LOCAL AGENCY FORMATION COMMISSION
FOR SAN BERNARDINO COUNTY

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DATE: **NOVEMBER 13, 2019**

FROM: **SAMUEL MARTINEZ, Executive Officer**
MICHAEL TUERPE, Senior Analyst

TO: **LOCAL AGENCY FORMATION COMMISSION**

SUBJECT: **AGENDA ITEM #10A: LAFCO 3235 – Sphere of Influence Amendment (Expansion) for the City of Redlands**

AGENDA ITEM #10B: LAFCO 3236 – Reorganization to Include Annexation to the City of Redlands and Detachment from the San Bernardino County Fire Protection District, its Valley Service Zone and its Zone FP-5, and CSA 70

INITIATED BY:

Landowner Petition

RECOMMENDATIONS:

Staff recommends that the Commission take the following actions related to LAFCO 3235 and LAFCO 3236:

- With respect to environmental review for LAFCOs 3235 and 3236:

  a. Certify that the Commission, its staff, and its Environmental Consultant have independently reviewed and considered the City's Notice of Exemption for Annexation No. 93, Sphere of Influence Change, Pre-Zone Designation, Zone Change No 453, General Plan Amendment No. 138, and Specific Plan Amendment No. 44 to the East Valley Corridor Specific Plan;

  b. Determine that the City's Notice of Exemption is adequate for the Commission's use for its consideration of LAFCO 3235 and 3236;

c. Determine that the Commission does not intend to adopt alternatives or mitigation measures for the project, and that no mitigation measures were identified in the City's Notice of Exemption; and,

d. Direct the Executive Officer to file a new Notice of Exemption as a CEQA Responsible Agency.

- For LAFCO 3235 (sphere of influence amendment):

  a. Approve the sphere of influence expansion for the City of Redlands; and,

  b. Adopt LAFCO Resolution No. 3293 reflecting the Commission's determinations for the sphere of influence amendment (expansion) as identified.

- For LAFCO 3236 (reorganization):

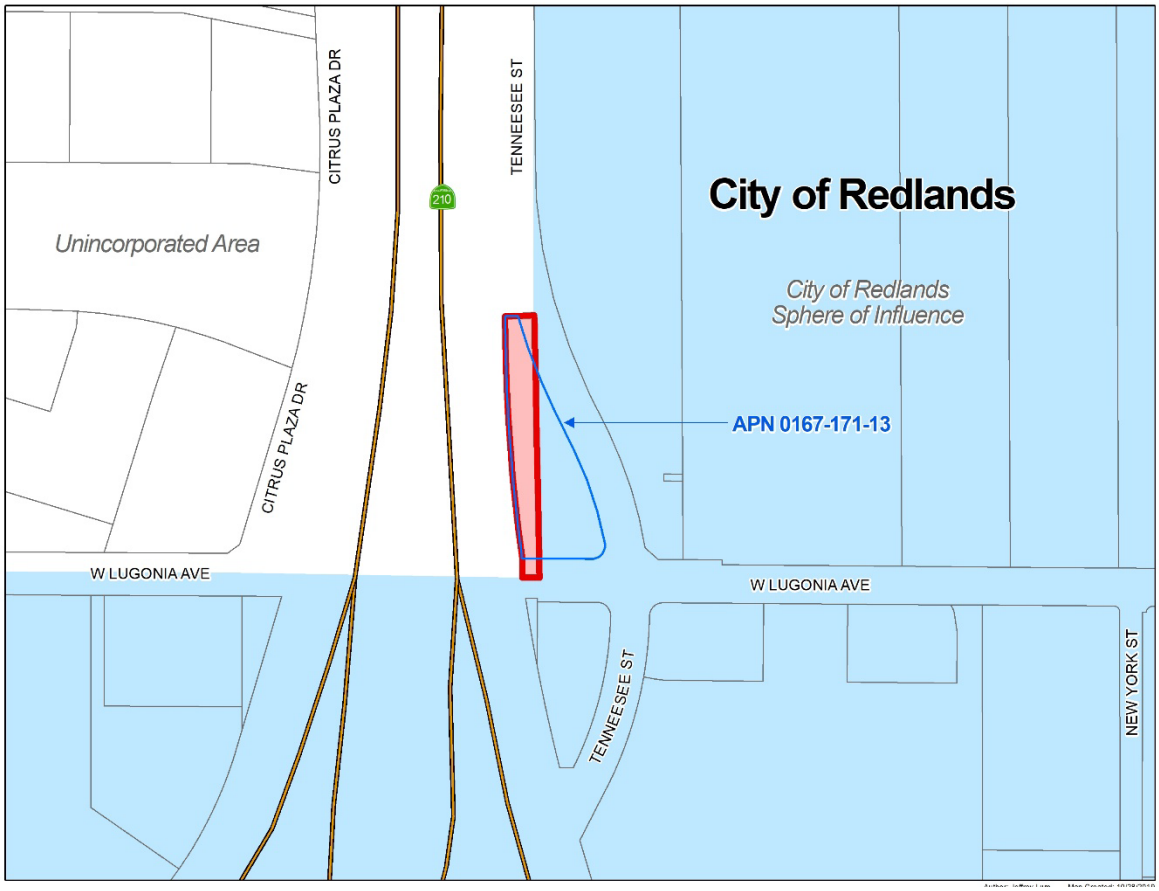
  a. Approve LAFCO 3236, with the standard terms and conditions including the condition for the "hold harmless" clause for potential litigation costs, continuation of fees, charges, assessments, etc.; and,

