

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

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DATE: FEBRUARY 3, 2006

FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
SAMUEL MARTINEZ, LAFCO Analyst

TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: **Agenda Item #5:** LAFCO 2990 – City of Redlands Annexation No. 83 (As Expanded)

INITIATED BY:

City Council Resolution, City of Redlands

RECOMMENDATION:

The staff recommends that the Commission take the following actions related to the expanded proposal:

1. With respect to environmental review:
 - a) Certify that the Commission, its staff and its Environmental Consultant have independently reviewed and considered the City's environmental assessment and Mitigated Negative Declaration for the original annexation area, including the Addendum prepared by LAFCO's Environmental Consultant, Tom Dodson and Associates, and the City's environmental assessment and Negative Declaration for the expanded area;
 - b) Determine that the City's environmental assessment and Mitigated Negative Declaration for the original proposal area, the Addendum prepared by the Commission's Environmental Consultant, and the additional environmental assessment and Negative Declaration prepared by the City for the expanded area, taken together, are adequate for the Commission's use as a CEQA responsible agency for its consideration of LAFCO 2990 as expanded;

- c) Determine that the Commission does not intend to adopt alternatives or mitigation measures for the project as modified; that the mitigation measures identified in the City's environmental documents are the responsibility of the City and others, not the Commission;
 - d) Adopt the Addendum as presented by the Commission's Environmental Consultant, Tom Dodson and Associates, and related De Minimus Impact Finding Statement that addresses the environmental assessment for the additional acreage of the right-of-way area; and
 - e) Direct the Clerk to file the Notices of Determination within five (5) days; find that no further Department of Fish and Game filing fees are required for the Commission's approval since the City, as lead agency, has paid said fees for its environmental determinations; and direct the Clerk to file a Certificate of Fee Exemption for the Addendum prepared by the Commission's Environmental Consultant.
2. Approve LAFCO 2990 – City of Redlands Annexation No. 83, as expanded, with the following conditions:
- a) Completion of LAFCO 2990 shall be held in abeyance, for a period not to exceed six months, to allow for the signing of the agreement between the City of Redlands and the County of San Bernardino for the continued provision of fire protection/paramedic services to the site from County Service Area 38's Station #9. Failure to submit the signed agreement within the time period specified will terminate LAFCO 2990;
 - b) The standard terms and conditions of approval that include the "hold harmless clause for potential litigation, continuation of fees, charges, assessments, etc.; and,
3. Adopt LAFCO Resolution #2900, setting forth the Commission's findings, determinations, and conditions of approval concerning this proposal.

BACKGROUND:

This is a continued hearing for LAFCO 2990, a proposal originally initiated by City Council resolution as an annexation of approximately 6.42 +/- acres. In its original form, the proposal was in response to the proposed development of a religious institution that required water service from the City of Redlands in order to be constructed. The original area of the application was west of Amethyst Street (existing City of Redlands boundaries), north of Mentone Blvd., and east and south of parcel boundaries.

The Commission will recall that this proposal was originally considered at the October 19, 2005 hearing, at which time two primary concerns were expressed:

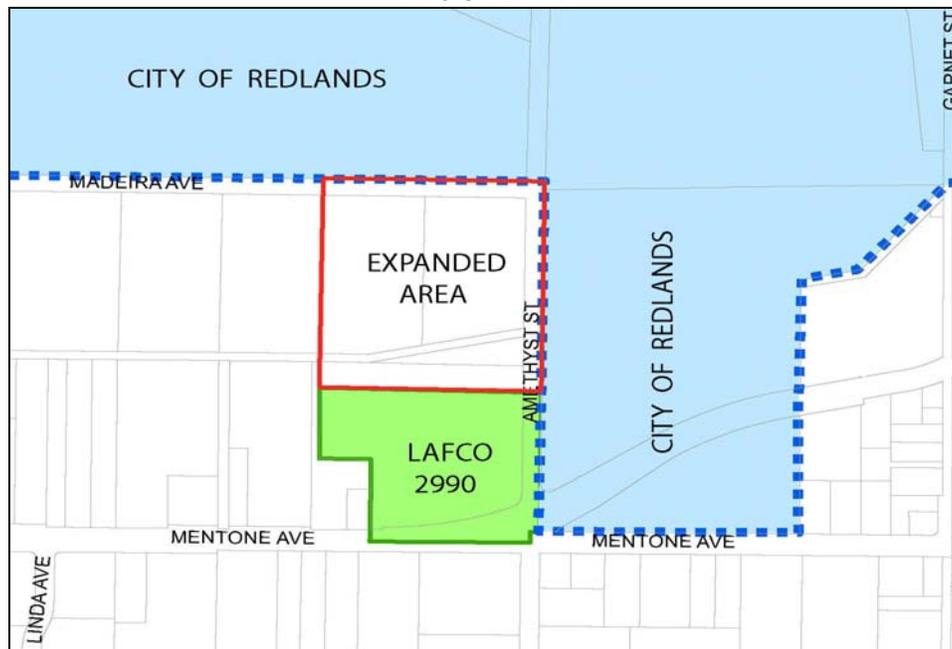
1. The boundaries as presented created a peninsula of unincorporated territory to the north of the site; and,

