

LAFCO 3214

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Plan for Service

Orchard Heights Development Annexation Plan for Service and Fiscal Impact Analysis City of Loma Linda

Prepared for:

City of Loma Linda
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September 12, 2016

SRHA Job #1297

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 *Orchard Heights Development Annexation* 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 10/22/16

T. Job Thayer

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 Orchard Heights Development Annexation into the City of Loma Linda. The 80-acre annexation area (within the blue hatched border in Figure 1) is currently located within the City's sphere of influence in unincorporated San Bernardino County. The annexation area is generally located east of California Street, south and west of the Mission Zanja Creek, west of Nevada Street and north of Barton Road. The annexation area is developed with scattered residential units, religious assembly facilities, citrus groves plus vacant land.

Included in the 80-acre annexation area is a proposed 30-acre subdivision (identified as Proposed Tentative Tract Map 19963 in Figure 1) for the construction of 95 single family residential units. Based on discussion with the project team and City staff, the existing residential units and religious facilities would remain upon annexation. The City's General Plan zoning for the area outside the subdivision would allow an estimated 84 new multi-family units, general business uses of 15,624 square feet and institutional uses of 169,884 square feet when annexed.

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 Orchard Heights Development Annexation. This report explains the transfer of service requirements upon annexation, estimates development impact fees and projects recurring fiscal impacts to the City of Loma Linda.

As shown in Table 1, a recurring annual surplus of \$103,539 is projected after buildout of the total Orchard Heights Development Annexation area, with \$60,563 of this total projected for the 95-unit subdivision and the remaining \$42,976 projected for the remaining areas of the annexation. Chapter 5 presents the detailed fiscal impact analysis.

Figure 1
Vicinity Map
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda

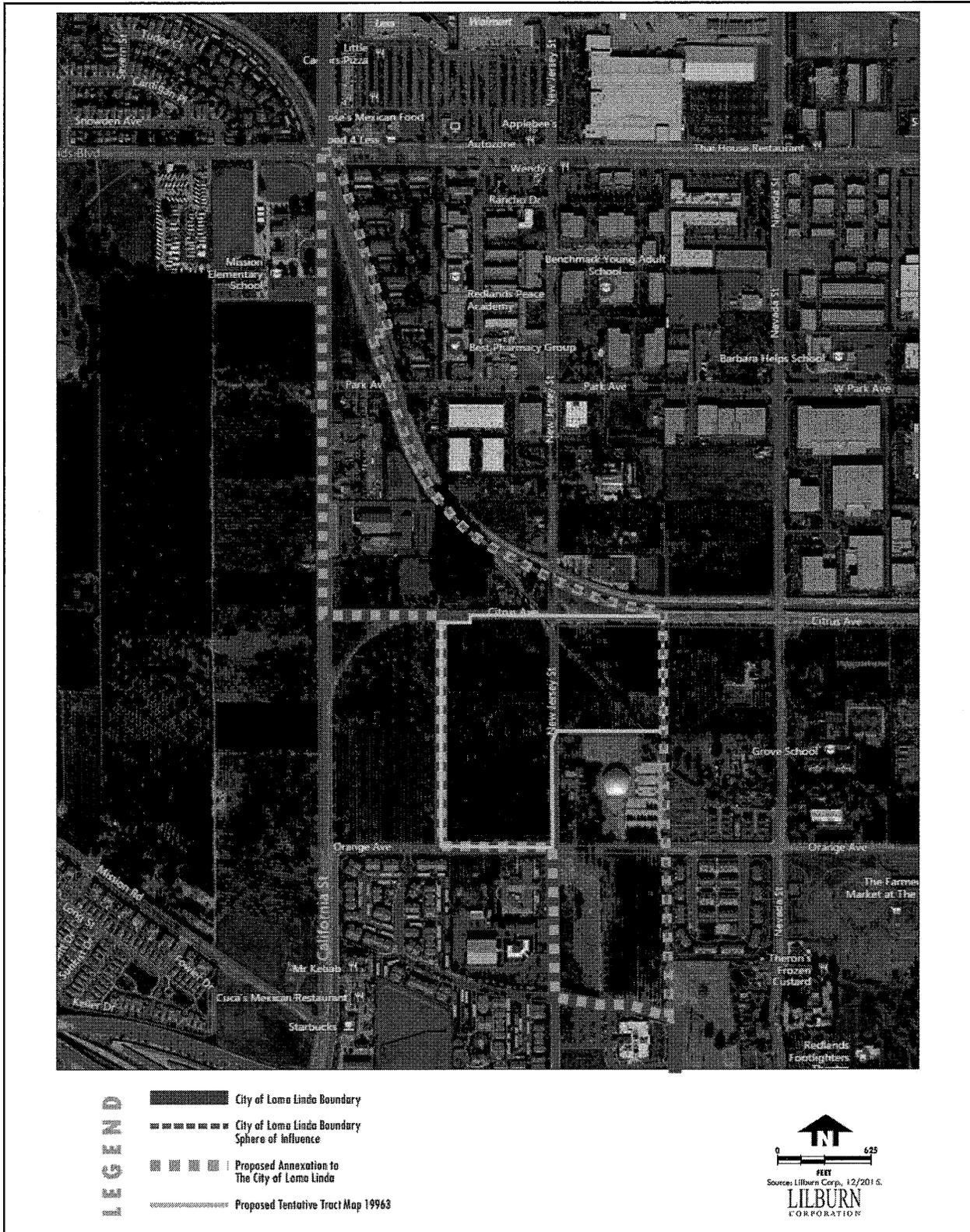


Table 1
Summary of Projected Fiscal Impacts after Buildout
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

City General Fund	Subdivision Project Site Annexation	Other Areas in Annexation	Total Annexation Buildout
Annual Recurring Revenues	\$178,086	\$206,765	\$384,851
Annual Recurring Costs	<u>\$117,523</u>	<u>\$163,789</u>	<u>\$281,312</u>
Net Annual Recurring Surplus	\$60,563	\$42,976	\$103,539

Sources: Stanley R. Hoffman Associates, Inc.

CHAPTER 1 INTRODUCTION

This report presents the plan for service and fiscal analysis of the Orchard Heights Development Annexation to the City of Loma Linda. The 80-acre annexation area 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 annexation area is developed with scattered residential units, religious assembly facilities, citrus groves plus vacant land.

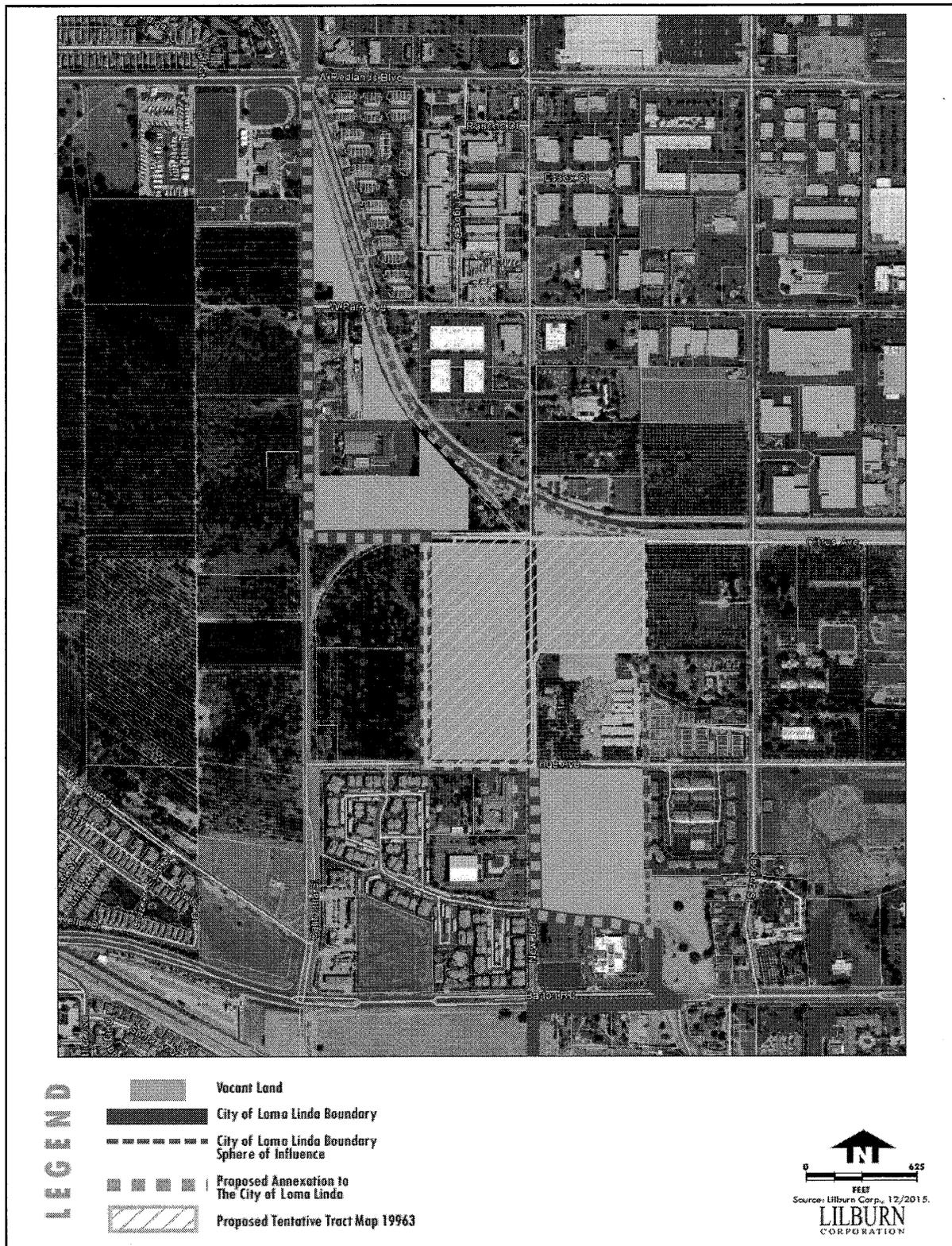
Included in the 80-acre annexation area is a proposed 30-acre subdivision (identified as Project Site in Figure 1) for the construction of 95 single family residential units. Based on discussion with the project team and City staff, the existing residential units and religious facilities would remain upon annexation. Based on the City's General Plan zoning, the area outside the subdivision would allow an estimated 84 new multi-family units, general business uses of 15,624 square feet and institutional uses of 169,884 square feet when annexed into the City.

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 Policy and Procedure Manual*, Updated March 2016, 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.*

**Figure 1-1
Vacant Land Map
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda**



- e. An indication of whether the annexing territory is, or will be, proposed for inclusion within an existing or proposed improvement zone/district, a post-redevelopment area infrastructure district, an assessment district, or a 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.*

1.2 Organization of the Report

Chapter 2 contains the description of the Orchard Heights Development 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 Orchard Heights Development Annexation 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 proposed for the Orchard Heights Development Annexation. Included in the 80-acre annexation area is a proposed 30-acre subdivision (identified as R-1 Single-Family Residence with green hatching in Figure 2-1) for the construction of 95 single family residential units. Based on discussion with the project team and City staff, the existing residential units and religious facilities would remain upon annexation. Future buildout of the areas outside the proposed 95-unit subdivision is provided by the City, and is based on the City's General Plan pre-zoning.

2.1 Land Use Description

95-Unit Subdivision

As shown in Panel A of Table 2-1, a 95-unit subdivision is proposed for a portion of the annexation area, with units evenly phased over a 4-year construction period. Based on the January 1, 2016 citywide average estimate of 2.61 persons per unit from the State Department of Finance, population for the subdivision is estimated at 249 at buildout. For purposes of projected Senior Center costs, seniors (age 55 and over) are estimated at about 25 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 subdivision is projected at 62 at buildout in Year 5, with 16 seniors projected for Year 2 and increasing by about 16 seniors each of Years 3 and 4.

Proposed Annexed Areas Outside the Residential Subdivision

As shown in Panel B of Table 2-1, other annexed areas outside the proposed subdivision include 6 existing single family units and 84 new multi-family units are estimated after buildout as provided by the project team and City staff. No new units are assumed for Years 1 through 5 because there are no existing proposals for development in these areas. Population for these other annexed areas is estimated at 235 after buildout. Senior population for these other annexed areas is estimated at 4 for Years 1 through 5, with buildout senior population estimated at 59.

The City pre-zoning in the annexed areas would allow for an estimated 169,884 square feet of institutional uses and 15,624 square feet of general business retail at buildout. As shown in Panel B of Table 2-1, employment is estimated at 303. All new non-residential development in the annexation area is assumed to occur after Year 5.

