Application and Plan for Service

Attachment 2

3191

(FOR LAFCO USE ONLY)

SAN BERNARDINO LAFCO
APPLICATION AND PRELIMINARY
ENVIRONMENTAL DESCRIPTION FORM

INTRODUCTION: The questions on this form and its supplements are designed to obtain enough data about the proposed project site to allow the San Bernardino LAFCO, its staff and others to adequately assess the project. By taking the time to fully respond to the questions on the forms, you can reduce the processing time for your project. You may also include any additional information which you believe is pertinent. Use additional sheets where necessary, or attach any relevant documents.

GENERAL INFORMATION

1 NAME OF PROPOSAL Boral Roofing LLC Annexation

2 NAME OF APPLICANT Boral Roofing LLC
MAILING ADDRESS c/o Marie Joseph
200 Mansell Court East, Suite 310
Roswell, GA 30076
PHONE (770) 552-3362
FAX (770) 552-3370
E-MAIL ADDRESS marie.joseph@boral.com

3 GENERAL LOCATION OF PROPOSAL North Side of Riverside Ave. between Locust + Linden Avenues

4 Does the application possess 100% written consent of each landowner in the subject territory?
YES X NO ___ If YES, provide written authorization for change

5 Indicate the reasons that the proposed action has been requested Request annexation into the City of Rialto. There are two (2) parcels for the Boral Roofing LLC Project; one plat is in the County and the other plat is in the City. Annexation into the City will allow for expansion of the Project.

6 Would the proposal create a totally or substantially surrounded island of unincorporated territory?
YES ___ NO X If YES, please provide a written justification for the proposed boundary configuration N/A

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LAND USE AND DEVELOPMENT POTENTIAL

1. Total land area (defined in acres): 28.02

2. Current dwelling units in area classified by type (Single Family detached, multi-family (duplex, four-plex, 10-unit), apartments) N/A

3. Approximate current population in area: N/A

4. Indicate the General Plan designation(s) of the affected city (if any) and uses permitted by this designation(s): Specific Plan with Specific Plan Overlay

San Bernardino County General Plan designation(s) and uses permitted by this designation(s):

Industrial

5. Describe any special land use concerns expressed in the above plans. In addition, for a City Annexation or Reorganization, provide a discussion of the land use plan's consistency with the regional transportation plan as adopted pursuant to Government Code Section 65080 for the subject territory

No special land use concerns. The property is consistent with the S.B. County General Plan and the City of Rialto General Plan. Both of these plans have been reviewed by SCAG for consistency with the adopted RTP. The annexation will not alter any of the prior consistency conclusions.

6. Indicate the existing land use.

Industrial

What is the proposed land use?

Industrial

7. For a city annexation, State law requires pre-zoning of the territory proposed for annexation. Provide a response to the following:

a. Has pre-zoning been completed? YES X NO ___
b. If the response to "a" is NO, is the area in the process of pre-zoning? YES ___ NO ___

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Identify below the pre-zoning classification, title, and densities permitted. If the pre-zoning process is underway, identify the timing for completion of the process.
M-2 Pre-Zoning. M-2 is a general Manufacturing zone. Uses are contained in Chapter 18.42.020 of the Citys Municipal Code (zoning). Chapter 18.42.020 contains height, bulk, and space requirements.

8 Will the proposal require public services from any agency or district which is currently operating at or near capacity (including sewer, water, police, fire, or schools)? YES ___ NO X If YES, please explain
N/A

9 On the following list, indicate if any portion of the territory contains the following by placing a checkmark next to the item

- ☐ Agricultural Land Uses
- ☐ Agricultural Preserve Designation
- ☐ Williamson Act Contract
- ☐ Area where Special Permits are Required
- ☐ Any other unusual features of the area or permits required: N/A

10 If a Williamson Act Contract(s) exists within the area proposed for annexation to a City, please provide a copy of the original contract, the notice of non-renewal (if appropriate) and any protest to the contract filed with the County by the City. Please provide an outline of the City's anticipated actions with regard to this contract
N/A

11 Provide a narrative response to the following factor of consideration as identified in §56668(o)
The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services
The annexation will not result in the hindering of environmental justice. With the annexation, Boral Roofing LLC will be allowed to expand, thereby promoting environmental justice.

ENVIRONMENTAL INFORMATION

1 Provide general description of topography General topography is flat and disturbed land - no hilly terrain.

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2. Describe any existing improvements on the site as % of total area.

