

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

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DATE: OCTOBER 2, 2012 
FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
SAMUEL MARTINEZ, Assistant Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #8: LAFCO SC#368 – City of Fontana Pre-Annexation Agreement No. 11-00002 for Sewer Service (Assessor Parcel Numbers 0232-051-02, 03, 11, 12, 26, 27, 35, and 38)

INITIATED BY:

City of Fontana, on behalf of property owner

RECOMMENDATION:

1. For environmental review, take the following actions as a responsible agency:
 - Certify that the Commission has reviewed and considered the environmental assessment and the Mitigated Negative Declaration prepared by the County of San Bernardino for the Conditional Use Permit to establish a 647,244 (Maximum) sq. ft. industrial building with a 12,000 sq. ft. of office area, to be used as a high cube warehouse/distribution facility on approximately 31.16 acres, and found them to be adequate for Commission use;
 - Determine that the Commission does not intend to adopt alternatives or mitigation measures for this project; that all mitigation measures are the responsibility of the County of San Bernardino and/or others, not the Commission; and are self-mitigating through the Conditions of Approval; and,
 - Note that this proposal is exempt from Department of Fish and Game fees because the filing fee was the responsibility of the County, as CEQA lead agency, and direct the Clerk to file a Notice of Determination within five (5) days of this action.
2. Approve SC#368 authorizing the City of Fontana to extend sewer service outside its boundaries to the project area comprised of several parcels identified as Assessor Parcel Numbers (APN) 0232-051-02, 03, 11, 12, 26, 27, 35, and 38; and,

3. Adopt LAFCO Resolution #3167 setting forth the Commission’s findings, determinations and approval of the agreement for service outside the City of Fontana’s boundaries.

BACKGROUND:

The City of Fontana has submitted a request for approval of a pre-annexation agreement that outlines the terms by which it will extend sewer service outside its boundaries. The agreement relates to proposed development that includes multiple parcels, APN 0232-051-02, 03, 11, 12, 26, 27, 35, and 38, generally located on the east side of Sultana Avenue between Foothill and Arrow Boulevards, within the City of Fontana’s western sphere of influence (see Figure 1 below). Attachment #1 also provides a location and vicinity map of the site along with a map outlining the location of the infrastructure to be extended.

