

AGENDA

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

**SAN BERNARDINO CITY COUNCIL CHAMBERS
300 NORTH D STREET, FIRST FLOOR, SAN BERNARDINO**

REGULAR MEETING OF MAY 18, 2016

9:00 A.M. – CALL TO ORDER – FLAG SALUTE

1. Public Comments on Closed Session

CONVENE CLOSED SESSION – Conference Room adjacent to Council Chamber:

Personnel (Government Code Section 54957) – Employee Evaluation – Executive Officer

CONVENE PUBLIC SESSION

ANNOUNCEMENT: Anyone present at the hearing who is involved with any of the changes of organization to be considered and who has made a contribution of more than \$250 in the past twelve (12) months to any member of the Commission will be asked to state for the record the Commission member to whom the contribution has been made and the matter of consideration with which they are involved.

2. Swear in Regular Special District and City Commissioners
3. Selection of Chair and Vice Chair
4. Interview and Select Alternate Public Member

CONSENT ITEMS:

The following consent items are expected to be routine and non-controversial and will be acted upon by the Commission at one time without discussion, unless a request has been received prior to the hearing to discuss the matter

5. Approval of Minutes for Regular Meeting of April 20, 2016
6. Approval of Executive Officer's Expense Report
7. Ratify Payments as Reconciled for Month of April 2016 and Note Cash Receipts

PUBLIC HEARING ITEMS:

8. Consent Items Deferred for Discussion
9. Consideration of: (1) Final Environmental Impact Report Adopted by the City of Rialto for the Annexation No.170, General Plan Amendment No. 29, Specific Plan No. 12, and Development Agreement for the Lytle Creek Ranch Specific Plan (SCH No.

2009061113), as a CEQA Responsible Agency for LAFCO 3201; (2) Adoption of Facts, Findings and Statement of Overriding Considerations; and (3) LAFCO 3201 – Reorganization to include Annexations to the City of Rialto and the West Valley Water District and Detachments from San Bernardino County Fire Protection District and its Valley Service Zone, Fontana Fire Protection District, County Service Area SL-1 and County Service Area 70

10. Fiscal Year 2016-17 Final Budget Review to include the Following:

- a. Consideration of (1) CEQA Statutory Exemption for Schedule of Fees, Deposits and Charges Revisions; and (2) Review of Adoption of Schedule of Fees, Deposits, and Charges for Fiscal Year 2016-17
- b. Review and Adoption of Final Budget for Fiscal Year 2016-17 including the following:
 - i. Final Budget for FY 2016-17 and Apportionment for Independent Special Districts, Cities and the County
 - ii. Executive Officer Contract
 - iii. Approval of Negotiating Lease and Tenant Improvements for Move to the Harvey House area of the San Bernardino Depot by no later than June 30, 2017

DISCUSSION ITEMS:

- 11. Discussion of Implementation Issues on Conditions of Approval for LAFCO 3198 – Reorganization to Include Annexations to the San Bernardino County Fire Protection District et al (City of San Bernardino) and LAFCO 3200 – Reorganization to include Annexations to San Bernardino County Fire Protection District et al (Twentynine Palms community):
 - a. LAFCO Resolution No. 3211 for LAFCO 3198 – Condition No. 7 related to the receipt of a Workers Compensation Tailing Insurance policy and Condition No. 11 requiring the creation of a separate subzone of FP-5 to reflect the City of San Bernardino boundary prior to placement of special tax on the tax roll
 - b. LAFCO Resolution No. 3216 for LAFCO 3200 -- Condition No. 7 related to the receipt of a Workers Compensation Tailing Insurance policy and Condition No. 10 requiring the creation of a separate subzone of FP-5 to reflect the Twentynine Palms community boundary prior to placement of special tax on the tax roll

INFORMATION ITEMS:

- 12. Legislative Update Report
- 13. Executive Officer's Oral Report
 - a. Letter from Somach Simmons & Dunn related to Sterling Natural Resources Center and East Valley Water District and LAFCO Response
 - b. Schedule of Upcoming Hearings
- 14. Commissioner Comments

(This is an opportunity for Commissioners to comment on issues not listed on the agenda, provided that the subject matter is within the jurisdiction of the Commission and that no action may be taken on off-agenda items unless authorized by law.)

15. Comments from the Public

(By Commission policy, the public comment period is limited to five minutes per person for comments related to other items under the jurisdiction of LAFCO not on the agenda.)

The Commission may adjourn for lunch from 12:00 to 1:30 p.m. The Commission may take action on any item listed in this Agenda whether or not it is listed for Action. In its deliberations, the Commission may make appropriate changes incidental to the above-listed proposals.

Materials related to an item on this Agenda submitted to the Commission or prepared after distribution of the agenda packet will be available for public inspection in the LAFCO office at 215 N. D St., Suite 204, San Bernardino, during normal business hours, on the LAFCO website at www.sbclafco.org, and at the hearing.

Current law and Commission policy require the publishing of staff reports prior to the public hearing. These reports contain technical findings, comments, and recommendations of staff. The staff recommendation may be accepted or rejected by the Commission after its own analysis and consideration of public testimony.

IF YOU CHALLENGE ANY DECISION REGARDING ANY OF THE ABOVE PROPOSALS IN COURT, YOU MAY BE LIMITED TO RAISING ONLY THOSE ISSUES YOU OR SOMEONE ELSE RAISED DURING THE PUBLIC TESTIMONY PERIOD REGARDING THAT PROPOSAL OR IN WRITTEN CORRESPONDENCE DELIVERED TO THE LOCAL AGENCY FORMATION COMMISSION AT, OR PRIOR TO, THE PUBLIC HEARING.

The Political Reform Act requires the disclosure of expenditures for political purposes related to a change of organization or reorganization proposal which has been submitted to the Commission, and contributions in support of or in opposition to such measures, shall be disclosed and reported to the same extent and subject to the same requirements as provided for local initiative measures presented to the electorate (Government Code Section 56700.1). Questions regarding this should be directed to the Fair Political Practices Commission at www.fppc.ca.gov or at 1-866-ASK-FPPC (1-866-275-3772).

A person with a disability may contact the LAFCO office at (909) 388-0480 at least 72-hours before the scheduled meeting to request receipt of an agenda in an alternative format or to request disability-related accommodations, including auxiliary aids or services, in order to participate in the public meeting. Later requests will be accommodated to the extent feasible.

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

215 North "D" Street, Suite 204, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 885-8170
E-mail: lafoo@lafoo.sbcountry.gov
www.sbciafoo.org

DATE: MAY 10, 2016

FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer

TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #2 – SWEAR IN REGULAR SPECIAL DISTRICT AND CITY COMMISSIONERS

At the close of the balloting period for the Special Districts Selection Committee, a quorum of votes was not achieved. Staff has extended the balloting for an additional 30 days, closing May 25. Therefore, the swearing-in will be deferred to the June 15, 2016 meeting and existing Special District member Kimberly Cox will continue in that position pursuant to Government Code Section 56325.

At the May 4 City Selection Committee Meeting, Diane Williams was selected for a new term, expiring in May 2020.

Staff will be happy to respond to any questions prior to or at the hearing.

/krm

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E-mail: lafoo@lafoo.sbcounfy.gov
www.sbciafoo.org

DATE: MAY 10, 2016

FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer

TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #3 – ELECTION OF CHAIR AND VICE-CHAIR

Pursuant to Rule of Order #2, the Commission selects its Chair and Vice-Chair annually at the May hearing for a one year term. As of the August 2015 update to the Policy and Procedure Manual, Rule of Order #2 no longer limits the number of years a Commissioner may hold the position of Chair or Vice-Chair. Any regular voting member of the Commission may be appointed to these positions.

Staff will be happy to respond to any questions prior to or at the hearing.

/krm

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www.sbcloafoo.org

DATE: MAY 10, 2016

FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer

TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #4 – INTERVIEW AND SELECT ALTERNATE PUBLIC MEMBER

Pursuant to Commission policy, the staff originally provided a thirty-day period from February 16 to March 16, 2016 for interested persons to submit an application for the position of Alternate Public Member of the Commission. During that period, staff received questions on the submission of qualified persons for the position. Based upon the potential confusion on filing requirements, staff requested, and the Commission granted, an extension of the filing period at its March 16, 2016 hearing. The period closed April 25, 2016.

Copies of the letters of application are included as attachments to this report and have been received from:

- Charlie Johnson, resident of Phelan;
- Devin M. Finley, resident of Rialto; and,
- Thurston E. "Smitty" Smith, resident of Apple Valley

Staff has advised the candidates that each will be asked to provide a brief oral presentation outlining their qualifications and reasons for their interest in this position. The Commission may then make an appointment, with the successful candidate sworn-in at the hearing or may defer action to the next hearing. The term of office for this position expires on the first Monday in May, 2020.

The Commission process for selection of the successful candidate requires that the candidate must receive four votes and that neither the Public Member nor Alternate Public Member may vote. Further, state law requires that the successful candidate must receive at least one affirmative vote from each of the three other membership categories on the Commission – county, city and special district.

Staff will be happy to answer any questions at the hearing.

KRM/

Attachments:

Charlie Johnson

11433 Buttemere Road, Phelan, CA 92371 | (760) 868-2080 | Charlie@CNJohnson.com

February 17, 2016

Kathleen Rollings-McDonald
Executive Officer
Local Agency Formation Commission
For San Bernardino County
215 North D Street, Suite 204
San Bernardino, CA 92415-0490

RECEIVED
FEB 17 2016

LAFCO
San Bernardino County

Dear Ms. Rollings-McDonald:

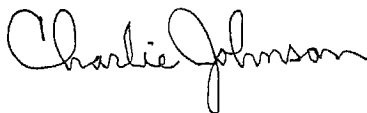
Kathy, I am writing this letter of application for the position of Alternate Public Member.

As you are aware, I have been very active in the local government agencies in the community of Phelan. I have served on many boards and councils in the community of Phelan, including the Community Advisory Panel, the Municipal Advisory Council, the Chamber of Commerce, the Tri-Community Kiwanis Club, and the Phelan Piñon Hills Community Services District.

I have worked with LAFCO on several occasions and am very familiar with the LAFCO Mission and Vision. I believe that the best government is local government that is sensitive to the needs and growth concerns of the community, and that delivers efficient and effective public services. To that end, I have chaired three committees to form or alter local governance: 1) the Phelan Piñon Hills Incorporation Committee (1994); 2) the Phelan MAC successful effort to change the boundaries of County Service Area 9 (1998); and 3) the Phelan Piñon Hills Community Services District Formation Committee (2005-08), which was established in March 2008.

I have enclosed a brief resume for the consideration of the Commission. I look forward to any questions that you may have, and to discussing my experience with the Commission.

Sincerely,



Charlie Johnson

Charles N. Johnson

(760) 868-2080 (760) 269-3150 FAX
11433 Buttemere Road Phelan, California 92371

Summary

Mr. Johnson is a general, financial, and project professional with over twenty years' experience in systems design, implementation, and management. His experience in private business, and over five years as a leader for a Community Services District team, combined with nine years as a professor is unique. He is a team leader who has proven to be a creative problem solver and team builder with excellent oral and written communication skills.

General / Financial Management

- Worked closely with consultant on the PPHCSD Water Rate Study and Proposition 218 process as Finance Committee Chair and Board President
- Established the District's fiscal and reserve policies maintaining a sound financial position
- Developed the District Investment Policy with our finance team
- Worked with internal / external audit teams to ensure operational and reporting compliance
- Established and managed a full accounting system (general ledger, payroll, accounts payable and receivable, and cash receipts)
- Directed and managed a large finance staff with a \$5 million budget and responsibility for general accounting and accounts receivable factoring general ledgers
- Managed a major (>\$1 million) implementation project team and an infrastructure outsource team for the Commonwealth of Virginia
- Investment management utilizing concentration accounts, zero-balance accounts, electronic wires, and depository transfers to invest surplus funds of \$10 million both short (overnight) and long-term in commercial paper and repurchase agreements
- Represented the District before the San Bernardino Board of Supervisors and Local Agency Formation Commission

Systems Management

- Managed Information Technology staff and hardware / software systems
- Project manager for financial management system evaluation, selection, and implementation
- Directed the implementation of the IT financial management and billing systems
- Managed a team which developed automated product costing and transfer billing systems
- Developed custom financial and management reports utilizing the general ledger reporting system

Training and Development

- Adjunct Professor – University of Texas, Dallas. Teaching Procurement, Financing, & Budgeting for INFOTEC in Mexico City
- University Adjunct Professor and Visiting Assistant Professor, lead faculty in finance for BS and MBA programs – University of Redlands, CA. Taught Managerial Accounting and Managerial Finances courses (nine years).
- Promote staff development through in-house programs, and sponsoring external training
- Conduct financial seminars on Information Technology and financial principles and practices. Seminar presenter for over twenty years for IT Financial Management Association

Charles N. Johnson
(760) 868-2080 (760) 269-3150 FAX

Professional Experience

Director & Finance Committee Chair (five years) Board President (two years)	Phelan Piñon Hills Community Services District (PPHCSD) This is a new District (2008) with many active Board Committees involved in creating District procedures.	Phelan, CA
CNJohnson & Associates A Financial & Systems Consulting Firm	AIG Life & Retirement Experian First Interstate Bank Virginia Information Technologies Agency Commerce Bancshares MassMutual Insurance Gedas North America Union Pacific Railroad	Houston, TX Costa Mesa, CA Billings, MT Richmond, VA Kansas City, MO Springfield, MA Puebla, Mexico St. Louis, MO
Adjunct Faculty for INFOTEC Visiting Assistant Professor Lead Faculty - Finance	University of Texas-Dallas University of Redlands BS, MS, & MBA Programs	Mexico City, MX Redlands, CA
Vice President / Controller	Security Pacific Automation Co.	Los Angeles, CA

Education

Master of Business Administration, California Lutheran University
Bachelor of Science, Business Management, San Diego State University

Professional / Activities

Phelan Piñon Hills Community Services District Director & Board President
Special District Leadership Academy Certificate – California Special District Association

University of Redlands, Excellence in Teaching Award, Professor in Finance
University of Texas, Dallas (INFOTEC, Mexico City), Professor in Finance
IT Financial Management Association, recognized for twenty-five years as a speaker

St. Junipero Serra Parish Finance Council
Diocese of San Bernardino Finance Council, Vice Chair
Caritas Telecommunications, Board of Directors
Phelan Piñon Hills Community Improvement Association (Nonprofit), President
Tri-Community Kiwanis Club, Past President, Treasurer, Kiwanian of the Year
Phelan Chamber of Commerce, President, Treasurer, & Outstanding Citizen Award
Piñon Hills Chamber of Commerce, Director
American Youth Soccer Association (37 years of service), Area Director, National Referee,
National Coach, Coach, Referee, and Management Instructor

Charles N. Johnson
(760) 868-2080 (760) 269-3150 FAX

Community Activities

Tri-Community Kiwanis Club

- Charter member when formed in 1993
- President for three terms, 1994, 2006, & 2011
- Treasurer, 1993
- Board Member (many terms)
- Kiwanian of the Year, 1995-96
- Co-founder of the Phelan 4th of July Concert & Fireworks Show

Phelan Chamber of Commerce

- President 2016, Director many years
- Outstanding Citizen Award, 1994
- Phelan Phun Day Parade Grand Marshal

Piñon Hills Chamber of Commerce

- Director

Phelan Citizens' Advisory Panel (CAP)

- Appointed by Supervisor Marcia Turoci
- Chair (many terms)
- Prevented housing development for 90+ homes on 100 acres at NE corner of Phelan and Johnson Roads

Phelan Piñon Hills Incorporation Feasibility Committee (1994-5)

- Chair of the Steering Committee
- Directed activities of several sub-committees
- Coordinated activities with the San Bernardino County Local Agency Formation Commission (LAFCo)
- Collected financial and other data from County departments (Auditor, Sheriff, Fire, Special Districts, Registrar of Voters, etc.)
- Met with civic groups (Kiwanis, Phelan MAC, Piñon Hills MAC, etc.) for discussion and comments

Phelan Municipal Advisory Council (MAC)

- Appointed the first Chairman by Cathy Davis
- Served as Chair for several terms
- In 1997 led the effort to define boundaries and powers of County Service Area 9 (CSA 9 – Phelan)
 - Worked with County Special Districts Department to expand new boundaries from nine square mile street lighting district to current boundaries (~88 square miles)
 - Added park & recreation and road maintenance powers to CSA 9 – Phelan

- Persuaded the San Bernardino County Board of Supervisors to unanimously approve the expansion boundaries and powers
- Testified before LAFCo in support of the expansion of boundaries and powers. Commission voted unanimously in favor of the expansion
- This boundary change stopped Victorville encroachment into Phelan (4.5 square miles) with the Ira Norris housing project in 2004

Phelan Piñon Hills Community Services District (PPHCSD)

- Gathered five community members together to form the Phelan Piñon Hills Community Services District Feasibility Committee on April 15, 2004
- Chair of the Feasibility Committee until District formation and initial meeting on March 19, 2008
- Worked with County Special District Department (SDD) to combine three County Service Areas (CSA 70, Zone L, CSA 56 F1, and CSA 9) to form the CSD
- Served on the Mojave Water Agency Technical Advisory Committee
- Served on the Mojave Water Agency Oeste Sub-basin Committee
- Worked with Supervisors Postmus and Mitzelfelt, who supported the District formation
- Prepared the Phelan Piñon Hills Community Services District Feasibility Study
- Served two terms as Board President
- Assisted in the preparation of several District financial policies
- Served on Park & Recreation, Waste Management, Finance (Chair for five years), Engineering, Road (ad hoc), Alternative Energy (ad hoc), El Mirage Annexation (ad hoc), and General Manager Selection/Evaluation (ad hoc) committees
- Developed "Roles and Responsibility" documents for several committees, which were approved by the District Board
- California Special Districts Association, Special District Leadership Foundation - Recognition in Special District Governance

Phelan Piñon Hills Community Improvement Association (PPHCIA)

PPHCIA is a public charity as defined by the IRS under Section 501 (c) (3). The purpose is to promote community welfare and development for the benefit of Phelan and Piñon Hills.

- President

Diocese of San Bernardino

Diocesan Finance Council, Vice Chair
 Catholic Foundation, Trustee
 Catholic Education Foundation, Trustee
 Caritas Telecommunications, Board of Directors



Devin M. Finley

RECEIVED
MAR 07 2016

LAFCO
San Bernardino County

Devin M. Finley
B.S. Business Finance
2660 W. Windhaven
Rialto, CA 92377
Phone: (909) 200-9787
Email: finley@yahoo.com

Kathleen Rollings McDonald, Executive Officer
Local Agency Formation Commission
215 North "D" Street, Suite 204
San Bernardino, CA 92415-0490

Good Day,

I am submitting this application to be considered for the position of Alternate Public Member for the Local Agency Formation Commission. My personal and life skills as well as my professional experience align with the necessary qualifications to appropriately execute the mission and goals of LAFCO.

An experienced public speaker, communicator and seasoned negotiator; my experience as an analyst and manager are lead indicators that I am fair, competent, and able to appropriately assess individual situations based on the information provided and come to a logical and reasonable conclusion based on findings. I have professional experience in conservation planning and environmental impacts as well as firsthand knowledge of being a small business owner. I have served roles to various Chambers of Commerce including general member, ambassador, treasurer, young professionals, and more. These experiences along with my references further bolster my qualifications as an individual who has their mind on the heartbeat and concerns of a community from a professional standpoint.

Growing up in Big Bear, Fontana, and Rancho Cucamonga areas and, as an adult, living in the High Desert for almost a decade, there are few areas of San Bernardino County that I am not directly familiar with for various reasons. Witnessing expansion and growth in the area personally, allows me to see further into the future in a more integral vision.

I further believe I am uniquely qualified to help bridge a gap between alternating generations and points of view. Often we see a generational gap causing a disconnect between two points of view because of inability to properly convey a message to the target audience. I have a wealth of knowledge bridging this gap currently and can be an excellent resource to bring brilliant insight to the table that may not currently be represented.

Respectfully,

Devin M. Finley

DEVIN MIKAEL FINLEY

2660 W. Windhaven Dr | Rialto, CA 92377

(909) 200.9787

finley@yahoo.com

AREAS OF EXPERTISE

Over ten years of experience in finance & management; including business, accounting, sales, and personnel management. Knowledgeable and experienced in staff training, mentoring, conflict resolution, and teambuilding. Dependable and effective under pressure, alone or in group environments. Strong communication skills, adaptability, and personal development. Advanced Microsoft Excel skills; over fifteen years experience with Microsoft software. Proficient in business banking, payroll, finance, accounts payable, accounts receivable, reconciliations, and customer service.

- Business Development
- Financial & Investment Management
- Liability & Risk Management
- Contract Negotiation & Acquirement
- Financial/Account Management
- Customer Relations Management (CRM)
- Vendor Relations
- Marketing & Sales Outreach
- IRR, ROR, YOC
- Employee Recruitment & Management
- MS Office (Word, Excel, PowerPoint, Outlook)
- Software: SQL, Adobe, Property Management (Yardi etc), Accounting (Quickbooks, etc)
- Presentations & Public Speaking

MEMBERSHIPS & RECOGNITIONS

Memberships

- Treasurer – Apple Valley Chamber Of Commerce, 2011
- Ambassador – Hesperia Chamber of Commerce, 2008

Certificate of Recognition

- County of San Bernardino: Supervisor Mitzelfelt, 2010 (3)
- California Legislature Assembly: Assemblyman Adams, 2010

EDUCATION

Bachelors of Science – Business Finance, 2012

University of Phoenix | Ontario, CA

PROFESSIONAL EXPERIENCE

Financial Analyst/ Project Manager/Acquisitions

2014 - Present

CMR | Blue Jay, CA

- Project & Personnel management
- Financial Analysis
- Valuation Models of Budget Projects in Excess of \$2,000,000,000
- Manage Operating Budget in Excess of \$10,000,000
- Multi-Level Analysis of Potential Land Uses – Including Agriculture, Residential, O&G, Resort, etc.
- Cost Comparison Matrix's & IRR's; Market Data Evaluation & Comparison; Compliance with Government Agencies; IRR, YOC, Land Valuation Analysis, Acquisitions, R&A, Analysis

Owner & CEO

2012 – 2014

Pita Pit Claremont | Claremont, CA

- Acquire and manage Claremont's 'Pita Pit' franchise – one of over 400 locations worldwide.
- Managed overall store operations such as sales, accounting, inventory maintenance, human resources, procedure development, certification/compliance and marketing outreach.
- Successfully improved profits within first month of acquisition from negative to positive by renegotiation and securing of current and new contracts such as Claremont Unified School District and ezCater.

DEVIN MIKAEL FINLEY

2660 W. Windhaven Dr | Rialto, CA 92377

(909) 200.9787

finley@yahoo.com

PROFESSIONAL EXPERIENCE (continued)

- Conduct recruitment, hiring and training of new staff members – managing a team of up to 10 to ensure efficient store operations and delivery of exceptional customer service.
- Oversee maintenance procedures to ensure continued operation and compliance in accordance with state, local, and franchise requirements such as health board certifications and specified franchise trainings.
- Oversee maintenance of financial aspects such as profit/cash flow analysis, preparation of local taxes, credit management, payroll processing, and charitable donations.
- Established overhead budgeting system utilizing expense charts to maintain improve tracking.
- Maintained membership of Claremont Chamber of Commerce, Claremont Young Professionals and Village Marketing Group to develop community relations and networking opportunities.

Independent Contractor

2010 – Present

Credit Repair & Debt Consolidation Specialist | Southern CA

- Assist in helping to rebuild individual credit and absolve erroneous or overstated debt
- Debt reduction, bill payment advice, consolidation and credit inquiry, credit disputes, Student Loan repayment assistance advice
- Credit repair for individuals looking to improve credit scores and advice on maintaining a good credit standing and balancing debt

Vice President

2010 – 2012

Legal & Delinquent Accounts

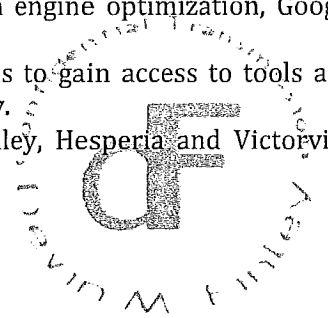
2008 – 2010

Accounts Payable/Receivable

2006 – 2008

Bluestar Properties | Victorville, CA

- Accomplished career growth through consistent promotion from Maintenance to Vice President.
- Vice Present for multi-unit housing property – oversaw all operational, financial, community and marketing aspects to maintain an exceptional property.
- Provided property management of up to 40 units with over 500 tenants, and 100 property owner clientele.
- Managed end-to-end resident operations – providing screening and placement services, prepared eviction notifications, developing community events and communicated changes/updates.
- Oversaw financial aspects to maintain cost-effective operations and upgrades –prepared cash/balance sheets, payroll, tax, IRS, and 1099 audits and maintained budgets, accounts receivable and payable records.
- Accurately maintained rent payments, owner contributions, and HOA dues of up to 2,500 units grossing over \$800K monthly.
- Successfully renegotiated contracts, saving clients over \$3K annually.
- Lead development project of non-managed homes to purchase, restore and resell – successfully generating an excess of \$5,000 in revenue per month.
- Accomplished reduction of primary expenses by analysis and renegotiation of uniform, utility, franchise, and inventory cost.
- Identified and oversaw outreach to potential clientele – negotiated and secured new account contracts which successfully maintained positive increase of clients since 2006.
- Developed marketing outreach to establish company brand utilizing search engine optimization, Google Analytics and AdWords, social media and maintenance of website.
- Participated in a variety of community outreach programs and local boards to gain access to tools and networking opportunities, and build property presence within the community.
- Maintained membership and participation within the following: Apple Valley, Hesperia and Victorville Chambers of Commerce, and the Adopt-A-Street organization.



THURSTON E. SMITH - "Smitty"

19214 Castana Street
Apple Valley, CA 92308
(760) 553-5047 Cell
(760) 244-7234 Home

RECEIVED
MAR 18 2016

LAFCO
San Bernardino County

Chairman & LAFCO Commissioners
Local Agency Formation Commission
for San Bernardino County
215 North D Street, Suite 204
San Bernardino CA 92415-0490

Dear Mr. Chairman & Commissioners:

Please accept this **Letter of Interest** to serve on the LAFCO Commission in the capacity of Public Board Commissioner. It is my understanding that a vacancy has occurred due to the completion of term limits for this position.

The following outlines my past experience, as follows:

2006 – 2014 **Hesperia City Council**
9700 Seventh Avenue
Hesperia CA 92345
(760) 947-1000

In 2006, I was elected to serve on the Hesperia City Council by a vote of the Hesperia residents. I was reelected in 2010 and served until 2014, when my term ended. At that time, my wife and I decided to retired so that we could travel. I do not currently serve on any county, city or special district governments.

While with the City, I served in the capacities of Mayor, Mayor Pro Tem and Council Member. As a representative for the City, I served on many boards and committees such as:

- Hesperia Fire District
- Hesperia Water District
- President of the League of California Cities – Desert Mountain Division
- Tri-Agency Member, Hesperia School District, Recreation & Parks & City
- Oversight Board to the Successor Agency of the Hesperia Redevelopment Agency
- Victor Valley Wastewater Reclamation Authority Board of Commissioners
- Hesperia Chamber of Commerce
- Victor Valley College Foundation
- Chairman – Victor Valley Bicycle Tour

THURSTON E. SMITH - "Smitty"

19214 Castana Street
Apple Valley, CA 92308
(760) 553-5047 Cell
(760) 244-7234 Home

2004 – 2006

Hesperia Recreation & Park District

9333 E Avenue
Hesperia CA 92345

In 2004, I was elected to serve as a Board Member on the Hesperia Recreation & Park District until I was elected to the City Council.

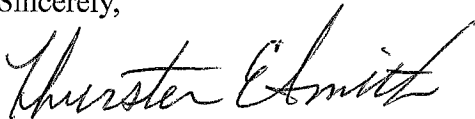
I was a past business owner of construction in Hesperia for approximately 30 years.

During my tenure as an elected official, I enjoyed being part of planning for future growth in my community. I worked closely with many of San Bernardino County's 24 cities representatives.

I strongly believe that the work of the LAFCO Commission is critical to the future infrastructure of San Bernardino County as a whole.

I am available and look forward to meeting and discussing my qualifications further with the Commission. I can be reached at (760) 553-5047.

Sincerely,

A handwritten signature in cursive script that reads "Thurston E. Smith". The signature is written in dark ink and is positioned below the word "Sincerely,".

Thurston E. Smith "Smitty"
Retired, Business Owner

**DRAFT - ACTION MINUTES OF THE - DRAFT
LOCAL AGENCY FORMATION COMMISSION
HEARING OF APRIL 20, 2016**

REGULAR MEETING

9:00 A.M.

APRIL 20, 2016

PRESENT:

COMMISSIONERS:	Jim Bagley	Robert Lovingood
	Kimberly Cox, Vice-Chair	Larry McCallon
	James Curatalo, Chair	Diane Williams
	Steve Farrell, Alternate	

STAFF:

Kathleen Rollings-McDonald, Executive Officer
Clark Alsop, LAFCO Legal Counsel
Samuel Martinez, Assistant Executive Officer
Michael Tuerpe, Project Manager
Jeffery Lum, LAFCO Analyst
Rebecca Lowery, Clerk to the Commission
Bob Aldrich, LAFCO Consultant

ABSENT:

COMMISSIONERS:	James Ramos	Sunil Sethi, Alternate
	Janice Rutherford, Alternate	Acquanetta Warren, Alternate

**CONVENE REGULAR SESSION OF THE LOCAL AGENCY FORMATION COMMISSION –
CALL TO ORDER – 9:06 A.M. – SAN BERNARDINO CITY COUNCIL CHAMBERS**

Chairman Curatalo calls the regular session of the Local Agency Formation Commission to order and leads the flag salute.

Chairman Curatalo calls for comments from the public regarding the closed session item. There are none.

**ADJOURN TO CLOSED SESSION OF THE LOCAL AGENCY FORMATION COMMISSION
AT 9:08 A.M.**

Personnel (Government Code Section 54957) – Employee Evaluation – Executive Officer

RECONVENE REGULAR SESSION AT 10:15 A.M.

ANNOUNCEMENT OF ACTION FROM CLOSED SESSION

Chairman Curatalo asks LAFCO Legal Counsel Clark Alsop to report on the closed session. Mr. Alsop states that no reportable action was taken in closed session.

(It is noted the Commissioner Lovingood leaves the dais at 10:15 A.M.)

ANNOUNCEMENT OF CONTRIBUTIONS

Chairman Curatalo requests those present who are involved with any of the changes of organization to be considered today by the Commission and have made a contribution of more than \$250 within the past twelve months to any member of the Commission to come forward and state for the record their name, the member to whom the contribution has been made, and the matter of consideration with which they are involved. There was none.

CONSENT ITEMS – APPROVE STAFF RECOMMENDATION:

The following consent items are expected to be routine and non-controversial and will be acted upon by the Commission at one time without discussion, unless a request has been received prior to the hearing to discuss the matter.

1. Approval of Minutes for Regular Meeting of March 16, 2016
2. Approval of Executive Officer's Expense Report
3. Ratify Payments as Reconciled for Months of March 2016 and Note Cash Receipts

LAFCO considered the items listed under its consent calendar, which includes a Visa Justification, the Executive Officer's amended expense report and ratification of payments as reconciled for the month of March. Copies of each report are on file in the LAFCO office and are made part of the record by their reference herein.

Chairman Curatalo calls for requests for deferral from Commissioners or staff; there are none.

Commissioner Cox moves approval of the consent calendar, second by Commissioner Williams. There being no opposition, the motion passes unanimously with the following roll call vote: Ayes: Bagley, Cox, Curatalo, McCallon, Williams. Noes: None. Abstain: None. Absent: Lovingood, Ramos

PUBLIC HEARING ITEMS

ITEM 4. CONSENT ITEMS DEFERRED FOR DISCUSSION

No items deferred for discussion.

ITEM 5. CONSIDERATION OF: (1) REVIEW OF MITIGATED NEGATIVE DECLARATION PREPARED BY THE COUNTY OF SAN BERNARDINO TO CONSTRUCT A 214,300 SQ. FT. INDUSTRIAL BUILDING TO BE USED AS A HIGH-CUBE WAREHOUSE/DISTRIBUTION FACILITY ON APPROXIMATELY 9.89 ACRES, AS CEQA

RESPONSIBLE AGENCY FOR LAFCO SC#405; AND (2) LAFCO SC #405 - CITY OF FONTANA PRE-ANNEXATION AGREEMENT NO. 15-003 FOR SEWER SERVICE (APN 0234-101-21)

Assistant Executive Officer Samuel Martinez presents the staff report for LAFCO SC#405, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here. The item has been advertised in *The Sun* newspaper, a newspaper of general circulation in the area and individual notice has been provided to those registered voters and landowners surrounding the site as required by Government Code Section 56157.

Assistant Executive Officer Samuel Martinez states that 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. He states that the agreement relates to a proposed development that includes a single parcel, Assessor Parcel Number (APN) 0234-101-21, located on the west side of Redwood Avenue generally between San Bernardino Avenue and Valley Boulevard, within the City of Fontana's western sphere of influence. He states that the property owner/developer has processed, through the County's Land Use Services Department, a Conditional Use Permit (CUP) for a proposed 214,300 sq. ft. industrial building to be used as a High-Cube warehouse/distribution facility and that the condition of approval placed on this project include the requirement to connect to the City of Fontana's sewer facilities prior to issuance of building permits.

Mr. Martinez states that the City's application indicates that the proposed project will be served by extending an 8-inch sewer line approximately 1,189 linear feet along Redwood Avenue from the existing 8-inch sewer terminus in Redwood Avenue that connects to the existing 12-inch sewer main in Valley Boulevard. He states that the City of Fontana has identified an estimated cost of \$121,663.45 in development impact fees and sewer fees for the extension of sewer service to the parcel. He also states that the property owner/developer will bear all costs for the improvements needed to extend the sewer to the proposed development.

Mr. Martinez states that the Environmental Determinations adopted by the County include an Initial Study and Mitigated Negative Declaration for a Conditional Use Permit to construct a 214,300 sq. ft. industrial building to be used as a High-Cube warehouse/distribution facility on approximately 9.89 Acres. He states that the Commission's Environmental Consultant, Tom Dodson and Associates, has reviewed the County's environmental assessment and the Mitigated Negative Declaration issued for the proposed project. He states that 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.

Mr. Martinez states that 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. He states that the project to be served, which is comprised of a single parcel, 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. He states that the development of the warehouse/distribution facility requires that it receive sewer service, which is only available from the City of Fontana. He states that staff supports the City's request for authorization to provide sewer service to the proposed project since its

facilities are close to the anticipated development, and there is no other existing entity available to provide this service within the area. He reviews the recommendations as outlined in the staff report.

Chairman Curatalo asks for comments and questions from the Commission for staff.

Vice Chair Cox asks about the area's characteristics. Mr. Martinez states that it is a residential area, an older community. Ms. Cox asks if the entire area is on a septic system. Mr. Martinez states that the area is on a septic system but that it has been sized for future community sewer connections.

Chairman Curatalo ask for comments from the applicant. Catherine Lin, Associate Planner for the City of Fontana, states that the City Council approved the project in January 2016 and asks the Commission for their approval.

Chairman Curatalo asks for comments from the public. There are none.

Commissioner Cox moves approval of the LAFCO SC# 405, second by Commissioner McCallon. There being no opposition, the motion passes unanimously with the following roll call vote: Ayes: Bagley, Cox, Curatalo, McCallon, Williams. Noes: None. Abstain: None. Absent: Lovingood, Ramos

Chairman Curatalo states that items #6 and #7 on the agenda will be considered together. Chairman Curatalo reviews the Commission's meeting procedures, noting that following the staff's presentation each proponent will be provided a five minute allowance for presentation; thereafter, the public will have three minutes each for presentation. Chairman Curatalo opens the public hearings.

ITEM 6. CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR LAFCO 3205 AND (2) LAFCO 3205 – SPHERE OF INFLUENCE AMENDMENT FOR SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT (CITY OF NEEDLES AREA)

Executive Officer Kathleen Rollings-McDonald presents the staff report for LAFCO 3205, a complete copy of which is on file in the LAFCO office and is made apart of the report by its reference here. The item has been advertised in *The Needles Desert Star*, a newspaper of general circulation in the area. In addition, individual notice was provided to affected and interested agencies, County departments and those individuals and agencies requesting special notice.

Executive Officer Kathleen Rollings-McDonald presents the staff report for LAFCO 3205 and states that resolutions were adopted by the City of Needles and the County Fire Department to initiate an application with LAFCO to expand the sphere of influence of the San Bernardino County Fire Protection District to include the entirety of the City of Needles and the annexation of the City of Needles into County Fire and its South Desert Service Zone. She states that the proposed sphere expansion encompasses the entirety of the City of Needles which includes approximately 20,998 acres (32.81 square miles) generally located on the eastern edge of San Bernardino County on the west bank of the Colorado River. Ms. McDonald reviews the map on the overhead display.

Ms. McDonald reviews the sphere of influence determinations and states that for present and planned land uses in the area, including agricultural and open space lands, the land area proposed to be included in the sphere of influence of County Fire includes approximately 20,998 acres of varied land uses within the City of Needles. She states that the City's General Plan designates approximately 42 percent of the total land area for residential uses, 15 percent for commercial, 18 percent for industrial, six percent for Open Space, and three percent for parks/recreation and that approximately 11 percent of the City's land area has no General Plan land use designation. She states that in order to fully understand the future of the City's population, a review of the historic population of the City and the nearby cities is needed. She states that the community has long had an economic disadvantage in relation to the neighboring communities in Nevada and Arizona. She states that the staff report shows the nearby areas in Arizona and Nevada have experienced significant and steady growth and that corresponding with this growth is a greater economic output; for the City of Needles, its population peaked in 1990 at 5,191, decreased in 2000, and increased by 0.03% by 2010 to 4,844. She states that the annual growth since 2010 has been -0.1% through 2015.

In addressing the area's present and probable need for public facilities and services, Ms. McDonald states that the costs for the provision of contract fire protection and emergency medical services provided by County Fire for the City of Needles are expected to increase significantly in the coming years. She states that without a change in governance, reductions in service will be required to be implemented which may jeopardize public safety for residents and businesses within the City of Needles.

Ms. McDonald states that Government Code Section 56425(e)(5) directs the Commission to evaluate the present and probable need for the delivery of structural fire protection within a disadvantaged unincorporated community. She states that LAFCO 3205 addresses the incorporated City of Needles; however, the questions for assurance of service delivery to a disadvantaged community are real in this situation for both unincorporated and incorporated territory. She states that the 2015 Disadvantaged Community Maps maintained by LAFCO identify that the entire City of Needles and the immediate surrounding areas are disadvantaged, and that the Commission has an inherent responsibility to assure the continuation of the critical public health and safety service. She states that the entirety of the area shown on the overhead map meets the criteria for a disadvantaged community which is defined by State law as areas where households earn \$48,305 or less per year (80% of statewide median income).

Ms. McDonald states that for the determination regarding present capacity of public facilities and adequacy of public services that the agency to be expanded provides -- that the current County Fire Station 31, built in 1953 at 633 Front Street in downtown Needles, is no longer adequate nor large enough to serve the fire protection and emergency services needs of the Needles community. She states that County Fire is currently constructing Fire Station 32 located at 1113 East Broadway (State Route 95) within the City of Needles. She states that County Fire operates 75 fire stations serving approximately 750,000 residents in approximately 16,535 acres of incorporation territory plus seven incorporated cities.

Ms. McDonald states that for the existence of any social or economic communities of interest as determined by the Commission to be relevant to the agency that as one of the gateways to California, the Needles community holds a significant place in the fabric of California, however, its economic standing has suffered as the economies of communities in Arizona and Nevada have advanced.

Ms. McDonald states that the Government Code Section 56425(i) requires that during a sphere of influence amendment or update for a special district, the Commission is required to review and identify the range of services to be provided, as well as the nature and location of those services. She states that at present, the Commission's Policy and Procedure Manual (which lists the functions and services of special districts) identifies the services for the San Bernardino County Fire Protection District as fire, which includes the following services: structural, watershed, prevention, inspection, suppression, weed abatement, hazardous materials services, rescue, first aid, paramedic, ambulance transportation, emergency response, and disaster preparedness planning. She states that no change in the range or level of service authorized County Fire is anticipated through the consideration of LAFCO 3205.

Ms. McDonald states that for environmental review that the Commission is the lead agency for review of the potential environmental consequences of the sphere of influence modifications. She states that LAFCO staff has provided the Commission's Environmental Consultant, Tom Dodson of Tom Dodson and Associates, with the application materials for review. She states that Mr. Dodson has indicated the proposed sphere amendment is not judged to pose any adverse changes to the physical environment.

Ms. McDonald states that LAFCO 3205 is the first step in a two-part process to provide for continuing fire protection and emergency medical response services to the City of Needles; continuing with the current contract with County Fire for fire protection and emergency medical services is clearly infeasible due to increased contract costs which the City is unable to fund. She states that without a change in governance, further reductions in service will be required to be implemented by the City. She states that should these additional service cuts be imposed, the level of fire and emergency medical protection services provided by the City may jeopardize public safety for residents and businesses within the City of Needles boundary as well as the many travelers along Highway 40, California Route 95 and the Needles Highway and that to address this situation, annexation into County Fire is warranted.

ITEM 7. CONSIDERATION OF: (1) CEQA STATUTORY EXEMPTION FOR LAFCO 3206 AND (2) LAFCO 3206 – REORGANIZATION TO INCLUDE ANNEXATIONS TO THE SAN BERNARDINO FIRE PROTECTION DISTRICT, ITS SOUTH DESERT SERVICE ZONE AND SERVICE ZONE FP-5

Executive Officer Kathleen Rollings-McDonald presents the staff report for LAFCO 3206, a complete copy of which is on file in the LAFCO office and is made apart of the report by its reference here. The item has been advertised in *The Needles Desert Star*, a newspaper of general circulation in the area. In addition, individual notice was provided to affected and interested agencies, County departments and those individuals and agencies requesting special notice. In addition, individual notice was provided to each landowner within the

proposal as required by Government Code Section 56121 related to the imposition of an existing special tax.

Executive Officer Kathleen Rollings-McDonald states that the staff report provides the detailed analysis of the various aspects of the reorganization and its transition of City fire service to County fire service. She states that in 2008, LAFCO 3000 reorganized the Yucca Valley Fire Protection District through annexations which included a name change to the San Bernardino County Fire Protection District. She states that as part of that reorganization, County Service Area 38 and its improvement zones were dissolved and absorbed by County Fire, or if they were special tax zones they were reorganized as new Service Zones of the SBCFPD. She states that CSA 38 provided the funding for the boots on the ground operations for fire protection/emergency medical response in many areas of the County which are outlined on the map shown on the overhead.

Ms. McDonald states that for boundaries, the City of Needles includes approximately 20,998 acres (32.81 square miles) and is generally located on the eastern edge of San Bernardino County on the west bank of the Colorado River, approximately 144 miles east of Barstow, 26 miles south of Laughlin, Nevada and Bullhead City, Arizona, and 42 miles north of Lake Havasu, Arizona. She states that the proposal, as jointly submitted by the City and County Fire and amended by LAFCO staff, anticipates the annexation of the entirety of the City of Needles to County Fire and its related Service Zones. She states that during the staff review process for LAFCO 3206, as with the other fire reorganizations recently considered, one of the concerns identified was the need for transparency in the collection and use of the Service Zone FP-5 special tax applied to parcels within individual communities. She states that in order to provide a means to isolate the revenues received from within the City of Needles, staff is proposing a modification of the proposal to form a subzone of FP-5 identified as "FP-5 Needles" to isolate and segregate the funds received and expenses for service provided within the boundaries of the City as a function of the reorganization.

Ms. McDonald states that the City surrounds an 18-acre unincorporated island which is part of the reservation lands for the Fort Mojave Indian Tribe that is currently served by County Fire as shown on the overhead map. She states that LAFCO staff has contacted the Tribal Council to request that it review the proposed annexation and, if it does not object, provide a resolution to allow for the overlay of the County Fire and its South Desert Service Zone over its tribal lands. She states that a letter from the Tribal Council was received in the LAFCO office on April 19, 2016 stating the Tribe's position that the consent given in Resolution No. 2006-52 applies to LAFCO 3206 which is provided to Commissioners at their place.

Ms. McDonald states that for Land Use, the study area is predominantly designated for residential land uses but includes territory with a variety of other land use types. She states that the City of Needles General Plan designates 42 percent of the total land area for residential use, 15 percent for commercial, 18 percent for industrial, six percent for open space and three percent for parks/recreation and that approximately 11 percent of the City's land area has no General Plan land use designation. She states that while the delivery of fire protection and emergency medical response service does not have a direct effect on land use determinations, it does have an indirect impact thorough the Insurance Service Office (ISO) Fire rating in the area and that the failure of LAFCO 3206 may have a detrimental effect on this

rating for the future.

Ms. McDonald states that for service considerations the Valley Region includes the County's more densely developed areas as well as the Mountain Region, which includes urban forested areas with year-round populations; the County's two Desert Regions have two vastly different populations. She shows the County Fire stations along the Colorado River on the overhead.

Ms. McDonald states that the key Commission considerations in evaluating these jurisdictional changes must address the permanent transfer of these services. She states that three of the most important considerations are to ensure that the service levels will, at minimum, be maintained, that the transfer of assets or liabilities to the successor district be resolved; and that the delivery service is sustainable. She states that the report notes that County Fire currently operates out of a fire station located within the City of Needles, Station 31, however the facility is no longer adequate or large enough to serve the fire protection and emergency services needs of the Needles community. She states that County Fire is in the process of constructing Fire Station 32, which is within the City and has an expected completion date of November 1, 2016. Once that station is complete, the old station will close to be retained by the City of Needles. Ms. McDonald states that the Plan for Service identifies that the current lease of the facility will continue so there will be no facility transfer required by the approval of LAFCO 3206 and that to assure the continued use of Fire Station 31 until such time as Station 32 is completed, a condition of approval has been placed in the resolution.

Ms. McDonald states that the Plan for Service identifies the vehicles to be transferred to County Fire with no payment to the City of Needles. She states that a condition of approval shall be included in the resolution of approval that will define this obligation as noted in the staff report.

Ms. McDonald States that for Financial Considerations that the Fiscal Impact Analysis ("FIA") identifies the full cost for the operation of Station #31 at \$2,195,442 with funding estimated from the City of Needles at \$607,199, leaving \$1,588,243 to be provided from other South Desert Service Zone resources. She states that staff has reviewed the direct ad valorem property taxes associated with the former CSA 38 boundaries and determined that the South Desert Service zone has annually received roughly \$24,000 in direct distribution of property taxes and that the County General Fund subsidy to County Fire would be \$1,564,243. She reviews the chart on the overhead and states that there are discrepancies between the amounts the City's auditor identify as having been paid for fire services, the contracted amount and the actual receipts by County Fire from the City. She reviews the financial charts on the overhead and states that the materials provided in the FIA related to Services and Supplies were submitted with limited identification of what the expenditure categories encompassed. She states that as with other fire reorganizations, LAFCO staff has updated the FIA chart to reflect the costs attributable for the City of Needles portion of the costs for Station 31 based upon percentages provided by County Fire. She reviews staff's update on the overhead.

Ms. McDonald reviews the revenues on the overhead and states that the FIA identifies the revenue streams to be provided from within the City of Needles boundaries to support the operations of Station #31. She states that County Fire and the City of Needles have negotiated a one-year contract extension to allow for the transition anticipated through this

jurisdictional change and that there will be no fund balance nor question on the transition of funding for the operations based upon this contract extension. She states that based upon the information received, it is staff's position that the approval of LAFCO 3206 will provide for the continuing delivery of fire protection and emergency medical response within the City of Needles at the same level currently provided and that as required by Commission policy and State law, the revised Plan for Service and the Financial Impact Analysis show that the delivery of service can be maintained and that such delivery is projected to be sustainable.

Ms. McDonald states that for environmental considerations that the Commission is the lead agency for review of potential environmental consequences of the reorganization. She states that LAFCO staff has provided the Commission's Environmental Consultant, Tom Dodson and Associates, with the application materials and responses provided by the City of Needles and the San Bernardino County Fire Protection District and that Mr. Dodson reviewed the proposal and has recommended that the reorganization is statutorily exempt from the California Environmental Quality Act (CEQA).

Ms. McDonald states that In addition to publication of a legal notice of this proposal, staff also mailed individual notices to the 2,425 landowners in the affected reorganization territory and that staff has fielded approximately 25 phone calls from landowners requesting additional information on the proposal. She states that specific areas of concern generally included objection to the imposition of a special tax due to financial hardships of homeowners and landowners and requests for additional clarification as to why residents do not have the opportunity to vote on the imposition of a special tax. She states that as of the date of the staff report, one letter of opposition has been received.

Ms. McDonald states that the determinations required by Commission policy and Government Code Section 56668 are detailed in the staff report. She states that the County Registrar of Voters has determined that the study area is legally inhabited with 1,520 registered voters as of January 21, 2016 and that a 21-day protest period is proposed in order to meet the August 8, 2016 filing deadline for the special tax to be placed on the upcoming tax roll.

Ms. McDonald states that adequate emergency medical response and fire protection are key health and safety issues for any community and that the City's support for this proposal to include its corporate boundaries within County Fire provides for its statutory obligation to provide fire protection service to its residents. She states that the proposal requires landowners within the community to provide the financial support necessary to continue the service and that to increase transparency, it also includes the formation of a special zone to provide for separate accounting of revenues and expenditures within the Needles service zone. She states that the alternative to this proposal is to remain under contract to County Fire and be subject to significantly escalating contract costs that the City will be unable to afford over the long-term. She states that this may place the provision of continuing fire protection and emergency response services to the residents and businesses of the City of Needles in jeopardy. She reviews the staff recommendations and conditions as noted in the staff report.

Chairman Curatalo asks for comments and questions from the Commission for staff.

Commissioner Bagley asks if the tribal lands are currently paying any fire protection fees to the City of Needles. Ms. McDonald states that they do not. Mr. Bagley states that it is of concern to him that there is no system to compensate fees used for police, fire and safety on tribal lands overall and that it is a discussion that should happen in some forum. He requests clarification with respect to the property tax transfer. Ms. McDonald states that 6% of the property tax share shall be allocated to County Fire from the City which is the administration fee, and 94% will be allocated to the South Desert Service Zone for the boots on the ground operations.

Commissioner Bagley states that he is concerned over the small revenues of the fire department and how it has been subsidized by the County. He states that fire service is more regional than local and that this area is unique in its fire needs since it is desert and also has a well-traveled highway which requires additional fire and safety services. He states that the audit trail of revenues shows a lack of accountability as well and hopes that the City will endeavor to improve on its auditing of finances in the future.

Commissioner Cox states that the staff report notes the dissolution of CSA 38, Zone I and asks what services were provided by that zone and what will happen to it now. Ms. McDonald states that CSA 38 I was the area identified for fire protection and that it was dissolved during the County fire reorganization - LAFCO 3000. She states that its inclusion in the staff report was to give a historic look at fire service in the project area and to show the limited financial funding for fire service. Ms. McDonald reviews the funding areas on the overhead. Ms. Cox states that the financial documents show an inability of the City to pay for its fundamental services and that the City finances should be readdressed in the future.

Ms. McDonald states that during the processing of LAFCO 3000 - County Fire Reorganization, the statement was made that the revenues were insufficient to provide for the ongoing service. She states that as part of the approval of LAFCO 3000, the Commission directed that regional advisory bodies look into the question of local service charges or special taxes in each region to provide for the level of service desired within each individual region. She states that this has not occurred. She states that the patterns of service delivery must be reviewed in each region along with the level and range of service for emergency medical response and fire protection, given the revenues within the region. Ms. Cox states that there is going to be an inequity for some of the residents in the project area and asks for the total parcel number for the area. Ms. McDonald states that the parcel count is more than 2,425 for the area.

Commissioner Farrell states that he is confused about the FP-5 tax amount. Ms. McDonald states that as clarified in the report, the amount is standardized at \$143.92 with a 3% cap on annual increases. Mr. Farrell states that the response received from the tribal council was not specific to the FP-5 overlay and asks for clarification. Ms. McDonald states that the letter that accompanies the resolution states that it is the tribe's position that Resolution 2006-52 applies to LAFCO 3206.

Chairman Curatalo asks for comments from the proponent.

Rick Daniels, City Manager, City of Needles thanks staff for their professionalism in the processing of the proposal, gives a brief history of the City and fire service in the area and

states that up until 1997 fire service was provided by volunteers. He states that City has contracted with the County for the provision of fire services and that the cost of the contract has increased substantially as has the need for public safety. He states that these increases are beyond the control of the City. He states that the cost of contracting with County Fire is again slated to increase and that these costs are above the City's ability to pay. He states that although property tax receipts have improved in the county, it continues to decrease in the Needles area and that the economic recovery is slow. He states that the City looked at alternatives for providing fire service, including starting a fire department in the City, but found that the costs for the alternatives were too high. He states that the City solicited interest in creating their own fire department and sent out requests for notices of interest from fire fighters for a paid call status and no statements or letters of interest were received by the City. He states that a Citizen's Committee was appointed by the City Council and that after several months of research and exploration, the Committee recommended inclusion in the County Fire District via annexation.

Mr. Daniels states that with regard to the mention of the hospital in the staff report, that the City has sold the hospital to a private entity and that the hospital no longer shows characteristics of financial distress and continues to be a large employer in the community. He states that with regard to accountability, that the City has paid every bill from County Fire and that the City understands how critical the need for fire services is and that to continue to pay for fire service by contract would cause the elimination of other important City services. He states that the City is in support of the annexation and asks the Commission to approve LAFCO 3206

Commissioner Cox states that she applauds the City for using a Citizen's Committee to help to decide the needs of the City.

Chairman Curatalo states that he recently visited the City of Needles and that it has some challenges due to its proximity to the Arizona border and the flow of commerce.

Mark Hartwig, Fire Chief, San Bernardino County Fire District, states that his department has been partners with the City of Needles for fire protection and that they have all worked closely together with his staff to organize the annexation. He states that the District has a responsibility to provide fire service in the Needles area and that they have worked to come to a logical and financially feasible way to fulfill that responsibility. He states that the interest of paid call applicants to participate in providing fire service in the river corridor is minimal at best, and it poses a problem in building a pool of fire fighters from which to hire, and as a result has caused for the end of that limited term firefighter program. Chief Hartwig states that the advantage that County Fire brings is their large pool of resources, including specialty services and that the county also helps to fund County Fire, which is a benefit to those who fall under the County Fire service areas.

Chairman Curatalo ask about the specialized rescue requirement services needed at the river during peak seasons. Chief Hartwig states that County Fire works with the sheriff who patrols the water for law enforcement purposes, and County Fire helps to augment their staff for paramedic purposes. He states that they have a great partnership.

Chairman Curatalo opens the public hearing.

Ruth Musser-Lopez, resident of Needles, speaks in opposition of the annexation and states that the proposal is not exempt from CEQA, and that the flat tax is an economic injustice. She states that the community group was handpicked and that the City charter states that the City must have a fire department and a fire chief. She states that she objects to the hearing location.

Tom Dodson, Environmental Consultant for LAFCO, states that for clarification, the CEQA general rule exemption, which says that if it can be said with certainty that there is not going to be any physical change to the environment it is statutorily exempt from CEQA, has been used for LAFCO 3206. He states that most LAFCO actions do not cause a physical change in the environment. He states that for this proposal, services are already being provided, which is the physical component of the project and at the end of the approval, the service will be maintained, so no physical change will come of the approval of the action. He states that the next element to review is that of economic impact, and that CEQA 15064 states that economic and social changes resulting from a project shall not be treated as significant effects on the environment; the same services will be provided so there is no impact to the environment subject to CEQA based on the general rule.

Chief John Chamberlin, San Bernardino County Fire District, South Desert Division, states that there are provisions for mutual aid and automatic aid within the area, and there is also a provision for joint training and that the entire area is addressed as a regionalized basin. He states that the need for mutual aid and fire coverage is reviewed on an annual basis and that there is a mutual benefit to all the communities in the area by supporting each other. He states that a staff analysis has been provided to the City.

Ms. McDonald states that the notices that were sent out to the community of Needles were to inform them of the Commission's scheduled hearing and not to solicit protest since the official protest period cannot start until after the reconsideration period. She states that the protest notices will be mailed at the appropriate time to the landowners within the City of Needles outlining their ability to protest LAFCO 3206.

Chairman Curatalo calls for further testimony; there being none, closes the public hearing.

Chairman Curatalo call for further comments. There being none, he closes the discussion and calls for a motion for LAFCO 3205. He reviews the recommendations for LAFCO 3205 as noted in the staff report.

Commissioner Bagley moves approval of the LAFCO 3205, second by Commissioner Williams. There being no opposition, the motion passes unanimously with the following roll call vote: Ayes: Bagley, Cox, Curatalo, McCallon, Williams. Noes: None. Abstain: None. Absent: Lovingood, Ramos

Chairman Curatalo reviews the recommendations for LAFCO 3206 as noted in the staff report and calls for a motion.

Commissioner Bagley states that although it is preferred that decisions that will have financial

ramifications be handled at the local level, at times those decision are brought before LAFCO and the Commission must make the hard decisions. He states that there are some challenges in Needles and that the community needs to get more involved.

Commissioner McCallon states that he prefers that these types of decisions be made at the local level.

Commissioner Bagley moves approval of the LAFCO 3206, second by Commissioner Williams. There being no opposition, the motion passes unanimously with the following roll call vote: Ayes: Bagley, Cox, Curatalo, McCallon, Williams. Noes: None. Abstain: None. Absent: Lovingood, Ramos

DISCUSSION ITEMS:

ITEM 8. REVIEW AND CONSIDERATION OF POLICY UPDATES RELATED TO APPROVAL OF SB 239 – CONTRACTS FOR THE PROVISIONS OF FIRE PROTECTION BY CONTRACT (TO BE CONTINUED TO JUNE 15, 2016 HEARING)

Commissioner McCallon moves approval of continuance of the policy updates to SB239 to the June 15, 2016 hearing, second by Commissioner Cox. There being no opposition, the motion passes unanimously with the following roll call vote: Ayes: Bagley, Cox, Curatalo, McCallon, Williams. Noes: None. Abstain: None. Absent: Lovingood, Ramos

(It is noted that Mr. McCallon leaves the dais at 11:55 a.m.)

ITEM 9. PRELIMINARY BUDGET REVIEW FOR FISCAL YEAR 2016-17: A. PROPOSED SCHEDULE OF FEES, CHARGES AND DEPOSITS

Kathleen Rollings-McDonald presents the report for the Proposed Schedule of Fees, Charges and Deposits, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here.

Ms. McDonald states that staff is proposing changes to the fee schedule, as noted in the staff report, to take effect June 1, 2016. She states that the increases relate to Processing Fees and Deposits for Legal and Protests and that there is also the addition of the category for Out-of-Agency Service Ccontracts. She states that in addition, the proposed schedule amends language for consistency and updates to citations with the current Policy and Procedure Manual. She reviews staff recommendations as noted in the staff report.

Commissioner Bagley states that the biggest increase is related to the fees for special districts and for the incorporation of special districts. He states that this is a large amount of fees for a group that is trying to form a district or incorporate a city and could be burdensome. Ms. McDonald states that due to the new requirements for an incorporation, the management of the proposal and other elements in the processing of these types of proposals support the fee increase. She states that the requirements of a disincorporation necessitate more administration due to all the nuances that a disincorporation may possess, which also supports the fee increase. She states that if the Commission wishes to review this request at a later

date, they can request that increase to be removed from the recommendation.

Commissioner Bagley states that he is not opposed to the increase, he just wanted to express his concerns.

Commissioner Cox moves approval of the Proposed Schedule of Fees, Charges and Deposits, second by Commissioner Williams. There being no opposition, the motion passes unanimously with the following roll call vote: Ayes: Bagley, Cox, Curatalo, Williams. Noes: None. Abstain: None. Absent: Lovingood, McCallon, Ramos.

(It is noted that Ms. Cox leaves the dais at 12:03 p.m.)

B. PROPOSED BUDGET FOR FISCAL YEAR 2016-17: 1) THIRD QUARTER REVIEW FY 2015-16, 2) PROPOSED BUDGET FOR FY 2016-17, 3) CONSIDERATION OF LEASE FOR OFFICE SPACE WITH SAN BERNARDINO ASSOCIATION OF GOVERNMENTS (SANBAG) AND SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG), 4) EXECUTIVE OFFICER CONTRACT

Kathleen Rollings-McDonald presents the report for the Proposed Budget for Fiscal Year 2016-17, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here.

Ms. McDonald reviews the chart on the overhead that shows the positive increase in applications received that has taken place to date. She states that the largest expenditure category for the Commission is its personnel costs and that for the past several years the staff has identified the continuing escalation of retirement rates as an area of concern; however, those rates have now stabilized and for the upcoming fiscal year and the forecast years SBCERA has indicated a rate of between 33.05 and 32.61 percent.

Ms. McDonald states that in response to the Commission's direction to change the office location, staff has been working with the staff of SANBAG and the Santa Fe Depot management firm to review leasing the historic Harvey House portion of the Depot. She states that this area needs renovation, and LAFCO would participate in the funding of that effort should the site be chosen. She states that the estimate received by SANBAG was \$230,000. She states that the budget, as presented, anticipates funding \$100,000 upfront in renovation costs with the balance amortized over 5 years, however that construction budget has not been finalized and LAFCO staff has not outlined its desires for the space specifically. She states that if LAFCO 3198 fails, there will be significant reductions in law enforcement and fire protection service and a different location may need to be explored.

Ms. McDonald states that staff is continuing its ongoing processing of the state mandated service reviews of municipal services providers within the County and that staff has undertaken the second round of its mandatory service reviews. She states that it has become clear that a better approach would be to focus on service type throughout the County broken down into sub-regions rather than focus on the four individual regions and the services provided within. She states that since the same approach and format can generally be used for each service type, a countywide approach can decrease the redundancies in the overall presentation and

will increase the efficiencies in report preparation and improve the use of staff resources. She reviews the four year plan as noted in the staff report and states that law enforcement has been excluded, however, if the Commission believes a review of this service is warranted, it can be placed on the schedule.

