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Citrus Lane Project Plan for Service and Fiscal Impact Analysis City of Loma Linda

Prepared for:

City of Loma Linda
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SRHA Job #1277

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CERTIFICATION

The City of Loma Linda hereby certifies that this document presents the data and information required for the Plan for Service and Fiscal Impact Analysis for the *Citrus Lane Project* 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 12/18/14

T. J. Thompson

SIGNATURE OF APPLICANT

City Manager

TITLE OF APPLICANT

City of Loma Linda, California

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EXECUTIVE SUMMARY

This report provides an assessment of public service delivery capabilities of the City of Loma Linda and other agencies or special districts affected by the proposed annexation of the Citrus Lane Project into the City of Loma Linda. The project site is composed of two separate properties: the Bell property and the Ramirez property. Both properties are located within the City's sphere of influence in unincorporated San Bernardino County.

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, the City of Loma Linda would provide services including general government, police protection, community development, fire and paramedic services, local parks and recreation, community services and public works services to the annexed area. The County of San Bernardino will continue to provide Countywide services such as regional parks and recreation, regional flood control and drainage, law and justice, 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 Citrus Lane Project. This report explains the transfer of service requirements upon annexation, estimates development impact fees and projects recurring fiscal impacts to the City.

As shown in Table 1, a recurring annual surplus of \$20,943 is projected after buildout of the Citrus Lane Project. Chapter 5 presents the detailed fiscal analysis.

Table 1
Summary of Projected Fiscal Impacts after Buildout
Citrus Lane Project Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2014 Dollars)

| City General Fund | Buildout |
|------------------------------|-----------------|
| Annual Recurring Revenues | \$61,684 |
| Annual Recurring Costs | <u>40,741</u> |
| Net Annual Recurring Surplus | <u>\$20,943</u> |

Sources: Stanley R. Hoffman Associates, Inc.

CHAPTER 1 INTRODUCTION

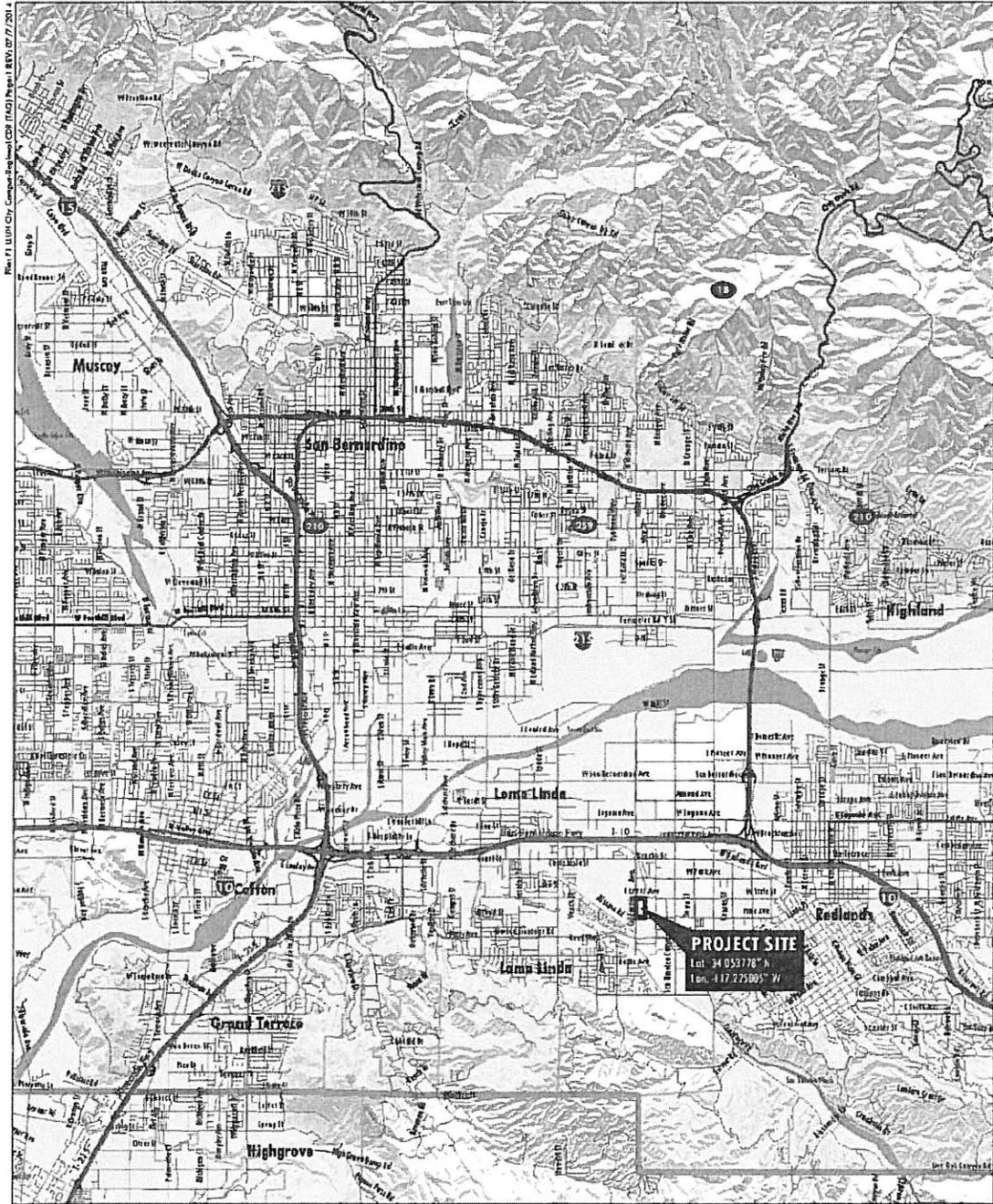
This report presents the plan for service and fiscal analysis of the Citrus Lane Project proposed annexation to the City of Loma Linda. The project site is located in the County of San Bernardino unincorporated area adjacent to the boundary of the City of Loma Linda and within the City's sphere of influence. As shown in Figure 1-1, the project site is along the eastern side of California Street between Citrus Lane and Orange Avenue, and regionally accessible via Interstate 10.

1.1 Purpose of the Study

The Local Agency Formation Commission (LAFCO) for San Bernardino County 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). The unincorporated project intends to annex into the City of Loma Linda, which requires the City to show that the necessary infrastructure improvements and services can be provided to the proposed development. Per the LAFCO August 2012 *Policy and Procedure Manual*, the Plan for Service must include the following components:

- a. *A description of the level and range of each service to be provided to the affected territory.*
- b. *An indication of when those services can feasibly be extended to the affected territory.*
- c. *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.*
- d. *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.*
- e. *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.*
- f. *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.*

**Figure 1-1
Citrus Lane Project Regional Location**



Plan #1 LOMA City Comprehensive CDR (FAC) Project 1 REV: 07/17/2014



REGIONAL LOCATION

CITRUS LANE PROJECT
City of Loma Linda Sphere of Influence, California

1.2 Organization of the Report

Chapter 2 contains the description of the Citrus Lane Project annexation area. The analysis of existing public service delivery in the annexation area and upon annexation into the City is presented in Chapter 3. Chapter 4 discusses the development impact fees and charges for infrastructure associated with the proposed project. The fiscal impact analysis of the annual operations and maintenance costs for the provision of services to the Citrus Lane Project is provided in Chapter 5. Chapter 6 covers the revenue and cost assumptions used for the fiscal analysis.

Appendix A includes the detailed development impact fee calculations as provided by the City's Community Development staff. Supporting tables for the fiscal assumptions appear in Appendix B, and Appendix C lists the project contacts and references used in the preparation of this study.

CHAPTER 2 PROJECT DESCRIPTION

This chapter presents the detailed land uses for the Citrus Lane Project. The project site is composed of two separate properties: the 9.5-acre Bell Property (assessor parcel numbers 292-161-01 and 292-161-11) located southeast of California Street and Citrus Lane, and the 9.25-acre Ramirez Property (assessor parcel numbers 292-161-08 and 292-161-12) located south of the Bell Property and northeast of California Street and Orange Avenue, as shown in Figure 2-1.

2.1 Residential Development

As shown in Panel A of Table 2-1, there are 2 existing homes on the Ramirez Property and 35 new residential units are planned for the Bell Property. There is one existing residential unit on the Bell Property. However, the unit is not currently occupied and it will be relocated or demolished upon approval of the 35-unit subdivision. The existing 2 Ramirez Property units are assumed for Year 1 of the development period and the 35 new units on the Bell Property are assumed for Year 2 of the development. However, the development description presents the first 5 years of development, per the LAFCO requirements for the fiscal analysis.

As shown in Panel B of Table 2-1, total population for the Citrus Lane Project is projected at 96. This estimate is based on the January 1, 2014 Citywide average estimate of 2.60 persons per unit from the State Department of Finance. Population is estimated at 5 for Year 1 and the remaining population of 91 is estimated for the planned units in Year 2.

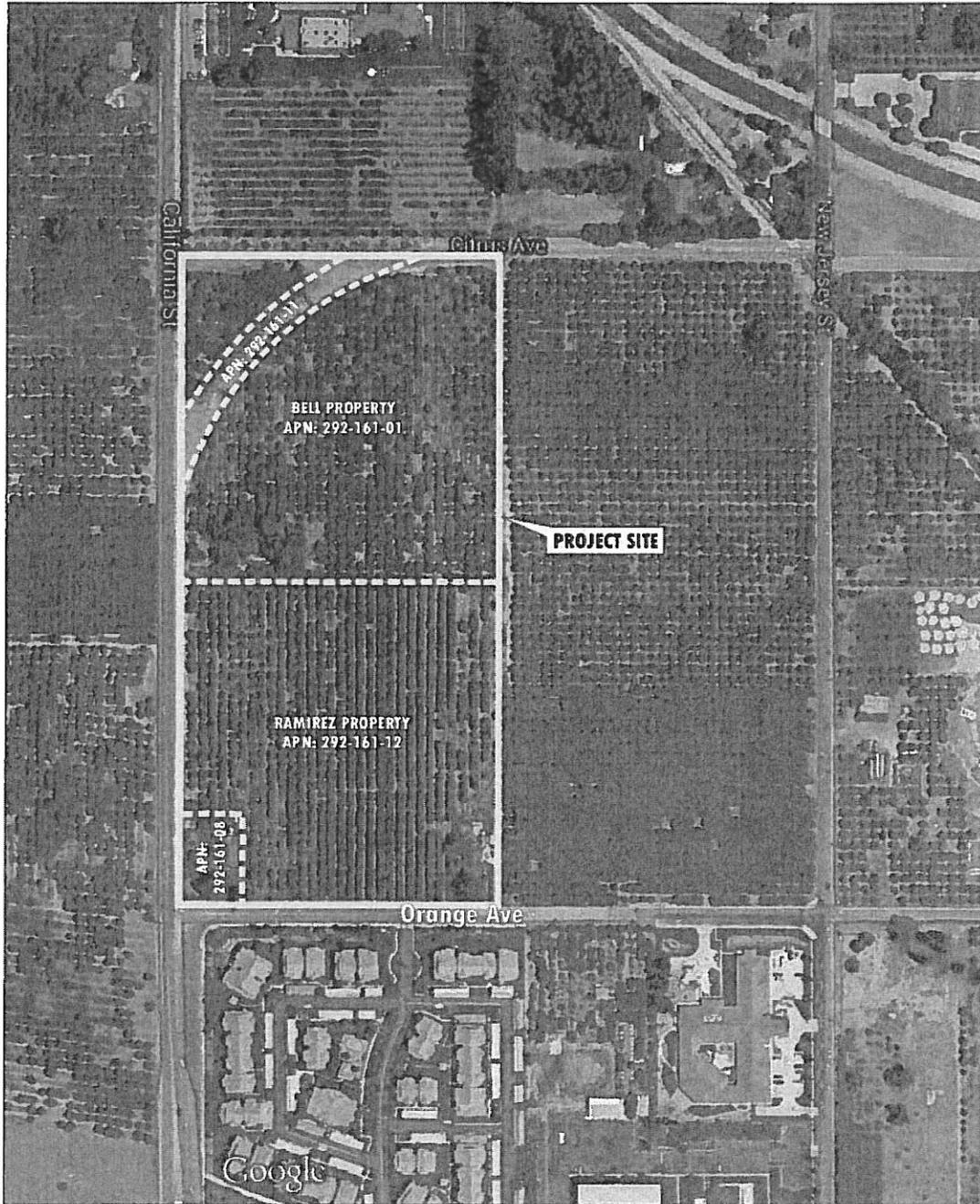
For purposes of projected Senior Center costs for the Citrus Lane Project, seniors (age 55 and over) are estimated at about 26 percent of total population based on the U.S. Census Bureau *American Community Survey* report presented in Appendix Table B-1. Senior population for the Citrus Lane Project is projected at 25 at buildout, with 1 senior projected for Year 1 and the remaining 24 seniors are estimated for Year 2.

2.2 Infrastructure

The proposed infrastructure for the Citrus Lane Project is presented in Table 2-2. Only the proposed 0.47 lineal miles of new roads and associated off-site drainage systems will be maintained through the City General Fund.

Based on discussion with City Public Works' staff, new on-site interior lot landscaping and on-site drainage will be maintained through a homeowners association.

**Figure 2-1
Citrus Lane Project Vicinity**



PROJECT VICINITY

CITRUS LANE PROJECT
City of Loma Linda Sphere of Influence, California

Table 2-1
Residential Description
Citrus Lane Project Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2014 Dollars)

| Category | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Bulldout |
|---|----------|-----------|----------|----------|----------|-----------|
| A. Residential Units | | | | | | |
| Ramirez Property Existing Units | 2 | 0 | 0 | 0 | 0 | 2 |
| <u>Bell Property New Residential Units</u> | | | | | | |
| Plan 1 | 0 | 7 | 0 | 0 | 0 | 7 |
| Plan 2 | 0 | 15 | 0 | 0 | 0 | 15 |
| Plan 3 | <u>0</u> | <u>13</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>22</u> |
| Annual New Units | 0 | 35 | 0 | 0 | 0 | 35 |
| Total Annual Units | 2 | 35 | 0 | 0 | 0 | 37 |
| Total Cumulative Units | 2 | 37 | 37 | 37 | 37 | |
| B. Population ² | | | | | | |
| Total Annual Population (@ 2.60 persons per unit) | 5 | 91 | 0 | 0 | 0 | 96 |
| Total Cumulative Population | 5 | 96 | 96 | 96 | 96 | |
| Cumulative Senior Population (@ 26% of total) | 1 | 25 | 25 | 25 | 25 | |

Note: 1. Residential product information and phasing are provided by Stratus Development Partners, LLC.
2. Total population is projected at the Citywide average of 2.60 persons per unit. For purposes of projecting Senior Center costs, the senior population (age 55 and over) is estimated at about 26 percent of total population, as shown in Appendix Table B-1. Population estimates are rounded to the nearest whole number.