Table 2-1
Development Description: Total Annexation
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Category	Total Annexation					
	Year 1	Year 2	Year 3	Year 4	Subdivision Buildout Year 5	Buildout Post - Year 5
A. SUBDIVISION PROJECT SITE						
<u>Units - Project Site</u>						
<u>New Residential Units - Project Site</u>						
Phase 1	0	24	24	0	0	48
Phase 2	0	0	0	24	23	47
Project Site Annual New Units	0	24	24	24	23	95
Total Cumulative Units	0	24	48	72	95	95
<u>Population - Project Site</u> ²						
Annual Population (@ 2.61 per unit)	0	63	63	63	60	249
Total Cumulative Population ²	0	63	126	189	249	249
Cumulative Senior Population (@ 25% of total)	0	16	32	47	62	62
B. OTHER ANNEXATION AREAS ³						
<u>Units - Other Annexation Areas</u>						
Existing Single Family Units	6	0	0	0	0	6
New Multi Family Residential Units (R-3 Pre-Zoning)	0	0	0	0	0	84
Total Annual Units	6	0	0	0	0	90
Total Cumulative Units	6	6	6	6	6	90
<u>Population - Other Annexation Areas</u> ²						
Annual Population	16	0	0	0	0	235
Total Cumulative Population ²	16	16	16	16	16	235
Cumulative Senior Population (@ 25% of total)	4	4	4	4	4	59
<u>Square Feet</u>						
New Institutional (I Pre-Zoning) ⁴	0	0	0	0	0	169,884
New General Business (C-2 Pre-Zoning) ⁵	0	0	0	0	0	15,624
Total Square Feet	0	0	0	0	0	185,508
<u>Employment</u>						
New Institutional (I Pre-Zoning) ⁴	0	0	0	0	0	272
New General Business (C-2 Pre-Zoning) ⁵	0	0	0	0	0	31
(General Business @ 500 square feet per employee)	0	0	0	0	0	303

- Note: 1. Project site residential product information and phasing are provided by Stratus Development Partners, LLC.
2. Total population is projected at the Citywide average of 2.61 persons per unit, and rounded to the nearest whole number.
3. Based on discussion with City staff, all parcels with existing churches would remain as churches and multi family R-3 zoning assumes a maximum density of 20 units per acre and a lot coverage of 60 percent.
4. Based on discussion with City staff, the parcels zoned institutional are assumed to have a lot coverage of 50 percent and an FAR of 0.60. Based on an analysis prepared by the fiscal consultant for the Loma Linda Hospital for these parcels, employment is estimated at 625 employees per square foot.
5. Two separate parcels are designated as general business C-2 with one structure up to 7,812 square feet on each parcel, for a total of 15,624 square feet. Each C-2 parcel is assumed to have a maximum lot coverage of 60 percent and a FAR of 0.50.

Sources: Stanley R. Hoffman Associates, Inc.
Stratus Development Partners, LLC
Lilburn Corporation
City of Loma Linda, Konrad Bolowich, Assistant City Manager
Stanley R. Hoffman Associates, Inc., *Loma Linda University Medical Center Heart and Surgical Hospital Proposed Annexation Fiscal Analysis*,
March 23, 2011

2.2 Infrastructure

The proposed infrastructure for the Orchard Heights Development Annexation is presented in Table 2-2. Only the proposed 1.39 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.

Table 2-2
Infrastructure Description
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda

Category	Year 1	Year 2	Year 3	Year 4	Year 5	Buildout
A. New Publicly Maintained Road Lineal Miles						
On-Site: New Internal Roads	0.00	0.73	0.00	0.00	0.00	0.73
Off-Site: Subdivision's Share of New Off-Site Roads	0.00	0.63	0.00	0.00	0.00	0.63
Off-Site: New Bridge for Morey Arroyo Crossing	0.00	0.03	0.00	0.00	0.00	0.03
Total New Road Lineal Miles	0.00	1.39	0.00	0.00	0.00	1.39
<i>Cumulative Miles</i>	0.00	1.39	1.39	1.39	1.39	
B. New Landscaping Square Feet ¹						
On-Site: Internal Roads	0	36,345	0	0	0	36,345
Off-Site: Subdivision's Share of New Off-Site Roads	0	21,330	0	0	0	21,330
Total New Landscaping Square Feet	0	57,675	0	0	0	57,675
<i>Cumulative Square Feet</i>	0	57,675	57,675	57,675	57,675	
C. New Open Space Square Feet						
On-Site	0	89,225	0	0	0	89,225
<i>Cumulative Square Feet</i>	0	89,225	89,225	89,225	89,225	
D. New Storm Drain Square Feet ²						
On-Site: Not available until final engineering	0	0	0	0	0	0
Off-Site: Morey Arroyo Earthen Channel	0	4,900	0	0	0	4,900
Total New Storm Drain Square Feet	0	4,900	0	0	0	4,900
<i>Cumulative Square Feet</i>	0	4,900	4,900	4,900	4,900	
E. New Water Line Lineal Feet						
On-Site	0	3,995	0	0	0	3,995
Off-Site	0	1,980	0	0	0	1,980
Total New Water Line Lineal Feet	0	5,975	0	0	0	5,975
<i>Cumulative Lineal Feet</i>	0	5,975	5,975	5,975	5,975	
F. New Sewer Line Lineal Feet						
On-Site	0	3,860	0	0	0	3,860
Off-Site	0	2,080	0	0	0	2,080
Total New Sewer Line Lineal Feet	0	5,940	0	0	0	5,940
<i>Cumulative Lineal Feet</i>	0	5,940	5,940	5,940	5,940	

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 off-site landscaping will be maintained by annexing into an existing landscape maintenance district (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.

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

95-Unit Subdivision

Assessed valuation and property tax for the proposed 95-unit subdivision are presented in Table 2-3.

Assessed Valuation. Assessed valuation for the proposed subdivision after buildout is projected at about \$60.26 million, as shown in Panel B of Table 2-3. New residential valuation is estimated at \$600,000 per unit by the project developer. The current assessed valuation of about \$3.26 million is estimated for Year 1. Existing assessed valuation is based on the County Assessor's 2016 tax roll values, as shown in Table 2-4.

Projected Property Tax. The City General Fund will receive property tax at about 13.57 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 \$4,428. As residential units are completed in Years 2 through 5, cumulative property tax is projected to increase to an annual \$81,788 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 \$920 per million dollars of new assessed valuation (AV).

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 \$13,248 and continues to increase with new development to \$52,440 at buildout in Year 5.

Table 2-3
Projected Assessed Valuation and Property Tax: 95-Unit Subdivision
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Category	95-Unit Subdivision					
	Year 1	Year 2	Year 3	Year 4	Year 5	Buildout
A. Residential Units						
<u>Project Site New Residential Units</u>						
Phase 1	0	24	24	0	0	48
Phase 2	0	0	0	24	23	48
Annual New Units	0	24	24	24	23	95
Total Annual Units	0	24	24	24	23	95
Total Cumulative Units	0	24	48	72	95	95
B. Assessed Valuation						
<u>Current Valuation¹</u>						
Project Site	\$3,263,250	\$0	\$0	\$0	\$0	\$3,263,250
<u>New Valuation (Project Site)</u>						
	Value per New Unit					
Phase 1	\$600,000	\$0	\$14,400,000	\$14,400,000	\$0	\$28,800,000
Phase 2	\$600,000	\$0	\$0	\$0	\$14,400,000	\$13,800,000
Total New Valuation - Project Site	\$0	\$14,400,000	\$14,400,000	\$14,400,000	\$13,800,000	\$57,000,000
<u>Total Valuation</u>						
Incremental Valuation for Property Tax	\$3,263,250	\$14,400,000	\$14,400,000	\$14,400,000	\$13,800,000	\$60,263,250
Total Cumulative Valuation	\$3,263,250	\$17,663,250	\$32,063,250	\$46,463,250	\$60,263,250	\$60,263,250
C. Projected Property Tax						
<u>Annual 1 Percent Property Tax Levy</u>						
	\$32,633	\$144,000	\$144,000	\$144,000	\$138,000	\$602,633
<u>Cumulative 1 Percent Property Tax Levy</u>						
	\$32,633	\$176,633	\$320,633	\$464,633	\$602,633	
<u>Annual General Fund Property (@ 13.57% of 1 Percent Levy)</u>						
	\$4,428	\$19,541	\$19,541	\$19,541	\$18,727	\$81,778
<u>Total Cumulative Property Tax - General Fund</u>						
	\$4,428	\$23,969	\$43,510	\$63,051	\$81,778	
D. Projected VLF-Property Tax In Lieu						
<u>Total Annual Valuation for VLF-Property Tax In Lieu²</u>						
	\$0	\$14,400,000	\$14,400,000	\$14,400,000	\$13,800,000	\$57,000,000
<u>Total Cumulative Valuation for VLF-Property Tax In Lieu</u>						
	\$0	\$14,400,000	\$28,800,000	\$43,200,000	\$57,000,000	
<u>Total Annual VLF-Property Tax In Lieu</u>						
(@ \$920 per \$1,000,000 Assessed Valuation)	\$0	\$13,248	\$13,248	\$13,248	\$12,696	\$52,440
<u>Total Cumulative Projected VLF-Property Tax In Lieu</u>						
	\$0	\$13,248	\$26,496	\$39,744	\$52,440	

Note: 1. Current valuation is based on the 2016 tax roll values as presented in Table 2-4. When new units are constructed in Year 2, the existing land value of about \$3.21 million is included in estimated new valuation.

2. 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 \$3,263,250 is not included in the projection of property tax in lieu of VLF.

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

Table 2-4
Estimated Existing Assessed Valuation of Annexation Area
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

County PIMS (Property Information Management System)										
Parcel Number	2016 Assessed Valuation				Net Value	Tax Rate Area	Acres per Parcel Map	Use Code	Land Type	Owner
	Land	Improvement	minus Exemptions							
			Homeowner	Special						
A. SUBDIVISION PROJECT SITE										
0292-161-02-0000	\$1,493,864	\$0	\$0	\$0	\$1,493,864	13052	12.20	Citrus	MF Res	Orange Heights 1
0292-161-03-0000	732,280	0	0	0	732,280	13052	6.96	Citrus	MF Res	Orange Heights 1
0292-163-08-0000	1,037,106	0	0	0	1,037,106	104100	8.47	Citrus	MF Res	Orange Heights 1
Total	\$3,263,250	\$0	\$0	\$0	\$3,263,250		27.63			
B. AREAS OUTSIDE SUBDIVISION PROJECT SITE										
<i>Between Redlands Boulevard and Park Avenue</i>										
0292-271-04-0000	\$56,758	\$0	\$0	\$0	\$56,758	104100	3.20	Vacant	SF Res	MTB Inland Empire Properties LLC
<i>Between Park Avenue and Citrus Lane</i>										
0292-152-10-0000	\$50,761	\$1,033	\$0	\$0	\$51,794	104100	5.16	Citrus	MF Res	Laura Anne Ramirez
0292-152-12-0000	63,396	107,501	(7,000)	0	163,897	104100	1.04	SFR	SF Res	Trieu Hoang Nguyen Living Trust
0292-152-13-0000	58,466	117,162	0	0	175,628	104100	1.01	SFR	SF Res	Hartnell Lister & Moore APC PRO Shar PL
0292-152-14-0000	10,997	75,500	(7,000)	0	79,497	104100	1.01	SFR	SF Res	Johnson Family Trust
0292-152-15-0000	89,104	101,834	(7,000)	0	183,938	104100	2.00	SFR	SF Res	Murrey, Joseph and Janet
0292-152-23-0000	419,628	4,519,816	0	(4,939,444)	0	104100	4.78	Religious Structure	SF Res	Southeastern California Conference, 7th Day Adventist
0292-152-31-0000	38,732	110,529	(7,000)	0	142,261	104100	4.15	SFR	Agriculture	Christine Chaves Trust
0292-152-34-0000	456,887	0	0	0	456,887	104100	1.55	Vacant	MF Res	Southeastern California Conference, 7th Day Adventist
0292-152-37-0000	54,612	127,429	0	0	182,041	104100	0.76	SFR	SF Res	Laura Anne Ramirez
0292-154-16-0000	171,326	0	0	0	171,326	104100	0.50	Vacant	Industrial	Ieronim Andronsesi
Subtotal	\$1,413,909	\$5,160,804	(\$28,000)	(\$4,939,444)	\$1,607,269		21.96			
<i>South of Orchard Heights Project Site</i>										
0292-163-09-0000	\$998,352	\$702,147	\$0	\$0	\$1,700,499	104100	9.21	Citrus	SF Res	Southeastern California Conference, 7th Day Adventist
0292-164-02-0000	2,886,026	0	0	0	2,886,026	104073	4.00	Vacant	Commercial	Loma Linda University Medical Center
0292-164-03-0000	4,386,760	0	0	0	4,386,760	104073	7.69	Citrus	Industrial	Loma Linda University Medical Center
Subtotal	\$8,271,138	\$702,147	\$0	\$0	\$8,973,285		20.90			
Total Areas Outside Subdivision Site	\$9,741,805	\$5,862,951	(\$28,000)	(\$4,939,444)	\$10,637,312		46.06			
C. TOTAL ANNEXATION	\$13,005,055	\$5,862,951	(\$28,000)	(\$4,939,444)	\$13,900,562		73.69			

Sources: Stanley R. Hoffman Associates, Inc.
San Bernardino County Assessor, Property Information Management System (PIMS), Year 2016 Tax Roll
City of Loma Linda, Konrad Bolowich, Assistant City Manager
City of Loma Linda, Guillermo Arreola, former Senior Planner

Proposed Annexed Areas Outside the Residential Subdivision

Assessed valuation and property tax for the areas outside the subdivision that are proposed for annexation are presented in Table 2-5.