Ms. McDonald states that as is the Commission's practice, a forecast for Fiscal Year 2017-18 has been provided, however, staff has provided two additional years of forecasting due to impending changes in the salary and benefits categories – the hiring of a permanent Executive Officer – and other significant changes in budget categories. She states that these forecasts include the maintenance of the contract Executive Officer (contract terminates in September 2018), five full-time staff positions with salary increases anticipated in the current compensation plan, including retirement costs. She states that four of the full-time employees are in the Tier 1 rate for retirement benefits for forecasting and the new GIS/Database Analyst position is a Tier 2 employee; the forecasts for these Fiscal Years carry forward current staffing levels for FY 2017-18, and the new staffing structure for FY 2018-19 (with a three month overlap with the contract Executive Officer) and FY 2019-20 without any contract employees, implementation of a 2% and 3% across the board salary increase for regular staff and all other existing practices and anticipated workloads. She states that the Educational Training Program sponsored by LAFCO was a success and will be continued to the next year.

Ms. McDonald states that staff is recommending a total Services and Supplies budget of \$650,105 that will accommodate the anticipated relocation of the LAFCO office, the continuation of the education program for the special districts in the County, and the management of website activities in-house.

Ms. McDonald states that for revenues, staff estimates that year-end total for all proposed activities will be 142% of budgeted appropriation and that for FY 16-17, staff anticipates the submission of 10 proposals. She states that all reserve accounts will be carried forward from prior year and an estimated \$224,611 is anticipated to be carried forward as well.

Ms. McDonald states that the revenues forecasts for FY 2017-18 builds upon the continuing health of the local economy anticipating an increase in proposal activity for an increase in Fees and Deposits of \$28,975 and that the forecast for FY 2017-18 maintains that increased level of activity with an estimate of a 205% increase in fees for a revenue increase \$30,450 over FY 2016-17. She states that the anticipated apportionment increases should total \$944,747 in FY 2017-18 and \$963,642 in FY 2018-19, a 2.0% increase in each year.

She states that for reserves and contingencies, staff is proposing the maintenance of reserves and contingency amounts as outlined by Commission policy and projections exceed this amount. She reviews the proposed increases and staff recommendations as noted in the staff report.

Commissioner Bagley asks for clarification regarding the special districts apportionment. Ms. McDonald states that the formula was adopted by the special districts in 2000 and amended in 2010 which applies the alternate funding formula allocation.

Commissioner Farrell asks for clarification regarding the service review schedule for

conservation and habitat. Ms. McDonald states that staff's review will come after the County and SANBAG completes its Countywide Habitat Preservation/Conservation Framework Study.

Commissioner Williams moves approval of the Proposed Budget, second by Commissioner Bagley. There being no opposition, the motion passes unanimously with the following roll call vote: Ayes: Bagley, Curatalo, Farrell, Williams. Noes: None. Abstain: None. Absent: Cox (Commissioner Farrell voting in her stead), Lovingood, McCallon, Ramos.

INFORMATION ITEMS:

ITEM 10. LEGISLATIVE UPDATE REPORT

Kathleen Rollings-McDonald presents the legislative update report for, a complete copy of which is on file in the LAFCO office and is made a part of the record by its reference here.

Ms. McDonald states that staff is asking that the Commission ratify its position on two items. She states that the first is to oppose the amended SB 1318 and ratify the letter signed by the Chairman dated March 18, 2016, stating a position of opposition to SB 1318, as noted in the staff report. She states that for AB 2032 that the Commission remove its position of opposition following the April 5, 2016 amendments as noted in the staff report.

Ms. McDonald states that staff is asking that the Commission support AB 2910, the CALAFCO sponsored Assembly Local Government Committee Omnibus Bill.

Commissioner Williams moves approval of staff's recommendation as outlined in the Legislative Report, second by Commissioner Farrell. There being no opposition, the motion passes unanimously with the following roll call vote: Ayes: Bagley, Curatalo, Farrell, Williams. Noes: None. Abstain: None. Absent: Cox (Commissioner Farrell voting in her stead), Lovingood, McCallon, Ramos.

ITEM 11. EXECUTIVE OFFICER'S ORAL REPORT

Kathleen Rollings-McDonald presents that Executive Officer's oral report and states that the nomination process for the regular Special District member will be extended to May 26, 2016 and that the City Selection Committee has continued the election for the regular City Member to May as well. She states that the application deadline for the Alternate Public Member is April 25, 2016 and that the Commission will hold their interviews for the alternate Public Member at the May Hearing.

ITEM 12. COMMISSIONER COMMENTS

There are none.

ITEM 13. COMMENTS FROM THE PUBLIC

Mark Gibboney, member of the public, states that he is opposed to the change in the election cycle of the Cucamonga Valley Water District and states his concerns.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE COMMISSION THE HEARING IS ADJOURNED AT 12:30 P.M.

ATTEST:

REBECCA LOWERY
Clerk to the Commission

LOCAL AGENCY FORMATION COMMISSION

JAMES CURATALO, Chairman

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: MAY 10, 2016
FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

**SUBJECT: AGENDA ITEM #6 – APPROVAL OF EXECUTIVE OFFICER’S
EXPENSE REPORT**

RECOMMENDATION:

Approve the Executive Officer’s Expense Report for Procurement Card Purchases and expense claim for April 2016 as presented.

BACKGROUND INFORMATION:

The Commission participates in the County of San Bernardino’s Procurement Card Program to supply the Executive Officer a credit card to provide for payment of routine official costs of Commission activities as authorized by LAFCO Policy and Procedure Manual Section II – Accounting and Financial Policies #3(H). Staff has prepared an itemized report of purchases that covers the billing period of March 23, 2016 through April 22, 2016.

It is recommended that the Commission approve the Executive Officer’s expense report as shown on the attachment.

KRM/rc1

Attachment



COUNTY OF SAN BERNARDINO
PROCUREMENT CARD PROGRAM

Page 1 of 1

MONTHLY PROCUREMENT CARD PURCHASE REPORT

Card Number	Cardholder Kathleen Rollings-McDonald	Billing Period 3/23/16 to 4/22/16
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Date	Vendor Name	Receipt/ Invoice No.	Item Description	Purpose	\$ Amount	Reconciled (R) Disputed (D)	Sales Tax Included on invoice (Yes or No)
3-31	Hilton Universal City	1	Hotel – Lum	CALAFO Staff Workshop	323.96	R	Y
4-5	Hilton Universal City	2	Hotel – Rollings-McDonld	CALAFO Staff Workshop	205.97	R	Y
4-7	Advance Copy Systems	3	Monthly Payment	Copier	534.42	R	Y
4-8	Daisy IT	4	Monthly Payment	Office Supplies	958.08	R	Y
4-11	Southwest Airlines	5	Airfare – Rollings-McDonald	CALAFCO Leg Committee	463.96	R	N
4-22	Ontario Airport	6	Parking	CALAFCO Leg Committee	13.81	R	N

The undersigned, under penalty of perjury, states the above information to be true and correct. If an unauthorized purchase has been made, the undersigned authorizes the County Auditor/Controller-Recorder to withhold the appropriate amount from their payroll check after 15 days from the receipt of the cardholder's Statement of Account.

Cardholder (Print & Sign) Kathleen Rollings-McDonald	Date 5/10/16
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Approving Official (Print & Sign) James Curatalo, Chairman	Date 5/18/16
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LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE : MAY 10, 2016

FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer

TO: LOCAL AGENCY FORMATION COMMISSION

**SUBJECT: AGENDA ITEM #7 - RATIFY PAYMENTS AS RECONCILED FOR
MONTH OF APRIL 2016 AND NOTE REVENUE RECEIPTS**

RECOMMENDATION:

Ratify payments as reconciled for the month of April 2016 and note revenue receipts for the same period.

BACKGROUND INFORMATION:

Staff has prepared a reconciliation of warrants issued for payments to various vendors, internal transfers for payments to County Departments, cash receipts and internal transfers for payments of deposits or other charges that cover the period of April 1, 2016 through April 30, 2016.

Staff is recommending that the Commission ratify the payments for April outlined on the attached listings and note the revenues received.

KRM/rci

Attachment


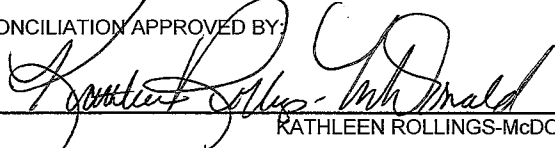
MONTHLY RECONCILIATION OF PAYMENTS

MONTH OF APRIL 2016 PAYMENTS PROCESSED					
VOUCHER DOCUMENT ID	ACCOUNT	NAME	WARRANT NUMBER	WARRANT DATE	AMOUNT
PV8908525	2445/2940	JAMES V. CURATALO	8824744	4/14/2016	\$ 501.58
PV8908526 - PV8908531		ALREADY PROCESSED			
PV8908532	2400	BEST BEST & KRIEGER	3274179	4/4/2016	\$ 2,982.96
PV8908533	2445	CITY OF SAN BERNARDINO	8818299	4/4/2016	\$ 300.00
PV8908534	2445	ROBERT J. ALDRICH	3274225	4/4/2016	\$ 7,050.00
PV8908535	2445/2940	JIM BAGLEY	8818346	4/4/2016	\$ 297.10
PV8908536	2445/2940	KIMBERLY COX	8818353	4/4/2016	\$ 258.32
PV8908537	2445/2940	JAMES V. CURATALO	3318344	4/4/2016	\$ 227.00
PV8908538	2445/2940	STEVEN FARRELL	8818504	4/4/2016	\$ 217.82
PV8908539		ALREADY PROCESSED			
PV8908540	2445/2940	ACQUANETTA WARREN	8818275	4/4/2016	\$ 217.28
PV8908541	2445/2940	DIANE WILLIAMS	8818314	4/4/2016	\$ 228.08
PV8908542	2424	TOM DODSON & ASSOCIATES	3276721	4/28/2016	\$ 170.00
PV8908543	2445	ROBERT J. ALDRICH	3276734	4/28/2016	\$ 3,600.00
PV8908544	2905	INLAND EMPIRE PROPERTIES	3276734	4/28/2016	\$ 4,353.41
PV8908545	2085	DAILY JOURNAL	8833004	4/28/2016	\$ 2,718.82
TOTAL					\$ 23,122.37
MONTH OF APRIL 2016 INTERNAL TRANSFERS PROCESSED					
JVIB 09062037D	2037	MARCH 2016 PHONE		4/6/2016	\$ 273.87
JVATXRT15038	2308	CAL-CARD MARCH 2016		4/4/2016	\$ 1,799.85
JVATXRT15575	2309	TEMPORARY VISA CARD FOR EXECUTIVE OFFICER		4/11/2016	\$ 266.56
JVPURRT15261	2310	INTER-OFFICE MAIL		4/7/2016	\$ 193.20
JVPURRT15265	2310	1ST CLASS - MAIL		4/7/2016	\$ 148.71
JVPURRT15250	2310	LAFCO 3198/3200 - NOTICE OF PROTEST HEARING - BULK MAIL CHARGES		4/8/2016	\$ 20,475.68
JVPURRT15253	2310	LAFCO 3206 - NOTICE OF HEARING - BULK MAIL CHARGES		4/8/2016	\$ 144.96
JVPURRT15268	2310	1ST CLASS PRESORT- MAIL		4/8/2016	\$ 591.88
JVPURRT15272	2310	PACKAGING - MAIL		4/8/2016	\$ 1,176.79
JVPURRT15274	2310	PACKAGING - MAIL		4/8/2016	\$ 15.22
JVPURRT15276	2310	PRESORT FLATS - MAIL		4/8/2016	\$ 96.25
JVPURRT15380	2323	LAFCO 3206 - NOTICE OF HEARING - PRINTING CHARGES		4/8/2016	\$ 209.46
JVPURRT15784	2323	LAFCO 3200 - NOTICE OF PROTEST HEARING - PRINTING CHARGES		4/22/2016	\$ 91.50
JVPURRT15784	2323	LAFCO 3198 - NOTICE OF PROTEST HEARING - PRINTING CHARGES		4/22/2016	\$ 4,236.38
JVIB 09062410AC	2410	MARCH 2016 DATA PROC		4/6/2016	\$ 2.38
JVIB 09062410AG	2410	MARCH 2016 DATA PROC		4/6/2016	\$ 189.85
JVIB 09062410E	2410	MARCH 2016 DATA PROC		4/6/2016	\$ 58.08
JVIB 09062410Q	2410	MARCH 2016 DATA PROC		4/6/2016	\$ 173.64
JVIB 09062410U	2410	MARCH 2016 DATA PROC		4/6/2016	\$ 67.63
JVIB 09062410Y	2410	MARCH 2016 DATA PROC		4/6/2016	\$ 192.16
JVIB 09062420C	2420	MARCH 2016 ISD OTHER IT SERVICES		4/6/2016	\$ 4,000.00
JVIB 09062420J	2420	MARCH 2016 ISD OTHER IT SERVICES		4/6/2016	\$ 58.44
JVIB 09062421F	2421	MARCH 2016 ISD DIRECT		4/6/2016	\$ 818.01
JV890RT16579	2424	NOE - LAFCO 3205, LAFCO 3206 & NOD - LAFCO SC405		4/27/2016	\$ 150.00
JVHRDRT15729	2445	CORRECTION-16.0207 (COUNTY HUMAN RESOURCES)		4/20/2016	\$ (20.15)
JV890RT15776	2445	ROV - LAFCO 3198 - INV 2453		4/21/2016	\$ 358.74
JV890RT15776	2445	ROV - LAFCO 3209 - INV 2454		4/21/2016	\$ 358.74
JV890RT15776	2445	ROV - LAFCO 3200 - INV 2456		4/21/2016	\$ 358.74
JV890RT15776	2445	ROV - LAFCO SC 405 - INV 2458		4/21/2016	\$ 358.74
TOTAL					\$ 36,845.31

MONTHLY RECONCILIATION OF PAYMENTS

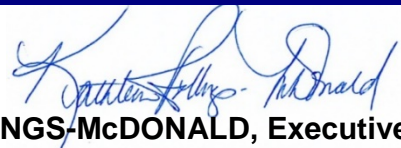
MONTH OF APRIL 2016 CASH RECEIPTS					
DEPOSIT DOCUMENT ID	ACCOUNT	DESCRIPTION		DEPOSIT DATE	AMOUNT
CR890A13397	9930	MISCELLANEOUS - (REFUND OF CALAFO WORKSHOP FEES)		4/29/2016	\$ 295.00
TOTAL					\$ 295.00

MONTH OF APRIL 2016 INTERNAL TRANSFERS RECEIVED					
TRANSFER DOCUMENT ID	ACCOUNT	NAME		TRANSFER DATE	AMOUNT
JVCFDRT15375	9655	LAFCO 3200 - GIMS FEES		4/5/2016	\$ 2,375.00
JVTZ RT160411048	8500	APPORTIONMENT INTEREST		4/25/2016	\$ 2,059.99
TOTAL					\$ 2,059.99

 REBECCA LOWERY, Clerk to the Commission		5/10/2016 DATE
RECONCILIATION APPROVED BY:  KATHLEEN ROLLINGS-McDONALD, Executive Officer		5/10/2016 DATE

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: MAY 10, 2016 
FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
SAMUEL MARTINEZ, Assistant Executive Officer
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #9: LAFCO 3201 – Reorganization to include Annexations to the City of Rialto and the West Valley Water District and Detachments from San Bernardino County Fire Protection District and its Valley Service Zone, Fontana Fire Protection District, County Service Area SL-1 and County Service Area 70 (Lytle Creek Ranch)

INITIATED BY:

City of Rialto Council Resolution

RECOMMENDATION:

The staff recommends that the Commission approve LAFCO 3201 by taking the following actions:

1. Modify LAFCO 3201 to include the detachment from the Fontana Fire Protection District to clarify service responsibilities for the future.
2. With respect to the environmental review:
 - a. Certify that the Complete Final Environmental Impact Report (EIR) and other related environmental documents prepared by the City of Rialto for the Lytle Creek Ranch Specific Plan project have been independently reviewed and considered by the Commission, its staff and its Environmental Consultant;
 - b. Determine that the Complete Final EIR for the project prepared by the City is adequate for the Commission's use as a California Environmental Quality Act (CEQA) Responsible Agency for its determinations related to LAFCO 3201;
 - c. Determine that the Commission does not intend to adopt alternatives or mitigation measures for the Lytle Creek Ranch Specific Plan project and that the mitigation measures identified for the project are the responsibility of the City and others, not the Commission;

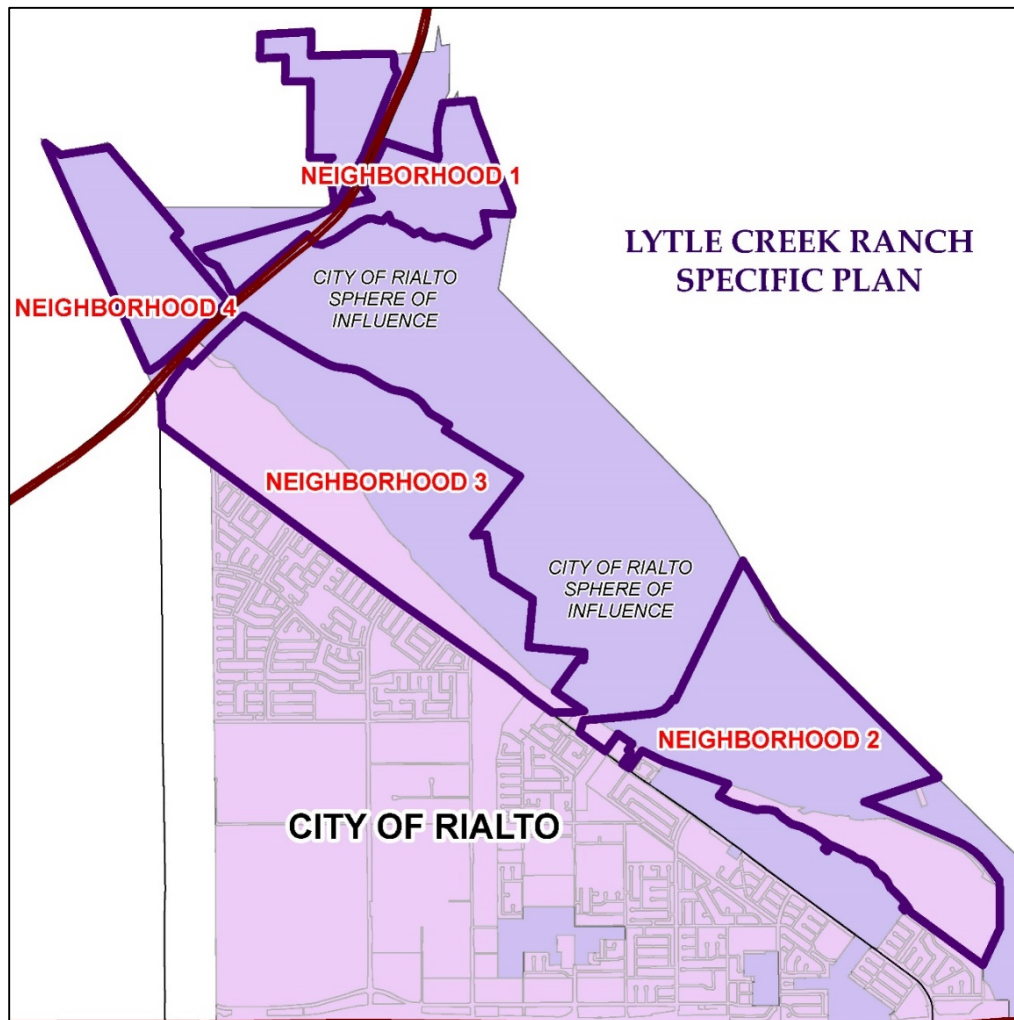
- d. Adopt the Facts, Findings and Statement of Overriding Considerations as presented by the Commission's Environmental Consultant and attached to the staff report; and,
 - e. Direct the Executive Officer to file the Notice of Determination within five days and find that no further Department of Fish and Game filing fees are required by the Commission's approval since the City, as CEQA lead agency, has paid said fees.
3. Approve LAFCO 3201, as modified, with the following determination and conditions:
 - a. Determination – The Commission determines that approval of LAFCO 3201 will make the existing unincorporated "El Rancho Verde" community completely surrounded by the City of Rialto. Since the entire reorganization area of LAFCO 3201 is a master planned community that cannot be developed unless the area is annexed, the Commission determines, pursuant to the provision of Government Code Section 56375(m), to waive the restrictions on the creation of a totally surrounded island contained within Government Code Section 56744 because it would be detrimental to the orderly development of the community and it further determines that the area to be surrounded cannot reasonably be annexed to another city or incorporated as a new city.
 - b. Conditions:
 - Prior to the issuance of the Certificate of Completion for the reorganization to include annexations and detachments, the City of Rialto shall initiate the annexation of the five North Rialto Islands identified in this staff report. Compliance with this condition of approval shall be deemed completed upon the issuance of the Certificate(s) of Filing for the five North Rialto Islands either individually or as a reorganization; and,
 - The standard terms and conditions that include, but are not limited to, the "hold harmless" clause for potential litigation costs, continuation of fees, charges, assessments, and the identification that the transfer of utility accounts will occur within 90 days of the recording of the Certificate of Completion.
4. Adopt LAFCO Resolution No. 3222 setting forth the Commission's terms, conditions, findings and determinations.

BACKGROUND:

For more than 20 years the staff of the Local Agency Formation Commission have been involved in discussions with the City of Rialto and the landowners regarding the delivery of service to the parcels owned by the Lytle Creek Land Company (known by various names throughout its processing). Some of the territory has developed under the County, now known as Rosena Ranch, and the majority of the remaining lands are slated to be developed under the City of Rialto's jurisdiction. After much review, litigation, modification and public

involvement, in September 2015, the City of Rialto (City) submitted an application for reorganization to include a portion of the project within its boundaries. The City is proposing multiple jurisdictional changes that include annexations to the City of Rialto and the West Valley Water District, and detachments from the San Bernardino County Fire Protection District, its Valley Service Zone, the Fontana Fire Protection District, County Service Area SL-1 and County Service Area 70. The reorganization is generally located along the Lytle Creek Wash area, northerly of the 210 Freeway, easterly of Riverside Avenue, and southerly of the I-15 Freeway, within the City of Rialto's northern sphere of influence.

The Lytle Creek Ranch Specific Plan (Specific Plan), which encompasses a total of approximately 2,447 acres, is a master planned community with the potential for 8,407 residential homes and 850,000 square feet of commercial development along with ancillary facilities such as schools, public and private open space/parks and recreation facilities, streets and other public facilities. The Specific Plan has four (4) distinct neighborhoods: Neighborhood 1 is approximately 417 acres, Neighborhood 2 is approximately 802 acres, Neighborhood 3 is approximately 969 acres, and Neighborhood 4 is approximately 260 acres.



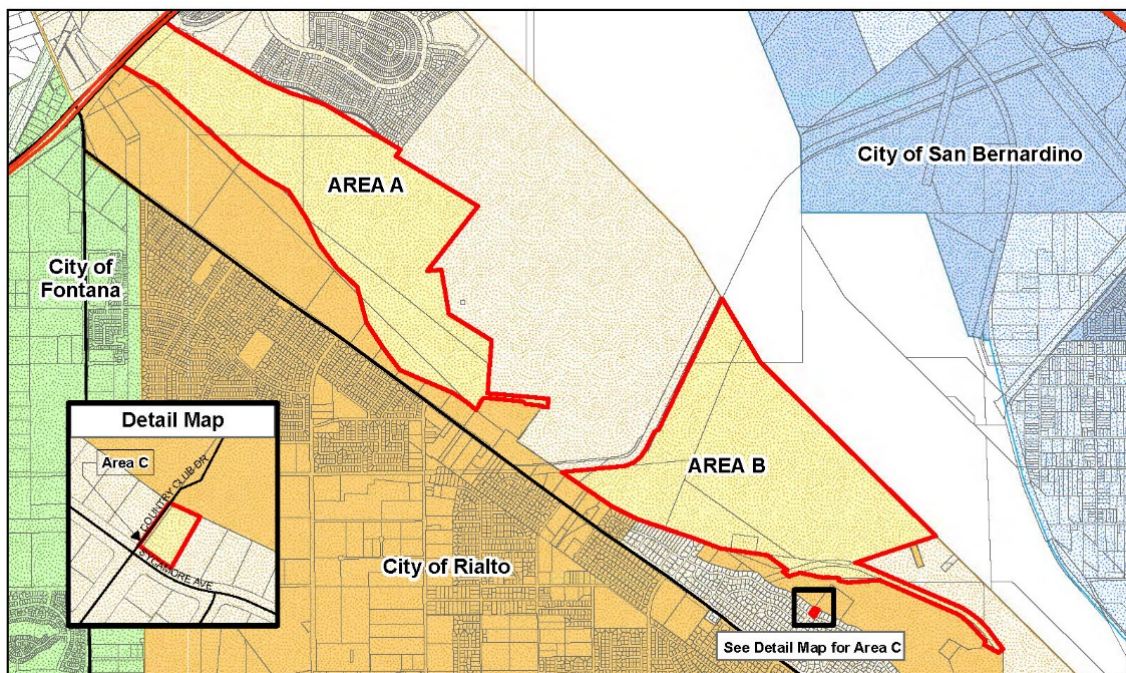
The Specific Plan's Neighborhoods 1 and 4 are entirely unincorporated areas while Neighborhoods 2 and 3 both have areas that are already within the City and areas that are unincorporated. The City originally adopted the General Plan Amendment (GPA No. 29), the Specific Plan (Specific Plan No. 12), and Pre-annexation/Development Agreement for the project in July 2010. However, a lawsuit was filed in August 2010 challenging the certified Environmental Impact Report (EIR) for the project. To satisfy the terms of the judgement, the City rescinded all of its previous approvals, and recirculated the EIR in February 2012. In July 2012, after multiple public hearings, the City certified the Complete Final EIR, and re-adopted the General Plan Amendment, the Lytle Creek Ranch Specific Plan and the Pre-annexation/Development Agreement for the project.

Due to unresolved service delivery issues related to fire and sewer services in Neighborhoods 1 and 4, the application proposal submitted by the City (and supported by the landowner) only includes the annexation of the unincorporated areas within Neighborhoods 2 and 3 of the Specific Plan. The future development of Neighborhoods 1 and 4 are anticipated to proceed through the County and its service mechanisms.

Jurisdictional Changes Being Proposed:

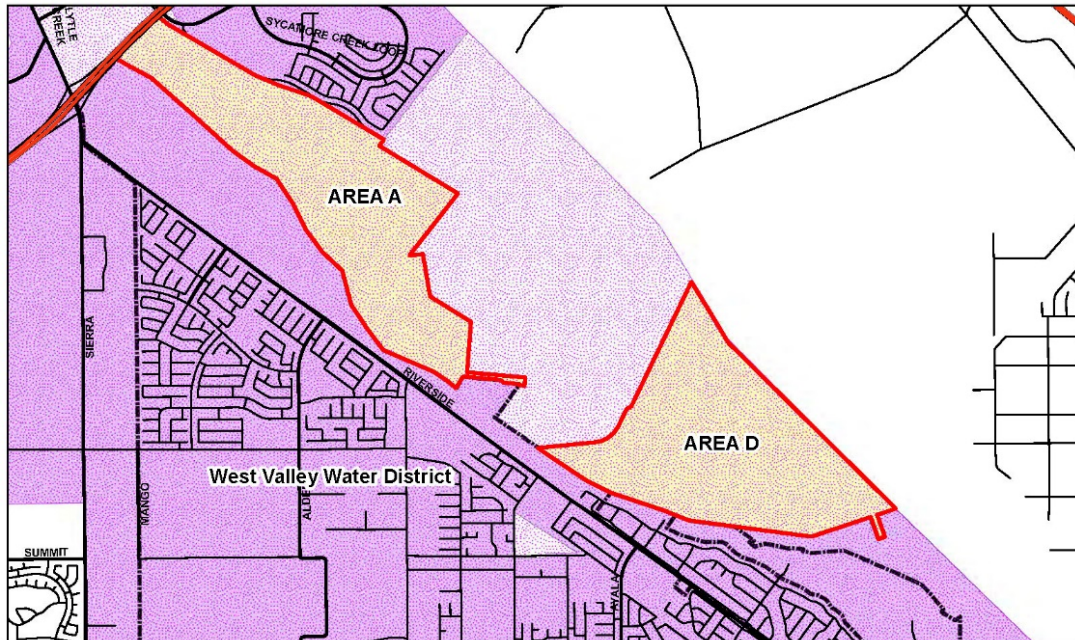
Due to the complexity of the changes proposed through this reorganization, staff is providing a more detailed description for the individual changes. Through the processing of the changes, staff has attempted to verify all overlying agencies and provide for a reorganization that provides for a clear and efficient service delivery. The reorganization proposal includes the following changes:

- *Areas A, B, & C – Annexation to the City of Rialto and Detachment from the San Bernardino County Fire Protection District, its Valley Service Zone, and County Service Area 70*



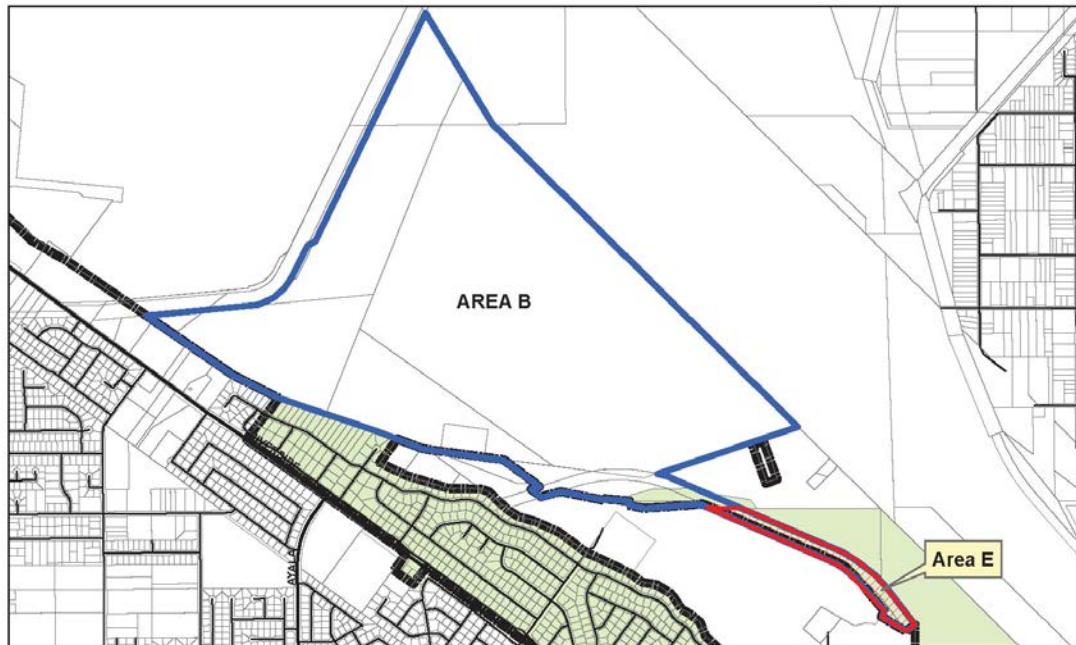
Area A encompasses approximately 568 acres generally bordered by the I-15 Freeway on the north, parcel lines on the east and south, and parcel lines (existing City of Rialto boundaries) on the west, generally northeasterly of the intersection of Locust and Riverside Avenues. Area B encompasses approximately 573 acres generally bordered by parcel lines on the north, east, and south, and parcel lines (existing City of Rialto boundaries) on the west, generally northeasterly of the El Rancho Verde Community. Area C is a single parcel encompassing approximately 0.46 acres generally bordered by Country Club Drive on the west, parcel line (existing City of Rialto boundary) on the north, a parcel line on the east, and Sycamore Avenue on the south.

- *Areas A & D – Annexation to the West Valley Water District*



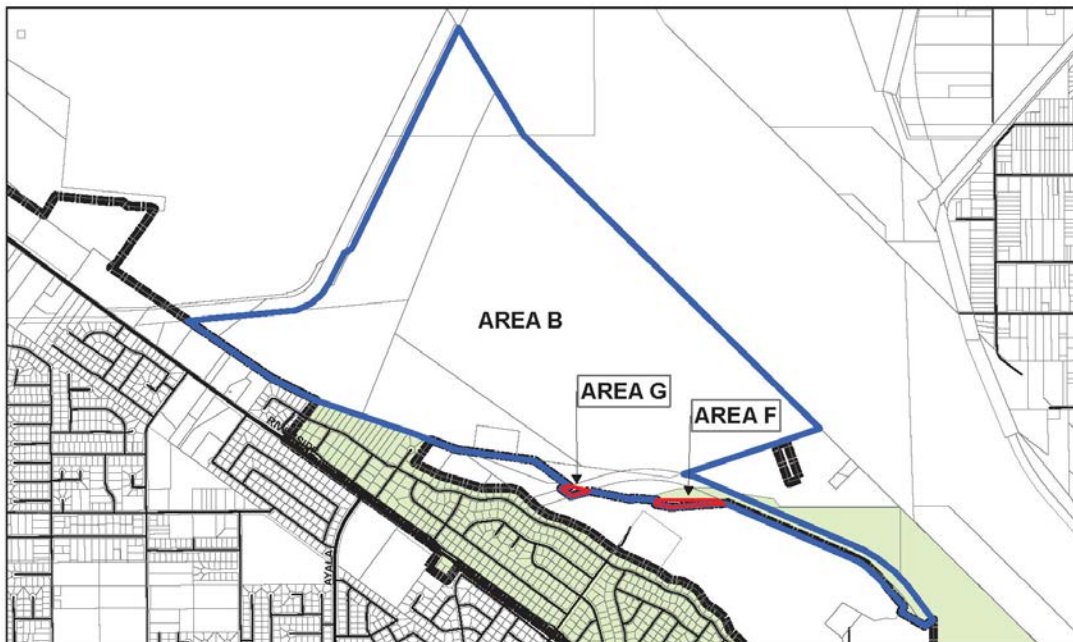
Area A encompasses approximately 568 acres (see description above). Area D, which is slightly smaller than the area being annexed into the City as this boundary conforms to the existing boundary of the West Valley Water District, encompasses approximately 539 acres generally bordered by parcel lines on the north and east, and parcel lines (existing West Valley Water District boundaries) on the south and west, which is a portion of Area B.

- *Area E – Detachment from County Service Area SL-1*



Area E encompasses approximately 13 acres that generally includes the San Bernardino County Flood Control Channel area located within the reorganization area.

- *Areas F & G – Detachment from County Service Area SL-1 and Fontana Fire Protection District (modified by LAFCO staff to be included in the reorganization)*



Area F is a single parcel encompassing approximately 1.65 acres generally bordered by parcel lines on the north and east, and parcel lines (Existing city of Rialto boundary) on the south and west. Area G encompasses approximately 0.65 acres that generally includes a portion of the San Bernardino County Flood Control Channel located within the reorganization area.

Detachment from the Fontana Fire Protection District:

During the processing of the application, it was identified—through the Assessor's Office listing of overlying agencies by Tax Rate Area (TRA)—that the Fontana Fire Protection District currently exists within TRA 106028 (shown above as Areas F and G). This was unexpected since the boundaries of the Fontana Fire Protection District, as defined through the processing of LAFCO 3000, were to reflect the boundaries of the City of Fontana and its unincorporated sphere of influence.

Part of the County Fire Reorganization proposal included renaming the former Central Valley Fire Protection District (Central Valley FPD) to Fontana Fire Protection District and detaching those portions that were outside of the City of Fontana and its unincorporated sphere of influence, and annexing those pieces into County Fire. Staff has verified that this issue is associated with Central Valley FPD and verified that these two areas were indeed part of the former district and were inadvertently left off from the areas that were being annexed as a function of that reorganization. Therefore, in order to clarify service responsibilities this proposal has been expanded to include the detachment of these two areas, Areas F and G, from the Fontana Fire Protection District.

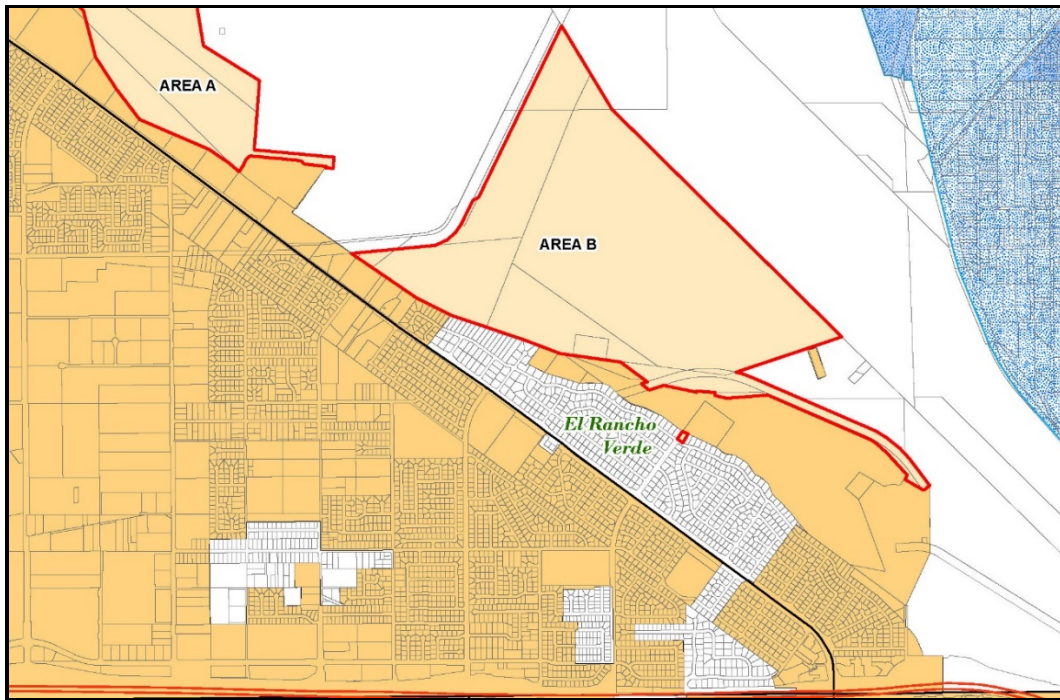
The rest of the report will provide the Commission with the information related to the four major areas of consideration required for a jurisdictional change – boundaries, land uses, service issues and the effects on other local governments, and environmental considerations.

BOUNDARIES:

The reorganization proposes to annex the unincorporated areas within Neighborhoods 2 and 3 of the Lytle Creek Ranch Specific Plan and excludes any additional territory that is not a part of Specific Plan project. This has resulted in three boundary issues to be considered by the Commission:

1. Creation of a Totally Surrounded Island:

The area being annexed in Neighborhood 2 (Area B) completely surrounds the unincorporated area commonly known as the “El Rancho Verde” community. See illustration below:



The El Rancho Verde Country Club opened in 1958 and the community around it began to develop from the 1960's up to the late 1970s. The Country Club was annexed to the City of Rialto in 1997 (LAFCO 2820 and 2824). The remaining unincorporated portion of the El Rancho Verde community is currently a substantially surrounded unincorporated island area that, should LAFCO 3201 be approved by the Commission, will become totally surrounded by the City. The area of this island is approximately 212 acres; therefore, it exceeds the 150-acre threshold for an "island" annexation procedure allowed under Government Code Section 56375.3. The boundary issue to be considered is the statutory prohibition against creating an island as outlined in Government Code Section 56744. The Commission has the following options, in the staff view, to address the unincorporated El Rancho Verde community:

- A. Expand LAFCO 3201 to include the entire El Rancho Verde community as a part of Area B;
- B. Require the City of Rialto to initiate a separate reorganization to include annexation to address the El Rancho Verde community as a condition of approval for LAFCO 3201; or,
- C. Approve LAFCO 3201 making the determinations required by Government Code Section 56375(m) regarding the El Rancho Verde community which are that the imposition of the restrictions within GC 56744 would be detrimental to the orderly development of the community and that the area to be enclosed is so located that it cannot be reasonably annexed to another city or incorporate as a new city.

With regard to option A, the residents of the El Rancho Verde community—from the very beginning of the City’s consideration of the specific plan —have expressed opposition to the project and have also historically opposed any annexation to the City of Rialto. Therefore, in staff’s view, expansion of the proposal to include the unincorporated El Rancho Verde community would likely result in the termination of the proceedings for LAFCO 3201 since the addition of this area will make the proposal legally inhabited and the registered voters within El Rancho Verde would then decide the fate of the reorganization in its entirety.

Option B would require the City to submit a separate reorganization proposal to annex the El Rancho Verde community. Even though the annexation of the El Rancho Verde community will be a ministerial action for the Commission pursuant to Government Code Section 56375(a)(4) that requires the Commission to approve the annexation of unincorporated “surrounded” territory provided the mandatory determinations are made, it still has to go through a protest proceedings since—as identified earlier—it does not qualify under the expedited island provisions outlined in Government Code Section 56375.3. Since the area is legally inhabited and based on historic area opposition to annexation, the proposal to annex El Rancho Verde is anticipated to be unsuccessful at the protest proceedings, resulting in termination of the proposal.

Option C allows for the completion of LAFCO 3201 on the basis that the Specific Plan requires annexation into the City of Rialto in order to be entitled and to receive the municipal level service the Specific Plan requires. Meanwhile, the El Rancho Verde community will continue to be an unincorporated community and will continue to be served by the San Bernardino County Fire Protection District and its Valley Service Zone for fire protection and emergency medical response (provided by the City through mutual aid), West Valley Water District for retail water service, County Service Area SL-1 (streetlights) and CSA 70 P-13 (landscaping) along with the participation in the El Rancho Verde Municipal Advisory Council (MAC) to address its governance and service delivery.

Given that the El Rancho Verde community is legally inhabited and due to the historic opposition by the residents of the community to annexation, staff supports choosing option C, making the determination required by Government Code Section 56375(m), which is as follows:

The Commission determines that approval of LAFCO 3201 will make the existing unincorporated “El Rancho Verde” community completely surrounded by the City of Rialto. Since the entire reorganization area of LAFCO 3201 is a master planned community that cannot be developed unless the area is annexed, the Commission determines, pursuant to the provision of Government Code Section 56375(m), to waive the restrictions on the creation of a totally surrounded island contained within Government Code Section 56744 because it would be detrimental to the orderly development of the community and it further determines that the area to be surrounded cannot reasonably be annexed to another city or incorporated as a new city.

2. Exclusion Area Between Neighborhoods 2 and 3

As outlined on the maps above, the territory proposed for annexation within the City of Rialto (Areas A and B) and within the West Valley Water District (Areas A and D) leaves a large piece of unincorporated territory within the sphere of influence area assigned the City of Rialto and West Valley Water District outside the reorganization. This unincorporated sphere of influence area is a single parcel that is an existing sand and gravel mine owned and operated by Cemex (see aerial below).



Cemex currently has a vested right for mineral extraction and an approved reclamation plan that is effective for a period of 25 years and is to expire in 2028 (with a 2-year revegetation monitoring period). The determination as a vested operation is in accordance to the California Surface Mining and Reclamation Act of 1975 (SMARA), Section 2776 and the County's Development Code. As such, its continuing operation, in accordance with the approved reclamation plan and other applicable requirements, shall continue under the jurisdiction of the County and State.

Moreover, the City does not have any adopted goals or policies promoting the development of new mineral extraction activities within the community and the City's General Plan and does not preclude development in areas in proximity to existing and/or former mineral resource areas. On the other hand, the County's General Plan and its Development Code incorporate design, development, and performance standards that seek to protect the public health and safety as well as prevent damaging effects to surrounding properties.

The Commission is directed by statute to protect and preserve open space uses and the mineral resources which may exist within these areas. Specifically, Government Code Section 56301 outlines the purposes of a Commission as:

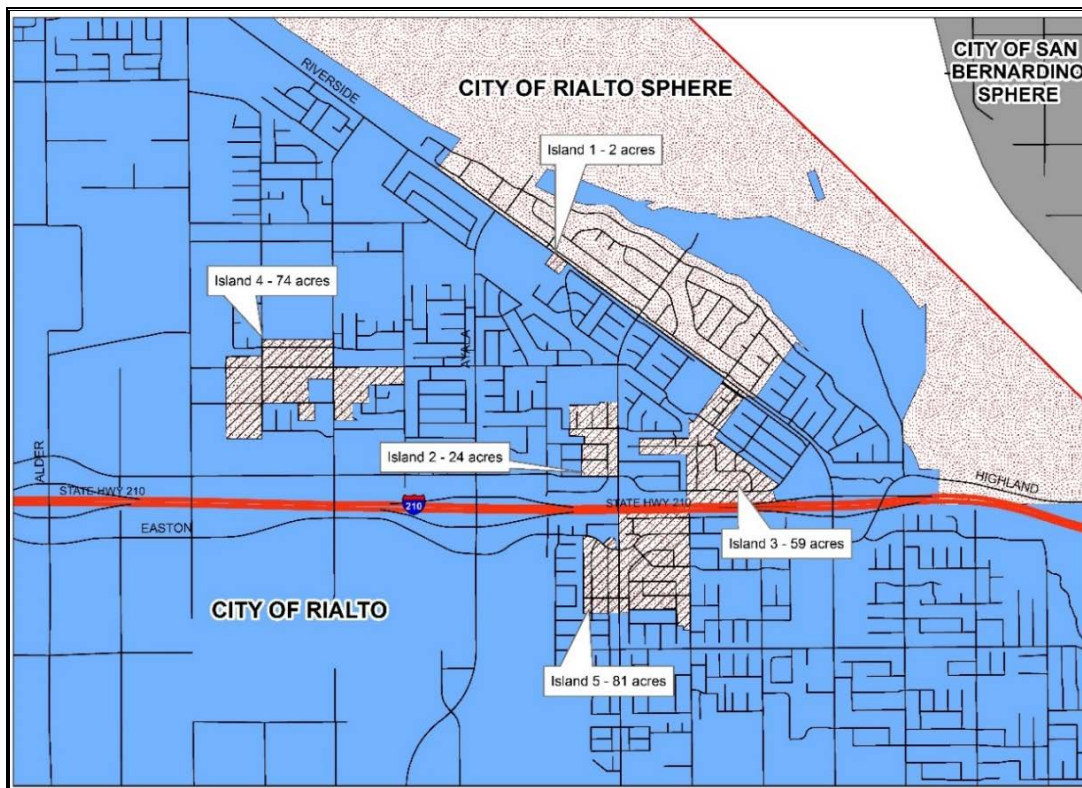
*“Among the purposes of a commission are discouraging urban sprawl, **preserving open-space** and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances... (Emphasis added)*

Open space is defined, pursuant to Government Code Section 65560, as those “used for the managed production of resources, including but not limited to, forest lands rangelands, agricultural lands and areas of economic importance for the production of food... and areas containing major mineral deposits, including those in short supply.”

For these reasons, it is LAFCO staff’s position that the Cemex property should remain under the County’s land use authority. Therefore, LAFCO staff supports retaining the Cemex parcel in unincorporated status.

3) Annexation of the North Rialto Islands:

There are five unincorporated islands in the northern part of the City of Rialto that generally qualify as an “island annexation” under the provisions of Government Code Section 56375.3. The map below provides the location of these five islands.



Prior to 2011 it had been the practice of this Commission to require Cities/Towns, when annexing large development-related proposals, to require the municipality to annex its islands that meet the criteria of Government Code Section 56375.3.

In 2007, the Commission considered an annexation proposal to the City of Rialto (LAFCO 3066) that staff recommended include a condition requiring the City to initiate the North Rialto Islands (four islands identified at that time instead of five). The City objected to the conditioning of LAFCO 3066, an annexation that was intended to build over 700 homes along the City's southerly boundaries, with the requirement to annex the four northern islands citing its position that there was no connection between the two areas. The City went on to say that the islands should be tied to a future development in the north – which is the Lytle Creek Ranch project. In response to the City's position, the Commission modified its recommendation to instead – move forward with the approval of LAFCO 3066, with the determination that the City was to initiate the annexation of the four islands within a year (Copies of LAFCO Resolution No. 2961 and minutes from the April 18, 2007 hearing included as part of Attachment #4). Compliance with that determination remains unfulfilled.

In September 2011, the Commission modified its Island Annexation Policy removing the requirement for a City to initiate the annexation of its islands when considering a major development application based upon the passage of SB 89. Instead, the Commission's policy directs staff to place an item on the Commission agenda to review a City's islands that meet the criteria pursuant to Government Code Section 56375.3 if it submits a large development-related reorganization/annexation (those developments exceeding 500 units and/or 500,000 sq. feet of commercial/industrial land uses).

Following the City's submission of LAFCO 3201, staff, pursuant to Commission policy, presented an information item at the December Commission hearing reviewing the development application in general and the potential for annexation of the five North Rialto Islands. LAFCO staff identified, at that time, that LAFCO 3201 presents the last known opportunity for the Commission to look at requiring the annexation of the North Rialto Islands as a companion action. Staff provided information related to the ad valorem property tax transfer process for San Bernardino County and the City's existing utility tax that ends in 2018. Projections on revenues and expenditures estimates related to the islands were also discussed which showed a cash balance available to fund reserves and or capital replacement. At that hearing, the City of Rialto disputed the information presented by the staff identifying that the islands would be a financial drain on the City and the service needs were higher than projected. Nonetheless, the Commission then directed staff to include a discussion of the islands as part of its review of LAFCO 3201.

Following the Commission's consideration, the City of Rialto hired a consultant, Stan Hoffman and Associates, to prepare a plan for service and fiscal impact analysis to determine the costs for providing service to the five unincorporated islands. The Plan for Service and Fiscal Impact Analysis for the North Rialto Islands is included as Attachment #5 to this report. In general, the City's fiscal impact analysis indicate that the annexation of the five islands would be unsustainable. However, these assumptions, as stated by a City representative, looked at the worst case scenario for service delivery and obligation

for the area. LAFCO staff questions some of the assumptions identified in the document which are presented below:

- a. The analysis that LAFCO staff prepared previously that showed a surplus was based on the same criteria that the same consultant used in preparing the Plan for Service for the Lytle Creek Ranch project, which include revenues from In Lieu Property Tax (Sales and Use Tax) as well as In Lieu Property Tax of VLF.
- b. The City included a \$338,047 fire service cost for an area that the City already serves through its mutual aid agreement with County Fire. The document also goes on to say that the agreement with County Fire will no longer be available and that the City will incur additional costs for fire service in the City's southern area. However, in review of this position with the County Administrative Office, this statement was disputed. In addition, as identified earlier, the unincorporated El Rancho Verde community will continue to be unincorporated and will continue to receive fire service through the City of Rialto under the 2012 mutual aid agreement; therefore, staff questions the elimination of the agreement as identified by the Plan for Service. For these reasons, staff disputes the inclusion of additional fire costs in the analysis.
- c. The document inadvertently identified that the islands would be annexed into West Valley Water District (for water service) when, in fact, the areas are already within the District and the majority of the areas are developed currently receiving water service from the District.
- d. Another discussion item identified in the study is the capital improvements for roads (including sidewalks, tree removal, handicap ramps, sewer, etc.). LAFCO staff agrees that these are costs that may be applicable in the future. However, it should be noted that there are streets within the City that—to this day—still do not have sidewalks and/or disabled ramps nor is there a timeline to address all the areas without sidewalks as confirmed with City staff. In addition, staff has also verified and again confirmed with City staff that there are areas within the City that do not have sewer service.
- e. One additional revenue source that the City and its consultant failed to include in the analysis is the revenue to be generated from the Development Agreement for the Lytle Creek Ranch project. As identified in the City's staff report related to its consideration and approval of the Pre-annexation/Development Agreement for the Lytle Creek Ranch Specific Plan dated June 26, 2012 (included as part of Attachment #2), this fee was increased by \$630 per unit to support the annexation of the five North Rialto Islands. Based on the total number of units identified in the City's Plan for Service and Fiscal Impact Analysis for LAFCO 3201, which is 6,260 units, the additional Development Agreement fee to be generated is \$3,943,800. Although the Development Agreement Fee is intended to go to the City's General Fund and can be used for any lawful City purpose, it should be noted that the additional fee was added in order to absorb "the potential cost of annexing the County islands." Therefore, this should be a revenue restricted to support the services to be delivered following the annexation of the five North Rialto Islands.

OPTIONS:

The following are the options available for addressing the North Rialto Islands as part of the Commission's consideration of LAFCO 3201:

- The Commission could require the initiation of the five North Rialto Island as a condition of approval for LAFCO 3201. Compliance with this requirement would be deemed completed upon issuance of the Certificate(s) of Filing for the five North Rialto Islands either collectively in a reorganization proposal or individually. The Certificate of Completion for LAFCO 3201 would not be issued until this condition had been completed;
- The Commission could a determination that the City of Rialto be required to initiate the five North Rialto Islands within one year of the approval of LAFCO 3201; or,
- The Commission could determine to approve LAFCO 3201 without the requirement to address the five North Rialto Islands.

Because of the direct relationship of the reorganization area with the five North Rialto Islands, the City's previous assertion that the North Rialto Islands should be tied to the Lytle Creek Ranch project for annexation to clarify service delivery relationships, the fact that the Pre-annexation/Development Agreement includes an additional development agreement fee in anticipation for the costs associated to annexing the five North Rialto Islands, and the staff position that LAFCO 3201 presents the last opportunity for the Commission to look at requiring the annexation of the five North Rialto Islands, LAFCO staff believes that the imposition of a condition of approval would be the appropriate action to take in order to address the five North Rialto Islands. Therefore, staff recommends the Commission include the following condition in its approval of LAFCO 3201:

Prior to the issuance of the Certificate of Completion for the reorganization to include annexations and detachments, the City of Rialto shall initiate the annexation of the five North Rialto Islands identified in this staff report. Compliance with this condition of approval shall be deemed completed upon the issuance of the Certificate(s) of Filing for the five North Rialto Islands either individually or as a reorganization.

LAND USE:

The reorganization area is primarily vacant. The existing uses directly surrounding the different areas are as follows:

- Area A – the area is surrounded by a combination of the I-15 Freeway and residential development (Rosena Ranch) on the northwest, a combination of vacant lands and the County Sheriff's station on the northeast, vacant land, the Lytle Creek Wash, and an industrial use (sand and gravel mine and concrete production) on the east, and a

combination of a commercial/industrial use and vacant lands (within the City of Rialto) on the south and southwest.

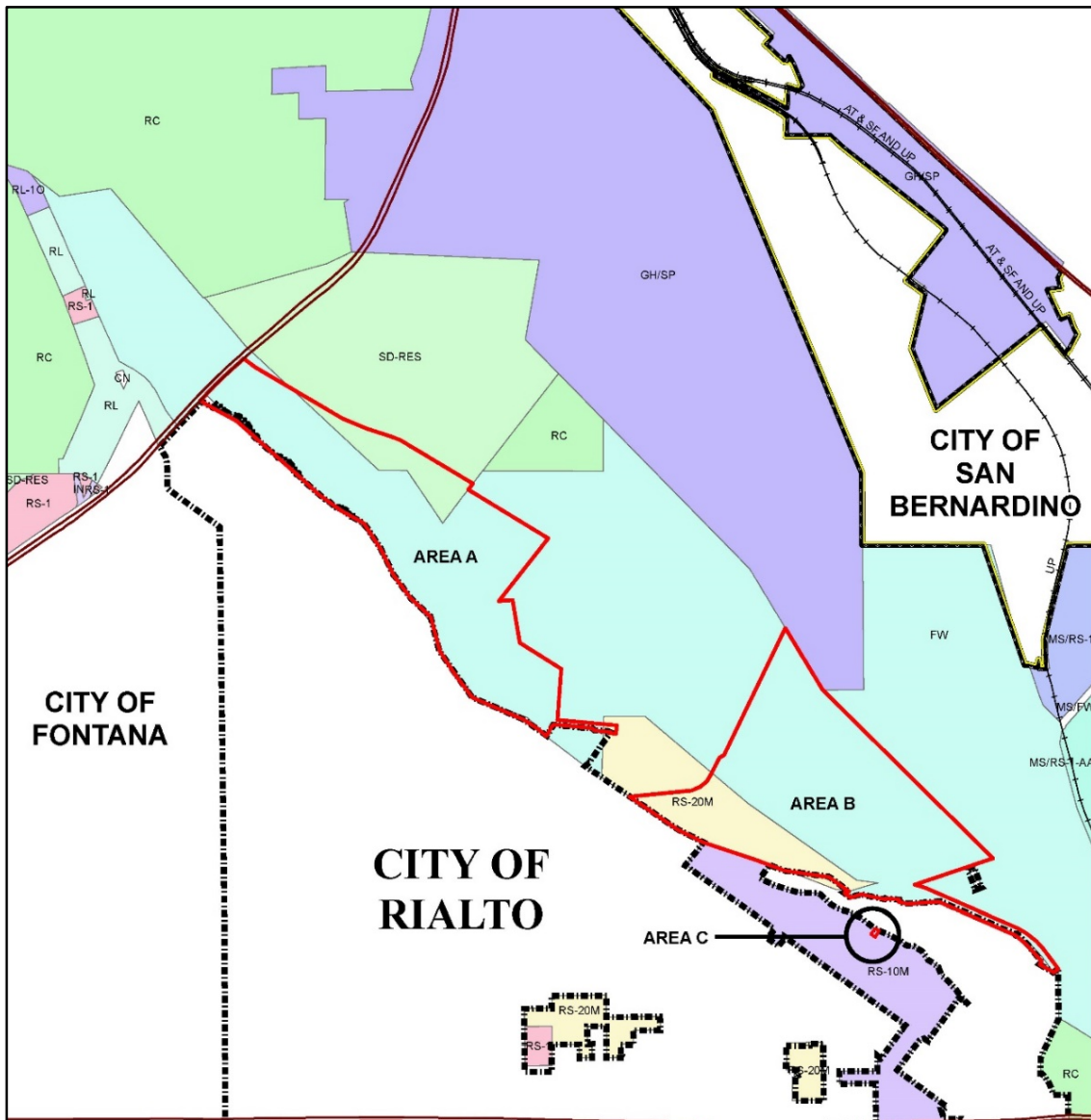
- Area B – the area is surrounded by a combination of vacant lands, the County Sheriff's station, and the Lytle Creek Wash on the north and east, the former El Rancho Verde Golf Club (within the City of Rialto) and residential development on the south, and a combination of vacant lands and an industrial use (sand and gravel mine and concrete production) on the west.
- Area C – the parcel is surrounded by a the former El Rancho Verde Golf Club (within the City of Rialto) on the north, residential development on the east, Sycamore Drive on the south, and Country Club Drive on the west.

Existing uses surrounding Areas D, E, F, and G are not being described since these areas are wholly within Area B (with the exception of the City of Rialto non-contiguous parcel that is being included as part of Area D).



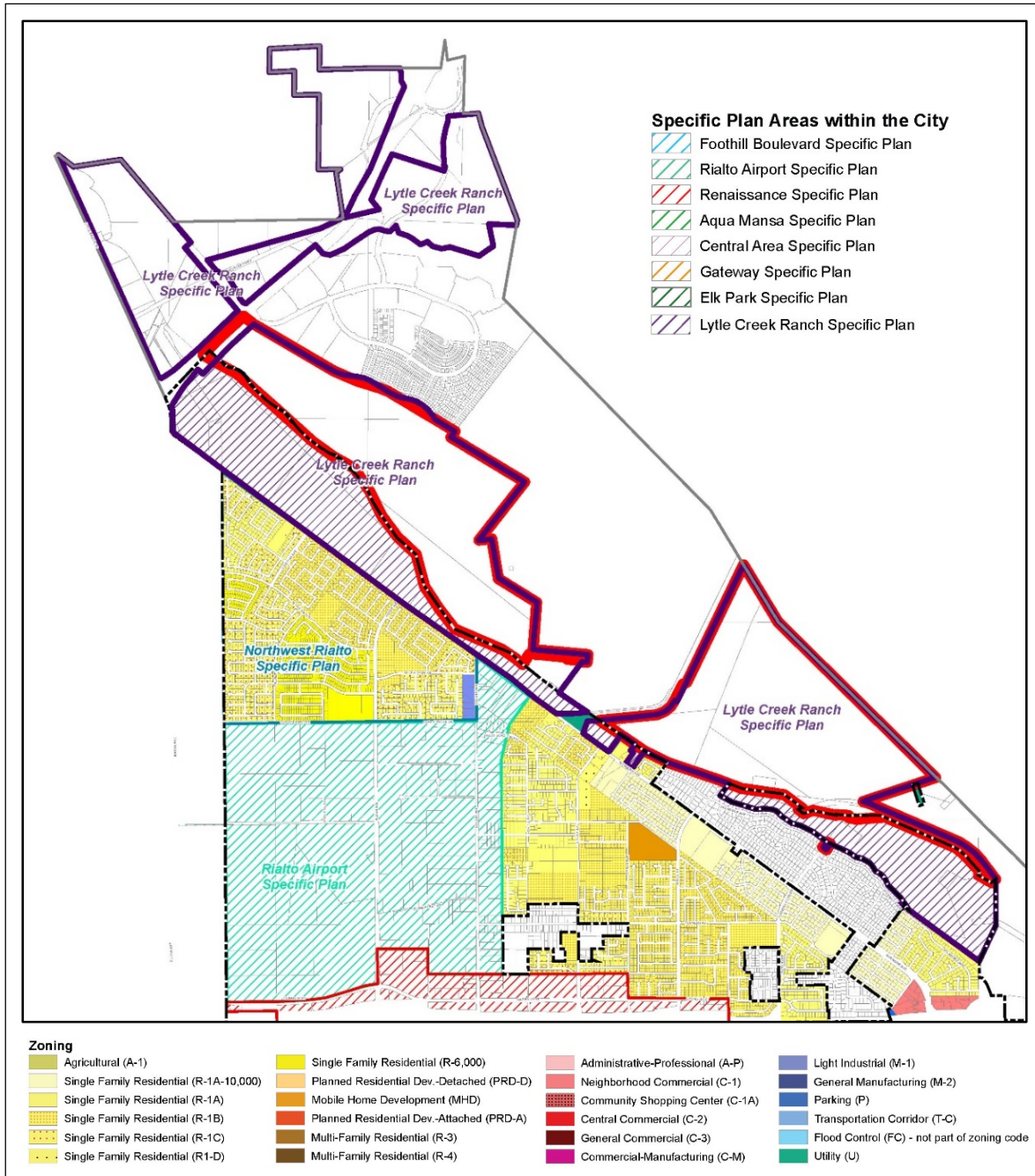
County Land Use Designations:

The County's current land use designations for the reorganization area are SD-RES (Special Development-Residential), RS-20M (Single Residential, 20,000 sq. ft. minimum lot size), RS-10M (Single Residential, 10,000 sq. ft. minimum lot size), and FW (Floodway).



