

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF THE COUNTY OF SAN BERNARDINO
AND RECORD OF ACTION**

November 17, 2020

FROM

LEONARD X. HERNANDEZ, Chief Executive Officer, County Administrative Office

SUBJECT

Property Tax Exchange Related to LAFCO 3243 – Reorganization to Include Annexation to the City of Fontana, the Fontana Fire Protection District, the West Valley Water District, and the San Bernardino Valley Municipal Water District, and Detachment from the San Bernardino County Fire Protection District, its Valley Service Zone, and its Zone FP-5, and County Service Area 70 (I-15 Logistics Project).

RECOMMENDATION(S)

Adopt **Resolution No. 2020-205** accepting the property tax revenue amounts that would be transferred as a result of the pending jurisdictional change related to Local Agency Formation Commission proposal LAFCO 3243 – Reorganization to Include Annexation to the City of Fontana, the Fontana Fire Protection District, the West Valley Water District, and the San Bernardino Valley Municipal Water District, and Detachment from the San Bernardino County Fire Protection District, its Valley Service Zone, and its Zone FP-5, and County Service Area 70 (I-15 Logistics Project).

(Presenter: Matthew Erickson, County Chief Financial Officer, 387-5423)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

Ensure Development of a Well-Planned, Balanced, and Sustainable County.

Pursue County Goals and Objectives by Working with Other Agencies.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). Approval will potentially result in ongoing reductions of \$105 in funding for the San Bernardino County Fire Protection District (SBCFPD) and \$1,133 for the County General Fund due to the transfer of property tax revenue from the County to the City of Fontana (City). However, the City will assume responsibility and cost for municipal services in the reorganization area. The proposed transfer does not affect County Service Area 70 as it currently does not receive property tax revenue for the reorganization area. The property tax exchange associated with this action will only be effective upon completion of the reorganization proceedings.

The recommended redistribution of property tax revenue as a result of the pending reorganization related to Local Agency Formation Commission (LAFCO) proposal LAFCO 3243 is as follows:

**Property Tax Exchange Related to LAFCO 3243 - Reorganization to Include Annexation to the City of Fontana, the Fontana Fire Protection District, the West Valley Water District, and the San Bernardino Valley Municipal Water District, and Detachment from the San Bernardino County Fire Protection District, its Valley Service Zone, and its Zone FP-5, and County Service Area 70 (I-15 Logistics Project).
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Affected Agency	Transfer to	Transfer from
City of Fontana	\$1,133	
Fontana Fire Protection District	\$105	
County General Fund		\$1,133
County Service Area 70		\$0
SBCFPD – Valley Service Zone		\$86
SBCFPD – Administration		\$19
Total Transfer	\$1,238	\$1,238

BACKGROUND INFORMATION

LAFCO 3243 is a proposal based on an application submitted by the City of Fontana on August 3, 2020 proposing a reorganization to include annexation to the City, the Fontana Fire Protection District, the West Valley Water District, and the San Bernardino Valley Municipal Water District, and detachment from the San Bernardino County Fire Protection District, its Valley Service Zone, and its Zone FP-5, and County Service Area 70.

The City of Fontana initiated the proposal to annex several parcels and portions of Lytle Creek Road right-of-way under the City's jurisdiction. The overall reorganization area, encompassing approximately 146 acres, is generally located northerly of the I-15 Freeway, westerly of Sierra Avenue, southerly of Lytle Creek Road and easterly of the natural extension of Citrus Avenue, within the northern portion of the City's sphere of influence.

- The proposed annexation to the City and detachment from County Service Area 70 includes the entire reorganization area encompassing approximately 146 acres;
- The proposed annexation to West Valley Water District and San Bernardino Valley Municipal Water District includes the entirety of APNs 0239-041-15, 0239-041-17, and 0239-041-18, and a portion of APN 0239-041-02, including the entire right-of-way area of Lytle Creek Road associated with these parcels encompassing approximately 5 acres; and,
- The proposed annexation to Fontana Fire Protection District and detachment from San Bernardino County Fire Protection District, its Valley Service Zone and its Service Zone FP-5 includes the entirety of APN 0239-041-15 and portions of APNs 0239-041-02, 0239-091-13, and 0239-091-14, including the northerly right-of-way area of Lytle Creek Road from Sierra Avenue to the portion of Lytle Creek Road within APN 0239-041-02 encompassing approximately 5 acres.

On August 20, 2020, LAFCO issued a Notice of Filing (NOF) notifying the affected agencies of the reorganization proposal. The NOF requires the San Bernardino County Auditor-Controller/Treasurer/Tax Collector to estimate the property tax revenue and proportions by agency, which is used to establish the property tax revenue amounts to be transferred. A determination of the property tax revenue exchange associated with the jurisdictional change must occur prior to issuance of the Certificate of Filing by LAFCO. The property tax exchange associated with this action will only be effective upon completion of the reorganization proceedings. In accordance with Section 99 of the California Revenue and Taxation Code, the Board of Supervisors must adopt a resolution related to the property tax exchange, and act on behalf of all special districts (board-governed or independent) within the County's jurisdiction.

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PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Dawn Martin, Deputy County Counsel, 387-5455) on October 22, 2020; Finance (Allegra Pajot, Administrative Analyst, 387-5005) on October 19, 2020; LAFCO (Samuel Martinez, Executive Officer, 388-0480) on October 29, 2020; and County Finance and Administration (Katrina Turturro, Deputy Executive Officer, 387-5423) on October 29, 2020.

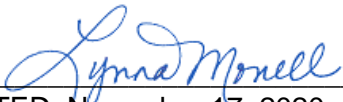
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Record of Action of the Board of Supervisors
County of San Bernardino

APPROVED (CONSENT CALENDAR)

Moved: Robert A. Lovingood Seconded: Josie Gonzales
Ayes: Robert A. Lovingood, Janice Rutherford, Dawn Rowe, Curt Hagman, Josie Gonzales

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: November 17, 2020



cc: W/RESOLUTION
File- Administrative Office w/attach
CCM 11/25/2020