Assessed Valuation. Assessed valuation for new development in the other areas proposed for annexation is projected at about \$38.40 million, as shown in Panel B of Table 2-5. New multi-family residential valuation is estimated at about 70 percent of single family value per unit, or at \$420,000 per unit. Institutional value is not projected because these uses are assumed to be exempt from property tax. General business retail valuation is projected at \$200 per square foot.

The current assessed valuation of about \$10.64 million is estimated for Year 1 through Year 5. Existing assessed valuation is based on the County Assessor's 2016 tax roll values, as shown in

Table 2-5
Projected Assessed Valuation and Property Tax: Outside Subdivision Site
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Category	Annexed Areas Outside Subdivision					Buildout Post - Year 5
	Year 1	Year 2	Year 3	Year 4	Year 5	
A. Outside Subdivision Site						
<u>Existing Units - Outside Subdivision Site</u>	6	0	0	0	0	6
<u>New Units - Outside Subdivision Site</u>	0	0	0	0	0	84
Total Annual Units	6	0	0	0	0	90
<i>Total Cumulative Units</i>	6	6	6	6	6	90
<u>Potential New Square Feet</u>						
New Institutional	0	0	0	0	0	169,884
General Business (two separate parcels of 7,812 square feet) ¹	0	0	0	0	0	15,624
New Annual Square Feet	0	0	0	0	0	185,508
<i>Total Cumulative Square Feet</i>	0	0	0	0	0	185,508
B. Assessed Valuation						
<u>Current Valuation²</u>						
Outside Subdivision Site	\$10,637,312	\$0	\$0	\$0	\$0	\$10,637,312
<u>New Valuation - Outside Subdivision Site</u>						
Residential (@ \$420,000 per unit)	\$0	\$0	\$0	\$0	\$0	\$35,280,000
New Institutional ³	0	0	0	0	0	0
General Business ⁴	0	0	0	0	0	3,124,800
Total New Valuation - Outside Subdivision Site	\$0	\$0	\$0	\$0	\$0	\$38,404,800
Incremental Valuation	\$10,637,312	\$0	\$0	\$0	\$0	\$49,042,112
<i>Cumulative Valuation</i>	\$10,637,312	\$10,637,312	\$10,637,312	\$10,637,312	\$10,637,312	\$49,042,112
C. Projected Property Tax						
<u>1 Percent Property Tax Levy</u>	\$106,373	\$106,373	\$106,373	\$106,373	\$106,373	\$490,421
Annual General Fund Property (@ 13.57% of 1 Percent Levy)	\$14,435	\$14,435	\$14,435	\$14,435	\$14,435	\$66,550
D. Projected VLF-Property Tax In Lieu						
<u>Valuation for VLF-Property Tax In Lieu⁵</u>	\$0	\$0	\$0	\$0	\$0	\$38,404,800
Total Annual VLF-Property Tax In Lieu (@ \$920 per \$1,000,000 Assessed Valuation)	\$0	\$0	\$0	\$0	\$0	\$35,332

Note: 1. Two separate parcels are designated as general business C-2 with one structure up to 7,812 square feet on each parcel, for a total of 15,624 square feet of general business uses.
2. Current valuation is based on the 2016 tax roll values as presented in Table 2-4.
3. Valuation is not estimated for institutional uses because they are assumed to be tax exempt.
4. General business valuation is projected at \$200 per square foot.
5. 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 estimated current valuation of \$10,637,312 is not included in the projection of property tax in lieu of VLF.

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

Table 2-4. At buildout of these areas, the existing valuation of \$10.64 million is added to the new valuation, resulting in total valuation of \$49.04 million.

Projected Property Tax. The City General Fund will receive property tax at about 13.57 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 2-5, property tax to the City General Fund for the current assessed valuation upon annexation (Year 1) is projected at \$14,435. Because no new development is currently proposed for these areas, projected property tax remains at \$14,435 until buildout sometime after Year 5, when property tax is projected at \$66,550.

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 \$920 per million dollars of new assessed valuation (AV).

As shown in Panel D of Table 2-5, no VLF-property tax in lieu is projected for existing valuation in Year 1 through Year 5 per State law. After buildout, annual VLF - property tax in lieu is projected at \$35,332.

2.4 Sales and Use Tax

Sales and use tax is projected for the retail taxable purchases that will be captured in the City from both the off-site purchases of future residents of the annexation area and for the on-site sales and use tax generated by the potential institutional and general business uses in the annexation area.

The projected off-site sales and use tax from future residents are first presented, followed by the projected on-site sales and use tax. The fiscal analysis assumes that the new residents of the annexation area will also shop at the potential new general business stores in the annexation area. Therefore, the projected off-site sales and use tax is reduced by the projected on-site sales and use tax.

Off-Site 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 both the proposed 95-unit subdivision and the new units in the other annexed areas within the Orchard Heights Development Annexation. The fiscal analysis assumes that the retail purchases from the current residents in the annexation area

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 Orchard Heights Development Annexation 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 Orchard Heights Development Annexation residents will generate total taxable retail purchases at about 32 percent of household income.

95-Unit Subdivision. As shown in Table 2-6, estimated annual off-site retail sales and use tax from taxable purchases made by future subdivision residents are projected at \$26,901 after buildout. This estimate is based on total household income projected at about \$15.07 million after buildout (25 percent of residential valuation of about \$60.26 million). At 32 percent of household income, the projected retail taxable purchases made by new subdivision residents are projected at about \$4.82 million after buildout. The fiscal analysis assumes that 50 percent of the retail taxable purchases or about \$2.41 million will be made annually in the City.

At one percent of the estimated captured taxable sales of about \$2.41 million, sales tax is projected at \$24,105 after buildout. At the City average use tax rate of 11.6 percent of sales tax, an additional \$2,796 of use tax is projected after buildout. Total sales and use tax captured in the City by the subdivision residents is projected at \$26,901 after buildout. Based on the projected new residential valuation from year 2-5, no off-site sales and use tax is projected for Year 1. The off-site sales and use tax from future residents of the subdivision are projected at \$7,885 for Year 2 and increases over the 5-year development period to \$26,901 at buildout.

Proposed Annexed Areas Outside the Residential Subdivision. Estimated annual off-site retail sales and use tax from taxable purchases made by future residents of the other annexed areas after buildout is projected at \$15,749, as presented in Table 2-7. This estimate is based on total household income projected at about \$8.82 million after buildout (25 percent of residential valuation of about \$35.28 million). At 32 percent of household income, the projected retail taxable purchases made by new residents in the other annexed areas are projected at about \$2.82 million after buildout. The fiscal analysis assumes that 50 percent of the retail taxable purchases or about \$1.41 million will be made annually in the City.

Table 2-6
Estimated Off-Site Sales and Use Tax: 95-Unit Subdivision
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Category	95-Unit Subdivision				
	Year 1	Year 2	Year 3	Year 4	Buildout Year 5
Cumulative New Residential Valuation ¹	\$3,263,250	\$17,663,250	\$32,063,250	\$46,463,250	\$60,263,250
Household Income (@ 25% of household valuation) ²	\$815,813	\$4,415,813	\$8,015,813	\$11,615,813	\$15,065,813
Retail Taxable Sales (@ 32% of household income)	\$261,060	\$1,413,060	\$2,565,060	\$3,717,060	\$4,821,060
Projected Off-Site Retail Taxable Sales Captured in Loma Linda (@ 50% capture)	\$130,530	\$706,530	\$1,282,530	\$1,858,530	\$2,410,530
Projected Sales and Use Tax to Loma Linda					
Sales Tax (@ 1% of taxable sales)	\$0	\$7,065	\$12,825	\$18,585	\$24,105
Use Tax (@ 11.6% of sales tax)	\$0	\$820	\$1,488	\$2,156	\$2,796
Total Projected Sales and Use Tax	\$0	\$7,885	\$14,313	\$20,741	\$26,901

Note: 1. The fiscal analysis assumes retail sales and use tax will begin with development of housing units in Year 2.
2. Based on a mortgage cost analysis by the fiscal consultant, household income is estimated at 25 percent of average housing value.

Source: Stanley R. Hoffman Associates, Inc.

Table 2-7
Estimated Off-Site Sales and Use Tax: Annexed Areas Outside Subdivision
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Category	Annexed Areas Outside Subdivision					Buildout Post - Year 5
	Year 1	Year 2	Year 3	Year 4	Year 5	
Cumulative New Residential Valuation ¹	\$0	\$0	\$0	\$0	\$0	\$35,280,000
Household Income (@ 25% of household valuation) ²	\$0	\$0	\$0	\$0	\$0	\$8,820,000
Retail Taxable Sales (@ 32% of household income)	\$0	\$0	\$0	\$0	\$0	\$2,822,400
Projected Off-Site Retail Taxable Sales Captured in Loma Linda (@ 50% capture)	\$0	\$0	\$0	\$0	\$0	\$1,411,200
Projected Sales and Use Tax to Loma Linda						
Sales Tax (@ 1% of taxable sales)	\$0	\$0	\$0	\$0	\$0	\$14,112
Use Tax (@ 11.6% of sales tax)	\$0	\$0	\$0	\$0	\$0	\$1,637
Total Projected Sales and Use Tax	\$0	\$0	\$0	\$0	\$0	\$15,749

Note: 1. The fiscal analysis assumes that the current residents in the annexation area are making purchases in the City, therefore off-site retail sales and tax is not projected for the first five years. The analysis assumes future residents will make off-site purchases in the City.
2. Based on a mortgage cost analysis by the fiscal consultant, household income is estimated at 25 percent of average housing value.

Source: Stanley R. Hoffman Associates, Inc.

At one percent of the estimated captured taxable sales of about \$1.41 million, sales tax is projected at \$14,112 after buildout, as shown in Table 2-7. At the City average use tax rate of 11.6 percent of sales tax, an additional \$1,637 of use tax is projected after buildout. Total sales and use tax captured in the City by the residents of the other annexed areas is projected at \$15,749 after buildout. No off-site sales and use tax is projected for Year 1 through Year 5 because no residential development is currently planned for the areas annexing outside the proposed subdivision within the overall Orchard Heights annexation area.

On-Site Sales and Use Tax

Sales and use tax is projected to the City for the proposed institutional and general business retail uses in the annexation area. As shown in Table 2-8, after buildout of these uses, annual on-site sales and use tax is projected at \$53,832. Taxable sales for institutional uses are projected at \$10 per square foot based on an analysis prepared by the fiscal consultant for the Loma Linda Hospital. Because the amount of taxable uses in the general business designation is uncertain, taxable sales are projected at \$200 per square foot based on the average taxable sales per square foot data from HdL Companies.

Adjusted Off-Site Sales and Use Tax

Table 2-9 presents the projected off-site sales and use tax adjusted to account for the taxable retail purchases that could be made by future residents at the potential new general business uses in the annexation area. Panel A includes a summary of the total projected \$42,650 off-site sales and use tax generated by the new residents, and shows that the 60 percent of the total projected \$42,650 off-site sales and use tax is generated by the 95-unit new subdivision residents and 40 percent of the off-site sales and use tax is generated by the new residents of the other annexed area outside the subdivision.

In Panel B of Table 2-9, the projected on-site general business retail sales and use tax of \$34,873 is allocated 60 percent to the new 95-unit subdivision and 40 percent is allocated to the other annexed areas. When this allocation is subtracted from the projected off-site retail sales and use tax in Panel A, off-site sales and use tax is adjusted to a total of \$7,777 after the 5 year development period, as shown in Panel C of Table 2-9.

Table 2-8
Estimated On-Site Sales and Use Tax: Annexed Areas Outside Subdivision
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Category	Factor	Annexed Areas Outside Subdivision					Buildout Post - Year 5
		Year 1	Year 2	Year 3	Year 4	Year 5	
Potential New Square Feet							
New Institutional		0	0	0	0	0	169,884
New General Business		0	0	0	0	0	<u>15,624</u>
New Annual Square Feet		0	0	0	0	0	185,508
<i>Total Cumulative Square Feet</i>		0	0	0	0	0	185,508
Taxable Sales							
	Taxable Sales per Square Foot						
New Institutional ¹	\$10	\$0	\$0	\$0	\$0	\$0	\$1,698,840
New General Business ²	\$200	\$0	\$0	\$0	\$0	\$0	<u>\$3,124,800</u>
<i>Total Cumulative Taxable Sales</i>		\$0	\$0	\$0	\$0	\$0	\$4,823,640
On-Site Sales and Use Tax							
Sales Tax							
	Sales Tax Levy						
New Institutional	1.0%	\$0	\$0	\$0	\$0	\$0	\$16,988
New General Business	1.0%	\$0	\$0	\$0	\$0	\$0	<u>\$31,248</u>
Total Sales Tax		\$0	\$0	\$0	\$0	\$0	\$48,236
Use Tax							
	Percent of Sales Tax						
New Institutional	11.6%	\$0	\$0	\$0	\$0	\$0	\$1,971
New General Business	11.6%	\$0	\$0	\$0	\$0	\$0	<u>\$3,625</u>
Total Use Tax		\$0	\$0	\$0	\$0	\$0	\$5,596
Total Sales and Use Tax							
New Institutional		\$0	\$0	\$0	\$0	\$0	\$18,959
New General Business		\$0	\$0	\$0	\$0	\$0	<u>\$34,873</u>
Total Sales and Use Tax		\$0	\$0	\$0	\$0	\$0	\$53,832
Total Cumulative On-Site Sales and Use Tax		\$0	\$0	\$0	\$0	\$0	\$53,832

Note: 1. Projected sales and use tax after buildout of the new institutional uses are projected at \$10 taxable sales per square foot based on an analysis prepared by the fiscal consultant for the Loma Linda Hospital.
2. Because the amount of taxable uses for the general business designation is uncertain, taxable sales for general business uses in the annexed area are projected at \$200 per square foot based on average taxable sales per square foot from HdL Companies.