2. The provision of site-specific services, i.e., fire protection and law enforcement, due to proximity to existing County service providers (County Service Area 38 Station #9 and County Sheriff patrol) did not appear to be more readily available from the City of Redlands.

At the November 16th hearing, the Commission expanded the consideration of LAFCO 2990 to include the four parcels northerly of the original annexation boundary (see expansion area on Figure #1). This expansion reflects the Commission’s response to State law and its directives to address the most logical and efficient service boundary and to eliminate the creation of peninsulas of unincorporated territory. The Commission continued the item for discussion to the January hearing to allow LAFCO staff to advertise and notice the expansion in the annexation boundary and to give the City of Redlands the opportunity to pre-zone and prepare a Plan for Service for the expanded area.

However, prior to the hearing in January, representatives from both the County and the City of Redlands requested that the item be continued to the February hearing pending the finalization of negotiations between the two agencies on an agreement for the delivery of services (specifically for fire protection and law enforcement) to the area.

FIGURE #1



The staff report, dated October 11, 2005 (included as a part of Attachment #5 to this report), provides all the background information regarding the original annexation proposal, which also includes the discussion on boundary issues, the environmental considerations as well as some of the findings related to the original proposal. The following provides the staff’s response on to the issues for the modified proposal.

BOUNDARIES:

The original annexation area of 6.42 +/- acres has been expanded by approximately 14.14 +/- acres, bringing the total annexation area to 20.56 +/- acres. The entire annexation area is within the City of Redlands eastern sphere of influence, within the community of Mentone, and is now contiguous to existing City boundaries along its eastern and northern boundary. The expanded annexation area is generally bordered by Madeira Avenue on the north and Amethyst Street on the east (both existing City of Redlands boundaries), parcel lines and Mentone Boulevard on the south, and parcel lines on the west. Location and vicinity maps of the expanded annexation area are included as Attachment #1 to this report. The expansion of the proposal has responded to previous concerns related to boundary conflicts within the peninsula area.

LAND USE:

The expansion area includes four (4) parcels -- two parcels are developed with single-family residences and two parcels are vacant lands. The original annexation included a single parcel and the Caltrans Right-of-Way associated with Mentone Blvd. The expanded annexation is surrounded by: vacant land to the north and east (within the City of Redlands), a combination of vacant land and single-family residential uses to the south, and vacant land to the west.

The current County land use designations for the modified annexation proposal area are: R-S (Single-Family Residential, with a minimum lot size of 7,200 square feet) for approximately 10.5 acres, which includes the northern three parcels of the expansion area, and 7MRM (Multi-Family Residential) for approximately 8 +/- acres, including the original annexation area and the southerly parcel of the expansion area. The balance of the acreage, approximately 2 acres, is included in the roadways for Amethyst Avenue, Madeira Avenue and Mentone Blvd. The City's General Plan land use designation for the expanded annexation area is: Low Density Residential (single-family residential, 0 – 6 dwelling units per acre). The land use designations between the City and the County are generally compatible.

The City of Redlands has assigned the modified annexation area a pre-zone land use designation of R-1 (single-family residential, 7,200 sq. ft. minimum lot sizes). A Conditional Use Permit has been approved by the City of Redlands for the construction of a 16,030 sq. ft. religious institution on 4.89 acres of the original annexation area. This land use designation is consistent with the City's General Plan designation for the area and is also consistent with surrounding land uses. Both the pre-zoning actions and the approval of the Conditional Use Permit for development of the Church will become effective upon completion of this annexation.