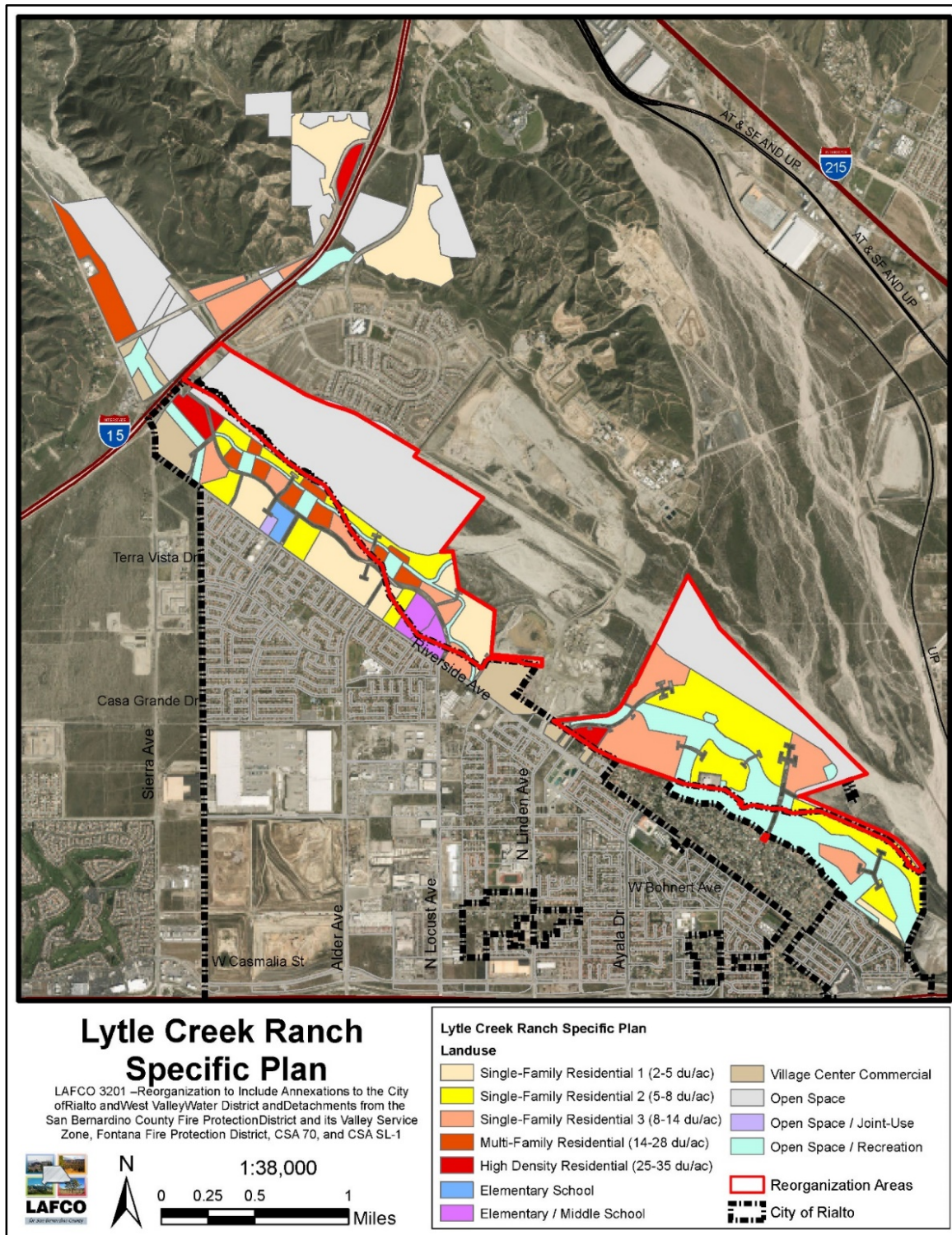
City's General Plan:

The City of Rialto has assigned the reorganization area a "Specific Plan" land use designation overlay and a pre-zone as "Lytle Creek Ranch Specific Plan", which will take effect upon completion of the annexation process.



City's Pre-Zone Designations:

Through the adoption of the Lytle Creek Ranch Specific Plan, the City has identified the ultimate land uses within the project area.



A complete copy of the Specific Plan was provided to the Commission on April 21, 2016 as a part of the Environmental Documents for LAFCO 3201 distribution and is included as part of Attachment #2. The following is a general description of each of the Specific Plan's underlying zone designations that are placed within the reorganization area:

- Single-Family Residential One (SFR-1). This category will only include single-family detached residential development ranging in density from 2 to 5 dwelling units/acre (du/ac).
- Single-Family Residential Two (SFR-2). This category will include single-family detached and attached residential development ranging in density from 5 to 8 du/ac.
- Single-Family Residential Three (SFR-3). This category will include a combination of single-family detached and attached residential product types at densities ranging from 8 to 14 du/ac.
- Multi-Family Residential (MFR). This category will include only attached housing products such as, but not limited to, townhomes, attached row homes, condominiums, stacked flats, garden courts, motorcourts, and apartments with densities ranging from 14 to 28 du/ac.
- High Density Residential (HDR). This category will include only high density residential products such as, but not limited to, condominiums, stacked flats, podium units, and apartments with densities ranging from 25 to 35 du/ac.
- Elementary/Middle School (ES/MS). A 14-acre elementary/middle school is planned in Neighborhood III.
- Open Space / Recreation (OS/R). The Land Use Plan identifies planning areas that may develop as "Open Space/Recreation." These areas will consist of a mix of recreation types including, but not limited to, neighborhood parks, mini parks, private recreation centers, and trails and walkways. The permitted uses and the development standards for the OS/R category apply to all planning areas designated as "Open Space/Recreation."
- Open Space (OS). The "Open Space" areas in Lytle Creek Ranch are intended to stay preserved in their existing, natural state. Land within this category is designed to protect important natural resources located within the Lytle Creek Ranch Specific Plan.

The City's Lytle Creek Ranch Specific Plan underlying zone designations are the pre-zoning for the proposal area as required by Government Code Section 56375(a)(7). Once annexed, pursuant to the provisions of Government Code Section 56375(e), these zoning designations shall remain in effect for a period of two (2) years following annexation. The law allows for a change in designation if the City Council makes the finding, at a public hearing, that a substantial change in circumstance has occurred that necessitates a departure from the underlying zone designations outlined in the application made to the Commission.

It is the staff's position that the land uses identified in the City's Lytle Creek Ranch Specific Plan require a broad range of municipal services which can be most effectively and efficiently provided by the City of Rialto and the West Valley Water District.

SERVICE ISSUES AND EFFECTS ON OTHER LOCAL GOVERNMENTS:

In every consideration for jurisdictional change, the Commission is required to look at the existing and proposed service providers within an area. Due to the vacant nature of the lands currently, government service requirements are minimal – primarily law enforcement and fire protection. The current service providers within the reorganization area include the West Valley Water District (portion), the San Bernardino County Fire Protection District and its Valley Service Zone, County Service Area 70 (multi-function entity) and County Service Area SL-1 (streetlighting). In addition, the regional independent special districts, Inland Empire Resource Conservation District and the San Bernardino Valley Municipal Water District (State Water Contractor), overlay the reorganization area.

As identified earlier, a portion of reorganization area was inadvertently retained within the Fontana Fire Protection District as a result of the County Fire Reorganization (see discussion related to the Detachment from the Fontana Fire Protection District, page 6).

Plan for Service:

The City of Rialto has provided a "Plan for Service" for this proposal as required by law and Commission policy. The Plan includes a Fiscal Impact Analysis outlining its ability to provide its range of services to the area. Included with the materials for review is a Pre-annexation/ Development Agreement, approved by the City and the project proponent, outlining land use assumptions, financing and services requirements for the reorganization area.

The West Valley Water District has provided a Plan for Service to provide retail water service, as required by law, to the areas outside its boundaries proposed for annexation.

Copies of the City of Rialto's certified Plan for Service and Fiscal Impact Analysis and the signed Development Agreement are included as a part of Attachment #2. The Plan for Service prepared and certified by the West Valley Water District is included as Attachment #3.

- **Water Service:**

Water service to the reorganization areas is to be provided by the West Valley Water District, as outlined in its Plan for Service. Current storage facilities are sufficient to supply the existing Peak Day Demand within its existing system with some excess capacity. However, the District will have to construct new off-site facilities including a 5.4 million gallon of storage facility and the pump stations/pipelines needed to serve the project. The water facilities required for this development will be funded by the capacity charge fees, which are assessed and collected by the District on all new development.

All onsite improvements will be constructed and funded by the developer. The choice of financing mechanism is not known at this time. Options for funding the development of the backbone infrastructure could be through a Mello-Roos Community Facilities District, or other bond financing vehicles.

- Sewer Service:

There is no sewage collection system within the area at the present time. The Plan for Service anticipates the extension of sewer service to the project by the City of Rialto. In 2003, the City contracted with Veolia, a private company, to provide operation and management services to its water and wastewater treatment and collection systems. Veolia manages the City's water and wastewater system, provides for billing and customer service, and oversees the capital improvement program to upgrade its aging facilities. Under the public-private concession arrangement, the City retains full ownership of its water and wastewater systems, retains all water rights and supply, and possesses the rate-setting authority associated with the facilities.

The Lytle Creek Ranch project is expected to generate an average sewage flow of nearly 1.3 MGD when fully developed. The peak sewage flow rate is projected to be about 3.6 MGD. The collection system will require upgrades to either two or four lift stations (Alternative 1 proposes upgrades to both the Ayala Avenue and the Cactus Avenue Lift Stations while Alternative 2 proposes upgrades to four lift stations – the Ayala Avenue, the Cactus Avenue, the Lilac Avenue, and the Sycamore Avenue Lift Stations). Approximately 9,135 linear feet of existing 12" to 30" transmission lines downstream from the four lift stations would also require upgrading to serve the proposed development. The City of Rialto Wastewater Treatment Plant has an existing treatment capacity of 11 MGD. While it has some existing reserve capacity, full build-out of the proposed development would require an expansion of the facility. The City levies two capital facilities fees related to wastewater - a wastewater collection fee and a wastewater treatment fee.

All onsite improvements would be constructed and funded by the developer. The options for financing these required backbone improvements like those listed above for water service, are also not known at this time.

- Fire Protection:

The area is within the boundaries of the San Bernardino County Fire Protection District and its Valley Service Zone; however, fire protection and emergency medical response services are currently provided by the City of Rialto under existing agreements with County Fire. Approval of LAFCO 3201 will transfer jurisdiction for structural fire protection and paramedic services to the City of Rialto upon completion of the reorganization. The Rialto Fire Department maintains a mutual aid agreement with the San Bernardino County Fire Protection District (last updated in 2012) for the continuing service delivery. Therefore, no change in actual service provider will take place.

- Law Enforcement:

Law enforcement is currently provided within the area by the County Sheriff's Department while traffic control is the responsibility of the California Highway Patrol. Approval of LAFCO 3201 will transfer all law enforcement responsibilities to the City of Rialto.

- Park and Recreation:

Regional park and recreation services are currently provided by the County Regional Parks system. The closest regional park is Glen Helen Regional Park, which has various recreation activities. Due to the primarily vacant nature of the reorganization area, local park amenities are not currently provided. The City of Rialto has a variety of parks and recreation facilities. The Specific Plan includes a number of public parks (operated and maintained by the City) as well as private parks (maintained by a Homeowners Association).

- Solid Waste

Solid waste services are currently provided within the reorganization area and within the City of Rialto by Burrtec Industries. No change in service provider will occur through the annexation.

As required by Commission policy and State law, the Plans for Service submitted by the City of Rialto and the West Valley Water District show that the extension of their services to the reorganization area are required to provide the level of service anticipated by the Lytle Creek Ranch Specific Plan. Such service extensions will exceed current service levels provided through the County as the area is primarily vacant at the present time.

ENVIRONMENTAL CONSIDERATIONS:

The City's processing of the Lytle Creek Ranch Specific Plan project included the preparation and certification of an Environmental Impact Report that was finalized by the City. However, as mentioned earlier, a lawsuit was filed challenging the certified Environmental Impact Report, but the litigation has since been resolved. LAFCO's Environmental Consultant, Tom Dodson and Associates, has reviewed the City's Complete Final Environmental Impact Report (EIR), which includes the Draft EIR, the Final EIR, the Recirculated Portions of the EIR, and the Final Recirculated Portions of the Draft EIR, and indicated that the City's environmental documents are adequate for the Commission's use as a responsible agency for LAFCO 3201. Copies of the City's Complete Final EIR and all associated documents, were provided to Commissioners on April 21, 2016. Mr. Dodson has indicated in his letter to the Commission, included as Attachment #6 to this report, the actions that are appropriate for the review of LAFCO 3201, which are:

- Certify that the Commission, its staff, and its Environmental Consultant have individually reviewed and considered the environmental assessment by the City of Rialto;
- Determine that the Complete Final EIR is adequate for the Commission's use in making its decision related to LAFCO 3201;
- Determine that the Commission does not intend to adopt alternatives or additional mitigation measures for the project. Mitigation measures required for the project are the responsibility of the City and others, not the Commission;
- Adopt the Facts, Findings and Statement of Overriding Considerations as presented by Mr. Dodson, which are the conclusions made regarding the significance of a project in light of the impacts and mitigation measures that have been identified. A copy of this Statement is included as a part of Attachment #6 to this report; and,
- Direct the Executive Officer to file the Notice of Determination within five days and find that no further Department of Fish and Wildlife filing fees are required by the Commission's approval since the City, as lead agency, has paid said fees.

CONCLUSION:

Sometime in the late 1980s, the project proponent, Lytle Development, began planning the development of all of its landholdings in and around the Lytle Creek area. This was represented by the original request for expansion of the City of Rialto sphere of influence in 1989. The first development project was originally called "The Villages at Lytle Creek Specific Plan" being processed through the City of Rialto. This plan was eventually abandoned because of issues related to circulation and other public services and concerns related to the impacts on endangered species in the area. After the original proposal was withdrawn from the City of Rialto, the North Village portion of the project (Lytle Creek North, which is now known as Rosena Ranch) was processed through the County and approved in 2001.

As noted above, the Lytle Creek development projects have been in the making for more than 25 years and LAFCO staff has been involved to varying degrees in this process since its inception. The final piece of the original proposal, which is now known as the Lytle Creek Ranch Specific Plan, requires a broad range and level of municipal services that are only available through the City of Rialto and the West Valley Water District (for water service). The reorganization area will benefit from the extension of the City's services and the West Valley Water District's water service based upon the anticipated development for Neighborhoods 2 and 3 of the Lytle Creek Ranch Specific Plan with 6,260 residential homes and 668,732 square feet of commercial development along with ancillary facilities such as schools, public and private open space/parks and recreation facilities, streets and other public facilities.

However, the approval of this proposal calls into question the issues related to surrounding the unincorporated El Rancho Verde community and the need to review the northern five

islands of unincorporated territory. In this report, LAFCO staff has addressed these issues as follows:

- Due to the historic opposition of the El Rancho Verde residents to annexation to the City of Rialto, staff believes that the determinations required by Government Code Section 56375(m) can be applied (as discussed on Pages 7 thru 9 of this report); and,
- With respect to the five North Rialto Islands, staff recommends a condition of approval requiring the City to initiate the annexation of these islands under the provisions of Government Code Section 56385.3 prior to the completion of LAFCO 3201. This represents the culmination of several efforts by the Commission to require that the islands be addressed by the City of Rialto, from the development of Las Colinas, to the consideration of the El Rivino Annexation. It is staff's position that approval of the condition represents a good government approach to the delivery of the full range of services to the island areas and because the question of financing a portion of the service obligation has been addressed as a component of the development agreement for the placing a per parcel charge on the Lytle Creek Ranch Specific Plan.

Therefore, for these reasons, and those outlined throughout the staff report, staff recommends approval of LAFCO 3201 as outlined on page one of this report.

DETERMINATIONS:

The following determinations are required to be provided by Commission policy and Government Code Section 56668 for any changes of organization/reorganization proposal:

1. The reorganization proposal is legally uninhabited containing no registered voter within any of the reorganization areas as certified by the Registrar of Voters as of October 14, 2015.
2. The County Assessor's Office has determined that the total assessed value of land and improvements within the reorganization area is \$10,294,424 (land--\$9,187,660; improvements--\$1,106,764) as of November 5, 2015.
3. The reorganization area is within the spheres of influence of the City of Rialto and the West Valley Water District.
4. Legal advertisement of the Commission's consideration has been provided through publication in *The Sun*, a newspaper of general circulation within the reorganization area. As required by State law, individual notice was provided to affected and interested agencies, County departments, and those individual and agencies having requested such notice.
5. LAFCO has provided individual notice to the landowners within the reorganization area (totaling 6) and to landowners and registered voters surrounding the reorganization area (totaling 3,144) in accordance with State law and adopted

Commission policies. Comments from landowners and registered voters and any affected local agency in support or opposition will be reviewed and considered by the Commission in making its determination.

6. The City of Rialto processed Annexation No.170, General Plan Amendment No. 29, Specific Plan No. 12, and the Pre-Annexation and Development Agreement for Lytle Creek Ranch Specific Plan (SCH No. 2009061113) which pre-zoned the reorganization area as Lytle Creek Ranch Specific Plan with the following underlying specific plan zone designations: Single-Family Residential One (SFR-1), Single-Family Residential Two (SFR-2), Single-Family Residential Three (SFR-3), Multi-Family Residential (MFR), High Density Residential (HDR), Elementary/Middle School (ES/MS), Open Space/Recreation, and Open Space (undisturbed). These pre-zone/specific plan zone designations are consistent with the City's General Plan and surrounding land uses within the City and in the County. Pursuant to the provisions of Government Code Section 56375(e), these pre-zone designations shall remain in effect for two years following annexation unless specific actions are taken by the City Council.
7. The Southern California Associated Governments (SCAG) adopted its 2016-2040 Regional Transportation Plan and Sustainable Communities Strategy (RTP-SCS) pursuant to Government Code Section 65080. LAFCO 3201 includes the southern portion of the I-15 Freeway, which is part of the RTP-SCS's State highway improvement (expansion/rehabilitation) program adding two express lanes in each direction for completion by 2030 and adding high-occupancy vehicle (HOV) lane in each direction for completion by 2039. The Sustainable Communities Strategy includes, among others, determinations related to the need for residential densities for multi-family residential and housing for all segments of the population, which approval of LAFCO 3201 will support.
8. As a CEQA responsible agency, the Commission's Environmental Consultant, Tom Dodson of Tom Dodson and Associates, has reviewed the City's environmental documents for the reorganization proposal and has indicated that the City's environmental assessment for the Lytle Creek Ranch Specific Plan are adequate for the Commission's use as CEQA responsible agency. Copies of the City's Complete Final EIR and all associated documents were provided to Commission members on April 21, 2016 and are also included as Supplemental Documents for LAFCO 3201 – Environmental Documents Related to the City of Rialto's Approval of the Lytle Creek Ranch Specific Plan. Mr. Dodson has prepared his recommended actions for LAFCO 3201, which are outlined in the narrative portion of the Environmental Considerations section (page _ of the staff report). Attachment #4 provides the Facts, Findings and Statement of Overriding Considerations prepared for the Commission's use in addressing this project.
9. Upon reorganization, the City of Rialto will extend its services as required by the progression of development. The Fiscal Impact Analysis portion of the Plan for Service certified by the City provides a general outline of the anticipated revenues/costs for the reorganization area and the overall Lytle Creek Ranch Specific Plan. The Plan indicates that revenues are anticipated to be sufficient to provide the

level of services identified through the City and other agencies. Through the identified financing mechanisms, the Plan shows that the level of service will be adequate for the development anticipated and that the revenues anticipated are sufficient to provide for the infrastructure and ongoing maintenance and operation of these services.

The West Valley Water District has submitted a plan for the extension of water service to the proposed development. The Plan for Service submitted by the West Valley Water District outlines the service to be extended by the District and its ability to serve the project.

These plans identify that the revenues to be provided through the transfer of property tax revenues and existing and potential financing mechanisms are anticipated to be sufficient to provide for the infrastructure and ongoing maintenance and operation of the services to be provided from the City of Rialto and the West Valley Water District. A copy of the City's Plan for Service is included as a part of Attachment #2 to this report and the West Valley Water District's Plan for Service is included as Attachment #3 to this report.

10. The areas in question are presently served by the following public agencies:

County of San Bernardino
Inland Empire Resource Conservation District
San Bernardino Valley Municipal Water District
San Bernardino County Fire Protection District and its Valley Service Zone
(fire protection)
Fontana Fire Protection District (portion)
West Valley Water District (portion)
County Service Area SL-1 (streetlights)(portion)
County Service Area 70 (multi-function unincorporated area Countywide)

The areas will be detached from the San Bernardino County Fire Protection District, its Valley Service Zone, Fontana Fire Protection District, County Service Area SL-1 and County Service Area 70 as a function of the reorganization. None of the other agencies are affected by this proposal as they are regional in nature.

11. The reorganization proposal complies with Commission policies and directives and State law that indicate the preference for areas proposed for urban intensity development to be included within a City so that the full range of municipal services can be planned, funded, extended, and maintained.
12. The reorganization area can benefit from the availability and extension of municipal-level services from the City of Rialto and the water service from the West Valley Water District, as evidenced by their Plans for Service.
13. This proposal will have an effect on the City of Rialto's ability to achieve its fair share of the regional housing needs as it proposes the addition of 619 single-family units,

563 multi-family units, and 2,005 senior single-family units, for a total of 3,187 residential units.

14. With respect to environmental justice, the following profile was generated using ESRI's Community Analyst with regard to race and income within the City of Rialto and within areas adjacent to the reorganization area (2015 population data):

The City of Rialto has a citywide population of 70.7 percent that is of Hispanic origin. Based on information taken from the adjacent unincorporated El Rancho Verde and Rosena Ranch communities, said areas have an Hispanic origin population of 50.1 percent and 48 percent, respectively, which are lower than the City's overall data. With regard to income, the City of Rialto has a citywide median household income of \$49,205. Again, based on information taken from the two adjacent unincorporated communities, said areas reflect a higher median household income of \$75,499 and \$76,024, respectively.

Therefore, LAFCO staff believes that the reorganization area would benefit from the extension of services and facilities from the City of Rialto and the West Valley Water District and, at the same time, would not result in unfair treatment of any person based on race, culture or income.

15. The County of San Bernardino and the City of Rialto have successfully negotiated a transfer of property tax revenues that will be implemented upon completion of this reorganization. This fulfills the requirements of Section 99 of the Revenue and Taxation Code.

However, since the proposal has been expanded by the Commission to include the detachment from Fontana Fire Protection District, a renegotiation of property tax transfer may be requested by any of the affected agencies. Such a renegotiation process is outlined within Section 99(b)(7) of the Revenue and Taxation Code.

16. The maps and legal descriptions, as revised, are in substantial compliance with LAFCO and State standards through certification by the County Surveyor's Office.

KRM/sm

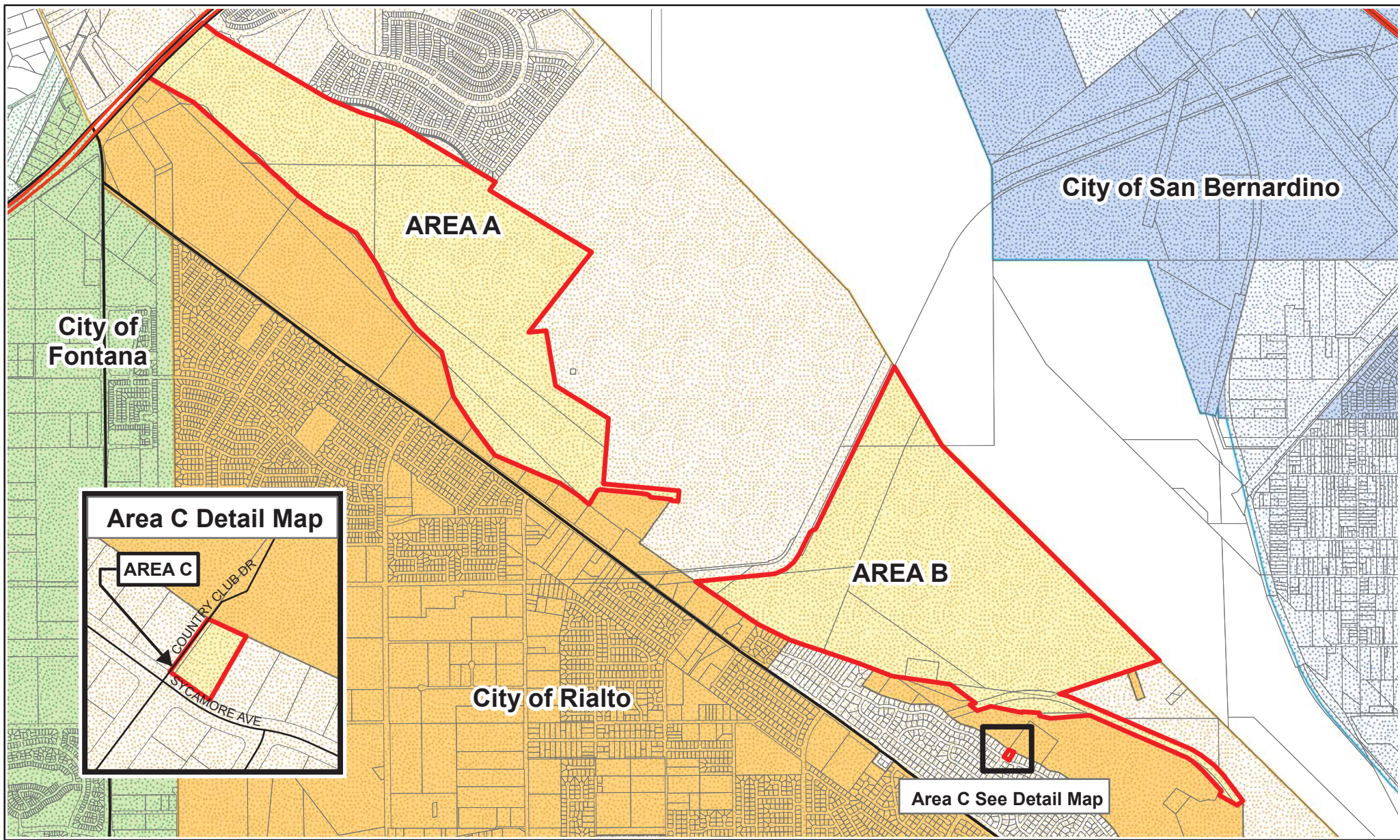
Attachments:

1. Vicinity Maps and Reorganization Area Maps
2. City of Rialto Application and Plan for Service/Fiscal Impact Analysis, Pre-annexation and Development Agreement including City Council Staff Report Approving the Pre-annexation and Development Agreement, and Lytle Creek Ranch Specific Plan
3. West Valley Water District Plan for Service
4. North Rialto Islands Vicinity Map and Copy of LAFCO Resolution 2961 for LAFCO 3066 and excerpt from the Minutes of April 18, 2007 Commission Hearing
5. City of Rialto's North Rialto Islands Annexation Plan for Service and Fiscal Impact Analysis

6. Letter from Tom Dodson and Associates and Facts, Findings and Statement of Overriding Considerations, and Environmental Documents Related to the City of Rialto's Approval of the Lytle Creek Ranch Specific Plan
7. Draft Resolution No. 3222 for LAFCO 3201

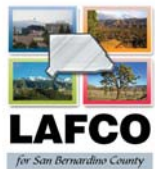
Vicinity Maps and Reorganization Area Maps

Attachment 1



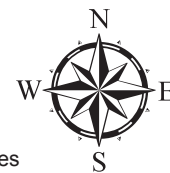
LAFCO 3201 –Reorganization to Include Annexations to the City of Rialto and West ValleyWater District and Detachments from the San Bernardino County Fire Protection District and its Valley Service Zone, Fontana Fire Protection District, CSA 70, and CSA SL-1

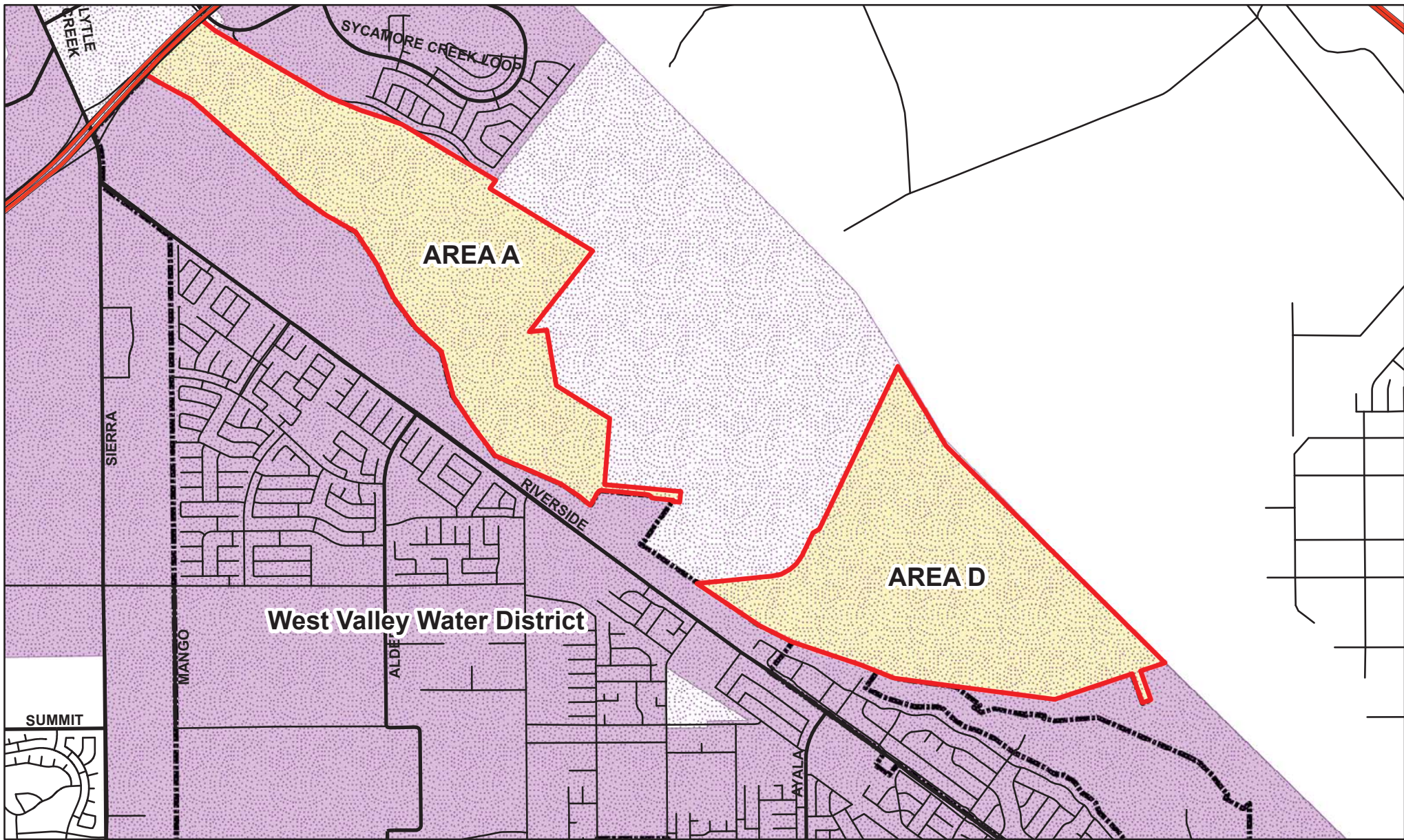
Area A, B, & C - Annexations to City of Rialto and Detachment from the San Bernardino County Fire Protection District, and its Valley Service Zone and CSA 70



- | | | |
|-----------------------|-------------------------------|------------------------|
| Reorganization Area | City of San Bernardino | City of Fontana Sphere |
| City of Rialto | City of San Bernardino Sphere | Freeways |
| City of Rialto Sphere | City of Fontana | Roads |

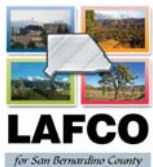
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LAFCO 3201 –Reorganization to Include Annexations to the City of Rialto and West Valley Water District and Detachments from the San Bernardino County Fire Protection District and its Valley Service Zone, Fontana Fire Protection District, CSA 70, and CSA SL-1

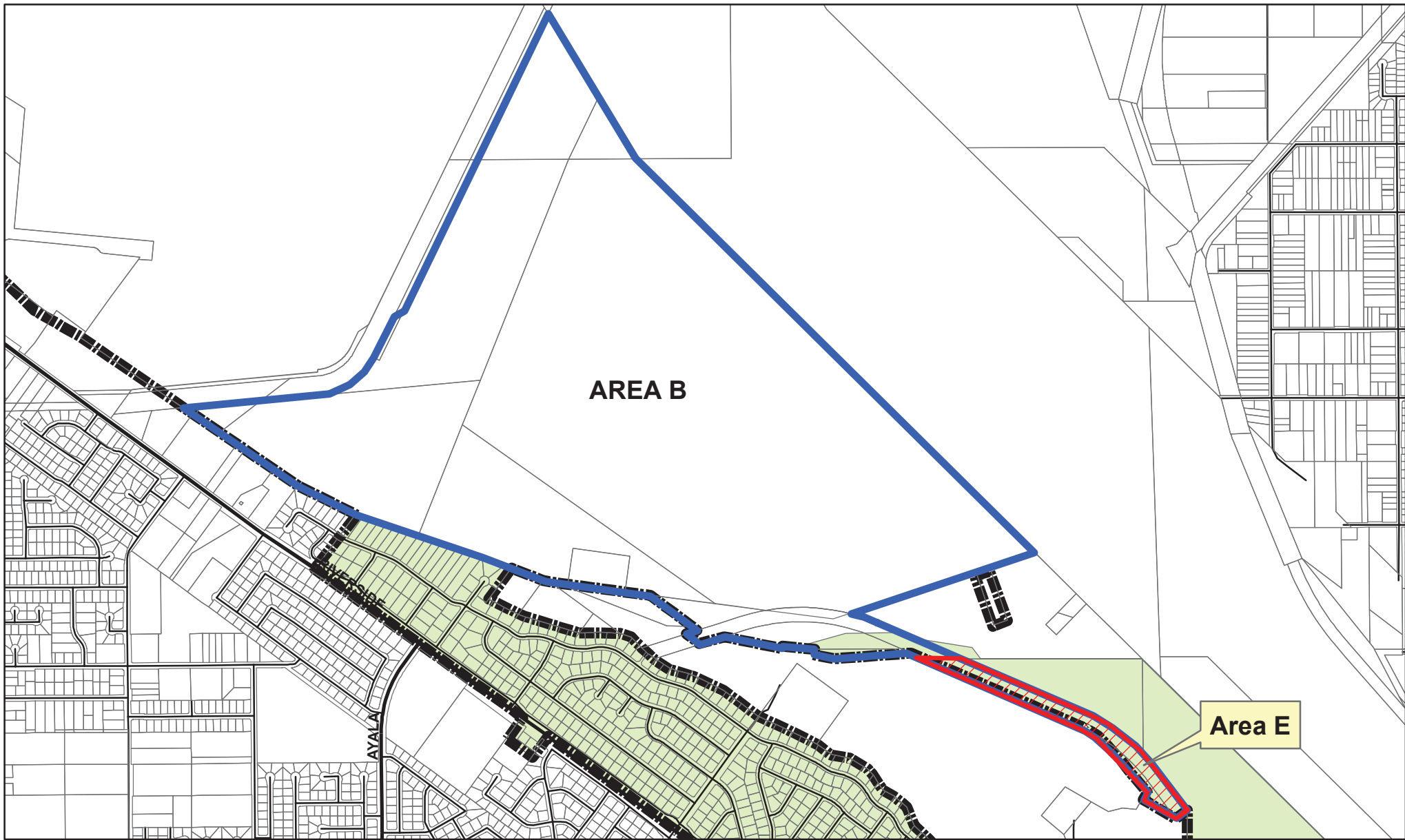
Areas A & D - Annexations to the West Valley Water District



-  West Valley WD Sphere
-  Areas for Annexation to WVWD
-  West Valley Water District
-  Freeways
-  Roads
-  City of Rialto

0 0.125 0.25 0.5 0.75 1 Miles








LAFCO 3201 – Reorganization to Include Annexations to the City of Rialto and West Valley Water District and Detachments from the San Bernardino County Fire Protection District and its Valley Zone, CSA 70, and CSA SL-1

Area E - Detachment from County Service Area SL-1

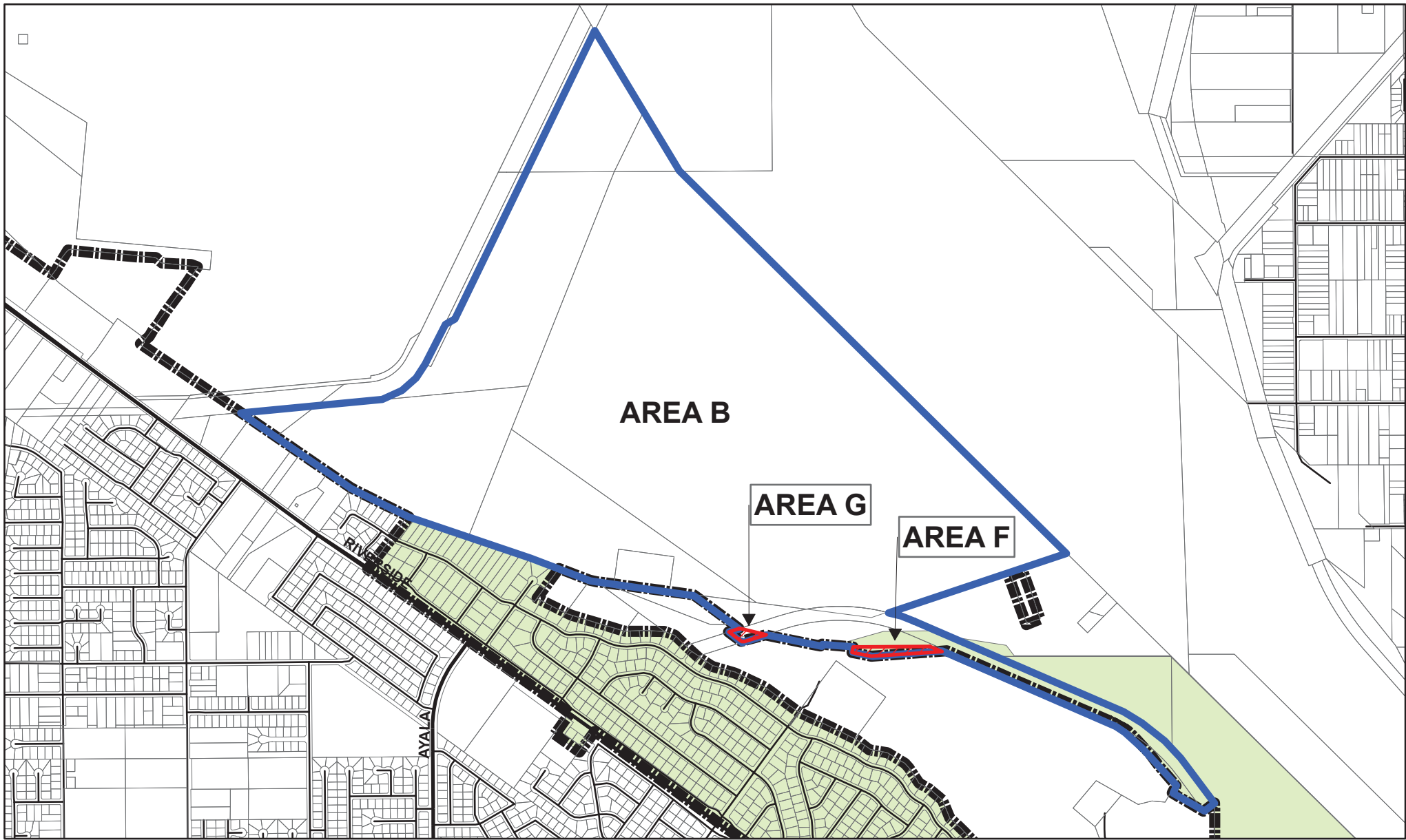


-  Area E (Detachment from CSA SL-1)
-  Area B (Annexation to the City of Rialto)
-  CSA SL-1

-  City of Rialto
-  Parcels

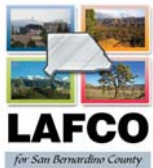
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LAFCO 3201 –Reorganization to Include Annexations to the City of Rialto and West ValleyWater District and Detachments from the San Bernardino County Fire Protection District and its Valley Service Zone, Fontana Fire Protection District, CSA 70, and CSA SL-1

Areas F & G - Detachment from County Service Area SL-1 and Fontana Fire Protection District



Area F & G
(Detachment from CSA SL-1 & Fontana FPD)



Area B (Annexation to the City of Rialto)



CSA SL-1



City of Rialto

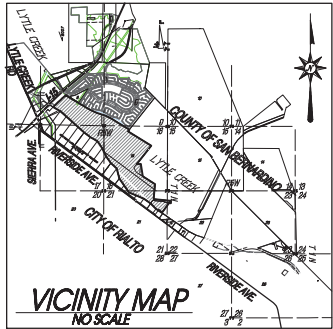


Parcels

0 0.175 0.35 0.7 Miles



COURSE	LINE	RADIUS	DELTA	BEARING	LENGTH
1	C1	20002.23	4°19'19"		1508.84
2	C2	1750.00	16°57'33"		517.99
3	L1			S59°01'48"E	1906.97
4	C3	5600.00	34°46'41"		1444.38
5	C4	3000.00	15°13'48"		737.46
6	L2			S59°34'40"E	900.00
7	L3			S59°51'52"E	866.25
8	L4			S38°16'30"W	186.21
9	L5			S59°13'27"E	2270.15
10	L6			S38°12'35"W	1954.50
11	C5	2100.00	9°33'15"		350.18
12	L7			S09°10'32"E	1045.05
13	L8			S57°36'51"E	1200.69
14	L9			S05°34'34"W	1280.61
15	L10			S84°25'07"E	1459.31
16	L11			S05°35'30"W	200.00
17	L12			N84°22'55"W	140.39



LAFCO 3201

REORGANIZATION TO INCLUDE ANNEXATIONS TO THE CITY OF RIALTO AND WEST VALLEY WATER DISTRICT AND DETACHMENTS FROM THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT AND ITS VALLEY SERVICE ZONE, FONTANA FIRE PROTECTION DISTRICT, COUNTY SERVICE AREA 70 AND COUNTY SERVICE AREA SL-1

AREA A - ANNEXATION TO THE CITY OF RIALTO AND WEST VALLEY WATER DISTRICT AND DETACHMENTS FROM THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT AND ITS VALLEY SERVICE ZONE, AND COUNTY SERVICE AREA 70

LOCATED EAST OF RIVERSIDE AVENUE, SIERRA AVENUE AND LYTLE CREEK ROAD; SOUTH OF INTERSTATE 15; WEST OF INTERSTATE 215; NORTH OF STATE ROUTE 210

PORTION OF RANCHO MUSCUPITABE, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 7 OF MAPS, AT PAGE 23, AND THAT PORTION OF THE UNSURVEYED PORTION OF THE SEMI-TROPIC LAND AND WATER COMPANY SUBDIVISION MAP AS RECORDED IN BOOK 6 OF MAPS AT PAGE 12, RECORDS OF SAID COUNTY.

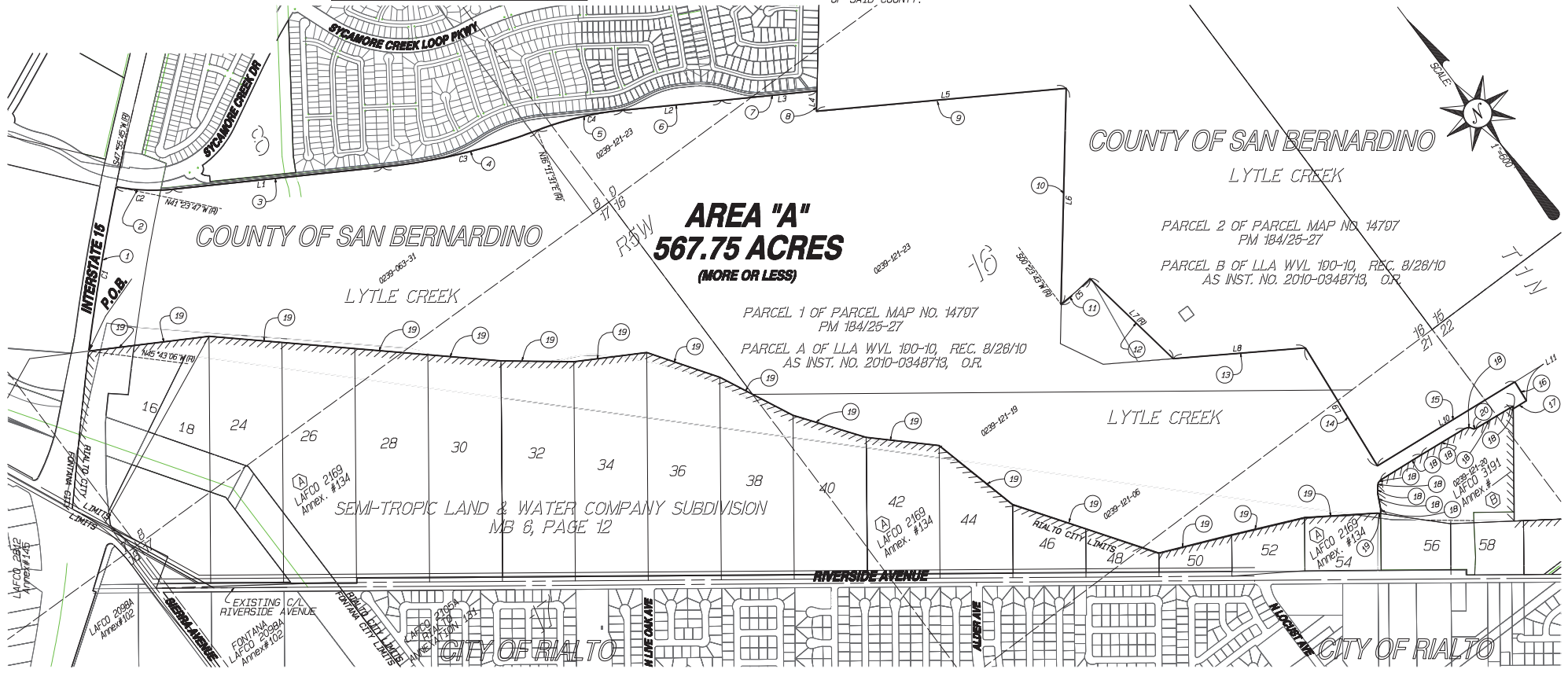
EXHIBIT "B"

AFFECTED AGENCIES

CITY OF RIALTO
SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT VALLEY SERVICE ZONE
CSA 70
WEST VALLEY WATER DISTRICT
FONTANA FIRE PROTECTION DISTRICT

CONTIGUOUS PRIOR ANNEXATIONS

ANNEXATION NUMBER	LAFCO NUMBER	ORDINANCE OR RESOLUTION NUMBER	RESOLVING AGENCY	EFFECTIVE DATE
134	2169	RES. 2611	CITY OF RIALTO	APRIL 14, 1983



LEGEND

PROPOSED ANNEXATION BOUNDARY
EXISTING CITY OF RIALTO CORPORATE BOUNDARY
DEPT'S SECTION LINE
POINT OF BEGINNING
COURSE NUMBER PER LEGAL DESCRIPTION
PRIOR ANNEXATIONS



PLAN PREPARED BY:
DAWSON SURVEYING, INC.
LAND SURVEYORS
575 E. CARRISON DR. COLTON, CA 95324
PHONE: 909-460-0010 FAX: 909-460-0046

W.D. 065.37
BY: JFG
DATE: 02/01/2016
SCALE: 1" = 600'
PAGE: 1 OF 1

LAFCO 3201

REORGANIZATION TO INCLUDE ANNEXATIONS TO THE CITY OF RIALTO AND WEST VALLEY WATER DISTRICT AND DETACHMENTS FROM THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT AND ITS VALLEY SERVICE ZONE, FONTANA FIRE PROTECTION DISTRICT, COUNTY SERVICE AREA 70 AND COUNTY SERVICE AREA SL-1

AREAS B & C - ANNEXATION TO THE CITY OF RIALTO AND DETACHMENTS FROM THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT AND ITS VALLEY SERVICE ZONE, AND COUNTY SERVICE AREA 70

LOCATED EAST OF RIVERSIDE AVENUE, SIERRA AVENUE AND LYTLE CREEK ROAD, SOUTH OF INTERSTATE 15; WEST OF INTERSTATE 215; NORTH OF STATE ROUTE 210

PORTION OF RANCHO MUSCUPITABE, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 7 OF MAPS, AT PAGE 23, AND LOT 1 OF TRACT 5638 AS PER MAP RECORDED IN BOOK 75 OF MAPS AT PAGE 138, BOTH RECORDS OF SAID COUNTY.

EXHIBIT "B"

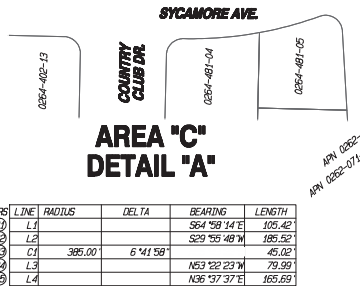
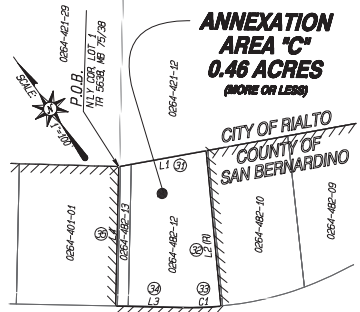
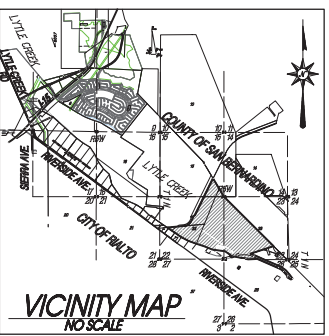
AFFECTED AGENCIES

CITY OF RIALTO
SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT
SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT VALLEY SERVICE ZONE
CSA 70

CONTIGUOUS PRIOR ANNEXATIONS

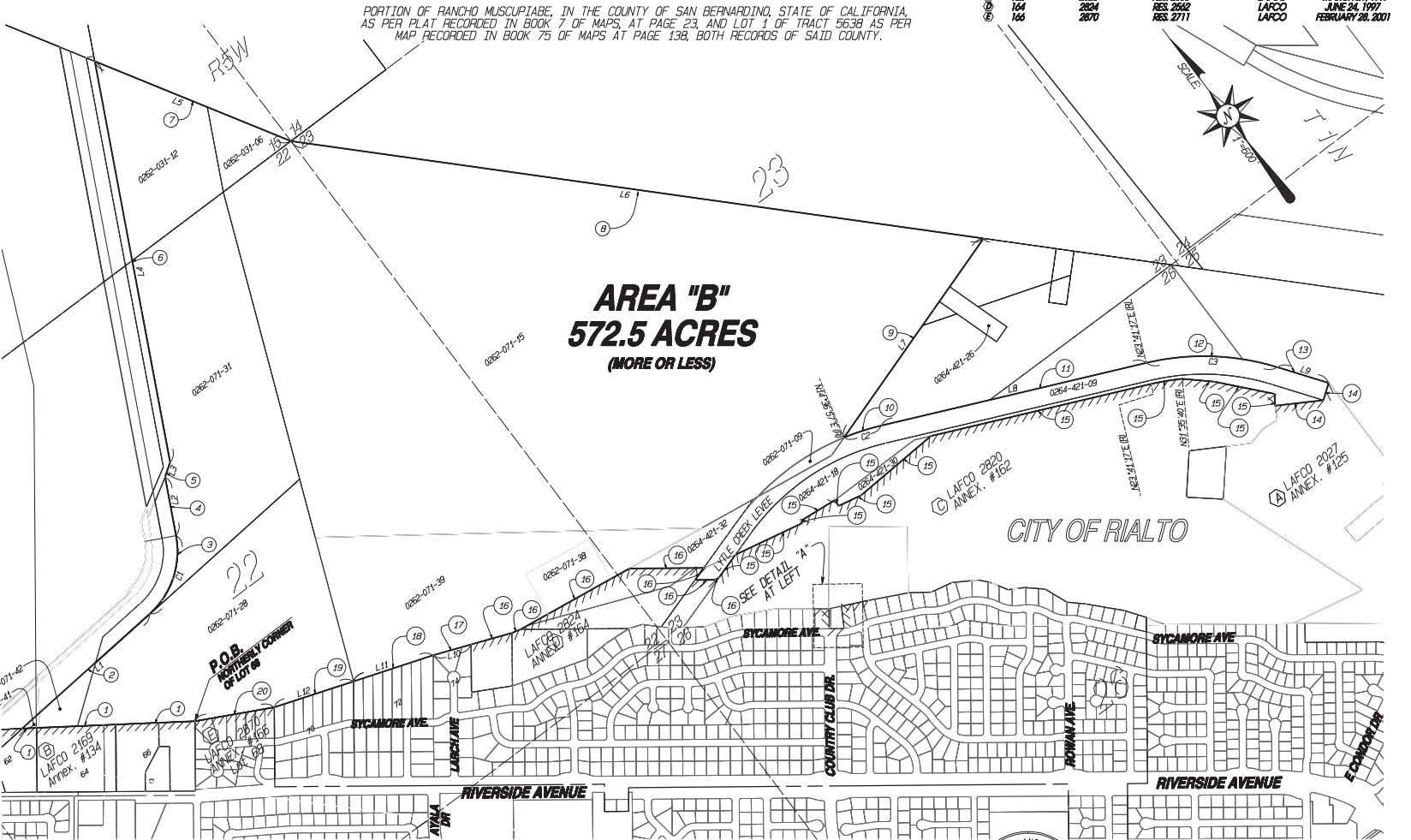
ANNEXATION NUMBER	LAFCO NUMBER	ORDINANCE OR RESOLUTION NUMBER	RESOLVING AGENCY	EFFECTIVE DATE
125	2027	RES. 2284	CITY OF RIALTO	DECEMBER 15, 1980
134	2169	RES. 2011	CITY OF RIALTO	APRIL 14, 1983
142	2620	RES. 2656	LAFCO	MARCH 21, 1997
164	2824	RES. 2656	LAFCO	JUNE 24, 1997
166	2870	RES. 2711	LAFCO	FEBRUARY 26, 2001

COURSE	LINE	RADIUS	DELTA	BEARING	LENGTH
2	L1			N85°11'36"E	1427.75
3	C1	700.00	58°40'13"		716.79
4	L2			N26°21'24"E	497.34
5	L3			N56°19'13"E	130.02
6	L4			N26°21'15"E	3394.86
7	L5			S30°48'57"E	1762.69
8	L6			S45°10'13"E	5819.94
9	L7			S72°12'30"W	2054.15
10	C2	2080.00	9°10'11"		329.16
11	L8			S66°18'43"E	2254.38
12	C3	2080.00	30°23'55"		1103.56
13	L9			S35°54'48"E	447.13
14	L10			N69°44'19"W	329.32
15	L11			N71°11'41"W	687.01
16	L12			N71°10'07"W	683.77



LEGEND

PROPOSED ANNEXATION BOUNDARY
EXISTING CITY OF RIALTO CORPORATE BOUNDARY
DEPT'S SECTION LINE
POINT OF BEGINNING
COURSE NUMBER PER LEGAL DESCRIPTION
PRIOR ANNEXATIONS



PLAN PREPARED BY:
DAWSON SURVEYING, INC.
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570 E. CARRION DR. COLTON, CA 92324
PHONE: 909-430-0015 FAX: 909-430-0046

W.O. 065.37
BY: JPC
DATE: 12/25/2015
SCALE: 1" = 600'
PAGE: 1 OF 1

LAFCO 3201

EXHIBIT "B"

REORGANIZATION TO INCLUDE ANNEXATIONS TO THE CITY OF RIALTO AND WEST VALLEY WATER DISTRICT AND DETACHMENTS FROM THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT AND ITS VALLEY SERVICE ZONE, FONTANA FIRE PROTECTION DISTRICT, COUNTY SERVICE AREA 70 AND COUNTY SERVICE AREA SL-1

AREA D - ANNEXATION TO THE WEST VALLEY WATER DISTRICT

LOCATED EAST OF RIVERSIDE AVENUE, SIERRA AVENUE AND LYTLE CREEK ROAD; SOUTH OF INTERSTATE 15; WEST OF INTERSTATE 215; NORTH OF STATE ROUTE 210

PORTION OF RANCHO MUSCUPITARE, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 7 OF MAPS, AT PAGE 23, RECORDS OF SAID COUNTY.

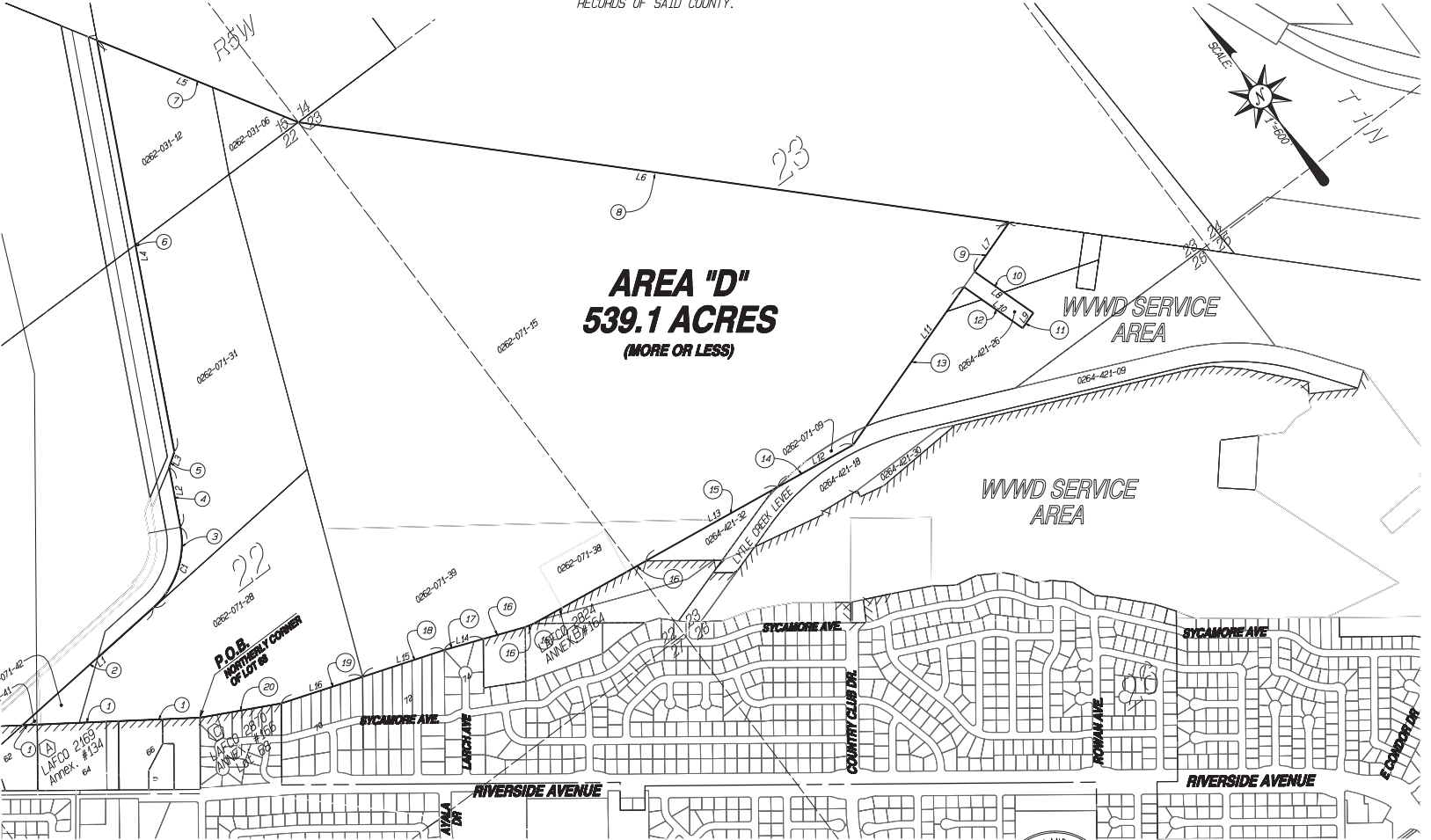
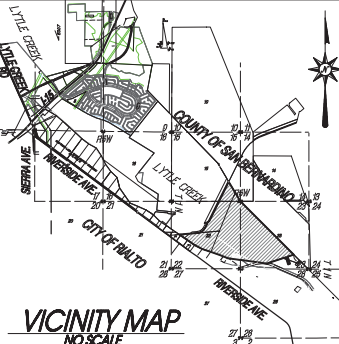
AFFECTED AGENCIES

WEST VALLEY WATER DISTRICT

CONTIGUOUS PRIOR ANNEXATIONS

ANNEXATION NUMBER	LAFCO NUMBER	ORDINANCE OR RESOLUTION NUMBER	RESOLVING AGENCY	EFFECTIVE DATE
134	2169	RES. 2611	CITY OF RIALTO	APRIL 14, 1983
164	2804	RES. 2682	LAFCO	JUNE 24, 1997
166	2870	RES. 2711	LAFCO	FEBRUARY 26, 2001

COURSE	LINE	RADIUS	DELTA	BEARING	LENGTH
2	L1			N85°11'36"E	1427.75
3	C1	700.00	58°40'13"		716.79
4	L2			N26°21'24"E	497.34
5	L3			N56°19'13"E	130.02
6	L4			N26°21'15"E	3394.86
7	L5			S30°48'57"E	1762.69
8	L6			S45°10'13"E	5819.94
9	L7			S72°12'30"W	490.45
10	L8			S17°57'30"E	581.58
11	L9			S72°12'30"W	149.99
12	L10			N17°57'30"W	581.58
13	L11			S72°12'30"W	1563.60
14	L12			N82°109'53"W	658.06
15	L13			N42°16'04"W	1229.10
16	L14			N68°44'18"W	339.32
17	L15			N71°11'41"W	697.01
18	L16			N71°07'07"W	693.77



LEGEND

- PROPOSED ANNEXATION BOUNDARY
- EXISTING CITY OF RIALTO CORPORATE BOUNDARY
- DEPT'S SECTION LINE
- POINT OF BEGINNING
- COURSE NUMBER PER LEGAL DESCRIPTION
- PRIOR ANNEXATIONS

P.O.B. (Point of Beginning) symbol



PLAN PREPARED BY:

DAWSON SURVEYING, INC.
LAND SURVEYORS
575 E. DAWSON DR. COLTON, CA 92324
PHONE: 909-430-0016 FAX: 909-430-0046

N.O.	065.37
BY:	JPG
DATE:	12/25/2015
SCALE:	1" = 600'
PAGE:	1 OF 1

EXHIBIT "B"

LAFCO 3201

SHEET 1 OF 1

AFFECTED AGENCIES

COUNTY SERVICE AREA SL-1

CONTIGUOUS PRIOR ANNEXATIONS

ANNEXATION NUMBER	LAFCO NUMBER	ORDINANCE OR RESOLUTION NUMBER	RESOLVING AGENCY	EFFECTIVE DATE
(A) 125	2027	RES. 2662	CITY OF RIALTO	DECEMBER 15, 1980
(B) 162	2820	RES. 2556	LAFCO	MARCH 21, 1997

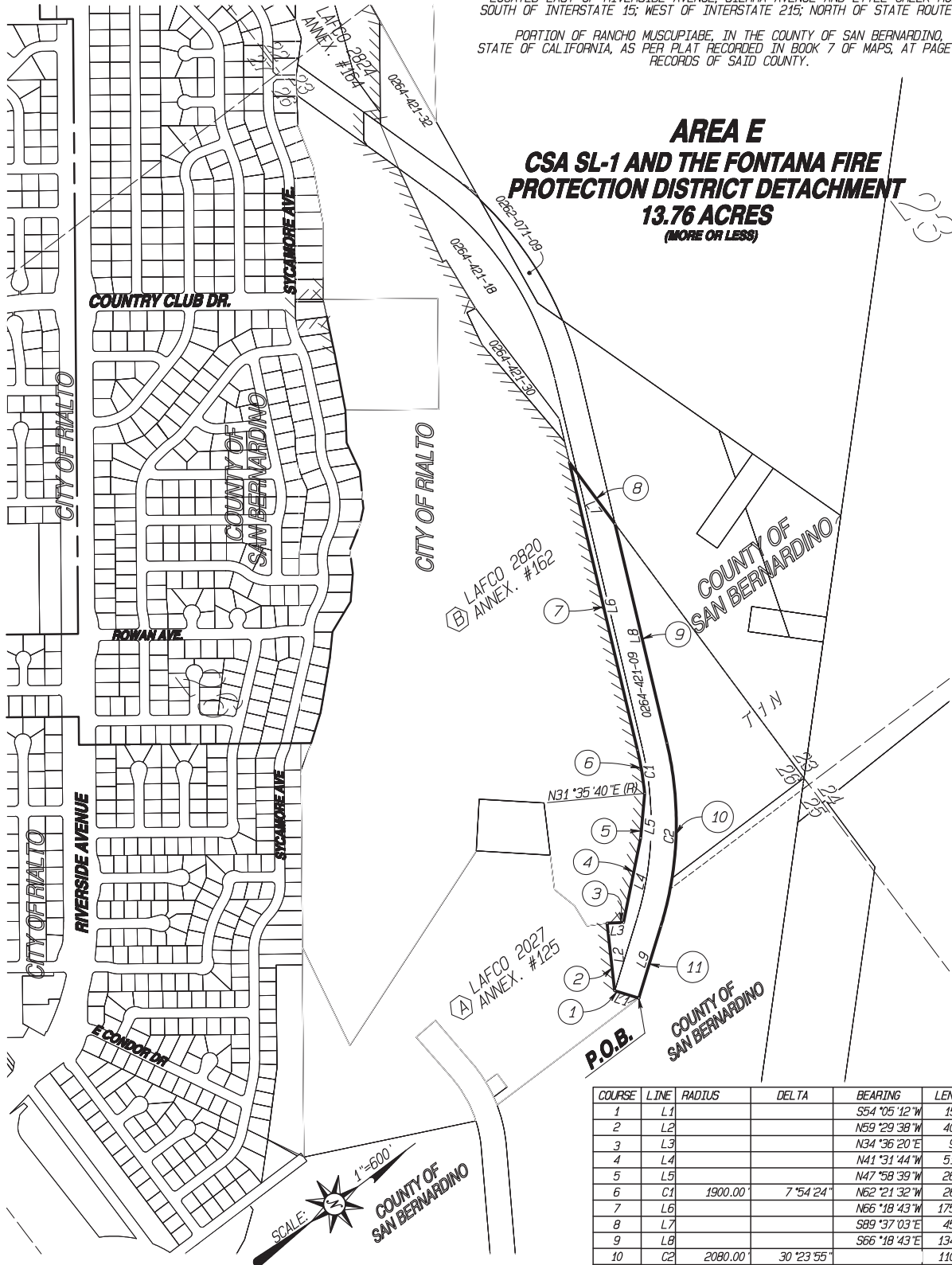
REORGANIZATION TO INCLUDE ANNEXATIONS TO THE CITY OF RIALTO AND WEST VALLEY WATER DISTRICT AND DETACHMENTS FROM THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT AND ITS VALLEY SERVICE ZONE, FONTANA FIRE PROTECTION DISTRICT, COUNTY SERVICE AREA 70 AND COUNTY SERVICE AREA SL-1.

