

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

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PROPOSAL NO.: LAFCO 2924

HEARING DATE: APRIL 21, 2004

RESOLUTION NO. 2815

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF THE COUNTY OF SAN BERNARDINO MAKING DETERMINATIONS ON LAFCO 2924, A SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR THE CITY OF GRAND TERRACE (sphere of influence coterminous with existing City boundaries).

On motion of Commissioner Young, duly seconded by Commissioner Biane 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 her 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 on April 21, 2004, 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 was adopted by this Commission at its April 21, 2004 hearing. The Clerk is directed to file a Notice of Exemption within five working days of adoption; and,

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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 Grand Terrace shall be maintained as a coterminous sphere of influence; and,

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

1. **Infrastructure Needs and Deficiencies.**

The City of Grand Terrace provides its services to the residents within its boundaries, which encompass 3.7 square miles (approximately 2,364 acres). The City has a Capital Improvement Plan which outlines the City's current and future capital improvement needs, along with a master plan for sewer collection systems. The City participates with the City of Colton for sewer treatment services and has indicated that there is adequate capacity within this facility for ultimate build-out of the city. Copies of the City's Capital Improvement Program and Master Plans are maintained in City offices and are available for public review.

2. **Growth and Population.**

The current population of the City of Grand Terrace is approximately 12,090 residents. The City's projected ultimate population is estimated at approximately 14,396. This population estimate is calculated based on the residential land use densities and designation contained in the 2002 Housing Element Update and the General Plan Update. As noted, the City is close to build-out of its vacant single and multiple-family residential areas and anticipates its primary growth will be industrial and commercial development along the I-215 freeway corridor.

3. **Financing Opportunities and Constraints.**

The primary funding mechanisms for the City are:

- A share of the 1% general ad valorem levy (estimated at \$428,614 for FY 2003-04)
- Sales Tax
- PERS Retirement Assessment
- Franchise Fees
- Motor Vehicle In-Lieu Fees
- Redevelopment Project Area Funds
- Grants
- Development Impact Fees (sewer fees, building permit fees, etc.)

The City has indicated that the Capital Improvement Program identifies capacity improvements, and the development and financing of these projects.

4. **Cost Avoidance Opportunities.**

The City of Grand Terrace participates in joint capital improvement projects and other joint studies. This activity encourages coordination with other local governmental agencies and maximizes the funding source for projects. The City's strategy for directing growth is through its Capital Improvement Projects. The City does not have an infill strategy. The City Council has adopted as its mission statement: "To strive to achieve total customer satisfaction. To be fiscally prosperous and accountable. To be environmentally responsible. To pursue innovative technology to meet the changing needs of our community."

5. **Rate Restructuring.**

The City of Grand Terrace periodically reviews and compares its rates to those of adjoining communities. Copies of the City's rate structure are available for review in City offices. As outlined above, the City's primary funding is derived from its share of sales tax, the 1% general ad valorem tax levy, fees, grants and PERS Retirement assessment. The materials submitted to the Commission do not identify rates beyond these revenue sources.

6. **Opportunities for Shared Facilities.**

The City currently shares park facilities with Terrace View Middle School and it continues to review opportunities with other governmental agencies to enhance the delivery of service to the benefit of its residents.

7. **Government Structure Options.**

No options for governmental structure change were identified for the City of Grand Terrace as its sphere of influence is coterminous with its existing boundaries. No change to that designation is anticipated through this action.

8. **Management Efficiencies.**

The City has maintained a low ratio of employees per population. Currently the ratio is approximately 4.3 employees per 1,000 residents. The City maintains a staffing level that is appropriate to available funding. The City provides for the ongoing training of employees through the use of workshops, conferences, seminars, and membership in professional associations. The City's two-year budget process is prepared by each individual department under the supervision of the Finance Department. Throughout the budget review process the public is encouraged to participate through the review of drafts on the City's website. Budget policies are established by the City Council, formulated into policy guidelines by staff and reviewed and adopted by the City Council through the public hearing process.

9. **Local Accountability and Governance.**

The City is governed by a five-member City Council, elected at-large. The mayor is chosen by the City Council for a two-year term. The City maintains a website which is periodically updated through the Community Service Department. As noted above, the City's budget is adopted every two years during the month of June and is reviewed on a quarterly basis. Progress reports are periodically presented to the City Council.

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

1. The present and planned land uses in the area, including agricultural and open-space lands:

The present and planned land uses within the area, comprising the corporate limits of the City of Grand Terrace, represent varying levels and intensities of urban development. This area includes approximately 3.7 square miles (approximately 2,364 acres) within San Bernardino County.

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2. The present and probable need for public facilities and services in the area:

The City, along with County Service Area 38 for fire protection and the Riverside-Highland Mutual Water Company, provide for the full range of public facilities and services in the area. The City has adopted Master Plans for the delivery of its services which outline the location, sizing and estimated cost for extension of infrastructure.

3. The present capacity of public facilities and adequacy of public services that the agency to be expanded provides or is authorized to provide:

The City indicates that the present capacity of public facilities and services is adequate to meet the needs of the developed areas within the City, which corresponds to its sphere of influence. The City has indicated that it has almost reached build out of residential lands within its boundaries and future growth and development is anticipated for commercial and industrial uses along the I-215 corridor.

4. The existence of any social or economic communities of interest in the area.

The existing sphere of influence assigned the City of Grand Terrace is coterminous with the City's boundaries which represents that community, and no change in this assignment is contemplated at this time. The Commission, therefore, determines that this factor of consideration is not relevant to this review, as permitted by Government Code Section 56425.

5. **OTHER FINDINGS**

A. Notice of the April 21, 2004 hearing was published as required by law and directed by the Commission in The Sun and the Colton Courier, 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 affected local agencies have been reviewed and considered by the Commission in making its determination; and,

WHEREAS, having reviewed and considered the findings as outlined above, the Commission affirms and upholds the sphere of influence for the City of Grand Terrace as it currently exists, as depicted on the map attached and on file in the office of the Local Agency Formation Commission for San Bernardino County.

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 the attached map as being the sphere of influence of the City of Grand Terrace, 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 Grand Terrace shall indemnify, defend, and hold harmless the Local Agency Formation Commission of the County of

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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:

AYES: COMMISSIONERS: Bagley, Biane, Colven, Pearson, Smith, Williams, Young

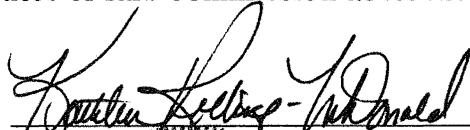
NOES: COMMISSIONERS: None

ABSENT: COMMISSIONERS: None

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

I, KATHLEEN ROLLINGS-McDONALD, 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 April 21, 2004.

DATED: April 21, 2004



KATHLEEN ROLLINGS-McDONALD
Executive Officer





- City of Grand Terrace (Sphere Cotermineous With City Limit)
- City of Colton
- Colton Sphere
- City of San Bernardino

CITY OF GRAND TERRACE

City Limits

Map Prepared On March 19, 2004

