existing recreational infrastructure. This is divided into parks and recreational facilities.

Parks

Luckie Park –Most of the City’s recreational programs and activities occur at this park. The aim is to reduce the demand of recreational activities on this park to alleviate overcrowding, and spread park demand among other park sites. Upgrading the facilities at this park includes:

- On-going improvements so the park remains the centerpiece of the community park system.

- Planting of new trees to add to the existing tree canopy system in the park will help provide shade in the future.
- Adding new aquatic elements to the swimming pool such as a water slide or water play area.

Knott's Sky Park – As the second largest developed park in the City, Knott's Sky Park is planned for additional recreational amenities to help alleviate recreational demand at Luckie Park. Some of the improvements planned for this site include: upgrading the baseball/softball fields, provide permanent restrooms, scheduling community events, horseshoe pits, skate park, basketball courts, tennis courts, soccer fields, and trail system.

Pioneer Park – Most of Pioneer Park is undeveloped with the only developed portion of the park being used by Theatre 29, a city-owned facility operated by the local community theatre group. The vision of the site is to develop it as a center for community and regional activity. Plans for this site include: continued use by Theatre 29 for their community plays and activities, and prepare a feasibility study outlining potential park uses.

Veteran's Park – Located between City Hall and the County Library, this site contains few recreational amenities. The vision for this site is to serve as a community gathering place and be integrated with the civic center. Improvements to this site include: plaza areas for community events, shaded turf areas, public art, and interactive water feature or fountain.

Bucklin Park – Bucklin Park serves as a focus to the downtown business area. Strategies to encourage usage of the park includes outdoor programming options with local businesses and arts groups, and the provision of paved parking and restroom facilities.

The City's Master Plan of Parks and Recreation has identified six potential future park areas that will provide access to park facilities for the entire community. The recommendations for the facilities to be provided at each of these future park areas are described below.

Map ID	Type	Recommendation
p-1	Recreation Center	The City owned Community Service building across from Luckie Park, should be developed as an indoor recreation facility and it should be linked to the park.
p-2	Community Park	Based on the needs assessment, this area is not served by a community park. A small community park is needed in the vicinity of Palm Vista Elementary school to serve the surrounding area.
p-3	Community Park	As the City grows, residential development will occur on the west side of Adobe Road. A new community park is needed to serve the surrounding area.
p-4 & 5	Community Park	Two community parks are needed on the west side of Twentynine Palms to serve residents living near the City boundaries. One will be needed north of Twentynine Palms Highway, and one will be needed to the south.
p-6	Community Park	As the City grows, another community park will be needed northeast of Luckie Park to serve the surrounding area and alleviate overcrowding of Luckie Park.

Source: City of Twentynine Palms Parks and Recreation Master Plan (2008)

Recreational facilities

Indoor Facilities – There is a huge demand for an indoor recreation center given the location of the City and the extreme outdoor temperature it experiences. Such activities that could take place in this facility include; dance, fitness, flexible classroom space, indoor sports, social gathering and social programs. A proposed location for this facility could be established at the existing Community Services building site. In addition, senior and youth programs can be tailored into this new center, and the existing centers repurposed.

Community Pool Facilities – The implementation of aquatic features and water play features at existing swimming pools would provide comfort and relief for those recreating outdoors. The City could upgrade the swimming pool at Luckie Park, and water playgrounds in new community parks and Veteran’s Park to incorporate desired aquatic play opportunities.

Sports Fields and Courts – The need for sports fields and courts in the City stems from the evolving and growing nature of field sports that residents are involved in including basketball, baseball, softball, soccer and football. Meeting this need will require large amounts of contiguous land in order to continue to provide for sporting facilities that caters to the City’s diverse recreational activities. In an effort to keep up with the growing demand for these sports, the City could:

- Continue to provide sporting leagues and programs for both youth and adults.
- Provide fields for the population (1 per 4,600 people for baseball/softball, 1 per 6,900 people for soccer/football). Fields could be lighted for nighttime use as most of the activities occur at night due to extreme temperatures during the day.
- Continue to provide basketball courts in the design of new parks.

The FY 2011-12 budget identifies that the Community Services Department is budgeted \$75,000 to rebuild the well in Luckie Park and \$70,060 to upgrade the swimming pool to meet new San Bernardino County standards. \$80,000 is budgeted for Knott's Sky Park to complete an electrical master plan and install the underground electrical facilities at the park. \$20,000 has also been reserved in the General Capital Projects Fund Balance to replace the mural removed by Walgreens or sponsor some other public art piece.

Other Facilities

Golf Course – The City has one golf course within its boundaries; the Road Runner Dunes Golf Course located at 4733 Desert Knoll Avenue. This is a private, 9-hole course.

School District - The City's Community Services Department uses several of the District's facilities for youth and adult recreational activities. The City and District both allow mutual use of their facilities to each other, although there is no actual joint use agreement.

Joshua Tree National Park (Federal) - Joshua Tree National Park is located on the southern boundary of the City. The park was declared a National Park in 1994 by Congress, and had been a National Monument since 1936. Direct access to the park from the City greatly increases the recreational opportunities provided for the residents of Twentynine Palms.

Bureau of Land Management (Federal) - The Bureau of Land Management has extensive holdings in the Twentynine Palms area, much of which is open for uses such as camping and wildlife watching.

Other - Located within the region of the City are the San Bernardino National Forest, Mojave National Preserve and Mount San Jacinto State Park. These natural areas provide a scenic environment for passive forms of recreation for the residents of Twentynine Palms which includes hiking, camping and nature watching.

D. Streetlighting

The City operates 327 streetlights. Southern California Edison owns the streetlights and responds to problems, and the City provides for payment of the utility costs associated with the individual lights. There are no plans at this time to increase the number of the streetlights. However, if the community continues to see growth in its population, the need for streetlights will also increase.

The City has adopted a Night Sky Ordinance, which is a part of its Development Code (Chapter 19.70 – Lighting Standards). The intent of the ordinance is to encourage effective, non-detrimental lighting; to maintain night-time safety, utility, security and productivity; and to encourage lighting practices and systems which will minimize light pollution, glare, and light trespass, conserve energy and resources and curtail the degradation of the night time visual environment. The ordinance outlines standards to which outdoor lighting may occur.

In addition, during the processing of this service review it was identified that there were five lights that County Service Area 20 (Joshua Tree) was paying for in the Twentynine Palms community – four of which were located in the City of Twentynine Palms and one in the City’s unincorporated sphere. County Special Districts Department has identified that Southern California Edison has removed the five streetlights from the CSA 20 account and LAFCO staff understands that the responsibility for the four lights has been assumed by the City.

E. Wastewater

The entire City, except for the annexed Mainside area at the U.S. Marine Corps Air Ground Combat Center (“MCAGCC”) is currently on septic systems and leach fields. In June 2003, a Joint Use Wastewater Treatment Plant Regional Facility Study for the MCAGCC and the City was completed by Winzler & Kelly Consulting Engineers. That study recommended against a joint-use facility for the treatment of wastewater generated by the City and the MCAGCC due to the cost and lack of any information demonstrating there was a problem.

In 2007, the Twentynine Palms Water District and the City met in a joint session to discuss the need for oversight of packaged treatment plants, since such oversight is mandated by the Regional Water Quality Control Board. Through a joint resolution, the City was designated as the lead agency in the oversight of packaged treatment plants within the City limits, and the District will be provided the opportunity to make recommendations on the standards to be established by the City.

In April 2008, a second study by Winzler & Kelly Consulting Engineers was issued. The object of that study was to provide a basis of comparison between a joint-use facility for treatment of combined wastewater flows and a new facility for separate treatment. Two joint-use and three separate-use alternatives were evaluated for treatment of the area’s wastewater. Joint-use alternatives included upgrading the existing Mainside Wastewater Treatment Plant and construction of a new wastewater treatment plant at a location between MCAGCC and the City. Separate-use alternatives for the City include using decentralized package wastewater treatment facilities or centralized system that would use either a natural process or a mechanical process for wastewater treatment.

After comparing the total capital costs for each alternative, each was very expensive with the exception of Separate-Use Alternative #1. Because the City currently uses individual septic systems, there is no existing infrastructure to be used for a city-wide collection program. Collection pipelines, laterals and a trunk sewer main will all be

required for collecting and transporting wastewater to the desired facility. Based on the proposed area of service, it was estimated that that collection facilities and a sewer trunk line will cost approximately \$34 million.

