

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

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DATE: OCTOBER 6, 2004
FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #8: LAFCO #2962—City of Upland Annexation No. 59

INITIATED BY:

City Council Resolution, City of Upland

RECOMMENDATION:

1. Take the following actions related to the environmental assessment of the project:
 - a. Certify the Commission has reviewed and considered the environmental assessment and Negative Declaration for College Heights Pre-Zone PZC-02-02 (SCH#2003021122) and Addendum to EAR No. 1410 prepared by the City of Upland and found them to be adequate for Commission use as a Responsible Agency; and,
 - b. Determine that the Commission does not intend to adopt alternatives for this project; that there are no mitigation measures included in the City's environmental documents; and,
 - c. Direct the Clerk to file the Notice of Determination within five working days.
2. Approve LAFCO #2962 with the standard conditions of approval; and,
3. Adopt LAFCO Resolution #2848, setting forth the Commission's findings, determinations, and conditions of approval.

BACKGROUND INFORMATION:

LAFCO 2962 is a proposal to annex approximately 27 +/- acres to the City of Upland, initiated by the City Council through adoption of a resolution. The study area is a part of the larger island area commonly known as “College Heights” within the City of Upland’s southwestern sphere of influence. The proposal is generally bordered by 11th Street on the north, Benson Avenue and parcel boundaries on the east (existing City of Upland boundary), Arrow Route on the south (existing City of Upland boundary) and parcel lines on the west. Attachment #1 includes maps of the area under consideration.

As the Commission will recall, the annexation of the entire College Heights area was unsuccessful, being terminated due to registered voter protest in November 2003. The Commission authorized the submission of this application at its March 17th hearing when it approved the waiver of the one-year filing restriction for applications terminated due to protest. The City has indicated that its intent in submitting this application is twofold: (1) to place lands which it has recently purchased from the County Flood Control District for the purpose of developing a new animal control shelter within its jurisdiction (western edge of the application) and (2) to provide a logical service boundary which includes the properties to which it currently provides sewer service through out-of-agency service contracts (SC#203 and the commercial complex at Benson Avenue and Arrow Route).

The study area is currently a mix of vacant and developed lands. Surrounding uses include to the east, within the City of Upland, residential and commercial land uses; to the north are commercial properties, scattered residential and some vacant lands within the unincorporated area; to the west are residential uses, and commercial properties within the unincorporated area; and to the south are residential uses (multi- and single-family), and commercial properties within the City of Upland.

The City of Upland General Plan designation for this area is CI-S (Commercial Industrial Special Use Permit). The land use determination for the study area was made by the City of Upland through its consideration of PZC-02-02 identified as the College Heights Pre-Zone in June 2003 related to the larger College Heights consideration. This pre-zone assigned the area of LAFCO 2962 a designation of Light Industrial (ML). The current County Land Use designation for this area is Community Industrial. The land use determinations are generally compatible and each anticipates the need for the full range of urban-level services for the area.

The City of Upland has submitted a plan for the extension of municipal services as required by law, and that Plan is attached to this report for

Commission review (a part of Attachment #2). Highlights of the Plan include the following:

- Sewage collection services are readily available from infrastructure traversing the area. Some of the existing commercial uses are currently connected to the City's sewer system and pay a premium rate for such service. The extension of this service has been defined by a Memorandum of Understanding between the County and the City of Upland since 1989. Upon annexation, the monthly sewage charge will fall to the standard in-City rate, an approximate one-third reduction. For new development, sewer facilities will be extended at property owner expense. The City of Upland will be responsible for wastewater collection and treatment will be provided by the Inland Empire Utilities Agency at one of its regional treatment plants.
- Water service is currently provided by the City of Upland to the developed properties within the annexation area. The only change anticipated is that through annexation the monthly sewer charges will be cut by one-third. Residents connected to City water service currently pay 1 ½ times the in-City rate.
- Law enforcement responsibilities will shift from the County Sheriff's Department, which operates out of the Chino Hills substation (approximately 10 miles from the area), to the City of Upland. The City indicates that its police department will need additional personnel to provide an increased beat patrol and additional law enforcement measures such as neighborhood watch, etc. The financing of this augmented service will be through the ad valorem property tax received by the City from this area.
- Solid Waste services are currently provided within the annexation area by Burrtec Waste Industries, also the City provider of this service. Residents and commercial operators will see some changes in service identified in the Plan as: Residential rate in the County \$19.03 per month for a 90-gallon container; in the City \$21.50 per month for a 65- or 95-gallon refuse container, a 65-gallon recycling container, and a 65- or 95-gallon green waste container. Commercial accounts start at \$85.94 based upon size and frequency of pickup in the County; in the City rates start at \$71.45 depending upon size and frequency of pickup.
- Library service will be provided by the City of Upland Library located within the City Hall complex.