Sources: Stanley R. Hoffman Associates, Inc.
Stratus Development Partners, LLC
Lilburn Corporation

Table 2-2
Infrastructure Description
Citrus Lane Project Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2014 Dollars)

| Category | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Bulldout |
|--|--------|--------|--------|--------|--------|----------|
| A. New Publicly Maintained Road Miles | | | | | | |
| On-Site | 0.00 | 0.22 | 0.00 | 0.00 | 0.00 | 0.22 |
| Off-Site: Widening of existing Citrus and California | 0.00 | 0.25 | 0.00 | 0.00 | 0.00 | 0.25 |
| Total New Road Miles | 0.00 | 0.47 | 0.00 | 0.00 | 0.00 | 0.47 |
| <i>Cumulative Miles</i> | 0.00 | 0.47 | 0.47 | 0.47 | 0.47 | |
| B. New Landscaping Square Feet ¹ | | | | | | |
| On-Site: Internal Lots | 0 | 19,749 | 0 | 0 | 0 | 19,749 |
| On-Site: Parkways along new roads | 0 | 12,362 | 0 | 0 | 0 | 12,362 |
| Subtotal On-Site | 0 | 32,111 | 0 | 0 | 0 | 32,111 |
| Off-Site: Parkways along Citrus and California | 0 | 14,540 | 0 | 0 | 0 | 14,540 |
| Total New Landscaping Square Feet | 0 | 46,651 | 0 | 0 | 0 | 46,651 |
| <i>Cumulative Square Feet</i> | 0 | 46,651 | 46,651 | 46,651 | 46,651 | |
| C. New Storm Drain Lineal Feet ² | | | | | | |
| Off-Site | 0 | 150 | 0 | 0 | 0 | 150 |
| <i>Cumulative Lineal Feet</i> | 0 | 150 | 150 | 150 | 150 | |
| D. New Catch Basins ² | | | | | | |
| On-Site | 0 | 1 | 0 | 0 | 0 | 1 |
| Off-Site | 0 | 1 | 0 | 0 | 0 | 1 |
| Total New Catch Basins | 0 | 2 | 0 | 0 | 0 | 2 |
| <i>Cumulative Catch Basins</i> | 0 | 2 | 2 | 2 | 2 | |
| E. New Under Sidewalk Drains ² | | | | | | |
| On-Site | 0 | 3 | 0 | 0 | 0 | 3 |
| Off-Site | 0 | 3 | 0 | 0 | 0 | 3 |
| Total New Under Sidewalk Drains | 0 | 6 | 0 | 0 | 0 | 6 |
| <i>Cumulative Under Sidewalk Drains</i> | 0 | 6 | 6 | 6 | 6 | |
| F. New Street Lights ³ | | | | | | |
| On-Site | 0 | 10 | 0 | 0 | 0 | 10 |
| Off-Site | 0 | 9 | 0 | 0 | 0 | 9 |
| Total New Under Sidewalk Drains | 0 | 19 | 0 | 0 | 0 | 19 |
| <i>Cumulative Street Lights</i> | 0 | 19 | 19 | 19 | 19 | |

Note: 1. Based on discussion with City Public Works staff, new on-site interior lot landscaping will be maintained through a homeowners association (HOA) and internal parkway landscaping will be maintained through a landscape maintenance district (LMD). Off-site landscaping will be maintained by annexing into an existing LMD.
2. Based on discussion with City Public Works staff, new on-site drainage will be maintained through a HOA and off-site drainage will be publicly maintained as part of street maintenance.
3. Maintenance of street lights will be through a street lighting maintenance district, based on discussion with City staff.

Sources: Stanley R. Hoffman Associates, Inc.
Lilburn Corporation
Loma Linda Public Works Department, Jeff Peterson, Associate Engineer

On-site interior road landscaping and off-site parkway landscaping will be maintained through a landscape maintenance district. Off-site drainage will be maintained as part of street maintenance by the City. Street lights will be maintained through a street lighting maintenance district.

2.3 Assessed Valuation and Property Tax

Assessed valuation for the Citrus Lane Project after buildout is projected at about \$17.68 million, as shown in Panel B of Table 2-3. The current assessed valuation of about \$776,589 is estimated for Year 1. Existing assessed valuation is based on the County Assessor's 2014 tax roll values, as shown in Table 2-4.

New residential valuation is estimated at \$17.28 million in constant 2014 dollars for the proposed new units on the Bell Property. This estimated new valuation is based on the following average values by plan type provided by the project developer:

- Plan 1 \$451,350 per unit
- Plan 2 \$486,585 per unit
- Plan 3 \$252,025 per unit

Projected Property Tax

The City General Fund will receive property tax at about 13.55 percent of the basic one percent property tax levy on assessed valuation, as discussed in the Chapter 6 fiscal assumptions. As shown in Panel C of Table 2-3, property tax to the City General Fund for the current assessed valuation upon annexation (Year 1) is projected at \$1,052. As residential units are completed in Year 2, cumulative property tax is projected at \$23,961. All units are assumed to be built in Year 2, therefore projected property tax to the General Fund remains at \$23,961 for Years 3, 4 and 5 and at buildout.

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

The City General Fund will also receive VLF - property tax in lieu based on the increase in assessed valuation in the City. Per State law, when an annexation occurs the existing valuation in the area that is being annexed cannot be used in adjusting the base amount of assessed valuation in the annexing City. The City will receive VLF - property tax in-lieu based on the change in its gross assessed valuation of taxable property for new development in the annexed area. As shown in Appendix Table B-6, the VLF - property tax in lieu in the City is projected to increase at \$877 per million dollars of new assessed valuation (AV).

Table 2-3
Assessed Valuation and Property Tax
Citrus Lane Project Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2014 Dollars)

| Category | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Buildout |
|---|---------------------------|--------------|--------------|--------------|--------------|--------------|
| A. Residential Units | | | | | | |
| <u>Ramirez Property Existing Units</u> | 2 | 0 | 0 | 0 | 0 | 2 |
| <u>Bell Property New Residential Units</u> ¹ | | | | | | |
| Plan 1 | 0 | 7 | 0 | 0 | 0 | 7 |
| Plan 2 | 0 | 15 | 0 | 0 | 0 | 15 |
| Plan 3 | 0 | 13 | 0 | 0 | 0 | 22 |
| Annual New Units | 0 | 35 | 0 | 0 | 0 | 35 |
| Total Annual Units | 2 | 35 | 0 | 0 | 0 | 37 |
| Total Cumulative Units | 2 | 37 | 37 | 37 | 37 | |
| B. Assessed Valuation | | | | | | |
| <u>Current Valuation</u> ² | | | | | | |
| Ramirez Property | \$400,334 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Bell Property | \$376,255 | 0 | 0 | 0 | 0 | n/a |
| Total Current Valuation | \$776,589 | \$0 | \$0 | \$0 | \$0 | \$0 |
| <u>New Valuation (Bell Property)</u> ¹ | | | | | | |
| | Value per New Unit | | | | | |
| Plan 1 | \$451,350 | \$3,159,450 | \$0 | \$0 | \$0 | \$3,159,450 |
| Plan 2 | \$486,585 | \$7,298,775 | \$0 | \$0 | \$0 | \$7,298,775 |
| Plan 3 | \$525,025 | \$6,825,325 | \$0 | \$0 | \$0 | \$6,825,325 |
| Total New Valuation | \$0 | \$17,283,550 | \$0 | \$0 | \$0 | \$17,283,550 |
| <u>Net New Valuation</u> | | | | | | |
| New Valuation | \$0 | \$17,283,550 | \$0 | \$0 | \$0 | \$17,283,550 |
| Existing Valuation on Bell Property | \$0 | \$376,255 | \$0 | \$0 | \$0 | \$376,255 |
| Net New Valuation (Bell Property) | \$0 | \$16,907,295 | \$0 | \$0 | \$0 | \$16,907,295 |
| <u>Total Valuation</u> | | | | | | |
| Incremental Valuation for Property Tax | \$776,589 | \$16,907,295 | \$0 | \$0 | \$0 | \$17,683,884 |
| Total Cumulative Valuation | \$776,589 | \$17,683,884 | \$17,683,884 | \$17,683,884 | \$17,683,884 | |
| C. Projected Property Tax | | | | | | |
| <u>Incremental 1 Percent Property Tax Levy</u> | \$7,766 | \$169,073 | \$0 | \$0 | \$0 | \$176,839 |
| Total Cumulative 1 Percent Property Tax Levy | \$7,766 | \$176,839 | \$176,839 | \$176,839 | \$176,839 | |
| <u>Annual General Fund Property (@ 13.55% of 1 Percent Levy)</u> | \$1,052 | \$22,909 | \$0 | \$0 | \$0 | \$23,961 |
| Total Cumulative Property Tax - General Fund | \$1,052 | \$23,961 | \$23,961 | \$23,961 | \$23,961 | |
| D. Projected VLF-Property Tax In Lieu | | | | | | |
| <u>Total Annual Valuation for VLF-Property Tax In Lieu</u> ³ | \$0 | \$16,907,295 | \$0 | \$0 | \$0 | \$16,907,295 |
| Total Cumulative Valuation for VLF-Property Tax In Lieu | \$0 | \$16,907,295 | \$16,907,295 | \$16,907,295 | \$16,907,295 | |
| <u>Total Annual VLF-Property Tax In Lieu</u> ³ | \$0 | \$14,828 | \$0 | \$0 | \$0 | \$14,828 |
| (@ \$877 per \$1,000,000 Assessed Valuation) | | | | | | |
| Total Cumulative Projected VLF-Property Tax In Lieu | \$0 | \$14,828 | \$14,828 | \$14,828 | \$14,828 | |

Note: 1. Phasing and valuation for the Bell Property are provided by Lilburn Corporation.
2. Current valuation is based on the 2014 tax roll values as presented in Table 2-4.
3. Vehicle license fees (VLF) property tax in lieu is projected based on the increase in assessed valuation in a jurisdiction. Per State law, when an annexation occurs the existing valuation in the annexing area cannot be used in adjusting the amount of assessed valuation in the annexing City. Therefore, the current valuation of \$776,589 is not included in the projection of property tax in lieu of VLF.

Sources: Stanley R. Hoffman Associates, Inc.
Lilburn Corporation

Table 2-4
Estimated Existing Assessed Valuation
Citrus Lane Project Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2014 Dollars)

| Tax Rate Area | Parcel Number | Current Assessed Valuation | | |
|--------------------------------|------------------------|----------------------------|------------------|------------------|
| | | Land | Improvement | Total |
| <u>Bell Property</u> | | | | |
| 104100 | 0292-161-01-0000 | \$204,179 | \$128,802 | \$332,981 |
| 104100 | 0292-161-11-0000 | <u>\$43,274</u> | <u>\$0</u> | <u>\$43,274</u> |
| | Subtotal Bell Property | \$247,453 | \$128,802 | \$376,255 |
| <u>Ramirez Property</u> | | | | |
| 104100 | 0292-161-08-0000 | \$62,707 | \$146,317 | \$209,024 |
| 104100 | 0292-161-12-0000 | <u>\$126,627</u> | <u>\$64,683</u> | <u>\$191,310</u> |
| | Subtotal Ramirez | \$189,334 | \$211,000 | \$400,334 |
| TOTAL | | \$436,787 | \$339,802 | \$776,589 |

Sources: Stanley R. Hoffman Associates, Inc.
San Bernardino County Assessor, Property Information Management System, Year 2014 Tax Roll

As shown in Panel D of Table 2-3, no VLF - property tax in lieu is projected for existing valuation in Year 1 per State law. By Year 2 VLF - property tax in lieu is projected at \$14,828 and remains at this amount for Years 3, 4, and 5 and at buildout.

2.4 Sales and Use Tax

Sales and use tax is projected for the retail taxable sales that will be captured in the City from off-site purchases made by the future residents of the Citrus Lane Project. The fiscal analysis assumes that the retail purchases from the current residents in the annexation are already being captured in the City; therefore retail taxable sales are not projected for the current residents in the annexation area.

Off-site retail sales and use tax from taxable purchases made by future Citrus Lane Project residents is projected based on the resident's estimated household income and the estimated taxable retail purchases made in the City. Household income is estimated at 25 percent of average housing value based on a mortgage cost analysis by Stanley R. Hoffman Associates. Based on the U.S. Bureau of Labor Statistic, *Consumer Expenditure Survey*, the fiscal analysis estimates the Citrus Lane Project residents will generate total taxable retail purchases at about 32 percent of household income.

Sales and Use Tax

As shown in Table 2-5, estimated annual off-site retail sales and use tax from taxable purchases made by future Citrus Lane residents are projected at \$7,866 after buildout. This estimate is based on total household income projected at about \$4.42 million after buildout (25 percent of residential valuation of about \$17.68 million). At 32 percent of household income, the projected retail taxable purchases made by Citrus Lane Project residents are projected at about \$1.41 million after buildout. The fiscal analysis assumes that 50 percent of the retail taxable purchases or about \$707,356 will be made annually in the City.

At one percent of the estimated captured taxable sales of about \$707,356, sales tax is projected at \$7,074 after buildout. At the City average use tax rate of 11.2 percent of sales tax, an additional \$792 of use tax is projected after buildout. Total sales and use tax captured in the City by the Citrus Lane Project residents is projected at \$7,866 after buildout. Based on the projected new residential valuation for each year, no off-site sales and use tax is projected for Year 1. The off-site sales and use tax from future residents of the Citrus Lane Project are projected at \$7,866 for Year 2. Because no units are planned after Year 2, the projected sales and use tax remains at \$7,866 for Years 3, 4, 5 and at buildout.

Table 2-5
Estimated Off-Site Sales and Use Tax by Project Residents
Citrus Lane Project Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2014 Dollars)

| Category | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Buildout |
|--|--------|--------------|--------------|--------------|--------------|--------------|
| Cumulative New Residential Valuation ¹ | \$0 | \$17,683,884 | \$17,683,884 | \$17,683,884 | \$17,683,884 | \$17,683,884 |
| Household Income (@ 25% of household valuation) ² | \$0 | \$4,420,971 | \$4,420,971 | \$4,420,971 | \$4,420,971 | \$4,420,971 |
| Retail Taxable Sales (@ 32% of household income) | \$0 | \$1,414,711 | \$1,414,711 | \$1,414,711 | \$1,414,711 | \$1,414,711 |
| Projected Off-Site Retail Taxable Sales Captured in Loma Linda (@ 50% capture) | \$0 | \$707,356 | \$707,356 | \$707,356 | \$707,356 | \$707,356 |
| Projected Sales and Use Tax to Loma Linda | | | | | | |
| Sales Tax (@ 1% of taxable sales) | \$0 | \$7,074 | \$7,074 | \$7,074 | \$7,074 | \$7,074 |
| Use Tax (@ 11.2% of sales tax) | \$0 | \$792 | \$792 | \$792 | \$792 | \$792 |
| Total Projected Sales and Use Tax | \$0 | \$7,866 | \$7,866 | \$7,866 | \$7,866 | \$7,866 |
| Allocation of Total Projected Off-Site Sales and Use Tax ³ | | | | | | |
| Sales and Use Tax (@ 75% of total sales and use tax) | \$0 | \$5,900 | \$5,900 | \$5,900 | \$5,900 | \$5,900 |
| Property Tax in Lieu of Sales Tax (@ 25% of total sales and use tax) | \$0 | \$1,966 | \$1,966 | \$1,966 | \$1,966 | \$1,966 |
| Total Projected Sales and Use Tax | \$0 | \$7,866 | \$7,866 | \$7,866 | \$7,866 | \$7,866 |

Note: 1. The fiscal analysis assumes that the current residents in the annexation area are making purchases in the City, therefore retail sales and tax is not projected for Year 1.
2. Based on a mortgage cost analysis by the fiscal consultant, household income is estimated at 25 percent of average housing value.
3. As of July 1, 2004, the State has reduced the local sales tax allocation by 25 percent, and replaced this 25 percent reduction of sales tax with a dollar-for-dollar allocation of local property tax from County ERAF funds.

Source: Stanley R. Hoffman Associates, Inc.

CHAPTER 3 PUBLIC FACILITIES BEFORE AND AFTER ANNEXATION

This chapter describes the existing and anticipated future service providers for the proposed Citrus Lane Project. The level and range of the following services are in this chapter:

- General Government
- Fire and Paramedic
- County Sheriff and Public Safety
- Library
- Parks and Recreation
- Animal Control
- Street Lighting and Traffic Signals
- Landscape Maintenance
- Water
- Sewer
- Transportation
- Flood Control and Drainage
- Utilities
- Schools
- Solid Waste Management
- Health and Welfare

As presented in Table 3-1, San Bernardino County and local special districts provide many services to the annexation area, located in Loma Linda's Sphere of Influence (SOI), including general government, fire and paramedic, sheriff services, library, animal control, street lighting, road maintenance, flood control, solid waste management and health and welfare. Also, the Redlands Unified School District (RUSD) provides educational services and a number of private utilities serve the annexation area.

