

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

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DATE: JULY 8, 2002
FROM: JAMES M. RODDY, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

**SUBJECT: Agenda Item #7: Service Review and Sphere of Influence
Update for the City of Upland**

INITIATED BY:

San Bernardino Local Agency Formation Commission

RECOMMENDATION:

1. Determine that LAFCO #2894 is statutorily exempt from environmental review, and direct the Clerk to file a Notice of Exemption within five days;
2. Make findings related to a service review required by Government Code Section 56430, determine that the existing sphere of influence for the City of Upland should not be changed; and,
3. Adopt LAFCO Resolution #2742 setting forth the Commission's findings and determinations on this issue.

BACKGROUND INFORMATION:

The City of Upland has submitted information in response to Government Code Section 56430 (service review factors) and has indicated that it does not propose any sphere of influence changes pursuant to Government Code Section 56425. Staff has reviewed these service review factors and sphere of influence issues with the City, and supports the City's position. In addition, staff has discussed annexation issues with the City that may be initiated in the near future. Staff will

provide oral comments at the July hearing to more fully respond to the service review/sphere review issues, and recommends that the Commission adopt the attached draft resolution setting forth the findings and determinations required by law.

Attachments:

1. Submittal from the City of Upland
2. Draft Resolution for the City of Upland's service review/sphere update
3. Response from Tom Dodson and Associates

Submittal from City of Upland

Attachment 1

INTRODUCTION

The City of Upland consists of 15 sq. miles. There is an additional 2.75 sq. miles located in three (3) unincorporated areas within the city's sphere of influence. These unincorporated areas are being reserved for future annexation into the city.

These areas consist of:

AREA 1 990 acres (2.1 sq. miles) San Antonio Heights located adjacent north of the city.

AREA 2 320 acres (.58 sq. miles) College Heights area located south of Foothill, north of Arrow Highway, east of Benson and west of the Los Angeles County/City limit line.

AREA 3 40+-acre (.07 sq. miles) area located west of Benson, east of Central, north of Montclair city limits and south of the City of Upland city limits.

In accordance with Government Code section 56430 (AB2838), the City of Upland and the County of San Bernardino Local Agency Formation Commission (LAFCO) are required to prepare periodic public service reviews of the County's Sphere of Influence. LAFCO is now required by Government code Section 56430 to conduct "service reviews" throughout the County. This is an extremely important new requirement for LAFCO, and the new section of law is provided below for review:

56430. (a) In order to prepare and to update spheres of influence in accordance with section 56425, LAFCO shall conduct a service review of the municipal services provided in the county or other appropriate area designated by LAFCO. LAFCO shall include in the area designated for service review the county, the region, the sub-region, or such other geographic area as is appropriate for an analysis of the service or services to be reviewed, and shall prepare a written statement of its determination with respect to each of the following:

1. infrastructure needs or deficiencies;
2. growth and population projections for the affected area;
3. financing constraints and opportunities;
4. cost avoidance opportunities;
5. opportunities for rate restructuring;
6. opportunities for shared facilities;
7. government structure options, including advantages and disadvantages of consolidation or reorganization of service providers;
8. evaluation of management efficiencies; and,
9. local accountability and governance.

(b) In conducting a service review, LAFCO shall comprehensively review all of the agencies that provide the identified service or services within the designated geographic area.

(c) LAFCO shall conduct a service review before, or in conjunction with but no later than the time it is considering an action to establish a sphere of influence in accordance with section 56425 or section 56426.5 or to update a sphere of influence pursuant to section 56425.

LAFCO recognizes that service reviews can, in many cases, be an important tool in promoting logical, orderly, and efficient service patterns for local agencies. The Commission also

recognizes that such reviews, to be meaningful, must be accomplished with the participation and cooperation of affected local agencies. Finally, the Commission recognizes that the applicability of specific factors required for such reviews may substantially vary based on the unique conditions and circumstances found in San Bernardino County.

SPHERE OF INFLUENCE PREVIEWS

The purpose of the section is to answer a series of questions related to the sphere of influence and service reviews mandated by Government Code Sections 56425 and 56430.

The City of Upland does not anticipate any sphere of influence amendments be proposed over the next five years that would effect the following:

1. The present and planned land uses in the area, including agricultural and open space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if they are relevant to the agency.

SERVICE PREVIEWS

The purpose of the section is to evaluate the infrastructure needs and deficiencies in the sphere of influence of the City of Upland in terms of capacity, condition of facility, service quality and levels of services and its relationships to existing and planned service users.

INFRASTRUCTURE NEEDS AND DEFICIENCIES

The City of Upland, through its Capital improvement plans and programs has taken into account the water and sewer demands for both the city and county Spheres of Influence and county islands to meet all growth related upgrades and improvement in order to meet all Health and Safety requirements. The city contracts with the Inland Empire Utility District for sewage treatment, which meets the current and future needs of the city and county islands, and Sphere of Influence. In addition, the city has water rights with the San Antonio Water Company to provide water to the Sphere area along with the city's membership in a Joint Powers Agreement through the Metropolitan Water District. These improvements and facilities are financed via user fees or revenue boards.