  b. Waive protest proceedings, as permitted by Government Code Section 56662(d), with 100% landowner consent to the reorganization proposal; and,

  c. Adopt LAFCO Resolution No. 3294 reflecting the Commission's findings for the reorganization as identified.

BACKGROUND:

The subject area concerns a portion of a parcel, Assessor Parcel Number (APN) 0167-171-13 that currently straddles the jurisdictional line between the City of Redlands and unincorporated San Bernardino County. The sphere of influence amendment/ reorganization area is located at the northwest corner of West Lugonia Avenue and Tennessee Street (see map below, which is also included as part of Attachment #1).



The westerly portion of the parcel is unincorporated, and the easterly portion is located within the City of Redlands. The split parcel is the result of a mapping error due to the reconfiguration of parcel boundaries in the late 1980s. Fundamentally, the jurisdictional line that runs through the property is the old centerline of Tennessee Street, which was subsequently relocated with the construction of the 210 Freeway.

The landowner has requested that the entire parcel be consolidated under a single jurisdiction - the City of Redlands - to facilitate any future development opportunities on the parcel. The first step in this process is to expand the City of Redlands' sphere of influence (LAFCO 3235) to include the westerly portion of APN 0167-171-13 that is under unincorporated County jurisdiction, followed by a reorganization (LAFCO 3236) to include annexation of the same territory into the City of Redlands. The reorganization also includes the detachment from the San Bernardino County Fire Protection District, its Valley Service Zone and its Zone FP-5, and County Service Area 70.