After annexation, the City of Loma Linda is anticipated to provide services including general government, community development, fire and paramedic, public safety under contract with the County Sheriff, library under contract with the County Library System, local parks and recreation, street lighting and traffic signals, landscape maintenance, water, sewer, transportation, and utilities.

Certain one-time development impact fees are collected for public facilities, and are detailed in Chapter 4. These one-time development impact fees (DIFs) are estimated for the proposed 35 new residential units in the Citrus Lane Project. One-time development impact fees are not estimated for the two existing residential units on the Ramirez property in the annexation area.

Table 3-1
Service Providers Before and After Proposed Annexation
Citrus Lane Annexation Plan for Service and Fiscal Analysis
City of Loma Linda

| Service | Current Service Provider | Anticipated Service Provider |
|--|--|---|
| General Government Services: | | |
| Finance Division | San Bernardino County | City of Loma Linda |
| Human Resources Division | San Bernardino County | City of Loma Linda |
| Business Registration | San Bernardino County | City of Loma Linda |
| Economic Development | San Bernardino County | City of Loma Linda |
| Community Development: | | |
| Planning | San Bernardino County | City of Loma Linda |
| Building & Safety | San Bernardino County | City of Loma Linda |
| Code Compliance | San Bernardino County | City of Loma Linda |
| Fire and Paramedic | Loma Linda Fire Department (automatic aid agreement) | Loma Linda Fire Department |
| Sheriff/Police | San Bernardino County Sheriff | City Contract with San Bernardino County Sheriff |
| Library | San Bernardino County Library | City Contract with San Bernardino County Library |
| Parks and Recreation: | | |
| Local facilities | City of Loma Linda | City of Loma Linda |
| Regional facilities | San Bernardino County | San Bernardino County |
| | San Bernardino County Contract with City of San Bernardino | |
| Animal Control | Animal Control | City Contract with City of San Bernardino Animal Control |
| Street Lighting and Traffic Signals | Southern California Edison and/or County of San Bernardino | City of Loma Linda -Street Lighting District No. 1 |
| Landscape Maintenance | n/a | City of Loma Linda - Landscape Maintenance District No. 1 |
| Water: | | |
| Domestic Water | City of Loma Linda | City of Loma Linda |
| Recycled Water | City of Loma Linda | City of Loma Linda |
| Irrigation Water | Bear Valley Municipal Water Company/Redlands | n/a |
| Water Quality | City of Loma Linda | City of Loma Linda |
| Sewer | Septic Service | City of Loma Linda |
| Transportation: | | |
| Freeways and Interchanges | Cal Trans | Cal Trans |
| Arterials and collectors | San Bernardino County Public Works | City of Loma Linda |
| Local roads | San Bernardino County Public Works | City of Loma Linda |
| Transit | Omnitrans | Omnitrans |
| Flood Control and Drainage: | | |
| Local facilities | San Bernardino County Flood Control District | San Bernardino County Flood Control District |
| Regional facilities | San Bernardino County Flood Control District | San Bernardino County Flood Control District |
| Utilities: | | |
| Cable/Internet Provider/Telephone | Time Warner/Verizon | Time Warner/Verizon |
| Power | Southern California Edison | Loma Linda Connected Community Program (LLCCP) |
| Natural Gas | Southern California Gas Company | Southern California Edison |
| | | Southern California Gas Company |
| Schools | (K-12) Redlands Unified School District | (K-12) Redlands Unified School District |
| | San Bernardino County contract with Republic Services of Southern California | Loma Linda Contract with Republic Services of Southern California |
| Solid Waste Management | | |
| Health and Welfare | San Bernardino County Department of Public Health | San Bernardino County Department of Public Health |

Sources: Stanley R. Hoffman Associates, Inc.
City of Loma Linda, Website and Loma Linda General Plan, Public Services and Facilities Element
City of Loma Linda, Planning Department
City of Loma Linda, Finance Department
County of San Bernardino, Public Works Department and Special Services District

The County of San Bernardino will provide services such as county library, regional parks and recreation, flood control and drainage, and health and welfare. The City of Loma Linda will contract for animal control services from the City of San Bernardino. Public schools and solid waste management service providers will continue to be the same before and after annexation.

3.1 General Government and Community Development

Before Annexation

San Bernardino County currently provides general government, including administrative and economic development, and community development services to the annexation area.

After Annexation

The City of Loma Linda will provide general government services which include administrative services as well as services such as General Governance, Finance, Human Resources and Economic Development to the entire annexation area. Also Loma Linda will provide Community Development services comprised of Planning, Building and Safety and Code Compliance to the entire annexation area.

One-time development impact fees are collected on new development by the City for general government and community development facilities, estimated at \$75,250 and \$12,005, respectively for the proposed 35 new residential units in the annexation area. One-time fees for art in public places are estimated at \$43,209 for the proposed 35 new residential units. These one-time fees are detailed in Chapter 4 and Table 4-1.

3.2 Fire and Paramedic

Before and After Annexation

The City of Loma Linda's Department of Public Safety, Community Safety Division provides fire and paramedic services to the City and also to the annexation area at no charge through a joint response/automated aid agreement with the County Fire Protection District according to the Loma Linda General Plan, Public Services and Facilities Element. The Fire and Rescue Division handles structural, wildland, vehicle, fire suppression, fire investigation, heavy rescue, technical rescue, confined-space rescue, hazardous materials response, vehicle extrication, emergency medical procedures, building collapse, train derailment, CPR/First-aid training, and fire hydrant testing.

The response time for emergency calls varies within the City. Based on the origination of the call, the drive time may vary. The City has two fire stations, #251 and #252, located at 11325 Loma Linda Drive and 10520 Ohio Street respectively. The annexation area is about 1.8 miles from Fire Station #251 (also known as the "Civic Center" fire station) and considered within its service area. The City has a performance standard of a five-minute response time (including three-minute running time) for 80 percent of emergency fire, medical and hazardous materials calls citywide as shown in Loma Linda's General Plan.

The City of Loma Linda's Fire Department is the service provider for the annexation area before and after annexation. Although there will be no change in fire and paramedic services provided

to the annexation area, the City will receive the annual property tax currently allocated to the County Fire Department upon annexation of the project area for operation and maintenance services. Also, a one-time impact fee for fire facilities is estimated at \$19,950 for the proposed 35 new residential units, as shown in Table 4-1.

3.3 Sheriff (Police) and Public Safety

Before and After Annexation

The County Sheriff currently provides public safety services to the annexation area. After the annexation, the City of Loma Linda will contract with the San Bernardino County Sheriff-Coroner Department to provide their local police services. The Sheriff's Headquarters, Central Station, is located at 655 East Third Street in the City of San Bernardino which is about 6.1 miles from the proposed project site. The City shares the cost of law enforcement personnel and equipment with the City of Grand Terrace. According to the Loma Linda General Plan, Public Services and Facilities Element, the level of calls for police services has been steadily increasing over the past several years to about 55 to 60 calls per day. This trend is expected to continue in the future.

3.4 Library

Before and After Annexation

The Loma Linda Public Library facility is a branch of the San Bernardino County Library system. The library is located at 25581 Barton Road in the City of Loma Linda. Based on discussion with the City Finance Director, the library is located in a City-owned facility that is leased by the San Bernardino County Library and is funded by San Bernardino County property taxes and the State of California. As part of the lease agreement with Loma Linda, the City provides library facility maintenance services. These services are expected to continue upon annexation with no expected change in service levels or costs. One-time library facilities fees for the proposed 35 new residential units are estimated at \$9,100 for the proposed project, as shown in Table 4-1.

3.5 Parks and Recreation

Before Annexation

There are no local or regional park facilities in the annexation area and current residents in the annexation area are assumed to use nearby City park facilities. Regional park facilities outside the area that serve the annexation area are operated and maintained by San Bernardino County.

After Annexation

Local Park and Recreation services provided by the City of Loma Linda and regional facilities located in San Bernardino County are expected to be accessible to the residents of the annexation area. The City owns ten existing parks in the City with an estimated 49.33 acres that are developed and maintained. These parks range from 0.16 acre to 19.60 acres in size. Some of the amenities the parks provide are baseball fields, basketball courts, lighted tennis courts, volleyball/sport courts, open areas for football and soccer, playground areas (tot areas), picnic tables, barbecue pits, electricity upon request, drinking fountains, restrooms, trails and a dog park for small and large dogs. Currently, the City has no formal recreation programs, but no-fee Park Use Permits for special events are available to local organizations and the general public.

The Community Development Department is responsible for park facility planning and the Public Works Department provides maintenance of the parks. According to the General Plan, the City hopes to achieve a ratio of 5.0 acres of park land per 1,000 persons at General Plan buildout. With a population of 23,614 persons in 2014 and 49.33 acres of developed parkland, the City currently has a park ratio of about 2.09 acres per 1,000 population. This does not include the open space in the South Hills Preserve, half of which is located in the southern region of the City, and the other half in San Bernardino County and Riverside County. The South Hills Preserve in Loma Linda is an estimated 850 acres of wild land with unimproved informal trails that are permanently protected from any development.

The City imposes a Parkland Acquisition and Development Impact Fee on all new residential development, at \$5,354 per unit, as shown on Table 4-1. These fees are estimated at \$187,390 for the 35 new units in the Citrus Lane annexation area.

3.6 Animal Control

Before Annexation

Currently, the City of San Bernardino Animal Control provides services the annexation area under contract to the County of San Bernardino.

After Annexation

Upon annexation, the City of Loma Linda will contract with the City of San Bernardino for animal control services to the proposed annexation area.

3.7 Street Lighting and Traffic

Before Annexation

Street lighting is currently serviced by Southern California Edison (SCE) for an existing street light at the intersection of California Street and Citrus Avenue and across from the project site along Orange Avenue. There are no traffic signals along the boundary of the project site.

After Annexation

Upon annexation, the project area will be annexed into the City of Loma Linda's Street Lighting District. Once the project area is annexed into the City and the Street Lighting District, street lights will be installed and maintained by the City. There are no traffic signals planned for the project.

Typically, starting from the first light at the intersection, one street light would be installed every 200 feet. The developer is expected to cover all street light installation costs in addition to maintenance costs for a year. After a year, the City will start maintaining the street lights and will charge an annual assessment fee per single family unit.

3.8 Landscape Maintenance

Before Annexation

The annexation area is not currently in a landscape maintenance district.

After Annexation

The City has an existing Landscaping Maintenance District (LMD No. 1) that assesses properties based on the estimated costs to maintain the improvements that provide special benefit to properties within the district. Each property is assessed proportionately for only those improvements from which the parcel receives special benefit. These benefits include the furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of the ornamental structures and the landscaping. This also includes furnishing electricity for the lighting and operation of the ornamental structures, and water for the irrigation and control of the landscaping.

The developer is responsible for the plans and specifications for the landscaping and irrigation improvements for the proposed project. It is possible for the property owner to provide their own landscape maintenance and receive no assessment from the LMD associated with the maintenance costs, since the associated costs would be paid directly by the property owner. However, the property owner will still be assessed administrative costs to ensure that the required landscaping will be maintained to the City's standards.

3.9 Water

Before and After Annexation

The City of Loma Linda provides the production and distribution of water within the City and to developments outside its boundaries after annexation. The City obtains its water from groundwater wells in the Bunker Hill Basin, an aquifer underlying the eastern San Bernardino Valley. The City operates five groundwater wells: Richardson Wells 1, 3, and 4 and Mountain View Wells 3 and 5. These production wells have a combined capacity of 14 million gallons per day. The City also has emergency water connections with the City of San Bernardino as well as the City of Redlands water systems.

In addition to the existing wells, a new water-treatment plant, located on City of Loma Linda-owned land surrounded by the City of San Bernardino opened in October, 2010. This treatment plant provides Loma Linda's 22,000 water customers with an additional supply of water. Once contaminated by chemicals, Lockheed Martin developed the water-treatment plant on the site to treat the groundwater that was contaminated by its operational facility in the 1960's and 1970's. The new plant is capable of pumping and filtering 4,800 gallons of water per minute or about 6.9 million gallons per day (mgd).

Currently, the City's water resources are sufficient to meet the demand at build out based on the City's current resources and the anticipated new development. The City has the ability to finance and construct required facilities necessary to obtain the water supply to meet planned growth through the collection of development fees, which are estimated at \$122,500 for the proposed 35 new residential units in the project, as shown on Table 4-1, and the use of other funding methods.

There are existing water lines along the western and southern edges of the annexation area which are California Street and Orange Avenue, respectively. The existing units on the Ramirez Property currently receive water from the City of Loma Linda. Development of the Bell Property site would include connection to existing lines near the project site. Construction plans shall be reviewed by the City Engineer to ensure the design will have sufficient carrying capacity to meet the proposed project.

3.10 Sewer

Before and After

The City of Loma Linda provides the operation and maintenance of sewer collection facilities for

the City and the areas outside its boundaries after annexation. This service is maintained by the City's Department of Public Works, Utilities Division. Sewer line maintenance is administered by the City while wastewater treatment services are administered under provisions in a Joint Powers Agreement (JPA) with the City of San Bernardino. At the San Bernardino Municipal Water Department wastewater facility, wastewater is treated to the secondary level. Effluent is then piped to a tertiary treatment facility, known as the RI/X plant, before being discharged to the Santa Ana River. The City of Loma Linda, through its agreement with the City of San Bernardino, also participates in the cost of the RI/X plant.

As shown in Table 3-2, the wastewater facility in the City of San Bernardino has the capacity to process up to 33 million gallons per day (gpd), of which 7 million gpd is allotted to Loma Linda. Of the 7 million gpd, the City currently uses less than half of the assigned 7 million gpd. According to the Loma Linda's General Plan, the average wastewater flow generated by the City during ultimate build out conditions is projected to be 6.27 million gpd. This leaves adequate total capacity for the City's wastewater flow from the proposed annexation.

Table 3-2
Sewer System Approximate Daily Usage (In Gallons)
Citrus Lane Project Plan for Service and Fiscal Impact Analysis
City of Loma Linda

| | Treatment Plant Capacity | Approximate Daily Usage | Approximate Surplus |
|-----------------------|-----------------------------|----------------------------|------------------------|
| Existing Daily Total | 7,000,000 | Less than 3,500,000 | More than 3,500,000 |
| Build-Out Daily Total | 7,000,000 | 6,270,000 | 730,000 |

Source: Stanley R. Hoffman Associates, Inc.
Loma Linda General Plan, Public Services and Facilities Element, 2009.

The western side of the annexation area borders existing City sewer lines along California Street and Orange Avenue that are connected to the City's sanitary sewer system. The developer would be responsible for connecting the new development to this line. The existing units on the Ramirez Property utilize septic service. However, any future development on the Ramirez Property at a density exceeding ½ acre per unit would require connection to the City's sanitary sewer system.

The proposed development is not projected to make a significant impact on the City's current usage of less than half of the assigned 7 million gpd at the wastewater facility in the City of San

Bernardino. The proposed project would not require the expansion of existing treatment facilities although a wastewater collection system fee estimated at \$18,865 would be required for the 35 new residential units, as shown on Table 4-1.

3.11 Transportation

Before Annexation

Current transportation services for the City of Loma Linda include freeways and interchanges serviced by Caltrans; arterials, collectors and local roads serviced by the Public Works Department, San Bernardino County; and public transit serviced by Omnitrans.

After Annexation

Caltrans and Omnitrans will continue to provide their services post annexation. As for arterials, collectors and local roads, the City of Loma Linda will service any local roads and signals associated with the proposed project.