Sources: Stanley R. Hoffman Associates, Inc.
Stratus Development Partners, LLC
Lilburn Corporation
Stanley R. Hoffman Associates, Inc., *Loma Linda University Medical Center Heart and Surgical Hospital Proposed Annexation Fiscal Analysis*,
March 23, 2011
HdL Companies, *2012-2013 California Retail Analytics, Expanding Retailers and Retail Store Sales Estimates*, April 2012

Table 2-9
Adjusted Off-Site Sales and Use Tax
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Category	Total Annexation					Buildout Post - Year 5	Share of Total
	Year 1	Year 2	Year 3	Year 4	Year 5		
A. Total Projected Off-Site Retail Sales and Use Tax without Adjustment for On-Site ¹							
95-Unit Subdivision	\$0	\$7,885	\$14,313	\$20,741	\$26,901	\$26,901	60%
Annexed Areas Outside Subdivision	\$0	\$0	\$0	\$0	\$0	\$15,749	40%
Total Projected Off-Site Sales and Use Tax	\$0	\$7,885	\$14,313	\$20,741	\$26,901	\$42,650	100%
<i>minus</i>							
B. Projected On-Site General Business Sales and Use Tax ²							
Allocated 50% to 95-Unit Subdivision	\$0	\$0	\$0	\$0	\$0	\$20,924	60%
Allocated 50% to Annexed Areas Outside Subdivision	\$0	\$0	\$0	\$0	\$0	\$13,949	40%
Total Projected On-Site Sales and Use Tax	\$0	\$0	\$0	\$0	\$0	\$34,873	100%
<i>equals</i>							
C. Allocated Off-Site Sales and Use Tax with Adjustment for On-Site							
95-Unit Subdivision	\$0	\$7,885	\$14,313	\$20,741	\$26,901	\$5,977	80%
Annexed Areas Outside Subdivision	\$0	\$0	\$0	\$0	\$0	\$1,800	20%
Total Adjusted Off-Site Sales and Use Tax	\$0	\$7,885	\$14,313	\$20,741	\$26,901	\$7,777	100%

Note: 1. The detailed projected off-site sales and use tax without the adjustment for on-site retail sales and use tax is presented in Table 2-6 and Table 2-7.
2. Detailed projected on-site sales and use tax is presented in Table 2-8.

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 Orchard Heights Development Annexation. 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 95-unit subdivision and the estimated new development for the other annexed areas in the Orchard

Table 3-1
Service Providers Before and After Proposed Annexation
Orchard Heights Development 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
Animal Control	San Bernardino County Contract with City of San Bernardino 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 and Wells	City of Loma Linda
Recycled Water	n/a	City of Loma Linda
Irrigation Water	Bear Valley Municipal Water Company/Redlands	Bear Valley Municipal Water Company/Redlands
Water Quality	n/a	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
Schools	(K-12) Redlands Unified School District	(K-12) Redlands Unified School District
Solid Waste Management	San Bernardino County contract with Republic Services of Southern California	Loma Linda Contract with Republic Services of Southern California
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

Heights Development Annexation. One-time development impact fees are not estimated for existing development in the annexation area.

The County of San Bernardino will provide services such as county library (city leases the library building to the County Library System and provides the facility maintenance), 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 (where the contract is with Loma Linda and not SBC) 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. These one-time fees are detailed in Chapter 4.

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 2 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 operations and maintenance services. Also, a one-time impact fee for fire facilities is estimated for the proposed annexation area, as shown later in Table 4-2 and Table 4-3.

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

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, general playground and tot lot areas, picnic tables, barbecue pits, electricity upon request, drinking fountains, restrooms, trails and a dog park for dogs of all sizes. Currently, the City has no formal recreation programs, but Park Use Permits for special events are available on a no-fee basis 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 24,649 persons in 2016 and 49.33 acres of developed parkland, the City currently has a park ratio of about 2.0 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 \$12,489 per single family unit and \$7,459 per multi-family unit, as shown later in Table 4-2.

3.6 Animal Control

Before Annexation

Currently, the City of San Bernardino Animal Control provides services to 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 Signals

Before Annexation

Street lighting is currently serviced by Southern California Edison (SCE) for two existing street lights. One street light is located at the intersection of California Street and West Park Avenue and the other is located at the intersection of Citrus Avenue with California Street across from the project site. There is one existing traffic signal just north of the annexation area, at the intersection of California Street and Redlands Boulevard.

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 new traffic signals planned for the 95-unit project or the remainder of the annexation area at this time.

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 parcel assessment fee.

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, as shown on Table 4-2 and Table 4-3, 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 in the annexation area use wells while the church facilities have an agreement with the City of Loma Linda for provision of water. Future development 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 operations 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)
Orchard Heights Development Annexation 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 in the annexation area utilize septic service and the existing church facilities have a contract with the

City of Loma Linda for provision of sewer services. However, any future development on the 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 would be required for new development, as shown in Table 4-2 and Table 4-3.

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 development impact fees for local circulation systems and regional circulation systems, as shown on Table 4-2 and Table 4-3.

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 drainage 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, as estimated in Table 4-2 and Table 4-3.

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 Orchard Heights Development Annexation Area is located southeast of the intersection of Redlands Boulevard and California Street, 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 with cost recovery through their user fees and charges.

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 \$3.51 per residential square foot, and a one-time non-residential development impact school fee estimated at \$0.54 per square foot. Estimated school impact fees for the total annexation area are about \$2.10 million, 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 also 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 2043. 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 estimated one-time fees and charges associated with the new development in the proposed annexation area. Development impact fees are one-time fees paid by the developer to offset the additional public capital costs of new development.

As shown in Table 4-1, the total City and school one-time development impact fees (DIF) for the proposed new development in the total annexation area are estimated at about \$7.32 million after buildout. Of this total, City development impact fees for Community Development, Public Safety and Engineering are estimated at about \$5.63 million and school development impact fees are estimated at about \$1.69 million.

Total fees for the 95-unit subdivision are estimated at \$3.91 million, with about \$2.91 million estimated as City fees and the remaining \$1.00 million are estimated school development impact fees. For the annexed areas outside the subdivision, total fees are estimated at about \$3.41 million after buildout, with about \$2.72 million estimated City fees and the remaining \$689,854 estimated school development impact fees.

Detailed residential development impact fee calculations are presented in Table 4-2 and Table 4-3 presents the detailed development impact fee calculations for non-residential development. Appendix Table B-1 is the City fee schedule as provided by the City's Community Development staff.

Table 4-1
Summary of Estimated Development Impact Fees
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Category	City Impact Fees	School Impact Fees	Total Impact Fees
<u>95-Unit Subdivision</u>	\$2,906,905	\$1,000,350	\$3,907,255
<u>Annexed Areas Outside Subdivision</u>	\$2,723,862	\$689,854	\$3,413,717
Total Annexation	\$5,630,767	\$1,690,204	\$7,320,972

Sources: Stanley R. Hoffman Associates, Inc.
City of Loma Linda, Community Development Department, Development Impact Fees, 8/21/2015
Redlands Unified School District, Facilities Division

Table 4-2
Estimated Development Impact Fees: Residential
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Fee Category for Residential Development	Subdivision			Annexed Areas Outside Subdivision			Total Residential Fees
	Fee per Single Family Unit	New Units	Fees	Fee per Multi-Family Unit	New Units	Fees	
City Community Development							
General Government Facilities	\$393	95	\$37,335	\$393	84	\$33,012	\$70,347
Parkland Acquisition and Development	\$12,489	95	\$1,186,455	\$7,459	84	\$626,556	\$1,813,011
Open Space Acquisition	n/a		n/a	n/a		n/a	
Public Meeting Facilities	\$1,575	95	\$149,625	\$941	84	\$79,044	\$228,669
Art in Public Places							
	Percent of Project Value	Project Valuation		Percent of Project Value	Project Valuation		
	0.25%	\$57,000,000	\$142,500	0.25%	\$35,280,000	\$88,200	\$230,700
	Fee per Unit	New Units		Fee per Unit	New Units		
City Public Safety							
Fire Suppression Facilities	\$1,120	95	\$106,400	\$142	84	\$11,928	\$118,328
City Engineering							
Local Circulation Systems (Streets, Signals and Bridges)	\$1,551	95	\$147,345	\$893	84	\$75,012	\$222,357
Regional Circulation Systems (Streets, Signals and Bridges)	\$3,741	95	\$355,395	\$2,154	84	\$180,936	\$536,331
Storm Drainage Facilities	\$1,331	95	\$126,445	\$311	84	\$26,124	\$152,569
Water Generation, Storage and Distribution	\$5,826	95	\$553,470	\$4,303	84	\$361,452	\$914,922
Wastewater Collection System	\$1,073	95	\$101,935	\$793	84	\$66,612	\$168,547
Total City Development Impact Fees			\$2,906,905			\$1,548,876	\$4,455,781
	Fee per Residential Building Square Foot	Total Square Feet of Units		Fee per Residential Building Square Foot	Total Square Feet of Units		
School Fees							
Redlands Unified School District	\$3.51	285,000	\$1,000,350	\$3.51	168,000	\$589,680	\$1,590,030
Total Residential Development Impact Fees			\$3,907,255			\$2,138,556	\$6,045,811

Sources: Stanley R. Hoffman Associates, Inc.
City of Loma Linda, Community Development Department, Development Impact Fees, 8/21/2015
Redlands Unified School District, Facilities Division, 11/29/2015

Table 4-3
Estimated Development Impact Fees: Non-Residential
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Fee Category for Non-Residential Development	Annexed Areas Outside Subdivision						Total
	Square Feet		Fee per Square Foot		Estimated Fees		
	Institutional	Commercial Retail	Institutional	Commercial Retail	Institutional	Commercial Retail	
City Community Development							
General Government Facilities	169,884	15,624	\$0.095	\$0.095	\$16,139	\$1,484	\$17,623
Parkland Acquisition and Development	169,884	15,624	n/a	n/a	\$0	\$0	\$0
Open Space Acquisition	169,884	15,624	\$1.226	\$1.207	\$208,278	\$18,858	\$227,136
	Project Valuation	Project Valuation	Percent of Project Value	Percent of Project Value			
Art in Public Places	\$0	\$3,124,800	0.50%	0.50%	\$0	\$15,624	\$15,624
	Square Feet	Square Feet	Fee per Square Foot	Fee per Square Foot			
	Institutional	Commercial Retail	Institutional	Commercial Retail			
City Public Safety							
Fire Suppression Facilities	169,884	15,624	\$0.556	\$0.056	\$94,456	\$875	\$95,330
City Engineering							
Local Circulation Systems (Streets, Signals and Bridges)	169,884	15,624	\$0.915	\$2.832	\$155,444	\$44,247	\$199,691
Regional Circulation Systems (Streets, Signals and Bridges)	169,884	15,624	\$2.206	\$6.831	\$374,764	\$106,728	\$481,492
Storm Drainage Facilities	169,884	15,624	\$0.207	\$0.288	\$35,166	\$4,500	\$39,666
Water Generation, Storage and Distribution	169,884	15,624	\$0.463	\$0.288	\$78,656	\$4,500	\$83,156
Wastewater Collection System	169,884	15,624	\$0.085	\$0.053	\$14,440	\$828	\$15,268
Total City Development Fees					\$977,343	\$197,644	\$1,174,986
School Fees - Redlands Unified School District	169,884	15,624	\$0.540	\$0.540	\$91,737	\$8,437	\$100,174
Total Non-Residential Development Impact Fees					\$1,069,080	\$206,081	\$1,275,161

Sources: Stanley R. Hoffman Associates, Inc.
City of Loma Linda, Community Development Department, Development Impact Fees, 8/21/2015
Redlands Unified School District, Facilities Division, 11/29/2015

CHAPTER 5 FISCAL IMPACTS OF ANNEXATION AREA

This chapter presents the fiscal impacts of the Orchard Heights Development Annexation to the City of Loma Linda General Fund after annexation for the first five years and for buildout, post year 5. Fiscal impacts are shown in constant 2016 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 \$103,539 is projected for the total Orchard Heights Development Annexation to the City General Fund after buildout. Of this total surplus, \$60,563 (58 percent) is projected for the proposed 95-unit subdivision and the remaining surplus of \$42,976 (42 percent) is projected for the other areas in the annexation.

