

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

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**DATE: AUGUST 7, 2006**

**FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer**

**TO: LOCAL AGENCY FORMATION COMMISSION**

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**SUBJECT: AGENDA ITEM #13 – REQUEST FOR WAIVER OF FEES FOR LAFCO  
3067 – REORGANIZATION TO INCLUDE CITY OF SAN  
BERNARDINO ANNEXATION NO. 361 (SIX ISLANDS)**

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**RECOMMENDATION:**

Deny request for waiver of annexation fee as requested by the City of San Bernardino.

**BACKGROUND:**

Attached for Commission review and consideration is a request from the City of San Bernardino to “waive the annexation fees” for the island annexations submitted by the City as required by the Commission (Attachment #1). The City Council of the City of San Bernardino initiated, on July 10, 2006, the annexation of six (6) of the 13 islands discussed in connection with the consideration of the Arrowhead Springs area annexation/sphere applications (LAFCO 3050 and 3053, respectively).

According to the existing Commission Fee Schedule, the City would be charged a deposit of \$2,000 per substantially surrounded island or a total of \$12,000 for LAFCO 3067. The City has submitted payment of this charge in order to allow for processing of the application; however, they have requested a waiver of the fees they have paid. Pursuant to Commission policy, the Executive Officer is charged with presenting the request at the next regular hearing for Commission consideration.

In reviewing this request, two important points need to be made:

1. By Policy #18 of the Commission’s Policies and Procedures, an automatic waiver of the LAFCO Filing Fee has already been made (copy included as Attachment #2). An excerpt from Policy 18 reads as follows:

...

1. Automatic Waivers

The LAFCO filing fee for the following types of proposals will be automatically waived provided, however, that deposit will be required for the anticipated direct costs for environmental review and the required registered voter and landowner notification. Compliance with these conditions is to be determined by the LAFCO Executive Officer.

- a. City annexations of island areas that comply with Government Code Section 56375.3.

...

2. The Commission's Fee Schedule, adopted in May 2006, and effective June 1, 2006, identifies deposits for island annexation against which direct costs for processing are charged. This is a continuation of the Commission's support for annexation of unincorporated islands to their respective cities through the automatic waiver of LAFCO Annexation fees. The current standard LAFCO Annexation Fee is \$4,250 per area which would have required a payment by the City of \$25,500 in LAFCO Annexation Fees alone.

As a deposit, charges will be applied against the revenues received and the balance, if any, refunded at the end of the process following a full accounting of costs. Therefore, the implementation of the Commission's existing Fee Schedule with the payment of the \$12,000 as a deposit against direct costs complies with the City's request in its letter of July 12, 2006.

LAFCO staff reviewed these two items with City staff members indicating that existing policies would comply with the City's overall request. City staff, however, indicated that they wished to proceed with the consideration of the waiver request as presented. Therefore, LAFCO staff has published this matter for consideration as required by Commission policy.

The staff recommends that the Commission deny the City's request on the basis that implementation of the existing fee schedule and policies of the Commission automatically waives the LAFCO Annexation fees and the existing procedures for utilizing the deposit for direct costs will fulfill the City's request for payment of actual costs only.

KRM

Attachments:

- 1 – Letter from Mayor Patrick Morris Requesting Waiver Dated July 12, 2006 with a Copy of the Application for LAFCO 3067
- 2 – LAFCO Policy #18 – Waiver Provisions and Excerpt from LAFCO Fee Schedule