

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

215 North "D" Street, Suite 204, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 885-8170
E-mail: lafco@lafco.sbcounty.gov
www.sbclafco.org

DATE: JANUARY 9, 2017
FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #4 – Consideration of Fee Reduction Request from the City of Upland for its Reorganization Proposal to Annex the City of Upland Territory to the San Bernardino County Fire Protection District (et al)

RECOMMENDATION:

Staff recommends that the Commission approve a reduction in application fees for the City of Upland request to transfer its fire responsibility to the San Bernardino County Fire Protection District to a total of \$49,950 (fees and deposits).

BACKGROUND:

On November 28, 2016 the City of Upland City Council (hereinafter shown as "City") adopted a resolution to initiate a proposed reorganization to transfer its fire and emergency medical response obligations to the San Bernardino County Fire Protection District (hereinafter shown as "SBCFPD"). The change anticipates a sphere of influence amendment for SBCFPD along with the annexation to the SBCFPD, its Valley Service Zone, and Service Zone FP-5. For the past several years, the City has been evaluating its options to deal with its identified financial distress. The choice has been made to outsource its fire protection and emergency medical response with the introduction of FP-5 to provide for augmented funding for the service. This has culminated in an agreement to annex the territory of the City to the SBCFPD. This change of organization is intended to provide for a means to continue fire protection and emergency medical response in a financially sustainable manner.

As a part of the application process, the City of Upland has submitted a letter requesting a reduction in the fees associated with the submission of the proposal. Commission policy requires that the full fee be submitted in order to begin the processing of the application while awaiting a determination by the Commission on the request. However, in this case staff accepted the proposal, and began its processing due to the significant

timing issues for the proposal. The City is requesting that the change be completed in time to transition service by the new fiscal year and provide for placement of the special tax on the 2017-18 tax roll. The date for submitting the special tax to the Tax Collector is August 2017.

Based on LAFCO staff’s review of the Commission’s adopted fee schedule, the total filing fee for the sphere of influence change and reorganization would be \$59,716. Staff provided the City with the estimate of costs for the required individual notice due to the inclusion of the annexation to FP-5 for both the Commission’s hearing and the protest hearing as a deposit. Pursuant to the Commission’s Fee Schedule, if costs exceed the deposit amount, the City will be required to submit payment prior to the issuance of the Certificate of Completion. However, if costs are less than the deposit, than that amount will be refunded to the City. The breakdown below shows all the required fees/deposits for the reorganization proposal:

LAFCO Filing Fees:

a. Sphere of Influence Amendment	\$ 5,000
b. Reorganization	
1. (\$7,500 plus \$1 per acre over 9,766 acres)	\$17,266
2. Valley and FP-5 Service Zones	\$ 7,500
c. Deposit – Legal Counsel	\$ 1,200
d. Deposit – Environmental	\$ 750
e. Deposit – Legal Ad and Individual Notice For Special Tax (Commission hearing and Protest)	<u>\$28,000</u>
TOTAL	\$59,716

With the understanding of the financial position of the City, staff supports a reduction in the fee. The reduction would be based on the Commission’s adopted fee schedule, broken down as follows:

a. Sphere of Influence Amendment	\$ 5,000
b. Reorganization	\$15,000
Three Annexation Fees at minimum level (\$5,000)	
c. Deposit – Legal Counsel	\$ 1,200
d. Deposit – Environmental	\$ 750
e. Deposit – Legal Ad and Individual Notice For Special Tax (Commission hearing and Protest)	<u>\$ 28,000</u>
TOTAL	\$49,950

Staff is recommending that the Commission make the determination to reduce the total LAFCO filing fee to \$20,000 (sphere and reorganization) along with the balance of the

required deposits including individual notice for both the Commission and protest hearings. Staff will be happy to answer any questions of the Commission prior to or at the hearing.

KRM

Attachment

1. Letter Dated December 21, 2016 from the City of Upland
2. Vicinity Map of the Fire Reorganization Anticipated