SERVICES:

The City of Redlands has submitted plans for the extension of municipal services for this proposal as required by law and Commission Policy, which includes a Plan for Services for Zone Change No. 424 (expansion area), and a Plan for Services for Zone No. 402 (original area). Both documents are included as Attachment #3 to this report. In general, the Plans, taken together, identifies the following:

- Fire protection is currently provided by County Service Area 38 through the San Bernardino County Consolidated Fire Agency and would be replaced by the City of Redlands upon annexation. The City indicates that its Fire Department has sufficient personnel and equipment to adequately serve the project area. However, ongoing fire response is anticipated to be provided through an existing City and County mutual aid and joint response agreement since the existing County fire station, Station No. 9, is located approximately one (1) mile from the site.

Paramedic services are currently funded within the City through a special paramedic tax assessment. Upon annexation, the two developed parcels with existing single-family residences will be subject to this assessment, which is approximately \$39.70 per year, and upon completion of its construction, the Church will be subject to a charge of \$119.20 per year based upon its square footage.

Representatives of the City of Redlands and the County Administrative Office have been meeting to negotiate a service agreement for ongoing fire and paramedic response to the annexation area. These discussions have centered on the Commission's concern related to response times for fire/paramedic service.

On January 30th, LAFCO staff participated in a meeting to discuss this service agreement. Concepts that were agreed to by the City and County staff were: (1) an automatic aid agreement between the City and County would be prepared to memorialize prior verbal commitments for service; (2) the existing four proposals for annexation to the City of Redlands, LAFCOs 2989, 2990, 3028 and 3030, will move forward under these provisions; and (3) future negotiations will take place regarding future financial commitments for the provision of these services and a threshold determination at which time service obligations would transition to the City of Redlands. Attached to this report is a joint letter from the City of Redlands City Manager and the County Administrative Office outlining the position (Attachment #2).

Staff is recommending that the Commission condition the approval of this proposal on the signing of the agreement as outlined by the concept letter submitted. Thus, if the Commission approves LAFCO 2990 (as expanded), a condition will be included to indicate that the completion of LAFCO 2990 shall be held in abeyance, for a period not to exceed six months, pending the submission of a signed agreement from the respective governing bodies.

- Law enforcement responsibilities will shift from the San Bernardino County Sheriff's Department to the City of Redlands. The City indicates that its Police Department has sufficient personnel and equipment to adequately serve the project area. Materials included in the November 8th staff report outline that the response times between the County Sheriff and City Police Department are comparable. The City and County representatives discussed the transfer of law enforcement services in this annexation and

the others currently in process. The consensus agreement was that response times are generally equal between the two agencies and that a mutual aid arrangement exists to provide for overlap coverage. Therefore, no agreements regarding this service were identified to be needed.

- Sewage collection services will not be extended to the modified annexation area. Though the area would be within the City's wastewater service area, as such is defined in the City's sewer master plan, the existing sewer infrastructure is approximately one (1) mile away. No new development is anticipated on the four parcels within the expansion area.
- Water service is currently being provided by the City of Redlands to the two parcels with existing residences within the expansion area and this service will continue upon annexation. Water service rates will be reduced to in-city rates. Water service will be extended to the proposed development of the religious facility.
- Solid waste services are currently provided to the developed parcels within the expanded proposal area from Inland Valley Disposal of Yucaipa. These property owners will have five years in which to transition their service to the City of Redlands. The religious institution proposed for developed within the original annexation area will receive its solid waste disposal services from the City of Redlands which operates its own landfill along California Street.
- Upon annexation, the parcels will also have an additional special tax assessment of 0.0135 percent of the assessed valuation of the property to fund the City's Measure "O" debt service. This bond measure was passed in 1987 to fund the purchase of land for parks, recreation, citrus preservation, and open space within the City.

As required by Commission policy and State law, the Plans for Service (original and expansion area) submitted by the City of Redlands show that the extension of its services will maintain, and/or exceed, current service levels provided through the County. The City has provided an outline of the Cost-Benefit ratio for the annexation area showing that future revenues will exceed anticipated expenses.

ENVIRONMENTAL:

The City has prepared a subsequent environmental assessment for the pre-zoning (Zone Change No. 424) for the expansion area (copy included as a part of Attachment #4). The City Council approved the pre-zoning of the four additional parcels on January 17, 2006. The Commission's Environmental Consultant, Tom Dodson of Tom Dodson and Associates, has indicated that the original and subsequent environmental assessments prepared by the City would be adequate for the Commission's use in its consideration to address the environmental consequences for the expanded proposal. Mr. Dodson has prepared an Addendum to the City's original environmental assessment to address the annexation of the Caltrans right-of-way. These documents are included as a part of Attachment #4 to this report.