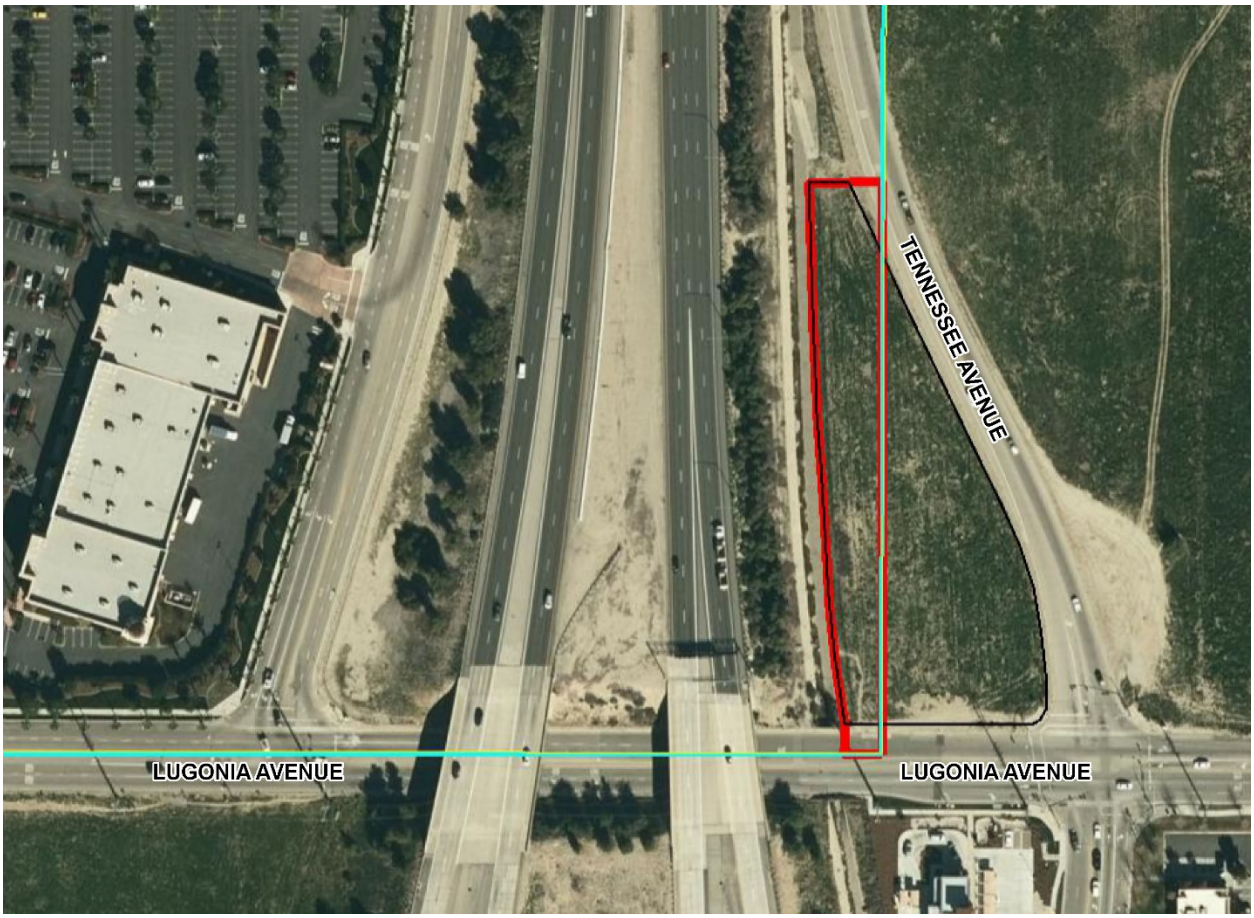
Since the area for the sphere of influence expansion and the reorganization are identical and because of the related nature of these two actions, both the sphere of influence amendment and the reorganization proposals are being considered together in this staff report.

ANALYSIS

The following provides the Commission with information related to the major areas of consideration required for the sphere of influence amendment and for the reorganization proposals.

Boundaries for LAFCOs 3235 & 3236:

The sphere of influence expansion and the reorganization area include the westerly unincorporated portion of APN 0167-171-13 including the road right-of-way portion along Tennessee Street between the parcel and the City's boundary and the road right-of-way portion along Lugonia Avenue between the southerly portion of the parcel and the City's boundaries located at the centerline of Lugonia Avenue. The parcel and the additional right-of-way area encompass approximately 0.79 acres.



It is LAFCO staff's position that the proposed sphere of influence amendment and reorganization is a reasonable sphere of influence and boundary change since the entire parcel will be placed in a single jurisdiction – the City of Redlands.

In addition, under the special procedures outlined in Government Code Section 56429, Majestic Realty, who has tremendous influence to add/remove the City's sphere of influence within the unincorporated "Donut Hole" area, issued a letter of no opposition for this proposed sphere of influence amendment (see Attachment #4).

Environmental Considerations

The City of Redlands prepared and filed a Notice of Exemption (NOE) for its consideration of Annexation No. 93, Sphere of Influence change, Pre-zone designation, Zone change No 453, General Plan Amendment No. 138, and Specific Plan Amendment No. 44 to the East Valley Corridor Specific Plan. The NOE for this action was based on the "common sense" exemption that determined the proposed City actions had no potential for any significant adverse impact on the environment.

The City's environmental assessment has been reviewed by the Commission's Environmental Consultant, Tom Dodson of Tom Dodson and Associates, who determined that, if the Commission chooses to approve LAFCO 3235 (sphere of influence amendment) and LAFCO 3236 (reorganization proposal), it would be appropriate to cite the City's NOE as adequate for the Commission's use as a responsible agency under CEQA (California Environmental Quality Act). The following are the necessary environmental actions to be taken by the Commission as a responsible agency under CEQA:

a. Certify that the Commission, its staff, and its Environmental Consultant have independently reviewed and considered the City's NOE for Annexation No. 93, Sphere of Influence Change, Pre-Zone Designation, Zone change No 453, General Plan Amendment No. 138, and Specific Plan Amendment No. 44 to the East Valley Corridor Specific Plan;

b. Determine that the City's NOE is adequate for the Commission's use for its consideration of LAFCOs 3235 and 3236;

c. Determine that the Commission does not intend to adopt alternatives or mitigation measures for the project, and that no mitigation measures were identified in the City's NOE; and,

d. Direct the Executive Officer to file a new NOE as a CEQA Responsible Agency.