Residential	0 %	Agricultural	0 %
Commercial	0 %	Vacant	0 %
Industrial	100 %	Other	0 %

3. Describe the surrounding land uses

NORTH: Vacant / Lytle Creek Wash

EAST: Vacant

SOUTH: Single-family residential

WEST: Vacant / Single-family residential

4. Describe site alterations that will be produced by improvement projects associated with this proposed action (installation of water facilities, sewer facilities, grading, flow channelization, etc.).

N/A

5. Will service extensions accomplished by this proposal induce growth on this site? YES ___ NO X Adjacent sites? YES ___ NO X Unincorporated ___ Incorporated X

N/A

6. Are there any existing out-of-agency service contracts/agreements within the area? YES X NO ___ If YES, please identify.

Please see Figure 4 - Service Provider Changes of the Plan of Services and Fiscal Impact Analysis.

7. Is this project a part of a larger project or series of projects? YES X NO ___ If YES, please explain.

Lytle Creek Specific Plan - this project is processing a parallel annexation application.

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NOTICES

Please provide the names and addresses of persons who are to be furnished mailed notice of the hearing(s) and receive copies of the agenda and staff report

NAME Peter Shills TELEPHONE NO 909.428.4460

ADDRESS 3511 N. Riverside Ave., Rialto, CA 92377

NAME Matthew Fagan Consulting Services TELEPHONE NO 951.265.5428

ADDRESS 42011 Avenida Vista Ladera, Temecula, CA 92591

NAME Julie Peccorini TELEPHONE NO 909.888.5731

ADDRESS 323 West Court Street # 301, San Bernardino, CA 92401

CERTIFICATION

As a part of this application, the city of N/A or the N/A district, N/A (the applicant) and/or the Boral Roofing LLC (real party in interest, subject landowner and/or registered voter) agree to defend, indemnify, hold harmless, and release the San Bernardino LAFCO, its agents, officers, attorneys, and employees from any claim, action, proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it. This indemnification obligation shall include, but not be limited to, damages, costs, and expenses, including attorney fees. The person signing this application will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. I/We understand that if this application is approved, the Commission will impose a condition requiring the applicant to indemnify, hold harmless and reimburse the Commission for all legal actions that might be initiated as a result of that approval.

As the proponent, I/We acknowledge that annexation to the city of N/A or the N/A district may result in the imposition of taxes, fees, and assessments existing within the (city or district) on the effective date of the change of organization. I hereby waive any rights I may have under Articles XIIIC and XIIID of the State Constitution (Proposition 218) to a hearing, assessment ballot processing or an election on those existing taxes, fees and assessments.

I hereby certify that the statements furnished above and in the attached supplements and exhibits present the data and information required for this initial evaluation to the best of my ability, and that the facts, statements and information presented herein are true and correct to the best of my knowledge and belief.

Boral Roofing LLC

DATE April 9, 2015

By: F. Scott Dines

SIGNATURE OF APPLICANT

F. Scott Dines

PRINTED NAME OF APPLICANT

VP - Finance

TITLE

(FOR LAFCO USE ONLY)

PLEASE CHECK SUPPLEMENTAL FORMS ATTACHED:

- ☒ ANNEXATION, DETACHMENT, REORGANIZATION SUPPLEMENT
- ☐ SPHERE OF INFLUENCE CHANGE SUPPLEMENT
- ☐ CITY INCORPORATION SUPPLEMENT
- ☐ FORMATION OF A SPECIAL DISTRICT SUPPLEMENT
- ☐ ACTIVATION OR DIVESTITURE OF FUNCTIONS AND/OR SERVICES FOR SPECIAL DISTRICTS SUPPLEMENT

KRM-Rev. 8/15/2012

3191

3191 (FOR LAFCO USE ONLY)

SUPPLEMENT
ANNEXATION, DETACHMENT, REORGANIZATION PROPOSALS

INTRODUCTION: The questions on this form are designed to obtain data about the specific annexation, detachment and/or reorganization proposal to allow the San Bernardino LAFCO, its staff and others to adequately assess the project. You may also include any additional information which you believe is pertinent. Use additional sheets where necessary, and/or include any relevant documents.

1. Please identify the agencies involved in the proposal by proposed action:

ANNEXED TO	DETACHED FROM
City of Rialto	County of San Bernardino
150 S. Palm Ave.	385 N. Arrowhead Ave.
Rialto, CA 92376	San Bernardino, CA 92415

2. Will the territory proposed for change be subject to any new or additional special taxes, any new assessment districts, or fees?