The developer will be responsible for street improvements on Citrus Avenue and California Street, adjacent to the proposed residential development project site. There is also a traffic fair share fee that will be determined by the traffic engineer. This fee is composed of a regional fee that goes to San Bernardino Association of Governments (SANBAG), a local fee that goes to the City of Loma Linda, and a project fee that also goes to the City. There is also a development impact fee, paid by the developer of the new 35 residential units, for local circulation systems (\$51,346) and regional circulation systems (\$180,160) as shown on Table 4-1.

3.12 Flood Control and Drainage

Before and After Annexation

The San Bernardino County Flood Control District services the City for local and regional flood control and drainage facilities and is expected to be the future service provider for the proposed project. The County Flood Control District is responsible for flood protection on major streams, water conservation, and storm drain construction. In accordance to the National Pollutant Discharge Elimination System (NPDES) permit program, the proposed project is required to design their storm water collection system to control water pollution by regulating point sources that discharge pollutants into the water. Any improvements to the current drainage system will be determined by the City engineer. Costs for these improvements will be covered by the developer or through development impact fees estimated at \$24,570 for the proposed 35 new units, as shown in Table 4-1.

3.13 Utilities

Before Annexation

Utilities include Cable, Internet, Telephone, Power, and Natural Gas. Before annexation, these services are provided as follows:

1. Cable/Internet/ Telephone - Time Warner and Verizon
2. Power – Southern California Edison
3. Natural Gas – Southern California Gas Company

After Annexation

According to the City of Loma Linda, Public Works Department, once the area is annexed into the City of Loma Linda, the providers for the following utilities will be as follows:

1. Cable/Internet/Telephone – Loma Linda Connected Community Program (LLCCP), Time Warner, and Verizon
2. Power – Southern California Edison
3. Natural Gas – Southern California Gas Company

The Citrus Lane Annexation Area is located on the southeast corner of California Street and Citrus Avenue, which currently is part of the Loma Linda Connected Community Program (LLCCP). The LLCCP uses a citywide fiber optic network that can support very high data speeds. These lines would be able to service the proposed development in the annexation area as well. Costs to connect the utility lines to the proposed development would not impact the city and would be paid for either by the developer or by the utility companies where their costs are recovered through their user fees and charges.

The existing electrical utility lines will have to be under grounded once the development of the new residential units commence. The City Engineer has indicated that the cost to underground the electrical utility lines will be covered by Southern California Edison and not by the developer.

3.14 Schools

Before and After Annexation

Public education in the City of Loma Linda is provided by the Redlands Unified School District (RUSD). Schools in the RUSD that provide service to the annexation area include Mission Elementary School, Cope Middle School and Redlands High School. Collectively, these schools provide education for students from Kindergarten through 12th grade. RUSD is the current school service provider for the annexation area as well as after the annexation. There is a one-

time residential development impact school fee estimated at \$3.36 per residential square foot, resulting in estimated school impact fees of \$354,651 for the proposed 35 new units in the project, as shown in Table 4-1.

3.15 Solid Waste Management

Before Annexation

The current service provider for collection of solid waste in the annexation area is Republic Services of Southern California.

After Annexation

The City contracts with Republic Services of Southern California to provide solid waste collection services. Solid waste that is not diverted to recycling or composting facilities is transported to the San Timoteo Sanitary Landfill, a County-owned landfill located in the City of Redlands. The San Timoteo Sanitary Landfill is permitted to receive up to 1,000 tons per day, and has an estimated closure date of May, 2016. The proposed project is expected to have minimal impact on the landfill facility.

3.16 Health and Welfare

Before and After Annexation

San Bernardino County Department of Public Health currently services the City for the general public's health and welfare. The department provides a variety of programs and services that informs and educates the public about health issues. The County Department of Public Health will be the future service provider of public health and welfare. No changes in service levels or costs are expected to occur after the annexation of the proposed project.

CHAPTER 4 ONE-TIME FEES AND CHARGES

This section presents the one-time fees and charges associated with the new 35 single family residential units proposed for the Bell property within the annexation area. Development fees are one-time fees paid for by the developer to offset the additional public capital costs of new development. Development impact fees are not estimated for the two existing units on the Ramirez property that is part of the annexation.

As shown in Table 4-1, the total City and school one-time development impact fees (DIF) for the proposed development are estimated at \$1,098,997. Of this total, City development impact fees for Community Development, Public Safety and Engineering are estimated at \$744,346 and school development impact fees are estimated at \$354,561. Detailed development impact fee calculations are summarized in Table 4-1 below and shown in detail in Appendix Table B-1 as provided by the City's Community Development staff.

Table 4-1
Summary of Development Impact Fees
Citrus Lane Project Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2014 Dollars)

| Fee Category | Units | Fee per Unit | Total Fees | | | | |
|---|--|--------------|----------------------------|---|--------------|--------|--|
| <u>Community Development</u> | | | | | | | |
| General Government Facilities | 35 | \$2,150.00 | \$75,250 | | | | |
| Parkland Acquisition and Development | 35 | \$5,354.00 | \$187,390 | | | | |
| Open Space Acquisition | | n/a | n/a | | | | |
| Public Meeting Facilities | 35 | \$343.00 | \$12,005 | | | | |
| Redevelopment Housing Fees | 0 | n/a | n/a | | | | |
| Public Library Facilities | 35 | \$260.00 | \$9,100 | | | | |
| | <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Project Valuation</th> <th style="text-align: center;">Percent of Project Value</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">\$17,283,550</td> <td style="text-align: center;">0.25%</td> </tr> </tbody> </table> | | Project Valuation | Percent of Project Value | \$17,283,550 | 0.25% | |
| Project Valuation | Percent of Project Value | | | | | | |
| \$17,283,550 | 0.25% | | | | | | |
| Art in Public Places | | | \$43,209 | | | | |
| | <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Units</th> <th style="text-align: center;">Fee per Unit</th> </tr> </thead> </table> | | Units | Fee per Unit | | | |
| Units | Fee per Unit | | | | | | |
| <u>Public Safety</u> | | | | | | | |
| Fire Suppression Facilities | 35 | \$570.00 | \$19,950 | | | | |
| <u>Engineering</u> | | | | | | | |
| Local Circulation Systems (Streets, Signals and Bridges) | 35 | \$1,467.04 | \$51,346 | | | | |
| Regional Circulation Systems (Streets, Signals and Bridges) | 35 | \$5,147.44 | \$180,160 | | | | |
| Storm Drainage Facilities | 35 | \$702.00 | \$24,570 | | | | |
| Water Generation, Storage and Distribution | 35 | \$3,500.00 | \$122,500 | | | | |
| Wastewater Collection System | 35 | \$539.00 | \$18,865 | | | | |
| Total City Development Impact Fees | | | \$744,346 | | | | |
| | <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Total Square Feet of Units</th> <th style="text-align: center;">Fee per Residential Building Square Foot ¹</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">105,551</td> <td style="text-align: right;">\$3.36</td> </tr> </tbody> </table> | | Total Square Feet of Units | Fee per Residential Building Square Foot ¹ | 105,551 | \$3.36 | |
| Total Square Feet of Units | Fee per Residential Building Square Foot ¹ | | | | | | |
| 105,551 | \$3.36 | | | | | | |
| <u>School Fees</u> | | | | | | | |
| Redlands Unified School District | 105,551 | \$3.36 | \$354,651 | | | | |
| Total Development Impact Fees | | | \$1,098,997 | | | | |

Note: 1. The Redlands Unified School District residential fee of \$3.36 per square foot is effective November 10, 2014.

Sources: Stanley R. Hoffman Associates, Inc.
City of Loma Linda, Community Development Department.
Redlands Unified School District, Facilities Division

**CHAPTER 5
FISCAL IMPACTS OF ANNEXATION AREA**

This chapter presents the fiscal analysis of the Citrus Lane Project to the City of Loma Linda General Fund after annexation. Fiscal impacts are shown in constant 2014 dollars with no adjustment for possible future inflation. The fiscal assumptions for the fiscal analysis are presented in Chapter 6.

As shown in summary Table 5-1, a recurring annual surplus of \$20,943 is projected for the Citrus Lane Project to the City General Fund after buildout.

**Table 5-1
Summary of Projected Fiscal Impacts after Buildout
Citrus Lane Project Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2014 Dollars)**

| City General Fund | Buildout |
|------------------------------|---------------|
| Annual Recurring Revenues | \$61,684 |
| Annual Recurring Costs | <u>40,741</u> |
| Net Annual Recurring Surplus | \$20,943 |

Sources: Stanley R. Hoffman Associates, Inc.

5.1 Phased Fiscal Impacts

The projected cumulative impacts to the City General Fund for the first five years after annexation of the Citrus Lane Project are included in Table 5-2. The current development on the Ramirez Property is assumed during the first year after annexation, with development as proposed on the Bell Property beginning in the second year after annexation.

As shown in Table 5-2, a small deficit of \$542 is projected to the City General Fund for Year 1, which includes the existing development on the Ramirez property. A surplus of \$20,943 is projected for Year 2 when the 35 new units on the Bell Property are completed. No development is proposed for Years 3 through 5, therefore the projected surplus to the General Fund remains at \$20,943 for these years and at buildout.

Table 5-2
Detailed Projected Recurring Fiscal Impacts
Citrus Lane Project Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2014 Dollars)

| Category | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Percent of Total |
|---|----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| <u>General Fund Annual Recurring Revenues</u> | | | | | | |
| Property Taxes | \$1,052 | \$23,961 | \$23,961 | \$23,961 | \$23,961 | 38.8% |
| VLF-Property Tax in Lieu | 0 | 14,828 | 14,828 | 14,828 | 14,828 | 24.0% |
| Property Transfer Tax | 30 | 681 | 681 | 681 | 681 | 1.1% |
| Off-Site Retail Sales and Use Tax | 0 | 5,900 | 5,900 | 5,900 | 5,900 | 9.6% |
| Property Tax in Lieu of Sales Tax | 0 | 1,966 | 1,966 | 1,966 | 1,966 | 3.2% |
| Proposition 172 Half Cent Sales Tax | 0 | 83 | 83 | 83 | 83 | 0.1% |
| Franchise Fees | 133 | 2,544 | 2,544 | 2,544 | 2,544 | 4.1% |
| Animal Licenses and Fines | 5 | 93 | 93 | 93 | 93 | 0.2% |
| Recycling and Refuse | 133 | 2,546 | 2,546 | 2,546 | 2,546 | 4.1% |
| Other Charges for Services (excluding one-time charges) | 43 | 827 | 827 | 827 | 827 | 1.3% |
| Other Revenue | 245 | 4,705 | 4,705 | 4,705 | 4,705 | 7.6% |
| Transfers In: State Gas Tax | 125 | 2,409 | 2,409 | 2,409 | 2,409 | 3.9% |
| Transfers In: From Other City Funds | 85 | 1,641 | 1,641 | 1,641 | 1,641 | 2.7% |
| Recurring Revenues Subtotal | \$1,851 | \$62,184 | \$62,184 | \$62,184 | \$62,184 | 100.8% |
| Loss of County Fire Revenues ¹ | (\$500) | (\$500) | (\$500) | (\$500) | (\$500) | -0.8% |
| Total Recurring Revenues | \$1,351 | \$61,684 | \$61,684 | \$61,684 | \$61,684 | 100.0% |
| <u>General Fund Annual Recurring Costs</u> | | | | | | |
| General Government | \$344 | \$7,401 | \$7,401 | \$7,401 | \$7,401 | 18.2% |
| Police Protection | 421 | 8,078 | 8,078 | 8,078 | 8,078 | 19.8% |
| Senior Center | 8 | 202 | 202 | 202 | 202 | 0.5% |
| Community Development | 9 | 168 | 168 | 168 | 168 | 0.4% |
| Fire Protection | 822 | 15,773 | 15,773 | 15,773 | 15,773 | 38.7% |
| Public Works: Street Maintenance | 0 | 3,572 | 3,572 | 3,572 | 3,572 | 8.8% |
| Public Works: Refuse and Recycling | 153 | 2,938 | 2,938 | 2,938 | 2,938 | 7.2% |
| Public Works: Park Maintenance | 128 | 2,450 | 2,450 | 2,450 | 2,450 | 6.0% |
| Public Works: Other Costs | 8 | 159 | 159 | 159 | 159 | 0.4% |
| Total Recurring Costs | \$1,893 | \$40,741 | \$40,741 | \$40,741 | \$40,741 | 99.6% |
| <u>General Fund Annual Recurring Surplus</u> | (\$542) | \$20,943 | \$20,943 | \$20,943 | \$20,943 | |
| <u>General Fund Revenue/Cost Ratio</u> | 0.71 | 1.51 | 1.51 | 1.51 | 1.51 | |

Note: 1. The City Fire Department is currently paid by the County to provide fire protection to the proposed annexation area. Upon annexation, the City is responsible for fire protection to the annexed area. City staff estimates the revenue loss from the County at about \$500 annually.

Sources: Stanley R. Hoffman Associates, Inc.

Projected Recurring Revenues

About 76 percent of the total projected revenues after buildout of the Citrus Lane Project are comprised of property tax VLF - property tax in lieu, off-site sales and use tax and property tax in lieu sales tax.

Projected Recurring Costs

Fire protection, police protection and general government are the largest projected recurring costs and account for about 77 percent of total projected recurring costs for the Citrus Lane Project after buildout.

CHAPTER 6 CITY OF LOMA LINDA FISCAL ASSUMPTIONS

This chapter presents the revenue and cost assumptions for the fiscal analysis of the Citrus Lane Project proposed annexation. The general demographic and economic assumptions used for calculating fiscal factors are first presented. The assumptions for projecting recurring revenues are then presented followed by the assumptions for projecting recurring costs. The City's revenues and costs as presented in the *City of Loma Linda, Fiscal Year 2014-2015 Adopted Budget* and discussions with key City staff are the sources for calculating fiscal factors.

6.1 City General Assumptions

Fiscal impacts that are not based on valuation and taxable sales are generally projected based on a per capita, per employee, or per service population basis. Some fiscal impacts are projected based on other factors, such as per road mile. General fund revenue and cost factors are estimated by dividing the Fiscal Year (FY) 2014-2015 budget categories by the City's resident population, employment or total service population. Table 6-1 provides the City's general assumptions for this fiscal analysis.

Population

Loma Linda's total population of 23,614 is based on the State Department of Finance (DOF) estimate as of January 1, 2014. The City population estimate is used for projecting certain revenues and costs on a per capita basis, such as State subvented gas taxes.

Estimated Senior Population

For purposes of projecting Senior Center costs, the fiscal analysis estimates the current Loma Linda population age 55 and over at 6,140. This estimate is based on the U.S. Census Bureau, 2008-2012 American Community Survey (ACS) estimate that people 55 years and over represent about 26 percent of the total City population, as shown in Appendix Table B-1.

Employment

For fiscal factors that are impacted by only employment, such as business license taxes, the City's total employment is used as the basis for calculating the factor. The total City employment of 20,250 for the year 2014 is based on an interpolation of the Southern California Council of Governments' (SCAG) *RTP 2012* adopted estimates.

