

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

215 North D Street, Suite 204
San Bernardino, CA 92415-0490 • (909) 383-9900 • Fax (909) 383-9901
E-MAIL: lafco@lafco.sbcounty.gov
www.sbclafco.org

DATE: AUGUST 3, 2007

FROM: SAMUEL MARTINEZ, LAFCO Analyst

TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #4: LAFCO SC#316 – City of Fontana Pre-Annexation Agreement No. 07-00003 for Sewer Service (APN 0234-161-11)

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 maximum 577,000 sq. ft. industrial building to be used as a high-cube warehouse distribution facility with a maximum 24,600 sq. ft. of office space on 25.10 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#316 authorizing the City of Fontana to extend sewer service outside its boundaries to Assessor Parcel Number (APN) 0234-161-11, as outlined in the City’s Pre-Annexation Agreement No. 07-00003.
3. Adopt LAFCO Resolution #2979 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 a single parcel, APN 0234-161-11, generally located at the northwest corner of Calabash Avenue (10288 Calabash Avenue) and the I-10 Freeway. The area is generally bordered by Calabash Avenue on the east, I-10 Freeway on the south, Mulberry Avenue on the west, and parcel lines on the north, within the City of Fontana’s western sphere of influence. Attachment #1 provides a location and vicinity map of the site along with a map outlining the location of the infrastructure to be extended.

A Conditional Use Permit has been processed through the County’s Land Use Services Department to establish a maximum 577,000 sq. ft. industrial building to be used as a high-cube warehouse distribution facility with a maximum 24,600 sq. ft. of office space on 25.10 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 80 & 82). Water service will be provided by the Fontana Water Company. 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 indicates that the parcel will be served through existing laterals (3 lateral locations) from the existing 18-inch sewer main in Calabash Avenue.

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 \$998,193.34 in development impact fees and sewer fees for the extension of sewer service to the parcel (see Exhibit C of the Pre-annexation Agreement). Following is a table with a detailed calculation of the fees:

Planning Fees ²			
Circulation Improvement ³	\$0.69/sq.ft.	577,000 max. sq.ft.	\$398,130.00
Fire Facilities	\$0.05/sq.ft.	577,000 max. sq.ft.	28,850.00
Landscape Improvement	\$0.174/sq.ft.	577,000 max. sq.ft.	100,398.00
Library Facility Fee	\$0.021/sq.ft.	577,000 max. sq.ft.	12,117.00
Police Facility Fee	\$0.0655/sq.ft.	577,000 max. sq.ft.	37,793.50
Park Development Fee	N/A		
Public Facility Improvement	\$0.199/sq.ft.	577,000 max. sq.ft.	114,823.00
Municipal Services Impact	N/A		
Subtotal			692,111.50
Engineering Fees			
Master Storm Drain	\$10,194.00/ac	24.98 net ac	254,646.12
Flood Control ¹	\$ 4,405.00/ac	25.10 gross ac	See Note ⁴
City Sewer Connection per Equivalent Dwelling Unit ⁵	\$ 876.61/edu	Fixture Count = 142 (142x0.0741)x876.61x0.50	4,611.93
Facilities Expansion Fee ¹ (pass thru fee to IEUA)	\$ 4,450.00/edu	Fixture Count = 142 (142x0.0741)x4450	\$46,823.79
Subtotal			306,081.84
TOTAL			\$998,193.34

¹ Indicates a pass-through fee collected for other agencies.

² With the exception of sewer expansion fees (IEUA) and flood control fees (pass-through fees), all other fees listed are reduced by 50% as this project is located in an infill area.

³ Reflects a reduction of 50% of the Infill Fee based on a high-cube distribution warehouse use of greater than 200,000 sq. ft. with a greater than 28 ft. clear ceiling height.

⁴ Note: Flood Control fee to be paid to County prior to issuance of grading permit per San Bernardino County Approval Condition #42. Fee amount is \$110,565.50 (25.1 acres x \$4,405). Copy of receipt will be provided upon payment of fee.

⁵ Equivalent Dwelling Units = 142 (number of plumbing fixtures) x 0.0741 (sewage factor)

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:

LAFCO's Environmental Consultant, Tom Dodson and Associates reviewed the County's environmental assessment and the Mitigated Negative Declaration issued for the proposed project. Mr. Dodson's analysis indicates that the County's Initial Study and Mitigated Negative Declaration are adequate for the Commission's use as a CEQA responsible agency.

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 parcel to be served 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 and 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, identified as APN 0234-161-11, 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 parcel 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 development of an industrial building to be used as a warehouse and distribution facility not to exceed 577,000 sq. ft. with a maximum of 24,600 sq. ft. of office space on 25.10 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 Pre-Annexation Agreement No. 07-00003 being considered is for the provision of sewer service by the City of Fontana to APN 0234-161-11, generally located at the northwest corner of Calabash Avenue (10288 Calabash Avenue) and the I-10 Freeway. 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 \$998,193.34 (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 September 2006 to November 2006, acting as the CEQA lead agency, the County prepared an environmental assessment for a Conditional Use Permit to establish a maximum 577,000 sq. ft. industrial building to be used as a high-cube warehouse distribution facility with a maximum 24,600 sq. ft. of office space on 25.10 acres. The County's assessment indicates that the 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. Mr. Dodson's analysis indicates 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 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 Maximum 577,000 Sq. Ft. Industrial Building to be Used as a High-Cube Warehouse Distribution Facility with a Maximum 24,600 Sq. Ft. of Office Space on 25.10 Acres
4. Tom Dodson and Associates' Response Including the County's Environmental Documents for the Conditional Use Permit
5. Draft Resolution #2979