With the exception of Fire Protection, which will be transferred to the County, no other changes are expected such that the property would be subject to any new or additional special taxes, new assessment districts, or fees. See Figure 5 - Current and Projected General Recipients of the Plan of Services and Fiscal Impact Analysis.

3. Will the territory be relieved of any existing special taxes, assessments, district charges or fees required by the agencies to be detached?

Yes. Please refer to the Plan of Services and Fiscal Impact Analysis.

4. Provide a description of how the proposed change will assist the annexing agency in achieving its fair share of regional housing needs as determined by SCAG.

N/A

5. PLAN FOR SERVICES:

For each item identified for a change in service provider, a narrative "Plan for Service" (required by Government Code Section 56653) must be submitted. This plan shall, at a minimum, respond to each of the following questions and be signed and certified by an official of the annexing agency or agencies.

1. A description of the level and range of each service to be provided to the affected territory.

2. An indication of when the service can be feasibly extended to the affected territory.

3. An identification of any improvement or upgrading of structures, roads, water or sewer facilities, other infrastructure, or other conditions the affected agency would impose upon the affected territory.

4. The Plan shall include a Fiscal Impact Analysis which shows the estimated cost of extending the service and a description of how the service or required improvements will be financed. The Fiscal Impact Analysis shall provide, at a minimum, a five (5)-year projection of revenues and expenditures. A narrative discussion of the sufficiency of revenues for anticipated service extensions and operations is required.

5. An indication of whether the annexing territory is, or will be, proposed for inclusion within an existing or proposed improvement zone/district, redevelopment area, assessment district, or community facilities district.

6. If retail water service is to be provided through this change, provide a description of the timely availability of water for projected needs within the area based upon factors identified in Government Code Section 65352.5 (as required by Government Code Section 56668(k)).

CERTIFICATION

As a part of this application, the city of N/A or the N/A district, N/A (the applicant) and/or the Boral Roofing LLC (real party in interest: subject landowner and/or registered voter) agree to defend, indemnify, hold harmless, and release the San Bernardino LAFCO, its agents, officers, attorneys, and employees from any claim, action, proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it. This indemnification obligation shall include, but not be limited to, damages, costs, and expenses, including attorney fees. The person signing this application will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. I/We understand that if this application is approved, the Commission will impose a condition requiring the applicant to indemnify, hold harmless and reimburse the Commission for all legal actions that might be initiated as a result of that approval.

As the proponent, I/We acknowledge that annexation to the city of N/A or the N/A district may result in the imposition of taxes, fees, and assessments existing within the (city or district) on the effective date of the change of organization. I hereby waive any rights I may have under Articles XIIIC and XIIID of the State Constitution (Proposition 218) to a hearing, assessment ballot processing or an election on those existing taxes, fees and assessments.

(FOR LAFCO USE ONLY)

I hereby certify that the statements furnished above and the documents attached to this form present the data and information required to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief.

DATE April 9 2015

For Boral Roofing LLC SIGNATURE OF APPLICANT

Title: VP Finance

/REVISED km – 8/15/2012

Certification for

BORAL ROOFING LLC
DRAFT PLAN OF SERVICES AND
FISCAL IMPACT ANALYSIS

Dated February 4, 2015

I hereby certify that the statements furnished within the Plan for Service and Fiscal Impact analysis present the data and information required to the best of my ability, and that the facts, statements, and information presented are true and correct to the best of my knowledge.

Michael E. Story
City Administrator
City of Rialto

RSG
BETTER COMMUNITIES. BOLDER FUTURES.

DRAFT PLAN OF SERVICES AND FISCAL IMPACT ANALYSIS

Boral Roofing LLC

February 4, 2015

ROSENOW SPEVACEK GROUP, INC.
www.webrsg.com

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EXECUTIVE SUMMARY

The purpose of this report is to support the annexation of a single parcel to the City of Rialto ("City") from unincorporated San Bernardino County. The proposed parcel annexation is for Assessor Parcel Number ("APN") 0239-121-20-0000, which is owned by Boral Roofing LLC ("Boral Roofing LLC Site" or "Subject Site"). The Boral Roofing LLC Site is located within the City's sphere of influence. The parcel is currently used in conjunction with an adjacent parcel that is within the City's incorporated boundary. Both parcels have the same owner and are in use as a production site for roofing tile. This report provides a brief assessment of public service delivery capabilities of the City and other agencies or special districts affected by the proposed annexation. All impacts are expected to be negligible or non-existent, given the nature and scope of the proposed annexation.