Table 6-1
City Population, Housing and Employment Assumptions
Citrus Lane Project Plan for Service and Fiscal Analysis
City of Loma Linda

| Assumption | Description |
|------------|---|
| | <u>Population and Housing</u> ¹ |
| 22,895 | Household Population |
| 719 | <u>Group Quarters Population</u> |
| 23,614 | Total Population |
| 5,866 | Single Family Units |
| 3,831 | Multi-Family Units |
| 9,697 | Total Housing Units |
| 8,808 | Occupied Housing Units |
| 2.60 | Citywide Average Household Size |
| | <u>Estimated Senior Population</u> ² |
| 26% | Share of Population over 55 |
| 6,140 | Estimated Population over 55 |
| | <u>Employment</u> |
| 20,250 | Total Employment in the City ³ |
| 87% | Estimated Share of Total Employment from Outside the City ⁴ |
| 17,618 | Estimated Employment from Outside the City ⁴ |
| | <u>Daily Students and Visitors</u> ⁵ |
| 5,300 | Daily University Students and Visitors |
| | <u>Estimated Service Population</u> ⁶ |
| 23,614 | Total Population |
| 8,809 | Estimated Employment (at 50 percent of 17,618 workers from outside the City) |
| 2,650 | Daily University Students and Visitors (at 50 percent of 5,300 daily students and visitors) |
| 35,073 | Estimated Daily Total Service Population |

- Note: 1. Population and housing estimates are January 1, 2014 estimates provided by the California Department of Finance (DOF).
2. For purposes of projecting Senior Center costs, the City's senior population is estimated at 6,140 based on the over 55 population representing 26 percent of the total City population, as reported in the American Community Survey (ACS) cited below.
3. The total employment estimate is for 2014 based on an interpolation of the 2008 and 2020 estimates from the Southern California Association of Governments, (SCAG) 2012 Adopted estimates.
4. Residents that live and work in the City are removed from the total City employment estimate because the impacts from these workers are included in the impacts to residents. Based on the 2011 U.S. Census Bureau Longitudinal Employer-Household Dynamics (LEHD) report for the City, about 87 percent of the total workers in the City com from outside the City, resulting in an estimate of 17,618 workers from outside the City.
5. The estimates of the average daily university students and visitors are provided by City Community Development staff.
6. The fiscal analysis defines the service population as an estimate of resident population plus 50 percent of employment from outside the City and 50 percent of daily University students and visitors. Estimates of employment from outside the City and daily University students and visitors are weighted at 50 percent to account for the estimated less frequent use of City services by employment and University students and visitors versus resident population.

Sources: Stanley R. Hoffman Associates, Inc.
State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties and the State, 2011-2014*, Sacramento, California, May 2014
Southern California Association of Governments (SCAG), *Adopted Regional Transportation Plan (RTP)*, 2012
U.S. Census Bureau, Longitudinal Employer-Household Dynamics (LEHD), *OnTheMap for Loma Linda, California*, 2011
U.S. Census Bureau, *2008-2012 American Community Survey (ACS) 5-Year Estimates, Demographic and and Housing Estimates, Report DP05*
Loma Linda Community Development Department

To account for the workers who live and work in the City, the estimated share workers from outside the City is used as the employment estimate for the fiscal analysis. Based on the U.S. Census Bureau 2011 Longitudinal Employer-Household Dynamic (LEHD) report for the City, about 87 percent of the total workers in the City come from outside the City, as shown in Appendix Table B-2. When this share is applied to the total employment estimate of 20,250, workers from outside the City are estimated at 17,618.

Daily University Students and Visitors

To account for the impacts from the large number of daily University students and visitors to the City, they are included in the estimated service population for the fiscal analysis. The City Community Development staff provided an estimate of 5,300 daily University students and visitors.

Estimated Service Population

Fiscal factors that are impacted by population, employment, students and visitors to the City are estimated by allocating total budgeted revenues or costs to the estimated service population. Service population includes the City's resident population plus 50 percent of the estimated City employment from outside the City and 50 percent of the estimated daily University students and daily visitors to the City. Employment from outside the City and daily University students and daily visitors are weighted at 50 percent to account for the estimated less frequent use of City services by employment and visitors versus population.

As shown in Table 6-1, the service population for the City is estimated at 35,073. The service population estimate includes the resident population of 23,614, the weighted employment from outside the City of 8,809 (50 percent of 17,618), and the weighted University students and visitors estimate of 2,650 (50 percent of 5,300). The self-employed are not included in the weighted employment estimate because they are assumed to be represented in the population estimate.

6.2 City General Fund Revenue Assumptions

The revenue factors for the General Fund recurring revenues projected in the fiscal analysis are summarized in Table 6-2. These revenue factors are based on the City's Fiscal Year (FY) 2014-2015 revenues presented in Appendix Table B-3 and the City's population and service population estimates that are presented in Table 6-1. The remainder of this section describes the revenue factors.

Table 6-2
General Fund Recurring Revenue Factors
Citrus Lane Project Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2014 Dollars)

| Revenue Source | Adopted FY 2014-2015 Revenues | Projection Basis ¹ | Annual Projection Factors or Amounts |
|---|-------------------------------|--|---|
| <u>Property Taxes</u> ² | \$1,237,000 | Case Study: Project Valuation | 13.55% City General Fund share of 1% levy |
| <u>VLF - Property Tax In Lieu</u> ³ | \$1,678,500 | Case Study | \$877 per \$1,000,000 assessed valuation |
| <u>Property Transfer Tax</u> | \$34,000 | Property Turnover and Valuation Assumptions | 7.0% turnover rate \$0.55 per \$1,000 assessed valuation |
| <u>Sales and Use Tax</u> | \$4,309,300 | Taxable Sales | 75% of 1% of projected sales and use tax |
| <u>Property Tax In Lieu of Sales Tax</u> ⁴ | \$1,436,400 | Taxable Sales | 25% of 1% of projected sales and use tax |
| <u>Use Tax</u> | | Use Tax as Percent of Sales Tax | 11.2% of sales tax |
| <u>Proposition 172 (Half Cent Sales Tax)</u> | \$61,000 | Total City Sales and Use Tax = \$5,806,700 | \$10.51 per \$1,000 of City sales and use tax |
| <u>Franchise Fees</u> | \$929,600 | Service Population = 35,073 | \$26.50 per service population |
| <u>Animal Licenses and Fines</u> | \$23,000 | Population = 23,614 | \$0.97 per capita |
| <u>Recycling and Refuse</u> | \$930,200 | Service Population = 35,073 | \$26.52 per service population |
| <u>Other Charges for Services</u> | \$203,200 | Population = 23,614 | \$8.61 per capita |
| <u>Other Revenue</u> | \$1,718,900 | Service Population = 35,073 | \$49.01 per service population |
| <u>Transfers In:</u> | | | |
| <u>Gas Tax Fund</u> | \$592,400 | Population = 23,614 | \$25.09 per capita |
| <u>Transfers from Other Funds</u> | \$599,300 | Service Population = 35,073 | \$17.09 per service population |
| <u>Loss of Fire Revenues from County</u> ⁵ | Case Study | Annual Revenues from County for Current Service to Annexation Area = \$500 | (\$500.00) estimated maximum annual fire revenue loss from County |
| <u>Interest Earnings</u> | \$20,000 | Share of Non-Interest Recurring Revenues = \$13,772,800 | 0.15% not projected |

- Note: 1. For fiscal factors that are based on population and employment, an estimated service population factor is applied, which represents the City's resident population, plus 50 percent of the estimated employment from outside the City and 50 percent of daily students and visitors to the City, as shown in Table 6-1.
2. The fiscal analysis projects property tax at the average exchange of the basic one percent property tax allocations for tax rate area (TRA) in the project site upon annexation to the City, as shown in Appendix Table B-5.
3. The State has lowered the VLF rate, which reduces the amount of VLF received by cities and counties. However, the State is providing property taxes to offset the VLF reduction. VLF is estimated to change according to the City's increase in assessed valuation, as shown in Appendix Table B-6.
4. As of July 1, 2004, the State has reduced the local sales tax allocation by 25%, and replaced this 25% reduction of sales tax with a dollar-for-dollar allocation of local property tax from County ERAF funds.
5. Based on discussion with the City Fire Chief, the City currently receives reimbursement from the County for providing fire protection to the proposed annexation area. Upon annexation, the City is responsible for fire protection and the County will not pay for fire protection services to this area. The City Fire Chief estimates the loss of revenues from the County at a maximum of \$500 per year.

Sources: Stanley R. Hoffman Associates, Inc.
City of Loma Linda, *Fiscal Year 2014-2015 Adopted Budget*
State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties and the State, 2011-2014*, Sacramento, California, May 2014
Southern California Association of Governments (SCAG), *Adopted Regional Transportation Plan (RTP), 2012*
City of Loma Linda, Finance Department and Fire Department

As shown in Panel A of Table 6-2, projected General Fund revenues include property tax; vehicle license fees (VLF) - property tax in lieu; property transfer tax; sales and use tax; property tax in lieu of sales tax; Proposition 172 half-cent sales tax; franchise fees; animal licenses and fines; code violation; recycling and refuse; other charges for services; other revenue; transfers in to the General fund; and interest earned on recurring revenues.

Property Tax

Property tax revenues are projected based on the City's share of the one percent property tax levy on the estimated assessed valuation for the proposed development in the Citrus Lane Project. The current allocation rate of the one percent property tax for the tax rate area (TRA) 104100 in the annexation area is presented in Appendix Table B-4. The City's share of the 1.0 percent basic levy is estimated at about 13.55 percent upon annexation, as shown in Appendix Table B-5. The calculations are based on the formula and methodology provided by the San Bernardino County LAFCO staff.

VLF - Property Tax In Lieu

Cities and counties began receiving additional property tax revenue to replace vehicle license fee (VLF) revenue that was lowered when the state reduced the vehicle license tax in 2004. This VLF - property tax in lieu is projected to grow with the change in the Citywide gross assessed valuation (AV) of taxable property from the prior year. VLF - Property tax in lieu revenue is allocated in addition to other property tax apportionments.

As shown in Appendix Table B-6, the VLF - property tax in lieu in the City is projected to increase at \$877 per million dollars of new assessed valuation (AV). This factor is based on the change in AV and the change in VLF - property tax in lieu in the City over the period from fiscal year 2004-2005 to fiscal year 2013-2014. The change over the period from fiscal year 2004-2005 to fiscal year 2013-2014 is used to represent an average of the economic upturns and downturns.

Per State law, when an annexation occurs the existing valuation in the area that is being annexed cannot be used in adjusting the base amount of assessed valuation in the annexing City. Prior to the recently passed SB89 legislation, a City received property tax in lieu of VLF for the existing development in the annexation area at \$50 per capita annually, based on the estimated population of the annexation area at the time of annexation. Based on the new SB89 legislation, an

annexing City will no longer receive property tax in lieu of VLF for the existing assessed valuation in the area being annexed. The City will receive property tax in-lieu of VLF based on the change in its gross assessed valuation of taxable property for new development in the annexed area.

Property Transfer Tax

Sales of real property are taxed by San Bernardino County at a rate of \$1.10 per \$1,000 of property value. For property located in the City, property transfer tax is divided equally between the City and the County, with the City receiving \$0.55 per \$1,000 of transferred property value. Based on the U.S. Census Bureau, 2008-2012 American Community Survey, residential development in the City is assumed to change ownership at an average rate of about 7.0 percent per year (Appendix Table B-7).

Sales and Use Tax

As part of the total sales tax levied by the State, all cities and counties in the State generally receive a basic one percent (1.0 percent) sales tax and have the option to levy additional sales taxes under certain circumstances. The fiscal analysis projects sales and use tax based on the estimated retail taxable sales made in the City by the future residents of the Citrus Lane Project.

Sales and use tax is projected at 75.0 percent of the total sales and use tax generated because the State has reduced the local sales tax allocation (1.0 percent) by 25.0 percent and replaced this with a dollar-for-dollar allocation of local property tax from the County Educational Revenue Augmentation Fund (ERAF).

Property Tax In Lieu of Sales Tax

This revenue represents the 25.0 percent of the local sales tax allocation of 1.0 percent that is replaced with a dollar-for-dollar amount of local property tax from the County ERAF funds.

Use Tax

In addition to sales tax revenue, the City receives revenues from the use tax, which is levied on shipments into the state and on construction materials for new residential and non-residential development not allocated to a situs location. Use tax is allocated by the State Board of Equalization (BOE) to counties and cities based on each jurisdiction's proportion of countywide and statewide direct taxable sales.

Appendix Table B-8 presents the City sales and use tax for calendar year 2013 provided by Hinderliter de Llamas and Associates (HdL). HdL estimates that \$382,395 of total sales and use tax was made from levies designated as use tax and the remaining \$3,411,198 of the sales and use tax was point-of-sale sales tax. Therefore, use tax revenues to the City of Loma Linda are estimated at an additional 11.2 percent of point-of-sale sales tax.

Proposition 172 (Half Cent Sales Tax)

As shown in Table 6-2, these revenues are projected at \$10.51 per \$1,000 of sales and use tax based on City estimated FY 2014-2015 Proposition 172 revenues of \$61,000 and the City's total sales and use tax estimate of \$5,805,700.

Franchise Fees

The City receives a franchise fee from telephone/mobile, natural gas, electricity, water, cable/satellite and refuse businesses within Loma Linda for use of public rights-of-way. Based on the City Fiscal Year (FY) 2014-2015 adopted revenues of \$929,600, franchise fees are projected at \$26.50 per the service population estimate of 35,073, as shown in Table 6-2.

Animal Licenses and Fines

These fees are projected at \$0.97 per capita based on revenues of \$23,000 and the current city population estimate of 23,614. Projected animal control fines are combined with animal licenses in the projected fiscal impacts for the annexation.

Recycling and Refuse

Refuse recycling service charges and collection revenues are projected at \$26.52 per service population based on FY 2014-2015 adopted revenues of \$930,200 and the City's estimated service population of 35,073.

Other Charges for Services

These revenues are projected at \$8.61 per capita based on FY 2014-2015 adopted revenues of \$203,200 and the City's estimated population of 23,614. These other current service charges include sales of maps and publications, towing fees, household hazard waste, emergency medical service (EMS) membership, EMS response fees and miscellaneous services.

Other Revenue

As shown in Table 6-2, these revenues are projected at \$49.01 per service population based on

FY 2014-2015 adopted revenues of \$1,718,900 and the City service population estimate of 35,073. Revenues in this category include refunds/reimbursements, miscellaneous revenue, damage claim recovery revenues and overhead revenues for services provided to the Water Enterprise Fund and the Sewer Enterprise Fund.

Transfers In

These revenues include transfers to the City General Fund from other City funds.

State Gas Tax. State gasoline taxes are projected at \$25.09 per capita based on the FY 2014-2015 adopted revenue amount of \$592,400 and the City population estimate of 23,614. State Gasoline tax accrues to the Gas Tax Fund, and these revenues contribute to Public Works Department expenditures for street maintenance, including sidewalks, curbs, gutters and other street related maintenance.

Other City Funds. Other transfers to the General Fund are projected at \$17.09 per service population based on adopted FY 2014-2015 revenues of \$599,300 and the City's estimated service population of 35,073.

Loss of Fire Revenues from County

As shown in Table 6-2, the City projects a recurring revenue loss of about \$500 upon annexation of the Citrus Lane Project. The City Fire Department currently receives revenue from San Bernardino County for providing fire protection services to unincorporated areas adjacent to the City. Upon annexation, the City is responsible for fire protection to the Citrus Lane annexation area. The City Fire Chief estimates the potential loss in revenues from the County for the proposed annexation area at a maximum of \$500 annually.

Interest Earnings

These revenues represent about 0.15 of projected recurring General Fund revenues. However, because interest earned on investments are minimal, they are not projected in the fiscal analysis.

6.3 City Cost Assumptions

The General Fund cost factors that are used in preparing the fiscal analysis for the Citrus Lane Project are presented in Table 6-3. These factors are based on the adopted expenditures in the City's FY 2014-2015 Budget shown in Table 6-4 and the City's population and service population estimates that are presented in Table 6-1.