GROWTH/POPULATION

The City of Upland's General Plan land-use policy states the three (3) unincorporated areas in the city's sphere of Influence are being reserved for future Annexation. Of the three (3) areas, the College Heights area contains the greatest amount of vacant land for potential development of commercial /industrial mixed use opportunities.

COST AVOIDANCE OPPORTUNITIES

The City of Upland is in a cost/effective position to provide a full range of public services to the unincorporated areas within its sphere of influence because of the close proximity of its public facilities to these areas. This also includes sharing public facilities such as flood control improvements, parks, and library services and facilities. There is no current duplication of public services to the sphere areas. In addition, the City of Upland provides mutual aid to the county with police and fire services.

RATE RESTRUCTURING

The City of Upland regularly evaluates its cost of services in order to stay in conformance with state requirements and the competitive market place.

GOVERNMENT STRUCTURE

The City of Upland's current government structure is presently serving the city and the county sphere areas well and there are no plans to change.

LOCAL ACCOUNTABILITY AND GOVERNANCE

The current city's Governance options of the city council, commissioners and public advisory committees provide complete and open access to City Government for Upland citizens both in the city and the county.

**Draft Resolution for the
City of Upland's
Service Review/Sphere Update**

Attachment 2

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

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PROPOSAL NO.: LAFCO 2894

HEARING DATE: JULY 17, 2002

RESOLUTION NO. 2742

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF THE COUNTY OF SAN BERNARDINO MAKING DETERMINATIONS ON LAFCO 2894, A SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR THE CITY OF UPLAND.

On motion of Commissioner _____, duly seconded by Commissioner _____, and carried, the Local Agency Formation Commission adopts the following resolution:

WHEREAS, a service review mandated by Government Code Section 56430 and a sphere of influence update mandated by Government Code Section 56425 have been conducted by the Local Agency Formation Commission of the County of San Bernardino (hereinafter referred to as "the Commission") in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.); and,

WHEREAS, at the times and in the form and manner provided by law, the Executive Officer has given notice of the public hearing by this Commission on this matter; and,

WHEREAS, the Executive Officer has reviewed available information and prepared a report including his recommendations thereon, the filings and report and related information having been presented to and considered by this Commission; and,

WHEREAS, the public hearing by this Commission was held upon the date and at the time and place specified in the notice of public hearing and in an order or orders continuing the hearing; and,

WHEREAS, at the hearing, this Commission heard and received all oral and written protests; the Commission considered all objections and evidence which were made, presented, or filed; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the review, in evidence presented at the hearing; and,

WHEREAS, a statutory exemption has been issued pursuant to the provisions of the California Environmental Quality Act (CEQA) indicating that this service review and sphere of influence update are statutorily exempt from CEQA and such exemption has been adopted by this Commission. The Clerk has been directed to file a Notice of Exemption within five working days of adoption of this resolution; and,

RESOLUTION NO. 2742

WHEREAS, based on presently existing evidence, facts, and circumstances filed with the Local Agency Formation Commission and considered by this Commission, it is determined that the sphere of influence for the City of Upland should be affirmed as it currently exists, as more specifically described in maps and legal descriptions on file in the LAFCO staff office; and,

WHEREAS, the following findings are made in conformance with Government Code Section 56430 and local Commission policy:

1. **Infrastructure Needs and Deficiencies.** A comprehensive capital improvement plan has been adopted by the City setting forth recommendations for a variety of projects. A copy of this plan is maintained in City offices.
2. **Growth and Population.** The City provides the full range of urban services to an estimated population of 68,800.
3. **Financing Opportunities and Constraints.** The City receives a share of the general levy of property tax revenue, but the bulk of its revenue is derived from fees for service, sales and use revenue, and other revenues. No relevant issues concerning financing opportunities and constraints were identified by the City of Upland.
4. **Cost Avoidance Opportunities.** The City of Upland is already participating in cost avoidance programs through joint agency practices, grant programs, and sharing public facilities such as flood control improvements, parks, and library facilities and services. These programs are more fully set forth within the City's documentation submitted for this review.
5. **Rate Restructuring.** The City of Upland regularly evaluates its cost of services in order to stay in conformance with state requirements and the competitive market place. No relevant issues related to this factor were identified by the City of Upland.
6. **Opportunities for Shared Facilities.** No relevant issues related to this factor were identified by the City of Upland.
7. **Government Structure Options.** The City has indicated that it has planned to extend the full range of urban services into its sphere of influence area, and that it is actively working on various annexation plans, specifically in the "College Heights" area.
8. **Management Efficiencies.** No relevant issues related to this factor were identified by the City of Upland..
9. **Local Accountability and Governance.** The City is governed by a five-member Council elected at large. The City maintains a web site, and conforms with provisions of the Brown Act requiring open meetings. No other relevant issues concerning this factor have been identified.

WHEREAS, the following findings are made in conformance with Government Code Section 56425 and local Commission policy:

1. **PRESENT AND PLANNED LAND USES**

The full range of urban, suburban, and rural land uses are included within the boundaries and current sphere of influence of the City of Upland. This sphere of influence update and service review have no potential whatsoever to change present or planned land uses within the District sphere, since no changes to the sphere of influence are contemplated.