AREA E - DETACHMENT FROM COUNTY SERVICE AREA SL-1 AND FONTANA FIRE PROTECTION DISTRICT

LOCATED EAST OF RIVERSIDE AVENUE, SIERRA AVENUE AND LYTLE CREEK ROAD; SOUTH OF INTERSTATE 15; WEST OF INTERSTATE 215; NORTH OF STATE ROUTE 210

PORTION OF RANCHO MUSCUPITABE, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 7 OF MAPS, AT PAGE 23, RECORDS OF SAID COUNTY.

AREA E CSA SL-1 AND THE FONTANA FIRE PROTECTION DISTRICT DETACHMENT 13.76 ACRES (MORE OR LESS)



COURSE	LINE	RADIUS	DELTA	BEARING	LENGTH
1	L1			S54°05'12"W	150.00'
2	L2			N59°29'38"W	403.95'
3	L3			N34°36'20"E	98.47'
4	L4			N41°31'44"W	513.72'
5	L5			N47°58'39"W	265.54'
6	C1	1900.00'	7°54'24"	N62°21'32"W	262.19'
7	L6			N66°18'43"W	1758.38'
8	L7			S89°37'03"E	454.97'
9	L8			S66°18'43"E	1340.53'
10	C2	2080.00'	30°23'55"		1103.56'
11	L9			S35°54'48"E	447.13'

LEGEND



PROPOSED DETACHMENT BOUNDARY
EXISTING CITY OF RIALTO CORPORATE BOUNDARY
DEPICTS SECTION LINE
POINT OF BEGINNING
COURSE NUMBER PER LEGAL DESCRIPTION
PRIOR ANNEXATIONS



PLAN PREPARED BY:

**DAWSON
SURVEYING, INC.**
LAND SURVEYORS

575 E. CARREON DR. COLTON, CA 92324
PHONE: 909-430-0016 FAX: 909-430-0046

W.O. 065.37
BY: JPG
DATE: 03/13/2016
SCALE: 1" = 600'
PAGE: 1 OF 1

EXHIBIT "B"

LAFCO 3201

SHEET 1 OF 1

AFFECTED AGENCIES

COUNTY SERVICE AREA SL-1

CONTIGUOUS PRIOR ANNEXATIONS

ANNEXATION NUMBER	LAFCO NUMBER	ORDINANCE OR RESOLUTION NUMBER	RESOLVING AGENCY	EFFECTIVE DATE
(A) 125	2027	RES. 2262	CITY OF RIALTO	DECEMBER 15, 1980
(B) 162	2820	RES. 2656	LAFCO	MARCH 21, 1997

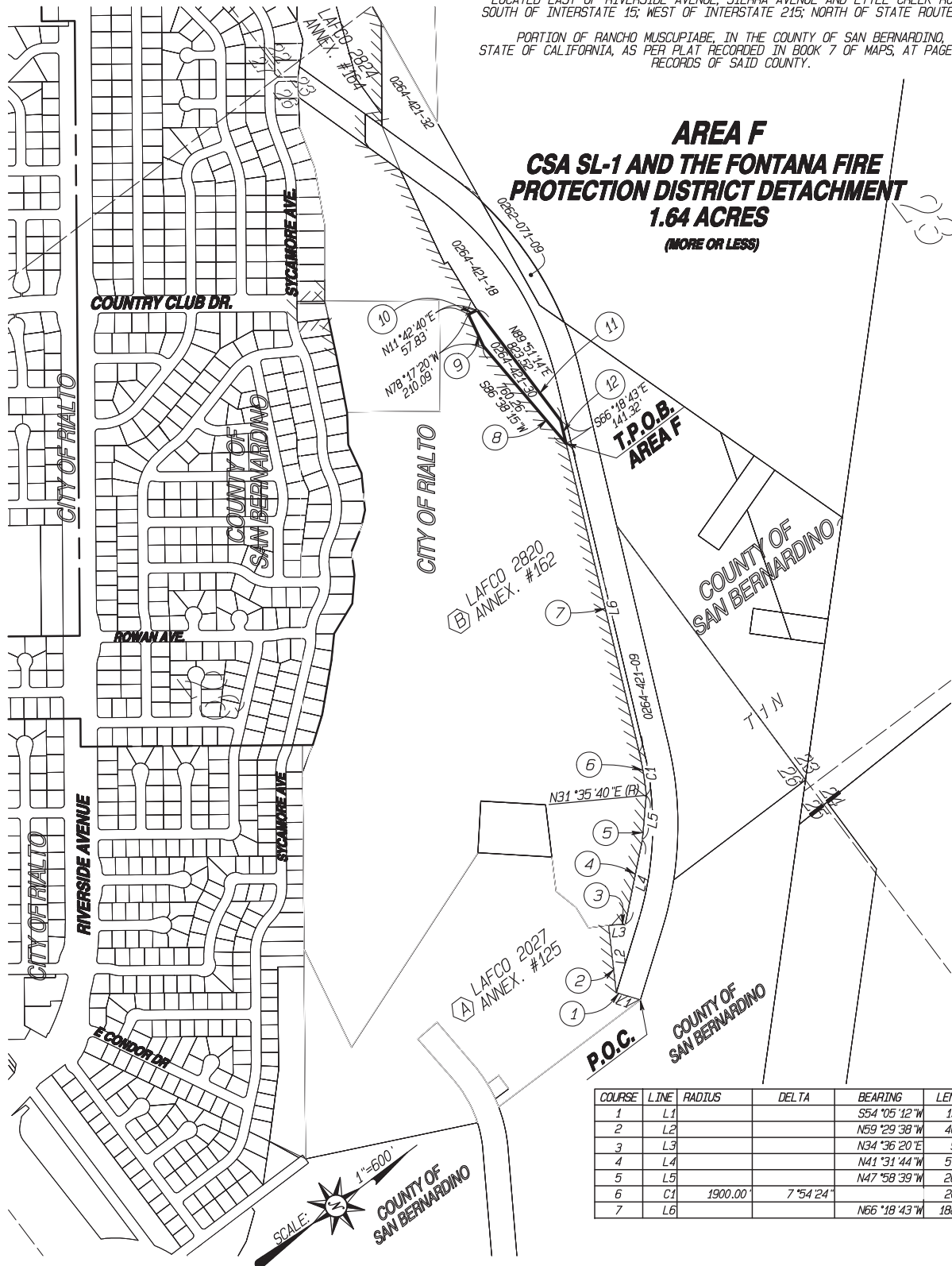
REORGANIZATION TO INCLUDE ANNEXATIONS TO THE CITY OF RIALTO AND WEST VALLEY WATER DISTRICT AND DETACHMENTS FROM THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT AND ITS VALLEY SERVICE ZONE, FONTANA FIRE PROTECTION DISTRICT, COUNTY SERVICE AREA 70 AND COUNTY SERVICE AREA SL-1.

AREA F - DETACHMENT FROM COUNTY SERVICE AREA SL-1 AND FONTANA FIRE PROTECTION DISTRICT

LOCATED EAST OF RIVERSIDE AVENUE, SIERRA AVENUE AND LYTLE CREEK ROAD; SOUTH OF INTERSTATE 15; WEST OF INTERSTATE 215; NORTH OF STATE ROUTE 210

PORTION OF RANCHO MUSCUPABE, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 7 OF MAPS, AT PAGE 23, RECORDS OF SAID COUNTY.

AREA F
CSA SL-1 AND THE FONTANA FIRE
PROTECTION DISTRICT DETACHMENT
1.64 ACRES
(MORE OR LESS)



COURSE	LINE	RADIUS	DELTA	BEARING	LENGTH
1	L1			S54°05'12"W	150.00'
2	L2			N69°29'38"W	403.95'
3	L3			N34°36'20"E	98.47'
4	L4			N41°31'44"W	513.72'
5	L5			N47°58'39"W	265.54'
6	C1	1900.00'	7°54'24"		262.19'
7	L6			N66°18'43"W	1885.34'

LEGEND

- PROPOSED DETACHMENT BOUNDARY
- EXISTING CITY OF RIALTO CORPORATE BOUNDARY
- DEPCTS SECTION LINE
- POINT OF BEGINNING
- COURSE NUMBER PER LEGAL DESCRIPTION
- PRIOR ANNEXATIONS



PLAN PREPARED BY:

DAWSON
SURVEYING, INC.
LAND SURVEYORS

575 E. CARREON DR COLTON, CA 92324
PHONE: 909-430-0016 FAX: 909-430-0046

W.O. 065.37
BY: JPG
DATE: 03/13/2016
SCALE: 1" = 600'
PAGE: 1 OF 1

EXHIBIT "B"

LAFCO 3201

SHEET 1 OF 1

AFFECTED AGENCIES

COUNTY SERVICE AREA SL-1

CONTIGUOUS PRIOR ANNEXATIONS

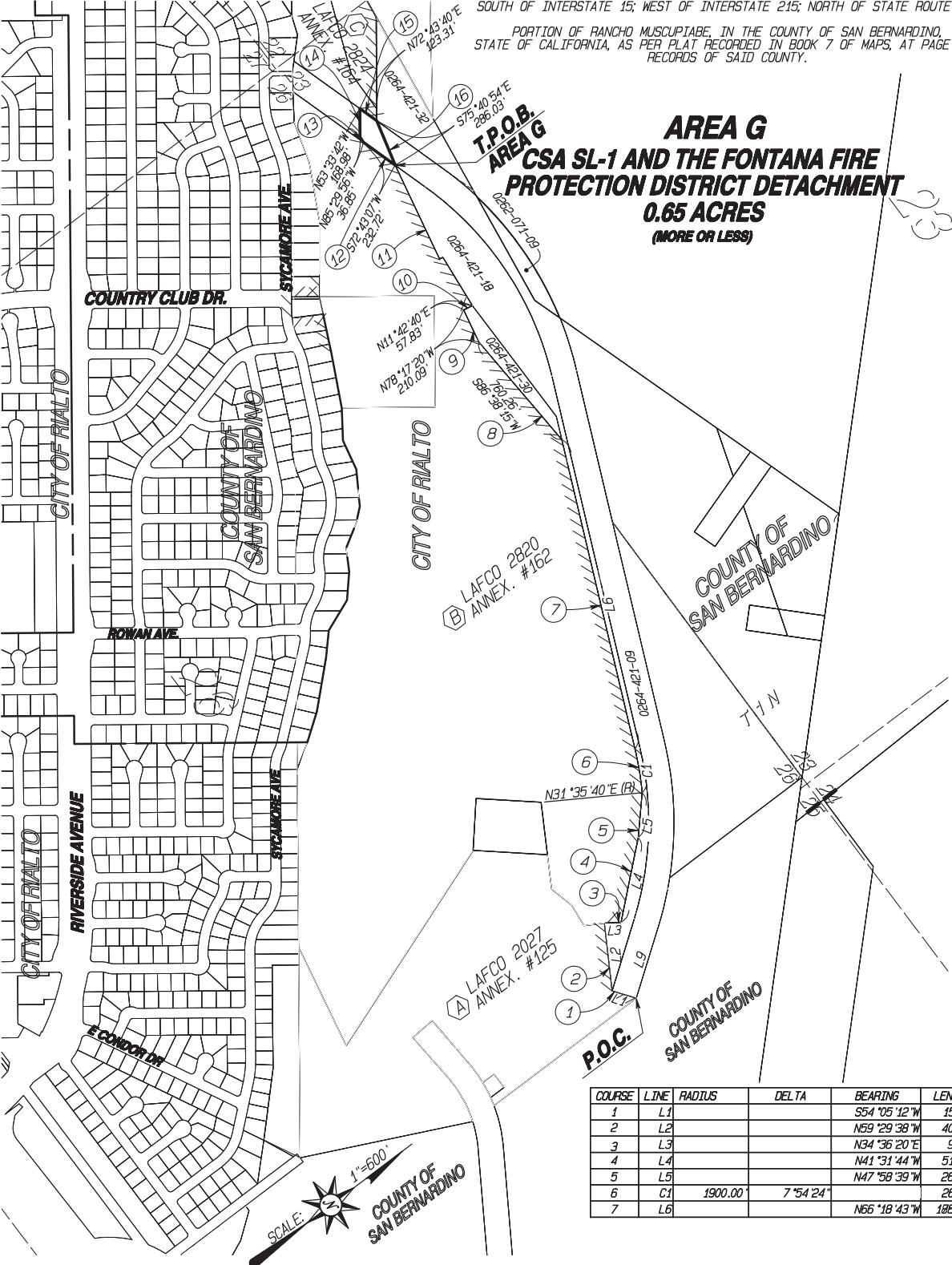
ANNEXATION NUMBER	LAFCO NUMBER	ORDINANCE OR RESOLUTION NUMBER	RESOLVING AGENCY	EFFECTIVE DATE
(A) 125	2027	RES. 2262	CITY OF RIALTO	DECEMBER 15, 1980
(B) 162	2820	RES. 2556	LAFCO	MARCH 21, 1997
(C) 164	2824	RES. 2562	CITY OF RIALTO	JUNE 24, 1997

REORGANIZATION TO INCLUDE ANNEXATIONS TO THE CITY OF RIALTO AND WEST VALLEY WATER DISTRICT AND DETACHMENTS FROM THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT AND ITS VALLEY SERVICE ZONE, FONTANA FIRE PROTECTION DISTRICT, COUNTY SERVICE AREA 70 AND COUNTY SERVICE AREA SL-1.

AREA G - DETACHMENT FROM COUNTY SERVICE AREA SL-1 AND FONTANA FIRE PROTECTION DISTRICT

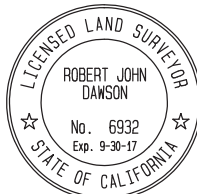
LOCATED EAST OF RIVERSIDE AVENUE, SIERRA AVENUE AND LYTLE CREEK ROAD; SOUTH OF INTERSTATE 15; WEST OF INTERSTATE 215; NORTH OF STATE ROUTE 210

PORTION OF RANCHO MUSCUPITABE, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 7 OF MAPS, AT PAGE 23, RECORDS OF SAID COUNTY.



LEGEND

- PROPOSED DETACHMENT BOUNDARY
- EXISTING CITY OF RIALTO CORPORATE BOUNDARY
- DEPCTS SECTION LINE
- POINT OF BEGINNING
- COURSE NUMBER PER LEGAL DESCRIPTION
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W.O. 065.37
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PAGE: 1 OF 1

**City of Rialto Application and Plan for
Service/Fiscal Impact Analysis, Pre-
annexation and Development Agreement
including City Council Staff Report
Approving the Pre-annexation and
Development Agreement, and Lytle Creek
Ranch Specific Plan**

Attachment 2

SAN BERNARDINO LAFCO APPLICATION AND PRELIMINARY ENVIRONMENTAL DESCRIPTION FORM

INTRODUCTION: The questions on this form and its supplements are designed to obtain enough data about the proposed project site to allow the San Bernardino LAFCO, its staff and others to adequately assess the project. By taking the time to fully respond to the questions on the forms, you can reduce the processing time for your project. You may also include any additional information which you believe is pertinent. Use additional sheets where necessary, or attach any relevant documents.

GENERAL INFORMATION

1. NAME OF PROPOSAL: Lytle Creek Ranch Specific Plan
2. NAME OF APPLICANT: City of Rialto
MAILING ADDRESS: 150 S. Palm Ave
Rialto, CA 92376
PHONE: (909) 820-2525
FAX: (909) 820-2527
E-MAIL ADDRESS: ggibson@rialto.ca.gov
3. GENERAL LOCATION OF PROPOSAL: Northern portion of Rialto
City boundaries; North of Riverside Ave and
South of Lytle Creek Wash
4. Does the application possess 100% written consent of each landowner in the subject territory?
YES ☐ NO ☒ If YES, provide written authorization for change.
5. Indicate the reasons that the proposed action has been requested. The annexation
has been requested to facilitate orderly development
and to consolidate the property within city boundaries
to the portion within the City Sphere of Influence
6. Would the proposal create a totally or substantially surrounded island of unincorporated territory?
YES ☐ NO ☒ If YES, please provide a written justification for the proposed boundary configuration.

LAND USE AND DEVELOPMENT POTENTIAL

1. Total land area (defined in acres): 1,078 acres

2. Current dwelling units in area classified by type (Single Family detached, multi-family (duplex, four-plex, 10-unit), apartments) vacant

3. Approximate current population in area: 0

4. Indicate the General Plan designation(s) of the affected city (if any) and uses permitted by this designation(s): (see attached map) Rialto General Plan

San Bernardino County General Plan designation(s) and uses permitted by this designation(s): FW, RS-20M (see attached map)

5. Describe any special land use concerns expressed in the above plans. In addition, for a City Annexation or Reorganization, provide a discussion of the land use plan's consistency with the regional transportation plan as adopted pursuant to Government Code Section 65080 for the subject territory:
Air, Noise, Biology, Geological and Traffic concerns were all studied for the project. These studies were included in an EIR which proposed the appropriate mitigation measures.

6. Indicate the existing land use. vacant

What is the proposed land use?

See attached Lytle Creek Land Use Plan

7. For a city annexation, State law requires pre-zoning of the territory proposed for annexation. Provide a response to the following:

- a. Has pre-zoning been completed? YES X NO ____
b. If the response to "a" is NO, is the area in the process of pre-zoning? YES ____ NO ____

Identify below the pre-zoning classification, title, and densities permitted. If the pre-zoning process is underway, identify the timing for completion of the process.

Lytle Creek Specific Plan - See attached Rialto
Zoning MAP

8. Will the proposal require public services from any agency or district which is currently operating at or near capacity (including sewer, water, police, fire, or schools)? YES ___ NO ☒ If YES, please explain.

9. On the following list, indicate if any portion of the territory contains the following by placing a checkmark next to the item:

- | | |
|---|---|
| <input type="checkbox"/> Agricultural Land Uses | <input type="checkbox"/> Agricultural Preserve Designation |
| <input type="checkbox"/> Williamson Act Contract | <input checked="" type="checkbox"/> Area where Special Permits are Required |
| <input type="checkbox"/> Any other unusual features of the area or permits required: <u>Army Corp Permit 404,</u>
<u>CA Fish and Wildlife Streambed Alteration Permit 1602,</u>
<u>CA Regional Water Quality Permit 401</u> | |

10. If a Williamson Act Contract(s) exists within the area proposed for annexation to a City, please provide a copy of the original contract, the notice of non-renewal (if appropriate) and any protest to the contract filed with the County by the City. Please provide an outline of the City's anticipated actions with regard to this contract.

N/A

11. Provide a narrative response to the following factor of consideration as identified in §56668(o):
The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services:

The project has a wide variety of products planned
within the community that is designed for a wide
variety of the population with different economic needs.

ENVIRONMENTAL INFORMATION

1. Provide general description of topography. The project area consists of a
wide, gently sloping, stony alluvial plain at the base of
the San Bernardino Mountains. It gradually falls to the
southeast with a slope averaging 3 percent.

2. Describe any existing improvements on the site as % of total area.

Residential	<u>0</u> %	Agricultural	<u>0</u> %
Commercial	<u>0</u> %	Vacant	<u>100</u> %
Industrial	<u>0</u> %	Other	<u> </u> %

3. Describe the surrounding land uses:

NORTH Lytle Creek wash/mining

EAST Mining

SOUTH Residential

WEST I 15 Freeway, Vacant

4. Describe site alterations that will be produced by improvement projects associated with this proposed action (installation of water facilities, sewer facilities, grading, flow channelization, etc.).

There will be a reetment constructed along Lytle Creek
Wash. There will also be the other basic improvements including
Streets, sewer, water and storm drain

5. Will service extensions accomplished by this proposal induce growth on this site? YES ☒ NO ☐ Adjacent sites? YES ☐ NO ☒ Unincorporated ☐ Incorporated ☐

These Service extensions have been considered
in the EIR for the project.

6. Are there any existing out-of-agency service contracts/agreements within the area? YES ☐ NO ☒ If YES, please identify.

7. Is this project a part of a larger project or series of projects? YES ☒ NO ☐ If YES, please explain.

This project is part of the Lytle Creek
Specific Plan

NOTICES

Please provide the names and addresses of persons who are to be furnished mailed notice of the hearing(s) and receive copies of the agenda and staff report.

NAME County of San Bernardino TELEPHONE NO. (909) 387-8311

ADDRESS: 385 N. Arrowhead Ave, San Bernardino, CA 92415

NAME Boral Roofing Rialto TELEPHONE NO. (909) 428-1728

ADDRESS: 3511 N. Riverside Ave, Rialto, CA 92371

NAME _____ TELEPHONE NO. _____

ADDRESS: _____


CERTIFICATION

As a part of this application, the city of RIALTO, or the WEST VALLEY WATER district, (the applicant) and/or the CITY OF RIALTO (real party in interest: subject landowner and/or registered voter) agree to defend, indemnify, hold harmless, and release the San Bernardino LAFCO, its agents, officers, attorneys, and employees from any claim, action, proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it. This indemnification obligation shall include, but not be limited to, damages, costs, and expenses, including attorney fees. The person signing this application will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. I/We understand that if this application is approved, the Commission will impose a condition requiring the applicant to indemnify, hold harmless and reimburse the Commission for all legal actions that might be initiated as a result of that approval.

As the proponent, I/We acknowledge that annexation to the city of RIALTO or the WEST VALLEY WATER district may result in the imposition of taxes, fees, and assessments existing within the (city or district) on the effective date of the change of organization. I hereby waive any rights I may have under Articles XIII C and XIII D of the State Constitution (Proposition 218) to a hearing, assessment ballot processing or an election on those existing taxes, fees and assessments.

I hereby certify that the statements furnished above and in the attached supplements and exhibits present the data and information required for this initial evaluation to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief.

DATE 9/15/15


SIGNATURE OF APPLICANT
GINA GIBSON
PRINTED NAME OF APPLICANT

PLANNING MANAGER
TITLE

5. Will service extensions accomplished by this proposal induce growth on this site? YES ☐
NO ☐ Adjacent sites? YES ☐ NO ☐ Unincorporated ☐ Incorporated ☐

6. Are there any existing out-of-agency service contracts/agreements within the area? YES ☐
NO ☐ If YES, please identify.

7. Is this proposal a part of a larger project or series of projects? YES ☐ NO ☐ If YES, please explain.

NOTICES

Please provide the names and addresses of persons who are to be furnished mailed notice of the hearing(s) and receive copies of the agenda and staff report.

NAME _____ TELEPHONE NO. _____

ADDRESS: _____

NAME _____ TELEPHONE NO. _____

ADDRESS: _____

NAME _____ TELEPHONE NO. _____

ADDRESS: _____

CERTIFICATION

As a part of this application, the City/Town of RIALTO, or the WEST VALLEY WATER
District/Agency, _____ (the applicant) and/or the CITY OF RIALTO (real party in
interest - landowner and/or registered voter of the application subject property) agree to defend, indemnify,
hold harmless, promptly reimburse San Bernardino LAFCO for all reasonable expenses and attorney fees,

and release San Bernardino LAFCO, its agents, officers, attorneys, and employees from any claim, action, proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it.

This indemnification obligation shall include, but not be limited to, damages, penalties, fines and other costs imposed upon or incurred by San Bernardino LAFCO should San Bernardino LAFCO be named as a party in any litigation or administrative proceeding in connection with this application.

As the person signing this application, I will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. I understand that if this application is approved, the Commission will impose a condition requiring the applicant and/or the real party in interest to indemnify, hold harmless and reimburse the Commission for all legal actions that might be initiated as a result of that approval.

I hereby certify that the statements furnished above and in the attached supplements and exhibits present the data and information required for this initial evaluation to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief.

DATE

7/15/15



SIGNATURE

GINA GIBSON

Printed Name of Applicant or Real Property in Interest
(Landowner/Registered Voter of the Application Subject Property)

PLANNING MANAGER

Title and Affiliation (if applicable)

PLEASE CHECK SUPPLEMENTAL FORMS ATTACHED:

- ☒
- ☐
- ☐
- ☐
- ☐

ANNEXATION, DETACHMENT, REORGANIZATION SUPPLEMENT
SPHERE OF INFLUENCE CHANGE SUPPLEMENT
CITY INCORPORATION SUPPLEMENT
FORMATION OF A SPECIAL DISTRICT SUPPLEMENT
ACTIVATION OR DIVESTITURE OF FUNCTIONS AND/OR SERVICES FOR SPECIAL DISTRICTS SUPPLEMENT

SUPPLEMENT
ANNEXATION, DETACHMENT, REORGANIZATION PROPOSALS

INTRODUCTION: The questions on this form are designed to obtain data about the specific annexation, detachment and/or reorganization proposal to allow the San Bernardino LAFCO, its staff and others to adequately assess the project. You may also include any additional information which you believe is pertinent. Use additional sheets where necessary, and/or include any relevant documents.

1. Please identify the agencies involved in the proposal by proposed action:

ANNEXED TO
City of Rialto
West Valley Water District

DETACHED FROM
San Bernardino Fire Protection District and County
Service Area 70 and
County Service Area SL-1
Zone G+1

2. Will the territory proposed for change be subject to any new or additional special taxes, any new assessment districts, or fees?

Utility Users Tax

3. Will the territory be relieved of any existing special taxes, assessments, district charges or fees required by the agencies to be detached?

SL-1

4. Provide a description of how the proposed change will assist the annexing agency in achieving its fair share of regional housing needs as determined by SCAG.

The project provides for a wide range of housing from
different sizes of single family detached to multi-family
residential. The City has included the project within its
Regional Housing Needs Assessment

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

EL PANCHO VERDE MUNICIPAL ADVISORY COMMITTEE

The present and probable need for public facilities or services related to sewers, municipal and industrial water, or structural fire protection for any disadvantaged unincorporated community, as defined by Govt. Code Section 56033.5, within the existing sphere of influence.

3. If the proposal includes a city sphere of influence change, provide a written statement of whether or not agreement on the sphere change between the city and county was achieved as required by Government Code Section 56425. In addition, provide a written statement of the elements of agreement (such as, development standards, boundaries, zoning agreements, etc.) (See Government Code Section 56425)

N/A

4. If the proposal includes a special district sphere of influence change not considered to be minor, provide a written statement: (a) specifying the function or classes of service provided by the district(s) and (b) specifying the nature, location and extent of the functions or classes of service provided by the district(s). (See Government Code Section 56425(i))

N/A

5. For any sphere of influence amendment either initiated by an agency or individual, or updated as mandated by Government Code Section 56425, the following service review information is

required to be addressed in a narrative discussion, and attached to this supplemental form (See Government Code Section 56430):

- a. Growth and population projections for the affected area.
- b. Location and characteristics of disadvantaged unincorporated communities within or contiguous to the sphere of influence.
- c. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies, including those associated with a disadvantaged unincorporated community.
- d. Financial ability of agencies to provide services.
- e. Status of, and opportunities for, shared facilities.
- f. Accountability for community service needs, including governmental structure and operational efficiencies.

If additional sheet are submitted or a separate document provided to fulfill Item #5, the narrative description shall be signed and certified by an official of the agency(s) involved with the sphere of influence review as to the accuracy of the information provided. If necessary, attach copies of documents supporting statements.

CERTIFICATION

As a part of this application, the city of PIALTO, or the WEST VALLEY WATER district, (the applicant) and/or the CITY OF PIALTO (real party in interest: subject landowner and/or registered voter) agree to defend, indemnify, hold harmless, and release the San Bernardino LAFCO, its agents, officers, attorneys, and employees from any claim, action, proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it. This indemnification obligation shall include, but not be limited to, damages, costs, and expenses, including attorney fees. The person signing this application will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. I/We understand that if this application is approved, the Commission will impose a condition requiring the applicant to indemnify, hold harmless and reimburse the Commission for all legal actions that might be initiated as a result of that approval.

I hereby certify that the statements furnished above present the data and information required to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief.

DATE

9/15/15

SIGNATURE OF APPLICANT

GINA GIBSON

PRINTED NAME

PLANNING MANAGER

TITLE

NOTICES

Please provide the names and addresses of persons who are to be furnished mailed notice of the hearing(s) and receive copies of the agenda and staff report.

NAME City of Rialto TELEPHONE NO. (909) 820-2525

ADDRESS: 150 S. Palm Ave, Rialto, CA 92376

NAME Lytle Development TELEPHONE NO. (909) 937-4058

ADDRESS: 285 W. Rialto, Suite B, Rialto, CA 92376

NAME West Valley Water District TELEPHONE NO. (909) 875-1804

ADDRESS: 855 W. Baseline Rd., Rialto CA 92376

CERTIFICATION

As a part of this application, the city of RIALTO or the WEST VALLEY WATER district, (the applicant) and/or the CITY OF RIALTO (real party in interest: subject landowner and/or registered voter) agree to defend, indemnify, hold harmless, and release the San Bernardino LAFCO, its agents, officers, attorneys, and employees from any claim, action, proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it. This indemnification obligation shall include, but not be limited to, damages, costs, and expenses, including attorney fees. The person signing this application will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. I/We understand that if this application is approved, the Commission will impose a condition requiring the applicant to indemnify, hold harmless and reimburse the Commission for all legal actions that might be initiated as a result of that approval.

As the proponent, I/We acknowledge that annexation to the city of RIALTO or the WEST VALLEY WATER district may result in the imposition of taxes, fees, and assessments existing within the (city or district) on the effective date of the change of organization. I hereby waive any rights I may have under Articles XIII C and XIII D of the State Constitution (Proposition 218) to a hearing, assessment ballot processing or an election on those existing taxes, fees and assessments.

I hereby certify that the statements furnished above and in the attached supplements and exhibits present the data and information required for this initial evaluation to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief.

DATE 1/15/15

[Signature]
SIGNATURE OF APPLICANT

Gina Gibert
PRINTED NAME OF APPLICANT

PLANNING MANAGER
TITLE

Lytle Creek Project Plan for Service and Fiscal Impact Analysis City of Rialto

Prepared for:

City of Rialto
150 South Palm Avenue
Rialto, CA 92376
Attn: Robb Steel, Assistant City Administrator/Development Services Director
909.820.8008

October 9, 2014

SRHA Job #1271

CERTIFICATION

The City of Rialto hereby certifies that this document presents the data and information required for the Plan for Service and Fiscal Impact Analysis for the *Lytle Creek Project* to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief.

DATE

10/9/14



SIGNATURE OF APPLICANT

Mike Story, City Administrator
City of Rialto, California

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EXECUTIVE SUMMARY

This report provides an assessment of public service delivery capabilities of the City of Rialto and other agencies or special districts affected by the proposed annexation of a portion of the Lytle Creek Project into the City of Rialto. The proposed annexation portion of the Lytle Creek Project is located within the City's sphere of influence in unincorporated San Bernardino County. The remaining portion of the Lytle Creek project is located within the city limits of Rialto.

This report is being submitted to the County of San Bernardino Local Agency Formation Commission (LAFCO) as a "Plan for Service" required by California Government Code Section 56653. Currently, the City of Rialto provides a limited number of public services to the Project Area within the City including fire and paramedic services. The County of San Bernardino provides many other services to the unincorporated area of the project, including general government, development services, sheriff patrol, public library, regional parks and recreation, street lighting, transportation, flood control and drainage, and health and welfare.

After annexation, the City of Rialto would provide services including general government, community development, fire and paramedic services, police protection, local parks and recreation, community services and public works services to the annexed area. The County of San Bernardino will continue to provide Countywide services such as regional parks and recreation, regional flood control and drainage, law and justice, health and welfare.

Based on an analysis of current service delivery capabilities, the City is equipped to handle additional demand from the proposed Annexation Area and the portion of the Lytle Creek Project that is currently in the City. This report explains the transfer of service requirements upon annexation, estimates development impact fees and other cost responsibilities.

In addition to projecting the fiscal impacts to the City for the Annexation Area Only and the Total Project, the recurring fiscal impacts to the City include projected impacts with and without the current City utility user tax. Rialto voters approved a five year extension of the utility user tax (UUT) on March 2013. The UUT is approved through June 2018. Because the UUT will need voter approval to be extended before buildout of the Lytle Creek Project, the fiscal analysis projects impacts to the Rialto General Fund both with and without the UUT.

As shown in Table 1, a recurring annual surplus is projected for both the Annexation Area Only and the Total Project with the utility user tax after buildout. Without the utility user tax, after buildout an annual recurring deficit is projected for the Annexation Area Only and a recurring annual surplus is projected for the Total Project. However, it should be noted that the fiscal impact of the Total Project area is positive under both scenarios, with and without Utility Users Tax, and this is the relevant geography for fiscal analysis since both the annexation area and the area already within the City of Rialto are essential for a viable development. The fiscal analysis of the Annexation Area Only is included in Chapter 5 and the fiscal analysis of the Total Project is presented in Appendix B.

Table 1
Summary of Projected Fiscal Impacts after Buildout
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Lytle Creek Project	Annual Recurring Revenues	Annual Recurring Costs	Annual Recurring Surplus	Revenue/ Cost Ratio
<u>WITH UTILITY USER TAX</u>				
<u>Annexation Area Only</u>	\$6,689,174	\$6,174,653	\$514,521	1.08
<i>Annual Surplus per Unit</i>			\$161	
<u>Total Project</u>	\$13,735,912	\$11,368,214	\$2,367,698	1.21
<i>Annual Surplus per Unit</i>			\$378	
<u>WITHOUT UTILITY USER TAX</u>				
<u>Annexation Area Only</u>	\$5,683,405	\$6,174,655	(\$491,250)	0.92
<i>Annual Surplus or (Deficit) per Unit</i>			(\$154)	
<u>Total Project</u>	\$11,737,949	\$11,368,215	\$369,734	1.03
<i>Annual Surplus per Unit</i>			\$59	

Source: Stanley R. Hoffman Associates, Inc.

CHAPTER 1

INTRODUCTION

The annexing portion of the Lytle Creek Project is located within the City's sphere of influence in unincorporated San Bernardino County on the northern boundary of the City of Rialto in the foothills of the San Bernardino Mountains, as shown in Figure 1-1. The remaining portion of the Lytle Creek project is located within the city limits of Rialto.

Regionally, the City of Rialto is located approximately 60 miles east of downtown Los Angeles and 103 miles north of San Diego, in the western portion of the San Bernardino Valley. The primary regional transportation linkages include the Foothill Freeway (State Route 210), which traverses through the central portion of the City in an east-west direction, and the Ontario Freeway (Interstate 15), which borders the City to the north, providing regional access to the project area. Secondary regional transportation access is provided by the Interstate 215 Freeway to the northeast. From the I-15, direct access to the project site is provided by Sierra and Riverside Avenues. Riverside Avenue runs along the southwestern boundary of the site. Access to the site from State Route 210 is available via an interchange at Riverside Avenue.

1.1 Purpose of the Study

The Local Agency Formation Commission (LAFCO) for San Bernardino County requires a Plan for Service and Fiscal Impact Analysis be prepared and certified when a jurisdiction is affected by a proposed change of organization or reorganization (e.g., annexation, formation). The unincorporated portion of the proposed project intends to annex into the City of Rialto, which requires the City to show that the necessary infrastructure improvements and services can be provided to the proposed development. Per the LAFCO August 2012 *Policy and Procedure Manual*, the Plan for Service must include the following components:

- a. A description of the level and range of each service to be provided to the affected territory.*
- b. An indication of when those services can feasibly be extended to the affected territory.*
- c. An identification of any improvement or upgrading of structures, roads, water or sewer facilities, other infrastructure, or other conditions the affected agency would impose upon the affected territory.*
- d. The Plan shall include a Fiscal Impact Analysis which shows the estimated cost of extending the service and a description of how the service or required improvements will be financed. The Fiscal Impact Analysis shall provide, at a minimum, a five (5)-year projection of revenues and expenditures. A narrative discussion of the sufficiency of revenues for anticipated service extensions and operations is required.*

Figure 1-1
Lytle Creek Project Regional Location¹



Note: 1. The solid black line represents the Rialto City boundary.

Sources: Stanley R. Hoffman Associates, Inc.
Lytle Development Company
KTGY Group, Inc.

- e. *An indication of whether the affected territory is, or will be, proposed for inclusion within an existing or proposed improvement zone/district, redevelopment area, assessment district, or community facilities district.*
- f. *If retail water service is to be provided through this change of organization, provide a description of the timely availability of water for projected needs within the area based upon the factors identified in Government Code Ch3 65352.5.*

1.2 Overview of the City of Rialto

The City of Rialto is an ethnically diverse community with a 2014 population of 101,429. The City has its own Police and Fire Departments, a City owned Racquet and Fitness Center, Performing Arts Theater, Community Center and new Senior Center. The City has a diversified mix of manufacturing, distribution, service and retail businesses. Major employers in the city include the Rialto City Unified School District, Fed Ex – Ground, Target Distribution Center, Staples Distribution Center, Eagle Roofing Products, Toys R Us, Wal-Mart, Bisco America Corporation, Crestview Convalescent Hospital and Home Depot.

1.3 Organization of the Report

Chapter 2 contains the description of the Annexation Area and the Total Project Area. The analysis of existing public service delivery in the Annexation Area and upon annexation into the City is presented in Chapter 3. Chapter 4 discusses the development impact fees and charges for infrastructure associated with the proposed project. The fiscal impact analysis of the annual operations and maintenance costs for the provision of services to the Annexation Area is provided in Chapter 5. Chapter 6 covers the revenue and cost assumptions used for the fiscal analysis.

Appendix A includes the phased project descriptions for the annexation area and the total project area. Appendix B includes the fiscal impact analysis for the total Lytle Creek Project, Supporting tables for the fiscal assumptions appear in Appendix C, and Appendix D lists the project contacts and references used in the preparation of this study.

CHAPTER 2 PROJECT DESCRIPTION

This chapter presents the development description for the Lytle Creek Project analyzed in this report after buildout for the Annexation Area Only and the Total Project. As shown in Figure 2-1, Neighborhoods 2 and 3 are included in the total Lytle Creek Project. Within these Neighborhoods 2 and 3, the Annexation Area is identified with gray hatch marks and the portion of the project already within the City of Rialto is identified with black dots. While Neighborhoods 1 and 4 are shown in Figure 2-1, they will remain located in unincorporated San Bernardino County and are not included in the project analyzed in this report.

The total Lytle Creek Project includes 1,655 gross acres with 1,078 of these acres included in the Annexation Area Only, as shown in Table 2-1. Detailed development descriptions for the first five years after annexation for the Annexation Area Only and the Total Project are included in Appendix A.

2.1 Residential Development

Annexation Area Only. As shown in Panel B of Table 2-1, the Annexation Area includes 3,187 housing units of varying densities after buildout. The projected population for the Annexation Area is projected at 9,304 after buildout. The first five-year phasing for the Annexation Area is presented in Appendix Table A-1.

Total Project. As also shown in Panel B of Table 2-1, a total of 6,260 units are included in the total Lytle Creek Project after buildout. The buildout population of the entire project is project at 18,272. The residential phasing for the first five years of the Total Project is presented in Appendix Table A-2.

2.2 Commercial Development

Annexation Area Only. The Annexation Area includes 235,645 of commercial square feet, as shown in Panel C of Table 2-1. Assuming 500 square feet per employee, employment for the Annexation Area is estimated at about 470 after buildout. Sales and use tax is projected at about \$589,584 for the proposed commercial square feet in the Annexation Area after buildout. The commercial development description for the first five years for the Annexation Area is included in Appendix Table A-3.

Figure 2-1
Lytle Creek Project (Neighborhood 2 and Neighborhood 3)

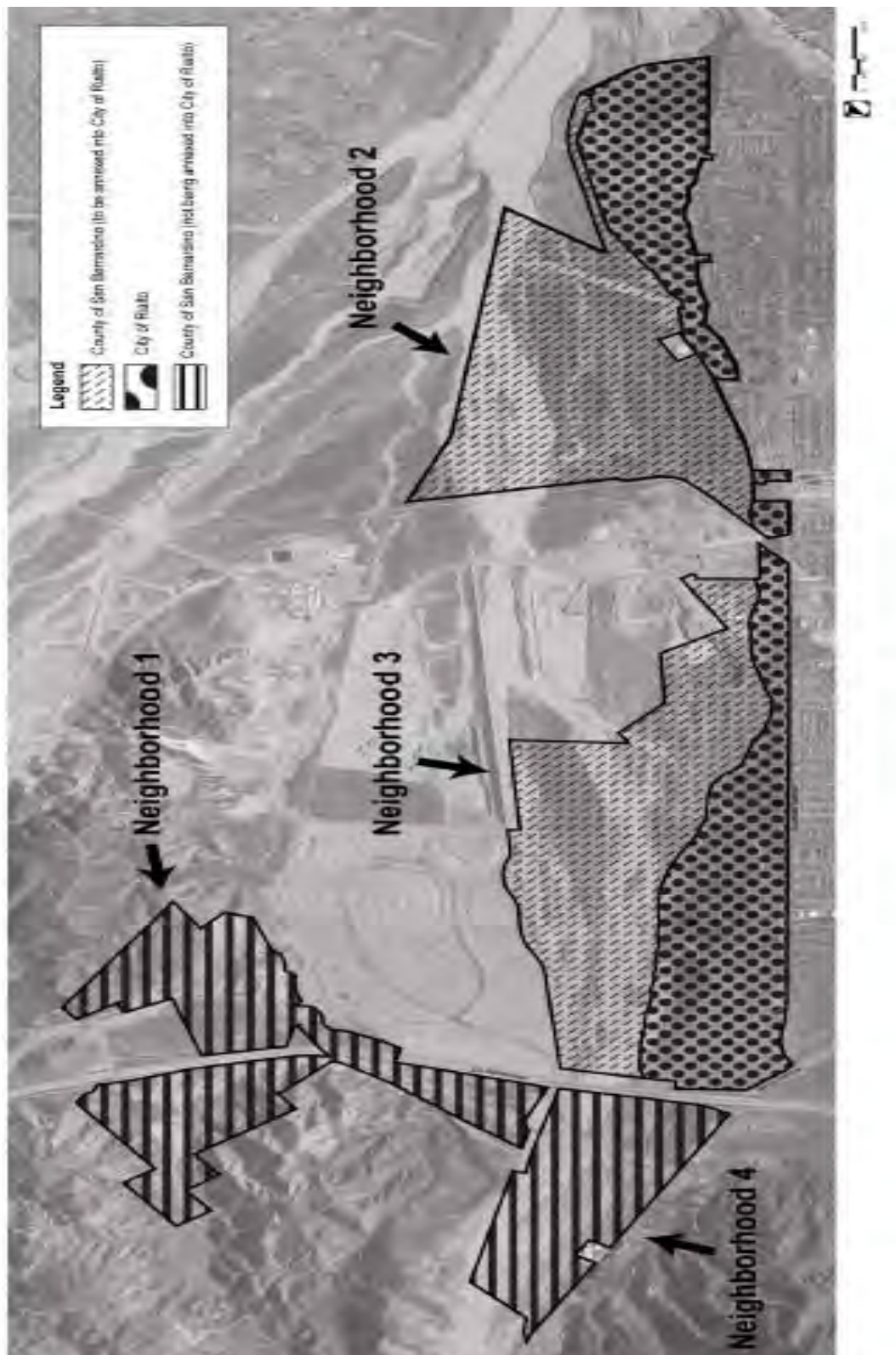


Table 2-1
Development Description after Buildout
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	Annexation Area Only	Total Project
A. GROSS ACRES	1,078	1,655
B. RESIDENTIAL DEVELOPMENT		
<u>Units</u>		
Single Family 1 (2-5 du/acre)	149	467
Single Family 2 (5-8 du/acre)	1,095	1,908
Single Family 3 (8-14 du/acre)	1,380	1,937
Multi-Family (14-28 du/acre)	199	959
High Density (25-35 du/acre)	<u>364</u>	<u>989</u>
Units	3,187	6,260
<u>Population</u>	9,304	18,272
C. COMMERCIAL DEVELOPMENT		
<u>Commercial Square Feet</u>	235,645	668,732
<u>Employment</u>	470	1,340
<u>Sales and Use Tax</u>	\$589,584	\$1,673,167
D. NET ASSESSED VALUATION INCREASE		
New Residential Valuation	\$1,134,482,491	\$2,209,528,535
New Retail Valuation	<u>70,693,500</u>	<u>200,619,600</u>
Total New Assessed Valuation	\$1,205,175,991	\$2,410,148,135
Existing Valuation	<i>minus</i> \$3,442,879	\$14,520,605
Total Net Assessed Valuation Increase	<i>equals</i> \$1,201,733,112	\$2,395,627,530
E. COMMUNITY PARK ACRES	35.7	35.7
F. PUBLIC ROADS		
Arterial Road Miles	0.55	2.75
Local Road Miles	<u>16.63</u>	<u>18.83</u>
Total Public Road Miles	17.18	21.58

Sources: Stanley R. Hoffman Associates, Inc.
Lytle Development Company, May 2014

Total Project. The Lytle Creek Total Project proposes 668,732 commercial square feet, as shown in Panel C of Table 2-1. At 500 square feet per employee, employment is estimated at 1,340 after buildout of the total project. Sales and use tax for the total project is projected at about \$1.67 million after buildout. Appendix Table A-4 includes the commercial description for the first five years of the Lytle Creek Total Project.

2.3 Net Assessed Valuation Increase

Annexation Area Only. As shown in Panel D of Table 2-1, the net increase in assessed valuation for the Annexation Area Only after buildout is projected at about \$1.20 billion. This projection is based on projected new valuation of about \$1.21 billion minus the County Assessor's 2014 existing assessed valuation of about \$3.44 million for the Annexation Area, as shown in Table 2-2.

The projected new valuation of about \$1.21 billion for the Annexation Area includes new residential valuation projected at about \$1.13 billion, based on average values per unit type provided by the developer and shown in Appendix Table A-5. Retail valuation is projected at about \$70.69 million after buildout based on an assumption of \$300 per square foot. As shown in Table 2-3, a commercial website currently lists a portfolio of 5 retail properties for sale in Tudor Plaza in Rialto. The average sales price for these properties is about \$360 per square foot. While these properties are similar to retail uses planned for the Lytle Creek Project, the fiscal analysis assumes a conservative estimated value of \$300 per square foot because the final sale price of the listed properties is unknown and the exact mix of retail tenants for Lytle Creek is unknown at this time. The assessed valuation for the first five years of development in the Annexation Area is presented in Appendix Table A-5.

Total Project. The net increase in assessed valuation for the Lytle Creek Total Project after buildout is projected at about \$2.40 billion. As shown in Panel D of Table 2-1, this projection is based on projected new valuation of about \$2.41 billion minus the County Assessor's 2014 existing assessed valuation of about \$14.52 million for the Total Project, as shown in Table 2-2.

The Total Project new valuation of about \$2.41 billion includes new residential valuation projected at about \$2.21 billion, based on average values per unit type provided by the developer and shown in Appendix Table A-6. Retail valuation projected at about \$200.62 million after buildout, based on an assumption of \$300 per square foot. The assessed valuation for the Total Project for the first five years of development is presented in Appendix Table A-6.

2.4 Community Park

As shown in Panel E of Table 2-1, a 35.7-acre community park is planned for the Annexation Area. The community park is planned for year seven of development.

Table 2-2 (page 1 of 2)
Estimated Existing Assessed Valuation
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Holding Area	Tax Rate Area	Parcel Number	Acres	2013-2014 Assessed Valuation			
				City	Annexation Area	Total	
NEIGHBORHOOD II							
East Lytle							
	6003	0264-011-34-0000	3.07	\$23,784		\$23,784	
		0264-011-36-0000	3.15	42,014		42,014	
		TRA Subtotal	6.22	\$65,798		\$65,798	
	6049	0264-011-10-0000	8.20	\$55,491		\$55,491	
		106000	0262-071-28-0000	54.05		\$214,236	\$214,236
			0262-071-35-0000	7.15		0	0
	0262-071-39-0000		52.43		203,281	203,281	
	TRA Subtotal		113.63		\$417,517	\$417,517	
	107014	0262-031-06-0000	4.86		\$19,262	\$19,262	
		0262-031-12-0000	21.11		83,671	83,671	
		0262-071-15-0000	349.04		1,383,478	1,383,478	
		0262-031-31-0000	57.73		228,821	228,821	
		0262-031-34-0000	1.32		5,470	5,470	
		TRA Subtotal	434.06		\$1,720,702	\$1,720,702	
	Total East Lytle			562.11	\$121,289	\$2,138,219	\$2,259,508
	Golf Course						
		6003	0264-421-31-0000	44.16	\$2,782,080		\$2,782,080
		6104	0264-421-12-0000	9.71	\$464,400		\$464,400
			0264-421-29-0000	127.55	2,641,630		2,641,630
TRA Subtotal			137.26	\$3,106,030		\$3,106,030	
6105		0264-421-20-0000	3.17	\$94,656		\$94,656	
6106		0264-011-19-0000	5.19	\$152,320		\$152,320	
		0264-011-22-0000	1.03	30,464		30,464	
		0264-421-21-0000	6.44	189,312		189,312	
		0264-781-12-0000	3.47	104,447		104,447	
TRA Subtotal		16.13	\$476,543		\$476,543		
106027		0264-482-12-0000	0.43		\$13,056	\$13,056	
		0264-482-13-0000	0.09		3,264	3,264	
		0264-631-08-0000	0.25		64,000	64,000	
		TRA Subtotal	0.77		\$80,320	\$80,320	
106028		0264-421-30-0000	1.36		\$5,441	\$5,441	
Total Golf Course			202.85	\$6,459,309	\$85,761	\$6,545,070	
TOTAL NEIGHBORHOOD II			764.96	\$6,580,598	\$2,223,980	\$8,804,578	

Table 2-2 (page 2 of 2)
 Estimated Existing Assessed Valuation
 Lytle Creek Project Plan for Service and Fiscal Analysis
 City of Rialto
 (In Constant 2014 Dollars)

Holding Area	Tax Rate Area	Parcel Number	Acres	2013-2014 Assessed Valuation			
				City	Annexation Area	Total	
NEIGHBORHOOD III							
	6003	0239-094-31-0000	107.80	\$733,794		\$733,794	
		0239-094-32-0000	22.00	166,773		166,773	
		0239-111-08-0000	8.35	62,919		62,919	
		0239-111-11-0000	32.39	133,707		133,707	
		0239-111-12-0000	114.77	394,185		394,185	
		0239-111-15-0000	22.01	125,157		125,157	
		0239-181-01-0000	4.93	36,386		36,386	
		0239-181-02-0000	4.44	22,744		22,744	
		TRA Subtotal	316.69	\$1,675,665		\$1,675,665	
	6044	0239-094-28-0000	7.46	\$27,289		\$27,289	
		0239-094-29-0000	1.26	4,548		4,548	
		0239-094-40-0000	1.09	8,336		8,336	
		TRA Subtotal	9.81	\$40,173		\$40,173	
	6054	0239-181-03-0000	6.81	\$30,318		\$30,318	
		0239-181-17-0000	7.74	62,943		62,943	
		0239-181-16-0000	8.98	2,593,860		2,593,860	
		0239-181-18-0000	11.58	94,169		94,169	
		TRA Subtotal	35.11	\$2,781,290		\$2,781,290	
	106003	0239-121-06-0000	40.13		\$158,550	\$158,550	
		0239-121-19-0000	94.00		208,991	208,991	
		TRA Subtotal	134.13		\$367,541	\$367,541	
	106004	0239-063-31-0000	125.06		\$274,902	\$274,902	
	107014	0239-121-23-0000	269.10		\$576,456	\$576,456	
	TOTAL NEIGHBORHOOD III			889.90	\$4,497,128	\$1,218,899	\$5,716,027
	TOTAL PROJECT			1,654.86	\$11,077,726	\$3,442,879	\$14,520,605

Sources: Stanley R. Hoffman Associates, Inc.
 Lytle Development Company, May 2014

Table 2-3
Estimated Average Retail Price per Square Foot in Rialto
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Retail Property	Address	Year Built	Building Square Feet	Sale Price		Listing Status
				Total Price	Price per Building Square Foot	
Tudor Plaza, City of Rialto - Portfolio of 5 Properties						
Fast Food - El Polo Loco	1220 W. Foothill Boulevard	2006	2,795	n/a	n/a	8/2014 - Active
Fast Food - Wendy's	1260 W. Foothill Boulevard	2006	3,425	n/a	n/a	
Retail - Sprint, In-Line Stores	1270 W. Foothill Boulevard	2006	13,926	n/a	n/a	
Drug Store - Walgreens	1280 W. Foothill Boulevard	2005	14,820	n/a	n/a	
Fast Food - Starbucks	1290 W. Foothill Boulevard	2006	1,500	n/a	n/a	
Total of Tudor Plaza Portfolio Properties			36,466	\$13,150,000	\$360	
Average Price per Building Square Foot ¹					\$360	

Note: 1. Average price per building square foot is rounded to the nearest tens.

Sources: Stanley R. Hoffman Associates, Inc.
www.showcase.com, August 2014

2.5 Public Roads

Annexation Area Only. The publicly maintained roads for the Annexation Area are presented in Panel F of Table 2-1. A total of 17.18 miles of arterial and local roads are planned for the Annexation Area Only. The first five-year phasing of these roads is included in Appendix Table A-7.

Total Project. As also shown in Panel F of Table 2-1, a total of 21.58 miles of publicly maintained roads are planned for the Total Project. The phasing of these roads over the first five years for the Total Project is presented in Appendix Table A-8.

CHAPTER 3 PUBLIC FACILITIES BEFORE AND AFTER ANNEXATION

This chapter describes the existing and anticipated future service providers for the proposed Lytle Creek Annexation project area. The level and range of the services for the annexation area are described, if they are known. The following services are detailed in this chapter:

- General Government
- Development Services
- Fire Prevention and Protection
- Emergency Medical Services
- County Sheriff/Police Services
- Library
- Parks and Recreation
- Animal Control
- Street Lighting
- Landscape Maintenance
- Water
- Sewer
- Transportation
- Flood Control and Drainage
- Utilities
- Schools
- Solid Waste Management

Table 3-1 presents current and anticipated service providers in the Lytle Creek annexation area. In many cases, such as general government, community development, economic development, fire and paramedic, and sheriff/police, among others, responsibilities shift from the County of San Bernardino to the City of Rialto. Other services, like water and utilities, remain unchanged before and after annexation. These changes are detailed in subsequent sections of this chapter.

3.1 General Government

Before Annexation

The County of San Bernardino provides general government services, including: all Administrative services, Community Development services, and Economic Development services to the annexation area. In addition, the County provides health and welfare services that are provided to all residents whether they reside in the unincorporated area or a City.

After Annexation

After the annexation, the City of Rialto will provide the general government services which

Table 3-1
Current and Anticipated Service Providers in the Lytle Creek Annexation Area
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto

Service Type	Current Service Provider	Anticipated Service Provider
General Government:		
Administrative Services	County of San Bernardino	City of Rialto
Development Services		
Planning	County of San Bernardino	City of Rialto
Building Services	County of San Bernardino	City of Rialto
Development Review	County of San Bernardino	City of Rialto
Code Compliance	County of San Bernardino	City of Rialto
Business Licensing	County of San Bernardino	City of Rialto
Fire Prevention and Protection	San Bernardino County Fire Protection District - Valley Service Zone	City of Rialto Fire Department
Emergency Medical	American Medical Response, SBCFPD	City of Rialto Fire Department
Sheriff/Police	County of San Bernardino Sheriff's Department	City of Rialto Police Department
Library	County of San Bernardino Library District	County of San Bernardino Library District
Parks and Recreation:		
Local Facilities	none	City of Rialto
Regional Facilities	County of San Bernardino	County of San Bernardino
Animal Control	San Bernardino County Animal Care and Control	City of Rialto Police Department
Street Lighting and Landscaping	CSA (SL-1) provides installation and maintenance for a small portion of the project. Lighting powered by Southern California Edison.	Lighting and Landscape Maintenance District or Homeowners' Association (HOA)
Landscape Maintenance	Forest/Natural	HOA
Water	San Bernardino Valley Municipal Water District West Valley Water District (WVWD) for a portion of the project.	San Bernardino Valley Municipal Water District Entire project must annex to the West Valley Water District (WVWD)
Sewer	none	City of Rialto
Transportation:		
Freeways and Interchanges	Cal Trans	Cal Trans
Arterials and Collectors	San Bernardino County - Public Works	City of Rialto Public Works Department
Local Roads	San Bernardino County - Public Works	City of Rialto Public Works Department
Transit	Omnitrans	Omnitrans
Flood Control and Drainage:		
Local Facilities	San Bernardino County Flood Control District	City of Rialto Public Works Department
Regional Facilities	San Bernardino County Flood Control District, U.S. Army Corp of Engineers	San Bernardino County Flood Control District, U.S. Army Corp of Engineers
Utilities:		
Cable/Internet Provider/Phone	Time Warner, AT&T Uverse	Time Warner, AT&T U-verse
Telephone	AT&T	AT&T
Power	Southern California Edison	Southern California Edison
Natural Gas	Southern California Gas Company	Southern California Gas Company
Schools	Rialto Unified School District San Bernardino Unified School District Fontana Unified School District	Rialto Unified School District San Bernardino Unified School District Fontana Unified School District
Solid Waste Management	Burrtec Waste Industries	Burrtec Waste Industries has exclusive franchise with City of Rialto

Sources: Stanley R. Hoffman Associates, Inc.
City of Rialto, Website
Lytle Creek Ranch Specific Plan, March 2010
San Bernardino County Local Agency Formation Commission

include administrative services as well as General Governance, Community Development and Economic Development. The County of San Bernardino will continue to provide Countywide law, justice, health and welfare services that are provided to all residents of the County whether they reside in a City or the unincorporated area.