If the Commission approves LAFCO 2990 as expanded, Mr. Dodson has indicated that the City's environmental documents and the Addendum he has prepared, taken together, are adequate for Commission's use as a responsible agency under CEQA and that the following actions be taken by the Commission to fulfill its obligations under CEQA:

- a) Certify that the Commission has reviewed and considered the City's environmental assessment and Mitigated Negative Declaration for the original annexation area, the Addendum prepared by LAFCO's Environmental Consultant, Tom Dodson and Associates, and the City's environmental assessment and Negative Declaration for the expanded area;
- b) Determine that the City's environmental assessment and Mitigated Negative Declaration for the original proposal and the subsequent environmental assessment and Negative Declaration by the City for the expanded area, taken together, are adequate for the Commission's use as a CEQA responsible agency for its consideration of LAFCO 2990 as expanded;
- c) Determine that the Commission does not intend to adopt alternatives or mitigation measures for the project; that the mitigation measures identified in the City's environmental documents are the responsibility of the City and others, not the Commission;
- d) Adopt the Addendum as presented by the Commission's Environmental Consultant, Tom Dodson and Associates, and related De Minimus Impact Finding Statement that addresses the environmental assessment for the additional acreage of the right-of-way area; and
- e) Direct the Clerk to file the Notices of Determination within five (5) days; find that no further Department of Fish and Game filing fees are required for the Commission's approval since the City, as lead agency, has paid said fees for its environmental determinations; and direct the Clerk to file a Certificate of Fee Exemption for the Addendum prepared by the Commission's Environmental Consultant.

FINDINGS:

The following findings relate to the annexation area, as expanded, which are required to be provided by Commission policy and Government Code Section 56668 for any change of organization/reorganization proposal:

1. The Registrar of Voters Office has certified that the revised annexation area is legally uninhabited, containing three (3) registered voters as of December 28, 2005.
2. The revised annexation area is within the sphere of influence assigned for the City of Redlands within the community of Mentone.

3. The County Assessor has determined that the total assessed value of land and improvements within the revised annexation area is \$361,363 (land - \$222,542; improvements - \$138,821).
4. The Commission review of the proposal and the expanded consideration have been advertised in *The Sun* and the *Redlands Daily Facts*, newspapers of general circulation within the study area. Individual notice has been provided to affected and interested agencies, County departments, and those individuals and agencies having requested such notification.
5. LAFCO staff has provided individual notices to landowners within the annexation area (totaling 8 notices), and to landowners and registered voters surrounding the study area (totaling 235 notices) in accordance with State law and adopted Commission policies.

To date, 29 letters of protest have been received to the notice provided regarding the consideration of this proposal. Seven (7) letters were received when the information was first circulated and another 22 letters were received at the November 16th hearing in opposition to this annexation. The narrative discussion on pages 3 and 4 of the October 11th staff report attached identifies the two main areas of concern related to a piecemeal approach to annexation and the requirements of Measure U. Staff's response to these concerns indicates that the requirements of Measure U require the annexation in order for the Church development to receive water service; and the expansion of the proposal addresses staff's concern regarding the creation of the peninsula to the north.

6. The City of Redlands has pre-zoned the expanded study area R-1 (single-family residential, 7,200 sq. ft. minimum lot sizes). This zoning designation conforms to the adopted General Plan for the City of Redlands and is consistent with surrounding land uses. Pursuant to the provisions of Government Code Section 56375(e), this zoning designation shall remain in effect for two years following annexation unless specific actions are taken by the City Council.
7. The Commission's environmental consultant, Tom Dodson and Associates, has reviewed the City of Redlands' Initial Study and Mitigated Negative Declaration for the annexation (Annexation No. 83), pre-zoning (Zone Change No. 402), and Conditional Use Permit 818 for the proposed construction of a 16,030 sq. ft. religious institution on 6.49+/- acres. Due to the additional acreage included in the annexation proposal identified as a result of staff review, Mr. Dodson prepared an Addendum to the City's environmental assessment to address the right-of-way area that is a part of the original proposal. Mr. Dodson has also reviewed the City's subsequent Initial Study and Negative Declaration for the pre-zoning (Zone Change No. 424) of the four additional parcels. Mr. Dodson has determined that, if the Commission approves the proposal as expanded, the original Initial Study and Mitigated Negative Declaration, the Addendum and the City's subsequent Initial Study and Negative Declaration, taken together, are adequate for the Commission's review of the revised annexation area as a responsible agency. A copy of the environmental assessment for Zone Change

No. 424 and Zone Change No. 402 and the Addendum prepared by Mr. Dodson are included as Attachment #4 to this report.