The recommendation of the report was that Separate-Use Alternative #1 (Decentralized) be used for the treatment of the City wastewater. Separate-Use Alternative #1 proposes the use of package wastewater treatment plants for the treatment of wastewater generated by major subdivisions. Capital costs for this alternative are small for the City as the construction and associated collection facilities would be financed by the developers of new subdivisions. According to the FY 2011-12 Budget, there are currently three package treatments plants in operation in Twentynine Palms. They are Desert Knoll subdivision, Turtle Rock subdivision, and the Holiday Inn Express. An additional 11 package treatment plants have been proposed or are approved for various residential tract maps.

The Regional Water Quality Control Board has expressed concern over the potential contamination of groundwater resources by nitrates from the improper installation and maintenance of septic systems in Twentynine Palms. They are requiring Yucca Valley to construct a wastewater treatment plant and collection system and the Twentynine Palms community may be required to do so in the near future. The City has budgeted \$100,000 in FY 2011-12 to update the 2008 Wastewater Treatment Plant Joint-Use Study and examine the legal, regulatory, fiscal and technological issues surrounding the proper handling of wastewater in Twentynine Palms. The study will also include an examination and analysis of the management and maintenance of current wastewater treatment "package" plants.

Additionally, a joint committee (two members each from the City and the Twentynine Palms Water District) has been formed to assess the development of a wastewater management plan and solid nutrient plan.

For disadvantaged, unincorporated communities within or contiguous to the City's sphere, these areas are also currently on septic systems and leach fields. The Regional Water Quality Control Board has expressed concern over the potential contamination of groundwater resources by nitrates from the improper installation and maintenance of septic systems in Twentynine Palms. However, as noted above, there are no plans at this time for construction of a wastewater treatment plant and collection system. At the present time potential changes are under consideration by the State Water Resources Board to only allow septic wastewater disposal systems on parcels 2.5 acres or larger. If implemented, this will substantially affect the development profile for the City and other communities of the south desert region. Any community contiguous to the City's sphere desiring connection to any future system would require, at a minimum, inclusion within the City's sphere and most likely annexation. Further, any potential connection would most likely include installation and connection fees/charges/taxes.

F. Needs and deficiencies in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence

Municipal and industrial water

Municipal and industrial water needs and deficiencies are discussed in detail in this report in the service review for the Twentynine Palms Water District.

Structural fire protection

Structural fire protection needs and deficiencies are discussed in detail in this report in the service review for the Twentynine Palms Water District.

Wastewater

This factor is discussed above.

IV. Financial ability of agencies to provide services.

For this section of the report, staff has reviewed the City's budgets, audits, State Controller reports for cities, and County filing records.

The City's economy is intertwined with the economy of San Bernardino County and the economic impact of Joshua Tree National Park and the U.S. Marine Corps Air Ground Combat Center. The U.S. Marine Corps Air Ground Combat Center (MCAGCC) provides tremendous economic benefits to the City of Twentynine Palms and other communities in the region. According to the FY 2011-12 budget, it is estimated that 69% of the City's population are directly employed, supported or related to the military in some way. The base employs 14,811 civilians and military personnel. It also generates an estimated 19,000 indirect regional jobs.

General Operations and Accounting

The governmental activities of the City include general government, public safety, highways and streets, economic development, and culture and recreation. The City does not have any activities that recover a significant part of their cost through user fees. The City does not operate any enterprise funds.

Component Units

The reporting entity "City of Twentynine Palms" includes the activities of the City, the Twentynine Palms Redevelopment Agency, and the Twentynine Palms Public Financing Authority.

- The Twentynine Palms Redevelopment Agency (RDA) represents a legally separate entity for which the City is financially accountable, and, accordingly, is considered a component unit of the City. Pursuant to ABX1-26, Redevelopment Agencies in the

State of California were to be dissolved effective October 1, 2011. However, litigation on that legislation deferred that date to February 1, 2012; therefore, this agency has been dissolved.

The Four Corners Redevelopment Project Area is the City's only Redevelopment Project Area which requires future action to unwind its affairs. The project area encompassed 5,017 acres (7.8 square miles), which represents 13.3% of the City's total land area. The project area covers the City's central core including the downtown. The Redevelopment Project Area does not include several of the hotel properties located along Twentynine Palms Highway west of downtown. Most of the parcels within the Redevelopment Project Area are vacant.

- The Twentynine Palms Public Financing Authority (PFA) is a blended component unit of the City of Twentynine Palms, although technically it is a separate government unit under California law. A public financing authority may borrow money for the purpose of refunding its bonds, notes and other obligations and to provide financing and refinancing for capital improvements of member entities of the public financing authority. Given the uncertainties surrounding the state budget and the need to finance projects and infrastructure, the City of Twentynine Palms and the RDA executed a joint exercise of powers agreement to form the PFA. The PFA is governed by a five-member Board consisting of the City Council with the Mayor acting as the Chairman. The City Manager serves as the Executive Director and the City Clerk serves as the Board Secretary. The City's Finance Director serves as the Chief Financial Officer. It is not clear at this time the future of the PFA as the City's RDA has been dissolved and there is no second entity to include in the joint exercise of powers agreement to succeed to the RDA.

Long-Term Debt

At the end of the FY 2009-10, the City had no bonded debt outstanding, and there were no general obligation bonds outstanding by any of the taxing agencies within the City. Also, the City had no pledged revenue.

Tax Allocation Bonds 2011 Series A

In March 2011, the RDA issued Twentynine Palms Redevelopment Agency Tax Allocation Bonds, Series A, in the aggregate principal amount of \$8,575,000. Principal is payable annually on September 1, beginning on September 1, 2019. The bonds mature between September 1, 2019 and June 1, 2042 in amounts ranging from \$55,000 to \$740,000. Per the bond indenture, a reserve is required to be maintained. At June 30, 2011, the balance held in the reserve account was \$799,976. Proceeds from the bonds are to be used to 1) finance redevelopment activities, 2) satisfy the reserve requirement for the Series A bonds, and 3) provide for costs of issuing the bonds. The current status of the bonds, based upon the provisions of ABX1-26, is not clear nor are the requirements for disposal of lands owned in the name of the RDA. LAFCO staff is not currently aware of the representatives on the mandatory oversight board.

Housing Tax Allocation Bonds 2011 Series B

In March 2011, the City RDA issued Twentynine Palms Redevelopment Agency Housing Tax Allocation Bonds, Series B, in the aggregate principal amount of \$3,000,000. Principal is payable annually on September 1, beginning on September 1, 2012. The bonds mature between September 1, 2012 and June 1, 2042 in amounts ranging from \$30,000 to \$235,000. Per the bond indenture, a reserve is required to be maintained. At June 30, 2011, the balance held in the reserve account was \$254,810. Proceeds from the bonds are to be used to i) finance low and moderate income housing activities, ii) satisfy the reserve requirement for the Series B bonds, and iii) provide for costs of issuing the bonds. The current status of the bonds, based upon the provisions of ABX1-26, is not clear. It is not known by LAFCO staff who the representatives on the mandatory oversight board are.

Pledged Revenues

The Agency has pledged 100% of future tax increment revenue (less amounts payable by or required to be set aside by the Agency under any pass-through agreements and by the amount required to be set aside for low and moderate income housing as required by the California Health and Safety Code) as security for the *2011 Tax Allocation Bonds Series A and B* in the amount of \$31,575,732 (total principal and interest at issuance). Total pledged revenues for the fiscal year ended June 30, 2011, totaled \$1,809,169 with the required debt service amount of \$-0- (principal and interest paid in the fiscal year ended June 30, 2011 on the bonds). The current status of the bonds, based upon the provisions of ABX1-26, is not clear. It is not known by LAFCO staff who the representatives on the mandatory oversight board are.

Net Assets

In reviewing the City's financial documents, net assets have increased by 77% since FY 2006-07 as shown on the chart below. As of June 30, 2011, the City had \$40.0 million in net assets. Not including capital assets value and debt, the City had roughly \$18.6 million in restricted and unrestricted net assets. Of this amount \$9.6 million is unrestricted.