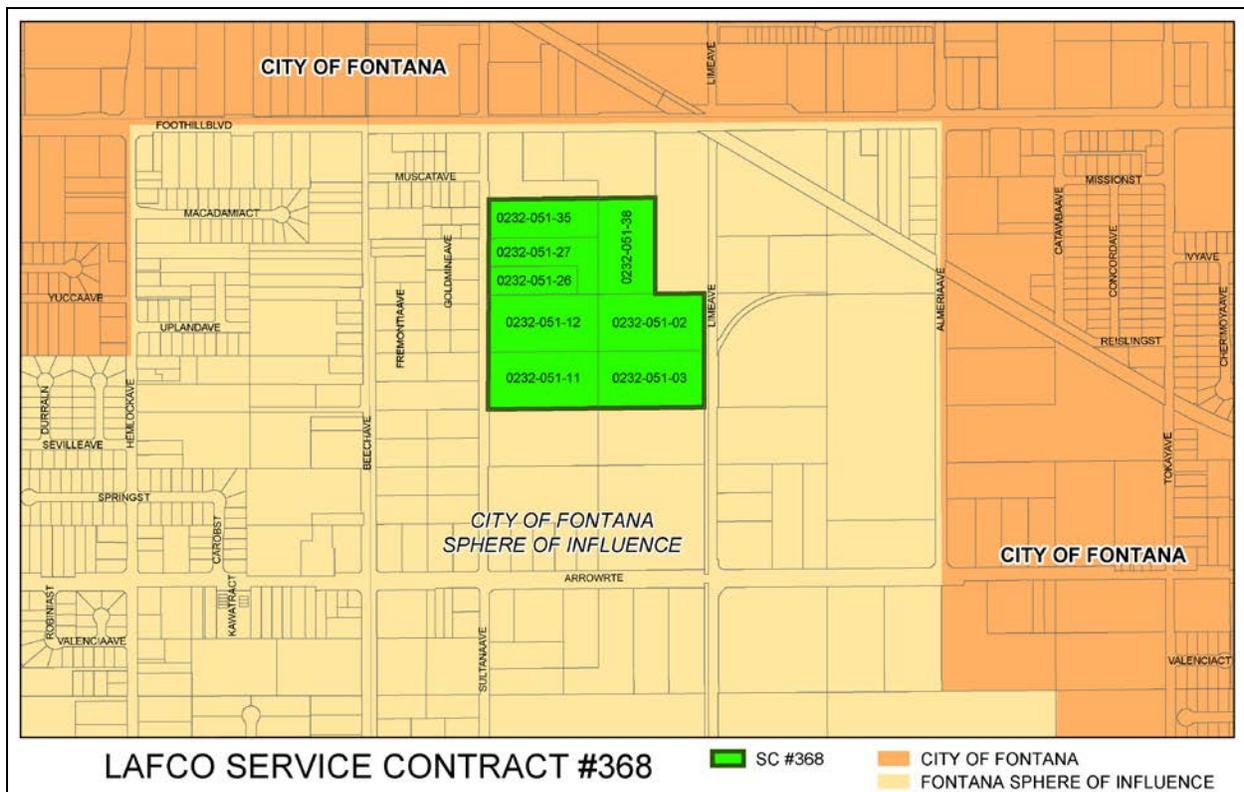


FIGURE 1 – Vicinity Map

The property has been historically used for the manufacture and storage of metal trusses. A Conditional Use Permit has been processed through the County’s Land Use Services Department to establish a maximum 647,244 sq. ft. industrial building to be used as a high-cube warehouse/distribution facility with a maximum 12,000 sq. ft. of office space on the eight (8) parcels identified above for a total of approximately 31.16 acres. The Conditions of Approval placed upon this project include the requirement to connect to the City of Fontana’s sewer facilities prior to issuance of building permits (Conditions 73 & 74) and require LAFCO approval of the contract (Condition 77). A copy of the Conditions of Approval is included as Attachment #3 to this report.

The City, on behalf of the property owner, has requested that the Commission review and approve the extension of service pursuant to the provisions of Government Code Section 56133. Authorization of this agreement is required before the City can take the final actions to implement the terms of the agreement.

PLAN FOR SERVICE:

The City’s application (included as Attachment #2 to this report) indicates that the proposed project will be served by extending a 24-inch sewer line approximately 400 feet along Sultana Avenue from an existing 24-inch sewer main in Foothill Boulevard.

Pursuant to the Commission’s application requirements for service contracts, information has been provided regarding all financial obligations for the extension of service outside the agency’s boundaries. The City of Fontana has identified an estimated cost of \$394,894.18 in development impact fees and sewer connection fees for the extension of sewer service to the parcel (see Exhibits E and F of the pre-annexation agreement).

Following is a table showing the City’s Development Impact Fees:

Description of Fees/Charges	Fee		Total
Fire Facilities Fee ¹	\$ 0.05/sq.ft.	647,244 max. sq.ft.	\$32,362.20
Storm Drain Fee ¹	\$10,194.00/ac	30.88 acres	\$314,790.72
Sewer Connection Master Fee	\$ 876.61/EDU ²	7.9287 EDUs	\$6,950.38
Sewer Facilities Expansion Fee ³	\$ 4,909.00/EDU	7.9287 EDUs	\$38,921.99
TOTAL			\$393,025.29

- ¹ Since the project is located within the City’s infill area, this Development Impact Fee reflects a 50% reduction.
- ² EDU = Equivalent Dwelling Unit (Number of Fixture Units x Coefficient = EDU)
 107 (number of plumbing fixtures) x 0.0741 (sewage factor) = 7.9287 EDUs
- ³ The Sewer Facilities Expansion Fee is a pass through fee that is collected by the City on behalf of the Inland Empire Utilities Agency. This fee is not subject to a 50% reduction.

The Development Impact Fees (Infill Program) shall apply so long as the program remains in effect as of the date of the actual sewer connection. The property owner shall pay these amounts at the time the sewer permit is issued as set forth in the pre-annexation agreement.

The Table below is the City’s sewer connection charges:

Description of Fees/Charges	Fee	Total
Sewer Deposit ¹	4 x monthly rate x number of EDUs	\$1,843.89
Sewer Connection Permit Fee	\$25.00	\$25.00
TOTAL		\$1,868.89

- ¹ Sewer deposit fee calculated at \$1,843.89 (as of July 1, 2012)
 4 x monthly rate x number of EDUs
 4 x (\$19.76 [sewer fee] + \$19 [industrial surcharge] x 1.5 times in-city sewer rate) + 7.9287
 4 x (\$58.14) x 7.9287 = \$1,843.89

In addition, the property owner will be responsible for hiring a contractor for the connection of the proposed development to the City's existing sewer system. The costs of all improvements needed to extend the sewer to the proposed development are also borne by the property owner. Also, future users of the sewer service will be charged 1.5 times the in-City monthly rate. The higher rates charged are intended to help offset the costs for service delivery outside the City's corporate boundaries.