Table 6-3
General Fund Recurring Cost Factors
Citrus Lane Project Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2014 Dollars)

| Cost Category | Adopted FY 2014/2015 Expenditures | Net Cost | Projection Basis ¹ | Annual Projection Factors |
|---|---|-------------|-------------------------------|---------------------------------|
| <u>General Government</u> ² | \$3,690,700 | \$2,768,025 | Case study | 22.2% of direct line costs |
| <u>Police Protection</u> | \$2,951,500 | \$2,951,500 | Service population = 35,073 | \$84.15 per service population |
| <u>Senior Center</u> ³ | \$49,700 | \$49,700 | Senior population = 6,140 | \$8.09 per senior |
| <u>Community Development</u> ⁴ | \$1,033,000 | \$61,300 | Service population = 35,073 | \$1.75 per service population |
| <u>Fire Department</u> | \$5,762,500 | \$5,762,500 | Service population = 35,073 | \$164.30 per service population |
| <u>Public Works:</u> | | | | |
| Street Maintenance ⁵ | \$480,800 | n/a | Case Study | \$7,600 per lineal mile |
| Refuse and Recycling | \$1,073,100 | \$1,073,100 | Service population = 35,073 | \$30.60 per service population |
| Parks Maintenance ⁶ | \$602,700 | \$602,700 | Population = 23,614 | \$25.52 per capita |
| Other Public Works ⁷ | <u>\$526,800</u> | \$58,100 | Service population = 35,073 | \$1.66 per service population |
| Total Public Works | \$2,683,400 | | | |

- Note: 1. For fiscal factors that are based on population and employment, an estimated service population factor is applied, which represents the City's resident population, plus 50 percent of the estimated employment from outside the City and 50 percent of daily students and visitors to the City, as shown in Table 6-1.
2. The calculation of the general government overhead rate is presented in Table 6-4.
3. Senior Center costs are projected for the senior population (55 years and over), which is estimated at about 26 percent of the total City population, as shown in Appendix Table B-1.
4. Initial community development costs are reduced by projected on-time revenues. Net costs for community development are presented in Panel A of Appendix Table B-9.
5. The estimated street maintenance cost per mile is presented in Panel A of Appendix Table B-10.
6. No parks are planned for the proposed project, however park costs are projected at the current average Citywide cost per capita.
7. Other public works costs include traffic safety, engineering and facilities maintenance. Net costs for other public works are presented in Panel B of Appendix Table B-9.

Sources: Stanley R. Hoffman Associates, Inc.
City of Loma Linda, *Fiscal Year 2014-2015 Adopted Budget*
City of Loma Linda, Finance Department and Public Works Department

Table 6-4
Calculation of City General Government Overhead Rate
Citrus Lane Project Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2014 Dollars)

| General Fund Expenditures | Adopted FY 2014/2015 Expenditures | General Government | Non-General Government |
|--|---|-----------------------|---------------------------|
| General Government | | | |
| <u>Administration</u> | | | |
| City Council | \$107,000 | \$107,000 | |
| City Clerk | 76,800 | 76,800 | |
| City Manager | 131,900 | 131,900 | |
| Finance | 406,300 | 406,300 | |
| Information Services | 76,400 | 76,400 | |
| General Government | <u>2,892,300</u> | <u>2,892,300</u> | |
| Total Overhead Administration | \$3,690,700 | \$3,690,700 | |
| Non-General Government | | | |
| <u>Administration</u> | | | |
| Police-Administration | \$2,951,500 | | \$2,951,500 |
| Animal Regulation - Administration | 0 | | 0 |
| Senior Center - Administration | 49,700 | | 49,700 |
| Non-General Government Administration Total | \$3,001,200 | | \$3,001,200 |
| <u>Community Development</u> | | | |
| Planning | \$271,200 | | \$271,200 |
| Building & Safety | 597,900 | | 597,900 |
| Code Enforcement | 163,900 | | 163,900 |
| Community Development Total | \$1,033,000 | | \$1,033,000 |
| <u>Fire Department</u> | | | |
| Parking Control | \$143,100 | | \$143,100 |
| Fire Prevention | 252,800 | | 252,800 |
| Fire & Rescue Services | 5,112,500 | | 5,112,500 |
| Disaster Preparation | 254,100 | | 254,100 |
| Fire Department Total | \$5,762,500 | | \$5,762,500 |
| <u>Public Works</u> | | | |
| Traffic Safety | \$173,200 | | \$173,200 |
| Engineering | 117,300 | | 117,300 |
| Street Maintenance | 480,800 | | 480,800 |
| Facilities Maintenance | 236,300 | | 236,300 |
| Refuse | 1,054,800 | | 1,054,800 |
| Recycling | 18,300 | | 18,300 |
| Parks Maintenance | 602,700 | | 602,700 |
| Vehicle Maintenance | 0 | | 0 |
| Public Works Total | \$2,683,400 | | \$2,683,400 |
| GRAND TOTAL GENERAL FUND | \$16,170,800 | \$3,690,700 | \$12,480,100 |
| Current General Government Overhead Rate | | | |
| General Government Expenditures | | | \$3,690,700 |
| Direct General Fund Expenditures | | <i>divided by</i> | \$12,480,100 |
| Current General Government Overhead Rate | | <i>equals</i> | 29.6% |
| Marginal Increase in General Government Costs @ 75%¹ | | | 22.2% |

Note: 1. General government costs for the project are not assumed to increase on a one-to-one basis. Therefore, the fiscal analysis projects general government at a marginal rate of 75 percent or 22.2 percent of non-general recurring costs.

Sources: Stanley R. Hoffman Associates, Inc.
City of Loma Linda, Fiscal Year 2014-2015 Adopted Budget

Projected General Fund expenditures include general government, or overhead functions, and the following non-general government services of police, senior center, community development services, fire protection and public works.

General Government

General government costs such as City Council, City Clerk, City Manager, Finance, Information Services and Non-Departmental expenditures, provide overhead services that cannot be directly linked to a specific department. General government costs include administration and support of departmental line costs such as police, fire and public works. These costs are usually viewed as citywide overhead and are projected using an overhead rate applied to departmental line costs.

As shown in Panel B of Table 6-4, FY 2014-2015 adopted general government costs of \$3,690,700 represent about 29.6 percent of direct line costs of \$12,480,100. However, overhead costs are not assumed to increase on a one-to-one basis for new development. Based on discussion with City staff, general government costs are projected at a marginal rate of 75 percent, or at 22.2 percent of direct costs.

Police Protection

Police costs are projected at \$84.15 per service population, as shown in Table 6-3, based on FY 2014-2015 adopted expenditures of \$2,951,500 and the City's service population estimate of 35,073.

Senior Center

As shown in Table 6-3, Senior Center costs are projected at \$8.09 per capita based on FY 2014-2015 adopted expenditures of \$49,700 and the City's senior (age 55 and over) population estimate of 6,140. The U.S. Census Bureau, 2008-2012 American Community Survey (ACS) estimates that people 55 years and over represent about 26 percent of the total City population. The ACS estimated population by age groups is presented in Appendix Table B-1.

Community Development

Based on FY 2014-2015 net community development costs of \$61,300 and the City service population estimate of 35,073, non-fee supported costs for community development are estimated at \$1.75 per service population. As shown in Table 6-3, the total General Fund community development costs of \$1,033,000 are offset by one-time processing permit and fee revenues of \$971,700, as shown in Panel A of Appendix Table B-9.

Fire Department

As shown previously in Table 6-3, fire protection costs are projected at \$164.30 per service population based on FY 2014-2015 adopted expenditures of \$5,762,500 and the City's estimated 35,073 service population.

Public Works

Public works costs include street maintenance; refuse and recycling; park maintenance and other public works costs.

Street Maintenance. Based on discussion with the City's Public Works staff, street maintenance costs are projected at \$7,600 per lineal mile. As shown Appendix Table B-10, the City spent about \$200,000 for slurry seal and overlay on about three miles of streets in the year 2010, or about \$70,000 per mile. Based on discussion with City staff, the fiscal analysis assumes a 10-year cycle for these services, resulting in an annualized cost of about \$7,000 per mile for slurry seal and overlay costs. City Public Works staff estimates that these costs have increased by about \$600 based on the increase in construction costs from Engineering News Record over the period since 2011.

Refuse and Recycling. These costs are projected at \$30.60 per service population based on FY 2014-2015 adopted budget costs of \$1,073,100 for refuse and recycling services and the estimated current City service population of 35,073.

Park Maintenance. No parks are planned the Citrus Lane Project. However, park maintenance cost for project residents' use of City parks is projected at \$25.52 per capita. This cost factor is based on the FY 2014-2015 adopted budget costs of \$602,700 for park maintenance and the existing City population estimate of 23,614.

Other Public Works. Net recurring costs are projected for the other recurring public works costs of traffic safety, engineering and facilities maintenance. Based on FY 2014-2015 net costs of \$58,100 for these services and the City service population estimate of 35,073, non-fee supported costs for other public works are estimated at \$1.66 per service population. As shown in Table 6-3, the total General Fund other public works costs of \$526,800 are offset by one-time processing permit and fee revenues of \$468,700, as shown in Panel B of Appendix Table B-9.

APPENDIX A DETAILED DEVELOPMENT IMPACT FEES

**Table A-1 (page 1 of 3)
Estimated Detailed Development Impact Fees
Citrus Lane Annexation Plan for Services, City of Loma Linda
(In Constant 2014 Dollars)**

CITY OF LOMA LINDA
DEVELOPMENT IMPACT FEES SHEET

| | | | |
|--------------------|-------------|---------------|--|
| FEES DUE? (Yes/No) | Yes | Bldg Permit # | |
| CASE NUMBER: | | APN: | |
| PROJECT NAME: | Citrus Lane | SQ. FT.: | |
| PRJ. ADDRESS: | | DATE: | |
| PLAN CHK. NO.: | | Fees Updated | |
| PLANNER: | | | |

COMMUNITY DEVELOPMENT

| 1. GENERAL GOVERNMENT FACILITIES | | | | ACCT # | No. 16-9409 |
|----------------------------------|-------------|-------------|-------------|--------|---------------------|
| DEVELOPMENT TYPE | # of Units | Fees/Unit | Credit/Unit | | TOTAL |
| Detached Dwelling Units | 35.00 | \$2,150.00 | | | \$ 75,250.00 |
| Attached Dwelling Units | | 2,150.00 | | | - |
| Mobile Home Units | | 2,150.00 | | | - |
| Assisted Care Units | | 140.00 | | | - |
| Commercial Lodging | | 140.00 | | | - |
| | Sq. Ft. | Fees/Sq.Ft. | | | |
| Commercial/Office Uses | | \$0.261 | | | - |
| Industrial Uses | | 0.261 | | | - |
| Medical Office Uses | | 0.261 | | | - |
| TOTAL | Note | | | | \$ 75,250.00 |

| 2. PARKLAND ACQUISITION AND DEVELOPMENT | | | | Park Ded SF | ACCT # | No. 4-9409 |
|---|-------------|------------|-------------|-------------|--------|----------------------|
| DEVELOPMENT TYPE | # of Units | Fees/Unit | Credit/Unit | 0.00 | | TOTAL |
| Detached Dwelling Units | 35.00 | \$5,354.00 | | | | \$ 187,390.00 |
| Attached Dwelling Units | | 3,955.00 | | | | - |
| Mobile Home Units | | 3,630.00 | | | | - |
| Assisted Care Units | | 1,754.00 | | | | - |
| TOTAL | Note | | | | | \$ 187,390.00 |

| 3. OPEN SPACE ACQUISITION | | | | ACCT # | No. 4-9411 |
|---------------------------|-------------|-------------|-------------|--------|-------------|
| DEVELOPMENT TYPE | # of Units | Fees/Unit | Credit/Unit | | TOTAL |
| Commercial Lodging | | 271.00 | | | - |
| | Sq. Ft. | Fees/Sq.Ft. | | | |
| Commercial/Office Uses | | \$0.666 | | | - |
| Industrial Uses | | 0.389 | | | - |
| Medical Office Uses | | 0.389 | | | - |
| TOTAL | Note | | | | \$ - |

| 4. PUBLIC MEETING FACILITIES | | | | ACCT # | No. 18-9409 |
|------------------------------|-------------|-------------|-------------|--------|---------------------|
| DEVELOPMENT TYPE | # of Units | Fees/Unit | Credit/Unit | | TOTAL |
| Detached Dwelling Units | 35.00 | \$343.00 | | | \$ 12,005.00 |
| Attached Dwelling Units | | 263.00 | | | - |
| Mobile Home Units | | 232.00 | | | - |
| Assisted Care Units | N/A | No Fee | | | No Fee |
| Commercial Lodging | N/A | No Fee | | | No Fee |
| | Sq. Ft. | Fees/Sq.Ft. | | | |
| Commercial/Office Uses | N/A | No Fee | | | No Fee |
| Industrial Uses | N/A | No Fee | | | No Fee |
| Medical Office Uses | N/A | No Fee | | | No Fee |
| TOTAL | Note | | | | \$ 12,005.00 |

| 5. ART IN PUBLIC PLACES | | | | ACCT # | No. 23-9409 |
|---------------------------------|------------------|------------|--------|--------|---------------------|
| DEVELOPMENT TYPE | Project \$ Value | % of Value | Credit | | TOTAL |
| Residential Valuation | \$17,283,550.00 | \$0.0025 | | | \$ 43,208.88 |
| Commercial/Industrial Valuation | | \$0.0050 | | | - |
| TOTAL | Note | | | | \$ 43,208.88 |

| 6. REDEVELOPMENT HOUSING FEES - PER DEVELOPMENT AGREEMENT | | | | ACCT # | No. 03-9408 |
|---|-------------|-----------|--------|---------|---------------|
| DEVELOPMENT TYPE | # of Units | Fees/Unit | Credit | | TOTAL |
| Residential | | | | See Pam | \$0.00 |
| Commercial/ Industrial | | | | See Pam | \$0.00 |
| TOTAL | Note | | | | \$0.00 |

(Continued...)

