

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: APRIL 11, 2016

FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
SAMUEL MARTINEZ, Assistant Executive Officer



TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #5: LAFCO SC#405 - City of Fontana Pre-Annexation Agreement No. 15-003 for Sewer Service (APN 0234-101-21)

INITIATED BY:

City of Fontana, on behalf of property owner/developer

RECOMMENDATION:

1. For environmental review, take the following actions as a responsible agency:
 - Certify that the Commission has reviewed and considered the environmental assessment and the Mitigated Negative Declaration prepared by the County of San Bernardino to construct a 214,300 sq. ft. industrial building to be used as a High-Cube warehouse/distribution facility on approximately 9.89 Acres, and found them to be adequate for the Commission's use;
 - Determine that the Commission does not intend to adopt alternatives or additional mitigation measures for this project; that all mitigation measures are the responsibility of the County of San Bernardino and/or others, not the Commission; and are self-mitigating through the Conditions of Approval; and,
 - Note that this proposal is exempt from Department of Fish and Game fees because the filing fee was the responsibility of the County, as CEQA lead agency, and direct the Executive Officer to file a Notice of Determination within five (5) days of this action.

2. Approve SC#405 authorizing the City of Fontana to extend sewer service outside its boundaries to the project site comprised of a single parcel identified as Assessor Parcel Number 0234-101-21; and,
3. Adopt LAFCO Resolution #3218 setting forth the Commission’s determinations and approval of the agreement for service outside the City of Fontana’s boundaries.

BACKGROUND:

The City of Fontana has submitted a request for approval of a pre-annexation agreement that outlines the terms by which it will extend sewer service outside its boundaries. The agreement relates to a proposed development that includes a single parcel, Assessor Parcel Number (APN) 0234-101-21, located on the west side of Redwood Avenue generally between San Bernardino Avenue and Valley Boulevard, within the City of Fontana’s western sphere of influence (see Figure 1 below). Attachment #1 also provides a location and vicinity map of the project site along with a map outlining the location of the infrastructure to be extended.