3.2 Fire and Paramedic

Before Annexation

Currently, the annexation area is serviced by San Bernardino County Fire Protection District and its Valley Service Zone. A new fire station is planned as part of the adjacent Rosena Ranch unincorporated community to the north. A portion of the Annexation Area falls within the response time radius of the new County fire station.

After Annexation

Upon annexation, the project area will be detached from the San Bernardino Fire Protection District and its Valley Service Zone. The Rialto City Fire Department will be the service provider for fire prevention, protection and EMS, i.e. paramedic services after the annexation. City fire codes and fire abatement requirements will be addressed during the entitlement and permitting process.

There are four fire stations in Rialto; Station 202, located at 1925N. Riverside Avenue, is the closest station to the Lytle Creek project site. Station 202 has one fire engine and two paramedic ambulances (one in reserve). The fire station will provide wildland and structural fire protection, and response to 911 medical aid call, traffic accidents and hazardous materials.

Additional support may be provided by Fire Station 204, located at N. Alder in Rialto. Fire Station 204 has two fire engines (one in reserve), one water tender, and two specialized units.

3.3 Sheriff/Police

Before Annexation

The San Bernardino County Sheriff-Coroner's Department provides public safety services to the unincorporated areas. The Sheriff's Department and the City Police Department provide mutual backup services upon request within both the City and unincorporated areas. The California Highway Patrol provides traffic patrol on State Highways within the unincorporated areas of the County. The Highway Patrol can also provide emergency response backup to the City Police and the County Sheriff upon request.

After Annexation

After the annexation, the City of Rialto Police Department will be providing the public safety services for the Lytle Creek Project. The Department currently employs 140.5 total employees, with 101 sworn and 39.5 non-sworn personnel. In addition to patrol services, the Police Department offers K-9, School Resource Officer (SRO), Street Crime Attach Team (SCAT), investigations, traffic enforcement, narcotics enforcement, training and background checks, community services, animal control services and re-entry support services. The Rialto Police Department is also part of the Four-City Regional SWAT Team (IVS) and Air-Support Unit.

3.4 Library

Before Annexation

Currently, the annexation area is served by the San Bernardino County Library system. The nearest County library is the Carter Branch Library located at 2630 North Linden Drive in Rialto.

After Annexation

The annexation area would continue to receive library services from the San Bernardino County Library system library upon annexation. In addition to the Carter Branch Library, the Rialto Branch Library is located at 251 West 1st Street in Rialto.

3.5 Parks and Recreation

Before Annexation

The County Regional Parks Department provides regional park services to all residents within the County, including unincorporated areas. The County Regional Parks system includes the following parks: Glen Helen, Yucaipa, Lake Gregory, Cucamonga, Guasti, and Prado. The closest regional park is Glen Helen Regional Park which has various recreation areas with amenities for fishing, boating, and picnicking. However, the County does not provide local park services, and, currently, there are no local parks within the annexation area.

After Annexation

Rialto has a variety of parks and recreation facilities for public use. Park facilities include picnic areas, ball fields, basketball courts, walking tracks and shelters. The Rialto Community Center and Rialto Senior Center have rooms available to rent for meetings, seminars and private parties. The Lytle Creek Project will contain both private and public parks and open space.

3.6 Animal Control

Before Annexation

The San Bernardino County Animal Care and Control Program currently offers field services, animal licensing and education for dog owners in the unincorporated areas of the County. The Program operates two animal shelters. Big Bear Animal Shelter is located at Northshore Road, Big Bear City and Devore Animal Shelter is located at 19777 Shelter Way, Devore.

After Annexation

The Humane Services section of the Rialto Police Department is responsible for handling animal related services for the City. These services include picking up strays, response to complaints or attacks, licensing and ordinance enforcement. The City contracts with the County for animal shelter services only. The annexation area will receive services from the City, which will be financed by the General Fund and various user fees.

3.7 Street Lighting

Before Annexation

Street lighting services in a small portion of the annexation area are funded thorough property tax revenues accruing to the CSA SL-1 Valley Area. Current street light improvements are powered by Southern California Edison.

After Annexation

Upon annexation, the City of Rialto will provide installation, maintenance and street lighting improvements. Based on information provided by LAFCO staff, the portion of the project within the CSA SL-1 will be detached from CSA SL-1 upon annexation to the City. The property tax revenues that would accrue to the County for CSA SL-1 will then be allocated between the County General Fund and the City of Rialto per the estimated property tax allocation rates shown in Appendix Table C-4.

3.8 Landscape Maintenance

Before Annexation

Currently, the County of San Bernardino is responsible for any road pavement and minimal landscaping maintenance in the annexation area.

After Annexation

Upon annexation, the Master Homeowners' Association or other private association, or a

Lighting and Landscaping District will be responsible for installation and maintenance of all common landscape areas, hardscape areas, and irrigation systems in the Lytle Creek Project.

3.9 Water

Before Annexation

Currently, San Bernardino Valley Municipal Water District is the wholesale water service provider and State water contractor for the project area. The West Valley Water District provides domestic and recycled water, and maintains water quality for a portion of the annexation area.

After Annexation

Upon annexation, the entire project must annex into the West Valley Water District (WVWD). The WVWD *Water Supply Assessment for the Lytle Creek Ranch Development*, dated March 4, 2008, was prepared by Engineering Resources of Southern California and will be submitted with the annexation application.

The backbone water facilities and infrastructure will be owned, operated and serviced by the WVWD. All waterlines and water facilities will be designed and installed in accordance with the WVWD requirements and specifications. The fair share cost of designing and constructing the water system will be financed by the project master developer, project area builders, and/or other financing mechanisms acceptable to the City.

The water system for Neighborhood II will consist of a series of new waterlines of varying widths, a new 8.6 MG reservoir with an approximate site area of three acres, and a new booster system. Two additional reservoirs are currently in place near Neighborhood II.

The water system for Neighborhood III will include a series of new waterlines of varying widths, two new reservoirs and two new booster stations. A 10.7 MG reservoir and a 10.1 MG reservoir, each covering a site area of 3.5 acres, are planned for the neighborhood. Two additional reservoirs currently exist near Neighborhood III.

3.10 Sewer

Before Annexation

Sewer service is not currently provided in the Lytle Creek Project area.

After Annexation

Upon annexation to the City the backbone sewer facilities and infrastructure will be owned and

operated by the City of Rialto. The fair share cost of designing and constructing the sewer system will be financed by the master developer, project area builders and/or other financing mechanisms acceptable to the City.

3.11 Transportation

Before Annexation

Current transportation services for the City of Rialto include freeways and interchanges serviced by Cal Trans; arterials and collectors serviced by the Public Works Department of San Bernardino County; local roads also serviced by the Public Works Department of San Bernardino County; and public transit serviced by Omnitrans.

After Annexation

Cal Trans will continue to provide their services post annexation for freeways and interchanges, and Omnitrans for public transit. All arterials and collectors and on-site street local roads will be maintained by the City public works department or by a homeowner's association. The developer, in cooperation with the City of Rialto, will be responsible for improvements of all necessary public streets, both on- and off-site.

3.12 Flood Control and Drainage

Before Annexation

On a regional level, the San Bernardino County Flood Control District intercepts and manages flood flows through and away from developed areas throughout the County. The Flood Control District is also responsible for water conservation and storm drain construction.

After Annexation

The Lytle Creek Project proposes a master drainage plan for the project site to protect the proposed development from the 100-year flood potential from Lytle Creek. The proposed plan utilizes the project streets, storm drains, and the "Grand Paseo" bioswale to carry stormwater through the site.

This local storm drain system will be funded and constructed by the master developer, project area builders, and/or other financing mechanisms acceptable to the City of Rialto. The regional storm drain system and flood control improvements associated with Lytle Creek Wash is expected to be funded and constructed by a Community Facilities District or other similar mechanism, based on the March 2010 *Draft Lytle Creek Specific Plan*.

In addition to storm drains in streets, the reconfigured golf course in the project area will accommodate much of the drainage flow in its neighborhood. Eight vegetated basins and six water quality treatment basins are planned as a series of water features in the golf course.

The adjoining Neighborhood III will include catchments areas located at node locations which will channel the water through a system of urban storm drain piping and terminate in twelve water quality treatment basins within the Grand Paseo. These basins will detain and treat all first flush water runoff and ultimately discharge into a system of urban storm drains within the Riverside Avenue right-of-way and into the water quality basin system to the east.

3.13 Utilities

Before and After Annexation

Utilities include cable television, internet, telephone, electric power, and natural gas. Currently, Time Warner and AT&T Uverse are the cable television and internet service providers. AT&T maintains telephone service to the annexation area. Electricity is provided by Southern California Edison, while natural gas is supplied by the Southern California Gas Company. These service providers are not anticipated to change upon annexation.

3.14 Schools

Before and After Annexation

The Lytle Creek Project is located within three different school districts: the Rialto Unified School District, the San Bernardino Unified School District and the Fontana Unified School District. Based on the March 2010 *Draft Lytle Creek Specific Plan*, it is anticipated that these School Districts will have sufficient capacity to serve the new students.

Students in the north and northeastern portions of the project area will attend existing schools in the San Bernardino Unified School District. Students in the southern portion of the project will attend schools in the Rialto Unified School District. The project proposes a 10-acre elementary school and a 14-acre elementary/middle school in the Rialto Unified School District. It is anticipated that high school students will attend Carter High School or other high schools in the Rialto Unified School District. Students in the northwestern portion of the project will attend school in the Fontana Unified School District.

The Lytle Creek Project will pay its fair share of impact fees to each school district as required by California State law and/or the project master developer will enter into a mitigation agreement with the appropriate school district.

3.15 Solid Waste Management

Before Annexation

The San Bernardino County Solid Waste Management Division, under the Department of Public Works, oversees the operation and management of the County's solid waste disposal system, which includes five regional landfills and nine transfer stations. The waste hauler for the project area is Burrtec Industries.

After Annexation

Solid waste collection in the City of Rialto is mandatory and Burrtec Industries has an exclusive franchise agreement with the City. Burrtec Industries offers integrated waste removal and recycling programs to residential and commercial customers. Per the franchise agreement with the City, Burrtec Industries utilizes the County owned landfill located in the City of Rialto for the disposal of solid waste collected in the City. All collection services are supported on a user fee basis.

CHAPTER 4

FINANCING PUBLIC FACILITIES AND INFRASTRUCTURE

Table 4-1 presents the list of infrastructure improvements for the Lytle Creek Project. The majority of the infrastructure will be constructed by the project's master developer with interior neighborhood walls and fences constructed by merchant builders. Table 4-1 also identifies the jurisdiction, special district or private association responsible for maintenance of each facility and the ownership of each facility. The projected annual fiscal impacts to the City for provision of services to the Lytle Creek Project are presented in Chapter 5.

4.1 Development Impact Fees

While the developer is responsible for constructing the facility and infrastructure improvements for the Lytle Creek Project, the developer will also pay one-time development impact fees (DIF) to offset the additional public capital costs required of new development. Per Section 5.2 of the 2012 *Pre-Annexation and Development Agreement Between the City of Rialto and Lytle Development Company*, the City will charge and impose only the fees listed in "Exhibit C" of the development agreement, except for the fees for wastewater treatment and regional traffic impact fees. Wastewater treatments fees and regional traffic fees are based on the applicable City fee in effect at the time the fee is due. For purposes of estimating the fees in this report, wastewater treatment fees and traffic impact fees are based on the fees that will be effective July 1, 2015 as included in City's *Development Fee Schedule, February 10, 2014*.

Except for wastewater treatment and traffic mitigation fees, the development impact fees included in "Exhibit C" of the development agreement are fixed for a period commencing on the issuance of the first grading permit for the project and ending ten years later or June 30, 2025, whichever occurs first. After the end of the fixed fee period, all development impact fees will charged per the City fee schedule at the time, and an agreement can be made to reset the fixed fee period.

Table 4-2 presents the estimate done-time development impact fees that would be collected per the fees currently listed in "Exhibit C" of the development agreement and the wastewater treatment and traffic fees in the City fee schedule. As shown in Table 4-2, development impact fees for the Lytle Creek Annexation Area Only are estimated at about \$33.61 million after buildout, and Total Project DIFs are estimated at about \$67.80 million after buildout.

Table 4-1
Lytle Creek Facilities and Infrastructure
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto

Type	Developed By	Maintained By ¹	Owned By ¹
<u>Streetscape</u>			
Primary and Secondary Entry Roads	Master Developer/City	City	City
Primary and Secondary Local Roads and Cul-de-sacs	Master Developer/City	City/HOA	City/HOA
Landscaping	HOA/LLMD	HOA /LLMD	HOA/LLMD
Street Lighting	Master Developer	SCE/LLMD	LLMD/HOA
Community Walls and Fences	Master Developer	HOA	HOA
Interior Neighborhood Walls and Fence	Guest Builder	Homeowner	Homeowner
<u>Parks and Open Space</u>			
Private Parks	Master Developer	HOA/LLMD	HOA/LLMD
Public Parks	Master Developer	HOA/LLMD	City
<u>Infrastructure</u>			
Local Storm Drain System	Master Developer	City	City
Regional Storm Drain and Flood Control	CFD/Similar Mechanism	SBCFCD	SBCFCD
Sewer Systems (on-site and off-site)	Master Developer	City	City
Water Systems (on-site and off-site)	Master Developer/WVWD	WVWD	WVWD
Utilities	Utility Companies	Utility Companies	Utility Companies

Note: 1. LLMD = Landscape and Lighting District or special maintenance district
HOA = Homeowners' Association (Master or Neighborhood)
SCE = Southern California Edison
CFD = Community Facilities District
SBCFCD = San Bernardino Flood Control District
WVWD = West Valley Water District
Certain facilities and improvements may be subject to reimbursement agreements.

Sources: Stanley R. Hoffman Associates, Inc.
Lytle Development Company, *Lytle Creek Ranch Specific Plan*, March 2010

Table 4-2 (page 1 of 2)
Estimated One-Time Development Impact Fees
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

A. Development Description		Lytle Creek Neighborhoods 2 and 3	
Development Category		Annexation Area Only	Total Project
<u>Residential Units</u>			
Single Family Units		619	1,745
Multi-Family Units		563	1,948
Senior Single Family Units		<u>2,005</u>	<u>2,567</u>
Total Units		3,187	6,260
<u>Commercial Square Feet</u>		235,645	668,732

B. Estimated Fees ¹			
Fee Category	Fee Per Unit or Commercial Square Foot	Lytle Creek Neighborhoods 2 and 3	
		Annexation Area Only	Total Project
<u>Development Agreement Fees</u>			
Single Family	\$1,030.00	\$637,570	\$1,797,350
Multi-Family	\$1,030.00	\$579,890	\$2,006,440
Senior Single Family Units	\$830.00	\$1,664,150	\$2,130,610
Commercial	\$0.00	\$0	\$0
Subtotal		\$2,881,610	\$5,934,400
<u>General Facilities</u>			
Single Family	\$990.00	\$612,810	\$1,727,550
Multi-Family	\$990.00	\$557,370	\$1,928,520
Senior Single Family Units	\$600.00	\$1,203,000	\$1,540,200
Commercial	\$0.10	<u>\$23,565</u>	<u>\$66,873</u>
Subtotal		\$2,396,745	\$5,263,143
<u>Police Facilities</u>			
Single Family	\$870.00	\$538,530	\$1,518,150
Multi-Family	\$870.00	\$489,810	\$1,694,760
Senior Single Family Units	\$540.00	\$1,082,700	\$1,386,180
Commercial	\$0.11	<u>\$25,921</u>	<u>\$73,561</u>
Subtotal		\$2,136,961	\$4,672,651
<u>Fire Facilities</u>			
Single Family	\$420.00	\$259,980	\$732,900
Multi-Family	\$420.00	\$236,460	\$818,160
Senior Single Family Units	\$260.00	\$521,300	\$667,420
Commercial	\$0.13	<u>\$30,634</u>	<u>\$86,935</u>
Subtotal		\$1,048,374	\$2,305,415
<u>Library Facilities</u>			
Single Family	\$250.00	\$154,750	\$436,250
Multi-Family	\$250.00	\$140,750	\$487,000
Senior Single Family Units	\$150.00	\$300,750	\$385,050
Commercial	\$0.00	\$0	\$0
Subtotal		\$596,250	\$1,308,300
<u>Street Medians</u>			
Single Family	\$70.00	\$43,330	\$122,150
Multi-Family	\$70.00	\$39,410	\$136,360
Senior Single Family Units	\$50.00	\$100,250	\$128,350
Commercial	\$0.20	<u>\$47,129</u>	<u>\$133,746</u>
Subtotal		\$230,119	\$520,606
<u>Wastewater Collection ²</u>			
Single Family	\$1,440.00	\$891,360	\$2,512,800
Multi-Family	\$1,440.00	\$810,720	\$2,805,120
Senior Single Family Units	\$1,440.00	\$2,887,200	\$3,696,480
Commercial	n/a	<u>n/a</u>	<u>n/a</u>
Subtotal		\$4,589,280	\$9,014,400

Table 4-2 (page 2 of 2)
Estimated One-Time Development Impact Fees
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

A. Development Description		Lytle Creek Neighborhoods 2 and 3	
Development Category		Annexation Area Only	Total Project
<u>Residential Units</u>			
Single Family Units		619	1,745
Multi-Family Units		563	1,948
Senior Single Family Units		2,005	2,567
Total Units		3,187	6,260
<u>Commercial Square Feet</u>		235,645	668,732

B. Estimated Fees ¹			
Fee Category	Fee Per Unit or Commercial Square Foot	Lytle Creek Neighborhoods 2 and 3	
		Annexation Area Only	Total Project
<u>Wastewater Treatment</u> ³			
Single Family	\$3,126.20	\$1,935,118	\$5,455,219
Multi-Family	\$2,433.97	\$1,370,325	\$4,741,374
Senior Single Family Units	\$3,126.20	\$6,268,031	\$8,024,955
Commercial	n/a	n/a	n/a
Subtotal		\$9,573,474	\$18,221,548
<u>Regional Traffic Fees</u> ⁴			
Single Family	\$2,858.44	\$1,769,374	\$4,987,978
Multi-Family	\$1,980.30	\$1,114,909	\$3,857,624
Senior Single Family Units	\$2,858.44	\$5,731,172	\$7,337,615
Commercial	\$6.54	\$1,541,118	\$4,373,507
Subtotal		\$10,156,574	\$20,556,725
<u>Storm Drain Facilities</u> ⁵		n/a	n/a
<u>Parks and Open Space</u> ⁶		n/a	n/a
TOTAL DEVELOPMENT IMPACT FEES		\$33,609,386	\$67,797,188

- Note: 1. Per Section 5.2 of the *Pre-Annexation and Development Agreement*, the City will charge and impose only the fees listed in "Exhibit C, Development Impact Fees" of the development agreement for Lytle Creek, except for the fees for wastewater treatment and traffic impact fees.
2. Per Section 5.4 of the *Pre-Annexation and Development Agreement*, wastewater collection fees are fixed according to "Exhibit C, Development Impact Fees" of the development agreement. For commercial uses, wastewater collection fees are \$48 per frontage foot, which is not available at this time.
3. Per Section 5.4 of the *Pre-Annexation and Development Agreement*, wastewater treatment fees are based on the applicable City fee in effect at the time the fee is due. For purposes of this table, wastewater treatment fees are based on the current City fee schedule amounts that will be effective 07/1/2015. For commercial uses, the wastewater treatment fee will be based on the specific commercial use as listed in the City Fee Schedule. Therefore, wastewater treatment fees for commercial uses are not calculated in this table.
4. Per Section 5.6 of the *Pre-Annexation and Development Agreement*, regional traffic fees are based on the applicable City fee in effect at the time the fee is due. For purposes of this table, regional traffic fees are based on the current City fee schedule amounts that will be effective 07/1/2015.
5. Per Section 5.3 of the *Pre-Annexation and Development Agreement*, Lytle Creek is responsible for treating all storm water within the project boundaries without discharge to off-site drainage systems. Per the agreement, Lytle Creek is exempt from all City storm drain fees, charges, hook-up fees or other similar charges.
6. Per Section 5.5 of the *Pre-Annexation and Development Agreement*, Lytle Creek is responsible for constructing, installing and improving the park and recreation facilities listed in the development agreement. Per the agreement, Lytle Creek will not be responsible for City park fees if these facilities are constructed and installed.

Sources: Stanley R. Hoffman Associates, Inc.
Lytle Development Company
Pre-Annexation and Development Agreement Between The City of Rialto and Lytle Development Company,
Recorded in Official Records, County of San Bernardino, Doc#: 2012-0346185, 8/27/2012
City of Rialto, *Development Fee Schedule*, Effective February 10, 2014

4.2 Schools

School Impact Fees are charged for both residential and commercial development. These fees will be based on the unit size and the amount of commercial square feet. These fees are not estimated in this report.

4.3 Utilities

Cable television, internet, power, and gas utilities are enterprise services, where fees and charges are determined by each company's rate structure.

CHAPTER 5 FISCAL IMPACTS OF ANNEXATION AREA

This chapter presents the fiscal analysis of the Annexation Area portion of the Lytle Creek Project. The focus of this analysis is on the impacts for the Annexation Area. However because the Lytle Creek project site is located partially within unincorporated San Bernardino County and partially within the city limits of Rialto, fiscal impacts are also projected for the Total Project. The projected fiscal impacts for the Total Project are included in Appendix B of this report.

As discussed earlier, Rialto voters approved a five year extension of the utility user tax (UUT) on March 5, 2013. The UUT is approved through June 2018. Because the UUT will need voter approval to be extended before projected buildout of the Lytle Creek Project in 2026, the fiscal analysis projects impacts to the Rialto General Fund both with and without the UUT. Fiscal impacts are shown in constant 2014 dollars with no adjustment for possible future inflation.

As shown in summary Table 5-1, a recurring annual surplus is projected for the Annexation Area with and without the UUT after buildout.

Table 5-1
Summary of Projected Fiscal Impacts after Buildout: Annexation Area
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Annexation Area	Annual Recurring Revenues	Annual Recurring Costs	Annual Recurring Surplus	Revenue/ Cost Ratio
<u>With Utility User Tax</u>	\$6,689,174	\$6,174,653	\$514,521	1.08
<i>Annual Surplus per Unit</i>			\$161	
<u>Without Utility User Tax</u>	\$5,683,405	\$6,174,655	(\$491,250)	0.92
<i>Annual Surplus per Unit</i>			(\$154)	

Source: Stanley R. Hoffman Associates, Inc.

The projected impacts for the first five years after annexation for both scenarios are included in the following sections of this chapter. No development is assumed during the first year after annexation, with development beginning in the second year after annexation.

5.1 Annexation Area – With Utility User Tax

As shown in Table 5-2, property tax to the City is projected at \$5,040 during the first year after annexation based on the existing valuation of the annexing area and the share of the basic one percent property tax levy allocated to the City. With the projected interest on the property tax, total revenues are projected at \$5,074 during the first year after annexation. Any recurring public costs are assumed to be minimal during this first year of pre-development activities. A recurring surplus is projected to the General Fund for the next four years of development and after buildout for the Annexation Area with the utility user tax (UUT).

As shown in Table 5-2, a surplus of \$30,898 is projected for the second year after annexation (2017) when development begins. With development of some of the high density units in 2018, the projected surplus is \$23,652. By the year 2019, the projected surplus is \$33,073. With the increased pace of development, the projected surplus is \$319,471 by the following year (2020). The projected surplus increases over the next five years to a projected \$514,521 after buildout of the Annexation Area Only with the UUT.

Projected Recurring Revenues With Utility User Tax

About seventy-four percent of the total projected revenues after buildout of the Annexation Area with the UUT are comprised of property tax, property tax in lieu of vehicle license fees VLF, UUT and sales and use tax.

Projected Recurring Costs With Utility User Tax

Police protection, fire protection, park maintenance and general government are the largest projected recurring costs and account for about 83 percent of total projected recurring costs for the Lytle Creek Annexation Area after buildout.

5.2 Annexation Area – Without Utility User Tax

As shown in Table 5-3, the same revenues of \$5,074 to the City are projected during the first year after annexation without the UUT. When development begins in the second year (2017), a surplus of \$5,698 is projected. A deficit of \$69,239 is projected for the following year (2018) in the Annexation Area without the UUT, and by the year 2019 the deficit is projected at \$214,073. The projected deficit is about \$124,107 by year 2020. After buildout of the Annexation Area Only, a recurring deficit of \$491,250 is projected without the utility user tax.

Table 5-2
Detailed Projected Recurring Fiscal Impacts: Annexation Area Only With Utility User Tax
Lytle Creek Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	ANNEXATION AREA ONLY WITH UTILITY USER TAX						Percent of Buildout
	2016	2017	2018	2019	2020	Buildout (2026)	
<u>Recurring Revenues</u>							
Property tax: general	\$5,040	\$34,383	\$123,429	\$337,208	\$674,024	\$1,761,123	26.3%
On-site retail sales and use tax	0	20,598	20,598	20,598	125,996	442,188	6.6%
In lieu property tax (sales & use tax)	0	6,866	6,866	6,866	41,999	147,396	2.2%
Property transfer tax-turnover	0	61	758	2,438	6,472	32,779	0.5%
In lieu property tax (VLF)	0	36,575	122,986	334,613	667,121	1,739,069	26.0%
Franchise fees	0	6,639	24,474	65,116	116,870	264,993	4.0%
SB509 sales tax	0	1,090	4,159	11,152	19,789	44,473	0.7%
Utility users tax	0	25,033	92,276	245,511	440,642	999,115	14.9%
Business licenses	0	1,590	1,590	1,590	9,684	33,967	0.5%
Animal licenses and fees	0	378	1,444	3,873	6,872	15,445	0.2%
Fines, forfeits and penalties	0	1,028	3,788	10,079	18,090	41,018	0.6%
County LF excavation charges	0	509	1,877	4,993	8,961	20,318	0.3%
Charges for current services	0	5,499	20,361	54,230	97,185	220,102	3.3%
Rents and concessions	0	468	1,727	4,594	8,246	18,696	0.3%
Administrative/passport/misc. fees	0	1,361	5,194	13,928	24,716	55,545	0.8%
Transfer from Gas Tax Fund	0	3,363	12,833	34,412	61,065	137,234	2.1%
Other transfers	0	8,386	31,999	85,808	152,269	342,201	5.1%
Lytle Creek CFD fees	0	8,112	30,992	83,096	147,472	331,448	5.0%
Interest on invested revenues	34	1,025	3,173	8,238	16,517	42,064	0.6%
Total Projected Revenues	\$5,074	\$162,965	\$510,523	\$1,328,342	\$2,643,989	\$6,689,174	100.0%
<u>Recurring Costs</u>							
Fire protection	\$0	\$35,828	\$132,071	\$351,389	\$630,671	\$1,429,991	23.2%
Police protection	0	58,132	214,286	570,131	1,023,268	2,320,171	37.6%
Recreation	0	2,829	10,797	28,953	51,377	115,463	1.9%
Development services-engineering	0	944	3,480	9,259	16,618	37,679	0.6%
Development services-business licensing	0	122	122	122	741	2,599	0.0%
Development services-code enforcement	0	1,644	6,061	16,127	28,944	65,628	1.1%
Public works-administration	0	1,037	3,824	10,173	18,258	41,399	0.7%
Public works-community building maintenance	0	2,600	9,585	25,503	45,772	103,784	1.7%
Public works-park maintenance	0	0	0	0	0	771,120	12.5%
Public works-graffiti removal	0	272	1,004	2,672	4,796	10,874	0.2%
Public works-engineering services & projects	0	717	2,643	7,032	12,621	28,617	0.5%
Public works-traffic safety/street maintenance	0	7,603	28,025	74,563	133,825	303,436	4.9%
Public works-storm drain program	0	872	3,216	8,556	15,356	34,817	0.6%
General government	0	13,176	48,575	129,112	231,580	615,043	10.0%
Subtotal Recurring Costs	\$0	\$125,778	\$463,687	\$1,233,589	\$2,213,827	\$5,880,622	95.2%
5% Contingency/Reserves	\$0	\$6,289	\$23,184	\$61,680	\$110,691	\$294,031	4.8%
Total Recurring Costs	\$0	\$132,067	\$486,871	\$1,295,269	\$2,324,518	\$6,174,653	100.0%
<u>Net Recurring Surplus</u>	\$5,074	\$30,898	\$23,652	\$33,073	\$319,471	\$514,521	
<u>Revenue/Cost Ratio</u>	n/a	1.23	1.05	1.03	1.14	1.08	

Source: Stanley R. Hoffman Associates, Inc.

Table 5-3
Detailed Projected Recurring Fiscal Impacts: Annexation Area Only Without Utility User Tax
Lytle Creek Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	ANNEXATION AREA ONLY WITHOUT UTILITY USER TAX						Percent of Buildout
	2016	2017	2018	2019	2020	Buildout (2026)	
<u>Recurring Revenues</u>							
Property tax: general	\$5,040	\$34,383	\$123,429	\$337,208	\$674,024	\$1,761,123	31.0%
On-site retail sales and use tax	0	20,598	20,598	20,598	125,996	442,188	7.8%
In lieu property tax (sales & use tax)	0	6,866	6,866	6,866	41,999	147,396	2.6%
Property transfer tax-turnover	0	61	758	2,438	6,472	32,779	0.6%
In lieu property tax (VLF)	0	36,575	122,986	334,613	667,121	1,739,069	30.6%
Franchise fees	0	6,639	24,474	65,116	116,870	264,993	4.7%
SB509 sales tax	0	1,090	4,159	11,152	19,789	44,473	0.8%
Utility users tax	0	0	0	0	0	0	0.0%
Business licenses	0	1,590	1,590	1,590	9,684	33,967	0.6%
Animal licenses and fees	0	378	1,444	3,873	6,872	15,445	0.3%
Fines, forfeits and penalties	0	1,028	3,788	10,079	18,090	41,018	0.7%
County LF excavation charges	0	509	1,877	4,993	8,961	20,318	0.4%
Charges for current services	0	5,499	20,361	54,230	97,185	220,102	3.9%
Rents and concessions	0	468	1,727	4,594	8,246	18,696	0.3%
Administrative/passport/misc. fees	0	1,361	5,194	13,928	24,716	55,545	1.0%
Transfer from Gas Tax Fund	0	3,363	12,833	34,412	61,065	137,234	2.4%
Other transfers	0	8,386	31,999	85,808	152,269	342,201	6.0%
Lytle Creek CFD fees	0	8,112	30,992	83,096	147,472	331,448	5.8%
Interest on invested revenues	34	858	2,558	6,604	13,583	35,409	0.6%
Total Projected Revenues	\$5,074	\$137,765	\$417,632	\$1,081,197	\$2,200,413	\$5,683,405	100.0%
<u>Recurring Costs</u>							
Fire protection	\$0	\$35,828	\$132,071	\$351,389	\$630,671	\$1,429,991	23.2%
Police protection	0	58,132	214,286	570,131	1,023,268	2,320,171	37.6%
Recreation	0	2,829	10,797	28,953	51,377	115,463	1.9%
Development services-engineering	0	944	3,480	9,259	16,618	37,679	0.6%
Development services-business licensing	0	122	122	122	741	2,599	0.0%
Development services-code enforcement	0	1,644	6,061	16,127	28,944	65,628	1.1%
Public works-administration	0	1,037	3,824	10,173	18,258	41,399	0.7%
Public works-community building maintenance	0	2,600	9,585	25,503	45,772	103,784	1.7%
Public works-park maintenance	0	0	0	0	0	771,120	12.5%
Public works-graffiti removal	0	272	1,004	2,672	4,796	10,874	0.2%
Public works-engineering services & projects	0	717	2,643	7,032	12,621	28,617	0.5%
Public works-traffic safety/street maintenance	0	7,603	28,025	74,563	133,825	303,436	4.9%
Public works-storm drain program	0	872	3,216	8,556	15,356	34,817	0.6%
General government	0	13,176	48,575	129,112	231,580	615,043	10.0%
Subtotal Recurring Costs	\$0	\$125,778	\$463,687	\$1,233,590	\$2,213,828	\$5,880,623	95.2%
5% Contingency/Reserves	\$0	\$6,289	\$23,184	\$61,680	\$110,692	\$294,032	4.8%
Total Recurring Costs	\$0	\$132,067	\$486,871	\$1,295,270	\$2,324,520	\$6,174,655	100.0%
<u>Net Recurring Surplus</u>	\$5,074	\$5,698	(\$69,239)	(\$214,073)	(\$124,107)	(\$491,250)	
<u>Revenue/Cost Ratio</u>	n/a	1.04	0.86	0.83	0.95	0.92	

Source: Stanley R. Hoffman Associates, Inc.

Projected Recurring Revenues Without Utility User Tax

About seventy percent of the total project revenues after buildout of the Annexation Area Only without the UUT is comprised of property tax, property tax in lieu of VLF, and sales and use tax.

Projected Recurring Costs Without Utility User Tax

Police protection, fire protection, park maintenance and general government are the largest projected recurring costs and account for about 83 percent of total projected recurring costs for the Lytle Creek Annexation Area after buildout without the UUT.

5.3 Potential Community Facilities District Maintenance Revenues

Per Section 7 of the *Pre-Annexation and Development Agreement between The City of Rialto and Lytle Development Company, El Rancho Verde Golf, LLC and Pharris Sycamore Flats, LLC* recorded 8/27/2012, a community facilities district (CFD) is planned to be established to finance certain police, fire and park maintenance costs (incurred as a result of development of the Property). The financing of these maintenance costs would be through the levy of a special tax on residential units located within the boundaries of the CFD. Final terms and conditions regarding the formation of the CFD shall be determined jointly by the City and Owner provided that the aggregate special tax levy on any parcel when established shall not exceed 2 percent of the value of such property. The City will determine, in its sole discretion, whether to form the CFD, and either party may terminate the CFD with 30 days written notice prior to the termination date of the CFD formation agreement.

CHAPTER 6

CITY OF RIALTO FISCAL ASSUMPTIONS

This Chapter presents the revenue and cost assumptions for the Lytle Creek Project Area fiscal analysis. Revenue and cost assumptions are based on the *City of Rialto, Fiscal Year 2013/2014 Budget*, with adjustments based on the City's *Mid-Year Presentation FY 13-14, City Council Approved Adjustments, 2/25/2014*, discussions with City finance staff, and the general assumptions presented in this Chapter.

The general City demographic and economic assumptions used for calculating fiscal factors are first presented. The assumptions for projecting recurring revenues are then presented followed by the assumptions for projecting recurring costs

6.1 City General Assumptions

Fiscal impacts that are not based on valuation and taxable sales are generally projected based on a per capita, per employee, or per service population basis. Some fiscal impacts are projected based on other factors, such as per unit or per acre, based on the available data. General fund revenue and cost factors are estimated by dividing the Fiscal Year (FY) 2013/2014 adjusted budget categories by the City's resident population, employment, total service population, or acres where appropriate. Table 6-1 provides the City's general assumptions for this fiscal analysis.

Population

Rialto's total population of 101,429 is based on the State Department of Finance (DOF) estimate as of January 1, 2014. The City population estimate is used for projecting certain revenues and costs on a per capita basis, such as State subvended gas taxes.

Employment

For fiscal factors that are impacted by only employment, such as business license taxes, the City's total employment is used as the basis for calculating the factor. Total employment for the City is estimated at 24,590. Payroll jobs for 2011 are estimated at 22,468 based on the relationship between the 2008 Census Longitudinal Employer-Household Dynamic (LEHD) and 2008 jobs provided by the City from the California Employment Development Department (EDD). Based on the Census 2009-2011 American Community Survey (ACS) Public Use Microdata Sample (PUMS), the self-employed by industry category for San Bernardino County

Table 6-1
City Population, Housing and Employment Assumptions
Lytle Creek Annexation Area
Plan for Service and Fiscal Analysis, City of Rialto

Assumption	Description
	<u>Population and Housing</u> ¹
100,982	Household Population
447	<u>Group Quarters Population</u>
101,429	Total Population
	<u>Employment</u> ²
22,468	Estimated Payroll Jobs
2,121	<u>Additional Estimated Self-Employed</u>
24,590	Total Estimated City Employment
11,234	Employment Weighted at 50% (excludes self-employed) ³
	<u>Population and Employment</u>
112,663	Service Population (Population + Weighted Employment)

- Note: 1. Population and housing estimates are from the California Department of Finance (DOF) for January 1, 2014
2. Annual payroll jobs for 2011 are estimated based on data on primary jobs obtained from Census LEHD adjusted for all payroll jobs based on the relationship between 2008 LEHD primary jobs and 2008 EDD total payroll jobs. Estimated rates of self-employed by industry for San Bernardino County are calculated from the Census American Community Survey (ACS) 2009-2011 Public Use Microdata Sample, (PUMS), as shown in Appendix Table B-1.
3. This analysis has weighted the employment at 50% to account for the estimated less frequent use of City services by employment versus population. The self-employed are not included because these jobs are assumed to be represented in the population estimate.

Sources: Stanley R. Hoffman Associates, Inc.

State of California, Department of Finance, *E-5 City/County Population and Housing Estimates for Cities, Counties, and the State, January 1, 2011-2014*, Sacramento, May 2014

City of Rialto, Economic Development Department

California Economic Development Department, Labor Market Division, *NAICS Sector Level Employment and Payroll Data, City of Rialto, 2008*

Census Longitudinal Employer-Household Dynamic (LEHD) program, 2008 and 2011

Census American Community Survey (ACS) 2009-11 Public Use Microdata (PUMS)

is applied to each EDD industry category. As shown in Appendix Table C-1, the self-employed for Rialto are estimated at 2,121. With the estimated self-employed, total employment is estimated 24,590 for the City.

Service Population

Fiscal factors that are impacted by both population and employment growth are estimated by allocating total budgeted revenues or costs to the estimated service population. Service population includes the City's resident population plus 50 percent of the total estimated City

employment. Employment is weighted at 50 percent to account for the estimated less frequent use of City services by employment versus population.

As shown in Table 6-1, the service population for the City is estimated at 112,663. The service population estimate includes the resident population of 101,429 and the weighted employment of 11,234 (50 percent of 22,468). The self-employed are not included in the weighted employment estimate because they are assumed to be represented in the population estimate.

6.2 City Revenue Assumptions

The General Fund Fiscal Year (FY) 2013/2014 adjusted revenues are presented in Appendix Table C-2. Since the adoption of the FY 2013/2014 Budget, City Council approved revenue amendments of \$3,097,443 that primarily included grants and other carry-forwards from the prior year adopted budget. Based on discussion with the City Finance Manager these revenues amendments are not projected in the fiscal analysis. In February 2014, mid-year revenue adjustments of \$1,783,079 were made to the City Budget, and these revenue adjustments are included in the appropriate revenue category, as shown in Appendix Table C-2.

Projected recurring revenues to the City General Fund include property tax; in lieu property tax (VLF); sales and use tax; in lieu property tax (sales and use tax); property transfer tax; franchise fees; SB509 sales tax-safety; utility user tax; business licenses and permits; animal licenses and permits; fines, forfeits and penalties; County Landfill excavation charges; charges for current services; interest on investments; rents and concessions; administrative fees; transfer from Gas Tax Fund; and other transfers to the General Fund.

The revenue factors for the recurring revenues projected in the fiscal analysis are summarized in Table 6-2 and described in the remainder of this section. These factors are based on the City's Fiscal Year (FY) 2013/2014 adjusted revenues shown in Appendix Table C-2 and the City's population and service population estimates that are presented in Table 6-1.

Property Tax

General Fund property tax is projected based on assessed valuation times the allocation of the basic one percent property tax levy for the tax rate area (TRA) in which a project is located. Neighborhoods II and III include areas already in the City of Rialto and unincorporated areas that will annex into the City. The calculations of the estimated property tax allocations are based on the formula and methodology provided by the San Bernardino County LAFCO.

Table 6-2
General Fund Recurring Revenue Factors
Lytle Creek Annexation Area
Plan for Service and Fiscal Analysis, City of Rialto
(In Constant 2014 Dollars)

Revenue Source	FY 2013-2014 Adjusted Budget	Projection Basis ¹	Projection Factor ¹
<u>Tax Revenue</u>			
Property Taxes ²	\$5,765,000	Assessed Valuation	14.52% Neighborhood II - Total area 14.87% Neighborhood II - Unincorporated area 13.99% Neighborhood III - Total area 14.22% Neighborhood III - Unincorporated area \$1,443 per \$1,000,000 assessed valuation
In Lieu Property Tax (VLF)	\$8,561,000	Case Study	\$1,443 per \$1,000,000 assessed valuation
Sales and Use Tax	\$7,849,000	Taxable Sales	75% of 1% of projected sales and use tax
In Lieu Property Tax (Sales Tax)	\$2,588,000	Taxable Sales	25% of 1% of projected sales and use tax
Use Tax Factor		Use Tax as Percent of Sales Tax	11.2% of sales tax
Property Transfer Tax	\$250,000	Property turnover and valuation assumptions	5.0% Residential turnover rate 5.0% Non-residential turnover rate \$0.55 per \$1,000 assessed valuation
Franchise Fees	\$3,130,000	Service Population = 112,663	\$27.78 per service population
SB509 Sales Tax-Safety	\$485,000	Population = 101,429	\$4.78 per capita
Utility User Tax	\$11,800,000	Service Population = 112,663	\$104.74 per service population
<u>Licenses and Permits</u>			
Business/Contractors/Truckers Licenses	\$1,777,000	Employment = 24,590	\$72.27 per employee
Dog Licenses	\$155,000	Population = 101,429	\$1.53 per capita
<u>Fines, Forfeits & Penalties</u>	\$484,000	Service Population = 112,663	\$4.30 per service population
<u>Revenue From Other Agencies</u>			
Motor Vehicle in Lieu Tax	\$0	Population = 101,429	\$0.00 per capita
County LF Excavation Charges ³	\$240,000	Service Population = 112,663	\$2.13 per service population
<u>Charges for Current Services</u>			
Animal Control Fees	\$13,000	Population = 101,429	\$0.13 per capita
Other Police Related Fees ⁴	\$297,433	Service Population = 112,663	\$2.64 per service population
Fire Related Inspections ⁵	\$300,000	Population = 101,429	\$2.96 per capita
Ambulance Service Fees/Subscriptions	\$1,860,000	Service Population = 112,663	\$16.51 per service population
Weed & Lot Cleaning	\$98,000	Service Population = 112,663	\$0.87 per service population
Other Current Services	\$4,100	Service Population = 112,663	\$0.04 per service population
<u>Interest on Investments</u>	\$358,850	Percent of Recurring Revenues	0.67% of projected recurring revenues
<u>Rents & Concessions</u>	\$221,000	Service Population = 112,663	\$1.96 per service population
<u>Administrative/Passport/Misc. Fees</u>	\$605,150	Population = 101,429	\$5.97 per capita
<u>Transfers In</u>			
Gas Tax Fund Transfer	\$1,496,080	Population = 101,429	\$14.75 per capita
Other Transfers ⁶	\$3,730,114	Population = 101,429	\$36.78 per capita
<u>Lytle Creek CFD Fees ⁷</u>	n/a	Case Study	\$104.00 per unit

- Note: 1. For fiscal factors that are based on population and employment, an estimated resident equivalent factor is applied, which represents the total population plus 50 percent of the total employment estimate.
2. The fiscal analysis projects property tax at the average of the basic one percent property tax allocations for tax rate areas (TRAs) for each Neighborhood. The calculation of the property tax allocations for each Neighborhood is presented in Appendix C.
3. This revenue is provided by City administrative staff, and represents the estimated share of total County Landfill revenues that are contributed from disposal by City residents.
4. The other police related fees category includes crime report copying, fingerprinting, reproduction charges, police false alarm responses, accident reports, general services, impound fees and crime analysis charges.
5. Fire related inspections include inspections for multi-family rentals.
6. The other transfers in category includes transfers to the General Fund from other funds, such as engineering, CFDs, CDBG and water.
7. Per Section 7 of the pre-annexation development agreement between the City and Lytle Development Company, a community facilities district (CFD) may be established to finance police, fire and park maintenance costs. The special tax levy is set at \$104 per unit.

Sources: Stanley R. Hoffman Associates, Inc.
City of Rialto, *Budget Fiscal Year 2013/2014*
City of Rialto, *Mid-Year Presentation FY 13-14, City Council Approved Budget Adjustments, 2/25/2014*
City of Rialto, Administrative, Finance, Economic Development and Public Works Departments
State of California, Department of Finance, *E-5 City/County Population and Housing Estimates for Cities, Counties and the State, January 1, 2011-2014*, Sacramento, May 2014
California Economic Development Department, Labor Market Division, *NAICS Sector Level Employment and Payroll Data, City of Rialto, 2008*
Census Longitudinal Employer-Household Dynamic (LEHD) program, 2008 and 2011
Census American Community Survey (ACS) 2009-11 Public Use Microdata (PUMS)
Pre-Annexation and Development Agreement Between The City of Rialto and Lytle Development Company, Recorded in Official Records, County of San Bernardino, Doc#: 2012-0346185, 8/27/2012

Appendix Tables A-7 and A-8 present the projected property tax to the City General Fund for the first five years of the development period and after buildout for Neighborhood II and Neighborhood III for the Annexation Area Only and for the Total Project. The property tax is based on the estimated assessed valuation for each neighborhood and the following property tax allocation rates.

Neighborhood II. The average property tax allocation of the basic one percent property tax levy to the Rialto General Fund is 14.52 percent for the portion of Neighborhood II already within the city limits; the average for the unincorporated part of Neighborhood II is 14.87 percent upon annexation to the City. Appendix Table C-3 presents the TRA allocations in Neighborhood II and the calculation of the estimated property tax allocation for Neighborhood II upon annexation is presented in Appendix Tables C-4.

Neighborhood III. The estimated property tax allocation of the one percent basic levy to the Rialto General Fund for Neighborhood III is 13.99 percent for the portion already within the city limits; the average for the unincorporated area within Neighborhood III is 14.22 percent upon annexations. Appendix Table C-5 includes the TRA allocations for Neighborhood III and Table C-6 presents the calculation of the estimated property tax allocation for Neighborhood III upon annexation to Rialto.

In Lieu Property Tax (VLF)

Cities and counties began receiving additional property tax revenue to replace vehicle license fee (VLF) revenue that was lowered when the state reduced the vehicle license tax in 2004. This property tax in lieu of VLF is projected to grow with the change in the Citywide gross assessed valuation (AV) of taxable property from the prior year. Property tax in lieu of VLF revenue is allocated in addition to other property tax apportionments.

As shown in Appendix Table C-7, the property tax in lieu of VLF in the City is projected to increase at \$1,443 per million dollars of new assessed valuation (AV). This factor is based on the change in AV and the change in property tax in lieu of VLF in the City over the period from fiscal year 2004-2005 to fiscal year 2013-2014. The change over the period from fiscal year 2004-2005 to fiscal year 2013-2014 is used to represent an average of the economic upturns and downturns.

Sales and Use Tax

As part of the total sales tax levied by the State, all cities and counties in the State generally receive a basic one percent (1.0 percent) sales tax and have the option to levy additional sales taxes under certain circumstances. In addition to sales tax revenue, the City receives revenues from the use tax, which is levied on shipments into the state and on construction materials for

new residential and non-residential development not allocated to a situs location. Use tax is allocated by the State Board of Equalization (BOE) to counties and cities based on each jurisdiction's proportion of countywide and statewide direct taxable sales.

Appendix Table C-8 presents the City sales and use tax for calendar year 2013 provided by Hinderliter de Llamas and Associates (HdL). HdL estimates that \$1,070,015 of total sales and use tax was made from levies designated as use tax and the remaining \$9,519,326 of the sales and use tax was point-of-sale sales tax. Therefore, use tax revenues to the City of Rialto are estimated at an additional 11.2 percent of point-of-sale sales tax.

Sales and use tax is projected at 75.0 percent of the total sales and use tax generated because the State has reduced the local sales tax allocation (1.0 percent) by 25.0 percent and replaced this with a dollar-for-dollar allocation of local property tax from County ERAF funds.

Real Property Transfer Tax

Sales of real property are taxed by San Bernardino County at a rate of \$1.10 per \$1,000 of property value. For property located in the City, property transfer tax is divided equally between the City and the County, with the City receiving \$0.55 per \$1,000 of transferred property value. Based on the U.S. Census Bureau, 2008-2012 American Community Survey, residential development in the City is assumed to change ownership at an average rate of about 5.0 percent per year (Appendix Table C-9). While change of ownership data is not available for businesses, non-residential development is also assumed to change ownership at an average rate of 5.0 percent per year.

Franchise Fees

The City receives a franchise fee from telephone/mobile, natural gas, electricity, water, cable/satellite and wastewater businesses within Rialto for use of public rights-of-way. Based on the City Fiscal Year (FY) 2013-2014 adjusted franchise revenues of \$3,130,000, franchise taxes are projected at \$27.78 per service population (112,663), as shown in Table 6-2.

SB509 Sales Tax – Safety

These revenues are projected at \$4.78 per capita based on the City FY 2013/2014 adjusted revenue amount of \$485,000 and the population estimate of 101,429.

Utility User Tax

Rialto levies a utility user tax on the sale of electricity, natural gas, telephone/mobile, water,

wastewater and cable/satellite services within the City. As shown in Table 6-2, based on the City FY 2013/2014 adjusted revenue amount of \$11,800,000 and the City's estimated service population of 112,663, utility user taxes are projected at \$104.74 per service population. This tax will sunset in 2018 unless it is renewed by a majority vote of the residents of Rialto.

Licenses and Permits

Business/contractors/truckers licenses and dog licenses are included in this category.

Business Licenses. Business/contractors/truckers licenses are projected at \$72.27 per employee based on FY 2013/2014 adjusted business license revenues of \$1,777,000 and the City employment estimate of 24,590.

Dog Licenses. Dog licenses are projected at \$1.53 per capita based on the FY 2013/2014 adjusted revenue amount of \$155,000 and the existing City population estimate of 101,429. These projected revenues are combined with projected animal control fees in the projected fiscal impacts for the annexation.

Fines, Forfeits and Penalties

As shown in Table 6-2, these revenues are projected at \$4.30 per service population based on FY 2013/2014 adjusted revenues of \$484,000 thousand and the service population estimate of 112,663. Revenues in this category include parking fines, court fines, and other fines/forfeits/penalties.

County Landfill Charges

City Finance Department staff estimates that about 10 percent of the FY 2013/2014 adjusted County landfill revenues of \$2,400,000, or \$240,000, are from disposal fees from City residents. Based on this estimate of \$240,000 of revenues and the City's estimated service population of 112,663, these revenues are projected at \$2.13 per service population, as shown in Table 6-2.

Based on discussion with the City Finance Manager, these revenues are the City's portion of tonnage fees collected at the County-owned landfill located in the City. The City's waste hauler, Burrtec Industries, has an exclusive franchise with the City and part of the franchise agreement is that Burrtec Industries will dispose of the waste collected from City residents at the County-owned landfill located in the City. Therefore, these revenues are assumed to increase with the growth planned for the Lytle Creek Annexation Area.

Charges for Current Services

Current service charges include animal control, other police department fees, ambulance service fees/subscriptions, weed and lot cleaning and other current services. Based on the City FY

2013/2014 adjusted revenue amounts these revenues for current services are projected as follows.

Animal Control Fees. These fees are projected at \$0.13 per capita based on revenues of \$13,000 and the current city population estimate of 101,429. Projected animal control fees are combined with future dog licenses in the projected fiscal impacts for the annexation.

Other Police Related Fees. These revenues are projected at \$2.64 per service population based on FY 2013/2014 adjusted revenues of \$297,433 and the estimated current City service population of 112,663.

Ambulance Service Fees/Subscriptions. These revenues are projected at \$16.51 per service population based on FY 2013/2014 adjusted revenues of \$1,860,000 and the estimated current City service population, as shown in Table 6-2.

Weed and Lot Cleaning Fees. These revenues are projected at \$0.87 per service population based on FY 2013/2014 revenues of \$98,000 and the estimated current City service population.

Other Current Services. These revenues are not projected because of the small amount of \$500 in the FY 2013/2014 adjusted revenues.

Interest on Investments

These revenues are projected at 0.67percent of the projected recurring General Fund revenues in the fiscal analysis based on FY 2013/2014adjusted estimated interest earnings of \$358,850 and non-interest General Fund projected recurring revenues of \$52,715,300.

Rents and Concessions

As shown in Table 6-2, these revenues are projected at \$1.96 per service population based on FY 2013/2014adjusted revenues of \$221,000 and the City service population estimate of 112,663.

Administrative, Passport and Miscellaneous Fees

These revenues are projected at \$5.97per capita based on FY 2013/2014adjusted revenues of \$605,150 and the City population estimate of 101,429.

Transfers In

These revenues include transfers to the City General Fund from the Gas Tax Fund and other appropriate City funds.

Gas Tax Fund Transfer. Gas tax revenues are earmarked for road related costs including capital and maintenance functions. State gasoline taxes transferred to the General Fund are projected at \$14.75per capita based on the FY 2013/2014adjusted revenue amount of \$1,496,080 and the City population estimate of 101,429.

Other Transfers. These revenues include transfers to the General Fund from other funds, such as engineering, community facility districts (CFDs), Community Development

Block Grant (CDBG), landscaping maintenance and water. As shown in Table 6-2, other transfers to the General Fund are projected at \$36.78 per capita based on the FY 2013/2014 adjusted revenue amount of \$3,730,114 and the City's estimated population.

Lytle Creek CFD Fees

Per Section 7 of the 2012 pre-annexation agreement between the City and Lytle Development Company, a community facilities district (CFD) may be established to finance annual police, fire and park maintenance costs. The special tax levy per the development agreement is \$104 per residential unit.

6.3 City Cost Assumptions

The General Fund cost factors that are used in preparing the fiscal analysis for the Lytle Creek Annexation are presented in Table 6-3. These factors are based on the adjustments to the City's Fiscal Year (FY) 2013/2014 Budget shown in Table 6-4 and the City's population and service population estimates that are presented in Table 6-1.

Since the adoption of the FY 2013/2014 Budget, City Council approved expense amendments of \$4,624,853 that primarily included grants and other carry-forwards from the prior year adopted budget. Based on discussion with the City Finance Manager these amendments are not projected in the fiscal analysis. In February 2014, mid-year expense adjustments of \$545,599 were made to the City Budget, primarily for liability insurance and other general government expenditures. The mid-year expense adjustments of \$545,599 are included in the fiscal analysis as general government costs. In addition, City administrative staff made increases to fire, police and public works costs in order to reflect a budget with normalized staffing and service levels.

Projected General Fund expenditures include general government, or overhead functions, and the following non-general government services of fire, police, recreation, development services, and public works. The fiscal analysis also projects contingency costs at 5 percent of recurring costs and includes the projected street maintenance cost funded through the City Gas Tax Fund.

General Government

General government costs such as City Administrator, City Council, City Clerk, City Treasurer, Human Resources, Finance, the City Cemetery and Non-Departmental expenditures, provide overhead services that cannot be directly linked to a specific department. General government costs include administration and support of departmental line costs such as police, fire and public

Table 6-3
General Fund Recurring Cost Factors
Lytle Creek Annexation Area
Plan for Service and Fiscal Analysis, City of Rialto
(In Constant 2014 Dollars)

Cost Category	FY 2013-2014 Budget		Projection Basis ¹	Cost Factor ¹
	Total	Adjusted		
GENERAL FUND				
General Government	\$9,151,138	\$6,863,354	Percent of General Fund Costs	11.7% of direct department costs, at a 75% marginal rate
Fire	\$15,488,832	\$16,888,832	Service Population = 112,663	\$149.91 per service population
Police	\$25,002,777	\$27,402,777	Service Population = 112,663	\$243.23 per service population
Recreation	\$1,258,356	\$1,258,356	Population = 101,429	\$12.41 per capita
Development Services:				
Engineering ²	\$1,973,988	\$444,942	Service Population = 112,663	\$3.95 per service population
Business Licensing	\$136,026	\$136,026	Employment = 24,590	\$5.53 per employee
Code Enforcement ³	\$826,337	\$775,337	Service Population = 112,663	\$6.88 per service population
Public Works:				
Public Works Administration	\$392,720	\$488,897	Service Population = 112,663	\$4.34 per service population
Community Building Maintenance	\$984,338	\$1,225,403	Service Population = 112,663	\$10.88 per service population
Park Maintenance ⁴	\$2,319,939	\$2,888,092	City Park Acres = 134	\$21,600 per acre
Graffiti Removal	\$102,880	\$128,075	Service Population = 112,663	\$1.14 per service population
Engineering Services and Projects ⁵	\$1,440,648	\$337,848	Service Population = 112,663	\$3.00 per service population
Street Maintenance - MOE	\$2,168,835	\$2,699,983	Service Population = 112,663	\$23.97 per service population
Traffic Safety	\$709,954	\$883,822	Service Population = 112,663	\$7.84 per service population
Storm Drain Program	\$330,688	\$411,674	Service Population = 112,663	\$3.65 per service population
Contingency	n/a	n/a	Case Study	5.0% of total recurring costs
GAS TAX FUND				
Street Maintenance ⁶	\$1,496,080	\$1,496,080	Service Population = 112,663	\$13.28 per service population

Note: 1. For cost factors that are based on population and employment, the estimated Rialto service population is used to calculate the cost factor. The service population factor is applied to the estimated City Lytle Creek Specific Plan service population.
2. Net development services - engineering costs of \$444,942 are the budgeted costs of \$1,973,988 minus projected one-time fees, permits, and charges for services revenues of \$1,529,046, as shown in Panel A of Table C-10.
3. Net code enforcement costs of \$775,337 are the budgeted costs of \$826,337 minus projected one-time charges for services of \$51,000, as shown in Panel B of Table C-10.
4. Based on the park maintenance cost in the City budget and the 134 City park acres, park costs are projected at \$21,600 per acre.
5. Net public works engineering services and projects costs of \$337,848 are the service level adjusted budget costs of \$1,440,648 minus projected one-time fees for services revenues of \$1,102,800, as shown in Table C-11.
6. Traffic/street sweeping/street maintenance funding is provided through the Gas Tax Fund. According to the City's Fiscal Policy for New Development and Annexations, the City requires that new development annex into Landscaping and Lighting Maintenance District No. 2, or other appropriate financing district, for landscape maintenance of arterials and street lighting.

Sources: Stanley R. Hoffman Associates, Inc.
City of Rialto, *Budget Fiscal Year 2013/2014*
City of Rialto, *Mid-Year Presentation FY 13-14, City Council Approved Budget Adjustments, 2/25/2014*
City of Rialto, Administrative, Finance, Economic Development and Public Works Departments
State of California, Department of Finance, *E-5 City/County Population and Housing Estimates for Cities, Counties and the State, January 1, 2011-2014*, Sacramento, May 2014
City of Rialto, Administrative, Finance, Economic Development and Public Works Departments
California Economic Development Department, Labor Market Division, *NAICS Sector Level Employment and Payroll Data, Rialto*
Census Longitudinal Employer-Household Dynamic (LEHD) program, 2008 and 2011
Census American Community Survey (ACS) 2009-11 Public Use Microdata (PUMS)

Table 6-4
Calculation of City General Government Overhead Rate
Lytle Creek Annexation Area
Plan for Service and Fiscal Analysis, City of Rialto
(In Constant 2014 Dollars)

A. CURRENT GENERAL FUND EXPENDITURES AND OVERHEAD RATE

	Fiscal Year 2013/2014				Revised Expenditure Amount		
	Adopted Budget	Budget Amendments and Mid-Year Adjustments ¹	Service Level Budget Adjustments ²	Total Revised Budget	Not Projected in Fiscal Analysis ¹	General Government	Non-General Government
General Fund Expenditures							
General Government							
City Administrator	\$560,592	\$0	\$0	\$560,592		\$560,592	
City Council	313,525	0	0	313,525		313,525	
City Clerk	1,017,145	0	0	1,017,145		1,017,145	
City Treasurer	323,057	0	0	323,057		323,057	
Human Resources	526,119	0	0	526,119		526,119	
Finance	1,536,026	0	0	1,536,026		1,536,026	
Cemetery	12,400	0	0	12,400		12,400	
Non-Department Expenditures	4,316,675	0	0	4,316,675		4,316,675	
Budget Amendments: Grants and Carry-Forwards ³	0	4,624,853	0	4,624,853	\$4,624,853		
Mid-Year Budget Adjustment	0	545,599	0	545,599		545,599	
Non-General Government							
Engineering and Development Services	\$1,973,988	\$0	\$0	\$1,973,988			\$1,973,988
Development Services - Business Licensing	136,026	0	0	136,026			136,026
Development Services - Code Enforcement	826,337	0	0	826,337			826,337
Fire	15,488,832	0	1,400,000	16,888,832			16,888,832
Police	25,002,777	0	2,400,000	27,402,777			27,402,777
Public Works:							
Administration	392,720	0	96,177	488,897			488,897
Building Maintenance	733,188	0	179,558	912,746			912,746
Park Maintenance	2,319,939	0	568,153	2,888,092			2,888,092
Graffiti	102,880	0	25,195	128,075			128,075
Community Buildings	251,150	0	61,507	312,657			312,657
Engineering Services	737,854	0	180,701	918,555			918,555
Engineering - Projects	419,386	0	102,708	522,094			522,094
Street Maintenance/Street Sweeping/Traffic Signals	2,168,835	0	531,148	2,699,983			2,699,983
Traffic Safety	709,954	0	173,868	883,822			883,822
Storm Drain Program	330,688	0	80,986	411,674			411,674
Public Works Total	8,166,594	0	2,000,000	10,166,594			10,166,594
Recreation	1,258,356	0	0	1,258,356			1,258,356
Landscape maintenance	0	0	0	0			0
GRAND TOTAL GENERAL FUND	\$61,458,449	\$5,170,452	\$5,800,000	\$72,428,901	\$4,624,853	\$9,151,138	\$58,652,910

B. GENERAL FUND OVERHEAD RATE

Current General Government Overhead Rate

General Government Expenditures			\$9,151,138
	divided by		
Direct General Fund Expenditures			\$58,652,910
	equals		
Current General Government Overhead Rate			15.6%
Overhead Rate At 75% Marginal Increase			11.7%

Note: 1. Since the adoption of the Fiscal Year (FY) 2013/2014 Budget, City Council approved expense amendments of about \$4.6 million that primarily included grants and carry-forwards. Based on discussion with the City Finance Manager, these expense amendments of \$4.6 million are not projected in the fiscal analysis. In February 2014, mid-year expense adjustments of \$545,599 were made to the City Budget, primarily for liability insurance and other general government expenditures. These mid-year expense adjustments of \$545,599 are included in the fiscal analysis as general government costs.

2. The City administrative staff have provided cost estimates that would restore staff levels in police, fire and public works departments to 2010 service levels.