Table A-1 (page 2 of 3)
Estimated Detailed Development Impact Fees
Citrus Lane Annexation Plan for Services, City of Loma Linda
(In Constant 2014 Dollars)

CITY OF LOMA LINDA
DEVELOPMENT IMPACT FEES SHEET

| 7. PUBLIC LIBRARY FACILITIES | | | | | ACCT # | TOTAL |
|------------------------------|------------|-------------|-------------|--|--------|-------------|
| DEVELOPMENT TYPE | # of Units | Fees/Unit | Credit/Unit | | | |
| Detached Dwelling Units | 35.00 | \$260.00 | | | | \$ 9,100.00 |
| Attached Dwelling Units | | 192.00 | | | | - |
| Mobile Home Units | | 176.00 | | | | - |
| Assisted Care Units | N/A | No Fee | | | | No Fee |
| Commercial Lodging | N/A | No Fee | | | | No Fee |
| | Sq. Ft. | Fees/Sq.Ft. | | | | |
| Commercial/Office Uses | N/A | No Fee | | | | No Fee |
| Industrial Uses | N/A | No Fee | | | | No Fee |
| Medical Office Uses | N/A | No Fee | | | | No Fee |

PUBLIC SAFETY

| 8. FIRE SUPPRESSION FACILITIES, ET. AL. | | | | | ACCT # | TOTAL |
|---|------------|-------------|-------------|--|--------|--------------|
| DEVELOPMENT TYPE | # of Units | Fees/Unit | Credit/Unit | | | |
| Detached Dwelling Units | 35.00 | \$570.00 | | | | \$ 19,950.00 |
| Attached Dwelling Units | | 377.00 | | | | - |
| Mobile Home Units | | 576.00 | | | | - |
| Assisted Care Units | | 1,151.00 | | | | - |
| Commercial Lodging | | 286.00 | | | | - |
| | Sq. Ft. | Fees/Sq.Ft. | | | | |
| Commercial/Office Uses | | \$0.938 | | | | - |
| Industrial Uses | | 0.161 | | | | - |
| Medical Office Uses | | 0.426 | | | | - |

ENGINEERING

| 9a. LOCAL CIRCULATION SYSTEMS (STREETS, SIGNALS AND BRIDGES) | | | | | ACCT # | TOTAL |
|--|------------|-------------|-------------|-------|--------|--------------|
| DEVELOPMENT TYPE | # of Units | Fees/Unit | Credit/Unit | Code | | |
| Detached Dwelling Units | 35.00 | 1,467.04 | | | | \$ 51,346.40 |
| Attached Dwelling Units | | 979.44 | | | | - |
| Mobile Home Units | | 767.44 | | | | - |
| Assisted Care Units | | 212.00 | | | | - |
| | Rooms | Fees/room | | | | |
| Resort Tourist | | \$ 1,127.84 | | RT-M | | - |
| | Sq. Ft. | Fees/Sq.Ft. | | | | |
| Commercial/Office Uses | | \$ 1.336 | | C-GOB | | - |
| Industrial Uses | | 0.522 | | I-M | | - |

| 9b. REGIONAL CIRCULATION SYSTEMS (STREETS, SIGNALS AND BRIDGES) | | | | | ACCT # | TOTAL |
|---|------------|-------------|-------------|-------|--------|---------------|
| DEVELOPMENT TYPE | # of Units | Fees/Unit | Credit/Unit | | | |
| Detached Dwelling Units | 35.00 | 5,147.44 | | | | \$ 180,160.40 |
| Attached Dwelling Units | | 3,435.59 | | | | - |
| Mobile Home Units | | 3,882.90 | | | | - |
| Assisted Care Units | | 743.85 | | | | - |
| | Rooms | Fees/room | | | | |
| Resort Tourist | | \$ 3,957.28 | | RT-M | | - |
| | Sq. Ft. | Fees/Sq.Ft. | | | | |
| Commercial/Office Uses | | \$ 4.686 | | C-GOB | | - |
| Industrial Uses | | 1.830 | | I-M | | - |

| 10. STORM DRAINAGE FACILITIES | | | | | ACCT # | TOTAL |
|-------------------------------|------------|-------------|-------------|--|--------|--------------|
| DEVELOPMENT TYPE | # of Units | Fees/Unit | Credit/Unit | | | |
| Detached Dwelling Units | 35.00 | \$702.00 | | | | \$ 24,570.00 |
| Attached Dwelling Units | | 141.00 | | | | - |
| Mobile Home Units | | 178.00 | | | | - |
| Assisted Care Units | | 49.00 | | | | - |
| Commercial Lodging | | 48.00 | | | | - |
| | Sq. Ft. | Fees/Sq.Ft. | | | | |
| Commercial/Office Uses | | \$0.129 | | | | - |
| Industrial Uses | | 0.076 | | | | - |
| Medical Office Uses | | 0.098 | | | | - |

(Continued...)

Table A-1 (page 3 of 3)
Estimated Detailed Development Impact Fee Tables
Citrus Lane Annexation Plan for Services, City of Loma Linda
(In Constant 2014 Dollars)

CITY OF LOMA LINDA
DEVELOPMENT IMPACT FEES SHEET

| 11. WATER GENERATION, STORAGE AND DISTRIBUTION | | | | ACCT # | No. 38-9782 |
|--|-------------|-------------|--|--------|----------------------|
| DEVELOPMENT TYPE | # of Units | Fees/Unit | | | TOTAL |
| Detached Dwelling Units | 35.00 | \$3,500.00 | | | \$ 122,500.00 |
| Attached Dwelling Units | | 2,586.00 | | | - |
| Mobile Home Units | | 2,374.00 | | | - |
| Assisted Care Units | | 1,146.00 | | | - |
| Commercial Lodging | | 1,720.00 | | | - |
| | Sq. Ft. | Fees/Sq.Ft. | | | |
| Commercial/Office Uses | | \$0.343 | | | - |
| Industrial Uses | | 0.343 | | | - |
| Medical Office Uses | | 1.212 | | | - |
| TOTAL | Note | | | | \$ 122,500.00 |

| 12. WASTEWATER COLLECTION SYSTEM | | | | ACCT # | No. 17-9409 |
|----------------------------------|-------------|-------------|-------------|--------|---------------------|
| DEVELOPMENT TYPE | # of Units | Fees/Unit | Credit/Unit | | TOTAL |
| Detached Dwelling Units | 35.00 | \$539.00 | | | \$ 18,865.00 |
| Attached Dwelling Units | | 398.00 | | | - |
| Mobile Home Units | | 366.00 | | | - |
| Assisted Care Units | | 177.00 | | | - |
| Commercial Lodging | | 265.00 | | | - |
| | Sq. Ft. | Fees/Sq.Ft. | | | |
| Commercial/Office Uses | | \$0.053 | | | - |
| Industrial Uses | | 0.053 | | | - |
| Medical Office Uses | | 0.187 | | | - |
| TOTAL SEWER COST | Note | | | | \$ 18,865.00 |

| | | |
|-----------------------------------|--|----------------------|
| TOTAL DEVELOPMENT FEE COST | | \$ 744,345.68 |
|-----------------------------------|--|----------------------|

ADDITIONAL CONTACT INFORMATION:

SCHOOL FEES REDLANDS UNIFIED SCHOOL DISTRICT (909) 748-6730

SEWER CAPACITY FEES
CITY OF SAN BERNARDINO CITY OF SAN BERNARDINO WATER DEPT (909) 384-5093

CITY OF LOMA LINDA PLAN CHECK & PERMIT FEES:
BUILDING PLAN CHECK CITY OF LOMA LINDA BUILDING DEPT (909) 799-2836
BUILDING PERMIT
GRADING PERMIT
FIRE SPRINKLER
FIRE PLAN CHECK

Fee Schedule Last Updated as of 1/13/2011

Development fees - Resolution #2358
Adopted 10-25-04
Effective 12-25-04

Water Connection fees- Resolution #2315
Adopted 02-10-04
Effective 03-01-04

Art in Public Places - Ordinance #651
Adopted 12/13/05
Effective 01/10/06

Circulation Development Impact Fees - Resolution #2483
Adopted 12/12/06
Effective 12/12/06
Expended 01/23/07
Regional Circulation - Updated 4/8/08 - Resol#2537

**APPENDIX B
SUPPORTING FISCAL TABLES**

**Table B-1
U. S. Census, American Community Survey: Population by Age
City of Loma Linda**

| Subject | Loma Linda City, California | |
|--------------------|-----------------------------|---------|
| | Estimate | Percent |
| SEX AND AGE | | |
| Total population | 23,239 | 23,239 |
| Male | 11,244 | 48.4% |
| Female | 11,995 | 51.6% |
| Under 5 years | 1,234 | 5.3% |
| 5 to 9 years | 1,252 | 5.4% |
| 10 to 14 years | 1,191 | 5.1% |
| 15 to 19 years | 1,224 | 5.3% |
| 20 to 24 years | 2,077 | 8.9% |
| 25 to 34 years | 4,415 | 19.0% |
| 35 to 44 years | 2,929 | 12.6% |
| 45 to 54 years | 2,995 | 12.9% |
| 55 to 59 years | 1,272 | 5.5% |
| 60 to 64 years | 1,305 | 5.6% |
| 65 to 74 years | 1,383 | 6.0% |
| 75 to 84 years | 1,126 | 4.8% |
| 85 years and over | 836 | 3.6% |

Total 55 and Over 26%

Sources: Stanley R. Hoffman Associates, Inc.
U.S. Census Bureau, 2008-2012 American Community Survey, Report DP05

Table B-2
U.S. Census 2011 Live/Work Data
City of Loma Linda

Inflow/Outflow Report - Loma Linda, California

Selection Area Labor Market Size (Primary Jobs)

| | 2011 | |
|-----------------------------------|--------|--------|
| | Count | Share |
| Employed in the Selection Area | 17,916 | 100.0% |
| Living in the Selection Area | 6,403 | 35.7% |
| Net Job Inflow (+) or Outflow (-) | 11,513 | - |

In-Area Labor Force Efficiency (Primary Jobs)

| | 2011 | |
|---|-------|--------|
| | Count | Share |
| Living in the Selection Area | 6,403 | 100.0% |
| Living and Employed in the Selection Area | 2,284 | 35.7% |
| Living in the Selection Area but Employed Outside | 4,119 | 64.3% |

In-Area Employment Efficiency (Primary Jobs)

| | 2011 | |
|---|--------|--------|
| | Count | Share |
| Employed in the Selection Area | 17,916 | 100.0% |
| Employed and Living in the Selection Area | 2,284 | 12.7% |
| Employed in the Selection Area but Living Outside | 15,632 | 87.3% |

Outflow Job Characteristics (Primary Jobs)

| | 2011 | |
|--|-------|--------|
| | Count | Share |
| External Jobs Filled by Residents | 4,119 | 100.0% |
| Workers Aged 29 or younger | 998 | 24.2% |
| Workers Aged 30 to 54 | 2,329 | 56.5% |
| Workers Aged 55 or older | 792 | 19.2% |
| Workers Earning \$1,250 per month or less | 861 | 20.9% |
| Workers Earning \$1,251 to \$3,333 per month | 1,388 | 33.7% |
| Workers Earning More than \$3,333 per month | 1,870 | 45.4% |
| Workers in the "Goods Producing" Industry Class | 335 | 8.1% |
| Workers in the "Trade, Transportation, and Utilities" Industry Class | 667 | 16.2% |
| Workers in the "All Other Services" Industry Class | 3,117 | 75.7% |

Inflow Job Characteristics (Primary Jobs)

| | 2011 | |
|--|--------|--------|
| | Count | Share |
| Internal Jobs Filled by Outside Workers | 15,632 | 100.0% |
| Workers Aged 29 or younger | 2,962 | 18.9% |
| Workers Aged 30 to 54 | 9,363 | 59.9% |
| Workers Aged 55 or older | 3,307 | 21.2% |
| Workers Earning \$1,250 per month or less | 1,251 | 8.0% |
| Workers Earning \$1,251 to \$3,333 per month | 5,357 | 34.3% |
| Workers Earning More than \$3,333 per month | 9,024 | 57.7% |
| Workers in the "Goods Producing" Industry Class | 121 | 0.8% |
| Workers in the "Trade, Transportation, and Utilities" Industry Class | 479 | 3.1% |
| Workers in the "All Other Services" Industry Class | 15,032 | 96.2% |

Interior Flow Job Characteristics (Primary Jobs)

| | 2011 | |
|--|-------|--------|
| | Count | Share |
| Internal Jobs Filled by Residents | 2,284 | 100.0% |
| Workers Aged 29 or younger | 390 | 17.1% |
| Workers Aged 30 to 54 | 1,303 | 57.0% |
| Workers Aged 55 or older | 591 | 25.9% |
| Workers Earning \$1,250 per month or less | 156 | 6.8% |
| Workers Earning \$1,251 to \$3,333 per month | 566 | 24.8% |
| Workers Earning More than \$3,333 per month | 1,562 | 68.4% |
| Workers in the "Goods Producing" Industry Class | 5 | 0.2% |
| Workers in the "Trade, Transportation, and Utilities" Industry Class | 18 | 0.8% |
| Workers in the "All Other Services" Industry Class | 2,261 | 99.0% |

Note: 1. Based on the 2011 U.S. Census Bureau Longitudinal Employer-Household Dynamics (LEHD) report for the City, about 87 percent of the total workers in the City come from outside the City.

Sources: Stanley R. Hoffman Associates, Inc.
U.S. Census Bureau, OnTheMap Application, Longitudinal Employer-Household Dynamics,
Inflow/Outflow Report, Loma Linda, California, 2011

Table B-3 (page 1 of 2)
General Fund Recurring Revenues
Citrus Lane Project Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2014 Dollars)

| Revenue Category | Adopted FY 2014/2015 Revenue | Citrus Lane Project | | |
|---|------------------------------------|---|-------------------------------|--|
| | | Annual Processing Fees/Permits ¹ | Not Projected ² | Projected Recurring Revenue ³ |
| <u>Taxes and Assessments</u> | | | | |
| <u>Property Taxes</u> | | | | |
| Current Secured | \$920,000 | \$0 | \$0 | \$920,000 |
| Current Unsecured | 40,000 | 0 | 0 | 40,000 |
| Statutory Pass-Thru | 45,000 | 0 | 0 | 45,000 |
| Prior Taxes | 50,000 | 0 | 0 | 50,000 |
| Supplemental Current | 2,000 | 0 | 0 | 2,000 |
| Miscellaneous Taxes | 10,000 | 0 | 0 | 10,000 |
| Negotiated Pass-Thru | 70,000 | 0 | 0 | 70,000 |
| Residual Balance RPTTF | 100,000 | 0 | 0 | 100,000 |
| Property Taxes Total | \$1,237,000 | \$0 | \$0 | \$1,237,000 |
| <u>Franchises</u> | | | | |
| Franchises | \$684,000 | \$0 | \$0 | \$684,000 |
| Refuse Franchise Fees | 130,300 | 0 | 0 | 130,300 |
| Pavement Improvement Fees | 115,300 | 0 | 0 | 115,300 |
| Franchises Total | \$929,600 | \$0 | \$0 | \$929,600 |
| <u>Sales and Use Tax</u> | | | | |
| Sales Tax - SBE | \$4,309,300 | \$0 | \$0 | \$4,309,300 |
| Sales Tax - In Lieu | 1,436,400 | 0 | 0 | 1,436,400 |
| Sales Tax - Proposition 172 | 61,000 | 0 | 0 | 61,000 |
| Sales and Use Tax Total | \$5,806,700 | \$0 | \$0 | \$5,806,700 |
| <u>Other Taxes</u> | | | | |
| Transient Occupancy Tax | \$35,600 | \$0 | \$35,600 | \$0 |
| Property Transfer Tax | 34,000 | 0 | 0 | 34,000 |
| Business Licenses | 365,000 | 0 | 365,000 | 0 |
| Other Taxes Total | \$434,600 | \$0 | \$400,600 | \$34,000 |
| Taxes and Assessments Total | \$8,407,900 | \$0 | \$400,600 | \$8,007,300 |
| <u>Licenses and Permits</u> | | | | |
| Animal Licenses | \$22,000 | \$0 | \$0 | \$22,000 |
| Public Works - Miscellaneous Permits | 7,000 | 7,000 | 0 | 0 |
| Building Permits | 623,500 | 623,500 | 0 | 0 |
| Fire Plan Check | 53,700 | 53,700 | 0 | 0 |
| Fire Permits - Annual | 42,000 | 0 | 42,000 | 0 |
| Miscellaneous Permits | 700 | 0 | 700 | 0 |
| Licenses and Permits Total | \$748,900 | \$684,200 | \$42,700 | \$22,000 |
| <u>Fines and Forfeits</u> | | | | |
| State Mandate Fee | \$1,000 | \$0 | \$1,000 | \$0 |
| Code Violations | 6,200 | 6,200 | 0 | 0 |
| Animal Code Fines | 1,000 | 0 | 0 | 1,000 |
| Fines and Forfeits Total | \$8,200 | \$6,200 | \$1,000 | \$1,000 |
| <u>Use of Money and Property</u> | | | | |
| Interest | \$20,000 | \$0 | \$0 | \$20,000 |
| Lease Income | 200,200 | 0 | 200,200 | 0 |
| Facilities Rental | 15,000 | 0 | 15,000 | 0 |
| Use of Money and Property Total | \$235,200 | \$0 | \$215,200 | \$20,000 |
| <u>Intergovernmental</u> | | | | |
| Federal Grants | \$19,900 | \$0 | \$19,900 | \$0 |
| Vehicle License Fee - In Excess | 10,000 | 0 | 10,000 | 0 |
| VLF - Property Tax In-Lieu | 1,678,500 | 0 | 0 | 1,678,500 |
| Homeowners Property Tax Relief | 8,400 | 0 | 8,400 | 0 |
| Intergovernmental Total | \$1,716,800 | \$0 | \$38,300 | \$1,678,500 |