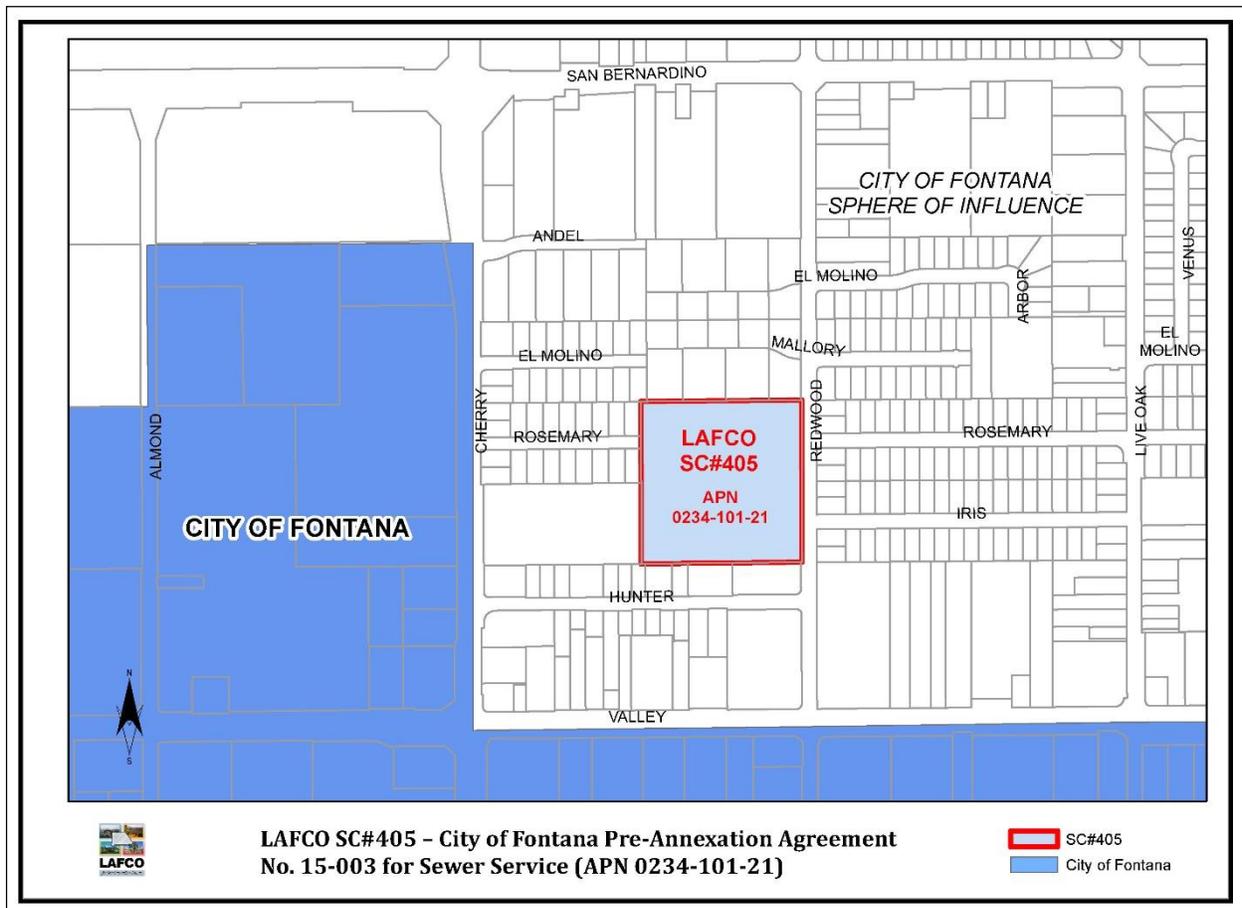


FIGURE 1 – Vicinity Map

The property owner/developer has processed, through the County's Land Use Services Department, a Conditional Use Permit (CUP) for the proposed 214,300 sq. ft. industrial building to be used as a High-Cube warehouse/distribution facility. The conditions of approval placed upon this project include the requirement to connect to the City of Fontana's sewer facilities prior to issuance of building permits (Conditions 78 and 79). A copy of the County's Conditions of Approval is attached as Exhibit E to the Pre-Annexation Agreement, which is a part of Attachment #2 to this report.

The City, on behalf of the property owner/developer, has requested that the Commission review and approve the extension of service pursuant to the provisions of Government Code Section 56133. Authorization of this contract is required before the City can take the final actions to implement the terms of the agreement.

PLAN FOR SERVICE:

The City's application (included as part of Attachment #2 to this report) indicates that the proposed project will be served by extending an 8-inch sewer line approximately 1,189 linear feet along Redwood Avenue from the existing 8-inch sewer terminus in Redwood Avenue that connects to the existing 12-inch sewer main in Valley Boulevard. The installation will also include two 6-inch sewer lateral extensions from the new sewer line in Redwood Avenue that will both serve the parcel.



Pursuant to the Commission's application requirements for service contracts, information has been provided regarding all financial obligations for the extension of service outside the agency's boundaries. The City of Fontana has identified an estimated cost of \$121,663.45 in development impact fees and sewer fees for the

extension of sewer service to the parcel (see Exhibit F of the Pre-annexation Agreement in Attachment #2).

The Table below outlines the City’s sewer connection charges:

Description of Fees/Charges	Fee		Total
Sewer Deposit	\$107.76/month	4 mons deposit	\$431.04
Sewer Connection Permit Fee ¹	\$25.00/connection	2 lateral connections	\$50.00
Sewer Connection Master Fee	\$876.61/EDU ²	1.5984 EDUs	\$1,401.17
Sanitary Sewage Facilities Expansion Fee (IEUA) ³	\$ 5,415.00/EDU ²	1.5984 EDUs	\$8,655.34
TOTAL			\$10,512.55

¹ Sewer Connection Fee has been revised by Fontana staff to reflect 2 connections fees

² EDU = Equivalent Dwelling Unit (Number of Fixture Units x Coefficient = EDU).
 36 (number of plumbing fixtures) x 0.0444 (Sewage factor for Office-type development) = 1.5984 EDUs

The proposed structure for this project is a shell building only. EDU has been estimated for the project at 1.5984 and will be adjusted at time of plan check for the sewer construction permit.

³ The Sewer Facilities Expansion Fee is a pass through fee that is collected by the City on behalf of the Inland Empire Utilities Agency.

Per the Memorandum of Understanding (MOU) between the City and the County (Western Sphere of Influence), any development in the unincorporated Western Sphere requires that it pay the City certain development impact fees that would otherwise be assessed for such development within the City such as sewer connection/expansion fees, storm drainage facilities fee, fire facilities fee, and park development fee (for residential properties only). The following table shows the City’s Development Impact Fees that are being assessed for the project:

Description of Fees	Fee		Total
Fire Facilities Fee ⁴	\$ 0.10/sq. ft.	214,300 sq. ft.	\$10,715.00
Storm Drainage Fee ⁴	\$ 20,388.00/ac	9.85 acres	\$100,410.90
TOTAL			\$111,125.90

⁴ Since the project is located within the City’s infill area, the corresponding Development Impact Fee (DIF) reflects a 50% reduction.

The property owner/developer shall pay the total fees and charges of \$121,663.45 at the time the sewer “construction” permit is issued as set forth in the pre-annexation agreement.

