

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

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DATE: SEPTEMBER 12, 2006

FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer

TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #8 – STATUS REPORT ON CITY OF SAN BERNARDINO PROPOSALS – ARROWHEAD SPRINGS SPHERE OF INFLUENCE EXPANSION AND ANNEXATION AND ISLAND ANNEXATIONS

RECOMMENDATION:

Staff recommends that the Commission note receipt of the status report and direct that it be filed as an information document. No further action is required.

BACKGROUND:

At the August 16, 2006, hearing the Commission requested that a status report be provided related to applications submitted by the City of San Bernardino. The following information outlines the status of the three applications currently filed:

LAFCO 3053/3050 RELATED TO THE ARROWHEAD SPRINGS SPECIFIC PLAN

The first two applications submitted by the City of San Bernardino for Commission consideration relate to the area of the Arrowhead Springs Specific Plan outside City limits. The two proposals are:

LAFCO 3053 – Sphere of Influence Review (Expansion) for the City of San Bernardino. This is a 3.9 +/- acre area along the northern border of the City of San Bernardino sphere of influence generally located northeast of Highway 18 and west of Old Waterman Canyon Road. This proposal was required so that the entirety of the Arrowhead Springs Specific Plan would become a part of the City upon annexation.

LAFCO 3050 – Reorganization to Include City of San Bernardino Annexation No. 359. This proposal involves two separate areas of annexation totaling approximately 1,572 acres within the City of San Bernardino's northern sphere of influence. The two areas are identified as follows:

Area 1 – encompasses approximately 1,296 +/- acres generally located north of the City of San Bernardino boundaries, east of Highway 18. The annexation area includes the historic Arrowhead Springs Hotel and grounds. The area is generally bordered by the City of San Bernardino limits on the west and parcels lines on the north, east and south.

Area 2 – encompasses approximately 276 +/- acres generally located east and west of Highway 18 in the Old Waterman Canyon area. This annexation area is generally bordered by the City of San Bernardino limits on the south and parcel lines on the west, north, and east.

Each annexation area has been expanded by LAFCO staff to include an additional parcel that would have become a totally surrounded island upon completion of the proposal. The maps for the annexation, included as Attachment #1 to this report, reflect these expansions to include within Area #1 the parcel along the southwestern boundary of the annexation and Area #2 the Arrowhead Puritas parcel along the eastern boundary. The expansion to include these additional parcels will require that the proposal have a protest hearing as these owners have not consented to annexation to the City of San Bernardino. The property tax transfer process required for this proposal has been completed.

At the April 19, 2006, hearing the Commission determined to override its policy to await completion of environmental litigation before proceeding to hear the annexation proposal. (A copy of the minutes of this hearing are included as Attachment #2 to this report.) The litigation for LAFCO 3053/3050 is challenging the Environmental Impact Report (EIR) prepared and certified by the City of San Bernardino for the Arrowhead Springs Specific Plan as a part of the City's General Plan Update. The litigation, filed by the Center for Biological Diversity, was heard in San Bernardino Superior Court during the week of September 5th by Judge Wade. A determination was rendered that supplemental information was required to support the rejection of the wetlands alternative and acceptance of the golf course alternative based on the determination that the project would not be economically feasible without development of the golf course.

Staff has reviewed this determination with attorneys for the City of San Bernardino and the developer of the project, American Development Group. It has been indicated that the timing for finalizing the corrective actions is not, at present, definitively known. However, submission of the supplemental information for consideration and action by the City Council of the City of San Bernardino is anticipated within 30 days, while the timeframe for delivery to the Court is not concrete. The attorneys have indicated to staff that the information is anticipated to be provided to LAFCO prior to the October 18th hearing. In addition, at the August 16, 2006, hearing the Commission was provided with a letter received from the Center for Biological Diversity outlining its request that additional environmental assessment of the project be undertaken. All this information will be included in the response and recommendation to the

Commission prepared by its environmental consultant, Tom Dodson of Tom Dodson and Associates, for its determination as a responsible agency.

Following the technical review of the proposal by LAFCO staff and others, submission of additional information was required from the City related to service delivery questions for the Arrowhead Springs Specific Plan area. A response was received from the City on September 8th (copy included as Attachment #3 to this report) and staff is presently reviewing that material. If that material does not adequately respond to the questions, additional information will be required prior to the Commission's consideration of the item. Staff has tentatively placed this item on the October Agenda. Staff will be presenting the Commission with review copies of the environmental documents required for that consideration at the September hearing.