This report is being submitted to the County of San Bernardino Local Agency Formation Commission ("LAFCo") as a Plan for Service required by California Government Code Section 56653. After annexation, local municipal service provision is expected to transfer from the County of San Bernardino ("County") to the City. These services will include general government, police protection, community development, fire protection, local parks and recreation, community services, and public works. The County will continue to provide regional, countywide services such as flood control, court systems, and health and welfare.

Based on an analysis of current service delivery capabilities, the City is equipped to handle additional demand from the proposed annexation of the Boral Roofing LLC Site at no additional, ongoing costs. This report explains the transfer of service requirements upon annexation, and discusses the lack of appreciable, recurring fiscal impacts to the City.

As shown in Table 1, a recurring annual surplus of approximately $49,000 per year, two years after annexation of the Boral Roofing LLC Site is expected if no further improvements are made, based on certain assumptions described in the body of this report. Table 2 identifies an alternative scenario, where an additional 17,155 square feet of manufacturing space is constructed to accommodate additional production, increasing the assessed value of the Subject Site. Using Marshall and Swift Valuation Service, RSG estimated a conservative assessed value of $129 per square foot of new construction[1] for a total of $2.2 million in new assessed value.

[1] Assumes Class C Average industrial construction, adjusted for San Bernardino County costs.

Figure 1 - Fiscal Impact Summary No Expansion

APN: 0239-121-20-0000

	2015-16	2016-17	2017-18	2018-19	2018-19
Assessed Value	$ 6,820,476	$ 6,956,885	$ 7,096,023	$ 7,237,944	$ 7,382,702
1% General Levy	68,205	69,569	70,960	72,379	73,827
City Share From County Property Tax Levy	-	-	-	-	-
City Share From Fire District Share Tax Levy	10,249	10,454	10,663	10,876	11,094
VLF In Lieu	-	8,318	8,485	8,654	8,827
Utility User Tax (8%)	38,600	38,600	38,600	38,600	38,600
Total City Revenues	$ 48,849	$ 57,372	$ 57,748	$ 58,131	$ 58,521

Notes:
Tax shares estimated net of Educational Revenue Augmentation Fund (ERAF) shift.
Assessed value assumes no additional improvements to site and 2% annual increase.
Utility User Tax estimated based upon Boral Roofing historical utility bills.

Figure 2 - Fiscal Impact Summary with 17,155 SF Expansion

	2015-16	2016-17	2017-18	2018-19	2018-19
Assessed Value	$ 9,079,457	$ 9,261,046	$ 9,446,267	$ 9,635,192	$ 9,827,896
1% General Levy	90,795	92,610	94,463	96,352	98,279
City Share From County Property Tax Levy	-	-	-	-	-
City Share From Fire District Share Tax Levy	13,643	13,916	14,195	14,478	14,768
VLF In Lieu	-	11,073	11,295	11,521	11,751
Utility User Tax (8%)	38,600	38,600	38,600	38,600	38,600
Total City Revenues	$ 52,243	$ 63,590	$ 64,089	$ 64,599	$ 65,119

Notes:
Tax shares estimated net of Educational Revenue Augmentation Fund (ERAF) shift.
Assessed value assumes additional improvements of $2.2M to site and 2% annual increase.
Utility User Tax estimated based upon Boral Roofing historical utility bills.

INTRODUCTION

This report presents the plan for service and fiscal analysis for the proposed annexation of the Boral Roofing LLC Site to the City. The Boral Roofing LLC Site is located in unincorporated San Bernardino County, immediately adjacent to the incorporated boundary of the City, and within the City's sphere of influence. As shown in Figure 3, the Boral Roofing LLC Site is set back from the eastern side of North Riverside Avenue between North Locust Avenue and North Linden Avenue, with regional access via nearby Interstate 15 and State Route 210. The Boral Roofing LLC Site is adjacent to a parcel that is currently owned by Boral Roofing LLC, is used for the same roofing tile manufacturing business, and is within the City's incorporated boundary already. Direct access to the Boral Roofing LLC Site is through this adjacent Boral Roofing LLC parcel. The Subject Site does not have independent access to North Riverside Avenue, nor any other public right of way.