A copy of Mr. Dodson's analysis is included as Attachment #5 to this report.

SPHERE OF INFLUENCE AMENDMENT (LAFCO 3235)

The following address the mandatory factors as outlined in Government Code Section 56425 regarding sphere of influence changes:

1. **The present and planned land uses in the area including agricultural and open space lands:**

   The property is currently vacant, generally flat and level, with non-irrigated natural groundcover. It is located within San Bernardino County's East Valley Corridor Specific Plan. The County's General Plan designates the property for service/commercial uses which allows for agricultural services, manufacturing, storage facilities, commercial entertainment, fitness/healthcare, retail, professional services, parking lots and accessory structures. There are no current plans to develop the property.

2. **The present and probable need for public facilities and services in the area:**

   With no development anticipated in the foreseeable future, there is no current or future need for public facilities and services. The sphere amendment (and ultimately the reorganization proposal) will bring the entire area within the City of Redlands' jurisdiction to facilitate any future development on the parcel.

3. **The present capacity of public facilities and adequacy of public services that the agency to be expanded provides or is authorized to provide:**

   The City of Redlands is a full- service city and provides, among other services, fire protection and emergency medical, water, sewer, police, parks and recreation, library, airport, and cemetery services to its residents.

4. **The existence of any social or economic communities of interest as determined by the Commission to be relevant to the agency:**

   Social and economic communities of interest include the County of San Bernardino and the City of Redlands.

5. **For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.**

   This area is not a disadvantaged unincorporated community; therefore, this factor does not apply.

It is staff's position that a sphere of influence "amendment" does not require that a service review be conducted pursuant to Government Code Section 56430 as this section reads in part, "In order to prepare and to update spheres of influence in accordance with 56425, the commission shall conduct a service review…" LAFCO 3235 is a sphere of influ7ence amendment pursuant to Government Code Section 56428. Therefore, staff is recommending that the Commission determine that LAFCO 3235 does not require a service review.

REORGANIZATION (LAFCO 3236)

The companion application to the sphere of influence amendment is the reorganization proposal, identified as LAFCO 3236. The following address information required to evaluate the jurisdictional change.

Land Use

The reorganization area is currently vacant. Existing uses directly surrounding the reorganization area include vacant land to the north and east, a car wash facility to the south, and the I-210 Freeway to the west.

County Land Use Designation:

The reorganization area is currently designated as EV/SD (East Valley Special Development) by the County of San Bernardino's General Plan.

City's General Plan:

The parcel is designated as Commercial by the City of Redland's 2035 General Plan. The land use determination between the City and the County are generally compatible.

City's Pre-Zone Designation:

In October 2017, the City of Redlands completed pre-zoning and designated the property as East Valley Corridor Specific Plan/Commercial General (EV/GC). If annexation is successful, the entire parcel will be zoned EV/GC within the City of Redlands. This land use designation is consistent with the City's commercial land use designation for the area.

Service Issues and Effects on other Local Governments

In every consideration for jurisdictional change, the Commission is required to look at the existing and proposed service providers within an area. Due to the vacant nature of

the land currently, government service requirements are minimal – primarily law enforcement and fire protection. The City currently serves the subject property as the easterly portion adjacent to Tennessee Street is currently within the City of Redlands. Current County service providers within the reorganization area include the San Bernardino County Fire Protection District (County Fire), its Valley Service Zone and its Zone FP-5, and County Service Area (CSA) 70, which are proposed to be detached. In addition, the following regional agencies will continue to overlay the reorganization area: Inland Empire Resource Conservation District, San Bernardino Valley Water Conservation District, and the San Bernardino Valley Municipal Water District (the State Water Contractor).

The City prepared a Plan for Service as required by law and Commission policy (see Attachment #3). In general, the Plan identifies the following:

- **Fire**

  Fire protection and rescue services for the reorganization area are currently provided by the City of Redlands Fire Department through its contract with the County. The City will continue to provide fire protection and emergency medical response service following annexation. Fire Station 263 (at 10 W. Pennsylvania Ave.) is located 1.2 miles from the subject property, and Fire Station 264 (at 1270 W. Park Ave.) is located 1.4 miles from the subject property. Both stations are continuously staffed to respond to both fire and medical emergencies. No increase in personnel would be needed to adequately service the area.