- The only financial effect to the existing and future business owners within the area of consideration would be the imposition of the City's business license and sign registration services.
- Fire protection services are currently provided by County Service Area 38 (CSA 38) and will be replaced by the City of Upland fire and emergency medical services. The current CSA 38 fire service is provided from County Station #12, located at 24th Street and Euclid Avenue, within the community known as San Antonio Heights. This station is located approximately 4.5 miles away from the annexation area.

The City Plan for Service indicates that its Fire Department can provide the necessary service to this site from its Station No. 3, located approximately ½ mile from the northern boundary of the annexation area. Paramedic services will be included on all City of Upland equipment, a service not currently available through CSA 38.

As has occurred in past considerations for annexation to the City of Upland, the County Consolidated Fire Agency has expressed its concern regarding the annexation of the area based upon its ongoing service responsibility provided out of the San Antonio Heights Station (#12) northerly of the existing City of Upland boundary. This service responsibility is partially funded from revenues attributable to the overall College Heights area.

County Fire personnel, City Fire personnel and representatives of Supervisor Biane's office continue to discuss the implications of this ongoing drain on revenues to support the last CSA 38 manned station in the West Valley. Meetings with the community of San Antonio Heights have taken place and a survey of options for additional funding has been undertaken. However, at the time of this report, no resolution of the question has been provided to the LAFCO office.

As required by Commission policy and State law, the Plan for Services submitted by the City of Upland shows that the extension of its services will maintain, and/or exceed, current service levels provided through the County.

In conclusion, from most standards of LAFCO review, this would be a very straightforward item of consideration. However, this area and its prior considerations have generated controversy and opposition. At the hearings on the previous application addressing the larger College Heights Island, the

Commission directed the City of Upland to communicate more effectively with the residents and landowners. The City staff took that admonition to heart and scheduled a meeting with landowners and voters within the area of LAFCO 2962 for September 15th (Attachment #3 includes copies of the information provided to residents and landowners). LAFCO staff also attended this meeting, at which representatives of all major City departments were present. Opposition to annexation was expressed by one of the owners present, but no official protest has been received to date.

FINDINGS:

The following findings are required to be provided by Commission policy and Government Code Section 56668 for any change of organization/ reorganization proposal:

1. State law indicates that an area containing 12 or more registered voters is “legally inhabited.” The Registrar of Voters Office has determined that the study area is legally uninhabited, containing 5 registered voters as of May 5, 2004.
2. The County Assessor has determined that the total assessed value of land and improvements within the study area is \$8,369,396 (land value is \$2,903,476, and improvement value is \$5,465,920). The area is within the sphere of influence assigned the City of Upland.

Pursuant to the provisions of Government Code Section 56126, the County Assessor was requested to assign values to the public lands within the annexation site for protest purposes only. The values for these publicly held lands are listed separately as shown below for the individual parcels:

OWNERSHIP	PARCEL NUMBER	VALUE
City of Upland	1007-261-05	\$225,000
City of Upland	1007-261-06	\$355,000
City of Upland	1007-271-07	\$420,000

3. Commission review of this proposal has been advertised in *The Sun* and the *Inland Valley Daily Bulletin*, newspapers of general circulation within the study area.
4. LAFCO staff has also provided an individual notice to the landowners and registered voters within the annexation area, and to landowners and

voters surrounding the study area in accordance with state law and adopted Commission policies. To date, no comments or protests to this proposal have been received from area landowners or registered voters.

However, staff participated with members of the City of Upland staff in a community meeting held on September 15, 2004 at the Arena Indoor Sports Complex. At that time, opposition was expressed by a landowner along the existing city boundary, but no official protest or comment has been received from landowners or registered voters within the area.