In addition, the property owner/developer will be responsible for hiring a contractor for the connection of the proposed development to the City’s existing sewer system. The costs of all improvements needed to extend the sewer to the proposed development are also borne by the property owner/developer. Also, future users of the sewer service will be charged \$53.88 per EDU per month, which is the outside city monthly sewer rates for

this type of development—approximately 1.5 times the in-City monthly sewer rate. The higher rates charged are intended to help offset the costs for service delivery outside the City's corporate boundaries.

ENVIRONMENTAL DETERMINATION:

The County prepared an Initial Study and Mitigated Negative Declaration for a Conditional Use Permit to construct a 214,300 sq. ft. industrial building to be used as a High-Cube warehouse/distribution facility on approximately 9.89 Acres.

The Commission's Environmental Consultant, Tom Dodson and Associates, has reviewed the County's environmental assessment and the Mitigated Negative Declaration issued for the proposed project. Mr. Dodson's analysis indicates that the County's Initial Study and Mitigated Negative Declaration are adequate for the Commission's use as a CEQA responsible agency.

Mr. Dodson has indicated that the necessary environmental actions to be taken by the Commission are as follows:

- a) Certify that the Commission, its staff and its Environmental Consultant, have independently reviewed and considered the County's environmental assessment and Mitigated Negative Declaration;
- b) Determine that the Commission does not intend to adopt alternatives or additional mitigation measures for the project; that the mitigation measures identified in the County's environmental documents are the responsibility of the County and/or others, not the Commission; and,
- c) Direct the Executive Officer to file the Notice of Determination within five (5) days and find that no further Department of Fish and Wildlife filing fees are required by the Commission's approval since the County has paid said fees for its environmental determination.

CONCLUSION:

Staff has reviewed this request for the provision of sewer service by the City of Fontana outside its corporate boundaries against the criteria established by Commission policy and Government Code Section 56133. The project to be served, which is comprised of a single parcel, is within the sphere of influence assigned the City of Fontana and is anticipated to become a part of the City sometime in the future. The development of the warehouse/ distribution facility requires that it receive sewer service, which is only available from the City of Fontana. Staff supports the City's request for authorization to provide sewer service to the proposed project since its facilities are close to the anticipated development, and there is no other existing entity available to provide this service within the area.

DETERMINATIONS:

1. The project area is comprised of a single parcel, APN 0234-101-21. It is within the sphere of influence assigned the City of Fontana and is anticipated to become a part of that City sometime in the future. The project will receive water service from the Fontana Water Company. The application requests authorization to receive City of Fontana sewer service.

The sewer connection requirement is a condition of approval as identified in the County's Conditional Use Permit to construct a 214,300 sq. ft. industrial building to be used as a High-Cube warehouse/distribution facility on approximately 9.89 acres. Therefore, approval of the City's request for authorization to provide sewer service is necessary in order to satisfy this condition of approval.

2. The City of Fontana's Pre-Annexation Agreement No. 15-0003 being considered is for the provision of sewer service by the City of Fontana to a single parcel, APN 0234-101-21 located on the west side of Redwood Avenue generally between San Bernardino Avenue and Valley Boulevard. This contract will remain in force in perpetuity for the proposed development or until such time as the area is annexed. Approval of this application will allow the property owner/developer and the City of Fontana to proceed in finalizing the contract for the extension of this service.
3. The fees charged this project by the City of Fontana for sewer service are identified as totaling \$121,663.45 (for a breakdown of fees, see table on page 3). Payment of these fees is required prior to connection to the City's sewer facilities. In addition, the property owner/developer shall bear all costs to complete improvements needed to extend the sewer service to the proposed development.
4. During the period from May 2015 to July 2015, acting as the CEQA lead agency, the County prepared an environmental assessment for the Conditional Use Permit to construct a 214,300 sq. ft. industrial building to be used as a High-Cube warehouse/distribution facility on approximately 9.89 acres. The County's assessment indicates that the project would not have a significant effect on the environment through its development under the Conditions of Approval that has been approved for the proposed project.

LAFCO's Environmental Consultant, Tom Dodson and Associates has reviewed the County's Initial Study and the Mitigated Negative Declaration issued for the proposed project. Mr. Dodson's analysis indicates that the County's Initial Study and Mitigated Negative Declaration are adequate for the Commission's use as a CEQA responsible agency. The Commission will not be adopting alternatives or additional mitigation measures for this development; all mitigation measures are the responsibility of the County of San Bernardino and/or others, not the Commission, and are self-mitigating through the Conditions of Approval. Attachment #4 to this report is a copy of Mr. Dodson's response and

recommendation regarding the Commission's review and actions to be taken including the County's environmental assessment.

KRM/sm

Attachments:

1. [Vicinity Map and Map of the Contract Area](#)
2. [City of Fontana's Application and Contract](#)
3. [Tom Dodson and Associates' Response and County's Environmental Assessment and Mitigated Negative Declaration](#)
4. [Draft Resolution #3218](#)