	2006-07	2007-08	2008-09	2009-10	2010-11
Current & other assets	18,878,000	21,477,798	22,986,091	20,988,985	32,807,978
Capital assets	12,206,000	12,822,059	14,391,324	19,415,747	21,392,796
Total assets	31,084,000	34,299,857	37,377,415	40,404,732	54,200,774
Long-term liabilities	6,089,000	244,761	339,382	449,400	11,771,252
Other liabilities	1,777,000	6,588,388	6,698,707	2,974,701	2,453,423
Total liabilities	7,866,000	6,833,149	7,038,089	3,424,101	14,224,675
Total Net Assets	\$23,218,000*	\$27,466,708	\$30,339,326	\$36,980,631	\$39,976,099
Net Assets:					
Invested in capital assets – net of related debt	12,289,722	12,822,059	14,371,388	19,366,537	21,357,417
Restricted for:					
Public Works	2,209,255	3,380,881	2,913,450	3,988,154	5,489,497
Public Safety	153,177	-	-	-	521,645
Community Development (Low & Moder. Housing)	1,230,482	1,035,777	1,434,568	1,767,998	2,986,573
Unrestricted	6,661,586	10,227,991	11,619,920	11,857,942	9,620,967
Total Net Assets	\$22,544,222*	\$27,466,708	\$30,339,326	\$36,980,631	\$39,976,099

* Difference of \$326,222 not reconciled in financial statements.

For the years identified in the chart above, the annual increase in net assets has been roughly \$3 million, except for FY 2009-10 when total net assets increased by \$6.6 million. The City states that over one half of this increase is attributable to increased revenues – (although the financial statements do not readily identify the source of the increase).

Fund Balances: Governmental Funds

Considering net assets does not indicate if an agency has enough fund balance to operate short and long-term operations. The chart below shows fund balances for the City's governmental funds for the past five fiscal years. For FY 2009-10, the fund balance of the City's general fund increased by \$1.0 million during the fiscal year. Key factors in this growth are attributed to the city spending \$932,000 less in the fiscal year than it collected in revenue the prior year, in addition, revenue increased by \$38,000. For FY 2010-11, the fund balance of Other Governmental Funds increased by roughly \$12.2 million, primarily due to the issuance of \$11.3 million in bonds by the RDA.

GOVERNMENTAL FUNDS	2006-07	2007-08	2008-09	2009-10	2010-11
General Fund					
Restricted (Reserved)	\$1,000,000	\$1,000,000	\$500,000	\$2,000,000	\$1,609,951
Unassigned (Unreserved)	5,882,438	7,685,217	9,315,919	8,819,159	10,417,781
Total	6,882,438	8,685,217	9,815,919	10,819,159	12,027,732
Other Governmental Funds	4,285,847	6,140,768	6,280,072	7,048,784	18,000,306
Grand Total	11,168,285	14,825,985	16,095,991	17,867,943	30,028,038

General Fund

The general fund is the chief operating fund of the City. It is used to account for all financial transactions and resources of the general government except those required by law or regulation to be accounted for in another accounting fund. The City operates one General Fund and it is used to account for most tax-supported activities of the City. Expenditures for such functions as administration, community development, building inspection, code enforcement, police, streets, parks, economic development and other similar functions are accounted for in the General Fund.

As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. At the end of the current fiscal year, unassigned fund balance of the general fund was \$10.4 million, while total fund balance reached \$12.0 million. Unassigned fund balance represents 143 percent of total general fund expenditures, while total fund balance represents 165 percent of that same amount. In general, it desirable for unassigned general fund balances to be above 100% of general fund expenditures and healthy when over 125%.

General Fund (GF)	2006-07	2007-08	2008-09	2009-10	2010-11
Total GF expenditures	\$5,966,944	\$7,067,984	\$7,377,212	\$7,307,139	\$7,287,162
Unassigned GF fund balance (as a % of total expenditures)	5,882,438 (99%)	7,685,217 (109%)	9,315,919 (126%)	8,819,159 (120%)	10,417,781 (143%)
Total fund GF balance (as a % of total expenditures)	6,882,438 (115%)	8,685,217 (123%)	9,815,919 (133%)	10,819,159 (148%)	12,027,732 (165%)

Revenues and Expenditures

According to the City’s financial statements, the economy of the City is affected by two major sources: 1) The Marine Corps Air Ground Combat Center “Base”. There have been major construction projects on the base that have contributed to the local economy; and 2) Tourism, much of which is generated by the presence of Joshua Tree National Park which adjoins the City on the south.

The figure below taken from the FY 2011 CAFR, shows the Governmental Funds activities and changes in fund balances for the past five fiscal years.

	Fiscal year				
	2007	2008	2009	2010	2011
Revenues					
Taxes	\$7,924,452	\$9,745,246	\$9,914,823	\$10,475,684	\$ 9,309,042
Assessments	-	-	-	-	-
Licenses, permits and fees	332,904	336,718	372,797	323,867	308,165
Intergovernmental	2,088,417	3,366,768	1,828,515	5,624,482	3,214,781
Charges for services	772,938	268,146	328,302	311,596	368,310
Fines, forfeitures, and penalties	40,421	84,699	126,194	109,032	85,946
Investment earnings	537,805	569,671	339,228	160,218	114,214
Other	114,761	78,950	80,643	90,122	95,661
Total revenues	<u>11,811,698</u>	<u>14,450,198</u>	<u>12,990,502</u>	<u>17,095,001</u>	<u>13,496,119</u>
Expenditures					
Current:					
General government	999,035	1,108,533	1,156,538	1,623,961	1,683,836
Public safety	2,790,099	3,343,946	3,322,176	3,365,222	3,819,789
Public works	1,344,728	1,356,026	1,204,409	1,047,198	1,232,431
Community development	889,474	1,793,324	2,050,493	1,891,653	870,411
Health and sanitation	66,361	87,538	93,753	62,153	84,726
Community services	1,522,554	1,181,567	1,329,349	1,326,243	1,451,816
Debt service:					
Principal retirement	22,952	12,024	12,025	13,391	13,831
Interest and fiscal charges	68,935	66,762	44,202	62,927	37,011
Bond issuance costs	-	-	-	-	289,741
Pass-through agreements	-	346,433	375,112	264,309	363,910
Capital outlay	2,219,541	1,551,448	2,226,929	5,665,992	2,928,540
Total expenditures	<u>9,923,679</u>	<u>10,847,601</u>	<u>11,814,986</u>	<u>15,323,049</u>	<u>12,776,042</u>
Excess of revenues over (under) expenditures	1,888,019	3,602,597	1,175,516	1,771,952	720,077
Other financing sources (uses)					
Capital leases	46,818	-	-	-	-
Proceeds from long-term debt	-	-	-	-	11,313,168
Proceeds from sale of capital asset:	-	-	-	-	126,850
Transfers in	1,071,988	76,992	219,841	2,095,520	4,096,504
Transfers out	(1,071,988)	(76,992)	(219,841)	(2,095,520)	(4,096,504)
Total other financing sources (uses)	<u>46,818</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,440,018</u>
Net change in fund balances	<u>\$1,934,837</u>	<u>\$3,602,597</u>	<u>\$1,175,516</u>	<u>\$ 1,771,952</u>	<u>\$12,160,095</u>
Debt service as a percentage of non-capital expenditures	1.19%	3.9%	3.7%	2.2%	0.52%

Revenues

The City's main revenue sources are made up of its share of the one percent general levy property tax, vehicle licensing fee, transient tax (bed tax), sales tax and state subventions. There are no direct revenue sources from the Marine Corps section of the City; however, the population of the base is used in population based calculations for state subventions, increasing those by a factor of 8,413.

Total City revenues across all 20 accounting funds are projected to be \$21,239,510 during FY 2011-12. This includes \$9,063,160 (43%) in taxes, \$268,000 (1%) in licenses and permits, \$4,931,560 (23%) in intergovernmental revenues, \$245,000 (1%) in charges for service, \$80,000 (less than 1%) in development impact fees, \$320,790 (2%) in miscellaneous revenues and \$6,331,400 (30%) from fund balances.

Property Tax Revenues and Collections

The City receives property taxes under the “Teeter Plan.”¹⁵ The Teeter Plan allows cities to collect 100 percent of assessed taxes each year in lieu of receiving only those taxes collected by the County. The City has entered into such a contract with the County of San Bernardino, which allows the City to have a more reliable and predictable revenue stream. San Bernardino County receives the penalties and interest when delinquent taxes are collected in future years. The County benefits by charging interest substantially higher than market rates when the delinquent taxes are collected.

Foreclosure activity has affected the nation in general and the City is no exception. According to data obtained from staff of the County of San Bernardino Assessor’s Office, from 2004 to 2007 the City had 128 foreclosures. Foreclosures peaked in 2008 (207), and remained steady for the next three years: 2009 (178), 2010 (172), and 2011 (177). For the purposes of generally representing the extent of the foreclosure activity, the Department of Finance¹⁶ identifies that there were 8,922 total housing units within the City in 2011. The foreclosure of 862 homes represents 9.7% of the household units within the City have been in foreclosure since 2004.