- **Police**

  Law enforcement services for the proposed annexation area are currently provided by the City of Redlands Police Department through its contract with the County. The City will continue to provide law enforcement services following annexation.

- **Streets and Parkways**

  Tennessee Street and Lugonia Avenue front the proposed annexation area. Both roadways are currently maintained by the City of Redlands. No change will occur upon annexation.

- **Solid Waste**

  Currently, the property is vacant and requires no solid waste services. No new development is proposed. Service to any new development would be provided by the City of Redlands.

- **Water**

  All of the proposed annexation area is within the City of Redlands water service area, and the City of Redlands would provide water service to the area upon annexation and development.

- **Wastewater**

  The annexation area is currently undeveloped and generates no wastewater. Upon annexation, the City will be responsible for wastewater collection, treatment and disposal. Existing City of Redlands sewer facilities are located adjacent to the project.

The applicant has included a Fiscal Impact Analysis, as required by Commission policy, which outlines the potential costs and revenues to the City. At the present time, no development is proposed for the annexation site. According to the Cost Benefit Model used by the City, the annexation (without any proposed development) will provide $0.00 in additional revenue, and additional costs of $0.00, resulting in a Cost/Benefit Ratio of 0.0 until such time the property is developed.

Future development of the site could include a variety of retail, commercial services and/or office uses consistent with the Commercial General zoning regulations of the East Valley Corridor Specific Plan. Such uses could include, but not be limited to: retail stores, commercial services, hotels, theaters and/or entertainment venues. Future development would be expected to result in a positive Cost/Benefit Ration to the City. At the time of future development, the applicant has committed to prepare a Socio-Economic Cost/Benefit Report and detailed quantitative analysis for any specific development proposal.

Waiver of Protest Procedures

The reorganization area is uninhabited (as determined by the Registrar of Voters) and LAFCO staff verified that the study area possesses 100% landowner consent to the annexation. Therefore, if the Commission approves LAFCO 3236, and since none of the affected agencies have submitted written opposition to a waiver of protest proceedings, staff is recommending that protest proceedings be waived. The action would include direction to the Executive Officer to complete the reorganization following completion of the mandatory 30-day reconsideration period.

Reorganization Determinations:

The following determinations are required to be provided by Commission policy and Government Code Section 56668 for any change of organization/annexation proposal:

1. The reorganization area is legally uninhabited containing zero registered voters as determined by the Registrar of Voters as of July 26, 2019.

2. The County Assessor's Office has determined that the total assessed valuation of land within the reorganization area is $1,514,800 as of August 9, 2019 broken down as: $1,514,800 (land) and $0 (improvements).

3. Following Commission approval of the companion proposal, LAFCO 3235, the reorganization area will be within the sphere of influence assigned the City of Redlands.

   Under the special procedures outlined in Government Code Section 56429, Majestic Realty, who has tremendous authority to add/remove the City's sphere within the unincorporated "Donut Hole" area, issued a letter of no opposition for this sphere of influence amendment. Letter included as Attachment #4.

4. Legal notice of the Commission's consideration of the proposal has been provided through publication in the *Redlands Daily Facts,* a newspaper of general circulation within the area. As required by State law, individual notification was provided to affected and interested agencies, County departments, and those individuals and agencies having requested such notice.

5. In accordance with State law and adopted Commission policies, LAFCO has provided individual notice to:

   - Landowners (1) and registered voters (0) within the reorganization area (totaling 1 notice); and,

   - Landowners (13) and registered voters (0) surrounding the reorganization area (totaling 13 notices).

   Comments from landowners and any affected local agency in support or opposition will be reviewed and considered by the Commission in making its determination.

6. The County's land use designation for the reorganization area is EV/SD (East Valley/Special Development). The area is designated as Commercial by the City of Redlands' 2035 General Plan. In October 2017, the City of Redlands pre-zoned and designated the property as East Valley Corridor Specific Plan/Commercial General (EV/GC). This pre-zone designation is consistent with the City's General Plan and are generally compatible with surrounding land uses within the City and in the County.

Pursuant to the provisions of Government Code Section 56375(e), this pre-zone designation shall remain in effect for two years following annexation unless specific actions are taken by the City Council.