Purpose of the Study

The San Bernardino LAFCo requires a Plan for Service and Fiscal Impact Analysis be prepared and certified when a jurisdiction is affected by a proposed change of organization or reorganization (e.g., annexation, formation). Per the LAFCO August 2012 Policy and Procedure Manual, the Plan for Service must include the following components:

- A description of the level and range of each service to be provided to the affected territory.
- An indication of when those services can feasibly be extended to the affected territory.
- An identification of any improvement or upgrading of structures, roads, water or sewer facilities, other infrastructure, or other conditions the affected agency would impose upon the affected territory.
- A Fiscal Impact Analysis which shows the estimated cost of extending the service and a description of how the service or required improvements will be financed. The Fiscal Impact Analysis shall provide, at a minimum, a five (5)-year projection of revenues and expenditures. A narrative discussion of the sufficiency of revenues for anticipated service extensions and operations is required.
- An indication of whether the affected territory is, or will be, proposed for inclusion within an existing or proposed improvement zone/district, redevelopment area, assessment district, or community facilities district.
- If retail water service is to be provided through this change of organization, provide a description of the timely availability of water for projected needs within the area based upon the factors identified in Government Code Ch3 65352.5

As a single parcel, this particular annexation is extremely small in nature, and service transition is expected to be a matter of procedure. No service impacts are anticipated for the following reasons.

- The annexation does not propose the addition of residents.
- The annexation does not propose a change of land use. The current manufacturing operations at the site will continue, albeit with opportunity for increased capacity in the future.
- The Subject Site is already tied, for all practical purposes, to the City as it is operated in conjunction with a parcel within the City's boundary.
- The location of the Subject Site, which can only be accessed through its adjacent parcel in the City, means that all traffic flow and access is already occurring within the City.

PROJECT DESCRIPTION

The Subject Site location is generally along the north/northeastern border of the City and is about 19.31 acres in size. The commonly used address is 3511 North Riverside Avenue. The immediate area surrounding, and to the northeast of the site has a small amount of industrial uses, but is generally undeveloped due to a natural drainage channel, the Lower Cajon Creek Floodway. The area immediately across the street and southwest of North Riverside Avenue is also developed with light industrial and storage uses.

Figure 3 - Map of Site

The two parcels owned by Boral Roofing LLC (one already within the City, the other as the proposed Subject Site) are currently in operation for tile production and storage. The parcel within the City is currently used as a storage area, while all structures are currently located on the Subject Site.

In 2012, the City adopted the Lytle Creek Ranch Specific Plan ("Specific Plan"), which applies to an area of land both in and adjacent to the City's incorporated boundary, including the Subject Site. An Industrial/Warehousing overlay zone applies to the Boral Roofing LLC Site in the Specific Plan, which is consistent with the existing use. Furthermore, the existing use is consistent with the City's General Plan.

A pre-annexation agreement was entered into in 2010 between the City and Lytle Development Joint Venture III and Lytle Development Company, through City Ordinance 1462. The agreement

allowed for the continued operation of the manufacturing, distribution, and storage facility that currently exists on the site. All rights and obligations of Lytle Development Joint Venture III and Lytle Development Company were later transferred to Boral Roofing LLC. The pre-annexation agreement originally expired on May 1, 2014, but was extended until May 1, 2016 following a public hearing. The agreement essentially provides support for the annexation of the Boral Roofing LLC Site, but does not include any specific provisions, particularly related to sharing of property tax revenues, as discussed in the next section.

Boral Roofing LLC has submitted a Precise Plan of Design ("PPD") to the City to facilitate a future expansion of the manufacturing facility by approximately 17,155 square feet. No environmental changes are anticipated, according to the PPD, which specifically identifies that there will be no substantial change in the demand for municipal services as a part of the expansion. The City has responded with a series of requirements associated with the expansion to comply with City standards and building codes.

SERVICE PROVIDER CHANGE

Upon annexation, certain service provisions will switch from the County to the City, and others will remain the same. Service providers, both before and after annexation, are shown in Figure 4.

Figure 4 - Service Provider Changes

Service	Provider Pre-Annexation	Provider Post-Annexation
General Government	County	City
Fire and Paramedic	County Fire	City Fire Department
Police Services	County Sheriff	City Police Department
Library	County Library	County Library
Parks and Recreation	County	City
Animal Control	County	City (Contracts with County)
Street Lighting and Traffic Signals	County	City (Includes a Community Facilities District)
Landscape Maintenance	County	City (Includes a Community Facilities District)
Roads	County (Current access to site is via a City road)	City
Flood Control and Drainage	County Flood Control	County Flood Control
Water Importation	San Bernardino Valley Municipal Water District	San Bernardino Valley Municipal Water District
Water Retail	West Valley Water District	West Valley Water District
Sewer	None on site	None on site
Other Utilities	Various private providers	Various private providers
Solid Waste Management	County of San Bernardino Solid Waste Management	County of San Bernardino Solid Waste Management

REVENUES

Certain revenues are generated by the Boral Roofing LLC Site, which currently accrue to the County, but would transfer to the City following annexation to support services. The following section describes these revenues.