Since FY 2001-02, the total assessed property value has increased 89% from \$427.4 million to \$808.7 million. A robust increase in value of 58% occurred from 2006 through 2009. For the past two fiscal years total assessed property values have dropped by 0.2% and 1.9% respectively. This decrease has impacted the City, including the Twentynine Palms RDA. While the increases were robust, the decreases in assessed value have been relatively low in comparison with other areas of the county. For 2011, the County Assessor’s “Assessment Roll Re-cap Totals for 2011” identifies an increase of 0.8%. This increase, however nominal, is a positive sign for the community. There is a correlation between assessed property value and the receipt of property taxes. The City’s share of the one percent general levy was \$1.42 million in FY 2000-01 and peaked at \$3.93 in FY 2008-09 (177% increase). For FY 2009-10, the City’s share declined 3.9% to \$3.77 million and further declined to \$3.65 million in FY 2010-11. The chart below shows the assessed values and tax levies for the past four years.

¹⁵ The Teeter Plan was enacted in 1949, an alternative method for allocating delinquent property tax revenues, authorized by Revenue and Taxation Code Section 4701, in which the County Auditor allocates property tax revenues based on the total amount of property taxes billed, but not yet collected. The county government then collects and keeps the delinquency, penalty and interest payments.

¹⁶ State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties, and the State, 2010-2011, with 2010 Benchmark. Sacramento, California, May 2011.

Year	Assessed Value		Tax Levy			
	Value	% change	Total Tax	% change	City share of Total	RDA increment share of Total
2007-08	763,253,843	19.2%	3,828,229	19.9%	1,991,751	1,836,478
2008-09	825,676,974	8.2%	3,925,241	2.5%	1,951,420	1,973,821
2009-10	824,080,488	-0.2%	3,771,308	-3.9%	1,846,950	1,924,358
2010-11	808,742,502	-1.9%	3,648,685	-3.3%	1,839,516	1,809,169

Source: FY 2010-11 CAFR pages 77 and 85.

Building Permit Revenues

Building permit fees increased dramatically from \$33,233 in FY 2002-03 to \$537,006 in FY 2005-06. The collapse in housing construction in Twentynine Palms and throughout California has resulted in a drop of building permit revenues to \$63,761 in FY 2008-09. Since that time, building construction has made some recovery and building permit revenues in FY 2009-10 were \$224,415. Building permit revenues are expected to be \$190,000 in FY 2010-11 and \$180,000 in FY 2011-12.

Expenditures

The major expenditure categories include items over \$300,000 annually and they are Non-departmental (e.g., Printing, advertising, lobbyist, dues, internet, audit, insurance, other post-employment benefits), Community Development, Law Enforcement, Recreation Department, and Parks Maintenance.

Citywide expenditures across all accounting funds are projected to be \$20,648,660 during FY 2011-12. This includes \$3,403,100 (17%) for personnel services, \$8,103,100 (39%) for maintenance and operations expenses, \$7,901,460 (38%) for capital equipment and capital improvements and \$1,241,000 (6%) for debt service expenses.

The contract with the County Sheriff's Department is increasing by \$141,824 (5.43%) from \$2,610,000 in FY 2010-11 to \$2,751,824. This contract includes salary increases for both safety and professional staff that took effect July 2011. In total public safety costs represent 29.9% of the City's total expenditures.

Fire Development Impact Fees Capital Projects Fund

The mission of the Fire Development Impact Fees Capital Projects Fund is to account for all development impact fee revenues and expenditures for the construction and improvement of public fire protection buildings and facilities as well as the purchase of equipment needed for new development pursuant to the State Mitigation Fee Act. Revenues are projected to be \$40,000 for FY 2011-12. No interest is projected because the Fire Development Impact Fee Capital Projects Fund has a negative fund balance due to the purchase of the fire

ladder truck during FY 2010-11.¹⁷ Fire development impact fees collected during FY 2011-12 will be used to amortize the debt for the fire ladder truck. The Water District operates and maintains the truck and is contracted to repay the purchase cost to the City. The materials submitted do not identify the source of City funds to cover the deficit in the fire development impact fee account. Since it will cover multiple years for accounting purposes it the source and repayment schedule for this inter-fund transfer or transfers should be clearly identified.

Appropriation Limit (Gann Limit)

Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative)¹⁸, the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fee schedules, or an excess in one year may be offset against a deficit in the following year. Furthermore, Section 5 of Article XIII B allows the City to designate a portion of fund balance of general contingencies to be used in future years without limitation.

Section 1.5 reads that the annual calculation of the appropriations limit for each entity of local government shall be reviewed as part of an annual financial audit. A review of the financial statements for the past five fiscal years identifies that proceeds of taxes did not exceed appropriations.

Government Code Section 7910¹⁹ expands upon the Gann Initiative and requires each local government to annually establish its appropriation limits by resolution. For FY 2011-12, the City adopted an appropriation limit of \$37,065,322.98.

Post-Employment Benefits

Pension

The City of Twentynine Palms contributes to the California Public Employees Retirement System (PERS).²⁰ PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. The most recent financial statements for the City identify that the City has contributed 100% of its annual pension cost since at least FY 2005-06 and currently has a zero net pension obligation.

¹⁷ Gov Code 38600 reads that, "The legislative body of a city may provide fire engines and all other necessary or proper apparatus for the prevention and extinguishment of fires."

¹⁸ In 1979 the voters amended the California Constitution by passing Proposition 4 (the Gann Initiative), requiring each local Government to set an annual appropriations limit (the Gann Limit).

¹⁹ Added by Stats.1980, c. 1205, p. 4059, § 2. Amended by Stats.1988, c. 1203, § 1; Stats.2007, c. 263 (A.B.310), § 25.

²⁰ PERS issues a Comprehensive Annual Financial Report (CAFR). The CAFR is issued in aggregate and includes the sum of all CalPERS plans. Copies of the CalPERS CAFR may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

Other Post-Employment Benefits

The City offers its employees health care coverage through PERS. Retired employees are eligible for the same plans as active employees, subject to Medicare supplement for those who qualify. The City currently pays \$500 per month toward each retiree's premiums. There are currently seven retired City employees covered under this provision.

The City is required to contribute the annual required contribution of the employer (ARC), an amount actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. ARC rate is 7.4% of the annual covered payroll. The plan is financed on a pay-as-you-go basis.

For FY 2009-10 and FY 2010-11, the City's annual Other Post-Employment Benefits cost (expense) was equal to the ARC, \$159,598 and \$141,828 respectively. For those years, it contributed 100% of the POEB cost. As of June 30, 2010, the funded status of the plan was:

The funding status of the plan as of June 30, 2011 was as follows:		
Actuarial Accrued Liability (AAL)	\$	1,318,287
Actuarial Value of Plan Assets		133,122
		<hr/>
Unfunded Actuarial Accrued Liability (UAAL)	\$	1,185,165
		<hr/>
Funded Ratio (Actuarial Value of Plan Assets/AAL)		10.10%
Covered Payroll (Active Plan Members)	\$	1,926,863
UAAL as a Percentage of Covered Payroll		61.51%

V. Status of, and opportunities for, shared facilities.

Status of shared facilities

The City does not participate in any established joint financing projects. It is allowed use of the school district's facilities for its recreational programs.

Opportunities for shared facilities

In June 2003, a Joint Use Wastewater Treatment Plant Regional Facility Study for the MCAGCC and the City recommended against a joint-use facility for the treatment of wastewater generated by the City and the MCAGCC due to the cost and lack of any information demonstrating there was a problem.

In April 2008, a second study by Winzler & Kelly Consulting Engineers was issued. After comparing the total capital costs for each alternative, each was very expensive with the

exception of Separate-Use Alternative #1. Because the City currently uses individual septic systems, there is no existing infrastructure to be used for a city-wide collection program. The recommendation of the report was that Separate-Use Alternative #1 (Decentralized) be used for the treatment of the City wastewater. Separate-Use Alternative #1 proposes the use of packaged wastewater treatment plants for the treatment of wastewater generated by major subdivisions.

