

**LOCAL AGENCY FORMATION COMMISSION
COUNTY OF SAN BERNARDINO**

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DATE: AUGUST 11 2006

FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer

TO: LOCAL AGENCY FORMATION COMMISSION

**SUBJECT: SUPPLEMENTAL STAFF REPORT FOR AGENDA ITEM #10 – LAFCO
3048 – REORGANIZATION TO INCLUDE CITY OF FONTANA
ANNEXATION NO. 168 (28 ISLANDS)**

RECOMMENDATION:

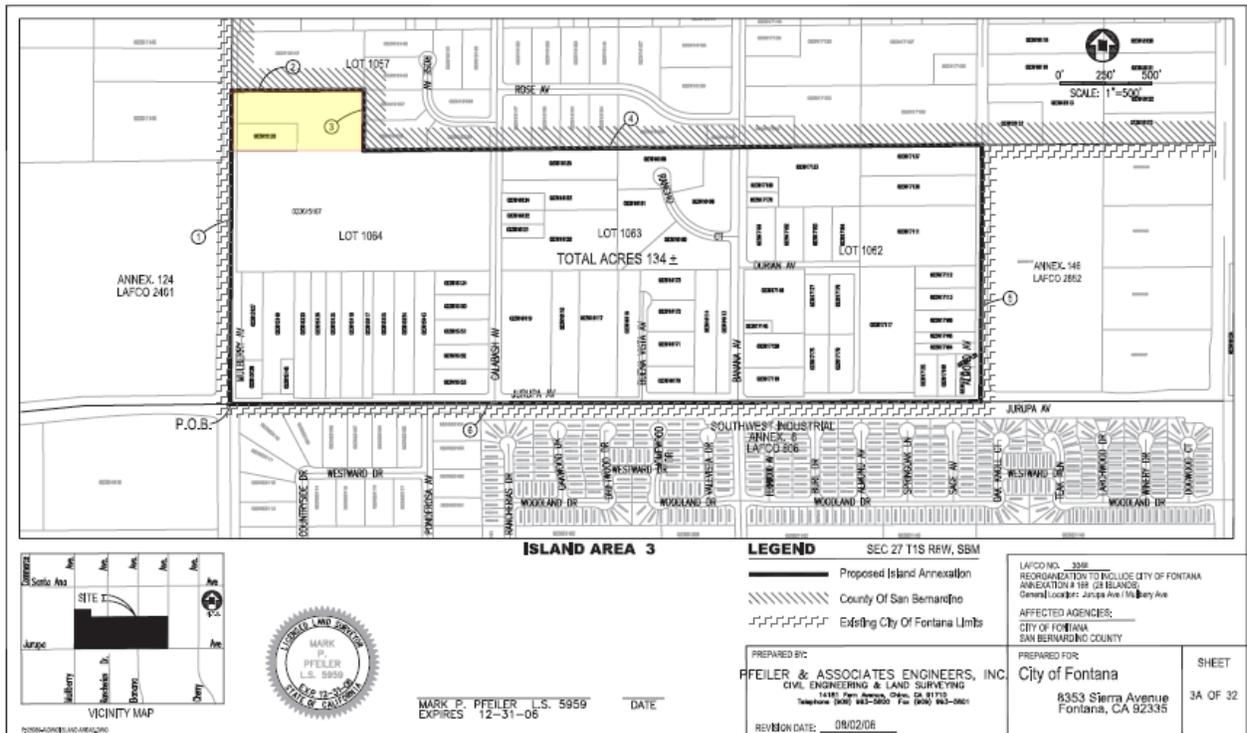
The staff recommends that the Commission approve LAFCO 3048 by taking the following actions:

1. Modify LAFCO 3048 to:
 - a. Exclude Island #3 from consideration under LAFCO 3048,
 - b. Establish Island #3 as a separate proposal for further consideration to be known as LAFCO 3048B; and,
 - c. Continue consideration of LAFCO 3048B to the September 20, 2006, Commission hearing;
2. Adopt the Statutory Exemption that has been recommended for this proposal, and direct the Clerk to file a Notice of Exemption within five (5) days of this action;
3. Approve LAFCO 3048 – Reorganization to include City of Fontana Annexation No. 168, as modified to include 27 areas, as island annexations making the required determinations pursuant to the provisions of Government Code Section 56375.3, with the following conditions:
 - a. That the City of Fontana's 5% Utility Users Tax on commercial properties will not be extended to the annexation areas;

- b. All streetlights currently the responsibility of County Service Area SL-1 within the annexation areas shall be transferred to the City of Fontana upon successful completion of the annexation. The County Special Districts Department shall prepare the appropriate documentation to transfer the lights, LAFCO staff shall verify the data, and the City of Fontana shall sign the authorization form requesting Southern California Edison to transfer the specific lights to the City of Fontana accounts; and,
 - c. The standard terms and conditions of approval that include the “hold harmless” clause for potential litigation.
4. Waive the protest proceedings, as required by Government Code Section 56375.3; and,
 5. Adopt LAFCO Resolution #2932 setting forth the Commission’s findings and determinations concerning this proposal.

BACKGROUND:

The staff report for LAFCO 3048 identified the need to modify Island #3 within the Cherry Avenue region to include additional territory in order to alleviate a split of an existing parcel. The proposed modification to Island #3 is shown below:



Following the publication of the Staff Report for the hearing, staff was contacted by representatives for the owners of the split parcel, Assessor Parcel Number 0236-151-67, Fedex Freight West Inc. Staff had proposed the expansion of Island #3 in the original staff report to clarify the boundary and remove the divided parcel. Fedex Freight West Inc. has requested that Island #3 be removed from the current consideration and continued to allow for further discussions with City and LAFCO staffs. These discussions have been identified to include, but not be limited to, the annexation's implications upon the existing Fedex Freight West Inc. Conditional Use Permit in process with the County.

Staff has reviewed this request with the City of Fontana staff, City Manager, Ken Hunt, and Deputy City Manager, Debby Brazill, who have concurred with the request to modify LAFCO 3048 to exclude Island #3, the creation of LAFCO 3048B as a separate proposal, and the one-month continuance.

Therefore, staff is recommending that LAFCO 3048 be modified to exclude the consideration of Island #3, that Island #3 be designated as LAFCO 3048B for further review and consideration, and continued to the September 20, 2006, hearing. This will still allow sufficient time to meet the existing statutory sunset for Island Annexation provisions requiring completion of the proposal prior to December 31, 2006.

KRM