Sources: Stanley R. Hoffman Associates, Inc.
City of Rialto, *Budget Fiscal Year 2013/2014*
City of Rialto, *Mid-Year Presentation FY 13-14, City Council Approved Budget Adjustments, 2/25/2014*
City of Rialto, City Administrator and Development Services Department

works. These costs are usually viewed as citywide overhead and are projected using an overhead rate applied to departmental line costs.

As shown in Panel B of Table 6-4, FY 2013/2014 revised general government costs of \$9,151,138 represent about 15.6 percent of revised direct line costs of \$58,652,910. However, overhead costs are not assumed to increase on a one-to-one basis for new development. Based on discussion with City staff, general government costs are projected at a marginal rate of 75 percent, or at 11.7 percent of direct costs.

Fire

As shown previously in Table 6-3, fire protection costs are projected at \$149.91 per service population based on FY 2013/2014 revised expenditures of \$16,888,832 and the City's estimated 112,663 service population.

Police

Police costs are projected at \$243.23 per service population, as shown in Table 6-3, based on FY 2013/2014 revised expenditures of \$27,402,777 and the City's service population estimate of 112,663.

Recreation

As shown in Table 6-3, recreation costs are projected at \$12.41 per capita based on FY 2013/2014 expenditures of \$1,258,356 and the City's population estimate of 101,429.

Development Services

Development services include engineering, business licensing and code enforcement. Based on the City FY 2013/2014 amounts these revenues for development services are projected as follows.

Engineering. Based on FY 2013/2014 net engineering costs of \$444,942 and the City service population estimate of 112,663, non-fee supported costs for engineering are estimated at \$3.95 per service population. As shown in Table 6-3, the total General Fund engineering costs of \$1,973,988 are offset by one-time development related permit and fee revenues of \$1,529,046. Panel A of Appendix Table C-10 presents the calculation of the net engineering cost factor.

Business Licensing. Non-fee supported business licensing costs are estimated at \$5.53 per employee based on FY 2013/2014 business licensing costs of \$136,026 and the City employment estimate of 24,590.

Code Enforcement. Code enforcement costs are projected at \$6.88 per service population based on FY 2013/2014 net code enforcement costs of \$775,337 and the City's service

population estimate of 112,663. As shown in Table 6-3, budgeted code enforcement costs of \$826,337 are offset by one-time development related permit and fee revenues of \$51,000. Panel B of Appendix Table C-10 presents the calculation of the net code enforcement cost factor.

Public Works

Public works costs include department administration, community building maintenance, park maintenance, graffiti removal, engineering services and projects, street maintenance/street sweeping/traffic signals, traffic safety and storm drain program costs.

Administration. As shown previously in Table 6-3, public works administration costs are projected at \$4.34 per service population based on FY 2013/2014 revised costs of \$488,897 and the City service population estimate of 112,663.

Community Building Maintenance. Public works community building maintenance and operations costs are projected at \$10.88 per service population. These costs are based on FY 2013/2014 adjusted budget costs of \$1,225,403 and the current City service population.

Park Maintenance. Public works park maintenance costs are projected at \$21,600 per acre for the planned community park in the Lytle Creek Project Area. This cost factor is based on FY 2013/2014 adjusted budget costs of \$2,888,092 for park maintenance for the existing 134 City park acres.

Graffiti Removal. Public works costs for graffiti removal are projected at \$1.14 per service population. This factor is based on the FY 2013/2014 adjusted budget amount of \$128,075 and the City service population estimate of 112,663, as shown in Table 6-3.

Engineering Services and Projects. Based on adjusted FY 2013/2014 public works net engineering costs of \$337,848 and the City service population estimate of 112,663, non-fee supported costs for engineering are estimated at \$3.00 per service population. Total General Fund public works engineering costs of \$1,440,648 are offset by one-time development related permit and fee revenues of \$1,102,800, as shown in Appendix Table C-11.

Street Maintenance/Street Sweeping/Traffic Signals. Based on FY 2013/2014 adjusted costs of \$2,699,983 and the City service population estimate of 112,663, General Fund street maintenance/street sweeping/traffic signal costs are estimated at \$23.97 per service population, as shown in Table 6-3.

Traffic Safety. Public works costs for traffic safety are projected at \$7.84 per service population. This factor is based on the FY 2013/2014 adjusted budget amount of \$883,822 and the City service population estimate of 112,663.

Storm Drain Program. Costs for the public works storm drain program are projected at \$3.65 per service population based on FY 2013/2014 adjusted costs of \$411,674 and the current City service population estimate of 112,663.

Contingency

The fiscal analysis assumes a 5 percent contingency cost factor, based on discussion with city finance staff, to account for unanticipated costs that may be incurred due to economic and State

Budget uncertainties. The 5 percent contingency factor is applied to the projected total costs, including general government.

Gas Tax Fund

As shown previously in Table 6-3, part of the funding for Citywide traffic safety operations, street maintenance, street sweeping and traffic signals costs are provided through the Gas Tax Fund. The costs funded through the Gas Tax Fund are projected at \$13.28 per service population based on FY 2013/2014 budget costs of \$1,496,080 and the City service population estimate of 112,663.

APPENDIX A PHASED LAND USE TABLES

Table A-1
Phased Residential Development Description: Annexation Area Only
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	Annexation Area Only					Buildout (2026)
	2016	2017	2018	2019	2020	
A. RESIDENTIAL UNITS						
<u>Incremental Units</u>						
Single Family 1 (2-5 du/acre)	0	0	0	21	28	149
Single Family 2 (5-8 du/acre)	0	0	0	48	182	1,095
Single Family 3 (8-14 du/acre)	0	78	156	178	258	1,380
Multi-Family (14-28 du/acre)	0	0	0	54	51	199
High Density (25-35 du/acre)	0	0	64	200	100	364
Total Incremental Units	0	78	220	501	619	3,187
<i>Cumulative Units</i>	0	78	298	799	1,418	
B. POPULATION (@ 2.919 per unit)						
<u>Total Incremental Population</u>	0	228	642	1,463	1,807	9,304
<i>Cumulative Population</i>	0	228	870	2,333	4,140	

Sources: Stanley R. Hoffman Associates, Inc.
Lytle Development Company, May 2014
Stoffel & Associates, *Analysis of Retail Demand and Opportunities for the Lytle Creek Planned Community*,
Rialto, CA, October 2008 Update

Table A-2
Phased Residential Development Description: Total Project
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	Total Project					Buildout (2026)
	2016	2017	2018	2019	2020	
A. RESIDENTIAL UNITS						
<u>Incremental Units</u>						
Single Family 1 (2-5 du/acre)	0	0	28	33	42	467
Single Family 2 (5-8 du/acre)	0	87	146	166	264	1,908
Single Family 3 (8-14 du/acre)	0	114	228	196	258	1,937
Multi-Family (14-28 du/acre)	0	0	0	54	108	959
High Density (25-35 du/acre)	0	0	64	200	100	989
Total Incremental Units	0	201	466	649	772	6,260
<i>Cumulative Units</i>	0	201	667	1,316	2,088	
B. POPULATION (@ 2.919 per unit)						
<u>Total Incremental Population</u>	0	587	1,360	1,894	2,253	18,272
<i>Cumulative Population</i>	0	587	1,947	3,841	6,094	

Sources: Stanley R. Hoffman Associates, Inc.
Lytle Development Company, May 2014
Stoffel & Associates, *Analysis of Retail Demand and Opportunities for the Lytle Creek Planned Community*,
Rialto, CA, October 2008 Update

Table A-3
Phased Non-Residential Development Description: Annexation Area Only
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	Annexation Area Only					Buildout (2026)
	2016	2017	2018	2019	2020	
A. COMMERCIAL SQUARE FEET						
Total Incremental Square Feet	0	10,977	0	0	56,167	235,645
<i>Cumulative Square Feet</i>	0	10,977	10,977	10,977	67,144	
B. EMPLOYMENT (@ 500 square feet per employee)						
Neighborhood II	0	22	0	0	0	22
Neighborhood III	0	0	0	0	112	448
Total Incremental Employment	0	22	0	0	112	470
<i>Cumulative Employment</i>	0	22	22	22	134	
C. ON-SITE SALES AND USE TAX ¹						
Neighborhood II	\$0	\$27,464	\$0	\$0	\$0	\$27,464
Neighborhood III	0	0	0	0	140,530	562,120
Total On-Site Sales and Use Tax ²	\$0	\$27,464	\$0	\$0	\$140,530	\$589,584
<i>Cumulative Sales and Use Tax</i>	\$0	\$27,464	\$27,464	\$27,464	\$167,994	

Note: 1. Sales tax is projected at \$225 per square foot and use tax is estimated at 11.2 percent of sales tax.
2. As of July 1, 2004, the State has reduced the local sales tax allocation by 25%, and replaced this 25% reduction of sales tax with a dollar-for-dollar allocation of local property tax from County ERAF funds. Therefore, the fiscal projections at buildout show on-site sales and use tax at 75% of the total, or \$442,188, and the remaining amount of \$147,396 as in lieu property tax (sales and use tax).

Sources: Stanley R. Hoffman Associates, Inc.
Lytle Development Company, May 2014
Stoffel & Associates, Analysis of Retail Demand and Opportunities for the Lytle Creek Planned Community,
Rialto, CA, October 2008 Update

Table A-4
Phased Non-Residential Development Description: Total Project
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	Total Project					Buildout (2026)
	2016	2017	2018	2019	2020	
A. COMMERCIAL SQUARE FEET						
Neighborhood II		54,885	18,295	29,272	0	102,452
Neighborhood III		0	115,478	115,478	83,831	566,280
Total Incremental Square Feet	0	54,885	133,773	144,750	83,831	668,732
<i>Cumulative Square Feet</i>	0	54,885	188,658	333,408	417,239	
B. EMPLOYMENT (@ 500 square feet per employee)						
Total Incremental Employment	0	110	268	290	168	1,340
<i>Cumulative Employment</i>	0	110	378	668	836	
C. SALES AND USE TAX ¹						
Neighborhood II		\$137,322	\$45,774	\$73,239	\$0	\$256,335
Neighborhood III		0	288,926	288,926	209,745	1,416,832
Total On-Site Sales and Use Tax ²	\$0	\$137,322	\$334,700	\$362,165	\$209,745	\$1,673,167
<i>Cumulative Sales and Use Tax</i>	\$0	\$137,322	\$472,022	\$834,187	\$1,043,932	

Note: 1. Sales tax is projected at \$225 per square foot and use tax is estimated at 11.2 percent of sales tax.
2. As of July 1, 2004, the State has reduced the local sales tax allocation by 25%, and replaced this 25% reduction of sales tax with a dollar-for-dollar allocation of local property tax from County ERAF funds. Therefore, the fiscal projections at buildout show on-site sales and use tax at 75% of the total, or \$1,254,875, and the remaining amount of \$418,292 as in lieu property tax (sales and use tax).

Sources: Stanley R. Hoffman Associates, Inc.
Lytle Development Company, May 2014
Stoffel & Associates, Analysis of Retail Demand and Opportunities for the Lytle Creek Planned Community,
Rialto, CA, October 2008 Update

Table A-5
Phased Assessed Valuation: Annexation Area Only
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category		Annexation Area Only					
		2016	2017	2018	2019	2020	Buildout (2026)
A. NEW RESIDENTIAL ASSESSED VALUATION							
	Average Value per Unit						
<u>Total New Residential Valuation</u>							
Single Family 1 (2-5 du/acre)	\$598,742	\$0	\$0	\$0	\$11,812,500	\$15,750,000	\$89,212,500
Single Family 2 (5-8 du/acre)	\$437,197	0	0	0	21,341,290	79,057,194	478,730,973
Single Family 3 (8-14 du/acre)	\$314,533	0	22,053,358	45,803,128	55,885,172	83,394,408	434,055,967
Multi-Family (14-28 du/acre)	\$263,332	0	0	0	13,618,494	13,376,388	52,403,052
High Density (25-35 du/acre)	\$220,000	0	0	14,080,000	44,000,000	22,000,000	80,080,000
Total New Residential Valuation	\$355,972	\$0	\$22,053,358	\$59,883,128	\$146,657,457	\$213,577,990	\$1,134,482,491
Cumulative New Residential Valuation		\$0	\$22,053,358	\$81,936,486	\$228,593,943	\$442,171,933	
B. NEW RETAIL ASSESSED VALUATION (@ \$300 per square foot)							
<u>Incremental Retail Assessed Valuation</u>		\$0	\$3,293,100	\$0	\$0	\$16,850,100	\$70,693,500
Cumulative New Retail Valuation		\$0	\$3,293,100	\$3,293,100	\$3,293,100	\$20,143,200	
C. NET ASSESSED VALUATION INCREASE							
New Residential Valuation		\$0	\$22,053,358	\$59,883,128	\$146,657,457	\$213,577,990	\$1,134,482,491
New Retail Valuation		0	3,293,100	0	0	16,850,100	70,693,500
Total New Assessed Valuation		\$0	\$25,346,458	\$59,883,128	\$146,657,457	\$230,428,090	\$1,205,175,991
			minus	minus	minus	minus	minus
Existing Valuation		\$3,442,879	\$2,223,980	\$0	\$1,218,899	\$0	\$3,442,879
equals							
Total Net Assessed Valuation Increase		\$3,442,879	\$23,122,478	\$59,883,128	\$145,438,558	\$230,428,090	\$1,201,733,112
Cumulative Net Assessed Valuation Increase		\$3,442,879	\$23,122,478	\$83,005,606	\$228,444,164	\$458,872,254	

Sources: Stanley R. Hoffman Associates, Inc.
Lytle Development Company, May 2014

Table A-6
Phased Assessed Valuation: Total Project
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

		Total Project					
Category		2016	2017	2018	2019	2020	Buildout (2026)
A. NEW RESIDENTIAL ASSESSED VALUATION							
	Average Value per Unit						
<u>Total New Residential Valuation</u>							
Single Family 1 (2-5 du/acre)	\$565,242	\$0	\$0	\$10,150,000	\$16,162,500	\$23,625,000	\$263,968,000
Single Family 2 (5-8 du/acre)	\$468,637	0	49,957,060	89,570,000	80,511,984	116,515,566	894,159,600
Single Family 3 (8-14 du/acre)	\$300,947	0	22,053,358	45,803,128	55,885,172	83,394,408	582,933,509
Multi-Family (14-28 du/acre)	\$261,614	0	0	0	13,618,494	28,326,469	250,887,427
High Density (25-35 du/acre)	\$220,000	0	0	14,080,000	44,000,000	22,000,000	217,580,000
Total New Residential Valuation	\$352,960	\$0	\$72,010,418	\$159,603,128	\$210,178,151	\$273,861,443	\$2,209,528,535
Cumulative New Residential Valuation		\$0	\$72,010,418	\$231,613,546	\$441,791,697	\$715,653,140	
B. NEW RETAIL ASSESSED VALUATION (@ \$300 per square foot)							
<u>Incremental Retail Assessed Valuation</u>		\$0	\$16,465,500	\$40,131,900	\$43,425,000	\$25,149,300	\$200,619,600
Cumulative New Retail Valuation		\$0	\$16,465,500	\$56,597,400	\$100,022,400	\$125,171,700	
C. NET ASSESSED VALUATION INCREASE							
New Residential Valuation		\$0	\$72,010,418	\$159,603,128	\$210,178,151	\$273,861,443	\$2,209,528,535
New Retail Valuation		0	16,465,500	40,131,900	43,425,000	25,149,300	200,619,600
Total New Assessed Valuation		\$0	\$88,475,918	\$199,735,028	\$253,603,151	\$299,010,743	\$2,410,148,135
minus			minus	minus	minus	minus	minus
Existing Valuation		\$14,520,605	\$8,804,578	\$5,716,027	\$0	\$0	\$14,520,605
equals							
Total Net Assessed Valuation Increase		\$14,520,605	\$79,671,340	\$194,019,001	\$253,603,151	\$299,010,743	\$2,395,627,530
Cumulative Net Assessed Valuation Increase		\$14,520,605	\$79,671,340	\$273,690,341	\$527,293,492	\$826,304,235	

Sources: Stanley R. Hoffman Associates, Inc.
Lytle Development Company, May 2014

Table A-7
 Phased Property Tax: Annexation Area Only
 Lytle Creek Project Plan for Service and Fiscal Analysis
 City of Rialto
 (In Constant 2014 Dollars)

Category	Annexation Area Only					
	2016	2017	2018	2019	2020	Buildout (2026)
Neighborhood II - Assessed Valuation and Property Tax						
New Residential Valuation	\$0	\$22,053,358	\$59,883,128	\$107,342,672	\$141,180,000	\$804,909,159
New Retail Valuation	0	<u>3,293,100</u>	0	0	0	<u>3,293,100</u>
Neighborhood II New Assessed Valuation	\$0	\$25,346,458	\$59,883,128	\$107,342,672	\$141,180,000	\$808,202,259
		<i>minus</i>	<i>minus</i>	<i>minus</i>	<i>minus</i>	<i>minus</i>
Existing Valuation	\$2,223,980	\$2,223,980	\$0	\$0	\$0	\$2,223,980
		<i>equals</i>	<i>equals</i>	<i>equals</i>	<i>equals</i>	<i>equals</i>
Neighborhood II Net Assessed Valuation (AV)	\$2,223,980	\$23,122,478	\$59,883,128	\$107,342,672	\$141,180,000	\$805,978,279
Cumulative Net AV	\$2,223,980	\$23,122,478	\$83,005,606	\$190,348,279	\$331,528,279	
1% Property Tax Levy	\$22,240	\$231,225	\$830,056	\$1,903,483	\$3,315,283	\$8,059,783
General Fund Property Tax	Share of 1 Percent 14.87%	\$3,307	\$34,383	\$123,429	\$283,048	\$492,983
						\$1,198,490
Neighborhood III - Assessed Valuation and Property Tax						
New Residential Valuation	\$0	\$0	\$0	\$39,314,784	\$72,397,990	\$329,573,332
New Retail Valuation	0	0	0	0	<u>16,850,100</u>	<u>67,400,400</u>
Neighborhood III New Assessed Valuation	\$0	\$0	\$0	\$39,314,784	\$89,248,090	\$396,973,732
		<i>minus</i>	<i>minus</i>	<i>minus</i>	<i>minus</i>	<i>minus</i>
Existing Valuation	\$1,218,899	\$0	\$0	\$1,218,899	\$0	\$1,218,899
		<i>equals</i>	<i>equals</i>	<i>equals</i>	<i>equals</i>	<i>equals</i>
Neighborhood III Net Assessed Valuation (AV)	\$1,218,899	\$0	\$0	\$38,095,885	\$89,248,090	\$395,754,833
Cumulative Net AV	\$1,218,899	\$0	\$0	\$38,095,885	\$127,343,975	
1% Property Tax Levy	\$12,189	\$0	\$0	\$380,959	\$1,273,440	\$3,957,548
General Fund Property Tax	Share of 1 Percent 14.22%	\$1,733	\$0	\$54,160	\$181,041	\$562,633
Total Project General Fund Property Tax						
Neighborhood II	\$3,307	\$34,383	\$123,429	\$283,048	\$492,983	\$1,198,490
Neighborhood III	<u>\$1,733</u>	<u>\$0</u>	<u>\$0</u>	<u>\$54,160</u>	<u>\$181,041</u>	<u>\$562,633</u>
Total Project	\$5,040	\$34,383	\$123,429	\$337,208	\$674,024	\$1,761,123

Sources: Stanley R. Hoffman Associates, Inc.
 Lytle Development Company, May 2014

Table A-8
Phased Property Tax: Total Project
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	Total Project					
	2016	2017	2018	2019	2020	Buildout (2026)
Neighborhood II - Assessed Valuation and Property Tax						
New Residential Valuation	\$0	\$72,010,418	\$159,603,128	\$164,417,672	\$169,840,000	\$1,040,321,219
New Retail Valuation	0	<u>16,465,500</u>	<u>5,488,500</u>	<u>8,781,600</u>	0	<u>30,735,600</u>
Neighborhood II New Assessed Valuation	\$0	\$88,475,918	\$165,091,628	\$173,199,272	\$169,840,000	\$1,071,056,819
		<i>minus</i>	<i>minus</i>	<i>minus</i>	<i>minus</i>	<i>minus</i>
Existing Valuation	\$8,804,578	\$8,804,578	\$0	\$0	\$0	\$8,804,578
		<i>equals</i>	<i>equals</i>	<i>equals</i>	<i>equals</i>	<i>equals</i>
Neighborhood II Net Assessed Valuation (AV)	\$8,804,578	\$79,671,340	\$165,091,628	\$173,199,272	\$169,840,000	\$1,062,252,241
Cumulative Net AV	\$8,804,578	\$79,671,340	\$244,762,968	\$417,962,241	\$587,802,241	
1% Property Tax Levy	\$88,046	\$796,713	\$2,447,630	\$4,179,622	\$5,878,022	\$10,622,522
General Fund Property Tax	14.52%	\$12,787	\$115,705	\$355,464	\$606,997	\$853,652
Neighborhood III - Assessed Valuation and Property Tax						
New Residential Valuation	\$0	\$0	\$0	\$45,760,479	\$104,021,443	\$1,169,207,317
New Retail Valuation	0	0	<u>34,643,400</u>	<u>34,643,400</u>	<u>25,149,300</u>	<u>169,884,000</u>
Neighborhood III New Assessed Valuation	\$0	\$0	\$34,643,400	\$80,403,879	\$129,170,743	\$1,339,091,317
		<i>minus</i>	<i>minus</i>	<i>minus</i>	<i>minus</i>	<i>minus</i>
Existing Valuation	\$5,716,027	\$0	\$5,716,027	\$0	\$0	\$5,716,027
		<i>equals</i>	<i>equals</i>	<i>equals</i>	<i>equals</i>	<i>equals</i>
Neighborhood III Net Assessed Valuation (AV)	\$5,716,027	\$0	\$28,927,373	\$80,403,879	\$129,170,743	\$1,333,375,290
Cumulative Net AV	\$5,716,027	\$0	\$28,927,373	\$109,331,252	\$238,501,995	
1% Property Tax Levy	\$57,160	\$0	\$289,274	\$1,093,313	\$2,385,020	\$13,333,753
General Fund Property Tax	13.99%	\$7,997	\$0	\$40,474	\$152,972	\$333,703
Total Project General Fund Property Tax						
Neighborhood II	\$12,787	\$115,705	\$355,464	\$606,997	\$853,652	\$1,542,683
Neighborhood III	<u>\$7,997</u>	<u>\$0</u>	<u>\$40,474</u>	<u>\$152,972</u>	<u>\$333,703</u>	<u>\$1,865,609</u>
Total Project	\$20,784	\$115,705	\$395,938	\$759,969	\$1,187,355	\$3,408,292

Sources: Stanley R. Hoffman Associates, Inc.
Lytle Development Company, May 2014

Table A-9
Phased Community Park and Public Roads: Annexation Area Only
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	Annexation Area Only					
	2016	2017	2018	2019	2020	Buildout (2026)
A. COMMUNITY PARK ACRES						
<u>Incremental Community Park Acres ¹</u>	0.0	0.0	0.0	0.0	0.0	35.7
<i>Cumulative Community Park Acres</i>	0.0	0.0	0.0	0.0	0.0	
B. TOTAL PUBLIC ROADS ²						
<u>Incremental Public Road Miles</u>	0.00	0.55	0.00	2.11	3.62	17.18
<i>Cumulative Total Public Road Miles</i>	0.00	0.55	0.55	2.66	6.28	

Note: 1. The community park is proposed for year eight (or 2023) of the development period.
2. Road phasing is provided by Lytle Development Company.

Sources: Stanley R. Hoffman Associates, Inc.
Lytle Development Company, May 2014

Table A-10
Phased Community Park and Public Roads: Total Project
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	Total Project					
	2016	2017	2018	2019	2020	Buildout (2026)
A. COMMUNITY PARK ACRES						
<u>Incremental Community Park Acres ¹</u>	0.0	0	0	0	0	35.7
<i>Cumulative Community Park Acres</i>	0.0	0	0	0	0	
B. TOTAL PUBLIC ROADS ²						
<u>Incremental Total Public Road Miles</u>	0.00	2.75	0.00	2.79	5.15	21.58
<i>Cumulative Total Public Road Miles</i>	0.00	2.75	2.75	5.54	10.69	

Note: 1. The community park is proposed for year eight (or 2023) of the development period.
2. Road phasing is provided by Lytle Development Company.

Sources: Stanley R. Hoffman Associates, Inc.
Lytle Development Company, May 2014

APPENDIX B

FISCAL IMPACTS OF TOTAL PROJECT

The projected fiscal impacts of the total Lytle Creek Project are presented in this appendix, including the development both within the existing city and within the unincorporated annexation area. The fiscal analysis for the Annexation Area is included separately in Chapter 5 of this report.

As discussed earlier, Rialto voters approved a five year extension of the utility user tax (UUT) on March 2013. The UUT is approved through June 2018. Because the UUT will need voter approval to be extended before projected buildout of the Lytle Creek Project in 2026, the fiscal analysis projects impacts to the Rialto General Fund both with and without the UUT. Fiscal impacts are shown in constant 2014 dollars with no adjustment for possible future inflation.

As shown in Table B-1, a recurring annual surplus is projected for the Total Project with and without UUT after buildout.

Table B-1
Summary of Projected Fiscal Impacts after Buildout: Total Project
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Total Project	Annual Recurring Revenues	Annual Recurring Costs	Annual Recurring Surplus	Revenue/ Cost Ratio
<u>With Utility User Tax</u>	\$13,735,912	\$11,368,214	\$2,367,698	1.21
<i>Annual Surplus per Unit</i>			\$378	
<u>Without Utility User Tax</u>	\$11,737,949	\$11,368,215	\$369,734	1.03
<i>Annual Surplus per Unit</i>			\$59	

Source: Stanley R. Hoffman Associates, Inc.

The projected impacts for the first five years after annexation for both scenarios are included in the following sections of this chapter. No development is assumed during the first year after annexation, with development beginning in the second year after annexation.

B.1 Total Project – With Utility User Tax

As shown in Table B-2, property tax to the City for the Total Project is projected at \$20,784 during the first year after annexation based on the existing valuation of the Total Project area and

Table B-2
Detailed Projected Recurring Fiscal Impacts: Total Project With Utility User Tax
Lytle Creek Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	TOTAL PROJECT WITH UTILITY USER TAX						Percent of Buildout
	2016	2017	2018	2019	2020	Buildout (2026)	
<u>Recurring Revenues</u>							
Property tax: general	\$20,784	\$115,705	\$395,938	\$759,969	\$1,187,355	\$3,408,292	24.8%
On-site retail sales and use tax	0	102,992	354,018	625,641	782,950	1,254,876	9.1%
In lieu property tax (sales & use tax)	0	34,331	118,007	208,548	260,984	418,293	3.0%
Property transfer tax-turnover	0	242	2,832	7,215	14,189	64,361	0.5%
In lieu property tax (VLF)	0	127,671	415,888	781,838	1,213,311	3,477,844	25.3%
Franchise fees	0	17,835	59,366	116,037	180,959	526,264	3.8%
SB509 sales tax	0	2,806	9,307	18,360	29,129	87,340	0.6%
Utility users tax	0	67,243	223,829	437,499	682,277	1,984,195	14.4%
Business licenses	0	7,950	27,318	48,276	60,418	96,842	0.7%
Animal licenses and fees	0	974	3,232	6,376	10,116	30,332	0.2%
Fines, forfeits and penalties	0	2,761	9,189	17,961	28,010	81,459	0.6%
County LF excavation charges	0	1,367	4,552	8,897	13,875	40,351	0.3%
Charges for current services	0	14,692	48,884	95,659	149,501	436,477	3.2%
Rents and concessions	0	1,258	4,189	8,187	12,767	37,130	0.3%
Administrative/passport/misc. fees	0	3,504	11,624	22,931	36,381	109,084	0.8%
Transfer from Gas Tax Fund	0	8,658	28,718	56,655	89,887	269,512	2.0%
Other transfers	0	21,590	71,611	141,272	224,137	672,044	4.9%
Lytle Creek CFD fees	0	20,904	69,368	136,864	217,152	651,040	4.7%
Interest on invested revenues	144	3,689	12,411	23,326	34,533	90,176	0.7%
Total Projected Revenues	\$20,929	\$556,173	\$1,870,280	\$3,521,512	\$5,227,931	\$13,735,912	100.0%
<u>Recurring Costs</u> ¹							
Fire protection	\$0	\$96,242	\$320,358	\$626,174	\$976,514	\$2,839,895	25.0%
Police protection	0	156,154	519,783	1,015,972	1,584,400	4,607,749	40.5%
Recreation	0	7,285	24,162	47,667	75,627	226,756	2.0%
Development services-engineering	0	2,536	8,441	16,499	25,730	74,829	0.7%
Development services-business licensing	0	608	2,090	3,694	4,623	7,410	0.1%
Development services-code enforcement	0	4,417	14,703	28,738	44,816	130,335	1.1%
Public works-administration	0	2,786	9,275	18,128	28,271	82,217	0.7%
Public works-community building maintenance	0	6,985	23,251	45,446	70,872	206,111	1.8%
Public works-park maintenance	0	0	0	0	0	771,120	6.8%
Public works-graffiti removal	0	732	2,436	4,762	7,426	21,596	0.2%
Public works-engineering services & projects	0	1,926	6,411	12,531	19,542	56,832	0.5%
Public works-traffic safety/street maintenance	0	20,422	67,978	132,870	207,210	602,609	5.3%
Public works-storm drain program	0	2,343	7,800	15,246	23,776	69,146	0.6%
General government	0	35,390	117,750	230,008	358,480	1,130,269	9.9%
Subtotal Recurring Costs	\$0	\$337,826	\$1,124,437	\$2,197,735	\$3,427,288	\$10,826,871	95.2%
5% Contingency/Reserves	\$0	\$16,891	\$56,222	\$109,887	\$171,364	\$541,343	4.8%
Total Recurring Costs	\$0	\$354,717	\$1,180,659	\$2,307,622	\$3,598,652	\$11,368,214	100.0%
<u>Net Recurring Surplus</u>	\$20,929	\$201,456	\$689,621	\$1,213,890	\$1,629,279	\$2,367,699	
<u>Revenue/Cost Ratio</u>	n/a	1.57	1.58	1.53	1.45	1.21	

Note: 1. Any recurring public costs are assumed to be minimal during this first year of pre-development activities.

Source: Stanley R. Hoffman Associates, Inc.

the share of the basic one percent property tax levy allocated to the City. With the projected interest on the property tax, total revenues are projected at \$20,929 during the first year after annexation. Public service costs are assumed to be minimal during this first year of pre-development activities. A recurring surplus is projected to the General Fund for the next four

years of development and after buildout for the Total Project with the utility user tax (UUT). As shown in Table B-2, a surplus of \$201,456 is projected for the second year after annexation (2017) of the Total Project with the UUT. The projected surplus more than triples to \$689,621 in 2018, and increases to a projected surplus of about \$1.21 million by year 2019. The projected surplus is about \$1.63 million by 2020. The projected surplus increases over the next five years to a projected \$2.37 million after buildout of the Total Project with the UUT.

Projected Recurring Revenues With Utility User Tax

About 74 percent of the total revenues after buildout of the Total Project with the UUT is comprised of property tax, property tax in lieu of vehicle license fees VLF, UUT and sales and use tax.

Projected Recurring Costs With Utility User Tax

As shown above in Table B-2, police protection, fire protection, park maintenance and general government are the largest projected recurring costs and account for about 82 percent of total projected recurring costs for the Total Project after buildout.

B.2 Total Project - Without Utility User Tax

As shown in Table B-3, the same revenues of \$20,784 to the City are projected during the first year after annexation without the UUT. Again, public service costs are assumed to be minimal during this first year of pre-development activities. When development begins in the second year (2017), a surplus of \$133,746 is projected. A surplus of \$464,238 is projected for the following year (2018) without UUT, and by the year 2019 the projected surplus increases to about \$773,354 for the Total Project. By year five (2020), a surplus of about \$942,266 is projected for the Total Project without the UUT. The projected surplus decreases over the next five years to a projected \$369,734 after buildout of the Total Project without the UUT.

Projected Recurring Revenues Without Utility User Tax

About seventy percent of the total revenues after buildout of the Total Project without the UUT is comprised of property tax, property tax in lieu of VLF, and sales and use tax.

Projected Recurring Costs Without Utility User Tax

Police protection, fire protection, park maintenance and general government are the largest projected recurring costs and account for about 82 percent of total projected recurring costs for the Lytle Creek Annexation Area after buildout without the UUT.

Table B-3
Detailed Projected Recurring Fiscal Impacts: Total Project Without Utility User Tax
Lytle Creek Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	TOTAL PROJECT WITHOUT UTILITY USER TAX						Percent of Buildout
	2016	2017	2018	2019	2020	Buildout (2026)	
<u>Recurring Revenues</u>							
Property tax: general	\$20,784	\$115,705	\$395,938	\$759,969	\$1,187,355	\$3,408,292	29.0%
On-site retail sales and use tax	0	102,992	354,018	625,642	782,951	1,254,877	10.7%
In lieu property tax (sales & use tax)	0	34,331	118,007	208,548	260,984	418,293	3.6%
Property transfer tax-turnover	0	242	2,832	7,215	14,189	64,361	0.5%
In lieu property tax (VLF)	0	127,671	415,888	781,838	1,213,310	3,477,844	29.6%
Franchise fees	0	17,835	59,366	116,037	180,959	526,264	4.5%
SB509 sales tax	0	2,806	9,307	18,360	29,129	87,340	0.7%
Utility users tax	0	0	0	0	0	0	0.0%
Business licenses	0	7,950	27,318	48,276	60,418	96,842	0.8%
Animal licenses and fees	0	974	3,232	6,376	10,116	30,332	0.3%
Fines, forfeits and penalties	0	2,761	9,189	17,961	28,010	81,459	0.7%
County LF excavation charges	0	1,367	4,552	8,897	13,875	40,351	0.3%
Charges for current services	0	14,692	48,884	95,659	149,501	436,477	3.7%
Rents and concessions	0	1,258	4,189	8,187	12,767	37,130	0.3%
Administrative/passport/misc. fees	0	3,504	11,624	22,931	36,381	109,084	0.9%
Transfer from Gas Tax Fund	0	8,658	28,718	56,655	89,887	269,512	2.3%
Other transfers	0	21,590	71,611	141,272	224,137	672,044	5.7%
Lytle Creek CFD fees	0	20,904	69,368	136,864	217,152	651,040	5.5%
Interest on invested revenues	144	3,222	10,858	20,290	29,798	76,407	0.7%
Total Projected Revenues	\$20,929	\$488,463	\$1,644,898	\$3,080,976	\$4,540,919	\$11,737,949	100.0%
<u>Recurring Costs</u> ¹							
Fire protection	\$0	\$96,242	\$320,358	\$626,175	\$976,514	\$2,839,895	25.0%
Police protection	0	156,154	519,783	1,015,972	1,584,401	4,607,749	40.5%
Recreation	0	7,285	24,162	47,667	75,627	226,756	2.0%
Development services-engineering	0	2,536	8,441	16,499	25,730	74,829	0.7%
Development services-business licensing	0	608	2,090	3,694	4,623	7,410	0.1%
Development services-code enforcement	0	4,417	14,703	28,738	44,816	130,335	1.1%
Public works-administration	0	2,786	9,275	18,128	28,271	82,217	0.7%
Public works-community building maintenance	0	6,985	23,251	45,446	70,872	206,111	1.8%
Public works-park maintenance	0	0	0	0	0	771,120	6.8%
Public works-graffiti removal	0	732	2,436	4,762	7,426	21,596	0.2%
Public works-engineering services & projects	0	1,926	6,411	12,531	19,542	56,832	0.5%
Public works-traffic safety/street maintenance	0	20,422	67,978	132,870	207,210	602,609	5.3%
Public works-storm drain program	0	2,343	7,800	15,246	23,776	69,146	0.6%
General government	0	35,390	117,750	230,008	358,480	1,130,269	9.9%
Subtotal Recurring Costs	\$0	\$337,826	\$1,124,438	\$2,197,735	\$3,427,289	\$10,826,872	95.2%
5% Contingency/Reserves	\$0	\$16,891	\$56,222	\$109,887	\$171,364	\$541,343	4.8%
Total Recurring Costs	\$0	\$354,717	\$1,180,660	\$2,307,622	\$3,598,653	\$11,368,215	100.0%
<u>Net Recurring Surplus</u>	\$20,929	\$133,746	\$464,238	\$773,354	\$942,266	\$369,734	
<u>Revenue/Cost Ratio</u>	n/a	1.38	1.39	1.34	1.26	1.03	

Note: 1. Any recurring public costs are assumed to be minimal during this first year of pre-development activities.

Source: Stanley R. Hoffman Associates, Inc.

APPENDIX C SUPPORTING FISCAL TABLES

Table C-1
City Employment Estimate
Lytle Creek Annexation Area
Plan for Service and Fiscal Analysis, City of Rialto

A. ESTIMATED CITY EMPLOYMENT IN 2011

Category	Estimated Payroll Jobs ¹	Estimated Self-Employed ²	Total Employment	Self-Employed Rate ³
Construction	994	249	1,243	20.0%
Manufacturing	2,052	76	2,128	3.6%
Wholesale Trade	1,162	63	1,225	5.2%
Retail Trade	2,740	176	2,916	6.0%
Transportation & Warehousing	5,412	240	5,651	4.2%
Information	80	9	89	10.2%
Finance & Insurance	272	52	324	16.1%
Real Estate & Rental & Leasing	127	37	164	22.5%
Professional, Scientific, & Technical Services	274	43	317	13.5%
Admin. & Support & Waste Mgmt. & Remediation	660	194	854	22.7%
Health Care & Social Assistance	1,118	70	1,189	5.9%
Arts, Entertainment, & Recreation	160	33	194	17.3%
Accommodation & Food Services	1,451	49	1,499	3.2%
Other Services	1,196	484	1,681	28.8%
Public Admin and Education	4,385	0	4,385	0.0%
Balance Employment ⁴	<u>386</u>	<u>345</u>	<u>732</u>	47.2%
Total	22,468	2,121	24,590	8.6%

B. SUMMARY DISTRIBUTION OF TOTAL EMPLOYMENT

Retail/Service	5,547	742	6,289	11.8%
Office/Corporate Center	673	132	805	16.4%
Business Park/Light Industrial	7,138	840	7,977	10.5%
General Industrial/Employment	4,725	407	5,132	7.9%
Public Admin and Education	<u>4,385</u>	<u>0</u>	<u>4,385</u>	0.0%
Total	22,468	2,121	24,590	8.6%

Note: 1. Annual payroll jobs for 2011 are estimated based on data on primary jobs obtained from Census LEHD adjusted for all payroll jobs based on the relationship between LEHD primary jobs and EDD total payroll jobs.
2. Self-employment is estimated by applying self-employment rates by industry.
3. Estimated rates of self-employment by industry for San Bernardino County are calculated from the Census American Community Survey (ACS) 2009-11 Public Use Microdata Sample (PUMS).
4. The balance of employment includes non-classified jobs and suppressed data on agriculture, mining, utilities and management of companies.

Sources: Stanley R. Hoffman Associates, Inc.
City of Rialto, Economic Development Department
California Economic Development Department, Labor Market Division, *NAICS Sector Level Employment and Payroll Data, City of Rialto, 2008*
Census Longitudinal Employer-Household Dynamic (LEHD) program.
Census American Community Survey (ACS) 2009-11 Public Use Microdata (PUMS)

Table C-2 (page 1 of 3)
General Fund Revenues, Fiscal Year 2013-2014
Lytle Creek Annexation Area
Plan for Service and Fiscal Analysis, City of Rialto
(In Constant 2014 Dollars)

Revenue Category	Fiscal Year 2013/2014			Revised Revenue Amount	
	Adopted Budget	Budget Amendments and Mid-Year Adjustments ¹	Total Revised Budget	Not Projected in Fiscal Analysis or One-Time Revenue ²	Revenue Projected in Fiscal Analysis
<u>Tax Revenue</u>					
Property Taxes	\$4,891,000	\$548,000	\$5,439,000	\$0	\$5,439,000
In Lieu Property Tax (VLF)	8,400,000	161,000	8,561,000	0	8,561,000
Sales Tax	7,218,000	631,000	7,849,000	0	7,849,000
In Lieu Property Tax (Sales Tax)	2,396,000	192,000	2,588,000	0	2,588,000
Transient Lodging Tax	120,000	0	120,000	120,000	0
Unitary Property Tax	326,000	0	326,000	0	326,000
Franchise Fees	2,980,000	10,000	2,990,000	0	2,990,000
Franchise Fees-PD	150,000	(10,000)	140,000	0	140,000
SB509 Sales Tax-Safety	435,000	50,000	485,000	0	485,000
Property Transfer Tax	211,000	39,000	250,000	0	250,000
UUT-Telephone/Mobile	3,598,000	(48,000)	3,550,000	0	3,550,000
UUT-Gas/Electric	5,530,000	120,000	5,650,000	0	5,650,000
UUT-Water	1,200,000	50,000	1,250,000	0	1,250,000
UUT-Cable/Satellite	473,000	(13,000)	460,000	0	460,000
UUT-Wastewater	941,000	(51,000)	890,000	0	890,000
Subtotal Tax Revenue	\$38,869,000	\$1,679,000	\$40,548,000	\$120,000	\$40,428,000
<u>Licenses and Permits</u>					
Business Licenses	\$1,600,000	\$100,000	\$1,700,000	\$0	\$1,700,000
Contractors Licenses	60,000	0	60,000	0	60,000
Truck Delivery Licenses	17,000	0	17,000	0	17,000
Dog Licenses	155,000	0	155,000	0	155,000
Earthquake Fee	13,000	(11,000)	2,000	2,000	0
Building Permits	509,000	0	509,000	509,000	0
Plumbing Permits	28,000	22,000	50,000	50,000	0
Electrical Permits	30,000	30,000	60,000	60,000	0
Mechanical Permits	18,000	42,000	60,000	60,000	0
Overload Permits	20,000	0	20,000	20,000	0
State Business License Fee	3,000	0	3,000	3,000	0
Energy No-Fee Permits	5,000	0	5,000	5,000	0
SB 1473 State Revolving Fund Fee	5,000	(3,000)	2,000	2,000	0
Alarm Installation Permits	48,000	3,000	51,000	51,000	0
Fire Permits	110,000	0	110,000	110,000	0
Certificates of Occupancy	12,000	(3,000)	9,000	9,000	0
Mobile Home Park State OPS Permit	25,000	0	25,000	25,000	0
Temporary Sign Permits	2,000	0	2,000	2,000	0
Fire Sprinkler Permits	8,000	0	8,000	8,000	0
Other Licenses and Permits	10,000	0	10,000	10,000	0
Total Licenses & Permits	\$2,678,000	\$180,000	\$2,858,000	\$926,000	\$1,932,000
<u>Fines, Forfeits & Penalties</u>					
Parking Fines (City)	\$220,000	\$15,000	\$235,000	\$0	\$235,000
Court Fines (County)	141,000	22,000	163,000	0	163,000
Other Fines/Forfeits/Penalties	40,000	46,000	86,000	0	86,000
Total Fines, Forfeits & Penalties	\$401,000	\$83,000	\$484,000	\$0	\$484,000
<u>Use of Money & Property</u>					
Interest Income From Other Sources	\$58,850	\$0	\$58,850	\$0	\$58,850
Rents & Concessions	250,000	(29,000)	221,000	0	221,000
Investment Income	225,300	74,700	300,000	0	300,000
Total Use of Money & Property	\$534,150	\$45,700	\$579,850	\$0	\$579,850
<u>Revenue From Other Agencies</u>					
Motor Vehicle In Lieu Tax	\$0	\$0	\$0	\$0	\$0
Disaster Assistance	10,000	0	10,000	10,000	0
State Mandated Reimbursements	20,000	28,600	48,600	48,600	0
POST	50,000	(35,000)	15,000	15,000	0
RUSD-Fiscal Affairs/DARE	40,000	(40,000)	0	0	0
State Assistance/CalPers Medicare Part D Subsidy	0	28,340	28,340	28,340	0
DUI Emergency Response	8,500	0	8,500	8,500	0
County Reimbursement	8,840	0	8,840	8,840	0
County Waste Rebate	56,000	(38,360)	17,640	17,640	0
County LF Excavation Charges ³	3,490,000	(1,090,000)	2,400,000	2,160,000	240,000
Total Revenue From Outside Agencies	\$3,683,340	(\$1,146,420)	\$2,536,920	\$2,296,920	\$240,000

Table C-2 (page 2 of 3)
General Fund Revenues, Fiscal Year 2013-2014
Lytle Creek Annexation Area
Plan for Service and Fiscal Analysis, City of Rialto
(In Constant 2014 Dollars)

Revenue Category	Fiscal Year 2013/2014			Revised Revenue Amount	
	Adopted Budget	Budget Amendments and Mid-Year Adjustments ¹	Total Revised Budget	Not Projected in Fiscal Analysis or One-Time Revenue ²	Revenue Projected in Fiscal Analysis
<u>Charges For Current Services</u>					
Planning Variance Reviews	\$1,100	\$1,141	\$2,241	\$2,241	\$0
Lot Lines and Lot Splits	2,000	0	2,000	2,000	0
Development Agreements	4,000	0	4,000	4,000	0
Specific Plan Reviews/Changes	2,000	0	2,000	2,000	0
Annexation Reviews	0	9,127	9,127	9,127	0
Issuance Fees	40,000	0	40,000	40,000	0
Tentative Map Reviews	5,000	3,678	8,678	8,678	0
Sale of Maps/Publications	3,000	0	3,000	0	3,000
Conditional Development Reviews	23,000	21,000	44,000	44,000	0
Environmental Reviews	16,000	4,000	20,000	20,000	0
Animal Control Fees	10,000	3,000	13,000	0	13,000
Building Plan Check	500,000	100,000	600,000	600,000	0
Energy Plan Check	3,000	5,000	8,000	8,000	0
Public Improvement Inspection	250,000	75,000	325,000	325,000	0
Grading Inspection	15,000	0	15,000	15,000	0
Fingerprinting	1,000	0	1,000	0	1,000
Reproduction Charges	5,400	68,000	73,400	0	73,400
Precise Plan Review	74,000	(14,000)	60,000	60,000	0
Fire False Alarm Response	500	0	500	0	500
Police False Alarm Response	85,000	6,000	91,000	0	91,000
Police Accident Reports	48,000	0	48,000	0	48,000
Engineering General Services	50,000	20,000	70,000	70,000	0
Police General Services	5,000	20,533	25,533	0	25,533
Engineering Improvement Plan Check	250,000	0	250,000	250,000	0
Special Investigation Fee	10,000	0	10,000	10,000	0
Ambulance Service Fees	1,800,000	0	1,800,000	0	1,800,000
Ambulance Subscriptions	60,000	0	60,000	0	60,000
Weed & Lot Cleaning	98,000	0	98,000	0	98,000
Grading Plan Check Fee	10,000	0	10,000	10,000	0
Fire Plan Check Fee	80,000	(10,000)	70,000	70,000	0
Traffic Study Fee	4,000	0	4,000	4,000	0
Nuisance Review	51,000	0	51,000	51,000	0
On Site Improvement Inspection	0	200,000	200,000	200,000	0
Environmental Inspection Fee	0	40,000	40,000	40,000	0
Planning General Services	5,000	2,000	7,000	7,000	0
Inspections for Multi-Family Rentals	300,000	0	300,000	300,000	0
Police Impound Fees	58,000	0	58,000	0	58,000
Other Charges for Current Services	3,600	0	3,600	0	3,600
Department-Premium Engineering	172,800	0	172,800	172,800	0
<i>Total Charges for Current Services</i>	<i>\$4,045,400</i>	<i>\$554,479</i>	<i>\$4,599,879</i>	<i>\$2,324,846</i>	<i>\$2,275,033</i>
<u>Other Revenue</u>					
Gain on Disposition	\$0	\$8,310	\$8,310	\$8,310	\$0
Damage/Recovery Restitution	\$37,000	38,630	75,630	75,630	0
RUA Lease Payments	2,000,000	0	2,000,000	2,000,000	0
RUA Contract Payments	824,040	0	824,040	824,040	0
Administrative Fee	275,000	200,000	475,000	0	475,000
Passport Service Fee	50,000	0	50,000	0	50,000
PEG Access Funding	102,300	0	102,300	102,300	0
Miscellaneous Revenue	60,150	20,000	80,150	0	80,150
<i>Total Other Revenue</i>	<i>\$3,348,490</i>	<i>\$266,940</i>	<i>\$3,615,430</i>	<i>\$3,010,280</i>	<i>\$605,150</i>

Table C-2 (page 3 of 3)
General Fund Revenues, Fiscal Year 2013-2014
Lytle Creek Annexation Area Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Revenue Category	Fiscal Year 2013/2014			Revised Revenue Amount	
	Adopted Budget	Budget Amendments and Mid-Year Adjustments ¹	Total Revised Budget	Not Projected in Fiscal Analysis or One-Time Revenue ²	Revenue Projected in Fiscal Analysis
Transfers In					
Transfers-Gas Tax	\$1,496,080	\$0	\$1,496,080	\$0	\$1,496,080
Transfers-Waste Management	38,490	0	38,490	0	38,490
Transfers-Fire Development	1,260	0	1,260	0	1,260
Transfers-Landscaping & Lighting District No. 2	34,005	0	34,005	0	34,005
Transfers-AQMD 2766	5,220	0	5,220	0	5,220
Transfers-Local Drainage	10	0	10	0	10
Transfers-CDBG	91,402	20,380	111,782	0	111,782
Transfers-PERS Property Tax	200	0	200	200	0
Transfers-Traffic Development	51,300	0	51,300	0	51,300
Transfers-Successor Agency	219,990	0	219,990	0	219,990
Transfers-Casa Grande Debt Service	12,610	0	12,610	0	12,610
Transfers-Water Administration/Utility	0	100,000	100,000	0	100,000
Transfers-Airport	51,440	0	51,440	0	51,440
Transfers-Utility Billing	62,720	0	62,720	0	62,720
Transfers-Engineering	2,889,007	0	2,889,007	0	2,889,007
Transfers-CFD 87-1	36,940	0	36,940	0	36,940
Transfers-CFD 2006-1	115,340	0	115,340	0	115,340
<i>Total Transfers In</i>	\$5,106,014	\$120,380	\$5,226,394	\$200	\$5,226,194
<i>Total Mid-Year Adjustments</i>		\$1,783,079			
Budget Amendments: Grants and Carry-Forwards ³	\$0	\$3,097,443	\$3,097,443	\$3,097,443	\$0
General Fund Total	\$58,665,394	\$4,880,522	\$63,545,916	\$11,475,689	\$52,070,227

- Note: 1. Since the adoption of the Fiscal Year (FY) 2013/2014 Budget, City Council approved revenue amendments of about \$3.1 million that primarily included grants and carry-forwards. Based on discussion with the City Finance Manager, these revenue amendments are not projected in the fiscal analysis. In February 2014, mid-year revenue adjustments of about \$1.8 million were made to the City budget. These mid-year revenue adjustments are included in the fiscal analysis.
2. Certain revenues are not projected in the fiscal analysis. These include the estimated \$3.1 million revenue amendment (for grants and carry-forwards), revenues that are fixed payments and grants. Development-related one-time fee revenues are deducted from projected departmental costs for development services and engineering.
3. City administrative staff estimates that about 10 percent, or \$240,000, of the total County Landfill revenues that are contributed from disposal by City residents.

Sources: Stanley R. Hoffman Associates, Inc.
City of Rialto, *Budget Fiscal Year 2013/2014*
City of Rialto, *Mid-Year Presentation FY 13-14, City Council Approved Budget Adjustments, 2/25/2014*

Table C-3
Current Tax Rate Area (TRA) Allocations: Neighborhood II
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto

Agency Code	Agency	Neighborhood II									
		City of Rialto					County of San Bernardino				
		6003	6049	6104	6105	6106	Weighted Average	106000	106027	106028	Weighted Average
AB01 GA01	San Bernardino County General Fund	0.14882541	0.14888228	0.14874533	0.14867690	0.14852663	0.14870069	0.15160313	0.13607659	0.13607460	0.14674114
AB02 GA01	Educational Revenue Augmentation Fund (ERAF)	0.22533562	0.22496422	0.22523590	0.22513083	0.22490427	0.22522747	0.22956308	0.20605219	0.20604917	0.22260979
BF02 GA01	Flood Control Zone 2	0.02641980	0.02630438	0.02640291	0.02642485	0.02640578	0.02643655	0.02691448	0.02415659	0.02415610	0.02604979
BL01 GA01	San Bernardino County Administration, 1 & 2	0.00185778	0.00186494	0.00185671	0.00184330	0.00185775	0.00185715	0.00189239	0.00169862	0.00169860	0.00183175
BS01 GA01	San Bernardino County Free Library	0.01441134	0.01450752	0.01440262	0.01437532	0.01441055	0.01441085	0.01467940	0.01317650	0.01317650	0.01420261
BS01 GA02	County Superintendent of Schools, Countywide	0.00510668	0.00509607	0.00510398	0.00509693	0.00509711	0.00510369	0.00520202	0.00466923	0.00466915	0.00503517
BS01 GA03	County Superintendent of Schools, Regional Occupational Program	0.00200873	0.00198906	0.00200728	0.00201635	0.00200579	0.00200718	0.00204644	0.00183663	0.00183662	0.00200863
BS01 GA04	County Superintendent of Schools, Physically Handicapped	0.00161290	0.00160472	0.00161182	0.00162062	0.00161104	0.00161187	0.00164300	0.00147474	0.00147470	0.00164300
BS01 GA05	County Superintendent of Schools, Mentally Retarded	0.00052655	0.00052045	0.00052627	0.00053196	0.00052550	0.00052614	0.00053651	0.00048144	0.00048143	0.00053651
CC28 GA01	City of Rialto	0.13642183	0.13622761	0.13633715	0.13628098	0.13635623	0.13635341	0.00000000	0.00000000	0.00000000	0.00000000
SC54 GA01	San Bernardino Community College	0.05230497	0.05226778	0.05227291	0.05221877	0.05230332	0.05228128	0.05328102	0.04782445	0.04782331	0.05191110
SU50 GA01	Rialto Unified	0.32756956	0.32695060	0.32736596	0.32724259	0.32739905	0.32739847	0.33369597	0.29950884	0.29950283	0.33885736
SU54 GA01	San Bernardino Unified	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000
UD15 GA01	San Bernardino County Fire District - Valley Service Zone	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.12322467	0.00000000	0.00000000	0.11926834
UD50 GA01	CSA SL-1 Valley Area (Streetslights)	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.02721088	0.02442310	0.02442266	0.02653728
UD58 GA01	San Bernardino County Fire District - Valley Service Zone	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.01415485	0.01415458	0.01415485
UF05 GA01	Inland Empire Joint Resource Conservation District	0.00053300	0.00212517	0.00112263	0.00158351	0.00157403	0.00106340	0.00019575	0.00045489	0.00047331	0.00049385
WR04 GL01	San Bernardino County Fire District - Valley Service Zone	0.02691611	0.02688988	0.02689902	0.02685784	0.02689907	0.02690282	0.02741938	0.02461041	0.02460988	0.02653919
WU23 GA01	San Bernardino Valley Municipal Water	0.02925290	0.02921022	0.02923494	0.02922074	0.02923805	0.02923823	0.00000000	0.02674701	0.02674646	0.00010382
WW28 GA01	West San Bernardino County Water District	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000
	Total	50.38	8.20	137.26	3.17	16.13	215.14	113.63	0.77	1.36	434.06
	Total Acreage for General Fund	23.4%	3.6%	63.8%	1.5%	7.5%	100.0%	20.7%	0.1%	0.2%	78.9%
	Percent of Total for General Fund										
	CSA SL-1 Allocations	0.00	0.00	0.00	0.00	0.00	0.00	0.00000000	0.01415485	0.01415458	0.01415468
	CSA SL-1 Acreage	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	36.2%	63.8%	100.0%
	Percent of Total for CSA SL-1										
	Total Fire Districts' Allocations	n/a	n/a	n/a	n/a	n/a	n/a	0.15043555	0.19627617	0.19627225	0.14560562
	Total Fire Districts' Acreage							113.63	0.77	1.36	434.06
	Percent of Total for Fire Districts							20.7%	0.1%	0.2%	78.9%

Sources: Stanley R. Hoffman Associates, Inc.
San Bernardino County Auditor-Controller, Property Tax Division, TRA Allocations

Table C-4
Tax Rate Area (TRA) Allocations upon Annexation: Neighborhood II
Lytle Creek Project Plan for Service and Fiscal Analysis
City of Rialto

Property Tax Recipient ¹	Tax Rate Area Allocations ²					
	Current County Area				Current City Area	Total Area ⁴
	Prior to Annexation		Upon Annexation ³			
	San Bernardino County General Fund	San Bernardino County Funds/ Districts	San Bernardino County General Fund	City of Rialto	City of Rialto	City of Rialto
General Fund	0.1477		0.1600	0.1487	0.1364	0.1452
San Bernardino County Fire District		0.1468				
CSA SL-1 Valley Area (Streetlights)		0.0142				
Total	0.1477	0.1610	0.1600	0.1487	0.1364	0.1452
Acres	549.82	549.82	0.00	549.82	215.14	764.96
Percent of Total	71.9%	71.9%		71.9%	28.1%	100.0%

- Note: 1. Only the property tax allocations for the funds analyzed in this report are presented in this table.
2. Tax rate allocations are adjusted for the shift to the Education Realignment Augmentation Fund (ERAF).
3. Although a Master Property Tax Exchange Agreement does not exist between the City of Rialto and the County of San Bernardino, the tax rate allocation for the City of Rialto is based on a formula provided by LAFCO. Upon annexation, the City will receive the allocations for the detaching districts minus 50 percent of the remainder when the total of the historic City allocation of 0.1364 is subtracted from the total of the detaching districts. The formula the City upon annexation is: $0.1610 - ((0.1610 - 0.1364)/2)$. Therefore, 0.1487 will be transferred to the City General Fund from the detaching districts upon annexation of Neighborhood II. The formula for the County upon annexation is: $0.1477 + ((0.1610 - 0.1364)/2)$. Therefore, the County General Fund will receive 0.0123 of the property tax from the detaching districts when the City annexes Neighborhood II. The total property tax allocation for the County General Fund upon annexation is estimated at 0.1600, or 0.1477 plus 0.0123.
4. The total area allocation for the City represents a weighted average of the area that will be annexed with the area that is currently located in the City.

Sources: Stanley R. Hoffman Associates, Inc.
San Bernardino County Auditor-Controller, Property Tax Division, TRA Allocations
San Bernardino County Local Agency Formation Commission (LAFCO), March 2010

Table C-5
Current Tax Rate Area (TRA) Allocations: Neighborhood III
Lytle Creek Project Area Fiscal Analysis, City of Rialto

Agency Code	Agency ¹	Neighborhood III									
		City of Rialto					County of San Bernardino				
		6003	6044	6054	Weighted Average	106003	106004	107014	Weighted Average		
AB01 GA01	San Bernardino County General Fund	0.14882541	0.15842330	0.14866814	0.14907068	0.15113995	0.15131050	0.14674114	0.14893966		
AB02 GA01	Educational Revenue Augmentation Fund (ERAF)	0.22535692	0.23991382	0.22512004	0.22572883	0.22886376	0.22911984	0.22220082	0.22553042		
BF02 GA01	Flood Control Zone 2	0.02641980	0.02813614	0.02637705	0.02646221	0.026865919	0.026865919	0.02644851	0.02644851		
BF07 GA01	Flood Control District, Administration, 1 & 2	0.00185778	0.00197492	0.00185310	0.00186050	0.00188702	0.00188895	0.00183175	0.00185932		
BL01 GA01	San Bernardino County Free Library	0.01441134	0.01515812	0.01435926	0.01442654	0.01470179	0.01465487	0.01420950	0.01443992		
BS01 GA01	County Superintendent of Schools, Countywide	0.00510668	0.00543743	0.00509832	0.00511484	0.00518932	0.00519173	0.00503517	0.00511137		
BS01 GA02	County Superintendent of Schools, Regional Occupational Program	0.00087552	0.00092334	0.00087178	0.00087645	0.00089711	0.00089045	0.00086327	0.00087830		
BS01 GA03	County Superintendent of Schools, Physically Handicapped	0.00200873	0.00215445	0.00200829	0.00201264	0.00203397	0.00204298	0.00000000	0.00100004		
BS01 GA04	County Superintendent of Schools, Mentally Retarded	0.00161290	0.00171844	0.00161119	0.00161560	0.00163955	0.00163989	0.00000000	0.00080448		
BS01 GA05	County Superintendent of Schools, Development Center	0.00052655	0.00000000	0.00052490	0.00051211	0.00053362	0.00053565	0.00000000	0.00026229		
CC28 GA01	City of Rialto	0.13642183	0.14496396	0.13615741	0.13662789	0.00000000	0.00000000	0.00000000	0.00000000		
SC16 GA01	Chaffey Community College	0.00000000	0.04570520	0.00000000	0.00123992	0.00000000	0.00000000	0.00000000	0.00000000		
SC54 GA01	San Bernardino Community College	0.05230497	0.00000000	0.05221094	0.05087688	0.05323888	0.05318482	0.05157254	0.05237728		
SU26 GA01	Fontana Unified	0.00000000	0.29359563	0.00000000	0.00796486	0.00000000	0.00000000	0.00000000	0.00000000		
SU50 GA01	Rialto Unified	0.32756956	0.00000000	0.32694941	0.31862282	0.33321475	0.33310012	0.00000000	0.16345491		
SU54 GA01	San Bernardino Unified	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.35885736	0.18279452		
UD15 GA01	San Bernardino County Fire District - Valley Service Zone	0.00000000	0.00000000	0.00000000	0.00000000	0.12305884	0.12300539	0.11926834	0.12111538		
UD50 GA01	San Bernardino County Fire District	0.00000000	0.00000000	0.00000000	0.00000000	0.02719947	0.02716331	0.02633728	0.02675173		
WR04 GL01	Inland Empire Joint Resource Conservation District	0.00053300	0.00225705	0.00212240	0.00073409	0.00218544	0.00203378	0.00049385	0.00128280		
WU23 GA01	San Bernardino Valley Municipal Water	0.02691611	0.02854651	0.02686999	0.02695586	0.02737734	0.02737174	0.02653919	0.02694908		
WW28 GA01	West San Bernardino County Water District	0.02925290	0.03108569	0.02919778	0.02929727	0.00000000	0.00000000	0.00000000	0.00000000		
	Total	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000	1.00000000		
	Total Acreage for General Fund	316.69	9.81	35.11	361.61	134.13	125.06	269.10	528.29		
	Percent of Total for General Fund	87.6%	2.7%	9.7%	100.0%	25.4%	23.7%	50.9%	100.0%		
	Detaching Districts										
	Total Fire Districts Allocations	n/a	n/a	n/a	n/a	0.15025831	0.15016870	0.14560562	0.14786711		
	Total Fire Districts Acreage	0.00	0.00	0.00	0.00	134.13	125.06	269.10	528.29		
	Percent of Total for Fire Districts	0.0%	0.0%	0.0%	0.0%	25.4%	23.7%	50.9%	100.0%		

Sources: Stanley R. Hoffman Associates, Inc.
San Bernardino County Auditor-Controller, Property Tax Division, TRA Allocations

Table C-6
Tax Rate Area (TRA) Allocations upon Annexation: Neighborhood III
Lytle Creek Annexation Area
Plan for Service and Fiscal Analysis, City of Rialto

Property Tax Recipient ¹	Tax Rate Area Allocations ²					
	Current County Area				Current City Area	Total Area ⁴
	Prior to Annexation		Upon Annexation ³		City of Rialto	City of Rialto
	San Bernardino County General Fund	San Bernardino County Funds/ Districts	San Bernardino County General Fund	City of Rialto		
General Fund	0.1489		0.1546	0.1422	0.1366	0.1399
San Bernardino County Fire District		0.1479				
Acres	528.29	528.29	0.00	528.29	361.61	889.90
Percent of Total	59.4%	59.4%		59.4%	40.6%	100.0%

- Note: 1. Only the property tax allocations for the funds analyzed in this report are presented in this table.
2. Tax rate allocations are adjusted for the shift to the Education Realignment Augmentation Fund (ERAF).
3. Although a Master Property Tax Exchange Agreement does not exist between the City of Rialto and the County of San Bernardino, the tax rate allocation for the City of Rialto is based on a formula provided by LAFCO. Upon annexation, the City will receive the allocations for the detaching districts minus 50 percent of the remainder when the total of the historic City allocation of 0.1364 is subtracted from the total of the detaching districts. The formula for the City upon annexation is: $0.1479 - ((0.1479 - 0.1364)/2)$. Therefore, 0.1422 will be transferred to the City General Fund from the detaching districts upon annexation of Neighborhood III. The formula for the County upon annexation is: $0.1489 + ((0.1479 - 0.1364)/2)$. Therefore, the County General Fund will receive 0.0057 of the property tax from the detaching districts when the City annexes Neighborhood III. The total property tax allocation for the County General Fund upon annexation is estimated at 0.1546, or 0.1489 plus .0057.
4. The total area allocation for the City represents a weighted average of the area that will be annexed with the area that is currently located in the City.