VI. Accountability for community service needs, including governmental structure and operational efficiencies.

Local Government Structure and Community Service Needs

The City operates under the council-manager form of government. Five council members are elected at large to four-year overlapping terms with the mayor chosen annually by the members of city council. For the November 2010 general election, there were 5,498 registered voters within the City with a 56% voter turnout for that election. City Council meetings are on the second and fourth Tuesdays of the month at 6:00pm at 6136 Adobe Road. Below is the composition of the current council, their positions, and terms of office:

Council Member	Title	Term
John Cole	Mayor	2012
Joel Klink	Mayor pro tem	2012
Jay Corbin	Council Member	2014
Jim Harris	Council Member	2014
Daniel Mintz	Council Member	2014

The City currently has 55 full-time employees, part-time employees, contract employees and seasonal employees and five elected officials. The salaries of the elected officials are set at \$465 per month per council member, for an annual total of \$27,900. Whereas the salary amount is relatively static, the amounts paid for insurance and retirement for council members has increased markedly since FY 2007-08, as shown below.

Elected Officials Department Expenditures

Personnel Services

Account Number	Account Description	Actual FY2008	Actual FY2009	Actual FY2010	Estimated FY2011	Approved FY2012
01-0101-4110	Salaries and Wages—Part Time ¹⁵⁰	27,900	28,365	27,900	27,900	27,900
01-0101-4150	Insurance and Retirement	7,869	9,016	12,496	18,500	25,700
	Total Personnel Services	35,769	37,381	40,396	46,400	53,600

Maintenance and Operations

Account Number	Account Description	Actual FY2008	Actual FY2009	Actual FY2010	Estimated FY2011	Approved FY2012
01-0101-4251	Training and Meetings	16,218	16,254	5,026	13,000	15,000
	Total Maintenance and Operation	16,218	16,254	5,026	13,000	15,000

Total Elected Officials Department Expenditures

Account Number	Account Description	Actual FY2010	Actual FY2011	Actual FY2010	Estimated FY2011	Approved FY2012
	Total Elected Officials Department Expenditures	51,987	53,635	45,422	59,400	68,600

¹⁵⁰The salaries of elected are established by the City Council in accordance with Sections 36516 and 36516.5 of the California Government Code. On January 22, 2002, the City Council adopted Ordinance No. 166, establishing the monthly salary for City Council members at \$465 per month. Section 36516(d) of the California Government Code states that any amounts paid by a city for retirement, health and welfare, and federal social security benefits shall not be included for purposes of determining salary under this section provided the same benefits are available and paid by the city for its employees.”

Operational Efficiencies

Operational efficiencies are realized through several joint agency practices, for example:

- A joint committee (two members each from the City and the Twentynine Palms Water District) has been formed to assess the development of a wastewater management plan and solid nutrient plan.
- The City purchased a fire ladder truck during FY 2010-11 from the Fire Development Impact Fees Capital Projects Fund. The Water District operates and maintains the truck and is contracted to repay the purchase cost to the City.
- In July 1988, the City became a member of the Public Agency Risk Sharing Authority of California (PARSAC), a consortium of 37 California cities to pool resources, share risk, purchase excess insurance, and to share costs for professional risk management and claims administration. The City participates in PARSAC’s Workers’ Compensation Program.

- In 1989, the Morongo Basin Transit Authority was created as a joint powers agency by the County of San Bernardino and the City of Twentynine Palms. In 1991, the Town of Yucca Valley incorporated and became a part of the Authority. The system provides transit services in the City and certain surrounding areas of the Morongo Basin as a means of meeting the transit needs of various transit dependent groups within the area. The system is primarily funded by Article 8 funds. The City has an ongoing responsibility for providing funding on an annual basis for operating costs of the Authority, but the City has no equity interest in, or claim to the assets of, the Authority.²¹

Government Structure Options

There are two types of government structure options:

1. Areas served by the agency outside its boundaries through “out-of-agency” service contracts;
2. Other potential government structure changes such as consolidations, reorganizations, dissolutions, etc.

Out of Agency Service Agreements

There are no out-of-agency service agreements approved by LAFCO authorizing the City to provide service outside of its boundaries. Further, the City has indicated that it does not provide service outside of its boundaries.

Government Structure Options:

The State has published advisory guidelines for LAFCOs to address all of the substantive issues required by law for conducting a service review²². The Guidelines address 49 factors in identifying an agency’s government structure options. Themes among the factors include but are not limited to: more logical service boundaries, elimination of overlapping boundaries that cause service inefficiencies, economies of scale, opportunities to enhance capital improvement plans, and recommendations by a service provider.

In some cases, functional consolidation or integration can reduce costs so that services can be maintained and improved with fewer dollars. The following scenarios are not being presented as options for the Commission to consider for action as a part of this service review. Rather, a service review should address possible options, and the following are theoretical, yet possible, scenarios for the community to consider for the future. Movement towards these scenarios would include, but not be limited to, the requirement to prepare a plan for service, fiscal impact analysis, and any other required studies.

²¹ The financial statements of the Morongo Basin Transit Authority can be obtained from the Authority at 62405 Verbena Road, Joshua Tree, California 92252.

²² State of California. Governor’s Office of Planning and Research. “Local Agency Formation Commission Municipal Service Review Guidelines”, August 2003.

1. Twentynine Palms Water District becoming a subsidiary district of the City. In order for the Water District to become a subsidiary district of the City, at least 70% of registered voters in the District must reside in the City **and** at least 70% of the District's territory must be within the boundaries of the City.
 - a. For the August 2009 election (the most recent election for the District) the District contained 5,884 registered voters and approximately 5,332 voters of the District were within the City.²³ At 91%, the District meets the threshold for territory within the boundaries of the City.
 - b. The District encompasses 56,919 acres (88.9 square miles) and 35,144 acres (54.9 square miles) of the District is within the boundaries of the City. The District does not meet the territory threshold because only 61.7% of the District's territory is within the boundaries of the City.
2. City as the agency responsible for fire protection. The information presented in the Financial section of this report for the District concludes that the District's Fire operations are unsustainable as currently financed. This determination follows the defeat of the special tax election which was to augment the per parcel special tax for fire funding. Therefore, a change in governance for its Fire service needs to be considered.

If the District's fire function is removed, the City would become responsible for the provision of fire protection within its boundaries as mandated by state law.²⁴ It would be assumed that the City would succeed to the Water District's special fire tax and fire assets within the city as well as receiving any fire assets purchased with City funds. Being the responsible agency, the City would have two options:

- a. The City could provide the service directly, or
- b. The City could contract with another agency (San Bernardino County Fire Protection District or CalFire) for the provision of the service. In this scenario, the City remains as the agency responsible but contracts for the service level that it can afford and desires.

This would require an application for change of organization to review the divestiture of fire protection function/service for the water district, which would necessitate the development of a Plan for Service, Transition Plan, and Financing Plan showing at least five years of projected revenues/expenditures.

3. County Fire as sole agency responsible. Should the City desire not to be responsible for fire protection within its boundaries, the territory of the Water District could annex to County Fire as a part of the application for divestiture of its fire function/service. Such action would require the City's consent to the overlay of County Fire over the city, but would remove the City's service responsibility, in the

²³ County of San Bernardino Registrar of Voters, Statement of Votes Cast, General District Election, August 2009.

²⁴ Government Code Section 38611.

same manner as the current overlay of the Water District.²⁵ In this case, County Fire would succeed to all of the Water District's assets, liabilities, and special tax. An additional element required would be the formation of a service zone of County Fire utilizing the Water District's boundaries to isolate the special tax revenues. As with the other service zones within County Fire this would require the preparation of an annual budget and audit.

This would also require an application for a sphere of influence expansion and change of organization to review the divestiture of fire protection function/service for the water district, and the annexation to County Fire which would necessitate the development of a Plan for Service, Transition Plan, and Financing Plan showing at least five years of projected revenues/expenditures.

²⁵ Government Code Section 38611.

CITY OF TWENTYNINE PALMS SPHERE OF INFLUENCE UPDATE

SPHERE OF INFLUENCE

Required Meeting between City and the County

Pursuant to Government Code §56425(b), as a part of the sphere of influence updates for cities conducted by LAFCO, the cities and the County are required to meet and discuss the potential for coordination of land use within the sphere of influence of the city. Additionally, §56425(b) states that the commission shall give great weight to any agreement between the city and county, to the extent that it is consistent with commission policies, in its final determination of the city sphere. The City was made aware of this requirement during the service review/sphere update process initially and again in March 2011 and January 2012. To date, the City and the County have not reached an agreement regarding the City's sphere. Absent a discussion between the City and the County, the Commission shall consider a sphere for the City consistent with its adopted policies (§56425(d)). The City has identified to LAFCO staff that for this sphere of influence update it does not request any modifications to its sphere.