Table 5-1
Summary of Projected Fiscal Impacts after Buildout
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

City General Fund	Subdivision Project Site Annexation	Other Areas in Annexation	Total Annexation Buildout
Annual Recurring Revenues	\$178,086	\$206,765	\$384,851
Annual Recurring Costs	<u>\$117,523</u>	<u>\$163,789</u>	<u>\$281,312</u>
Net Annual Recurring Surplus	\$60,563	\$42,976	\$103,539

Sources: Stanley R. Hoffman Associates, Inc.

5.1 Phased Fiscal Impacts – Total Annexation Area

The projected cumulative impacts to the City General Fund for the first five years after annexation and post-buildout of the total Orchard Heights Development Annexation are included in Table 5-2. The current development in the 80-acre annexation area is assumed during the first year after annexation, with the 95-unit subdivision beginning in the second year after annexation. Buildout of the remaining annexed areas is assumed after Year 5.

As shown in Table 5-2, a \$13,984 surplus is projected to the City General Fund upon annexation in Year 1, which includes the existing development. A surplus of \$25,316 is projected for Year 2 when construction of new single family units in the subdivision begins. The projected surplus

Table 5-2
Detailed Projected Recurring Fiscal Impacts: Total Annexation
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Category	Total Annexation					Buildout Post - Year 5	Percent of Total
	Year 1	Year 2	Year 3	Year 4	Year 5		
General Fund Annual Recurring Revenues							
Property Taxes	\$18,863	\$38,404	\$57,945	\$77,486	\$96,213	\$148,328	38.5%
VLF-Property Tax in Lieu	0	13,248	26,496	39,744	52,440	87,772	22.8%
Property Transfer Tax	28	611	1,086	1,561	2,017	2,719	0.7%
Off-Site Retail Sales and Use Tax ¹	0	7,885	14,313	20,741	26,901	7,777	2.0%
On-Site Institutional Sales and Use Tax	0	0	0	0	0	18,959	4.9%
On-Site Retail Sales and Use Tax	0	0	0	0	0	34,873	9.1%
Proposition 172 Half Cent Sales Tax	0	77	139	202	262	804	0.2%
Franchise Fees	383	1,891	3,399	4,908	6,344	15,598	4.1%
Business Licenses	0	0	0	0	0	6,998	1.8%
Animal Licenses and Fines	18	90	162	233	302	612	0.2%
Fire Permits	20	97	97	94	326	634	0.2%
Recycling and Refuse	499	2,462	4,425	6,388	8,258	16,052	4.2%
Other Charges for Services (excluding one-time charges)	118	581	1,044	1,507	1,948	3,675	1.0%
Other Revenue	848	4,186	7,523	10,861	14,040	27,293	7.1%
Transfers In: State Gas Tax	328	1,621	2,914	4,206	5,437	10,260	2.7%
Transfers In: From Other City Funds	93	460	826	1,193	1,542	2,998	0.8%
Recurring Revenues Subtotal	\$21,197	\$71,613	\$120,369	\$169,123	\$216,029	\$385,351	100.1%
Loss of County Fire Revenues ²	(\$500)	(\$500)	(\$500)	(\$500)	(\$500)	(\$500)	-0.1%
Total Recurring Revenues	\$20,697	\$71,113	\$119,869	\$168,623	\$215,529	\$384,851	100.0%
General Fund Annual Recurring Costs							
General Government	\$1,034	\$7,052	\$11,143	\$15,234	\$19,130	\$43,315	15.4%
Police Protection	1,553	7,670	13,786	19,903	25,728	63,256	22.5%
Senior Center	10	164	318	472	618	762	0.3%
Community Development	144	709	1,274	1,839	2,378	5,845	2.1%
Fire Protection	2,785	13,750	24,714	35,679	46,121	113,392	40.3%
Public Works: Street Maintenance	0	10,588	10,588	10,588	10,588	10,588	3.8%
Public Works: Refuse and Recycling	487	2,406	4,325	6,244	8,072	19,846	7.1%
Public Works: Park Maintenance	445	2,198	3,950	5,703	7,372	13,910	4.9%
Public Works: Other Costs	255	1,260	2,266	3,271	4,229	10,398	3.7%
Total Recurring Costs	\$6,713	\$45,797	\$72,364	\$98,933	\$124,236	\$281,312	100.0%
General Fund Annual Recurring Surplus	\$13,984	\$25,316	\$47,505	\$69,690	\$91,293	\$103,539	
General Fund Revenue/Cost Ratio	3.08	1.55	1.66	1.70	1.73	1.37	

Note: 1. The off-site retail sales and use tax declines post-year 5 because of the net effect of adding on-site retail sales and use tax in the annexation area.
2. 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.

continues to increase throughout the subdivision construction, with the projected surplus to the General Fund at \$91,293 in Year 5. With buildout of the other annexed areas after Year 5, the projected recurring surplus to the City General Fund for the total annexation area after buildout is projected at \$103,539.

Projected Recurring Revenues – Total Annexation Area

About 77.3 percent of the total projected revenues after buildout of the total Orchard Heights Development Annexation are comprised of property tax, VLF - property tax in lieu and sales and use tax.

Projected Recurring Costs – Total Annexation Area

Fire protection, police protection and general government are the largest projected recurring costs and account for about 78.2 percent of total projected recurring costs for the total Orchard Heights Development Annexation after buildout.

5.2 Phased Fiscal Impacts – 95-Unit Subdivision

The projected cumulative impacts to the City General Fund for the first five years after annexation of the 95-unit subdivision in the Orchard Heights Development Annexation are included in Table 5-3. The existing development on the subdivision property is assumed during the first year after annexation, with development as proposed on the 95-unit property beginning in the second year after annexation.

As shown in Table 5-3, a surplus of \$4,178 is projected to the City General Fund for Year 1, which includes the existing property taxes on the property. A surplus of \$15,509 is projected for Year 2 when the first 24 new units in the subdivision are completed. As new units are completed in Years 3 through 5, the projected surplus to the General Fund increases to \$60,563 at buildout of the subdivision.

Projected Recurring Revenues – 95-Unit Subdivision

About 78.7 percent of the total projected revenues after buildout of the proposed Orchard Heights subdivision are comprised of property tax, VLF - property tax in lieu, and off-site sales and use tax.

Projected Recurring Costs – 95-Unit Subdivision

Fire protection, police protection and general government are the largest projected recurring costs and account for about 72.9 percent of total projected recurring costs for the new subdivision after buildout.

5.3 Phased Fiscal Impacts –Annexed Areas Outside Subdivision

As shown in Table 5-4, a surplus of \$9,806 is projected to the City General Fund for Year 1, which includes the existing development on the property. Currently there are no proposed development plans for the areas outside the proposed 95-unit subdivision in the total Orchard Heights Development Annexation. Therefore, the projected impacts upon annexation are the same for the first five years. However, for future buildout of the areas outside the subdivision an annual recurring surplus of \$42,976 is projected based on the land use description in Chapter 2.

Table 5-3
Detailed Projected Recurring Fiscal Impacts: 95-Unit Subdivision
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Category	95-Unit Subdivision						
	Upon Annexation Year 1	Year 2	Year 3	Year 4	Project Buildout Year 5	Post - Year 5	Percent of Total
General Fund Annual Recurring Revenues							
Property Taxes	\$4,428	\$23,969	\$43,510	\$63,051	\$81,778	\$81,778	45.9%
VLF-Property Tax in Lieu	0	13,248	26,496	39,744	52,440	52,440	29.4%
Property Transfer Tax	0	583	1,058	1,533	1,989	1,989	1.1%
Off-Site Retail Sales and Use Tax ¹	0	7,885	14,313	20,741	26,901	5,977	3.4%
On-Site Institutional Sales and Use Tax	0	0	0	0	0	0	0.0%
On-Site Retail Sales and Use Tax	0	0	0	0	0	0	0.0%
Proposition 172 Half Cent Sales Tax	0	77	139	202	262	262	0.1%
Franchise Fees	0	1,508	3,016	4,525	5,961	5,961	3.3%
Business Licenses	0	0	0	0	0	0	0.0%
Animal Licenses and Fines	0	72	144	215	284	284	0.2%
Fire Permits	0	77	77	74	306	306	0.2%
Recycling and Refuse	0	1,963	3,926	5,889	7,759	7,759	4.4%
Other Charges for Services (excluding one-time charges)	0	463	926	1,389	1,830	1,830	1.0%
Other Revenue	0	3,338	6,675	10,013	13,192	13,192	7.4%
Transfers In: State Gas Tax	0	1,293	2,586	3,878	5,109	5,109	2.9%
Transfers In: From Other City Funds	0	367	733	1,100	1,449	1,449	0.8%
Recurring Revenues Subtotal	\$4,428	\$54,843	\$103,599	\$152,354	\$199,260	\$178,336	100.1%
Loss of County Fire Revenues ²	(\$250)	(\$250)	(\$250)	(\$250)	(\$250)	(\$250)	-0.1%
Total Recurring Revenues	\$4,178	\$54,593	\$103,349	\$152,104	\$199,010	\$178,086	100.0%
General Fund Annual Recurring Costs							
General Government	\$0	\$6,018	\$10,109	\$14,200	\$18,096	\$18,096	15.4%
Police Protection	0	6,117	12,233	18,350	24,175	24,175	20.6%
Senior Center	0	154	308	462	608	608	0.5%
Community Development	0	565	1,130	1,695	2,234	2,234	1.9%
Fire Protection	0	10,965	21,929	32,894	43,336	43,336	36.9%
Public Works: Street Maintenance	0	10,588	10,588	10,588	10,588	10,588	9.0%
Public Works: Refuse and Recycling	0	1,919	3,838	5,757	7,585	7,585	6.5%
Public Works: Park Maintenance	0	1,753	3,505	5,258	6,927	6,927	5.9%
Public Works: Other Costs	0	1,005	2,011	3,016	3,974	3,974	3.4%
Total Recurring Costs	\$0	\$39,084	\$65,651	\$92,220	\$117,523	\$117,523	100.0%
General Fund Annual Recurring Surplus	\$4,178	\$15,509	\$37,698	\$59,884	\$81,487	\$60,563	
General Fund Revenue/Cost Ratio	n/a	1.40	1.57	1.65	1.69	1.52	

Note: 1. The off-site retail sales and use tax declines post-year 5 because of the net effect of adding on-site retail sales and use tax in the annexation area.
2. 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 for the total annexation area. The fiscal analysis allocates this loss \$250 to the subdivision project site and \$250 to the other annexed areas.

Sources: Stanley R. Hoffman Associates, Inc.

Table 5-4
Detailed Projected Recurring Fiscal Impacts: Annexed Areas Outside Subdivision
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Category	Annexed Areas Outside Subdivision						Percent of Total Buildout
	Upon Annexation Year 1	Year 2	Year 3	Year 4	Year 5	Buildout Post - Year 5	
General Fund Annual Recurring Revenues							
Property Taxes	\$14,435	\$14,435	\$14,435	\$14,435	\$14,435	\$66,550	32.2%
VLF-Property Tax in Lieu	0	0	0	0	0	35,332	17.1%
Property Transfer Tax	28	28	28	28	28	730	0.4%
Off-Site Retail Sales and Use Tax	0	0	0	0	0	1,800	0.9%
On-Site Institutional Sales and Use Tax	0	0	0	0	0	18,959	9.2%
On-Site Retail Sales and Use Tax	0	0	0	0	0	34,873	16.9%
Proposition 172 Half Cent Sales Tax	0	0	0	0	0	542	0.3%
Franchise Fees	383	383	383	383	383	9,637	4.7%
Business Licenses	0	0	0	0	0	6,998	3.4%
Animal Licenses and Fines	18	18	18	18	18	328	0.2%
Fire Permits	20	20	20	20	20	327	0.2%
Recycling and Refuse	499	499	499	499	499	8,293	4.0%
Other Charges for Services (excluding one-time charges)	118	118	118	118	118	1,845	0.9%
Other Revenue	848	848	848	848	848	14,101	6.8%
Transfers In: State Gas Tax	328	328	328	328	328	5,151	2.5%
Transfers In: From Other City Funds	93	93	93	93	93	1,549	0.7%
Recurring Revenues Subtotal	\$16,769	\$16,769	\$16,769	\$16,769	\$16,769	\$207,015	100.1%
Loss of County Fire Revenues ¹	(\$250)	(\$250)	(\$250)	(\$250)	(\$250)	(\$250)	-0.1%
Total Recurring Revenues	\$16,519	\$16,519	\$16,519	\$16,519	\$16,519	\$206,765	100.0%
General Fund Annual Recurring Costs							
General Government	\$1,034	\$1,034	\$1,034	\$1,034	\$1,034	\$25,219	15.4%
Police Protection	1,553	1,553	1,553	1,553	1,553	39,081	23.9%
Senior Center	10	10	10	10	10	154	0.1%
Community Development	144	144	144	144	144	3,611	2.2%
Fire Protection	2,785	2,785	2,785	2,785	2,785	70,056	42.8%
Public Works: Street Maintenance	0	0	0	0	0	0	0.0%
Public Works: Refuse and Recycling	487	487	487	487	487	12,261	7.5%
Public Works: Park Maintenance	445	445	445	445	445	6,983	4.3%
Public Works: Other Costs	255	255	255	255	255	6,424	3.9%
Total Recurring Costs	\$6,713	\$6,713	\$6,713	\$6,713	\$6,713	\$163,789	100.0%
General Fund Annual Recurring Surplus	\$9,806	\$9,806	\$9,806	\$9,806	\$9,806	\$42,976	
General Fund Revenue/Cost Ratio	1.68	2.46	2.46	2.46	2.46	1.26	

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 for the total annexation area. The fiscal analysis allocates this loss at \$250 to the subdivision project site and \$250 to the other annexations areas.