5. The City of Upland has pre-zoned the study area for Light Industrial (ML) uses. This zoning designation conforms to the adopted General Plan for the City of Upland, is consistent with existing land uses within the area, and will take effect upon annexation. Pursuant to the provisions of Government Code Section 56375(e), these zoning designations shall remain in effect for two years following annexation unless specific actions are taken by the City Council.
6. As a function of pre-zoning, the City of Upland acted as the lead agency for environmental review and has conducted the environmental assessment for the annexation through its Addendum to the Environmental Assessment Report (EAR) No. 1410 for the College Heights Pre-Zone No. PZC-02-02, which also addressed the environmental consequences of annexation. The Commission's Environmental Consultant, Tom Dodson and Associates, has reviewed the City of Upland's Initial Study and Negative Declaration for EAR 1410 (originally for the larger College Heights annexation) and the Addendum to that document and determined that they are adequate for the Commission's review of the proposed annexation as a responsible agency. Mr. Dodson has determined that the City documents are adequate for Commission use, and his response is attached to this staff report. Mr. Dodson has indicated that the necessary environmental actions to be taken by the Commission, as a responsible agency under CEQA, are as follows:
 - a. Indicate that the Commission has reviewed and considered the addendum, the environmental assessment and Negative Declaration certified by the City of Upland;
 - b. Determine that these environmental documents are adequate for the Commission's use in making its decision related to the annexation;

- c. Determine that the Commission does not intend to adopt alternatives for this project, and that no mitigation measures are included in the City's environmental documents; and,
 - d. Direct the Clerk to file a Notice of Determination within five days.
7. The area in question is presently served by the following local agencies:

County of San Bernardino
Metropolitan Water District of Southern California
Inland Empire West Resource Conservation District
Inland Empire Utilities Agency and its Improvement District C
Chino Basin Water Conservation District
County Service Area 38 (fire protection)
County Service Area 70 (multi-function unincorporated area
Countywide)

Detachment of CSA 38 and CSA 70 will automatically occur upon successful completion of this proposal as required by Government Code Section 25210.90. None of the other agencies are affected by this proposal as they are regional in nature.

8. The City of Upland has submitted a plan for the extension of municipal services to the study area, as modified September 2004, and certified as to the adequacy of the plan, as required by law. This plan is attached for Commission review, and indicates that the City can, at a minimum, maintain the level of service delivered and can improve the level and range of selected services currently available in the area.
9. The annexation proposal is consistent with State law and 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.
10. The developing portion of the study area can benefit from the availability and extension of municipal services from the City of Upland. The currently developed properties within the area proposed for annexation have benefited from the receipt of City water service and some have benefited from the receipt of City sewer service through out of agency service contracts.

11. This proposal will not assist the City's ability to achieve its fair share of the regional housing needs as there is no residential component to the land uses anticipated for the area.
12. Concern has been expressed by the County Consolidated Fire Agency, administrators of County Service Area 38 and County Service Area 70, regarding the loss of revenue to support its fire functions in the western portion of the Valley due to the detachment of this territory. LAFCO staff has reviewed the question of the delivery of fire services to this area with representatives of the County and City Fire Departments. City fire facilities, as identified in the plan for service, are located at 1350 North Benson Avenue (across from Cable Airport) approximately ½ mile from the northern boundary of the annexation. Existing County fire facilities responding to this area are located at 24th Street and Euclid, approximately 4.5 miles from the site.

Meetings have been held between City of Upland Fire personnel, County Consolidated Fire Agency personnel, and Supervisor Biane's staff to review this ongoing question. To date, no resolution of the service delivery problem has been submitted to the LAFCO office; however, it is understood that negotiations are ongoing. An automatic aid contract is not available for the areas adjacent to the City of Upland since County fire crews do not match with existing City crews for number of personnel responding.

13. The County of San Bernardino and the City of Upland have successfully negotiated a transfer of property tax revenues that will be implemented upon completion of this annexation. This fulfills the requirements of 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 policy standards developed by the Commission, and those outlined in State law, point toward the approval of this proposal. They are:

- The area is developed or developing at urban levels of land use. Those parcels currently undeveloped are anticipated to develop at a level that will require a broad range of municipal services.

- It is clear that this area has benefited, and will benefit from the extension of the City's services. Some of the area is currently provided sewer service from the City of Upland through out-of-agency service contracts. Those developed parcels on septic systems currently receive their water service from the City of Upland.
- The site is adjacent to urban development and the annexation will allow for the coordination of services and necessary improvements within the overall area as vacant lands transition to urban uses.

Based upon all of these elements of review, the staff is recommending that the Commission approve the proposal by taking the actions listed under the recommendation section.

Attachments:

1. Maps of Annexation Area
2. City Application and Plan for Services
3. Correspondence to Landowners within the Area for City sponsored Community Meeting and Background Information
4. LAFCO letter providing Individual Notice
5. Response from Tom Dodson and Associates and City Environmental Documents
6. Draft Resolution #2848