County Development Code Chapter 82.22 establishes a "sphere standards overlay" to allow the implementation of County of standards that closely conform to city development standards. Adoption of such a sphere standard could "ensure that the County's approval of a proposed development in a sphere of influence is consistent with the shared objectives of the County" and the city.

LAFCO Staff Proposed Sphere Amendments:

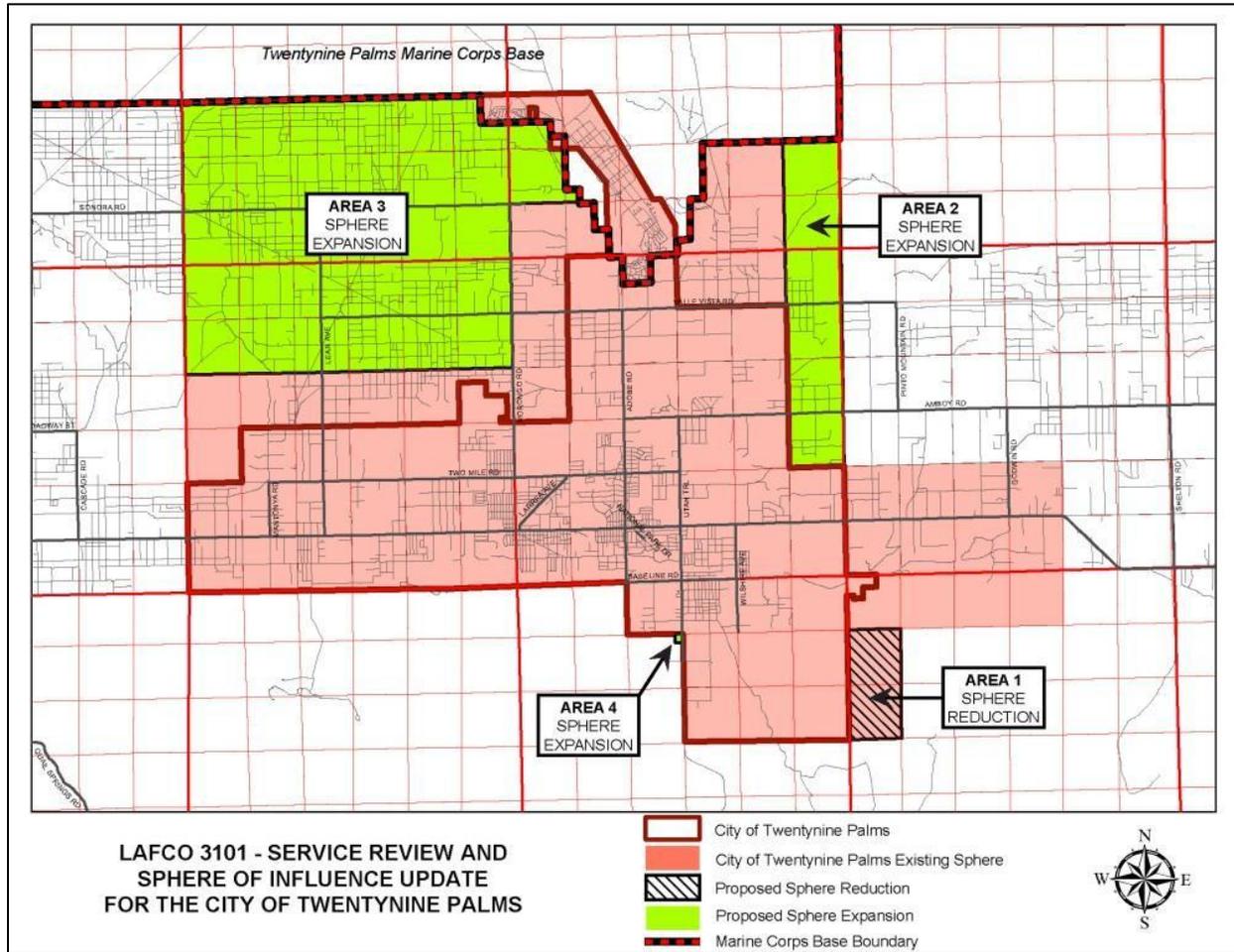
The Commission's policy guidelines for spheres of influence outline its strategy to utilize a "community-by-community" approach to consideration. This practice requires the Commission to look at the whole of the community as defined by the existence of inter-related economic, environmental, geographic and social interests. The Commission's concept is to define a community and adjust the spheres of influence for all related service providers to that community. Such a determination provides direction to both current and future residents as to the agencies designed to serve them.

Therefore, staff is recommending that the Commission modify the sphere of influence for the City of Twentynine Palms to encompass the Twentynine Palms community, as defined by the Commission (with the exception of the City's existing sphere area within the Marine Corps Base). In order to accomplish this, the following sphere of influence amendments are recommended:

- Reduce the City's existing sphere by approximately 1,280 acres (Area 1) to exclude the area along the southeastern portion of the City that is outside the community definition for Twentynine Palms;

- Expand the sphere for the City along the northeast by approximately 3,840 acres (Area 2) which is within the community definition for Twentynine Palms;
- Expand the sphere for the City along the northwest by approximately 19,960 acres (Area 3) which is within the community definition for Twentynine Palms; and,
- Expand the sphere for the City along the south by approximately 10 acres (Area 4) which comprises of a single developed parcel within the current community definition for Twentynine Palms within the Joshua Tree National Park.
- The unincorporated territory along the western border of the Marine Base area of the City is proposed to remain unsphered. This determination is based upon the lack of residential use in the area and dedication of this land to the Base as a wastewater treatment plant and percolation ponds.

By placing these areas within the City's sphere, Commission policy requires the City to prepare plans for the extension of service and incorporate all of its sphere of influence within its planning documents. The Commission's sphere of influence policies require agencies to include their sphere of influence territory within their planning documents. LAFCO staff has received information that the City of Twentynine Palms is currently completing its processing of its General Plan Update and has expressed concern about the impact of these sphere changes on this process. LAFCO staff has identified that the sphere changes proposed would not affect the current process, but would need to be included in any future General Plan Update.



FACTORS OF CONSIDERATION

Government Code Section 56425 requires the Commission to make four specific determinations related to a sphere of influence update. The staff’s responses to those factors are as follows:

I. Present and Planned Uses in the Area, Including Agricultural and Open-Space Lands.

Within the City’s entire sphere of influence, roughly 71% of the land is privately owned and the remainder, 29%, is public, which are devoted primarily to resource protection and recreational use. It should be noted that the northern section of the City’s boundaries includes a portion of the Marine Corps Air Ground Combat Center (approximately 2,450 acres). This represents approximately 33% of the total public lands identified within the City’s boundaries.

- *Land Uses within the City's Boundaries*

The City has a full range of land uses. Approximately 43% is Rural Living, 32% Single-Family Residential, 6% Open Space Residential, 3% Multi-Family Residential, 4% Commercial, 3% Industrial, 3% Public and Floodway, and 6% Military (portion of the City within the Marine Corps Air Ground Combat Center).

The City is currently in the process of updating its General Plan, which is tentatively scheduled for adoption sometime in 2012. If the City adopts the new General Plan Land Use and Zoning Map, the land uses will generally be the same compared to its current designations except for a few minor changes.

- *Land Uses within the Unincorporated Sphere Area*

Within the City's unincorporated sphere area, approximately 57% is designated Rural Living (total for RL, RL-5, and RL-10), 41% Resource Conservation, and the remainder 2% include Service Commercial and Institutional land uses.

The area being proposed for reduction from the City's current sphere of influence (Area 1) is designated as RC (Resource Conservation) and has no development potential since it is public land administered by the Bureau of Land Management.

The areas being proposed to be added to the City's sphere of influence include lands that are designated primarily as RL-5 (Rural Living, 5-acre lots), RL (Rural Living, 2.5-acre lots), RL-10 (Rural Living 10-acre lots), and RC (Resource Conservation).

II. Present and Probable Need for Public Facilities and Services in the Area.

The City is classified as a "contract city". This term is defined by the State of California as a city which has a contract with another agency or private organization for the provision of various governmental services. Such cities provide many of the basic services (i.e. law enforcement, engineering, libraries, and park) through contracts with outside entities with the contract specifying the levels of service to be provided and the financial compensation for the service.