LAFCO 3067 – Reorganization to Include Annexations to the City of San Bernardino (Six Islands)

In response to the Commission's direction at the April 19, 2006 discussion of the Arrowhead Springs Specific Plan Annexation (copy of minutes included as Attachment #2), the City of San Bernardino submitted an application for the annexation of six (6) islands of unincorporated territory. The Commission was presented with a copy of the City's application as a part of the materials related to the request for fee waiver at the August 16, 2006 hearing. The study area consists of six separate annexation areas encompassing a total of approximately 97+/- acres, which are identified as follows:

1. Area 1 encompasses approximately 60.45+/- acres generally located north of Marshall Boulevard and south and west of the City of San Bernardino boundaries. The island area is generally bordered by parcel lines on the west, Piedmont Drive and its logical extension (existing City boundary) on the north, parcel lines (existing City boundary) on the east, and Marshall Boulevard (existing City boundary) on the south. LAFCO staff is proposing to expand this annexation westward to the right-of-way line of the flood control channel to provide for a better delineation between city and county responsibilities.
2. Area 2 encompasses approximately 10.09+/- acres generally located north of Lynwood Drive and west of Arden Avenue. The island area is generally bordered by Lynwood Drive on the south, and parcel lines (existing City boundaries) on the west, north, and east.
3. Area 3 encompasses approximately 5.47+/- acres generally located north of Lynwood Drive and east of Arden Avenue. The island area is generally bordered by Lynwood Drive on the south, Arden Avenue (existing City boundary) on the west, and parcel lines (existing City boundaries) on the north and east.
4. Area 4 encompasses approximately 10.69+/- acres generally located east of Monte Vista Drive and south of Highland Avenue. The island area is generally bordered by parcel lines (existing City boundaries) on the north, east, and south, and a combination of parcel lines and Monte Vista Drive (existing City boundary)

on the west. LAFCO staff is proposing to expand this island southerly to include the territory to the south right-of-way line of the Flood Control facilities to provide a better delineation of city and county areas of responsibility.

5. Area 5 encompasses approximately 8.16+/- acres generally located east of Elmwood Road and south of 21st Street. The island area is generally bordered by Elmwood Road (existing City boundary) on the west, parcel lines (existing City boundaries) on the north and east, and parcel lines on the south.
6. Area 6 encompasses approximately 2.15+/- acres generally north of Pacific Street and east of Conejo Drive. The island area is generally bordered by Pacific Street on the south, Conejo Drive (existing City boundary) on the west, and parcel lines (existing City boundaries) on the north and east.

Staff is currently processing the application in anticipation of placement on the November 15th hearing agenda. Technical issues outlined during the departmental review process for this application are currently being addressed by City staff. Those issues include such items as expansion of two of the islands to the boundaries of flood control facilities for ease in differentiating between City and County territory as noted above, addressing questions on service delivery, correction of map and legal descriptions, etc. In addition, the property tax transfer process has been initiated for this proposal, with a required completion date of October 31, 2006. To fulfill this requirement the City and County must adopt resolutions outlining the redistribution of ad valorem property taxes prior to the hearing.

Discussions between City staff members and LAFCO staff have taken place in regard to addressing the balance of the islands within the City's sphere of influence. These additional islands were addressed by the Commission during its discussion of overriding its policy on environmental litigation for LAFCO 3053/3050 with the City noting that it would move forward with the island annexations. The City staff has indicated in their response on LAFCO 3053/3050 (Attachment #3) that they are proposing a schedule to address the additional island areas. That schedule is proposed as follows:

1. On or before January 31, 2007, the City will file for annexation of two (2) more of the islands (no information on which two has been provided); and,
2. On or before January 31, 2008, the City will file for the remaining three (3) islands (no information on which three has been provided).

The City has stated in its letter that it will file these annexations either as islands under Government Code Section 56375.3, if its sunset date is extended, or if AB 2223 is not signed it will file the annexations under normal procedures allowing for protest. The information presented does not address the full thirteen islands discussed by the Commission. LAFCO staff will continue to work with representatives from the City regarding the balance of the island areas.

CONCLUSION:

As outlined above, staff is moving forward with the processing of each of the applications. As directed by the Commission, staff is concentrating its efforts in bringing the island annexation proposals to hearing and completion prior to the sunset date of the legislation at the end of the calendar year.

No action is required of the Commission related to this status report. Staff will be happy to answer any questions of the Commission.

KRM/

Attachments:

- 1 -- Maps of LAFCO 3053, 3050 and 3067 – City of San Bernardino Applications
- 2 -- Minutes of April 19, 2006 Commission Hearing on Override of Commission Policy
- 3 -- Letter from the City of San Bernardino Dated September 8, 2006
- 4 -- Letter from Center for Biological Diversity Related to Environmental Processing of LAFCO 3053/3050