7. The Southern California Associated Governments ("SCAG") adopted its 2016-2040 Regional Transportation Plan and Sustainable Communities Strategy pursuant to Government Code Section 65080. LAFCO 3236 has no direct impact on SCAG's Regional Transportation Plan and Sustainable Communities Strategy.

8. The Commission's Environmental Consultant, Tom Dodson and Associates, has reviewed the City's Notice of Exemption for its actions and has indicated that it is his recommendation that the City's Notice of Exemption is adequate for the Commission's use as a responsible agency under CEQA. Mr. Dodson recommends that the Commission file a new Notice of Exemptions and direct its Executive Officer to file the new Notice of Exemption within five (5) days. A copy of Mr. Dodson's response letter is included as Attachment #5 to this report.

9. The reorganization area is served by the following local agencies:

City of Redlands (fire protection and law enforcement services by contract)
County of San Bernardino
Inland Empire Resource Conservation District
San Bernardino Valley Water Conservation District
San Bernardino Valley Municipal Water District
San Bernardino County Fire Protection District (County Fire), its Valley Service Zone, and its Zone FP-5
County Service Area 70 (unincorporated, multi-function entity)

The area will be detached from County Fire, its Valley Service Zone and its Zone FP-5, and County Service Area 70 (including both County Fire and CSA 70 spheres of influence reduced) as a function of the reorganization. None of the other agencies are affected by this proposal as they are regional in nature.

10. A plan was prepared for the reorganization area, as required by law. The Plan for Service and Fiscal Impact Analysis, as certified by the City, indicates that the City can maintain and/or improve the level and range of services currently available in the area. A copy of this plan is included as a part of Attachment #2 to this report.

The Plan for Service has been reviewed and compared with the standards established by the Commission and the factors contained within Government Code Section 56668. The Plan for Service and Fiscal Impact Analysis conform to those adopted standards and requirements.

11. The reorganization proposal complies with Commission policies and directives and State law that indicate the preference for areas proposed for urban intensity development to be included within a City so that the full range of municipal services can be planned, funded, extended, and maintained.

12. The reorganization area can benefit from the extension of municipal services from the City, should the area ever develop.

13. This proposal will not affect the fair share allocation of the regional housing needs through the Southern California Association of Government's (SCAG) Regional Housing Needs Allocation (RHNA) process. The area is designated as Commercial by the City of Redland's 2035 General Plan, which does not support residential housing.

14. With respect to environmental justice, the reorganization proposal will not result in the unfair treatment of any person based on race, culture or income since the area is vacant and the southerly and easterly neighboring areas already receive water, wastewater, fire protection, and law enforcement services from the City.

15. The County of San Bernardino and the City of Redlands have successfully negotiated a transfer of ad valorem property tax revenues upon completion of this reorganization (in this case, a zero dollar transfer since the currently split-property is already assigned to the City for tax purposes). The resolutions fulfill the requirement of Section 99 of the Revenue and Taxation Code.

16. The map and legal description, as revised, are in substantial compliance with LAFCO and State standards through certification by the County's Surveyor's Office.

CONCLUSION:

LAFCO 3235 and 3236 are part of a two-step process to correct a mapping error due to the reconfiguration of the parcel boundaries that occurred in the late 1980s. The error resulted in splitting a parcel, APN 0167-171-13, between two jurisdictions – the City of Redlands and the County of San Bernardino. To correct the discrepancy and place the entire parcel within a single jurisdiction, the City of Redlands sphere of influence must be expanded to include the unincorporated portion of the parcel (LAFCO 3235) and that same portion annexed to the City of Redlands (LAFCO 3236). This will result in the entire parcel being located within the City of Redland's jurisdiction. Both the County of San Bernardino and the City of Redlands support the proposed reorganization, and staff has not received any written or oral opposition. The subject parcel is vacant, and the proposal has 100 percent landowner consent.

For all of the reasons outlined above and within this report, staff recommends approval of LAFCOs 3235 and LAFCO 3236.

Attachments:

1. Vicinity Map and Map of Proposed Sphere of Influence Amendment/Reorganization
2. Landowner's Application Forms
3. City of Redlands Plan for Service and Fiscal Impact Analysis
4. Letter from Majestic Realty Co., March 22, 2014
5. Letter from Commission's Environmental Consultant, Tom Dodson, of Tom Dodson and Associates
6. Draft LAFCO Resolution No. 3293 (LAFCO 3235)
7. Draft LAFCO Resolution No. 3294 (LAFCO 3236)