Sources: Stanley R. Hoffman Associates, Inc.
San Bernardino County Auditor-Controller, Property Tax Division, TRA Allocations
San Bernardino County Local Agency Formation Commission (LAFCO), March 2010

Table C-7
Estimated In Lieu Property Tax of Vehicle License Fees (VLF) Factor
Lytle Creek Annexation Area Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2014 Dollars)

Category	FY 2004-2005	FY 2013-2014	Change
A. Nominal Dollars			
In Lieu Property Tax - VLF	\$5,562,151	\$8,561,000	\$2,998,849
Assessed Valuation	\$3,842,110,300	\$5,917,583,374	\$2,075,473,074
VLF Increase divided by Assessed Valuation (AV)			0.001445
VLF Increase per \$1,000,000 increase in AV			\$1,445
B. Consumer Price Index (Annual 2004 and 2013)	193.20	239.21	1.24
C. Constant Dollars			
In Lieu Property Tax - VLF	\$6,886,674	\$8,561,000	\$1,674,326
Assessed Valuation	\$4,757,037,674	\$5,917,583,374	\$1,160,545,700
VLF Increase divided by Assessed Valuation (AV)			0.001443
VLF Increase per \$1,000,000 increase in AV			\$1,443

Sources: Stanley R. Hoffman Associates, Inc.
State Controller's Office, Division of Accounting and Reporting, *Revenue and Taxation Code Section 97.70©1(B)(i) Vehicle License Fee Adjustment Amounts, 2004/2005*
City of Rialto, *Budget Fiscal Year 2013/2014*
City of Rialto, *Mid-Year Presentation FY 13-14, City Council Approved Budget Adjustments, 2/25/2014*
San Bernardino County Assessor, *2013 Annual Report, 2013 Property Assessment Roll*
Bureau of Labor Statistics (BLS), *Consumer Price Index-All Urban Customers, Los Angeles-Riverside-Orange County, CA, January CPI, April 2014*

Table C-8
Calculation of Use Tax Factor
Lytle Creek Annexation Area Plan for Service and Fiscal Analysis
City of Rialto

Rialto	Amount
<u>Use Tax</u>	
County Pool	\$1,064,180
State Pool	<u>5,835</u>
Total Use Tax	\$1,070,015
<u>Point-of-Sale Sales Tax</u>	\$9,519,326
Use Tax Rate¹	11.2%

Note: 1. The use tax rate is the County Pool plus the State Pool divided by point-of-sale taxable sales tax.

Source: The HdL Companies, *Sales Tax Allocation Totals, Calendar Year 2013*

Table C-9
 Estimated Annual Residential Turnover
 Lytle Creek Annexation Area
 Plan for Service and Fiscal Analysis, City of Rialto

City of Rialto	Occupied Housing Units	Percent Turnover
Total Owner Occupied Units	15,169	
Moved in 2010 or later	900	
Moved in 2000 to 2009	<u>6,406</u>	
Total Moved 2000 to 2010	7,306	
Annual Turnover Rate: 2000 to 2010 ¹	731	5%

Note: 1. The annual turnover rate is based on the assumption of ten years for the 2000 to 2010 period.

Sources: Stanley R. Hoffman Associates, Inc.

U.S. Census Bureau, 2008-2012 American Community Survey Tenure by Year Householder Moved Into Unit

Table C-10
General Fund Net Development Cost Factors
Lytle Creek Annexation Area
Plan for Service and Fiscal Analysis, City of Rialto
(In Constant 2014 Dollars)

Category	Amount
A. General Fund Development Services Engineering Costs	
<u>Development Services & Engineering Costs (includes Building and Planning Divisions)</u>	\$1,973,988
	<i>minus</i>
<u>One-Time Licenses and Permits</u>	
Earthquake Fee	\$2,000
Building Permits	509,000
Plumbing Permits	50,000
Electrical Permits	60,000
Mechanical Permits	60,000
Energy No-Fee Permits	5,000
Certificates of Occupancy	9,000
Mobile Home Park State OPS Permit	25,000
Temporary Sign Permits	<u>2,000</u>
Total One-Time Licenses and Permits	\$722,000
	<i>minus</i>
<u>One-Time Charges for Current Services</u>	
Planning Variance Reviews	\$2,241
Lot Lines and Lot Splits	2,000
Development Agreements	4,000
Specific Plan Reviews/Changes	2,000
Annexation Reviews	9,127
Issuance Fees	40,000
Tentative Map Reviews	8,678
Conditional Development Reviews	44,000
Environmental Reviews	20,000
Building Plan Check	600,000
Energy Plan Check	8,000
Precise Plan Review	60,000
Planning General Services	<u>7,000</u>
Total One-Time Charges for Services	\$807,046
	<i>equals</i>
Recurring Net Development Services & Engineering Costs	\$444,942
	<i>divided by</i>
<u>City Service Population</u>	112,663
	<i>equals</i>
Net Development Services & Engineering Costs per Service Population	\$3.95
 B. General Fund Development Services - Code Enforcement Costs	
<u>Development Services - Code Enforcement</u>	\$826,337
	<i>minus</i>
<u>One-Time Charges for Services</u>	
Nuisance Review	\$51,000
	<i>equals</i>
Recurring Net Development Services-Code Enforcement Costs	\$775,337
	<i>divided by</i>
<u>City Service Population</u>	112,663
	<i>equals</i>
Net Development Services Costs per Service Population	\$6.88

Sources: Stanley R. Hoffman Associates, Inc.
City of Rialto, Budget Fiscal Year 2013/2014
City of Rialto, Mid-Year Presentation FY 13-14, City Council Approved Budget Adjustments, 2/25/2014
City of Rialto, City Administrator and Development Services Department

Table C-11
General Fund Net Public Works Engineering Costs
Lytle Creek Annexation Area
Plan for Service and Fiscal Analysis, City of Rialto
(In Constant 2014 Dollars)

Category	Amount
<u>Total General Fund Public Works Engineering Services and Projects</u>	
Engineering Services	\$918,555
Engineering - Projects	<u>522,094</u>
Total Public Works Engineering Services and Projects Costs	\$1,440,648
	<i>minus</i>
<u>One-Time Licenses and Permits</u>	
Overload Permits	\$20,000
	<i>minus</i>
<u>One-Time Charges for Services</u>	
Public Improvement Inspection	\$325,000
Grading Inspection	15,000
Engineering General Services	70,000
Engineering Improvement Plan Check	250,000
Grading Plan Check Fee	10,000
On Site Improvement Inspection	200,000
Environmental Inspection Fee	40,000
Department-Premium Engineering	<u>172,800</u>
Total One-Time Charges for Service	\$1,082,800
	<i>equals</i>
Recurring Net Development Services Costs	\$337,848
	<i>divided by</i>
<u>City Service Population</u>	112,663
	<i>equals</i>
Public Works Engineering Costs per Service Population	\$3.00

Sources: Stanley R. Hoffman Associates, Inc.
City of Rialto, Budget Fiscal Year 2013/2014
City of Rialto, *Mid-Year Presentation FY 13-14, City Council Approved Budget Adjustments, 2/25/2014*
City of Rialto, City Administrator and Development Services Department

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LYTLE CREEK RANCH SPECIFIC PLAN



LEAD AGENCY:

CITY OF RIALTO

PREPARED FOR:

LYTLE DEVELOPMENT
JOINT VENTURE III

ADOPTED BY THE RIALTO CITY COUNCIL ON JULY 13, 2010



LYTLE CREEK RANCH

SPECIFIC PLAN

Lead Agency:

City of Rialto
Development Services Department
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Rialto, California 92376

Prepared for:

Lytle Development Joint Venture III
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Prepared by:

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Contacts: Ken Ryan & Mark Hickner

Adopted by the Rialto City Council on July 13, 2010

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Grace Vargas, Mayor
Joe Baca Jr., Mayor Pro Tem
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Deborah Robertson, Council Member
Ed Scott, Council Member

Planning Commission

Beth George, Chair
Dale Estvander, Vice Chair
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Robb Steel, Economic Development Director
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Di Lallo Landscape Architecture
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Hewitt & O'Neill, LLP
Latham & Watkins, LLP
Manatt, Phelps & Phillips, LLP
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PACE, Inc.
PCR Services Corporation

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PREFACE

The *Lytle Creek Ranch Specific Plan* represents one family's strong commitment to the City of Rialto and its residents. For several decades, the Pharris family has served as good stewards of what is today the largest remaining tract of undeveloped land within the City. The property is located partially within the city limits of Rialto, with the remaining areas located within unincorporated San Bernardino County. As part of project entitlements, the portions of the site not currently within the city limits will be annexed into the City.

In recent years, Rialto and the surrounding areas have experienced increasing pressures to accommodate the growing Inland Empire population. Recognizing this need, the Pharris family has embraced the opportunity to create a legacy project that is a departure from the "mass produced" look and resulting anonymity of conventional subdivision development. With more than a decade spent in planning and design, Lytle Creek Ranch, is envisioned as a multi-generational community where residents can live, work, shop, play, and relax within an intimate, "small town" setting of rich architecture and attractive landscaping.

The *Lytle Creek Ranch Specific Plan* has been prepared to serve as an overall framework to conscientiously guide development of this significant landmark project. This Specific Plan serves as a regulatory document for development of the Lytle Creek Ranch project site into a high-quality, master-planned community. This document will provide guidance to the City of Rialto, builders, developers, architects, and designers in implementing an exciting new collection of neighborhoods that will quickly become some of Rialto's finest and most sought-after residential areas.

Lytle Creek Ranch incorporates carefully crafted neighborhood design principles to ensure that the community develops with a "sense of place" that promotes security, strong neighborhood ties, and a lifestyle rich in amenities. The community's design draws on inspiration from neighborhood-building design strategies and sustainability principles. Lytle Creek Ranch will incorporate "iconic" streets that are readily identifiable, definable neighborhoods with authentic architecture and a distinct sense of character, clustered development that preserves natural open space areas, a mixed-use center near the I-15 freeway that provides local- and regional-serving retail uses, and an extensive network of open space and walking and biking trails designed to promote health and fitness. Lytle Creek Ranch will offer a wide variety of housing sizes and styles designed to meet the needs of a families, couples, and singles. In addition, an age-restricted, Active-Adult neighborhood will offer a mix of residences designed specifically for the needs of individuals aged 55 and older who wish to remain in the Rialto area.

Lytle Creek Ranch offers a range of amenities that will be accessible to all of the residents of Rialto. These public recreational amenities include neighborhood parks, a sports park, two joint-use park/school facilities with sports fields and/or playgrounds, a central "Grand Paseo," and a public 18-hole golf course. The project incorporates and further builds and refines upon the efforts to rehabilitate and redevelop the underperforming El Rancho Verde Royal Vista Golf Club that began in 2006 to create an entirely new public golfing experience. Meandering greens and scenic vistas

will be interspersed by a series of small lakes and water features. The golf course will include a dramatic new clubhouse that will be available for City and community events and banquets, golf tournaments, weddings, and other social events. In addition to the golf course improvements that are proposed, the project will make the golf course the featured recreational and community amenity for the proposed Active Adult community. The community also proposes new elementary and K-8 schools, which will be owned, maintained, and operated by the Rialto Unified School District.

A new northern gateway into the City will be provided as a component of Lytle Creek Ranch, which will identify Rialto and serve as a community landmark. The gateway design will include an iconic representation of the celebrated Rialto Bridge near the Sierra Avenue/Riverside Avenue intersection, which will help to increase the visibility of the City to passing motorists. Lytle Creek Ranch will include several smaller “Welcome to Rialto” signs as well.

Lytle Creek Ranch also incorporates Green building techniques designed to conserve energy and water, promote recycling and re-use of materials, and ensure that only clean water enters Lytle Creek from the development. Planned as an environmentally conscious community, the project will set aside a total of 1,253.8 acres (51 percent of the total project area) as open space, including natural open space, trails, parkways, and paseos. A minimum of 829.2 acres of the 1,253.8 acres will be preserved in its existing natural habitat as part of the Open Space and Conservation Plan prepared specifically for Lytle Creek Ranch.

Lytle Creek Ranch will result in many benefits to Rialto and the community, including the following:

1. A quality residential and mixed-use master planned community.
2. An exciting new Active Adult community for residents aged 55 and older.
3. A minimum of 829.2 acres of natural open space that will protect important habitat.
4. More than 300 acres of parks, recreation areas, paseos, trails, and golf course uses — most of which will be available for use by the general public and citizens of Rialto.
5. A mix of housing products to meet a wide variety of housing needs.
6. Village Center Commercial development including retail centers that will generate important tax revenue for the City and provide residents with additional shopping opportunities close to home.
7. Improvements to the El Rancho Verde Royal Vista Golf Club that will further enhance the public golf course.

8. Road and landscape improvements to Glen Helen Parkway, Riverside Avenue, Sierra Avenue/Lytle Creek Road, and Country Club Drive.
9. A new decorative gateway element on Riverside Avenue at the northern entrance into the City of Rialto.
10. A community that incorporates sustainable design strategies and offers potential homebuyers an opportunity to live in an environmentally-conscious community.
11. Two potential new school sites – an elementary school and a K-8 school.

When built-out in 2030, this new community will benefit the entire City of Rialto through the provision of new housing neighborhoods, additional parks and recreational amenities, new schools, and enhanced retail opportunities. Its residents will enjoy a lifestyle and level of amenities unsurpassed elsewhere in Rialto. Truly, Lytle Creek Ranch will be a model of the latest “state-of-the-art” planning and design techniques in the Inland Empire and serve as a legacy project in Rialto.

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1.0 INTRODUCTION

1.1 PURPOSE AND INTENT OF THE SPECIFIC PLAN

The Lytle Creek Ranch Specific Plan, hereafter referred to as “Lytle Creek Ranch Specific Plan” or “Specific Plan,” provides a detailed description of the proposed land uses and infrastructure requirements for the Lytle Creek Ranch project, which will be processed through the City of Rialto, California. The design and development standards contained in this document will assist in creating architectural themes and landscape character for development within Lytle Creek Ranch. The Specific Plan is expected to be adopted by Resolution with the exception of Chapter 5.0, Development Standards, which will be adopted by Ordinance and serve as the zoning for the Lytle Creek Ranch Specific Plan area.

This Specific Plan is intended to serve the following purposes:

- Promote quality development consistent with the goals and policies of the City of Rialto General Plan.
- Provide for comprehensive planning that assures the orderly development of the project site in relation to surrounding existing development.
- Assure appropriate phasing and financing for community facilities, including circulation and streetscape improvements, domestic water, urban runoff and flood control facilities, sewage disposal facilities, educational facilities, and parks.
- Establish development regulations permitting a wide variety of detached and attached residential products.
- Develop a plan that is economically feasible and capable of being implemented based on existing and anticipated future economic conditions such that no economic burden to the City occurs.
- Provide for the creation of a compact, walkable community that concentrates development, accommodates residential and commercial/retail development, and establishes a strong “sense of place.”

1.2 AUTHORITY AND FORMAT OF THE SPECIFIC PLAN

The State of California Legislature has established the authority and scope to prepare and implement specific plans. The State requires that all cities and counties in California prepare and adopt a comprehensive General Plan for the physical development of their areas of jurisdiction. To implement the policies described in the General Plan, regulating programs need to be adopted (i.e.,

zoning ordinances, subdivision ordinances, building and housing codes, etc.). California State law authorizes cities with complete General Plans to prepare and adopt specific plans (Government Code Section 65450 – 65457). Local planning agencies or their legislative bodies may designate areas within their jurisdiction as areas for which a specific plan is “necessary or convenient” (Government Code Section 65451).

Specific plans are intended to serve as bridges between the local General Plan and individual development proposals. Specific plans contain both planning policies and regulations, and may combine zoning regulations, capital improvement programs, detailed development standards, and other regulatory requirements into one document, which are designed to meet the needs of a specific area.

The Lytle Creek Ranch Specific Plan has been created through the authority granted to the City of Rialto by the California Government Code, Sections 65450 through 65453. This Specific Plan has been prepared in accordance with the provisions of the California Government Code, which stipulate that a specific plan contain text and diagrams that specify the following:

Land Use

The specific plan must specify the distribution, location, and extent of the uses of land, including open space, within the area covered by the plan.

Public Facilities

The specific plan must show the proposed distribution, location, extent, and intensity of major components of public and private transportation, sewage, water, drainage, solid waste disposal, energy, and other essential facilities located within the area covered by the plan, and needed to support the land uses described in the plan.

Development Standards

The specific plan must include standards and criteria by which development will proceed, and standards for the conservation, development, and utilization of natural resources, where applicable.

Implementation Measures

The specific plan must include a program of implementation measures, including regulation, programs, public works projects, and financing measures.

General Plan Consistency

The specific plan must include a statement of the relationship of the specific plan to the General Plan.

Optional Contents

The specific plan may address any other subject that, in the judgment of the planning agency, is necessary or desirable for implementation of the General Plan.

All future development plans, tentative parcel and/or tract map(s), and/or other similar entitlements for the Lytle Creek Ranch Specific Plan area shall be consistent with the regulations set forth in this Specific Plan and with all other applicable City of Rialto regulations. Furthermore, all regulations, conditions, and programs contained herein shall be deemed separate, distinct, and independent provisions of the Lytle Creek Ranch Specific Plan. In the event that any such provision, standard, or clause is held invalid or unconstitutional, the validity of all remaining provisions, standards, and clauses of this Specific Plan shall not be affected.

1.3 PROJECT LOCATION

The Lytle Creek Ranch Specific Plan project site is located partially within the city limits of Rialto and mostly within the City's sphere of influence in unincorporated San Bernardino County. The site is bisected partially by both the Interstate 15 (I-15) Freeway and Lytle Creek Wash, an intermittent stream. The location of the Lytle Creek Ranch Specific Plan in relation to the local and regional setting is displayed in Figure 1-1, Regional Map, and Figure 1-2, Local Vicinity Map.

Regionally, the City of Rialto is located approximately 60 miles east of downtown Los Angeles and 103 miles north of San Diego, in the western portion of the San Bernardino Valley, in the center of the Inland Empire. The primary regional transportation linkages include the Foothill Freeway (State Route 210), which traverses through the central portion of the City in an east-west direction, and the Ontario Freeway (Interstate 15), which borders the City to the north, providing regional access to the project area. Secondary regional transportation linkages include the Interstate 215 Freeway and U.S. Highway 66 to the northeast and, further south, Interstate. From the I-15, direct access to the project site is provided by Sierra and Riverside Avenues, which run along the southwestern boundary of the site. Access to the site from State Route 210 is available via an interchange at Riverside Avenue.

1.4 PROJECT OBJECTIVES

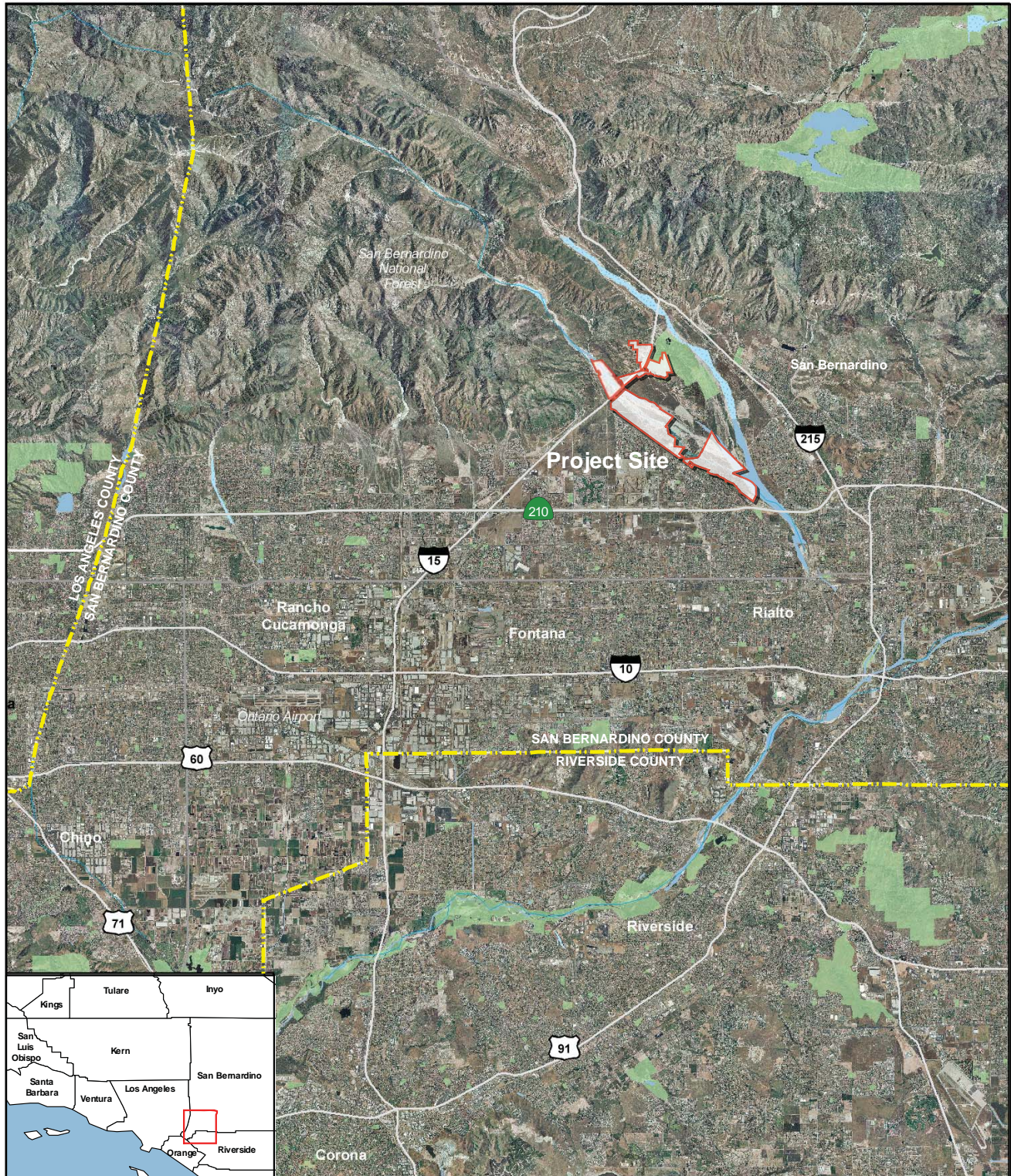
The Lytle Creek Specific Plan is designed to implement a series of project-related objectives that have been carefully crafted to ensure that the project develops as a high-quality master planned community that meets realistic and achievable objectives. These objectives, which are identified below, have been refined throughout the planning and design process for Lytle Creek Ranch:

- Build upon the platform of high-quality design, architecture, and landscaping established by neighboring residential communities to provide a northern gateway to the City of Rialto that offers new and exciting amenities to residents.
- Establish open space preservation areas that will provide functioning habitats for sensitive, threatened, and endangered species, preserve Lytle Creek Wash and minimize impacts to its riparian and alluvial fan sage scrub habitats, while providing other wildlife benefits and accommodating growth and development opportunities within the City.

- Locate and integrate the design of native habitat open space areas into the community by providing and promoting connectivity with significant blocks of wildlife habitat off-site and habitat linkages and wildlife movement corridors in the region.
- Maximize opportunities for using native plant material/species in the project landscaping, especially in areas where such landscaping is located in proximity to areas of preserved native habitat.
- Develop freeway-oriented commercial areas to serve regional needs and stimulate job and revenue growth in the City.
- Concentrate development within neighborhoods to promote greater efficiency of land use and promote walking and bicycling.
- Respond to the unmet need for Active Adult communities in the Rialto area by providing residents with a golf course-oriented community and a variety of conveniently located on-site amenities.
- Provide the City and surrounding community with a redesigned public golf course and clubhouse, recreation and open space areas, parks, and trails to meet the City's General Plan goals to provide such facilities to maintain and enhance the City's quality of life.
- Address the City of Rialto's current and projected housing needs for all segments of the community by providing a range of family-oriented single- and multi-family residences, as well as an Active Adult golf course community.
- Establish a mix of land uses and local-serving activities that meet the General Plan's objectives concerning community character and pedestrian-friendly design.
- Implement the City's General Plan Land Use Element goal to facilitate annexation of large areas of land that are governed by a specific plan, which provides for compatibility of land uses, fiscal balance, recreation, and resource protection.
- Create a transportation network that will fulfill the policies of the Rialto General Plan's Circulation Element by allowing residents to live within proximity to schools, recreational opportunities, retail centers, and commercial development, and by minimizing vehicle trips through utilizing access to a variety of transportation opportunities, including pedestrian pathways, bikeways, regional freeways, transit, and trains/Metrolink.
- Provide a network of pleasant, safe, and convenient pedestrian trails and bike lanes.

- Address regional infrastructure concerns by locating development in areas where opportunities for groundwater recharge are maintained and the life of groundwater aquifers are protected.
- Incorporate “Green” and sustainable practices, as practicable, in developing buildings and infrastructure in Lytle Creek Ranch.
- Identify and address safety hazards, such as wildfire and flooding dangers, through implementation of design safety features and levee improvements.
- Undertake development of the project site in a manner that is economically feasible and balanced to address both the Applicant’s and the City’s economic concerns.

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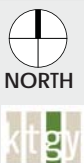
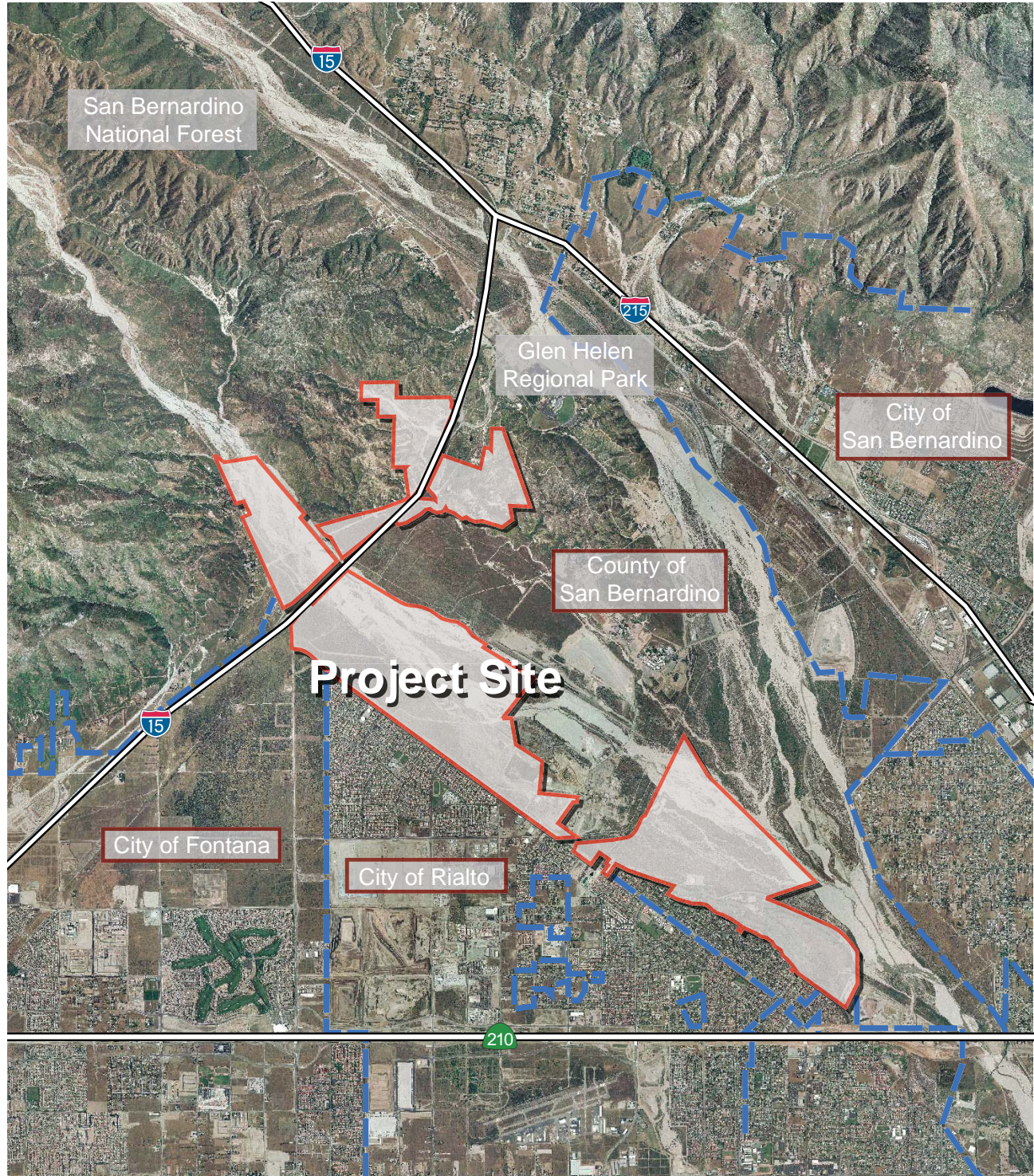


Not to Scale



Figure 1-1
Regional Location

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Not to Scale

Figure 1-2
Local Vicinity Map

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1.5 PROJECT OVERVIEW

Lytle Creek Ranch is the result of years of intensive planning and careful design to create one of the foremost master-planned communities in the Inland Empire and, indeed, in all of Southern California. The project site has been owned and protected by one family for several decades. Now that Rialto is nearing build-out, this family has decided the timing is right to develop portions of the last large remaining vacant land in the City with a beautiful, new master-planned community on approximately 2,447 acres. Portions of the site are located within the city limits of Rialto, while remaining areas of the site are located within the City's sphere of influence in unincorporated San Bernardino County.

The Lytle Creek Ranch community is designed as four separate and unique neighborhoods:

- **Neighborhood I** – includes approximately 417 acres of land. A portion of this land (“Sycamore Flats East” and “Sycamore Flats West”) is located within the boundaries of the 3,400-acre Glen Helen Specific Plan. The remaining land in Neighborhood I includes acreage located within the boundaries of the Lytle Creek North Planned Development. The Lytle Creek North Planned Development encompassed parts of Sycamore Flats East and Sycamore Flats West, including the community of Rosena Ranch. Once approved, the “Lytle Creek Ranch Specific Plan” will supersede portions of the “Glen Helen Specific Plan” (County of San Bernardino) and the “Lytle Creek North Preliminary Development Plan” (County of San Bernardino). Areas to be removed from these adopted plans include Planning Areas 1 through 15 of the Lytle Creek Ranch Specific Plan.
- **Neighborhood II** – is planned as a gated Active Adult golf course community on approximately 802 acres and includes the entire 221-acre El Rancho Verde Specific Plan area. Once approved, the “Lytle Creek Ranch Specific Plan” will supersede the City-approved “El Rancho Verde Specific Plan.” Areas to be removed from the adopted El Rancho Verde Specific Plan include a portion of Planning Area 95, and all of Planning Areas 96 through 103 of the Lytle Creek Ranch Specific Plan.
- **Neighborhood III** – is located south of the I-15 and is planned to appeal to young families and families with children and will include a mix of single-family detached and attached homes, as well as Village Center Commercial development on approximately 969 acres.
- **Neighborhood IV** – includes multi-family residential and Village Center Commercial development on approximately 259 acres located north of the I-15.

Each of the neighborhoods will have a separate and unique identity based on its physical features and public amenities. Three of the neighborhoods will be built-out with housing targeted at a variety of family sizes, couples, and singles, while the fourth neighborhood will be built as a gated, age-qualified community for residents age 55 and older. In all, a maximum of 8,407 dwelling units may

be constructed in Lytle Creek Ranch. The community will build-out at an overall gross density of approximately 3.5 dwelling units per acre.

Approximately 95.6 acres of Village Commercial Center uses are planned on-site. These areas will develop with retail, commercial, office, business park, and medical/dental uses. One of the Village Center Commercial areas, located at the juncture of Sierra Avenue and Riverside Avenue, is expected to build-out as a major retail shopping center.

Lytle Creek Ranch will include a wide variety of housing types in community settings that reflect the aesthetic charm and neighborhood structure reminiscent of traditional Southern California towns. The community is designed as a mix of family-oriented and Active Adult homes clustered into four distinct neighborhoods. Each neighborhood will have its own unique identity and character. This will be accomplished by promoting authentic architecture and creating iconic streets with consistent design elements and a unified landscape palette to create a readily identifiable streetscape.

Like most areas, the baby boomer segment of the San Bernardino County population is quickly approaching retirement age. The southern portion of Lytle Creek Ranch (Neighborhood II) is planned as a lifestyle community targeted at households within the expanding active adult (age 55 and older) population. Active adult communities such as Lytle Creek Ranch offer residents of similar ages and interests a place to come together to enjoy an active lifestyle and sense of community. Lytle Creek Ranch will focus on the health, wellness, and fitness of its residents. The project will include an extensive network of sidewalks, which will link together the Active Adult neighborhood. In addition, there will be a public 18-hole public golf course. The age-qualified community is designed to accommodate housing without burdening parks and local schools.

An Active Adult recreation center is planned in Neighborhood II especially for those residents. The recreation center will be beautifully landscaped and designed to serve as a community focal and gathering point. It is anticipated that the Neighborhood II recreation center will include a community center building that may contain such amenities as meeting and game/craft rooms, exercise facilities, locker rooms, restrooms, and other facilities. There will also be a swimming pool with a spa, and an outdoor area with barbecues for picnics and special events.

Of the 2,447 acres comprising the project site, half of the property will be preserved as open space by clustering development along Riverside Avenue, Lytle Creek Road, Glen Helen Parkway, Clearwater Parkway, and the I-15 corridor. Lytle Creek Wash bisects a portion of the project site. A minimum of 829.2 acres will be preserved as undisturbed open space in its natural condition for habitat and wildlife potential, including the areas located along and within Lytle Creek Wash and portions of the hillsides adjacent to Glen Helen Regional Park and the San Bernardino National Forest.

Another 296 acres will be devoted to open space, neighborhood parks, golf, and recreation areas. The project proposes an extensive system of green spaces, such as neighborhood parks, paseos, and recreation areas linked together by a network of trails and paseos.

A comprehensive trail system is planned throughout Lytle Creek Ranch. This system includes multi-purpose trails that run adjacent to Lytle Creek Wash in Neighborhoods II, III, and IV. Other trails include a pedestrian walkway along the length of Riverside Avenue in Neighborhoods II, III, and IV, and a variable width “Grand Paseo” that runs the length of Neighborhood III. A multi-purpose trail in the Grand Paseo will be a minimum of eight feet in width and will accommodate both bicycle and pedestrian traffic. In addition, a trail system will be provided in Neighborhood I that will link up to the pedestrian trail system planned in the adjacent Rosena Ranch community (formerly known as “Lytle Creek North”).

Lytle Creek Ranch also includes three public neighborhood parks that will include a mix of passive uses including, but not limited to, picnicking areas, shade structure(s), playgrounds, gardens, seating areas, informal turf play areas, and attractive landscaping. Each of the neighborhood parks in Neighborhood III will contain private recreation facilities designed especially to serve the recreational needs of Lytle Creek Ranch residents of Neighborhood III. In addition, there will be two joint-use parks located adjacent to the two schools, which will include playgrounds and/or sports fields.

In addition to the above recreational amenities, the project will include a re-designed and reconfigured 18-hole public golf course. The golf course will include a new 19,000-square-foot minimum clubhouse facility with pro shop, locker rooms, offices, bar, restaurant, and banquet facilities. Other features include a tournament lawn, driving range, and carts storage barn. Although the golf course will be surrounded by active adult housing, the course and clubhouse will be open for use by the general public.

A key feature of Lytle Creek Ranch is the establishment of a new northern gateway into the City of Rialto. At present, there is no clearly defined edge to the northern portion of the City. Lytle Creek Ranch is designed as the gateway into the City from the north. A dramatic entry featuring an interpretation of the City’s symbol, the Rialto Bridge, will be constructed on Riverside Avenue, near the I-15. This gateway will become a community landmark and will announce to both residents and visitors that they are entering Rialto. The project will also include two “Welcome to Rialto” monument signs, one each in Neighborhoods I and IV.

1.6 DISCRETIONARY ACTIONS AND APPROVALS

The City of Rialto is the Lead Agency for purposes of California Environmental Quality Act (CEQA) compliance and has prepared an Environmental Impact Report (EIR) to consider the following discretionary actions, for which applications have been submitted to the City. These actions are required to implement this Specific Plan:

- **Approval of the General Plan Amendment:** A General Plan Amendment will be necessary to change the entire property from the current General Plan land use designations of “Special Study Areas,” “Edison Easement,” “Residential – Low Density (0-3),” and “Residential – Medium Density (3-6)/Recreation-Golf Course” to “Specific Plan Area” on the City’s General Plan Land Use Map.
- **Approval of the Specific Plan:** The Lytle Creek Ranch Specific Plan has been prepared to realize the objectives of the proposed project as defined here in this Specific Plan. The Specific Plan will be adopted by resolution by the City of Rialto City Council, with the Development Standards chapter adopted by ordinance. The existing “El Rancho Verde Specific Plan,” a portion of the existing “Glen Helen Specific Plan,” and a portion of the “Lytle Creek North Planned Development” will be superseded by the Lytle Creek Ranch Specific Plan, once the Lytle Creek Ranch Specific Plan is approved.
- **Approval of Prezoning:** Once the Specific Plan is approved by the City, the Specific Plan will serve as the “pre-zoning” for the project site. The Specific Plan will pre-zone the property from the mix of current Rialto and San Bernardino County zoning designations to “Specific Plan Zone.”
- **Approval of Tentative Tract Maps (TTM):** Concurrently with the General Plan Amendment, Specific Plan, and other entitlement requests, the master developer intends to process Tentative Tract Maps for portions of the Specific Plan area. The Tentative Tract Maps will be prepared and processed through the City in accordance with Section 17.16 of the City of Rialto Municipal Code and in accordance with the Subdivision Map Act of the California Government Code.
- **Approval of Grading Plans:** In conjunction with the Tentative Tract Maps, the City will process the corresponding grading plans based on the grading permit process established by the City’s Building Codes. Grading permits will be required prior to commencement of on-site grading activities.
- **Certification of the Environmental Impact Report (EIR):** The City of Rialto has determined that an EIR is required to analyze the potential environmental impacts of the project and include mitigation measures, as appropriate, to reduce potential environmental impacts. The EIR has been prepared in accordance with CEQA and the CEQA Guidelines. The City of Rialto will consider certification of the EIR prior to taking action on the requested approvals.
- **Adoption of Mitigation Monitoring Program:** The City will evaluate and adopt a Mitigation Monitoring Program (MMP), which will be considered by the City related to the changes made to the project or conditions of project approval that were adopted in order to mitigate or avoid significant effects on the environment.

- **Approval of a Development Agreement/Pre-Annexation Development Agreement:** A Development Agreement/Pre-Annexation Development Agreement will be negotiated between the City of Rialto and the Project Applicant that will establish vesting of development rights and entitlements, identify project improvements, timing of improvements, as well as the responsibilities and rights of both the City and the project Applicant applying to development of the Lytle Creek Ranch project.
- **Annexation Determination:** All of the above land use entitlements will be acted on by the City prior to annexation of the unincorporated areas into the City. The above entitlements, including the Pre-Annexation Development Agreement, are premised upon “pre-annexation” approvals that will become “in effect” upon completion of the annexation process. Cities are permitted to process pre-annexation General Plan amendments, zone changes, and specific plans prior to Local Agency Formation Commission (LAFCO) action on the proposed annexation; however, these land use entitlements are not considered in effect for the portions of the property located outside the city limits until the property is actually incorporated into the City. The annexation determination will involve the filing of a petition by the landowner(s) with the San Bernardino County LAFCO to annex the unincorporated portions of Lytle Creek Ranch into the City of Rialto. At the time of approval by the City Council, the land use entitlements for those portions of the project site located within the city limits will become effective immediately or as provided for by state law.

The approximately 2,447.3-acre Lytle Creek Ranch project site is located partly within the City of Rialto (approximately 694.2 acres) and partly within an unincorporated portion of southwestern San Bernardino County (approximately 1,753.1 acres). The jurisdictional boundaries are depicted in Figure 1-3, Annexation Areas. As part of project entitlements for Lytle Creek Ranch, the following annexations/boundary adjustments will need to occur:

- Annexation of all unincorporated lands (approximately 1,753.1 acres) within the project area into the City of Rialto;
- Removal of Neighborhood I from the San Bernardino County GH-70 Service District for Fire and Sewer Service;
- Adjustments between the Rialto Unified School District/San Bernardino Unified School District service boundaries in Neighborhood I; and
- Annexation of those portions of the project site located within the Sphere of Influence (i.e., portions of Neighborhoods II, III, and IV) into the West Valley Water District.

All entitlements will require approval by the Rialto City Council. The annexation request will require approval by LAFCO, as well.

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Figure 1-3
Annexation Areas

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2.0 PLANNING CONTEXT

2.1 RELATIONSHIP TO THE CITY OF RIALTO GENERAL PLAN/ZONING CODE

The Lytle Creek Ranch Specific Plan serves as a planning guide to implement the intent of the City's General Plan. The Specific Plan development context has been prepared to be consistent with all applicable goals and programs contained within the General Plan and to effectively implement the policies of the General Plan, and the applicable Zoning requirements and guidelines. The issues and goals identified within each element of the General Plan have been evaluated, and a statement of compliance with the General Plan has been included as Appendix A (General Plan Consistency Analysis).

2.1.1 GENERAL PLAN LAND USES

The City of Rialto General Plan Land Use Element has the broadest scope of any of the required components and serves as the framework for the goals and policies contained in the other elements. The primary implementation mechanism for this element is the Zoning Ordinance.

The majority of the project site is designated as "Special Project areas" on the City's General Plan Land Use Map. A narrow swath of land is designated as "Edison Easement." The southernmost portion of the project site is designated as "Residential – Medium Density (3-6)/Recreation – Golf Course" on the Land Use Map. There are also a few small scattered parcels designated as "Residential – Low Density (0-3)." Figure 2-1, Existing City of Rialto General Plan Land Use Designations, depicts the existing City of Rialto General Plan Land Use designations for the project site and delineates those areas of Lytle Creek Ranch that are currently in the City from those which are in the County.

The Lytle Creek Ranch Specific Plan proposes to amend the Rialto General Plan to:

- Add to Section 2.0, Land Use Designations a "Specific Plan Area" designation that denotes that the land uses in those areas are to be governed by a Specific Plan prepared in accordance with Government Code Section 65450 *et seq.*
- Amend the City's General Plan Land Use Map to (1) reflect proposed annexation of those areas of Lytle Creek Ranch currently in the County into the City; and (2) change the land use designations for the Lytle Creek Ranch project site from "Special Project areas," "Recreation-Golf Course," and "Residential-Medium Density" to "Specific Plan Area." (See Figure 2-2, Proposed City of Rialto General Plan Land Use Map.)
- Adopt "Specific Plan Area" as the land use designation for the Lytle Creek Ranch area, including changing the land use designation for the El Rancho Verde Specific Plan area to "Specific Plan Area."

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Figure 2-1
Existing City of Rialto General Plan Land Uses

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Figure 2-2
Proposed City of Rialto General Plan Land Uses

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2.1.2 ZONING

Approximately 694.2 acres within the Specific Plan area are located within the Rialto city limits and are designated as follows:

- R-1A Single Family Residential
- CC-R Golf Course Residential
- R-OS Recreation Open Space

Approximately 1,753.1 acres within the Specific Plan area are located within unincorporated San Bernardino County and are designated by the County as:

- GH/SP Glen Helen Specific Plan
- FW Floodway
- RS-20M Single Family Residential
- SD-RES Special Development – Residential

Figure 2-3, Existing City of Rialto Zoning, depicts the existing County and City zoning designations for the Lytle Creek Ranch project site.

The Lytle Creek Ranch Specific Plan will be adopted by the City Council by resolution, except for Chapter 5.0, Development Standards, which will be adopted by ordinance and serve as the zoning for Lytle Creek Ranch after the annexation is complete.

The Lytle Creek Ranch project proposes the following zoning amendments:

- Amend Chapter 18 of the Municipal Code to add a “Specific Plan Zone” which allows specific plans to serve as the zoning for property.
- Amend the City’s zoning map to (1) reflect proposed annexation of those areas of Lytle Creek Ranch currently in the County into the City; and (2) change the zoning for the Lytle Creek Ranch project site from its current designations to “Specific Plan Zone.” (See Figure 2-4, Zoning Proposed City of Rialto Zoning.)

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Figure 2-3
Existing City of Rialto Zoning

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Figure 2-4
Proposed City of Rialto Zoning

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2.2 EXISTING CONDITIONS

Approximately 694.2 acres of the project site (26 percent) are located within the jurisdictional limits of the City of Rialto. In addition, approximately 1,753.1 acres of the project site (approximately 72 percent) are located within unincorporated San Bernardino County. The project site is situated within the U.S. Geological Survey (USGS) 7.5-minute Devore topographic quadrangle map within Sections 4, 5, 17, 22, and an unsectioned portion, T,1 N., R. 5 W. Elevations within the portion of the Specific Plan area within Lytle Creek Wash range from approximately 2,180 feet above mean sea level (MSL) in the upstream portion of the wash in Neighborhood II. Elevations within Sycamore Flats range from 2,270 feet above MSL to 1,930 feet above MSL in the eastern portion of Neighborhood I.

Lytle Creek is a wide stream that bisects the property. It is a tributary of the Santa Ana River. The river flows through the eastern San Gabriel Mountains and has three forks, the North, Middle, and South forks. The North Fork and Middle Fork meet just west of the unincorporated community of Lytle Creek, California and the South Fork joins them soon after. The last mile of the creek has been diverted into an artificial channel to prevent flooding. The creek merges with Warm Creek before joining with Cajon Creek and the Santa Ana River downstream of the property.

Interstate 15 crosses the northern portion of the site. Neighborhood I (including Sycamore Flats) exists northeast of Lytle Creek Wash and on either side of Interstate 15. Portions of Neighborhood I abut Glen Helen Regional Park and the San Bernardino National Forest. In addition to Glen Helen Regional Park, several other County of San Bernardino facilities are located just off-site to the east, including Verdemont Ranch, Glen Helen Rehabilitation Facility, a sheriff's training facility, and an off-road vehicle recreation area. The approved Lytle Creek North Planned Development Project (now Rosena Ranch) borders portions of Neighborhood I and Lytle Creek Wash.

Neighborhood II abuts existing City and County residential areas and an existing sand and gravel operation. Neighborhood III is located across Riverside Avenue from the existing Las Colinas planned community, which is located within the City of Rialto. A roof tile manufacturing plant borders the south and southwestern portion of the Specific Plan area, and a sand and gravel extraction operation exists in the vicinity of Neighborhoods II and III. Neighborhood IV is located near some existing freeway-related retail uses (adjacent to the I-15 Freeway) and lower density residential uses along Lytle Creek Road.

The Specific Plan area encompasses several prescribed land uses, which are not subject to the activities proposed for the Lytle Creek Ranch Specific Plan, including dedicated open space areas, Edison and Caltrans easements, and land uses pre-approved under the Lytle Creek North Planned Development Project. Previously entitled areas include portions of Neighborhood I (the Glen Helen Specific Plan) and the El Rancho Verde Specific Plan (Neighborhood II).

The project site is largely vacant with a series of existing roads providing access to portions of the property. Streets that traverse through the project include Glen Helen Parkway and Clearwater Parkway. Riverside Avenue, Sierra Avenue, and Lytle Creek Road border portions of the project, and Country Club Drive and Oakdale Avenue terminate at the project boundary. Refer to Figure 2-1, Existing Conditions.

2.3 SURROUNDING LAND USES

Much of the area surrounding the Lytle Creek Ranch project site is either developed or limited from development by other constraints. For example, Glen Helen Regional Park, which is home to the Hyundai Pavilion, is located to the northeast of the project. The Pavilion has a capacity of 65,000 and is the nation's largest outdoor amphitheater. The park offers a myriad of recreational opportunities including fishing, swimming, pedal boat rentals, a playground, hiking, volleyball, and the Glen Helen OHV Park.

A portion of the San Bernardino National Forest, which contains a total of more than 671,000 acres, abuts the north/northwest portion of the project site. The National Forest offers a diversity of outdoor opportunities — all which are open to the public. Recreational activities include, but are not limited to, hiking trails, camping, picnicking, mountain biking, off-road vehicles, fishing, horseback riding, target shooting, and hunting. Hiking trails are accessible from a portion of the Lytle Creek Ranch property.

Other uses located in the vicinity of the project site include the San Bernardino County Sheriff's Regional Public Safety Training Center and the Glen Helen Rehabilitation Center, which is San Bernardino County's primary facility for housing both male and female inmates sentenced to County commitments.

The Rosena Ranch residential community (formerly Lytle Creek North), which is currently under construction, is located directly adjacent to the project site and shares access to the Lytle Creek Ranch property via Glen Helen Parkway and Clearwater Parkway. When completed, the Rosena Ranch will offer a mix of single-family and multi-family residences on 386 acres. The project is being developed by Lennar and SunCal and is located in unincorporated San Bernardino County.

An unincorporated area of County land is located immediately to the southwest of the project site between Riverside Avenue and the Lytle Creek Ranch project site. This existing neighborhood consists of single-family detached homes on lots ranging in size from 8,000 square feet to more than 10,000 square feet.

2.4 HISTORICAL BACKGROUND OF RIALTO

Ancient artifacts discovered by archaeologists suggest that the area now known as the City of Rialto was settled prior to the year 1500 AD. These artifacts indicate that the Serrano Indians probably lived in the Rialto area between 1500 and 1800 AD, although no trace remains to suggest their eventual relocation.

Records indicate that in 1769 the King of Spain awarded portions of the Rialto area to selected Spanish Dons. By 1854, many families began to move into the area and developed Rialto into a haven for vineyards, citrus groves and ranches. Early residents of Rialto prided themselves for the cultivation of muscat grapes, and this became an important contribution to the economy. Original cuttings of the muscat grapes were sent to neighboring counties.

In 1887, a group of Methodists seeking land on which to build a college arrived in the area. Although the college was never constructed, it was the Methodists who started the town of Rialto. It is not known how Rialto got its name; one story suggests that "Rialto" is a contraction of *rio* (river) and *alto* (high), and another argues that the area was named after the Rialto Bridge located in Venice, Italy, as the river that once crossed the city was reminiscent of the one in Italy. In either case, the bridge soon became a community symbol and became known as the "Bridge of Progress."

In 1887 a railroad connector line was built between San Bernardino and Pasadena by the Santa Fe Railroad. Along the line, townsites were located every 2,600 yards and, by the fall of that year, more than 25 new towns were built, including the community of Rialto. This same year the Semitropic Land and Water Company was formed to organize the purchase and selling of real estate, water and water rights and privileges. Rialto was incorporated as a city in 1911.

In the early part of the 20th century, the Rialto area was dominated by the citrus industry; however, it quickly developed as a bedroom community of Los Angeles following the Second World War. It has continued to evolve as part of the substantial urban development along Interstate 10 and the new Interstate 210 freeway. In 1989, the population of Rialto was 64,313. In 2005, the population of Rialto exceeded 101,000 persons and is expected to continue to increase. Rialto is now home to a variety of businesses and industry, including three major regional distribution centers: Staples, Inc., which serves stores across the entire West Coast of the United States, Toys "R" Us, and Target in the northern region of the City.

2.5 ENVIRONMENTAL SETTING

2.5.1 SITE TOPOGRAPHY

The project area may best be characterized as being made up of a wide, gently sloping, stony alluvial plain at the base of the San Bernardino Mountains. The project area begins at the base of these mountains and gradually falls to the southeast with a slope averaging three percent.

Elevations within the Lytle Creek Wash portion of the project area range from approximately 2,180 feet above mean sea level (MSL) in the upstream portion to 1,450 feet above MSL in the downstream portion. Elevations within the northeast portion of the property range from 2,260 feet above MSL to 1,980 feet above MSL west of Interstate 15 and from 2,270 feet above MSL to 1,930 feet above MSL east of Interstate 15. (See Figure 2-5, Existing Site Topography.)

2.5.2 GEOLOGY AND SOILS

The soils within the project area are comprised predominantly of unconsolidated alluvium. The alluvium, consisting primarily of sands, gravels, cobbles and occasional boulders, is derived from granitic rock of the San Gabriel Mountains that has been deposited by Lytle Creek in the broad gently sloping alluvial plain on which the Cities of Rialto and Fontana are located.

The California Department of Conservation, Division of Mines and Geology, has designated most of Lytle Creek, including the project area, as a Mineral Resource Zone 2 (MRZ-2), which is defined as an area where adequate information indicates that significant mineral deposits are present. Additionally, according to the City of Rialto General Plan, the Department of Mines and Geology has further defined portions of the project area as containing important mineral resources. The mineral resources found are construction aggregate (sand and gravel) deposits. The site has not been used for mining in recent times.

2.5.3 SEISMICITY AND FAULTING

The Rialto area, like most of Southern California, is located in a region of active faults. Active faults are defined by the California Department of Mines and Geology (1985) as those structures exhibiting displacement during Holocene times (i.e., within the last 11,000 years).

The project site contains several State-designated Alquist-Priolo Special Studies Zones. Seismic events have the potential to occur along these active fault zones.

Figure 2-5
Site Topography

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2.5.4 HYDROLOGY

Alluvial fans are located at the base of mountain ranges where creeks exit from incised canyon channels at a steep gradient to the more gently sloping valley floor. The project area is located at the apex of the alluvial fan head of the Lytle Creek watershed which has a tributary drainage area from the San Gabriel Mountains of over 50 square miles.

Extensive hydrological technical analysis and evaluation has been performed for the Lytle Creek Specific Plan. The project area is significantly influenced by Lytle Creek since much of the project is located within the active flood plain. Lytle Creek, an intermittent stream, flows from the northwest to southeast through the central portion of the project area with the channel pattern changing with each flood.

A significant existing influence impacting the project on-site watershed is the existing Cemex gravel mining operation which has developed three large excavation pits across the floodplain. Three excavations have been constructed so the pits daylight on the downstream side of the project. In addition, earthen diversion channels or levees have been constructed around the upstream perimeter of the excavations to protect the mining operation from flooding and to convey flows between the excavations.

Discharge from the Lytle Creek watershed enters the project site at three main locations. The first are the tributaries to Lytle Creek upstream of the I-15 Freeway. These canyons drain directly into the Lytle Creek through Sierra Avenue adjacent to the project boundary. The second are those tributaries which drain to the I-15 Freeway culverts at Sycamore Flats. The third location consists of the foothill area along the northerly boundary of the San Bernardino County Sheriff complex (and the former Verdemont Ranch). This drainage area generates a flow pattern which generally follows an alignment along the entrenched channel adjacent to the northerly boundary and also intercepts the drainage from the Sycamore Flats area.

2.5.5 BIOLOGICAL RESOURCES

The Lytle Creek Ranch Specific Plan area has been substantially disturbed in the past for agricultural and mining purposes, though much of the native vegetation has grown back. Thorough investigations of biological resources have been ongoing for several years for the purpose of establishing an accurate baseline of existing biological resources.

The majority of the area has, at one time, been disturbed. Recent natural disturbance include extensive fire damage that occurred in October 2003 and 2007, and heavy rains in the winter of 2004 to 2005. However, a mix of non-native and native vegetation is reestablishing itself over most of the Specific Plan area. Today, a fairly widespread system of existing flood control dikes and diversion channels is found throughout Lytle Creek Wash in the project area. In addition, there are a number of unimproved roads and trails, several groundwater recharge areas, and numerous illegal dump sites within the project site.

In addition, as part of the Lytle Creek North Planned Development Project, an approximately 212.7-acre portion of the Lytle Creek Wash (referred to as the “SBKR Conservation Area”) was set aside as mitigation for the San Bernardino kangaroo rat (*Dipodomys merriami parvus*). During the Section 7 consultation process for the Lytle Creek North Planned Development Project, a mitigation and monitoring program was developed for the San Bernardino kangaroo rat (SBKR) Conservation Area, which included restoration of San Bernardino kangaroo rat habitat on 40 acres of an upland “island” within the SBKR Conservation Area. Habitat manipulation, to improve the habitat quality for the San Bernardino kangaroo rat, has been implemented, which includes reducing the cover of non-native grasses and dense chamise. Subsequently, the SBKR Conservation Area was expanded by four acres just upstream of Interstate 15 to provide mitigation for the West Valley Water District. Therefore, the total acreage of the combined SBKR Conservation Area is 216.7 acres. The project area supports 38 distinct plant communities and/or associations including 1,136.9 acres of Riversidian alluvial fan sage scrub, 1.2 acres of white sage scrub, 15.7 acres of southern willow scrub, 0.3-acre of California sycamore alliance, and 1.7 acres of southern cottonwood willow riparian that are considered sensitive by the CDFG due to their limited distribution or their potential to support sensitive wildlife species.

The only sensitive plant species observed within the project site is the Plummer’s mariposa lily (*Calochortus plummerae*), a CNPS List 1B.2 species. Over 127,300 Plummer’s mariposa lilies were mapped primarily within the proposed on-site Habitat Mitigation Area portion of the project area. The project site also contains two CNPS List 3 or List 4 plant species, namely Parry’s spineflower (*Chorizanthe parryi* var. *parryi*), a California Native Plant Society (CNPS) List 3.2 species, and southern California black walnut (*Juglans californica* var. *californica*), a CNPS List 4.2 species. Plants in these two categories are not considered to have the same level of sustainability as plants designated as CNPS Lists 1A, 1B, and 2.

Although CNPS Lists 3 and 4 plants require more information before rarity can be determined, they are included in the EIR analysis in order to provide full disclosure during the CEQA review process. In addition, the CNPS recently updated their Lists to utilize “Threat Codes”, represented by decimal ranks following the list number. Threat code .2 indicates the species is fairly endangered in California (20-80% of identified occurrences threatened). An estimated total of 501,280 Parry’s spineflower individuals identified were mapped within the project area. In addition, one southern California black walnut was observed within the project area. Although slender-horned spineflower (*Dodecahema leptoceras*) was documented on-site by MBA in 1994, it has not been observed during consecutive focused surveys conducted by PCR and is considered absent from the project area today.

Sensitive wildlife species observed within the project area include coast (San Diego) horned lizard [(*Phrynosoma coronatum* ssp. *Blainvillei*), California Species of Special Concern (CSC)], golden eagle [(*Aquila chrysaetos*), State fully protected (SFP), CSC], northern harrier [(*Circus cyaneus*), CSC], American peregrine falcon [(*Falco peregrinus anatum*), state endangered, SFP], white-tailed kite [(*Elanus leucurus*), SFP], burrowing owl [(*Athene cunicularia*), CSC], loggerhead shrike [(*Lanius ludovicianus*), CSC], Vaux’s swift [(*Chaetura vauxi*), CSC], willow flycatcher [(*Empidonax traillii*), state endangered], least Bell’s vireo [(*Vireo bellii pusillus*), state and federally endangered], yellow warbler [(*Dendroica petechia brewsteri*), CSC], yellow-breasted chat [(*Icteria virens*), CSC], western mastiff bat [(*Eumops perotis*), CSC], pocketed free-tailed bat [(*Nyctinomops femorosaccus*), CSC], San Diego black-tailed jack rabbit [(*Lepus californicus bennettii*), CSC], northwestern San Diego pocket mouse [(*Chaetodipus fallax fallax*), CSC], Los Angeles pocket mouse [(*Perognathus longimembris brevinasus*), CSC], and San Bernardino kangaroo rat (federally endangered).

Two transient willow flycatcher (state-listed endangered) were observed within the project area in 2006, and another individual was observed in 2007, and another transient individual in 2008. Based on willow flycatcher migration patterns and periods, these birds are considered to be transient, as they were not observed on any previous or subsequent surveys for the state- and federally-listed endangered southwestern willow flycatcher. No state- and federally-listed endangered southwestern willow flycatcher are present in the Specific Plan area.