Table B-3 (page 2 of 2)
General Fund Recurring Revenues
Citrus Lane Project Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2014 Dollars)

| Revenue Category | Adopted FY 2014/2015 Revenue | Citrus Lane Project | | |
|--|------------------------------------|---|-------------------------------|--|
| | | Annual Processing Fees/Permits ¹ | Not Projected ² | Projected Recurring Revenue ³ |
| Charges for Services | | | | |
| General Plan Update | \$10,000 | \$0 | \$10,000 | \$0 |
| VA Fire Services | 189,300 | 0 | 189,300 | 0 |
| CSA 38 Fire Services | 13,000 | 0 | 13,000 | 0 |
| Planning Fees | 282,800 | 282,800 | 0 | 0 |
| Environmental Impact Fees | 2,000 | 2,000 | 0 | 0 |
| Sale of Maps & Publications | 100 | 0 | 0 | 100 |
| Project Plans/Specific Plans | 3,500 | 3,500 | 0 | 0 |
| Engineering Inspection | 415,900 | 415,900 | 0 | 0 |
| Engineering Plan Check | 45,800 | 45,800 | 0 | 0 |
| Towing Fees | 6,400 | 0 | 0 | 6,400 |
| Weed Abatement | 10,000 | 0 | 0 | 10,000 |
| Refuse Recycling Revenue | 300 | 0 | 0 | 300 |
| Household Hazard Waste | 32,000 | 0 | 0 | 32,000 |
| Recycling Service Charges | 49,400 | 0 | 0 | 49,400 |
| Refuse Collection | 725,000 | 0 | 0 | 725,000 |
| Refuse - Pass Through | 155,500 | 0 | 0 | 155,500 |
| EMS - Membership | 35,700 | 0 | 0 | 35,700 |
| EMS Response Fee | 115,000 | 0 | 0 | 115,000 |
| Miscellaneous Services | 4,000 | 0 | 0 | 4,000 |
| Special Events | 0 | 0 | 0 | 0 |
| Charges for Services Total | \$2,095,700 | \$750,000 | \$212,300 | \$1,133,400 |
| Other Revenue | | | | |
| Sale of History Books | \$0 | \$0 | \$0 | \$0 |
| Code Enforcement | 0 | 0 | 0 | 0 |
| Refunds/Reimbursements | 20,000 | 0 | 0 | 20,000 |
| Miscellaneous Revenue | 35,600 | 0 | 0 | 35,600 |
| Donations | 0 | 0 | 0 | 0 |
| Sale of Citrus from Groves | 0 | 0 | 0 | 0 |
| Sale of Equipment | 0 | 0 | 0 | 0 |
| Damage Claim Recovery | 5,000 | 0 | 0 | 5,000 |
| Gain on Sale of Assets | 0 | 0 | 0 | 0 |
| Overhead - M & O | 1,658,300 | 0 | 0 | 1,658,300 |
| Overhead - Capital | 61,100 | 0 | 61,100 | 0 |
| Other Revenue Total | \$1,780,000 | \$0 | \$61,100 | \$1,718,900 |
| Transfers in | | | | |
| Traffic Safety Fund | \$143,500 | \$0 | \$0 | \$143,500 |
| Gas Tax Fund | 592,400 | 0 | 0 | 592,400 |
| Fire Facilities Fund | 14,300 | 0 | 0 | 14,300 |
| General Facilities Fund | 10,800 | 0 | 0 | 10,800 |
| Citizens' Option Public Safety (COPS) | 80,700 | 0 | 0 | 80,700 |
| Special Projects Fund | 350,000 | 0 | 0 | 350,000 |
| Transfers In Total | \$1,191,700 | \$0 | \$0 | \$1,191,700 |
| TOTAL GENERAL FUND OPERATING REVENUES | \$16,184,400 | \$1,440,400 | \$971,200 | \$13,772,800 |

Note: 1. Revenues that occur on a one-time basis and revenues that occur as a fixed amount payment from other agencies are not projected.
2. Certain revenues, such as transient occupancy tax and business licenses, are not projected because they are not impacted by the proposed annexation.
3. These are the recurring revenue categories projected for the proposed annexation.

Sources: Stanley R. Hoffman Associates, Inc.
City of Loma Linda, Fiscal Year 2014-2015 Adopted Budget
City of Loma Linda, Finance Department

Table B-4
Current Tax Rate Area (TRA) Allocations: TRA 104100
Citrus Lane Project Plan for Service and Fiscal Analysis
City of Loma Linda

| Agency Code | Agency | TRA 104100 |
|-------------|--|-------------------|
| AB01 GA01 | San Bernardino County General Fund | 0.15482052 |
| AB02 GA01 | Educational Revenue Augmentation Fund (ERAF) | 0.23444772 |
| BF03 GA01 | Flood Control Zone 3 | 0.02710240 |
| BF08 GA01 | Flood Control District, Administration, Zones 3-6 | 0.00093623 |
| BL01 GA01 | San Bernardino County Free Library | 0.01499019 |
| BS01 GA01 | County Superintendent of Schools, Countywide | 0.00531252 |
| BS01 GA03 | County Superintendent of Schools, Physically Handicapped | 0.00209036 |
| BS01 GA05 | County Superintendent of Schools, Development Center | 0.00054799 |
| SC54 GA01 | San Bernardino Community College | 0.05441154 |
| SU48 GA01 | Redlands Unified School District | 0.31987572 |
| UF01 GA01 | San Bernardino County Fire Protect District - Valley Service Area | 0.12584842 |
| UF01 GA05 | San Bernardino County Fire Protect District - SBCFPD-ADMIN | 0.02779762 |
| WR04 GL01 | Inland Empire Joint Resource Conservation District | 0.00202692 |
| WT01 GL01 | San Bernardino Valley Water Conservation District | 0.00178788 |
| WU23 GA01 | San Bernardino Valley Municipal Water | <u>0.02800397</u> |
| | Total | 1.00000000 |

Note: 1. The property tax allocations affected by the annexation are shown in bold print.

Sources: Stanley R. Hoffman Associates, Inc.

San Bernardino County Auditor-Controller, Property Tax Division, 10/31/13

Table B-5
Tax Rate Area (TRA) Allocations upon Annexation
Citrus Lane Project Plan for Service and Fiscal Analysis
City of Loma Linda

| Property Tax Recipient ¹ | Tax Rate Area Allocations ² | | | |
|--|--|---------------------------------------|------------------------------------|--------------------|
| | Prior to Annexation | | Upon Annexation ³ | |
| | San Bernardino County General Fund | San Bernardino County Funds/Districts | San Bernardino County General Fund | City of Loma Linda |
| General Fund | 0.1548 | | 0.1729 | 0.1355 |
| San Bernardino County Fire Protection District - Valley Service Area | | 0.1258 | | |
| San Bernardino County Fire Protection District - Administration | | <u>0.0278</u> | | |
| Total | 0.1548 | 0.1536 | 0.1729 | 0.1355 |

Note: 1. Only the property tax allocations for the funds analyzed in this report are presented in this table, as shown in bold in Appendix Table B-4.

2. Tax rate allocations are adjusted for the shift to the Education Realignment Augmentation Fund (ERAF).

3. Although a Master Property Tax Exchange Agreement does not exist between the City of Loma Linda and the County of San Bernardino, the tax rate allocation for the City of San Bernardino is based on a formula provided by LAFCO. Upon annexation, the City will receive the allocations for the detaching districts, adjusted by 50 percent of the difference when the total of the average historic City allocation of 0.1175 is subtracted from the total of the detaching districts. The formula for the City upon annexation is: $0.1536 - ((0.1536 - 0.1175)/2)$. Therefore, 0.1355 of the one percent levy will be transferred to the City General Fund upon annexation. The formula for the County upon annexation is: $0.1536 + ((0.1536 - 0.1175)/2)$. Therefore, the County General Fund will receive 0.1729 of the basic one percent levy upon annexation.

Sources: Stanley R. Hoffman Associates, Inc.

San Bernardino County Auditor-Controller, Property Tax Division, TRA Allocation Percentage Allocation

San Bernardino County Local Agency Formation Commission (LAFCO)

Table B-6
Estimated Vehicle License Fees (VLF) - Property Tax In Lieu Factor
Citrus Lane Annexation Area Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2014 Dollars)

| Category | Fiscal Year | | Change |
|---|-----------------|-----------------|---------------|
| | 2004-2005 | 2013-2014 | |
| A. Nominal Dollars | | | |
| VLF - Property Tax In Lieu | \$1,191,535 | \$1,645,000 | \$453,465 |
| Assessed Valuation (AV) | \$1,145,639,299 | \$1,613,801,170 | \$468,161,871 |
| B. Percent Change Consumer Price Index (January 2014 over 2005) | 195.40 | 239.86 | 1.23 |
| C. Constant 2014 Dollars | | | |
| VLF - Property Tax In Lieu | \$1,465,588 | \$1,645,000 | \$179,412 |
| Assessed Valuation (AV) | \$1,409,136,338 | \$1,613,801,170 | \$204,664,832 |
| VLF Increase divided by AV | | | 0.000877 |
| VLF Increase per \$1,000,000 increase in AV | | | \$877 |

Sources: Stanley R. Hoffman Associates, Inc.
State Controller's Office, Division of Accounting and Reporting, *Revenue and Taxation Code Section 97.70©1(B)(i) Vehicle License Fee Adjustment Amounts, 2004/2005*
City of Loma Linda, *Fiscal Year 2014/2015 Adopted Budget*
San Bernardino County, *2013 Assessment Roll*
Bureau of Labor Statistics (BLS), *Consumer Price Index-All Urban Customers, Los Angeles-Riverside-Orange County, CA, Annual CPI, 2014*

Table B-7
Estimated Annual Residential Turnover
Citrus Lane Annexation Area
Plan for Service and Fiscal Analysis, City of Loma Linda

| City of Loma Linda | Occupied Housing Units | Percent Turnover |
|--|------------------------|------------------|
| Total Owner Occupied Units | 8,518 | |
| Moved in 2010 or later | 1,591 | |
| Moved in 2000 to 2009 | <u>5,125</u> | |
| Total Moved 2000 to 2010 | 6,716 | |
| Annual Turnover Rate: 2000 to 2012 ¹ | 560 | 7% |

Note: 1. The annual turnover rate is based on the assumption of twelve years for the 2000 to 2012 period.

Sources: Stanley R. Hoffman Associates, Inc.
U.S. Census Bureau, *2008-2012 American Community Survey (ACS) 5-Year Estimates, Tenure by Year Householder Moved Into Unit, Report DP04*

Table B-8
Calculation of Use Tax Factor
Citrus Lane Annexation Area Plan for Service and Fiscal Analysis
City of Loma Linda

| City of Loma Linda | Amount |
|----------------------|-------------------|
| <u>Use Tax</u> | |
| County Pool | \$380,291 |
| State Pool | <u>2,104</u> |
| Total Use Tax | \$382,395 |
| | <i>divided by</i> |
| <u>Point-of-Sale</u> | \$3,411,198 |
| | <i>equals</i> |
| Use Tax Rate | 11.2% |

Note: 1. The use tax rate is the County Pool plus the State Pool divided by point-of-sale taxable sales tax.

Sources: Stanley R. Hoffman Associates, Inc.
The HdL Companies, *Sales Tax Allocation Totals, Calendar Year 2013*

Table B-9
General Fund Net Community Development and Public Works Cost Factors
Citrus Lane Project Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2014 Dollars)

| Category | Amount |
|---|-------------------|
| A. COMMUNITY DEVELOPMENT | |
| <u>Community Development Costs</u> | \$1,033,000 |
| | <i>minus</i> |
| <u>One-Time Processing Fees/Permits</u> | |
| Building Permits | \$623,500 |
| Fire Plan Check | 53,700 |
| Code Violations | 6,200 |
| Planning Fees | 282,800 |
| Environmental Impact | 2,000 |
| Project Plans/Specific Plans | <u>3,500</u> |
| Total One-Time Revenues | \$971,700 |
| | <i>equals</i> |
| <u>Recurring Net Community Development Costs</u> | \$61,300 |
| | <i>divided by</i> |
| Service Population ¹ | 35,073 |
| | <i>equals</i> |
| <u>Citywide Net Cost Factor per Service Population for Community Development</u> | \$1.75 |
| | |
| B. OTHER PUBLIC WORKS ² | |
| <u>Other Public Works Costs</u> | |
| Traffic Safety | \$173,200 |
| Engineering | \$117,300 |
| Facilities Maintenance | <u>\$236,300</u> |
| Total Costs | \$526,800 |
| | <i>minus</i> |
| <u>One-Time Processing Fees/Permits</u> | |
| Public Works - Miscellaneous Permits | \$7,000 |
| Engineering Inspection | \$415,900 |
| Engineering Plan Check | <u>45,800</u> |
| Total One-Time Revenues | \$468,700 |
| | <i>equals</i> |
| <u>Recurring Net Other Public Works Costs</u> | \$58,100 |
| | <i>divided by</i> |
| Service Population ¹ | 35,073 |
| | <i>equals</i> |
| <u>Citywide Net Cost Factor per Service Population for Other Public Works</u> | \$1.66 |

Note: 1. For fiscal factors that are based on population and employment, an estimated service population factor is applied, which represents the City's resident population, plus 50 percent of the estimated employment from outside the City and 50 percent of daily students and visitors to the City, as shown in Table 6-1.
2. Public works costs for street maintenance, refuse and recycling and park maintenance are projected separately, as shown in Table 6-3.

Sources: Stanley R. Hoffman Associates, Inc.
City of Loma Linda, Fiscal Year 2014-2015 Adopted Budget

Table B-10
Estimated Annual Street Maintenance Cost Factor
Citrus Lane Project Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2014 Dollars)

| Category | Amount |
|---|----------------|
| 2011 Slurry Seal and Overlay Maintenance Cost per Mile ¹ | \$70,000 |
| <i>divided by</i> | |
| Frequency of Maintenance ² | 10 |
| <i>equals</i> | |
| 2011 Estimated Annualized Slurry Seal and Overlay Costs per Lineal Mile | \$7,000 |
| <i>plus</i> | |
| Adjustment to Current Dollars by City Staff | \$600 |
| <i>equals</i> | |
| Estimated Annualized Slurry Seal and Overlay Costs per Lineal Mile | \$7,600 |

Note: 1. Based on information from City public works' staff, in 2010-2011 the City spent about \$200,000 on overlay and slurry seal for about 3 miles of streets, which was about \$70,000 per mile.
2. Based on discussion with City staff, a 10-year cycle was used to estimate annual overlay and slurry seal costs. Based on the maintenance costs of \$70,000, the 2010-2011 annual costs were projected at \$7,000 per mile, and are adjusted to current dollars of \$7,600 per lineal mile by City staff based on the increase in construction costs from Engineering News Record over the period.

Sources: Stanley R. Hoffman Associates, Inc.
Loma Linda Public Works Department, Jeff Peterson, Associate Engineer

APPENDIX C PROJECT REFERENCES

CITY OF LOMA LINDA

25541 Barton Road
Loma Linda, CA 92354

Administration

Jarb Thaipejr, City Manager, 909.799.2810

City Clerk

Pamela Byrnes-O'Camb, City Clerk, 909.799.2819
Barbara Nicholson, HR Analyst/Deputy City Clerk, 909.799.2814

Community Development Department

Konrad Bolowich, Assistant City Manager, 909.799.2895
Guillermo Arreola, Associate Planner 909.799.2839
Allan Penaflores, Assistant Planner, 909.799.2839

Finance Department

Diana DeAnda, Director/City Treasurer, 909.799.2840

Fire Department

Jeff Bender, Fire Chief, 909.799.2852

Public Works Department

Jeff Peterson, Associate Engineer, 909.799.4407

COUNTY OF SAN BERNARDINO

Local Agency Formation Commission

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