Sources: Stanley R. Hoffman Associates, Inc.

Projected Recurring Revenues –Annexed Areas Outside Subdivision

Projected property tax, VLF - property tax in lieu and sales and use tax account for about 67.4 percent of the total projected revenues after buildout of the other annexed areas.

Projected Recurring Costs –Annexed Areas Outside Subdivision

After buildout of the other annexed areas, fire protection, police protection and general government account for about 82.1 percent of total projected recurring costs.

CHAPTER 6 CITY OF LOMA LINDA FISCAL ASSUMPTIONS

This chapter presents the revenue and cost assumptions for the fiscal analysis of the Orchard Heights Development Annexation 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 2015-2016 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) 2015-2016 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 24,649 is based on the State Department of Finance (DOF) estimate as of January 1, 2016. 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 6,162. This estimate is based on the U.S. Census Bureau, 2010-2014 American Community Survey (ACS) estimate that people 55 years and over represent about 25 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 17,242 for the year 2016 is based on an interpolation of the 2012 and 2040 City employment estimates from the Southern California Council of Governments' (SCAG) *2016-2040 RTP/SCS*, June 2015 estimates.

Table 6-1
City Population, Housing and Employment Assumptions
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda

Assumption	Description
	<u>Population and Housing</u> ¹
23,923	Household Population
<u>726</u>	<u>Group Quarters Population</u>
24,649	Total Population
5,865	Single Family Units
<u>3,831</u>	<u>Multi-Family Units</u>
9,696	Total Housing Units
9,147	Occupied Housing Units
2.61	Average Citywide Household Size
	<u>Estimated Senior Population</u> ²
25%	Share of Population over 55
6,162	Estimated Population over 55
	<u>Employment</u>
17,242	Total Employment in the City ³
88%	Estimated Share of Total Employment Commuting into the City ⁴
15,173	Estimated Employment Commuting into the City ⁴
	<u>Daily Students and Visitors</u> ⁵
5,300	Daily University Students and Visitors
	<u>Estimated Service Population</u> ⁶
24,649	Total Population
<u>7,587</u>	<u>Estimated Employment (at 50 percent of 15,173 workers commuting into the City)</u>
<u>2,650</u>	<u>Daily University Students and Visitors (at 50 percent of 5,300 daily students and visitors)</u>
34,886	Estimated Daily Total Service Population

- Note: 1. Population and housing estimates are January 1, 2016 estimates from the California Department of Finance (DOF).
2. For purposes of projecting Senior Center costs, the City's senior population is estimated at 6,162 based on the over 55 population representing about 25 percent of the total City population, as reported in the American Community Survey (ACS) cited below.
3. The total City employment estimate is for 2016 based on an interpolation of the 2012 and 2040 estimates from the Southern California Association of Governments, (SCAG) 2016-2040 RTP/SCS June 2015 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 2014 U.S. Census Bureau Longitudinal Employer-Household Dynamics (LEHD) report for the City, about 88 percent of the total workers in the City come from outside the City, resulting in an estimate of 15,173 workers commuting into 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, January 1, 2011-2016*, Sacramento, California, May 2016
Southern California Association of Governments (SCAG), *2016-2040 RTP/SCS*, June 2015
U.S. Census Bureau, Longitudinal Employer-Household Dynamics (LEHD), *OnTheMap for Loma Linda, California, 2014*
U.S. Census Bureau, *2010-2014 American Community Survey (ACS) 5-Year Estimates, Demographic and Housing Estimates, DP04*
Loma Linda Community Development Department

To account for the workers who live and work in the City, the estimated share of workers from outside the City is used as the employment estimate for the fiscal analysis. Based on the U.S. Census Bureau 2014 Longitudinal Employer-Household Dynamic (LEHD) report for the City, about 88 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 17,242, workers that commute into the City are estimated at 15,173.

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 34,886. The service population estimate includes the resident population of 24,649, the weighted employment from outside the City of 7,587 (50 percent of 17,173), 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 resident 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) 2015-2016 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
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Revenue Source	Adopted FY 2015-2016 Revenues	Projection Basis ¹	Annual Projection Factors or Amounts
<u>Property Taxes</u> ²	\$1,390,700	Case Study: Project Valuation	13.57% City General Fund share of 1% levy
<u>VLF - Property Tax In Lieu</u> ³	\$1,824,700	Case Study	\$920 per \$1,000,000 assessed valuation
<u>Property Transfer Tax</u>	\$40,000	Property Turnover and Valuation Assumptions	6.0% turnover rate \$0.55 per \$1,000 assessed valuation
<u>Sales and Use Tax</u> ⁴	\$6,607,000	Taxable Sales	1% of taxable sales
<u>Use Tax</u>		Use Tax as Percent of Sales Tax	11.6% of sales tax
<u>Proposition 172 (Half Cent Sales Tax)</u>	\$65,000	Total City Sales and Use Tax = \$6,672,000	\$9.74 per \$1,000 of City sales and use tax
<u>Franchise Fees</u>	\$835,000	Service Population = 34,886	\$23.94 per service population
<u>Business Licenses</u>	\$398,200	Employment = 17,242	\$23.09 per employee
<u>Animal Licenses and Fines</u>	\$28,000	Population = 24,649	\$1.14 per capita
<u>Fire Permits</u>	\$43,000	Service Population = 34,886	\$1.23 per service population
<u>Recycling and Refuse</u>	\$1,087,200	Service Population = 34,886	\$31.16 per service population
<u>Other Charges for Services</u>	\$181,100	Population = 24,649	\$7.35 per capita
<u>Other Revenue</u>	\$1,848,200	Service Population = 34,886	\$52.98 per service population
<u>Transfers In:</u>			
<u>Gas Tax Fund</u>	\$505,700	Population = 24,649	\$20.52 per capita
<u>Transfers from Other Funds</u>	\$203,000	Service Population = 34,886	\$5.82 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>	\$23,000	Share of Non-Interest Recurring Revenues = \$15,079,800	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 areas (TRAs) 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. In July 1, 2004, the State 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. In 2016 this reduction of sales tax will end and the City will receive the entire one percent allocation of taxable sales.
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 2015-2016 Adopted Budget*
State of California, Department of Finance, *E-5 Population and Housing Estimates for Cities, Counties and the State, January 1, 2011-2016, Sacramento, California*, May 2016
Southern California Association of Governments (SCAG), *2016-2040 RTP/SCS*, June 2015
City of Loma Linda, Finance Department and Fire Department

As shown in 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; Proposition 172 half-cent sales tax; franchise fees; animal licenses and fines; 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 Orchard Heights Development Annexation. The current allocation rates of the one percent property tax for the tax rate areas (TRAs) 104073 and 104100 in the annexation area are presented in Appendix Table B-4. The City's share of the 1.0 percent basic levy is estimated at about 13.57 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 \$920 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 2015-2016. The change over the period from fiscal year 2004-2005 to fiscal year 2015-2016 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. 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, 2010-2014 American Community Survey, residential development in the City is assumed to change ownership at an average rate of about 6.0 percent per year (see Appendix Table B-7). Non-residential turnover is assumed to be negligible.

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 Orchard Heights Development Annexation.

The State previously 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). Beginning in 2016, this 25.0 percent reduction will end and the City will receive the full one percent of taxable sales.

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 2015 provided by Hinderliter de Llamas and Associates (HdL). HdL estimates that \$726,123 of total sales and use tax was made from levies designated as use tax and the remaining \$6,279,529 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 11.6 percent of point-of-sale sales tax.

Proposition 172 (Half Cent Sales Tax)

As shown in Table 6-2, these revenues are projected at \$9.74 per \$1,000 of sales and use tax

based on City estimated FY 2015-2016 Proposition 172 revenues of \$65,000 and the City's total sales and use tax estimate of \$6,607,000.

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) 2015-2016 adopted budget revenues of \$835,000, franchise fees are projected at \$23.94 per service population, as shown in Table 6-2.

Business Licenses

Business license revenues are project at \$23.09 per employee based on the 2016 City employment estimate of 17,242 and FY 2015-2016 adopted budget revenues of \$398,200.

Animal Licenses and Fines

These fees are projected at \$1.14 per capita based on revenues of \$398,200 and the current city population estimate 24,649. Projected animal control fines are combined with animal licenses in the projected fiscal impacts for the annexation.

Fire Permits

City fire permit revenues are projected at \$1.23 per service population based on the City Fiscal Year (FY) 2015-2016 adopted budget revenues of \$43,000 and the City's estimated service population of 34,886, as shown in Table 6-2.

Recycling and Refuse

Refuse recycling service charges and collection revenues are projected at \$31.16 per service population based on FY 2015-2016 adopted budget revenues of \$1,087,200 and the City's estimated service population of 34,886.

Other Charges for Services

These revenues are projected at \$7.35 per capita based on FY 2015-2016 adopted revenues of \$181,100 and the City's estimated population of 24,649. 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 \$52.98 per service population based on FY 2015-2016 adopted revenues of \$1,848,200 and the City service population estimate of

34,886. 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 \$20.52 per capita based on the FY 2015-2016 adopted budget revenue amount of \$505,700 and the City population estimate of 24,649. 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 \$5.82 per service population based on adopted FY 2015-2016 budget revenues of \$203,000 and the City's estimated service population of 34,886.

Loss of Fire Revenues from County

As shown in Table 6-2, the City projects a recurring revenue loss of about \$500.00 upon annexation of the Orchard Heights Development Annexation. 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 Orchard Heights Development 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 percent 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 Orchard Heights Development Annexation are presented in Table 6-3. These factors are based on the adopted expenditures in the City's FY 2015-2016 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
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Cost Category	Adopted FY 2015-2016 Expenditures	Net Cost	Projection Basis ¹	Annual Projection Factors
<u>General Government</u> ²	\$3,194,600	\$2,395,950	Case study	18.2% of direct line costs
<u>Police Protection</u>	\$3,387,200	\$3,387,200	Service population = 34,886	\$97.09 per service population
<u>Senior Center</u> ³	\$60,200	\$60,200	Senior population = 6,162	\$9.77 per senior
<u>Community Development</u> ⁴	\$777,200	\$312,900	Service population = 34,886	\$8.97 per service population
<u>Fire Department</u>	\$6,071,400	\$6,071,400	Service population = 34,886	\$174.04 per service population
<u>Public Works:</u>				
Street Maintenance ⁵	\$537,700	n/a	Case Study	\$7,600 per lineal mile
Refuse and Recycling	\$1,062,600	\$1,062,600	Service population = 34,886	\$30.46 per service population
Parks Maintenance ⁶	\$685,700	\$685,700	Population = 24,649	\$27.82 per capita
Other Public Works ⁷	<u>\$615,800</u>	\$556,900	Service population = 34,886	\$15.96 per service population
Total Public Works	<u>\$2,901,800</u>			

- 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 25 percent of the total City population, as shown in Appendix Table B-1.
4. Initial community development costs are reduced by projected one-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 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 2015-2016 Adopted Budget*
City of Loma Linda, Finance Department and Public Works Department

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 2015-2016 adopted general government costs of \$3,194,600 represent about 24.2 percent of direct line costs of \$13,197,800. 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 18.2 percent of direct costs.

Police Protection

Police costs are projected at \$97.09 per service population, as shown in Table 6-3, based on FY 2015-2016 adopted budget expenditures of \$3,387,200 and the City's service population estimate of 34,886.

Senior Center

As shown in Table 6-3, Senior Center costs are projected at \$9.77 per senior person based on FY 2015-2016 adopted expenditures of \$60,200 and the City's senior (age 55 and over) population estimate of 6,162. The U.S. Census Bureau, 2010-2014 American Community Survey (ACS) estimates that people 55 years and over represent about 25 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 2015-2016 net community development costs of \$312,900 and the City service population estimate of 34,886, non-fee supported costs for community development are estimated at \$8.97 per service population. As shown in Table 6-3, the total General Fund community development costs of \$777,200 are offset by one-time processing permit and fee revenues of \$464,300, 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 \$174.04 per service population based on FY 2015-2016 adopted expenditures of \$6,071,400 and the City's estimated 34,886 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, based on discussion with City staff, street maintenance costs were estimated at an annualized cost of about \$7,000 per mile for slurry seal and overlay costs in 2011. City Public Works staff estimates that these costs have increased by about \$600 based on the increase in construction costs from Engineering News Record, or to \$7,600 per mile for slurry seal and overlay costs.

Refuse and Recycling. These costs are projected at \$30.46 per service population based on FY 2015-2016 adopted budget costs of \$1,062,600 for refuse and recycling services and the estimated current City service population of 34,886.