Law Enforcement

There are currently 11 sworn personnel assigned to the City including eight patrol officers, one juvenile (school resource) officer, one traffic officer and one detective. These personnel serve the City's residents on a full-time basis. Sworn supervisory staff includes six sergeants, one lieutenant, and one captain (who serves as the City's Chief of Police) and are shared with the Town of Yucca Valley and the Morongo Basin Station's county patrol operations. Clerical staff, dispatch and specialized law enforcement services (SWAT, aviation, intelligence, narcotics, homicide and specialized investigations, evidence processing and handling, training, etc.) are provided to the City by the San Bernardino County Sheriff's Department pursuant to the law enforcement services contract.

Roads

Upon incorporation, the City assumed responsibility from the County for a road system in which some streets were maintained and others were not. Streets that were built to the County's standard were in the maintained system and transferred to the City. In addition, dedicated but unpaved, substandard streets were also transferred to the City upon its incorporation.

Twentynine Palms Highway (Highway 62) represents a constraint on the City's circulation system as it divides the City in two. Maintenance and highway improvements must be coordinated through Caltrans as Twentynine Palms Highway is part of the State Highway System. Even though Twentynine Palms Highway represents a constraint on the City's circulation system, it also serves as the City's primary access route as there are very limited access alternatives to the highway. Due to the highway's role as the main thoroughfare in and out of the City and region, it receives a high volume of traffic.

According to the City, future improvements will be scheduled based on available budget and possible Federal and State grant awards to the City. Further, the lack of resources limits the ability to perform street maintenance throughout the City. Typically maintenance is only provided to streets improved to City's standards; however, during emergencies, street maintenance is provided to all City streets.

Accessibility to the National Park is extremely important to the area's tourism industry. As of 2009, there are three access points to the National Park through the City, the main entrance is located on Utah Trail, a second entrance is located on Indian Cove Road, and a third entrance is located on Canyon Road (Fortynine Palms Canyon Road). The Canyon Road entrance ends on a trail staging area located at the park's northern boundary. The Utah Trail and Indian Cove Road entrances provide full access to the National Park. All streets leading up to the National Park entrances are improved.

For FY 2011-12, the City budgeted \$450,000 to construct curb, gutter and sidewalk on the west side of National Park Drive from Highway 62 to the Joshua Tree National Park Headquarters to promote economic development and improve pedestrian circulation between the National Park and downtown. The Project includes constructing sidewalks completely around the Old School House Museum and in front of the 29 Palms Art Gallery. The FY 2011-12 budget also identifies that the City will contribute \$200,000 to the widening of Highway 62 from Sunrise to Canyon to include a turn lane and two traffic lanes in each direction. In addition, the City has budgeted \$500,000, including \$200,000 in Measure I funds and \$300,000 from the Redevelopment Agency Capital Projects Fund, to complete the environmental document, engineering and phase I construction of street widening, curb, gutter and sidewalk from Encelia Avenue to Split Rock Avenue on Highway 62. To allow residential areas north of the City better access to the commercial areas on Highway 62, the City has budgeted \$200,000 from the General Capital Projects Fund to construct 0.25 miles of two-lane road on Encelia Drive from Sunnyslope Avenue to

Two-Mile Road. The City has budgeted \$25,000 for backup batteries for traffic lights and has reserved another \$500,000 for curb, gutter and sidewalk construction in the downtown area at a location to be determined by the City Council.

Park & Recreation

The Twentynine Palms Parks and Recreation Master Plan outlines several proposed upgrades and expansions to the existing recreational infrastructure. This is divided into parks and recreational facilities.

Parks

- Luckie Park –Most of the City’s recreational programs and activities occur at this park. The aim is to reduce the demand of recreational activities on this park to alleviate overcrowding, and spread park demand among other park sites. Upgrading the facilities at this park includes:
 - On-going improvements so the park remains the centerpiece of the community park system.
 - Planting of new trees to add to the existing tree canopy system in the park will help provide shade in the future.
 - Adding new aquatic elements to the swimming pool such as a water slide or water play area.
- Knott’s Sky Park – As the second largest developed park in the City, Knott’s Sky Park is planned for additional recreational amenities to help alleviate recreational demand at Luckie Park. Some of the improvements planned for this site include: upgrading the baseball/softball fields, provide permanent restrooms, scheduling community events, horseshoe pits, skate park, basketball courts, tennis courts, soccer fields, and trail system.
- Pioneer Park – Most of Pioneer Park is undeveloped with the only developed portion of the park being used by Theatre 29. The vision of the site is to develop it as a center for community and regional activity. Plans for this site include: continued use by Theatre 29 for their community plays and activities, and prepare a feasibility study outlining potential park uses.
- Veteran’s Park – Located between City Hall and the County Library, this site contains few recreational amenities. The vision for this site is to serve as a community gathering place and be integrated with the civic center. Improvements to this site include: plaza areas for community events, shaded turf areas, public art, and interactive water feature or fountain.
- Bucklin Park – Bucklin Park serves as a focus to the downtown business area. Strategies to encourage usage of the park include outdoor programming options with local businesses and arts groups, and the provision of paved parking and restroom facilities.

The City's Master Plan of Parks and Recreation also identified six potential future park areas that will provide access to park facilities for the entire community.

Recreational Facilities

Indoor Facilities – There is a huge demand for an indoor recreation center given the location of the City and the extreme outdoor temperature it experiences. Such activities that could take place in this facility include; dance, fitness, flexible classroom space, indoor sports, social gathering and social programs. A proposed location for this facility could be established at the existing Community Services building site. In addition, senior and youth programs can be tailored into this new center, and the existing centers repurposed.

Community Pool Facilities – The implementation of aquatic features and water play features at existing swimming pools would provide comfort and relief for those recreating outdoors. The City could upgrade the swimming pool at Luckie Park, and water playgrounds in new community parks and Veteran's Park to incorporate desired aquatic play opportunities.

Sports Fields and Courts – The need for sports fields and courts in the City stems from the evolving and growing nature of field sports that residents are involved in including basketball, baseball, softball, soccer and football. Meeting this need will require large amounts of contiguous land in order to continue to provide for sporting facilities that caters to the City's diverse recreational activities. In an effort to keep up with the growing demand for these sports, the City could:

- Continue to provide sporting leagues and programs for both youth and adults.
- Provide fields for the population (1 per 4,600 people for baseball/softball, 1 per 6,900 people for soccer/football). Fields could be lighted for nighttime use as most of the activities occur at night due to extreme temperatures during the day.
- Continue to provide basketball courts in the design of new parks.

The FY 2011-12 budget identifies that the Community Services Department is budgeted \$75,000 to rebuild the well in Luckie Park and \$70,060 to upgrade the swimming pool to meet new San Bernardino County standards. \$80,000 is budgeted for Knott's Sky Park to complete an electrical master plan and install the underground electrical facilities at the park. \$20,000 has also been reserved in the General Capital Projects Fund Balance to replace the mural removed by Walgreens or sponsor some other public art piece.

In April 2010, the County Board of Supervisors allocated Community Development Block Grant funds totaling \$90,000 for the community center and \$20,000 for Knott Sky Park. The \$90,000 for the community center paid for added concrete pads and a shade structure on the south side of the building.

Streetlighting

The City operates 327 streetlights. Southern California Edison owns the streetlights and responds to problems, and the City provides for payment of the utility costs associated with the individual lights.

The City has adopted a Night Sky Ordinance, which is a part of its Development Code (Chapter 19.70 – Lighting Standards). The intent of the ordinance is to encourage effective, non-detrimental lighting; to maintain night-time safety, utility, security and productivity; and to encourage lighting practices and systems which will minimize light pollution, glare, and light trespass, conserve energy and resources and curtail the degradation of the night time visual environment. The ordinance outlines standards to which outdoor lighting may occur.

Wastewater

The entire City, except for the annexed Mainside area at the U.S. Marine Corps Air Ground Combat Center (“MCAGCC”) is currently on septic systems and leach fields. The City portion of the Mainside area is provided a wastewater collection system owned and managed by the Base. In June 2003, a Joint Use Wastewater Treatment Plant Regional Facility Study for the MCAGCC and the City was completed by Winzler & Kelly Consulting Engineers. That study recommended against a joint-use facility for the treatment of wastewater generated by the City and the MCAGCC due to the cost and lack of any information demonstrating there was a problem.