Assessed Valuation and Property Tax Based Revenues

Property tax revenue is based upon the assessed value of a parcel, as established by the San Bernardino County Assessor ("Assessor"). The Assessor determines the value of a property through a variety of analyses, which includes considerations for construction costs, comparable sales, and in commercial products, revenue produced. Value is established whenever an "assessable event" occurs, such as the sale of a property, or property improvements. Annexation alone is not an assessable event, therefore, the current assessed value of the parcel remains the same, inclusive of any adjustments based on the Proposition 13 annual inflationary factor, or any property tax appeals that may be filed (none are anticipated at this time). Assessed valuation for the Boral Roofing LLC Site is currently $6,656,620, according to County Assessor records.

According to the submitted PPD, Boral Roofing LLC is likely to seek development of an additional production building, currently expected to be 17,155 square feet in size. Based on a conservative estimate utilizing Marshall and Swift Valuation Service, the assessed value of the Boral Roofing LLC Site may increase by approximately $2.2 million after construction completion.

Projected Property Tax

It is estimated that the City General Fund will receive property tax at 15.0267% of the one percent general property tax levy on assessed valuation. The City and County do not have a Master Property Tax Exchange Agreement, therefore this estimate is generally based on the tax rate levy in the adjacent Tax Rate Area, where the other Boral Roofing LLC parcel is located, and previous annexation documents provided by LAFCo. The property tax rate share assumes that the City will receive 0% of the County's general levy share, and 100% of the San Bernardino County Fire Protection District's share. Note that any property tax exchange must be approved by the City and County before the annexation can be completed.

Figure 5 - Current and Projected General Levy Recipients

Agency	% Share	Annexation Impact
County General Fund	0.15113154	No Change
ERAF	0.22886376	No Change
Flood Control Zone 2	0.02685919	No Change
Flood Control Zone 1 and 2 Admin	0.00188702	No Change
County Free Library	0.01470179	No Change
Superintendent of Schools	0.00518932	No Change
Superintendent of Schools	0.00089711	No Change
Superintendent of Schools	0.00203397	No Change
Superintendent of Schools	0.00163955	No Change
Superintendent of Schools	0.00053362	No Change
San Bernardino Community College	0.05323888	No Change
Rialto Unified School District	0.33321475	No Change
CSA 70	0	N/A
San Bernardino County Fire Protection District	0.12305884	Expected to Transfer to City
San Bernardino County Fire Protection District	0.02720788	Expected to Transfer to City
Inland Empire Joint Resource Conservation District	0.00216544	No Change
San Bernardino Valley Municipal Water	0.02737734	No Change
Total General Levy	**1.00**	

At a total general levy rate of 15.0267%, the City would receive approximately $10,000 in property taxes annually, following annexation, based on current assessed value and an assumed 2% increase in assessed value each year.

Projected Vehicle License Fees (VLF) - Property Tax In Lieu

Established in 1935, the Motor Vehicle License Fee ("VLF") was essentially a tax on the ownership of a vehicle. It is collected by the State annually when vehicles are registered, and was historically allocated to cities and counties based upon a statutory formula. In 2004, during the State's budget crisis, about 90 percent of a city's VLF revenue was replaced with property tax revenue, and cities in particular began to receive an allocation of property tax from the State's Educational Revenue Augmentation Fund in an amount equal to what they would have received in VLF under an older VLF allocation formula. Under current law, the property tax in-lieu of VLF revenue increases based on assessed value growth instead of population growth in a jurisdiction, so this Study estimates revenues based on changes in assessed value that can be allocated to the Boral Roofing LLC Site. The Project will generate approximately $8,300 per year in annual In-Lieu VLF revenues, as shown in Figure 6 with no further improvements to the Subject Site. It is important to note this calculation merely assigns a "fair share" to the Boral Roofing LLC Site. As revenues are allocated based on citywide assessed value, a decline in assessed value elsewhere in the city may negate any net additional revenue associated with the Boral Roofing LLC Site.

Figure 6 - VLF In-Lieu Calculation

2013-14 Assessed Value		5,840,693,000
2004-05 Assessed Value		3,985,693,000
Change in Assessed Value	$	1,855,000,000
2013-14 VLF In-Lieu		8,561,000
2004-05 VLF In-Lieu True Up		6,343,000
Change in VLF In-Lieu	$	2,218,000
VLF Increase/Assessed Value Increase		0.0011956873
Net Change VLF Per $1,000,000 Assessed Value	$	1,196
VLF In-Lieu for Boral Roofing Site ($6.9M in 2016-17)	$	8,318

Property Transfer Tax

The County currently receives $1.10 for every $1,000 of property value transferred within the unincorporated area. If annexed, the revenue would be split equally between the County and the City, resulting in both entities collecting property transfer tax revenue of $0.55 for every $1,000 of property value transferred, typical of most incorporated communities. However, as the current owner has no plans to sell the property at this time, and is in fact planning to expand operations, no property transfer tax revenues are projected.