Park Maintenance. No parks are planned the Orchard Heights Development Annexation. However, park maintenance cost for project residents' use of City parks is projected at \$27.82 per capita. This cost factor is based on the FY 2015-2016 adopted budget costs of \$685,700 for park maintenance and the existing City population estimate of 24,649.

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 2015-2016 net costs of \$556,900 for these services and the City service population estimate of 34,886, non-fee supported costs for other public works are estimated at \$15.96 per service population. As shown in Table 6-3, the total General Fund other public works costs of \$615,800 are offset by one-time processing permit and fee revenues of \$58,900, as shown in Panel B of Appendix Table B-9.

APPENDIX A DETAILED DEVELOPMENT IMPACT FEES

**Table A-1 (page 1 of 3)
Development Impact Fees Schedule
Orchard Heights Development Annexation Plan for Services, City of Loma Linda
(In Constant 2016 Dollars)**

**CITY OF LOMA LINDA
DEVELOPMENT IMPACT FEES SHEET**

FEES DUE? (Yes/No)	<input type="checkbox"/>	Bldg Permit #	<input type="text"/>
CASE NUMBER:	<input type="text"/>	APN:	<input type="text"/>
PROJECT NAME:	<input type="text"/>	SQ. FT.:	<input type="text"/>
PRJ. ADDRESS:	<input type="text"/>	DATE:	<input type="text"/>
PLAN CHK. NO.:	<input type="text"/>	Fees Updated	<input type="text"/>
PLANNER:	<input type="text"/>		

COMMUNITY DEVELOPMENT				
1. GENERAL GOVERNMENT FACILITIES				Acct. No. 16-9409
DEVELOPMENT TYPE	# of Units	Fees/Unit	Credit/Unit	TOTAL
Detached Dwelling Units	0	\$393.00		\$ -
Attached Dwelling Units	0	393.00		-
Mobile Home Units	0	393.00		-
Rural Dwelling Units	0	393.00		-
Senior Restricted Dwelling Units	0	393.00		-
	Sq. Ft.			
Assisted Care Living Units		\$0.095		-
	Rooms			
Commercial Lodging	0	\$58.00		-
	Sq. Ft.	Fees/Sq.Ft.		
Retail/Service/Office Uses	0.00	\$0.095		-
Medical/Healthcare Office Uses	0.00	0.095		-
Hospital Uses	0.00	0.095		-
Industrial Uses	0.00	0.095		-
Institutional Uses	0.00	0.095		-
TOTAL	<i>Note</i>			\$ -
2. PARKLAND ACQUISITION AND DEVELOPMENT				Acct. No. 4-9409
			Park Ded SF	
			0.00	
DEVELOPMENT TYPE	# of Units	Fees/Unit	Credit/Unit	TOTAL
Detached Dwelling Units	0	\$12,489.00		\$ -
Attached Dwelling Units	0	7,459.00		-
Mobile Home Units	0	7,636.00		-
Rural Dwelling Units	0	12,489.00		-
Senior Restricted Dwelling Units	0	5,515.00		-
TOTAL	<i>Note</i>			\$ -
3. OPEN SPACE ACQUISITION				Acct. No. 4-9411
DEVELOPMENT TYPE	# of Units	Fees/Unit	Credit/Unit	TOTAL
Commercial Lodging	0	\$667.00		\$ -
	Sq. Ft.	Fees/Sq.Ft.		
Assisted Care Living Units	0.00	0.32		-
Retail/Service/Office Uses	0.00	\$1,207		-
Medical/Healthcare Office Uses	0.00	1,226		-
Hospital Uses	0.00	0.500		-
Industrial Uses	0.00	1,226		-
Institutional Uses	0.00	1,226		-
TOTAL	<i>Note</i>			\$ -
4. PUBLIC MEETING FACILITIES				Acct. No. 18-9409
DEVELOPMENT TYPE	# of Units	Fees/Unit	Credit/Unit	TOTAL
Detached Dwelling Units	0	\$1,575.00		\$ -
Attached Dwelling Units	0	941.00		-
Mobile Home Units	0	963.00		-
Rural Dwelling Units	0	1,575.00		-
Senior Restricted Dwelling Units	0	696.00		-
TOTAL	<i>Note</i>			\$ -
5. ART IN PUBLIC PLACES				Acct. No. 23-9409
DEVELOPMENT TYPE	Project \$ Value	% of Value	Credit	TOTAL
Residential Valuation	\$0.00	\$0.0025		\$ -
Commercial/Industrial Valuation		\$0.0050		-
TOTAL	<i>Note</i>			\$ -

(Continued...)

Table A-1 (page 2 of 3)
Development Impact Fees Schedule
Orchard Heights Development Annexation Plan for Services, City of Loma Linda
(In Constant 2016 Dollars)

CITY OF LOMA LINDA
DEVELOPMENT IMPACT FEES SHEET

PUBLIC SAFETY				
6. FIRE SUPPRESSION FACILITIES, ET. AL.				Acct. No. 15-9408
DEVELOPMENT TYPE	# of Units	Fees/Unit	Credit/Unit	TOTAL
Detached Dwelling Units	0	\$1,120.00		\$ -
Attached Dwelling Units	0	142.00		-
Mobile Home Units	0	771.00		-
Rural Dwelling Units	0	1,109.00		-
Senior Restricted Dwelling Units	0	1,448.00		-
	Sq. Ft.			
Assisted Care Units	0.00	\$1.663		-
	Rooms			
Commercial Lodging	0	77.00		-
	Sq. Ft.	Fees/Sq.Ft.		
Retail/Service/Office Uses	0.00	\$0.056		-
Medical/Healthcare Office Uses	0.00	0.438		-
Hospital Uses	0.00	0.436		-
Industrial Uses	0.00	0.353		-
Institutional Uses	0.00	0.556		-
TOTAL	Note:			\$ -

ENGINEERING				
7a. LOCAL CIRCULATION SYSTEMS (STREETS, SIGNALS AND BRIDGES)				Acct. No. 12-9409
DEVELOPMENT TYPE	# of Units	Fees/Unit	Credit/Unit	TOTAL
Detached Dwelling Units	0	\$1,551.00		\$ -
Attached Dwelling Units	0	893.00		-
Mobile Home Units	0	779.00		-
Senior Restricted Dwelling Units	0	307.00		-
Rural Dwelling Units	0	1,551.00		-
	Sq. Ft.			
Assisted Care Units	0.00	\$1.298		-
	Rooms	Fees/room		
Commercial Lodging Units	0	\$ 463.00		-
	Sq. Ft.	Fees/Sq.Ft.		
Retail/Service/Office Uses	0.00	2.832		-
Medical/Healthcare Office Uses	0.00	2.443		-
Hospital Uses	0.00	1.283		-
Industrial Uses	0.00	0.524		-
Institutional Uses	0.00	0.915		-
Fair Share - PROW Improvements				
TOTAL	Note:			\$ -

7b. REGIONAL CIRCULATION SYSTEMS (STREETS, SIGNALS AND BRIDGES)				
				Acct. No. 24-9409
DEVELOPMENT TYPE	# of Units	Fees/Unit	Credit/Unit	TOTAL
Detached Dwelling Units	0	\$3,741.00		\$ -
Attached Dwelling Units	0	2,154.00		-
Mobile Home Units	0	1,879.00		-
Senior Restricted Dwelling Units	0	740.00		-
Rural Dwelling Units	0	3,741.00		-
	Sq. Ft.			
Assisted Care Units	0.00	\$1.298		-
	Rooms	Fees/room		
Commercial Lodging Units	0	\$ 1,117.00		-
	Sq. Ft.	Fees/Sq.Ft.		
Retail/Service/Office Uses	0.00	\$6.831		-
Medical/Healthcare Office Uses	0.00	\$5.893		-
Hospital Use	0.00	\$3.095		-
Industrial Uses	0.00	1.265		-
Institutional Uses	0.00	2.206		-
TOTAL	Note:			\$ -

8. STORM DRAINAGE FACILITIES				
				Acct. No. 9-9481
DEVELOPMENT TYPE	# of Units	Fees/Unit	Credit/Unit	TOTAL
Detached Dwelling Units	0	\$1,331.00		\$ -
Attached Dwelling Units	0	311.00		-
Mobile Home Units	0	296.00		-
Rural Dwelling Units	0	4,024.00		-
Senior Restricted Dwelling Units	0	197.00		-
	Sq. Ft.			
Assisted Care Units	0.00	0.109		-
	Room			
Commercial Lodging	0	118.00		-
	Sq. Ft.	Fees/Sq.Ft.		
Retail/Service/Office Uses	0.00	\$0.221		-
Medical/Healthcare Office Uses	0.00	0.237		-
Hospital Uses	0.00	0.099		-
Industrial Uses	0.00	0.214		-
Institutional Uses	0.00	0.207		-
TOTAL	Note:			\$ -

(Continued...)

**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	
	Estimate	Percent
SEX AND AGE		
Total population	23,648	100%
Male	11,720	49.6%
Female	11,928	50.4%
Under 5 years	1,503	6.4%
5 to 9 years	1,435	6.1%
10 to 14 years	1,244	5.3%
15 to 19 years	1,098	4.6%
20 to 24 years	1,629	6.9%
25 to 34 years	4,997	21.1%
35 to 44 years	2,970	12.6%
45 to 54 years	2,797	11.8%
55 to 59 years	1,303	5.5%
60 to 64 years	1,350	5.7%
65 to 74 years	1,781	7.5%
75 to 84 years	979	4.1%
85 years and over	562	2.4%
Total 55 and Over	5,975	25%

Sources: Stanley R. Hoffman Associates, Inc.
U.S. Census Bureau, 2010-2014 American Community Survey, Report DP05

Table B-2
U.S. Census 2014 Live/Work Data
City of Loma Linda

Category	2014	
	Count	Share
<u>Selection Area Labor Market Size (Primary Jobs)</u>		
Employed in the Selection Area	16,876	100.0%
Living in the Selection Area	7,989	47.3%
Net Job Inflow (+) or Outflow (-)	8,887	-
<u>In-Area Labor Force Efficiency (Primary Jobs)</u>		
Living in the Selection Area	7,989	100.0%
Living and Employed in the Selection Area	2,085	26.1%
Living in the Selection Area but Employed Outside	5,904	73.9%
<u>In-Area Employment Efficiency (Primary Jobs)</u>		
Employed in the Selection Area	16,876	100.0%
Employed and Living in the Selection Area	2,085	12.4%
Employed in the Selection Area but Living Outside	14,791	87.6%
<u>Outflow Job Characteristics (Primary Jobs)</u>		
External Jobs Filled by Residents	5,904	100.0%
Workers Aged 29 or younger	1,298	22.0%
Workers Aged 30 to 54	3,312	56.1%
Workers Aged 55 or older	1,294	21.9%
Workers Earning \$1,250 per month or less	1,214	20.6%
Workers Earning \$1,251 to \$3,333 per month	2,079	35.2%
Workers Earning More than \$3,333 per month	2,611	44.2%
Workers in the "Goods Producing" Industry Class	559	9.5%
Workers in the "Trade, Transportation, and Utilities" Industry Class	1,148	19.4%
Workers in the "All Other Services" Industry Class	4,197	71.1%
<u>Inflow Job Characteristics (Primary Jobs)</u>		
Internal Jobs Filled by Outside Workers	14,791	100.0%
Workers Aged 29 or younger	2,524	17.1%
Workers Aged 30 to 54	9,022	61.0%
Workers Aged 55 or older	3,245	21.9%
Workers Earning \$1,250 per month or less	1,120	7.6%
Workers Earning \$1,251 to \$3,333 per month	4,738	32.0%
Workers Earning More than \$3,333 per month	8,933	60.4%
Workers in the "Goods Producing" Industry Class	115	0.8%
Workers in the "Trade, Transportation, and Utilities" Industry Class	498	3.4%
Workers in the "All Other Services" Industry Class	14,178	95.9%
<u>Interior Flow Job Characteristics (Primary Jobs)</u>		
Internal Jobs Filled by Residents	2,085	100.0%
Workers Aged 29 or younger	388	18.6%
Workers Aged 30 to 54	1,139	54.6%
Workers Aged 55 or older	558	26.8%
Workers Earning \$1,250 per month or less	172	8.2%
Workers Earning \$1,251 to \$3,333 per month	446	21.4%
Workers Earning More than \$3,333 per month	1,467	70.4%
Workers in the "Goods Producing" Industry Class	11	0.5%
Workers in the "Trade, Transportation, and Utilities" Industry Class	17	0.8%
Workers in the "All Other Services" Industry Class	2,057	98.7%

Sources: Stanley R. Hoffman Associates, Inc.