In 2007, the Twentynine Palms Water District and the City met in a joint session to discuss the need for oversight of packaged treatment plants, since such oversight is mandated by the Regional Water Quality Control Board. Through a joint resolution, the City was designated as the lead agency in the oversight of packaged treatment plants within the City limits, and the District will be provided the opportunity to make recommendations on the standards to be established by the City.

In April 2008, a second study by Winzler & Kelly Consulting Engineers was issued. The object of that study was to provide a basis of comparison between a joint-use facility for treatment of combined wastewater flows and a new facility for separate treatment. Two joint-use and three separate-use alternatives were evaluated for treatment of the area’s wastewater. Joint-use alternatives included upgrading the existing Mainside Wastewater Treatment Plant and construction of a new wastewater treatment plant at a location between MCAGCC and the City. Separate-use alternatives for the City include using decentralized package wastewater treatment facilities or centralized system that would use either a natural process or a mechanical process for wastewater treatment. Because the City currently uses individual septic systems, there is no existing infrastructure to be used for a city-wide collection program. Collection pipelines, laterals and a trunk sewer main will all be required for collecting and transporting wastewater to the desired facility. Based on the proposed area of service, it was estimated that that collection facilities and a sewer trunk line will cost approximately \$34 million.

The recommendation of the report was that Separate-Use Alternative #1 (Decentralized) be used for the treatment of the City wastewater. Separate-Use Alternative #1 proposes the use of package wastewater treatment plants for the treatment of wastewater generated by major subdivisions. Capital costs for this alternative are small for the City as the construction and associated collection facilities would be financed by the developers of new subdivisions.

The Regional Water Quality Control Board has expressed concern over the potential contamination of groundwater resources by nitrates from the improper installation and maintenance of septic systems in Twentynine Palms. They are requiring Yucca Valley to construct a wastewater treatment plant and collection system and the Twentynine Palms community may be required to do so in the near future. The City has budgeted \$100,000 in FY 2011-12 to update the 2008 Wastewater Treatment Plant Joint-Use Study and examine the legal, regulatory, fiscal and technological issues surrounding the proper handling of wastewater in Twentynine Palms. The study will also include an examination and analysis of the management and maintenance of current wastewater treatment "package" plants.

Additionally, a joint committee (two members each from the City and the Twentynine Palms Water District) has been formed to assess the development of a wastewater management plan and solid nutrient plan.

III. Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide.

As a municipality, the City is responsible for law enforcement within its boundaries and has chosen to contract with the County for law enforcement services tailored to its needs and financial resources. The City is within the boundaries of the Twentynine Palms Water District which provides retail water, fire protection, and emergency medical response services. There currently is no organized municipal sewage collection system or wastewater treatment facility within the City. On-site septic systems have been historically utilized by residences and businesses throughout the City. The City provides some services directly within its limits which include road maintenance and park and recreation services.

Law Enforcement

Police protection is provided through contract with the San Bernardino County Sheriff's Department. Service is provided from the Morongo Basin station at 6527 White Feather Road in Joshua Tree and Sheriff's Department personnel are provided a satellite office at Twentynine Palms City Hall on Adobe Road. Police services are dispatched from the Communications Center in Victorville but the satellite office is centrally located for efficient response. The Morongo Basin station is equipped with 12 police vehicles, which includes five marked vehicles, one unmarked vehicle, two off-highway motorcycles, three citizen patrol units, and one radar trailer.

The Sheriff's Office provides various crime reducing projects such as Operation Clean Sweep, Choices Youth Program, Juvenile Crime Reduction Plan, Citizens on Patrol and the appointment of a School Resources Officer.

- Operation Clean Sweep is designed to address problems at local schools, which are not of a significant criminal nature, and allows school personnel to write citations for such violations.
- Choices Youth Program is an activity/education program for at-risk youth administered by the City's Community Services Department in cooperation with the Sheriffs' Department.
- The Juvenile Crime Reduction Plan allows teams of officers to "adopt" local schools to reduce campus-related crime and develop site specific Safe Schools Plans.
- The Citizens on Patrol Unit supplements the City's uniformed patrol officers with more than two dozen trained residents who donate thousands of volunteer hours each year. They patrol the neighborhoods acting as an "extra" set of eyes and ears for the City's patrol officers. They also assist with crowd control, traffic control, community events and the Public Safety Office at City Hall.

Roads

The City maintains the roads within its corporate boundaries. In 2001, the City maintained 174 miles of streets and by 2010 only three additional miles of streets were maintained.

Typical street improvements include two-lanes of pavement, one-lane of pavement on each direction. Aside from Twentynine Palms Highway and Adobe Road, even the City's primary corridors are generally only improved to the two-lane pavement standard. The primary reason that most streets are not improved is because street construction is extremely costly. The lack of street improvements is also attributed to the fact that the City is fairly large, which requires more streets to provide an adequate level of service to City residents.

Park and Recreation

The City of Twentynine Palms has 175 acres of recreational opportunities made up of parks, special use areas and passive use areas provided by different sources including the City of Twentynine Palms, the Morongo School District and the Marine Corps Air Ground Combat Center.

The City has five parks in various sizes and the provision of recreational activities. Luckie Park (27-acre) is the biggest and most used park in the City. This park offers the most recreational variety which includes a swimming pool and lighted recreational facilities. Knotts Sky Park (19-acre) and Pioneer Park (18-acre) are the next largest, with Pioneer Park being partially developed. Veteran's Park (6.4-acre) and Bucklin Park (0.4-acre) are the smallest parks in the City.

In addition to parks, the City offers a range of community facilities and activities. The senior center is operated by a non-profit group, Reachout 29. The senior center offers a variety of activities and services for senior citizens such as a nutritional information workshop, bingo, computer classes, bridge club, aging and adult services, food distribution, in home supportive services, home weatherization programs, Braille institute visits, senior companion program, volunteer work and movie showings. A City owned facility, Theatre 29, is operated by the local community theatre group that stages performances throughout the year at Pioneer Park. The Youth Club is a non-profit program located in Luckie Park and offers after school and summer programs for youths ranging from ages seven to seventeen.

Other Facilities:

- Golf Course – The City has one golf course within its boundaries; the Road Runner Dunes Golf Course located at 4733 Desert Knoll Avenue. This is a private, 9-hole course.
- School District - The City's Community Services Department uses several of the District's facilities for youth and adult recreational activities. The City and District both allow mutual use of their facilities to each other, although there is no actual joint use agreement.
- Joshua Tree National Park (Federal) - Joshua Tree National Park is located on the southern boundary of the City. The park was declared a National Park in 1994 by Congress, and had been a National Monument since 1936. Direct access to the park from the City greatly increases the recreational opportunities provided for the residents of Twentynine Palms.
- Bureau of Land Management (Federal) - The Bureau of Land Management has extensive holdings in the Twentynine Palms area, much of which is open for uses such as camping and wildlife watching.
- Others - Located within the region of the City are the San Bernardino National Forest, Mojave National Preserve and Mount San Jacinto State Park. These natural areas provide a scenic environment for passive forms of recreation for the residents of Twentynine Palms which includes hiking, camping and nature watching.

Streetlighting

The City currently operates 327 streetlights. There are no plans at this time to increase the number of the streetlights. However, if the community continues to see growth in its population, the need for streetlights will also increase.

Wastewater

Currently, there are three package treatments plants in operation in the City. An additional 11 package treatment plants have been proposed or are approved for various residential tract maps within the City.

The Regional Water Quality Control Board has expressed concern over the potential contamination of groundwater resources by nitrates from the improper installation and maintenance of septic systems in Twentynine Palms. However, there are currently no plans at this time for construction of a city-wide wastewater treatment plant and collection system.

IV. Existence of any Social or Economic Communities of Interest in the Area.

Social and economic communities of interest include the City of Twentynine Palms, the Marine Corps Base, Joshua Tree National Park, Twentynine Palms Highway, and the Morongo Unified School District.

CONCLUSION FOR CITY OF TWENTYNINE PALMS:

Staff is recommending that the Commission make the following sphere determinations for the City of Twentynine Palms:

1. Reduce the City's existing sphere by a total of approximately 1,280 acres (Area 1) to exclude its existing sphere area outside the LAFCO defined Twentynine Palms community;
2. Expand the City's sphere for a total of approximately 23,810 acres, which are within the current community definition for Twentynine Palms, identified as follows:
 - Approximately 3,840 acres (Area 2);
 - Approximately 19,960 acres (Area 3); and
 - Approximately 10 acres (Area 4), which comprises of a single developed-parcel within the Joshua Tree National Park.