RESOLUTION NO. 2742

2. **PRESENT AND PROBABLE NEED FOR PUBLIC FACILITIES AND SERVICES IN THE AREA**

No changes to the City sphere of influence are proposed or contemplated through this review. The City has adopted a master plan for service which addresses this issue, and is on file in the City offices.

3. **PRESENT CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES PROVIDED**

No changes to the City sphere of influence are proposed or contemplated through this review. The City has adopted a master plan for service which addresses this issue, and is on file in the City offices.

4. **COMMUNITIES OF INTEREST IN THE AREA**

No changes to the City sphere of influence are proposed or contemplated through this review. The Commission therefore determines that this factor of determination is not relevant to this review, as permitted by Government Code Section 56425.

5. **OTHER FINDINGS**

- A. Notice of this hearing has been published as required by law in The Sun and the Inland Valley Daily Bulletin, newspapers of general circulation in the area. As required by state law, individual notification was provided to affected and interested local agencies, County departments, and those individuals wishing mailed notice.
- B. Comments from landowners and any affected local agency have been reviewed and considered by the Commission in making its determination.

WHEREAS, having reviewed and considered the findings as outlined above, the Commission affirms and upholds the sphere of influence for the City of Upland as it currently exists, and is depicted on maps and legal descriptions on file in the office of the San Bernardino Local Agency Formation Commission.

NOW, THEREFORE, BE IT RESOLVED by the Local Agency Formation Commission of the County of San Bernardino, State of California, that this Commission shall consider the territory, described on maps and legal descriptions on file in the LAFCO office, as being within the sphere of influence of the City of Upland, it being fully understood that establishment of such a sphere of influence is a policy declaration of this Commission based on existing facts and circumstances which, although not readily changed, may be subject to review and change in the event a future significant change of circumstances so warrants.

BE IT FURTHER RESOLVED that the Local Agency Formation Commission of the County of San Bernardino, State of California, does hereby determine that the City of Upland shall indemnify, defend, and hold harmless the Local Agency Formation Commission of the County of San Bernardino from any legal expense, legal action, or judgment arising out of the Commission's affirmation of this sphere of influence, including any reimbursement of legal fees and costs incurred by the Commission.

THIS ACTION APPROVED AND ADOPTED by the Local Agency Formation Commission of the County of San Bernardino by the following vote:

RESOLUTION NO. 2742

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN BERNARDINO)

I, JAMES M. RODDY, Executive Officer of the Local Agency Formation Commission of the County of San Bernardino, California, do hereby certify this record to be a full, true, and correct copy of the action taken by said Commission, by vote of the members present, as the same appears in the Official Minutes of said Commission at its meeting of July 17, 2002.

DATED:

JAMES M. RODDY, Executive Officer

**Response from Tom Dodson
And Associates**

Attachment 3

TOM DODSON & ASSOCIATES
2150 N. ARROWHEAD AVENUE
SAN BERNARDINO, CA 92405
TEL (909) 882-3612 • FAX (909) 882-7015
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July 5, 2002

Mr. James M. Roddy, Executive Officer
Local Agency Formation Commission
175 West Fifth Street, Second Floor
San Bernardino, CA 92415-0490

Dear Jim:

LAFCO 2894 consists of a service review for the City of Upland (City) pursuant to Government Code Section 56430 and Sphere of Influence Study Pursuant to Government Code 56425. If approved by the Commission, the service and Sphere review would not result in any change to the services or the Sphere of Influence for the City. Based on the above proposal, it appears that LAFCO 2894 can be implemented without causing any physical changes to the environment or any adverse environmental impacts. The service and Sphere review does not appear to have any potential to alter the existing physical environment in any manner. Since no projects are pending or will occur as a result of approving this review, no physical changes in the environment are forecast to result from approving the action before the Commission.

Without a potential for causing physical changes in the environment, I recommend that the Commission find that a Statutory Exemption applies to LAFCO 2894 under the Section 15061 (b) (3) which states: "A project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA." It is my opinion, and recommendation to the Commission, that this circumstance applies to LAFCO 2894.

Based on a review of LAFCO 2894 and the pertinent sections of CEQA and the State CEQA Guidelines, I conclude that LAFCO 2894 does not constitute a project under CEQA and adoption of the Statutory Exemption and filing of a Notice of Exemption is the most appropriate determination to comply with the CEQA process for this action. The Commission can approve the review and findings for this action and I recommend that you notice LAFCO 2894 as statutorily exempt from CEQA for the reasons outlined in the State CEQA Guideline sections cited above. The Commission needs to file a Notice of Exemption with the County Clerk to the Board for this action once the hearing is completed.

A copy of this exemption should be retained in LAFCO's project file to serve as verification of this evaluation and as the CEQA environmental determination record. If you have any questions, please feel free to give me a call.

Sincerely,

A handwritten signature in black ink that reads "Tom Dodson". The signature is written in a cursive style with a large, prominent "T" and "D".

Tom Dodson