U.S. Census Bureau, OnTheMap Application and Longitudinal Employer-Household

Dynamics (LEHD) Origin-Destination Employment Statistics, Loma Linda, California, 2014

Table B-3 (page 1 of 2)
General Fund Recurring Revenues
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Revenue Category	Adopted FY 2015/2016 Revenue	Orchard Heights Development Annexation		
		Annual Processing Fees/Permits ¹	Not Projected ²	Projected Recurring Revenue ³
Taxes and Assessments				
<u>Property Taxes</u>				
Current Secured	\$960,000	\$0	\$0	\$960,000
Current Unsecured	40,700	0	0	40,700
Statutory Pass-Thru	50,000	0	0	50,000
Prior Taxes	50,000	0	0	50,000
Supplemental Current	10,000	0	0	10,000
Miscellaneous Taxes	15,000	0	0	15,000
Negotiated Pass-Thru	55,000	0	0	55,000
Residual Balance RPTTF	<u>210,000</u>	<u>0</u>	<u>0</u>	<u>210,000</u>
Property Taxes Total	\$1,390,700	\$0	\$0	\$1,390,700
<u>Franchises</u>				
Franchises	\$715,000	\$0	\$0	\$715,000
Pavement Improvement Fees	<u>120,000</u>	<u>0</u>	<u>0</u>	<u>120,000</u>
Franchises Total	\$835,000	\$0	\$0	\$835,000
<u>Sales and Use Tax</u>				
Sales Tax - SBE	\$5,440,500	\$0	\$0	\$5,440,500
Sales Tax - In Lieu	1,166,500	0	0	1,166,500
Sales Tax - Proposition 172	<u>65,000</u>	<u>0</u>	<u>0</u>	<u>65,000</u>
Sales and Use Tax Total	\$6,672,000	\$0	\$0	\$6,672,000
<u>Other Taxes</u>				
Transient Occupancy Tax	\$220,000	\$0	\$220,000	\$0
Property Transfer Tax	40,000	0	0	40,000
Business Licenses	<u>398,200</u>	<u>0</u>	<u>0</u>	<u>398,200</u>
Other Taxes Total	\$658,200	\$0	\$220,000	\$438,200
Taxes and Assessments Total	\$9,555,900	\$0	\$220,000	\$9,335,900
<u>Licenses and Permits</u>				
Animal Licenses	\$25,000	\$0	\$0	\$25,000
Public Works - Miscellaneous Permits	9,000	9,000	0	0
Building Permits	336,000	336,000	0	0
Fire Plan Check	34,600	34,600	0	0
Fire Permits - Annual	43,000	0	0	43,000
Miscellaneous Permits	<u>500</u>	<u>0</u>	<u>500</u>	<u>0</u>
Licenses and Permits Total	\$448,100	\$379,600	\$500	\$68,000
<u>Fines and Forfeits</u>				
State Mandate Fee	\$1,500	\$0	\$1,500	\$0
Code Violations	1,000	1,000	0	0
Animal Code Fines	<u>3,000</u>	<u>0</u>	<u>0</u>	<u>3,000</u>
Fines and Forfeits Total	\$5,500	\$1,000	\$1,500	\$3,000
<u>Use of Money and Property</u>				
Interest	\$23,000	\$0	\$0	\$23,000
Lease Income	199,000	0	199,000	0
Facilities Rental	<u>18,000</u>	<u>0</u>	<u>18,000</u>	<u>0</u>
Use of Money and Property Total	\$240,000	\$0	\$217,000	\$23,000
<u>Intergovernmental</u>				
Federal Grants	\$9,000	\$0	\$9,000	\$0
Vehicle License Fee - In Excess	9,700	0	9,700	0
VLF - Property Tax In-Lieu	1,824,700	0	0	1,824,700
Homeowners Property Tax Relief	<u>12,000</u>	<u>0</u>	<u>12,000</u>	<u>0</u>
Intergovernmental Total	\$1,855,400	\$0	\$30,700	\$1,824,700

Table B-3 (page 2 of 2)
General Fund Recurring Revenues
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Revenue Category	Adopted FY 2015/2016 Revenue	Orchard Heights Development Annexation		
		Annual Processing Fees/Permits ¹	Not Projected ²	Projected Recurring Revenue ³
Charges for Services				
General Plan Update	\$33,000	\$0	\$33,000	\$0
VA Fire Services	190,800	0	190,800	0
CSA 38 Fire Services	13,000	0	13,000	0
Planning Fees	87,200	87,200	0	0
Environmental Impact Fees	5,000	5,000	0	0
Sale of Maps & Publications	100	0	0	100
Project Plans/Specific Plans	500	500	0	0
Engineering Inspection	24,700	24,700	0	0
Engineering Plan Check	25,200	25,200	0	0
Towing Fees	3,000	0	0	3,000
Weed Abatement	25,000	0	0	25,000
Refuse Recycling Revenue	100	0	0	100
Household Hazard Waste	32,500	0	0	32,500
Recycling Service Charges	52,600	0	0	52,600
Refuse Collection	741,400	0	0	741,400
Refuse - Pass Through	159,300	0	0	159,300
LL Disposal Direct Collections	133,800	0	0	133,800
EMS - Membership	19,100	0	0	19,100
EMS Response Fee	97,400	0	0	97,400
Miscellaneous Services	4,000	0	0	4,000
Charges for Services Total	\$1,647,700	\$142,600	\$236,800	\$1,268,300
Other Revenue				
Refunds/Reimbursements	\$13,000	\$0	\$0	\$13,000
Miscellaneous Revenue	20,000	0	0	20,000
Donations	300	0	300	0
Cash Over or Short	100	0	100	0
Damage Claim Recovery	5,000	0	0	5,000
Overhead - M & O	1,810,200	0	0	1,810,200
Overhead - Capital	112,100	0	112,100	0
Other Revenue Total	\$1,960,700	\$0	\$112,500	\$1,848,200
Transfers In				
Traffic Safety Fund	\$120,000	\$0	\$0	\$120,000
Gas Tax Fund	505,700	0	0	505,700
Citizens' Option Public Safety (COPS)	83,000	0	0	83,000
Transfers In Total	\$708,700	\$0	\$0	\$708,700
TOTAL GENERAL FUND OPERATING REVENUES	\$16,422,000	\$523,200	\$862,000	\$15,036,800

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, 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 2015-2016 Adopted Budget*
City of Loma Linda, Finance Department

Table B-4
Current Tax Rate Area (TRA) Allocations
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda

Agency Code	Agency ¹	TRA 104073	TRA 104100	Weighted Average ²
AB01 GA01	San Bernardino County General Fund	0.15531525	0.15482052	0.15505799
AB02 GA01	Educational Revenue Augmentation Fund (ERAF)	0.23519720	0.23444772	0.23480747
BF03 GA01	Flood Control Zone 3	0.02718768	0.02710240	0.02714333
BF08 GA01	Flood Control District, Administration, Zones 3-6	0.00093893	0.00093623	0.00093753
BL01 GA01	San Bernardino County Free Library	0.01504050	0.01499019	0.01501434
BS01 GA01	County Superintendent of Schools, Countywide	0.00532964	0.00531252	0.00532074
BS01 GA03	County Superintendent of Schools, Physically Handicapped	0.00209641	0.00209036	0.00209326
BS01 GA05	County Superintendent of Schools, Development Center	0.00054952	0.00054799	0.00054872
SC54 GA01	San Bernardino Community College	0.05458819	0.05441154	0.05449633
SU48 GA01	Redlands Unified School District	0.32087916	0.31987572	0.32035737
UF01 GA01	San Bernardino County Fire Protect District - Valley Service Area	0.12624374	0.12584842	0.12603817
UF01 GA05	San Bernardino County Fire Protect District - SBCFPD-ADMIN	0.02788616	0.02779762	0.02784012
WR04 GL01	Inland Empire Joint Resource Conservation District	0.00034872	0.00202692	0.00122138
WT01 GL01	San Bernardino Valley Water Conservation District	0.00030765	0.00178788	0.00107737
WU23 GA01	San Bernardino Valley Municipal Water	<u>0.02809125</u>	<u>0.02800397</u>	<u>0.02804586</u>
	Total	1.00000000	1.00000000	1.00000000
	Current Valuation of Project Parcels	\$6,627,776	\$7,272,786	\$13,900,562
	<i>Share of Total Valuation</i>	48%	52%	100%

Note: 1. The property tax allocations affected by the annexation are shown in bold print.
2. The weighted average is based on the TRA share of the total valuation of about \$13.9 million for both TRAs, or for each allocation 48 percent is for TRA 104073 and 52 percent is for TRA 104100.

Sources: Stanley R. Hoffman Associates, Inc.
San Bernardino County Auditor-Controller, Property Tax Division, 11/05/15

Table B-5
Tax Rate Area (TRA) Allocations upon Annexation
Orchard Heights Development Annexation 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	0.1551		0.1732	0.1357
San Bernardino County Fire Protect District - Valley Service Area		0.1260		
San Bernardino County Fire Protect District - SBCFPD-ADMIN		<u>0.0278</u>		
Total	0.1551	0.1538	0.1732	0.1357

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 Loma Linda 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, or 0.1538. The formula for the City upon annexation is: 0.1538 - ((0.1538-0.1175)/2). Therefore, 0.1357 of the one percent levy will be transferred to the City General Fund upon annexation. The formula for the County upon annexation is: 0.1551 + ((0.1538-0.1175)/2). Therefore, the County General Fund will receive 0.1732 of the basic one percent levy upon annexation.

Sources: Stanley R. Hoffman Associates, Inc.
San Bernardino County Auditor-Controller, Property Tax Division, 11/06/15
San Bernardino County Local Agency Formation Commission (LAFCO)

Table B-6
Estimated Vehicle License Fees (VLF) - Property Tax In Lieu Factor
Orchard Heights Development Annexation Area Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Category	Fiscal Year		Change
	2004-2005	2015-2016	
A. Nominal Dollars			
VLF - Property Tax In Lieu	\$1,191,535	\$1,824,700	\$633,165
Assessed Valuation (AV)	\$1,145,639,299	\$1,794,950,892	\$649,311,593
B. Percent Change in Consumer Price Index (January 2016 over January 2005)	195.40	247.16	1.26
C. Constant 2014 Dollars			
VLF - Property Tax In Lieu	\$1,501,334	\$1,824,700	\$323,366
Assessed Valuation (AV)	\$1,443,505,517	\$1,794,950,892	\$351,445,375
VLF Increase divided by AV			0.000920
VLF Increase per \$1,000,000 increase in AV			\$920

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 2015-2016 Adopted Budget*
San Bernardino County, Office of Assessor, *2015 Assessment Roll*
Bureau of Labor Statistics (BLS), *Consumer Price Index-All Urban Customers, Los Angeles-Riverside-Orange County, CA, Annual CPI, November 2015*

Table B-7
Estimated Annual Residential Turnover
Orchard Heights Development 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	8,637	
Moved in 2010 or later	3,288	
Moved in 2000 to 2009	<u>3,782</u>	
Total Moved 2000 to 2014	7,070	
Annual Turnover Rate: 2000 to 2014 ¹	505	6%

Note: 1. The annual turnover rate is based on the assumption of fourteen years for the 2000 to 2014 period.

Sources: Stanley R. Hoffman Associates, Inc.
U.S. Census Bureau, *2010-2014 American Community Survey (ACS) 5-Year Estimates, Tenure by Year Householder Moved Into Unit, Report DP04*

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

City of Loma Linda	Amount
<u>Use Tax</u>	
County Pool	\$721,612
State Pool	<u>4,511</u>
Total Use Tax	\$726,123
	<i>divided by</i>
<u>Point-of-Sale</u>	\$6,279,529
	<i>equals</i>
Use Tax Rate	11.6%

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 2015*

Table B-9
General Fund Net Community Development and Public Works Cost Factors
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 Dollars)

Category	Amount
A. COMMUNITY DEVELOPMENT	
<u>Community Development Costs</u>	\$777,200
	<i>minus</i>
<u>One-Time Processing Fees/Permits</u>	
Building Permits	\$336,000
Fire Plan Check	34,600
Code Violations	1,000
Planning Fees	87,200
Environmental Impact	5,000
Project Plans/Specific Plans	<u>500</u>
Total One-Time Revenues	\$464,300
	<i>equals</i>
<u>Recurring Net Community Development Costs</u>	\$312,900
	<i>divided by</i>
Service Population ¹	34,886
	<i>equals</i>
<u>Citywide Net Cost Factor per Service Population for Community Development</u>	\$8.97
B. OTHER PUBLIC WORKS ²	
<u>Other Public Works Costs</u>	
Traffic Safety	\$116,100
Engineering	\$192,700
Facilities Maintenance	<u>\$307,000</u>
Total Costs	\$615,800
	<i>minus</i>
<u>One-Time Processing Fees/Permits</u>	
Public Works - Miscellaneous Permits	\$9,000
Engineering Inspection	\$24,700
Engineering Plan Check	<u>25,200</u>
Total One-Time Revenues	\$58,900
	<i>equals</i>
<u>Recurring Net Other Public Works Costs</u>	\$556,900
	<i>divided by</i>
Service Population ¹	34,886
	<i>equals</i>
<u>Citywide Net Cost Factor per Service Population for Other Public Works</u>	\$15.96

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 2015-2016 Adopted Budget*

Table B-10
Estimated Annual Street Maintenance Cost Factor
Orchard Heights Development Annexation Plan for Service and Fiscal Analysis
City of Loma Linda
(In Constant 2016 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
Lorena Matarrita, Associate Planner, 909.799.2830
Guillermo Arreola, former Senior Planner

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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