Sales and Use Tax

One percent of all taxable sales[2] taking place within Rialto goes to the City's General Fund. However, the Boral Roofing LLC Site is used for manufacturing and storage purposes. It does not contain a point of sale, therefore no sales tax is anticipated to be associated with this site.

Utility User Tax

The City levies an 8% utility user tax on electric, gas, phone, cable, wireless, sewer, and water services on businesses and residences in Rialto. The County does not levy a utility user tax. Upon annexation, the business operator at the Subject Site, currently Boral Roofing LLC, will pay an additional fee on all applicable utilities. Boral Roofing LLC estimates annual utility costs to be $483,000 per year. The resulting utility tax at 8% would be approximately 38,600 per year. It is unknown how these expenses could vary with the proposed expansion, changes in efficiency levels, etc., so revenues were left flat for all projections. These revenues are collected by the City's General Fund.

[2] Including triple flip revenues

SERVICE PROVISION AND EXPENDITURES

The following section describes the existing and anticipated future service providers for the proposed Boral Roofing LLC Site as well as the anticipated costs associated with the City providing those services. Please note that no additional City expenditures are expected to result from the proposed annexation as discussed earlier.

General Government

General government costs include costs associated with the legislation and administration of municipal services. Based on the nature of this annexation, no impact upon general government services is anticipated. One-time, additional expenditures may be associated with this annexation, as well as any future development activities. City fees charged for these services will offset some costs, and City departments will be able to support functions with existing staff and supplies.

Fire and Paramedic Service

Fire protection services will transfer from the County to the City upon annexation. The City maintains its own fire department, and the nearest fire station (Station 202) is located at Riverside and Walnut, approximately 1.5 miles from the Boral Roofing LLC Site. At this time, the City and the County have a mutual aid agreement, which supports their ability to ensure the fastest and most effective service delivery. As the nearest County fire station (Station 7) is 3.8 miles away, a call for service from the Boral Roofing LLC Site today may result in the dispatch of the Rialto Fire Department, as allowed under the mutual aid agreement.

As no change of use is anticipated, and the Boral Roofing LLC Site experiences minimal need for fire services, no cost impacts are associated with this proposed annexation. As noted in the City's response to Boral Roofing LLC's Precise Plan of Design submittal, a water system capable of providing adequate fire flow must be installed for any future construction to be approved.

Police Services

The County Sheriff currently provides public safety services to the unincorporated Boral Roofing LLC Site. After the annexation, the City will provide police services. The immediate adjacency to the City boundaries, in addition to half the uses of Boral Roofing LLC actually being in the incorporated City, may already result in responses from the Rialto Police Department were a call placed today. Annexation will essentially formalize this service arrangement. The City's Area 1 Command covers the Boral parcel within the City's boundary. It is assumed this Command would be expanded to serve the entire Boral Roofing LLC production site with no service impacts. A search of crimemapper.com did not reveal any crimes at or adjacent to the Boral Roofing LLC Site during the June 2014 to December 2014 period.

As no change of use at the site is anticipated and minimal police service is required, no impacts are anticipated for police services.

Library

The City does not operate its own library system, but instead the San Bernardino County Free Library system offers these services. The San Bernardino County Free Library system receives a share of the general property tax levy to fund these services. Annexation will have no impact on the service provider, nor the City.

Development Services

The County provides community development services including land use planning, building and safety, and code enforcement. Upon annexation, the City would provide these services. One-time costs associated with this annexation, and with the proposed development of the 17,155 SF building would be incurred by the City's Development Services Department. However, one-time fees are expected to offset portions of these costs. No ongoing, recurring service impacts are expected to be associated with the annexation, therefore no costs are included.

Parks and Recreation

The County provides for a regional park system, and the City operates local parks and recreation programs. While employees at the Boral Roofing LLC Site may choose to recreate at any public park, annexation is not expected to impact parks services in any way.

Animal Control

Currently, the County Animal Care and Control provides services the Boral Roofing LLC Site. The City contracts with the County for these services within City boundaries. As the land use is not residential, no impacts are anticipated, and no adjustment to the contract for services with the County will be needed.

