

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

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**DATE:** JANUARY 7, 2005  
**FROM:** KATHLEEN ROLLINGS-McDONALD, Executive Officer  
**TO:** LOCAL AGENCY FORMATION COMMISSION

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**SUBJECT: AGENDA ITEM #12** – Request for Waiver or Deferment of Filing Fees Requested by Bloomington Incorporation Commission for LAFCO 2981 – Sphere of Influence Review (Reductions) for the Cities of Fontana and Rialto

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**RECOMMENDATION:**

1. Deny request for waiver or deferment of filing fees for LAFCO 2981 – Sphere of Influence Reductions for the Cities of Fontana and Rialto related to the review of an incorporation of the Bloomington Community.
2. Authorize a reduction in the required fees to address a single LAFCO Filing Fee for the City of Fontana Sphere of Influence Reductions and the City of Rialto Sphere of Influence Reduction, with a total deposit required of \$9,700.

**BACKGROUND:**

Attached for Commission review is a request from Mr. Eric Davenport, Chairperson of the Bloomington Incorporation Commission (hereinafter identified as “BIC”), for waiver or deferral of the required filing fees for a proposal to reduce the spheres of influence for the Cities of Fontana and Rialto. BIC has indicated that it is currently working on the preparation of a feasibility study for the incorporation of the Bloomington Community.

The fees which would apply to this proposal pursuant to the Commission’s adopted Fee Schedule are outlined as follows:

LAFCO Filing Fees:	
Fontana Sphere Reductions (three areas)	\$12,000
Rialto Sphere Reduction (one area)	\$ 4,000
Registrar of Voters Deposit	\$ 450

Environmental Review Deposit	\$ 750
Deposit for Newspaper Advertising in-lieu of individual notice*	<u>\$ 500</u> \$17,700

*\*Staff is assuming that BIC will be requesting that the Commission waive the individual notice requirements for this proceeding; therefore, the required advertising deposit has been included rather than the charge of \$0.50 per parcel inside and surrounding the area.*

It is important for the Commission to note that the actual costs for services provided for environmental assessment, Registrar of Voters services, and newspaper advertising in-lieu of notice are applied against the deposits identified above. If charges are less than the deposits, those amounts are refunded. If charges exceed the deposits, the proponents are billed for the additional costs.

BIC has submitted the sphere reduction application and this request for fee waiver in response to Commission policy related to consideration of an incorporation proposal (full copy included as Attachment #2), which is outlined as follows:

*“Incorporation proposals involving land within an existing city sphere of influence will not be accepted for filing. Incorporation proponents must first initiate, and the Commission must approve, a sphere of influence amendment to exclude the study area from that sphere prior to circulation of formal incorporation petitions.”*

Therefore, in order for BIC to submit its incorporation application, the territory they have identified for consideration (see map included as Attachment #3) must first be removed from the spheres of the Cities of Fontana and Rialto. While staff is sympathetic to the problems associated with fundraising for such a community venture, it cannot support a waiver of the required filing fees. In any such consideration, there are costs incurred by the Commission in processing the application through the various levels of review and the beneficiaries of that consideration should pay those costs. Otherwise, the review would become the financial obligation of the entities that are mandated to support LAFCO – the County, the 24 cities, and the 53 independent districts. In addition, an energized, organized citizenry is a requirement for success of any incorporation application.

BIC has indicated that if waiver of these fees is not approved, it would request that the fees be deferred and billed to the new City of Bloomington following its incorporation. This request assumes that the sphere of influence reduction proposals will be approved by the Commission, that the proposed incorporation will be initiated by petition of the registered voters within the community, that the incorporation Comprehensive Fiscal Analysis is funded, and that the incorporation is approved by the Commission and ultimately supported by the voters at an election. Denial at any point in the process would leave these fees unpaid to the

Commission and would become the responsibility of the entities required to fund the Commission. Therefore, staff cannot support a deferral.

As identified in the recommendation, staff has outlined that it would support a reduction in the fee required for this consideration to a single LAFCO filing fee for each sphere reduction, with the additional deposits required. This would reduce the total fee obligation to \$9,700, still a substantial amount of money. However, the proposal to remove territory from the sphere of influence of two cities, spheres of influence that were established after many years of considerations regarding the future of the community of Bloomington, is a major consideration. The spheres of influence for each of these agencies have been considered in the municipal service review/sphere of influence update process, a process that included notification of interested members of the community as well as the overlaying agencies. No concern was expressed regarding these sphere of influence configurations and they were ultimately confirmed by Commission action.

For the reasons stated above, staff recommends denial of the request for waiver and/or deferral of the filing fees required for consideration of LAFCO 2981 – Sphere of Influence Reviews (Reductions) for the Cities of Fontana and Rialto. The staff recommends that the filing fees imposed for this consideration shall be a total of \$9,700 (\$4,000 LAFCO Fee for sphere reduction for the City of Fontana, \$4,000 for sphere reduction for the City of Rialto, \$450 Registrar of Voters deposit, \$750 environmental review deposit and \$500 legal advertising deposit in-lieu of individual notification). Since the application is not considered to be a complete filing without submission of the filing fees, the processing of the sphere of influence reduction application will be held until they are received.

KRM/

Attachments:

1. Request from Bloomington Incorporation Commission for Waiver and/or Deferral of Filing Fees
2. Incorporation Policies
3. Maps of Bloomington Incorporation Area, City of Fontana Sphere of Influence, and City of Rialto Sphere of Influence
4. Application Submitted for Sphere of Influence Change