ENVIRONMENTAL DETERMINATION:

The County prepared an Initial Study and Mitigated Negative Declaration for a Conditional Use Permit to establish a 647,244 sq. ft. industrial building with a 12,000 sq. ft. of office area, to be used as a high cube warehouse/distribution facility on a total of approximately 31.16 acres. LAFCO's Environmental Consultant, Tom Dodson and Associates, reviewed the County's environmental assessment and the Mitigated Negative Declaration issued for the proposed project and has indicated that the County's Initial Study and Mitigated Negative Declaration are adequate for the Commission's use as a CEQA responsible agency. This recommendation has been provided and is supported by LAFCO staff even though LAFCO staff was not afforded the opportunity to review and comment on the initial study prepared for this project.

CONCLUSION:

Staff has reviewed this request for the provision of sewer service by the City of Fontana outside its corporate boundaries against the criteria established by Commission policy and Government Code Section 56133. The project to be served, which is comprised of several parcels, is within the sphere of influence assigned the City of Fontana and is anticipated to become a part of the City sometime in the future. The development of the warehouse/distribution facility requires that it receive sewer service, which is only available from the City of Fontana. Staff supports the City's request for authorization to provide sewer service to the proposed project since its facilities are adjacent to the anticipated development, and there is no other existing entity available to provide this service within the area.

FINDINGS:

1. The project area, comprised of several parcels identified as APNs 0232-051-02, 0232-051-03, 0232-051-11, 0232-051-12, 0232-051-26, 0232-051-27, 0232-051-35, and 0232-051-38, is within the sphere of influence assigned the City of Fontana and is anticipated to become a part of that City sometime in the future. The project will receive water service from the Fontana Water Company. The application requests authorization to receive City of Fontana sewer service.

The sewer connection requirement is a condition of approval as identified in the County's Conditional Use Permit for the proposed development of a 647,244 (Maximum) sq. ft. industrial building with a 12,000 sq. ft. of office area, to be used as a high cube warehouse/distribution facility on approximately 31.16 acres. Therefore, approval of the City's request for authorization to provide sewer service is necessary in order to satisfy this condition of approval.

2. The City of Fontana's Pre-Annexation Agreement No. 11-00002 being considered is for the provision of sewer service by the City of Fontana to several parcels, APNs 0232-051-02, 0232-051-03, 0232-051-11, 0232-051-12, 0232-051-26, 0232-051-27, 0232-051-35, and 0232-051-38, generally located on the east side of Sultana Avenue between Foothill and Arrow Boulevards. This contract will remain in force in perpetuity for the proposed development or until such time as the area is annexed. Approval of this application will allow the property owner and the City of Fontana to proceed in finalizing the contract for the extension of this service.
3. The fees charged this project by the City of Fontana for sewer service are identified as totaling \$394,894.18 (for a breakdown of fees, see table on page 3). Payment of these fees is required prior to connection to the City's sewer facilities. In addition, the property owner shall bear all costs to complete improvements needed to extend the sewer service to the proposed development.
4. During the period from October 2011 to November 2011, acting as the CEQA lead agency, the County prepared an environmental assessment for a Conditional Use Permit to establish a 647,244 (Maximum) sq. ft. industrial building with a 12,000 sq. ft. of office area, to be used as a high cube warehouse/distribution facility on a total of approximately 31.16 acres. The County's assessment indicates that the proposed project would not have a significant effect on the environment through its development under the Conditions of Approval that has been approved for the proposed project.

LAFCO's Environmental Consultant, Tom Dodson and Associates, has reviewed the County's Initial Study and the Mitigated Negative Declaration issued for the proposed project and it is his recommendation that the County's Initial Study and Mitigated Negative Declaration are adequate for the Commission's use as a CEQA responsible agency. The Commission will not be adopting alternatives or mitigation measures for this development; all mitigation measures are the responsibility of the County of San Bernardino and/or others, not the Commission, and are self-mitigating through implementation of the Conditions of Approval. Attachment #4 provides a copy of Mr. Dodson's response and recommendation regarding the Commission's review and necessary actions to be taken.

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Attachments:

1. [Vicinity Map and Map of the Contract Area](#)
2. [City of Fontana's Application and Contract](#)
3. [County's Conditions of Approval for the Conditional Use Permit to Establish a 647,244 \(Maximum\) Sq. Ft. Industrial Building with 12,000 Sq. Ft. of Office Area, to be Used as a High Cube Warehouse Distribution Facility on 31.16 Acres](#)
4. [Tom Dodson and Associates' Response Including the County's Environmental Documents for the Conditional Use Permit](#)
5. [Draft Resolution #3167](#)