8. The area in question is presently served by the following local agencies:

County of San Bernardino
San Bernardino Valley Municipal Water District
Inland Empire Resource Conservation District
San Bernardino Valley Water Conservation District
County Service Area 70 Improvement Zone P-7 (inactive park and recreation district within the Mentone community)
County Service Area 38 (fire protection)
County Service Area 70 (multi-function unincorporated area Countywide)

Detachment of County Service Area 70, County Service Area 38, and Improvement Zone P-7 of County Service Area 70 will automatically occur upon successful completion of this proposal pursuant to the provisions of Government Code Section 25210.90. None of the other agencies are affected by this proposal as they are regional in nature.

9. The City of Redlands has submitted a plan for the extension of municipal services to the original study area and the expanded annexation area, as required by law. These plans are included as a part of Attachment #3 to this report and indicate that the City can maintain and/or improve the level and range of services currently available in the area.
10. The revised annexation proposal complies with Commission policies that indicate the preference for areas proposed for development at an urban-level land use to be included within a City so that the full range of municipal services can be planned, funded, extended and maintained. In addition, the expansion of the annexation proposal, to include the four parcels north of the original annexation area, complies with the Commission's directives of addressing the most logical and efficient service boundary and State laws prohibiting the creation of peninsulas of unincorporated territory.
11. The revised annexation area can benefit from the availability and extension of municipal services from the City of Redlands.
12. This proposal will assist in the City's ability to achieve its fair share of the regional housing needs as the revised annexation area is zoned for residential development.
13. The County of San Bernardino and the City of Redlands have successfully negotiated a transfer of property tax revenues that will be implemented upon completion of this annexation, as originally submitted. This fulfills the requirements of Section 99 of the Revenue and Taxation Code. If the expanded proposal is approved by the Commission, a renegotiation of this property tax distribution would need to be requested by one of the parties and completed within the timeframe outlined in Section 99 of the Revenue and Taxation Code.

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

CONCLUSION:

The original annexation was submitted in response to a proposed development of a Church within the original annexation area. In order for the proposed development to proceed, it requires receipt of water service from the City of Redlands. Pursuant to the requirements of Measure U, adopted by the voters of the City of Redlands, the Church could only receive water service through annexation due to its contiguity to existing City boundaries.

At the November 16th hearing, it was the staff’s recommendation that the Commission expand the proposal to include the four (4) parcels to the north of the annexation area. This expansion was to address the most logical and efficient service boundary by eliminating the creation of a peninsula of unincorporated territory to the north and “squaring-off” the annexation proposal.

If the Commission approves LAFCO 2990, as expanded, the annexation will require a protest proceeding since it will no longer possess 100% landowner consent. In this case, the expanded proposal has been determined to be uninhabited as defined by Government Code Section 56046. Therefore, the proposal can only be terminated if protest is received from landowners who own 50 percent or more of the assessed value of land.

As indicated at the November 16th hearing, a letter (with a survey form and maps) was sent out to the three identified property owners within the expansion area. The letter requested their opinion regarding annexation of their parcel(s). LAFCO received responses from two of the three property owners. The following is a breakdown of support for annexation and the valuation, based on 2005 roll values, for the expanded annexation proposal.

Assessor Parcel Number	Yes to Annexation	No to Annexation	Position Unknown
0298-251-05	\$4,967.00		
0298-251-06			\$6,843.00
0298-251-07		\$38,059.00	
0298-251-08			\$7,277.00
0298-251-09 (Church Parcel)	\$165,396.00		
TOTAL	\$170,363.00	\$38,059.00	\$14,120.00

As illustrated above, at least two-thirds of the assessed land value supports annexation.

In order to comply with directives of the Commission and State law, staff is recommending that the Commission approve LAFCO 2990, as expanded, to include the four (4) parcels north of the annexation area and direct the Executive Officer to

begin protest proceedings to allow the landowners to officially decide the annexation upon submission of the City/County agreement.

KRM/sm

Attachments:

1. Vicinity Maps and Annexation Area Map
2. Letter from the County of San Bernardino and the City of Redlands
3. City of Redlands' Plans for Service for the Expanded Area and Original Annexation Area
4. Response from Tom Dodson of Tom Dodson and Associates, City of Redlands' Environmental Assessment for the Pre-zoning of the Expanded Area (Pre-zone 424) and the Original Area (Pre-Zone 402) and Addendum Prepared by Tom Dodson and Associates
5. Staff Reports Dated October 11, 2005 and November 8, 2005
6. Draft Resolution No. 2900