Public Works

Street Lighting and Traffic Signals

The County is responsible for street lighting and traffic signals on local streets within the unincorporated area. However, the Boral Roofing LLC Site does not have direct access to a public road at this time.

Upon annexation, the City will assume responsibility for street lighting and traffic signals. Some of this maintenance is funded through the General Fund, but costs are also offset by the City's Street Light Maintenance District Number 1 ("SLD 1"), which was formed pursuant to the Landscaping and Lighting Act of 1972 as codified in the Streets and Highways Code. According to the 2014-15 Engineer's Annual Levy Report, most costs associated with SLD 1 are for annual maintenance, operations, and servicing of street lighting. The Boral Roofing LLC pays an annual fee as a part of the SLD 1 for the parcel already within the City. The 2014-15 SLD 1 fee for that parcel was $73.45 according to County property tax records. Assessments are established annually, based on anticipated costs, and assigned based on the benefit received as determined byt the City Council when the SLD 1 was formed. Assessments are calculated using two factors, a land benefit factor (charged on all property), and a development factor (charged only if the property is developed). In 2014-15, the non-residential land benefit factor is $8.18 per acre, and the development factor is $52.09 per acre. At 19.31 acres, the Boral Roofing LLC Site would be assessed $1,164 in 2014-15 if it were within the City boundary.

Landscape Maintenance

The County is responsible for maintaining landscaping in public right of ways in the unincorporated area, however, the Boral Roofing LLC Site does not border a public right of way or otherwise landscaped area. Upon annexation, any public landscaping related to the site would become the responsibility of the City, though annexation the Boral Roofing LLC Site will have no effect upon this duty. Please note, however, that some SLD-1 funds are used for citywide street tree maintenance according to the City's Adopted Budget.

Roads and Transportation

Local roads are serviced by the Public Works Department. At this time, there is no direct access to the Boral Roofing LLC Site through a public right of way, only through the adjacent Boral parcel which is located on Riverside Avenue. Annexation will not impact the City's service of Riverside Avenue.

Water

Annexation will not directly impact water provision to the Boral Roofing LLC Site, which is currently within the service boundary of the San Bernardino Valley Water District for water sourcing and importation, and the West Valley Water District for retail service. Annexation alone in not expected to impact water demand, though if plans proceed to expand the manufacturing operations at the site, the demand for water may increase. All improvements necessary to extend water lines as a result of the proposed expansion would be performed on-site by the developer or property owner at their expense. Existing water resources are anticipated to be satisfactory to accommodate increase in demand.

Sewer

The Boral Roofing LLC Site currently utilizes a septic system for wastewater disposal, and is not serviced by a municipal sewer system. The City's Sewer Master Plan does identify the greater Lytle Creek Ranch as an opportunity area for future expansion of sewer service. This effort is largely driven by the significant development proposed for the Lytle Creek Ranch in the future, and not this single parcel annexation. Implementation of sewer service in the future may be tied to a number of finance mechanisms including assessments, which Boral Roofing LLC may be party to at that time. No service impacts will result from annexation.

Flood Control and Drainage

The San Bernardino County Flood Control District services the entire county as the local and regional flood control and drainage facilities provider. The County Flood Control District is responsible for flood protection on major streams, water conservation, and storm drain construction. The City and the County act as co-permittees in the National Pollutant Discharge Elimination System ("NPDES") permit program for the Santa Ana River Watershed. In accordance City policy, the site owner will need to impose erosion control and stormwater pollution prevention plans during any construction. No services impacts will result from annexation.

Vector Control

Vector Control is provided by San Bernardino Vector Control both in Rialto and in the unincorporated area where the Boral Roofing LLC Site is located. A parcel assessment of $10.26 was levied in 2014-15 on each parcel according to County property tax records. The annexation will not impact service.

Other Utilities

No change in service providers for other utilities is anticipated following annexation. Any additional service required due to the expansion of manufacturing activities will be funded by the developer or property owner as needed. No service impacts are associated with the annexation.

Service	Pre-Annexation	Post Annexation
Cable/Internet/Telephone	AT&T	AT&T; Time Warner; Exide
Electricity	Southern California Edison	Southern California Edison
Natural Gas	The Gas Company	The Gas Company
Waste Hauling	Burrtec	Burrtec

CONCLUSIONS

Based on the size, scope, and location of the Subject Site, no recurring costs to the City are expected following annexation. The City will incur annual revenues related to property taxes and utility taxes, in sufficient amounts to offset any occasional service demands that may occur from time to time.