In 2006, two pairs of least Bell’s vireos were observed during the survey period within Sycamore Flat in Neighborhood I and at least one least Bell’s vireo was observed numerous times within a narrow riparian corridor along the western portion of Neighborhood II. During protocol breeding season surveys in 2007, no pairs of least Bell’s vireo were observed within the project area boundaries, but one pair was found within the Sycamore Flats riparian corridor just off-site and north of the Neighborhood I boundary, within the County Parks parcel. During protocol breeding season surveys in 2008, no least Bell’s vireos were detected within the project area.

A total of approximately 620.3 acres are considered to be occupied by the San Bernardino kangaroo rat within Neighborhoods II and III, and an additional 76.5 acres are considered to be

occupied by the species within Neighborhood IV. Los Angeles pocket mouse occupies 399.9 acres within Neighborhood III and Neighborhood IV. A total of 647.6 acres supporting Riversidean alluvial fan sage scrub (including mixed communities where this community is dominant) on-site within the 100-year floodplain are considered viable habitat for the San Bernardino kangaroo rat.

Wildlife species for which focused surveys of habitat assessments resulted in negative findings include the coastal California gnatcatcher. Focused surveys from 2005 through 2007 have not detected this species on-site. In addition, burrowing owl was only incidentally observed within the proposed on-site Habitat Mitigation Area and not within the development portion of the Specific Plan area.

The majority of the area has, at one time, been disturbed. Recent natural disturbance include extensive fire damage that occurred in October of 2003 and 2007, and heavy rains in the winter of 2004 to 2005. However, native vegetation is reestablishing itself over most of the project area. Today, a fairly widespread system of flood control dikes and diversion channels is found throughout Lytle Creek Wash in the Specific Plan area. In addition, there are a number of unimproved roads and trails, several groundwater recharge areas, and numerous illegal dump sites within the project area.

In addition, as part of the Lytle Creek North Planned Development Project, an approximately 212.7-acre portion of the Lytle Creek Wash (referred to as the “SBKR Conservation Area”) was set aside as mitigation for the San Bernardino Kangaroo rat (Figure 3, Prescribed Land Uses). During the Section 7 consultation process for the Lytle Creek North Planned Development Project, a mitigation and monitoring program was developed, which included restoration of SBKR habitat on 40 acres of an upland “island” within Lytle Creek Wash, within the SBKR Conservation Area. Habitat manipulation, to improve the habitat quality for the San Bernardino kangaroo rat, has been implemented, which includes reducing the cover of non-native grasses and dense chamise.

Slender-horned Spineflower

PCR biologists performed focused surveys for the federally and state endangered slender-horned spineflower for four consecutive years throughout the project area with particular attention to areas of suitable habitat (i.e., sandy benches exposed to periodic flooding within alluvial fan sage scrub). Prior to conducting the 2004, 2005, 2006, and 2007 surveys, a reference site in Redlands (Fred Roberts, Botanists, email Comm. with Linda Robb, April and May, 2005) for the slender-horned spineflower was visited by PCR biologists to verify the species was blooming during the survey periods. In 1994, MBA biologists observed three populations of this species in the northwest portion of the project area on both sides of the I-15 Freeway (MBA 1995). The populations, from upstream to downstream, contained 366, 92, and 9 individuals, respectively, for a total of 467 slender-horned spineflower plants observed within the project area in 1994. However, slender-horned spineflower was not observed during the 2004, 2005, 2006, and 2007 sensitive plant surveys despite focused surveys following normal and above normal rainfall seasons and confirmation of this species

blooming at a known reference site. Therefore, the species is no longer believed to occupy areas on-site.

Santa Ana River Woollystar

PCR biologists reviewed a body of scientific literature on the woollystar (*Eriastrum densifolium*) in an attempt to determine the subspecies that occurs within the project area. In a 1997 study by Brunell and Whitkus, Random Amplified Polymorphic DNA (RAPD) markers (i.e., DNA testing) were not conclusive in distinguishing between subspecies. In order to differentiate the federally endangered Santa Ana River woollystar (*Eriastrum densifolium* ssp. *sanctorum*) from one of its four non-listed closely related subspecies (*Eriastrum densifolium* ssp. *austromontanum*, *Eriastrum densifolium* ssp. *densifolium*, *Eriastrum densifolium* ssp. *elongatum*, and *Eriastrum densifolium* ssp. *mohavense*), recent research indicates that the subspecies *sanctorum* is best characterized by morphological features. *Eriastrum densifolium* ssp. *sanctorum* has greater corolla tube length than other subspecies and its mean filament (i.e., a flower part) length is statistically the largest in the species (Brunell and Whitkus 1999a). Brunell and Whitkus even state that of all the subspecies of *Eriastrum densifolium*, only the subspecies *sanctorum* is distinct enough to be classified as a separate subspecies because of its morphology (Brunell and Whitkus 1999a and 1999b).

Following the literature review, PCR biologist Robert Freese, Ph.D. designed a sampling protocol with input from Dr. Mark Brunell (Mark Brunell, email comm. with Robert Freese, June 15, 2006). PCR biologists sampled 60 individual *Eriastrum densifolium* plants within the project area on June 28, 2006. Samples were taken from throughout the range of the species mapped within the project area during focused sensitive plant surveys performed in 2004 and 2005. The corolla tube length was measured in millimeters (mm) and recorded for three separate flowers per plant. The height of each plant was also recorded, as well as any other characteristics that appeared significantly different for any given plant. The data were analyzed and an average corolla tube length was calculated for each plant as well as for the sample population as a whole. This was then compared to the range of corolla tube lengths suggested by the scientific literature for *Eriastrum densifolium* ssp. *sanctorum* and *Eriastrum densifolium* ssp. *elongatum*. The results of PCR's 2006 analysis, which was based upon work and peer-reviewed by Dr. Mark Brunell, indicate that the project area does not support the endangered subspecies *Eriastrum densifolium* ssp. *sanctorum*.

Plummer's Mariposa Lily

PCR biologists performed focused surveys for the CNPS List 1B.2 Plummer's mariposa lily in 2005 throughout the project area, with the exception of Neighborhood I. Particular attention was given to areas of suitable habitat (i.e., a variety of dry habitat including Riversidean alluvial fan sage scrub, Riversidean sage scrub, and chaparral). In 2006, focused surveys were completed within Neighborhood I, while areas of the project area previously surveyed were verified. In 2005, PCR biologists observed 103 individuals within Neighborhoods II, III, and IV, and another estimated 127,200 plants over approximately 45.1 acres in the eastern portion of the large island, adjacent to the SBKR Conservation Area, within the Lytle Creek Wash portion of the project area.

Parry's Spineflower

PCR biologists performed focused surveys for the CNPS List 3.2 Parry's spineflower in 2004 and 2005 throughout the project area, with particular attention given to areas of suitable habitat (i.e., open areas within Riversidean alluvial fan sage scrub, Riversidean sage scrub, and chaparral). In 2006, areas previously mapped were verified and any new significant populations observed were added to the data set. In 1994, Parry's spineflower was found within the project area by MBA biologists in 157 acres of chamise chaparral, alluvial fan sage scrub, and Riversidean sage scrub habitats. At that time, thirteen populations of Parry's spineflower containing an estimated 440,000 individuals were identified within the project area. During the 2005 and 2006 survey seasons, PCR biologists confirmed the locations of the major populations within the project area and also documented several additional small populations (totaling 61,280 plants) throughout the project area. Therefore, an estimated 501,280 plants have been mapped as occurring within the project area.

Coastal California Gnatcatcher

Focused surveys for the federally-threatened coastal California gnatcatcher were conducted in 2005, 2006, and 2007 by PCR biologists Susan Erickson (Permit No. TEO85187-0), Kristin Szabo (Permit No. TE016487-0), Jenni Snibbe (Permit No. TE044520-0), Linda Robb (Permit No. TE093591-0), and Jason Berkley (Permit No. TE009015-1) in accordance with the USFWS Coastal California Gnatcatcher Presence/Absence Survey Guidelines, issued July 28, 1997 (USFWS 1997). Accordingly, six surveys were performed at least one week apart, between 6:00 a.m. and 12:00 noon, within all portions of the project area containing suitable habitat. A maximum of 80 acres per person per survey day were surveyed. To ensure coverage of adjacent areas, vocalizations were broadcast outside the boundaries where suitable coastal California gnatcatcher habitat exists. Focused protocol surveys performed in 2005, 2006, and 2007 did not detect this species within the project area.

Burrowing Owl

PCR biologist Jason Berkley conducted the Phase I (Habitat Assessment) and Phase II (Burrow Surveys) surveys for burrowing owl, a California Species of Special Concern (CSC), on May 25, 2005 and on April 21, 2006. The Phase I and Phase II surveys were repeated in the spring of 2007. To determine presence/absence of suitable habitat for burrowing owl, the project area was thoroughly searched for areas containing suitable habitat indicators. A Phase II, Burrow Survey was conducted immediately following the Phase I, Habitat Assessment to determine if any of the existing small fossorial mammal burrows contained evidence of burrowing owl. The burrowing owl was incidentally observed within the project area but outside the development footprint in the San Bernardino kangaroo rat Conservation Area in September of 2006 and in February of 2007 during trapping for the San Bernardino kangaroo rat. However, the Phase I, Habitat Assessment and Phase II, Burrow Survey in 2006 and 2007 did not detect this species within the development portion of the project area.

Southwestern Willow Flycatcher

Focused surveys for the federally and state endangered southwestern willow flycatcher were performed in 2006, 2007, and 2008 by PCR permitted biologists in accordance with USFWS's *Southwestern Willow Flycatcher Presence/Absence Survey Guidelines*, issued July 11, 2000. Accordingly, five surveys of all riparian habitat within the project area were conducted within three survey periods. All surveys were conducted at least five days apart and began at dawn and ended between 9:00 a.m. and 11:00 a.m., with all portions of the project area containing suitable habitat. No state and federally listed endangered southwestern willow flycatcher are present in the Specific Plan area. Two transient willow flycatchers (state-listed endangered) were observed within the project area in 2006 and another transient individual was observed in 2007 and another transient individual in 2008. Based on willow flycatcher migration patterns and periods, these birds are considered to be transient, as they were not observed on any previous or subsequent surveys for the state and federally-listed endangered southwestern willow flycatcher.

Least Bell's Vireo

Focused surveys for the federally and state endangered least Bell's vireo were performed in 2006, 2007, and 2008 by PCR permitted biologists in accordance with USFWS's Least Bell's Vireo Survey Guidelines, issued January 19, 2001. Accordingly, eight (8) surveys were performed between April 10 and July 31 in each of those three years. Surveys were conducted no less than ten (10) days apart, between dawn and 11:00 a.m., within all portions of the project area containing suitable riparian habitat and adjacent habitat potentially used for foraging. In 2006, two pairs of least Bell's vireos were observed during the survey period within Sycamore Flat in Neighborhood I and at least one least Bell's vireo was observed numerous times within a narrow riparian corridor along the western portion of Neighborhood II. During protocol breeding season surveys in 2007, no pairs were found within the project area, but one pair of least Bell's vireo was observed within the Sycamore Flats riparian corridor just north of land off-site of the Neighborhood I project area boundary, within the County Parks parcel. During protocol breeding season surveys in 2008, no least Bell's vireos were detected within the project area.

San Bernardino Kangaroo Rat

Based upon focused trapping surveys in 2005, 2006 and 2007, the San Bernardino kangaroo rat occupied a total of 696.8 acres within Neighborhoods II, III, and IV within the project area.

Los Angeles Pocket Mouse

Los Angeles pocket mouse occupies approximately 399.9 acres within Neighborhoods III and IV.

2.5.6 CULTURAL RESOURCES

An archaeological record search and field investigation were previously conducted for the Lytle Creek project. The record search indicated the limited presence of both prehistoric and historic resources within the project boundaries; however, during the field survey of the property, many of these resources originally identified through the record search were found to have been destroyed

or substantially altered by natural phenomena and human activity. The field investigation also resulted in identification of several previously unidentified historic resources. A detailed impact analysis and appropriate mitigation measures are provided in the Environmental Impact Report prepared for this project.

According to the 1992 General Plan Update and the City's adopted Specific Plans there are no known paleontological sites in the City of Rialto. A paleontologic field investigation conducted on the project area indicates that paleontologic sensitivity remains low and paleontologic resources, if any, are not expected to be adversely impacted.

2.5.7 EXISTING CIRCULATION

The Interstate 15 Freeway (I-15) bisects a portion of the project site. Regional access to the site is available from the I-15 Freeway at the Sierra Avenue and Glen Helen Parkway intersections. Other regional access to the site is available from State Route 210 (SR-210) via an interchange at Riverside Avenue. The project site is accessible from several local streets including Glen Helen Parkway, Clearwater Parkway, Lytle Creek Road, Riverside Avenue, Country Club Drive, and Oakdale Avenue. Riverside Avenue is designated on the City's Master Plan of Arterial Highways as a Major Arterial. Several streets terminate at the project boundary including Live Oak Avenue (a Major Arterial), Alder Avenue (a Major Arterial), Locust Avenue (a Secondary Arterial), and Linden Avenue (a Secondary Arterial).

2.6 RIGHTS-OF-WAY/EASEMENTS

The project site is crossed by a number of rights-of-way and easements, which are depicted on a series of maps. There are separate exhibits for Neighborhoods II, III, and IV, and two exhibits for Neighborhood I. Refer to Figures 2-6 through 2-10.

2.7 RELATIONSHIP TO OTHER PLANS

The Lytle Creek Ranch Specific Plan will require an amendment to the City of Rialto General Plan in order to ensure full consistency between the two documents. The General Plan Amendment will require changes to the General Plan Land Use Map, as well as select changes to the General Plan document text.

When approved, this Specific Plan will also supersede a portion of other existing approved documents, including the Glen Helen Specific Plan (County of San Bernardino) and the Lytle Creek North Preliminary Development Plan (County of San Bernardino). Areas to be removed from these adopted plans include Planning Areas 1 through 15 of the Lytle Creek Ranch Specific Plan.

Figure 2-6
Site Constraints – Neighborhood I (East Portion)

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Figure 2-7
Site Constraints – Neighborhood I (West Portion)

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Figure 2-8
Site Constraints – Neighborhood II

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Figure 2-9
Site Constraints – Neighborhood III

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Figure 2-10
Site Constraints – Neighborhood IV

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3.0 PLAN ELEMENTS

3.1 PURPOSE AND INTENT

This Chapter contains a discussion of the various plan elements for Lytle Creek Ranch, including the following:

- Land Use Plan
- Parks and Recreation Plan
- Open Space and Conservation Plan
- Circulation Plan
- Infrastructure and Services Plan
- Grading Plan

Each plan works in tandem with the other plans to establish a framework for Lytle Creek Ranch, ensuring that the project will develop as a rich, vibrant community with schools, parks, open space, residences, retail uses, and other types of development.

3.2 LAND USE PLAN

3.2.1 LAND USE PLAN DESCRIPTION

Lytle Creek Ranch is a 2,447-acre master planned community located partially within the city limits of Rialto and mostly within the City's sphere of influence in San Bernardino County. The project is designed to contain a series of neighborhoods clustered around public amenities such as parks, a public 18-hole golf course, an elementary school, an elementary/middle (K-8) school, recreation areas, and open space. Lytle Creek Ranch will focus on the health, wellness, and fitness of its residents.

This community is designed as four separate and unique neighborhoods, each with its own identity:

- **Neighborhood I** – includes the 417 acres of land in the areas located partially within the boundaries of the adopted Glen Helen Specific Plan (County of San Bernardino). This area is sometimes referred to as “Sycamore Flats East” and “Sycamore Flats West.” The remaining portions of Neighborhood I are located within the “Lytle Creek North Planned Development.” Most of the Lytle Creek North Planned Development is under construction and is known as “Rosen Ranch.” When approved by the City, the Lytle Creek Ranch Specific Plan will become the governing document for all of Neighborhood I. This document will supersede those portions of the Glen Helen Specific Plan and the Lytle Creek North Planned Development located within the Lytle Creek Ranch Specific Plan area.

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- **Neighborhood II** – is planned as an Active Adult golf course community on approximately 802 acres and includes the entire El Rancho Verde Specific Plan area. When approved by the City of Rialto, the Lytle Creek Ranch Specific Plan will supersede the Amended and Restated El Rancho Verde Specific Plan.
- **Neighborhood III** – is located south of I-15 and is planned to appeal to families of all ages, couples and singles. Neighborhood III will include a mix of single-family detached and attached homes, as well as retail/commercial/office development, on approximately 969 acres.
- **Neighborhood IV** – includes multi-family residential and retail/commercial/office development on approximately 259 acres located north of the I-15, adjacent to Lytle Creek Road and Sierra Avenue.

The following Table 3-1 shows a breakdown of the different land uses proposed within the Lytle Creek Ranch Specific Plan. Please also refer to Figure 3-1, Conceptual Land Use Plan.

TABLE 3-1
LYTLE CREEK RANCH LAND USE SUMMARY

Use	Density Range (du/ac)	Target Dwelling Units (du)	Median Density (du/ac)	Intensity (sq. ft.)	Acres
Residential Land Uses					
Single-Family Residential One (SFR-1)	2 – 5	943	3.6	--	263.2
Single Family Residential Two (SFR-2)	5 – 8	1,908	6.3	--	304.5
Single-Family Residential Three (SFR-3)	8 – 14	2,403	10.9	--	220.0
Multi-Family Residential (MFR)	14 – 28	1,828	17.2	--	106.3
High Density Residential (HDR)	25 – 35	1,325	29.2	--	45.4
Subtotal	--	8,407	8.9	--	939.4
Elementary School	2 – 14	as transferred	--	--	10.0
Elementary School/Middle School	2 – 14	as transferred	--	--	14.0
Village Center Commercial (VC)	--	--	--	849,420 ¹	95.6
Open Space / Recreation²	--	--	--	--	328.8
Open Space / Joint-Use Park and School	--	--	--	--	17.0
Open Space (undisturbed)	--	--	--	--	908.0
Roadways	--	--	--	--	134.5
Totals	--	8,407	3.44	849,420	2,447.3

Note

¹ Assumes 849,420 square feet of retail uses and commercial uses.

² Planning Areas 87, 95, 99 and 101 are allowed to be developed as either a golf course or any of the other uses permitted within the OS/R zoning designation under Section 5.6.10 of this Specific Plan.

Figure 3-1
Conceptual Land Use Plan

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Planning Area Development Standards

The following standards shall apply to development in Lytle Creek Ranch:

- A. Lytle Creek Ranch will build-out with a total of 103 planning areas. Each planning area is assigned a planning area number, land use, and acreage. Because of refinements in design and engineering, it is anticipated that planning areas will change somewhat in configuration and size as the land use plan is implemented. Table 3-2, Detailed Summary by Planning Area, includes detailed information on acreage, target number of dwelling units, density range, target density, and retail square footage, as applicable, for each planning area within Lytle Creek Ranch.
- B. Residential planning area land use categories (i.e, SFR-1, SFR-2, SFR-3, MFR, HDR) within the Lytle Creek Ranch Specific Plan area, as depicted in Figure 3-1, Conceptual Land Use Plan, are target density ranges only. The Specific Plan requires that no more than 8,407 dwelling units may be constructed in the Specific Plan area and requires that the overall project-wide gross density shall not exceed 3.5 dwelling units per acre. Gross density shall be calculated by including all Specific Plan area acreage including open space land use categories and roadway acreages.
- C. Village Center Commercial areas may build out with any combination of retail, commercial, office and business park, and medical/dental uses.
- D. Any and all planning areas designated as “Open Space/Recreation” may be reconfigured and re-sized to respond to actual park and open space needs pursuant to Quimby Act requirements.
- E. The total acreages of Planning Area 48 (Open Space/Joint-Use) and Planning Area 49 (Elementary School), when combined, shall not be less than 15.0 acres; provided, however, that a reduction in acreage shall be permitted if the Rialto Unified School District determines that a smaller school site and joint-use park/school site is acceptable for their purposes.
- F. The total acreages of Planning Area 69 (Elementary/Middle School) and Planning Area 74 (Open Space/Joint-Use), when combined, shall not be less than 26.0 acres; provided, however, that a reduction in acreage shall be permitted if the Rialto Unified School District determines that a smaller school site and joint-use park/school site is acceptable for their purposes.
- G. If the Rialto Unified School District elects not to utilize one or both of the designated school sites, then the unused school site(s) may develop with Single-Family Residential One, Two, or Three (SFR-1, SFR-2, or SFR-3) development, subject to City approval of a Site Plan. In such instance, unused dwelling units from elsewhere within Lytle Creek Ranch Neighborhoods II and III may be transferred to the unneeded school site(s). The maximum number of dwelling units within Lytle Creek Ranch shall not exceed 8,407 dwelling units in any event.

- H. If it is determined by the Rialto Unified School District that the “Open Space/Joint-Use” planning areas (Planning Areas 48 and 74) may be reduced in size, then the excess land may develop with Single-Family Residential One, Two, or Three (SFR-1, SFR-2, or SFR-3) development, subject to City approval of a Site Plan. Unused dwelling units from elsewhere within Lytle Creek Ranch Neighborhoods II and III may be transferred to the unneeded “Open Space/Joint-Use” land. The maximum number of dwelling units within Lytle Creek Ranch shall not exceed 8,407 dwelling units in any event.
- I. If Lytle Creek Ranch builds out with fewer than 8,407 dwelling units, the corresponding need for park and recreation land may also decrease. In such instance, portions of the land use plan designated as “Open Space/Recreation” (in excess of the acreage required to comply with the Quimby Act) may develop instead with Single-Family Residential One, Two, or Three (SFR-1, SFR-2, or SFR-3) development, subject to City approval of a Site Plan. Unused dwelling units from elsewhere within Lytle Creek Ranch Neighborhoods II and III may be transferred to the unneeded “Open Space/Recreation” land. The maximum number of dwelling units within Lytle Creek Ranch shall not exceed 8,407 dwelling units in any event.
- J. Private recreation centers will be constructed in portions of Planning Areas 40, 53, and 64 for use by Neighborhood III residents. These private recreation centers are anticipated to vary in size between approximately two to five acres. These recreation centers are planned to be privately owned and maintained by a homeowners association or other entity acceptable to the City of Rialto.
- K. Residents of Neighborhood II will have their own recreational facilities designed specifically for Active Adult users. The Active Adult recreation center is planned to be privately owned and maintained by a homeowners association or other entity acceptable to the City of Rialto.
- L. At the discretion of the project master developer or builder, small, private recreation centers (consisting of a swimming pool, restrooms, drinking fountain, and/or other recreational amenities) may be constructed within any planning area designated for residential development within Lytle Creek Ranch, subject to City approval of a Site Plan. As determined by the project master developer or builder, these small recreation centers may be limited to use solely by one particular planning area, or for use by two or more planning areas. If provided, these recreation centers shall be privately owned and maintained by a homeowners association or other entity acceptable to the City of Rialto.
- M. If a warehouse operation is located within Planning Areas 3, 4, 11, 13, 15, and/or 20, which is adjacent to a planning area developed with residential uses, then the operating hours of the warehouse operation shall be restricted between the hours of 8 p.m. until 5 a.m. daily.

**TABLE 3-2
DETAILED SUMMARY BY PLANNING AREA**

Planning Area	Land Use	Acreage	Target No. of Dwellings	Density Range (du/ac)	Target Density* (du/ac)	Retail Square Footage
Neighborhood I						
1	Open Space	29.0	-	-	-	-
2	Open Space	14.0	-	-	-	-
3	SFR-1 Residential	46.0	129	2-5	2.8	-
4	High Density Residential	12.0	336	25-35	35.0	-
5	Open Space	40.0	-	-	-	-
6	Open Space	43.0	-	-	-	-
7	Open Space	44.0	-	-	-	-
8	SFR-1 Residential	85.0	347	2-5	4.1	-
9	Open Space	1.0	-	-	-	-
10	Open Space/Recreation	11.0	-	-	-	-
11	SFR-3 Residential	3.0	24	8-14	8.0	-
12	Open Space	3.0	-	-	-	-
13	SFR-3 Residential	29.0	370	8-14	12.8	-
14	Open Space	2.0	-	-	-	-
15	SFR-3 Residential	9.0	72	8-14	8.0	-
	Roadways	46.2	-	-	-	-
	Neighborhood I Total	417.2	1,278	-	-	0
Neighborhood II						
80	Open Space	168.0	-	-	-	-
81	Open Space/Recreation	5.0	-	-	-	-
82	SFR-3 Residential	30.0	336	8-14	11.2	-
83	SFR-2 Residential	107.0	692	5-8	6.5	-
84	SFR-3 Residential	23.0	249	8-14	10.8	-
85	Open Space/Recreation	1.0	-	-	-	-
86	Open Space/Recreation	3.0	-	-	-	-
87	Open Space/Recreation	45.0	-	-	-	-
88	Open Space/Recreation	5.0	-	-	-	-
89	Village Center Commercial	6.0	-	-	-	54,885
90	Village Center Commercial	2.0	-	-	-	18,295
91	Village Center Commercial	3.2	-	-	-	29,272
92	High Density Residential	13.0	364	25-35	28.0	-
93	SFR-3 Residential	54.0	551	8-14	10.2	-
94	SFR-2 Residential	30.0	177	5-8	5.9	-
95	Open Space/Recreation	67.0	-	-	-	-
96	Open Space	8.0	-	-	-	-
97	Open Space/Recreation	5.0	-	-	-	-
98	SFR-2 Residential	54.0	316	5-8	5.9	-
99	Open Space/Recreation	60.0	-	-	-	-
100	SFR-3 Residential	14.0	126	8-14	9.0	-
101	Open Space/Recreation	35.0	-	-	-	-

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Planning Area	Land Use	Acreage	Target No. of Dwellings	Density Range (du/ac)	Target Density* (du/ac)	Retail Square Footage
102	SFR-2 Residential	11.0	80	5-8	7.3	-
103	SFR-1 Residential	11.0	40	2-5	3.6	-
	Roadways	41.6	-	-	-	-
	Neighborhood II Total	801.8	2,931	-	-	102,452
Neighborhood III						
28	Open Space	396.0	-	-	-	-
29	Open Space/Recreation	5.0	-	-	-	-
30	High Density Residential	4.5	126	25-35	28.0	-
31	High Density Residential	15.9	499	25-35	31.4	-
32	Open Space/Recreation	9.8	-	-	-	-
33	Village Center Commercial	24.1	-	-	-	230,955
34	Open Space/Recreation	7.3	-	-	-	-
35	SFR-3 Residential	11.5	115	8-14	10.0	-
36	SFR-2 Residential	3.8	28	5-8	7.4	-
37	Open Space/Recreation	2.6	-	-	-	-
38	SFR-2 Residential	10.6	77	5-8	7.3	-
39	MFR Residential	5.8	196	14-28	28.0	-
40	Open Space/Recreation	6.0	-	-	-	-
41	MFR Residential	4.8	96	14-28	20.0	-
42	SFR-2 Residential	13.0	66	5-8	5.1	-
43	SFR-1 Residential	22.0	62	2-5	2.8	-
44	MFR Residential	4.5	72	14-28	16.0	-
45	Open Space/Recreation	3.1	-	-	-	-
46	SFR-2 Residential	9.9	75	5-8	7.6	-
47	SFR-3 Residential	5.4	54	8-14	10.0	-
48	Open Space/Joint-Use Park and School	5.0	-	2-14	-	-
49	Elementary School	10.0	-	2-14	-	-
50	MFR Residential	4.8	96	14-28	20.0	-
51	Open Space/Recreation	1.0	-	-	-	-
52	MFR Residential	9.4	141	14-28	15.0	-
53	Open Space/Recreation	8.0	-	-	-	-
54	SFR-2 Residential	13.1	75	5-8	5.7	-
55	MFR Residential	6.0	96	14-28	16.0	-
56	Open Space/Recreation	4.8	-	-	-	-
57	SFR-2 Residential	17.9	98	5-8	5.5	-
58	SFR-3 Residential	12.6	164	8-14	13.0	-
59	SFR-1 Residential	40.0	173	2-5	4.3	-
60	MFR Residential	4.9	78	14-28	15.9	-
61	Open Space/Recreation	1.4	-	-	-	-
62	SFR-2 Residential	26.6	169	5-8	6.4	-
63	MFR Residential	6.4	93	14-28	14.5	-
64	Open Space/Recreation	6.0	-	-	-	-
65	SFR-1 Residential	10.9	43	2-5	3.9	-
66	MFR Residential	5.7	91	14-28	16.0	-
67	Open Space/Recreation	6.3	-	-	-	-

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Planning Area	Land Use	Acreage	Target No. of Dwellings	Density Range (du/ac)	Target Density* (du/ac)	Retail Square Footage
68	SFR-2 Residential	7.6	55	5-8	7.2	-
69	K-8 School	14.0	-	2-14	-	-
70	SFR-3 Residential	8.4	101	8-14	12.0	-
71	SFR-1 Residential	12.6	49	2-5	3.9	-
72	SFR-1 Residential	35.7	100	2-5	2.8	-
73	SFR-3 Residential	3.8	46	8-14	12.1	-
74	Open Space/Joint-Use Park and School	12.0	-	2-14	-	-
75	Open Space/Recreation	4.3	-	-	-	-
76	SFR-3 Residential	8.4	84	8-14	10.0	-
77	SFR-3 Residential	7.9	111	8-14	14.0	-
78	Village Center Commercial	43.3	-	-	-	335,324
79	Open Space/Recreation	5.2	-	-	-	-
	Roadways	39.2	-	-	-	-
	Neighborhood III Total	968.8	3,329	-	-	566,279
Neighborhood IV						
16	Open Space	100.0	-	-	-	-
17	Open Space	9.0	-	-	-	-
18	Open Space	4.0	-	-	-	-
19	Open Space / Recreation	3.0	-	-	-	-
20	MFR Residential	54.0	869	14-28	16.1	-
21	Open Space	3.0	-	-	-	-
22	Open Space	44.0	-	-	-	-
23	Village Center Commercial	5.0	-	-	-	54,450
24	Open Space / Recreation	1.0	-	-	-	-
25	Village Center Commercial	6.0	-	-	-	60,899
26	Open Space / Recreation	17.0	-	-	-	-
27	Village Center Commercial	6.0	-	-	-	65,340
	Roadways	7.5	-	-	-	-
	Neighborhood IV Total	259.5	869	-	-	180,689
	GRAND TOTALS	2,447.3	8,407	-	3.44	849,420

*Residential development within the SFR-1, SFR-2, SFR-3, MFR, and HDR land use categories within the Specific Plan area, as depicted in Figure 3-1, Conceptual Land Use Plan, and in Table 3-2 are target density ranges only. This Specific Plan requires that no more than 8,407 dwelling units may be constructed in the Specific Plan area and requires that the overall project-wide gross density shall not exceed 3.5 dwelling units per acre. Provided that the maximum dwelling unit cap, gross density per acre cap, and total number of projected AM + PM vehicle trips per day are not exceeded, no amendment to this Specific Plan shall be required to transfer dwelling units within or between residential planning areas or to exceed the target density.

3.2.2 RESIDENTIAL DEVELOPMENT

There are five separate categories of residential development in Lytle Creek Ranch:

- Single-Family Residential One (SFR-1) at densities of 2 – 5 du/ac
- Single-Family Residential Two (SFR-2) at densities of 5 – 8 du/ac
- Single-Family Residential Three (SFR-3) at densities of 8 – 14 du/ac
- Multi-Family Residential (MFR) at densities of 14 – 28 du/ac
- High Density Residential (HDR) at densities of 25 – 35 du/ac

SFR-1 and SFR-2 land use categories will contain only single-family detached residential development. SFR-3 will include a combination of single-family detached and attached residential product types. MFR will include only attached housing products consisting primarily of townhomes, condominiums, stacked flats, garden courts, apartments, and other higher density product types. It is anticipated that planning areas designated as “MFR” in Lytle Creek Ranch will, in most instances, be located adjacent to parks, greenbelts, or the Grand Paseo in Neighborhood III. Because of the substantial public and community open space provided within the Specific Plan area in proximity to the MFR planning areas, the actual amount of common open space within each individual MFR planning area will be reduced. The intent is to concentrate public open space in larger, more useable areas, rather than provide smaller areas of common open space that are not particularly useful for recreational use. HDR will include attached housing products consisting of townhomes, stacked flats, podium units, and apartments that tend to be located in proximity to key project area roadways.

These residential land uses categories are planned to integrate together to form cohesive neighborhoods. Specifically, Lytle Creek Ranch is organized into four residential neighborhoods defined by physical features, public amenities and target market. Three of the neighborhoods will be built-out with traditional family-oriented housing (Neighborhoods I, III, and IV), while the fourth neighborhood (Neighborhood II) will be built as a gated, age-qualified community for residents age 55 and older. Up to 1,325 dwelling units are planned in the High Density Residential category. Approximately 95.6 acres of Village Center Commercial uses are planned on-site. The Village Center Commercial areas will develop with retail, office and/or medical/dental uses. One of the Village Center Commercial areas, located at the juncture of Sierra Avenue and Riverside Avenue (in Planning Area 33), is expected to build-out as a major retail shopping center with up to 230,955 square feet of retail uses.

The Specific Plan envisions variations in intensity within individual residential planning areas to promote diversity and create dynamic neighborhoods. In addition to housing designed for families, couples, and singles, Lytle Creek Ranch will also provide a neighborhood (Neighborhood I) for move-up and luxury level buyers. Many of the single-family detached homes in Neighborhood I will be constructed on 6,000 square foot lots and larger. These areas will contain large, luxurious homes.

Along with its other housing choices, Lytle Creek Ranch will include an entire neighborhood devoted to Active Adult housing. Like most areas, the baby boomer segment of the San Bernardino County population is quickly approaching retirement age. A portion of Lytle Creek Ranch (Neighborhood II) will build-out as a lifestyle community catered to households within the expanding Active Adult (age 55 and older) population. Active Adult communities allow residents of similar ages and interests a place to come together to enjoy an active lifestyle and sense of community. The age-qualified community is designed to accommodate housing without burdening active parks and local schools and certain other facilities and services. Planning Areas 82-84, 93-94, 98, 100, and 102-103 are anticipated to build-out with Active Adult housing. In addition, Planning Area 92 may develop with either traditional family-oriented housing or Active Adult housing at the discretion of the project master developer.

3.2.3 VILLAGE CENTER COMMERCIAL DEVELOPMENT

The project proposes approximately 95.6 acres for Village Center Commercial development. Potential uses for these areas could include retail, commercial, office, business park, and medical/dental uses and other uses pursuant to Table 5-1 in this Specific Plan. A total of 849,420 square feet of retail and commercial development is permitted within Village Center Commercial planning areas.

3.2.4 MAXIMUM ALLOWABLE DEVELOPMENT

The Lytle Creek Ranch Specific Plan permits a maximum of 8,407 dwelling units to be constructed within the Specific Plan area and requires that the overall project-wide gross density shall not exceed 3.5 dwelling units per acre. If 8,407 dwelling units are constructed, the maximum amount of Village Center Commercial development permitted within the Specific Plan area shall not exceed 849,420 square feet of retail uses. It should be noted that the Lytle Creek Ranch Specific Plan permits the Village Center Commercial development cap to exceed 849,420 square feet of retail uses; provided, however, that a corresponding decrease occurs in the permitted dwelling units such that the total number of AM + PM vehicle trips per day for Neighborhoods I and IV combined shall not exceed 3,853 projected AM + PM trips (combined total), and provided that the total number of total number of AM + PM vehicle trips per day for Neighborhoods II and III combined shall not exceed 12,483 projected AM + PM trips (combined total). Use of the maximum daily vehicle trips as a cap on overall development will provide flexibility in determining the appropriate mix of commercial, light industrial, and residential uses in the Specific Plan area as it builds out.

3.2.5 TRANSFER OF DEVELOPMENT BETWEEN PLANNING AREAS

Residential development within the SFR-1, SFR-2, SFR-3, MFR, and HDR land use categories within the Specific Plan area, as depicted in Figure 3-1, Conceptual Land Use Plan, and in Table 3-2 are target density ranges only. This Specific Plan requires that no more than 8,407 dwelling units

may be constructed in the Specific Plan area and requires that the overall project-wide gross density shall not exceed 3.5 dwelling units per acre. No amendment to this Specific Plan shall be required to transfer dwelling units within or between designated residential planning areas or to any SFR Overlay and/or HDR Overlay planning area(s) or to exceed the target density provided that the development transfer conditions below are met.

Development Transfer Conditions:

- A. Residential planning area land use categories (i.e., SFR-1, SFR-2, SFR-3, MFR, HDR) within the Lytle Creek Ranch Specific Plan area, as depicted in Figure 3-1, Conceptual Land Use Plan, are target density ranges only. The Specific Plan requires that no more than 8,407 dwelling units may be constructed in the Specific Plan area and requires that the overall project-wide gross density shall not exceed 3.5 dwelling units per acre. Gross density shall be calculated by including all Specific Plan area acreage including open space land use categories and roadway acreages. As long as the maximum dwelling unit cap and the gross density per acre cap are not exceeded, no amendment to the Specific Plan will be required to transfer dwelling units from one residential planning area to another. The project master developer shall have the right to increase or decrease dwelling unit counts in any residential planning area; provided that prior to the time such as a transfer is made, the project master developer submits to the City's Planning Division Figure 3-1 and Table 3-2 of the Specific Plan, as revised, for administrative approval. No tentative map or parcel map may be approved unless it is consistent with the adopted Specific Plan, as revised. Land designated as residential shall continue to be entitled for residential development after the density transfer.
- B. The total number of projected AM + PM vehicle trips per day for all uses in Neighborhoods I and IV combined shall not exceed 3,853 projected AM + PM trips (combined total). In addition, the following conditions shall be met:
 - 1. Dwelling units may be transferred between any and all residential planning areas in Neighborhoods I and IV; and
 - 2. Dwelling units may be transferred between any and all residential planning areas and any planning area with a SFR Overlay and/or HDR Overlay in Neighborhoods I and IV.
- C. The total number of projected AM + PM vehicle trips per day for all uses in Neighborhoods II and III combined shall not exceed 12,483 projected AM + PM trips (combined total). In addition, the following conditions shall be met:
 - 1. Dwelling units may be transferred between any and all residential planning areas in Neighborhoods II and III; and
 - 2. Dwelling units may be transferred between any and all residential planning areas and any planning area with a SFR Overlay and/or HDR Overlay in Neighborhoods II and III.

- D. Grading and landform alteration would substantially comply with that previously approved for the Specific Plan.
- E. No new significant environmental impacts that were not previously assessed in the Lytle Creek Ranch EIR would result from the transfer.

Transfer of dwelling units between residential planning areas, in accordance to the provisions of this Specific Plan, shall not constitute or require a Specific Plan Amendment. However, prior to City acceptance of a dwelling unit or intensity transfer, supporting documentation, which verifies that the maximum number of permitted AM+PM vehicle trips per day are not exceeded, shall be prepared by a qualified traffic engineer and submitted to the City for review and approval by the City's Traffic Engineer and Planning Division.)

The following tables (Table 3-3 and 3-4) shall be completed and submitted to the City's Planning Division in conjunction with either a Precise Plan of Design or a Tentative Tract Map for review by the division prior to transfer of development of any dwelling units within the boundaries of the Lytle Creek Ranch Specific Plan: The transfer of density shall be permitted if the above conditions (3.2.5.A through E, above) are met.

**TABLE 3-3
DEVELOPMENT DENSITIES & INTENSITIES – BEFORE & AFTER TRANSFERS**

Planning Area	Land Use	Acreage	Target No. of Dwellings (Before Transfer)	Adjusted No. of Dwellings (After Transfer)
<i>Neighborhood I</i>				
1	Open Space	29.0	-	
2	Open Space	14.0	-	
3	SFR-1 Residential	46.0	129	
4	High Density Residential	12.0	336	
5	Open Space	40.0	-	
6	Open Space	43.0	-	
7	Open Space	44.0	-	
8	SFR-1 Residential	85.0	347	
9	Open Space	1.0	-	
10	Open Space/Recreation	11.0	-	
11	SFR-3 Residential	3.0	24	
12	Open Space	3.0	-	
13	SFR-3 Residential	29.0	370	
14	Open Space	2.0	-	
15	SFR-3 Residential	9.0	72	
	Roadways	46.2	-	
<i>Neighborhood I Total</i>		417.2	1,278	
<i>Neighborhood II</i>				
80	Open Space	168.0	0	
81	Open Space/Recreation	5.0	0	
82	SFR-3 Residential	30.0	336	
83	SFR-2 Residential	107.0	692	
84	SFR-3 Residential	23.0	249	
85	Open Space/Recreation	1.0	0	
86	Open Space/Recreation	3.0	0	
87	Open Space/Recreation	45.0	0	
88	Open Space/Recreation	5.0	0	
89	Village Center Commercial	6.0	0	
90	Village Center Commercial	2.0	0	
91	Village Center Commercial	3.2	0	
92	High Density Residential	13.0	364	
93	SFR-3 Residential	54.0	551	
94	SFR-2 Residential	30.0	177	
95	Open Space/Recreation	67.0	0	
96	Open Space	8.0	0	
97	Open Space/Recreation	5.0	0	
98	SFR-2 Residential	54.0	316	
99	Open Space/Recreation	60.0	0	
100	SFR-3 Residential	14.0	126	

Planning Area	Land Use	Acreage	Target No. of Dwellings (Before Transfer)	Adjusted No. of Dwellings (After Transfer)
101	Open Space/Recreation	35.0	0	
102	SFR-2 Residential	11.0	80	
103	SFR-1 Residential	11.0	40	
	Roadways	41.6	0	
Neighborhood II Total		801.8	2,931	

Neighborhood III				
28	Open Space	396.0	0	-
29	Open Space/Recreation	5.0	0	-
30	High Density Residential	4.5	126	
31	High Density Residential	15.9	499	
32	Open Space/Recreation	9.8	0	
33	Village Center Commercial	24.1	0	
34	Open Space/Recreation	7.3	0	
35	SFR-3 Residential	11.5	115	
36	SFR-2 Residential	3.8	28	
37	Open Space/Recreation	2.6	0	
38	SFR-2 Residential	10.6	77	
39	MFR Residential	5.8	196	
40	Open Space/Recreation	6.0	0	
41	MFR Residential	4.8	96	
42	SFR-2 Residential	13.0	66	
43	SFR-1 Residential	22.0	62	
44	MFR Residential	4.5	72	
45	Open Space/Recreation	3.1	0	
46	SFR-2 Residential	9.9	75	
47	SFR-3 Residential	5.4	54	
48	Open Space/Joint-Use Park and School	5.0	0	
49	Elementary School	10.0	0	
50	MFR Residential	4.8	96	
51	Open Space/Recreation	1.0	0	
52	MFR Residential	9.4	141	
53	Open Space/Recreation	8.0	0	
54	SFR-2 Residential	13.1	75	
55	MFR Residential	6.0	96	
56	Open Space/Recreation	4.8	0	
57	SFR-2 Residential	17.9	98	
58	SFR-3 Residential	12.6	164	
59	SFR-1 Residential	40.0	173	
60	MFR Residential	4.9	78	
61	Open Space/Recreation	1.4	0	
62	SFR-2 Residential	26.6	169	
63	MFR Residential	6.4	93	
64	Open Space/Recreation	6.0	0	

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Planning Area	Land Use	Acreage	Target No. of Dwellings (Before Transfer)	Adjusted No. of Dwellings (After Transfer)
65	SFR-1 Residential	10.9	43	
66	MFR Residential	5.7	91	
67	Open Space/Recreation	6.3	0	
68	SFR-2 Residential	7.6	55	
69	K-8 School	14.0	0	
70	SFR-3 Residential	8.4	101	
71	SFR-1 Residential	12.6	49	
72	SFR-1 Residential	35.7	100	
73	SFR-3 Residential	3.8	46	
74	Open Space/Joint-Use Park and School	12.0	0	
75	Open Space/Recreation	4.3	0	
76	SFR-3 Residential	8.4	84	
77	SFR-3 Residential	7.9	111	
78	Village Center Commercial	43.3	0	
79	Open Space/Recreation	5.2	0	
	Roadways	39.2	0	
Neighborhood III Total		968.8	3,329	
Neighborhood IV				
16	Open Space	100.0	0	
17	Open Space	9.0	0	
18	Open Space	4.0	0	
19	Open Space / Recreation	3.0	0	
20	MFR Residential	54.0	869	
21	Open Space	3.0	0	
22	Open Space	44.0	0	
23	Village Center Commercial	5.0	0	
24	Open Space / Recreation	1.0	0	
25	Village Center Commercial	6.0	0	
26	Open Space / Recreation	17.0	0	
27	Village Center Commercial	6.0	0	
	Roadways	7.5	0	
Neighborhood IV Total		259.5	869	
GRAND TOTALS		2,447.3	8,407	

**TABLE 3-4
MAXIMUM DAILY TRIP CALCULATIONS BY NEIGHBORHOOD**

Neighborhood	Original Allocated AM + PM Trips	Revised Allocated AM + PM Trips	Difference Between Original & Allocated Trips
Neighborhood I Estimated AM + PM Trips	2,035		
Neighborhood IV Estimated AM + PM Trips	1,818		
Number of Total Trips for Neighborhoods I and IV (Combined)	3,853 (Maximum Total)		
Neighborhood II Estimated AM + PM Trips	4115		
Neighborhood III Estimated AM + PM Trips	8368		
Number of Total Trips for Neighborhoods II and III (Combined)	12,483 (Maximum Total)		
Maximum Number of Total Trips (All Neighborhoods Combined)	16,336 (Maximum Total)		

Note: In Table 3-4, Revised Allocated AM + PM Trips for Neighborhoods I and IV (combined) may be less than or equal to, but cannot exceed, 3,853 AM + PM Trips. Likewise, Revised Allocated AM + PM Trips for Neighborhoods II and III (combined) may be less than or equal to, but cannot exceed, 12,483 AM + PM Trips.

3.2.6 GATED VS. NON-GATED DEVELOPMENT

Lytle Creek Ranch is designed to appeal to a broad spectrum of users and buyers. Therefore, it is anticipated that some portions of the project may be gated, while other portions will not be gated. Most, if not all, of the planning areas within Neighborhood II (i.e., the Active Adult Community) will be enclosed by gates, although selected planning areas may not be gated at the discretion of the master developer/builder. In addition, some planning areas in Neighborhoods I, III, and IV may also be gated. It shall be the decision of the master developer to determine which planning areas shall be gated.

3.2.7 SCHOOLS

The Specific Plan area is located within three different school districts. Students in the north and northeastern portions of the Specific Plan will attend existing schools in the San Bernardino City Unified School District (SBCUSD). It is anticipated that existing schools in the SBCUSD will have sufficient capacity to serve the new students generated by this area of the Specific Plan. This project will involve adjustments between the school district boundaries of the Rialto Unified School

LYTLE CREEK RANCH

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District / San Bernardino County Unified School District in Neighborhood I in order to avoid splitting up individual residential enclaves into two different school districts.

Students in the northwestern portion of the Specific Plan (Neighborhood IV) will attend existing schools in the Fontana Unified School District (FUSD), as it is anticipated that existing schools will have sufficient capacity to serve the new students generated by this area of the Specific Plan. The FUSD will make the final determination as to which schools the Lytle Creek Ranch students located within the FUSD boundaries will attend.

Students in the southern portion (Neighborhood III) of the Specific Plan will attend schools in the Rialto Unified School District (RUSD). An elementary school is planned on 10 acres located directly adjacent to a 5-acre joint-use park in Neighborhood III. Additionally, a 14-acre elementary/middle school is planned adjacent to a 12-acre joint-use park site in Neighborhood III. It is anticipated that high school students will attend Carter High School or other high school in the RUSD.

With the possible exception of Planning Area 92 in Neighborhood II, no students will be generated by Neighborhood II, as it is planned as an age-qualified community for adults 55 years and older. Should Planning Area 92 develop with family-oriented housing, then any students generated by Planning Area 92 development would attend schools in the RUSD.

If the RUSD elects not to utilize one or both of the designated school sites, then the unused site(s) may develop with Single-Family Residential One (SFR-1), Two (SFR-2), or Three (SFR-3) development. In such instance, unused dwelling units from elsewhere within Lytle Creek Ranch Neighborhood II and III may be transferred to the unneeded school site(s). The maximum number of dwelling units within Lytle Creek Ranch shall not exceed 8,407 dwelling units.

The project will pay its fair share of fees to each school district as required by California state law and/or the project master developer shall enter into a mitigation agreement with the school district.

3.2.8 OPEN SPACE

Of the 2,447.3 acres located within the Specific Plan boundaries, a minimum of 829.2 acres will be preserved as open space by clustering development along Riverside Avenue, Lytle Creek Road/Sierra Avenue, Glen Helen Parkway, Clearwater Parkway, and the I-15 corridor. Lytle Creek Wash bisects a portion of the project site. While the actual acreage included with this natural open space area may be adjusted to a limited degree as a result of future reconfiguring/refinement of neighborhoods, in no event shall the total acreage of natural open space be less than 829.2 acres for Lytle Creek Ranch. To protect the flora and fauna in these natural open space areas, no trails will be constructed within these areas (except for trails that may be necessary for habitat restoration and species conservation efforts) and public access shall not be allowed. The areas to be included as undisturbed open space in a natural condition for habitat and wildlife potential are:

- A total of 612.5 acres of additional natural open space, including 444.8 acres within and immediately adjacent to Lytle Creek Wash and 167.7 acres within Neighborhood I (adjacent to the San Bernardino National Forest and Glen Helen Regional Park), to be preserved in perpetuity as part of the Lytle Creek Ranch project.
- Approximately 160.5 acres of land in Lytle Creek Wash that has been set aside for San Bernardino kangaroo rat (SBKR) conservation as part of the adjacent Lytle Creek North Biological Opinion/404 permit.
- An additional 52.2 acres for SBKR mitigation in Lytle Creek Wash immediately adjacent to these 160.5 acres and set aside by Lytle Development Company in conjunction with the Lytle Creek North project.
- Four acres of SBKR habitat in Lytle Creek Wash, which were purchased by the West Valley Water District, and set aside as an expansion of the SBKR conservation area previously mentioned.

The areas along and within Lytle Creek Wash and portions of the hillsides in Neighborhood I will be preserved as open space in its natural state. To protect the flora and fauna, no trails will be constructed within these areas and public access will not be allowed.

3.2.9 OPEN SPACE/RECREATION

Up to 311.7 acres will be devoted to Open Space/Recreation (OS/R) uses. Areas designated as OS/R will open space, neighborhood parks, golf, and recreation areas. The project proposes an extensive system of green spaces, such as neighborhood parks, and recreation areas linked together by a network of trails, parkways, and paseos.

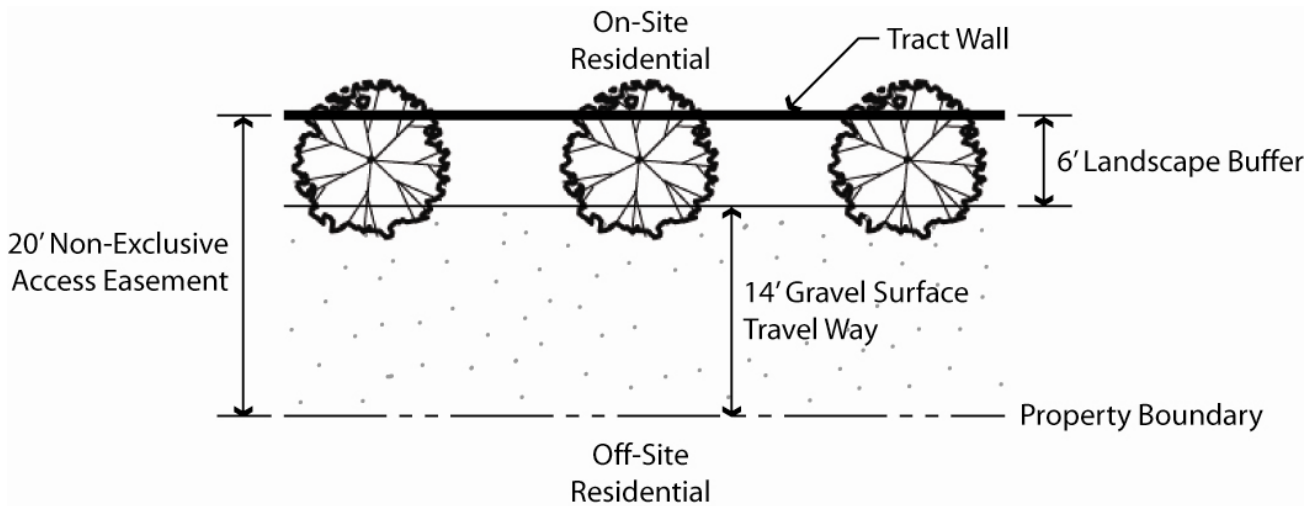
3.2.10 LAND USE PLAN GENERAL DEVELOPMENT STANDARDS

The Lytle Creek Specific Plan contains a combination of residential, Village Center Commercial, open space, school, park, and recreation uses. The specific land uses described will require infrastructure, public services and facilities, and special techniques or mitigations in each neighborhood to accommodate the proposed uses and provide adequate transportation to neighboring uses.

Project-wide development standards have been prepared to manage implementation of general or unique conditions in each area. General standards are listed below. For development standards by land use category, see Chapter 5.0, Development Standards.

- A. The total Specific Plan shall be developed to a maximum of 8,407 dwelling units. No more than 8,407 dwelling units are permitted. Dwelling units may be either detached or attached at the discretion of the master developer and individual builder(s).
- B. The overall project density (gross density) of Lytle Creek Ranch shall not exceed 3.5 dwelling units per acre. Gross density shall be calculated by including all Specific Plan area acreages including open space land use categories and roadway acreages.
- C. Residential development within the SFR-1, SFR-2, SFR-3, MFR, and HDR land use categories within the Lytle Creek Ranch Specific Plan area, as depicted in Figure 3-1, Conceptual Land Use Plan, are target density ranges only. The Specific Plan requires that no more than 8,407 dwelling units may be constructed in the Specific Plan area and requires that the overall project-wide gross density shall not exceed 3.5 dwelling units per acre. The project master developer shall have the right to increase or decrease dwelling unit counts in any residential planning area; provided that at such time a transfer is made, the project master developer submits to the City's Planning Division Figure 3-1 and Table 3-2 of the Specific Plan, as revised.
- D. The Specific Plan shall contain a minimum of 829.2 acres of natural open space, and approximately 328.8 acres of open space, neighborhood parks, golf, and recreation areas, as illustrated on Figure 3-1, Conceptual Land Use Plan.
- E. Uses and development standards shall be in accordance with the zoning regulations and planning area development standards established for this Specific Plan (see Chapter 5.0), and shall be defined by Specific Plan objectives, future detailed tract maps, development plans, and potential conditional use permits as appropriate.
- F. The development of the property shall be in accordance with the mandatory requirements of all City of Rialto and state laws, and shall conform to the approved Specific Plan as filed in the office of the City of Rialto Development Services Department, unless otherwise amended.

- G. Any development standard not addressed in the Specific Plan shall be subject to the City of Rialto Municipal Code.
- H. All tentative maps prepared for any portion of Lytle Creek Ranch must be consistent with this Specific Plan.
- I. Design features, such as special architectural treatments, perimeter and interior landscaping, and buffering of parking lot/loading zone areas shall be incorporated if needed into the project design to minimize any potential conflict between uses on-site and any existing abutting residential enclaves.
- J. Where feasible and appropriate, this Specific Plan encourages the provision of bicycle and pedestrian facilities that extend through and link the residential neighborhoods and commercial areas, and accessible recreational facilities within Lytle Creek Ranch with one another.
- K. Shared parking of uses may be allowed in all planning areas designated for Village Center Commercial development, subject to preparation of a shared parking analysis. CEQA review may be required. The analysis shall be reviewed and approved by both the Director of Development Services and the City Traffic Engineer.
- L. Tiered vegetative landscaping shall be installed between the I-15 Freeway or Cemex USA and any residential unit located within 500 feet of I-15 Freeway or Cemex USA. Studies have shown that vegetative landscaping can reduce particulate emissions by up to 65 to 85 percent, with greater removal rates expected for ultra-fine particles < 0.1 µm in diameter.
- M. The Applicant shall offer to dedicate a 20-foot wide non-exclusive access easement to the County Improvement District to be identified by the County for the benefit of the residences that currently abut the existing access road adjacent to Planning Area 93, depicted in Figure 3-1 of the Lytle Creek Ranch Specific Plan. The access easement shall be improved by the developer to provide a 14-foot wide gravel surfaced travel way adjacent to the abutting homeowners with a 6-foot wide landscape area for a tree buffer adjacent to the tract wall along Planning Area 93. The dedication of the access will have a reservation for storm drain facilities and public utilities in favor of the developer. The offer of dedication shall occur prior to recordation of a Final Map that includes any portion of Planning Area 93, and ONLY after the Lytle Creek Ranch Specific Plan providing for 8,407 residential dwelling units and 849,420 square feet of nonresidential development has been adopted and established as zoning for the property, and any legal challenges to its adoption resolved. The offer of dedication shall be accepted within 30 days after completion of the trail and landscape improvements by the developer.



3.3 PARKS AND RECREATION PLAN

The project proposes approximately 328.8 acres of open space/recreation areas, as depicted in Figure 3-2, Parks and Recreation Plan. Another 35.7 acres of land in Planning Area 72 is planned as a park overlay. A detailed discussion of uses is provided below. The recreation/open space area consist of a mix of recreation types including, but not limited to, a public 18-hole golf course, neighborhood parks, a private Active Adult Community Center, an extensive central linear paseo (i.e., the “Grand Paseo”), and the three private recreational centers in Neighborhood III.

The Parks and Recreation Plan provides for a vast array of recreational opportunities for Lytle Creek Ranch residents. Many of these facilities will also be available for use by all residents of Rialto. The program incorporates many diverse elements in a coordinated, cohesive plan that interrelates with and links the various neighborhoods of the community with each other and to certain destination points, such as the neighborhood parks, joint-use parks/schools, and the two planned schools. The recreational opportunities on-site will vary from active uses in the joint-use parks/schools, to passive uses in the neighborhood parks and the “Grand Paseo.” Varying types of activities will be available that will provide residents with opportunities to: 1) enjoy walks in the parks, 2) participate in community meetings and social gatherings, 3) participate in active outdoor informal recreational activities, and 4) participate in potentially informal and organized sporting events.

The areas designated as “Open Space/Recreation” will be owned and maintained by the Master Homeowners Association or by another entity approved by the City of Rialto’s Planning Division. The park land will be phased to come on-line in accordance with the demand created by the construction of the housing units on-site.

Figure 3-2
Parks and Recreation Plan

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3.3.1 COMPREHENSIVE PASEO AND TRAIL SYSTEM

Many of the areas designated as open space/recreation within Lytle Creek Ranch will contain pedestrian walkways, sidewalks, and multi-purpose trails. Figure 3-3, Trail Plan, is a comprehensive trail system planned throughout Lytle Creek Ranch. This system includes a paved multi-purpose trail that runs adjacent to Lytle Creek in Neighborhoods II, III, and IV. A multi-purpose trail also runs through the length of central linear paseo (i.e., the “Grand Paseo”) in Neighborhood III. The multi-purpose trail in the Grand Paseo will be a minimum of eight feet in width and will consist of an all-weather surface that accommodate both pedestrian and bicycle traffic. The trails adjacent to Lytle Creek will be a minimum of 20 feet in width, but will not provide public access into the wash. This paved trail will provide service access adjacent to the creek, as well as a route for walking and biking. A wrought iron or tubular steel fence will be provided between the creek and the trail to limit access by pets and humans into the wash.

The Grand Paseo will weave through most of Neighborhood III, linking together the three neighborhood parks. This paseo will vary in width from a minimum of 70 feet up to approximately 110 feet. The paseo will be with a mix of native and non-native species organized around a landscaped drainage corridor. The purpose of this drainage corridor is to accommodate storm water flows. Portions of the Grand Paseo will be designed to function as a large bioswale that will naturally filter out chemicals and other potential pollutants as the water flows through the system.

In addition to the on-site paseo system, a landscape parkway up to 24 feet in width will be provided along Riverside Avenue in Neighborhood III. This landscape parkway will contain a five foot wide walkway. In addition, a network of sidewalks will be provided in Neighborhood I that will connect to the existing trail and walkway system planned in the adjacent Rosena Ranch community.

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Figure 3-3
Trail Plan

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3.3.2 NEIGHBORHOOD PARKS

There will be three neighborhood parks in Neighborhood III, including two 6-acre parks (Planning Areas 40 and 64) and an 8-acre neighborhood park (Planning Area 53). All three will be designed to accommodate up to private recreation facilities (ranging from approximately two to five acres in size). In addition, Planning Area 10 in Neighborhood I will consist of an 11 acre neighborhood park, which connects to additional park acreage in the adjacent Rosena Ranch community. The neighborhood parks may accommodate a mix of uses including, but not limited to, private recreation centers, picnicking areas, playgrounds, shade structures, gardens, sitting areas, informal turf play areas, and attractive landscaping. All neighborhood parks within Neighborhood III shall be public parks; provided, however, that portions of Planning Areas 40, 53, and 64 will develop with private recreation centers ranging in size from approximately two to four acres.

Neighborhood parks in Neighborhood III of Lytle Creek Ranch may be constructed in any order pursuant to the discretion of the project master developer and as set forth in the approved Lytle Creek Ranch Development Agreement.

3.3.3 SPORTS PARK (PLANNING AREA 72)

Planning Area 72, which contains approximately 35.7 acres of land, is designated on the Land Use Plan with a Park Overlay. This land may develop with a mixture of neighborhood and community park elements. If developed as a park, the project master developer and the City of Rialto will mutually agree on the improvements and athletic fields to be provided in the sports park. A proposed conceptual illustration of the sports park is depicted in Figure 3-4, Sports Park Concept.

3.3.4 JOINT-USE PARKS

Two areas within Neighborhood III are proposed as possible joint-use school/park facilities (i.e., Planning Areas 48 and 74) if agreeable to both the City and the Rialto Unified School District. These parks are designed to function as potential joint-use facilities with the adjacent elementary school (Planning Area 49) and K-8 school (Planning Area 69). These joint-use school/park facilities are anticipated to contain athletic fields, playgrounds, and informal play areas, which will be available for use by the school, and also by the general public when the school is not using the facilities. The actual sizes of and uses contained within these joint-use parks may vary depending on the needs of the Rialto Unified School District (RUSD). The master developer reserves the right to develop all or portions of the joint-use park sites with Single Family Density Residential 1, 2, and 3 (SFD-1, 2, 3) uses, should the RUSD elect to reduce the amount of land required for the joint-use park, or should the RUSD elect not to construct the adjacent school. The maximum permitted residential density in Planning Areas 48 and 74, should one or both joint-use parks not be provided, shall not exceed 14 du/ac.

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Figure 3-4
Sports Park Concept

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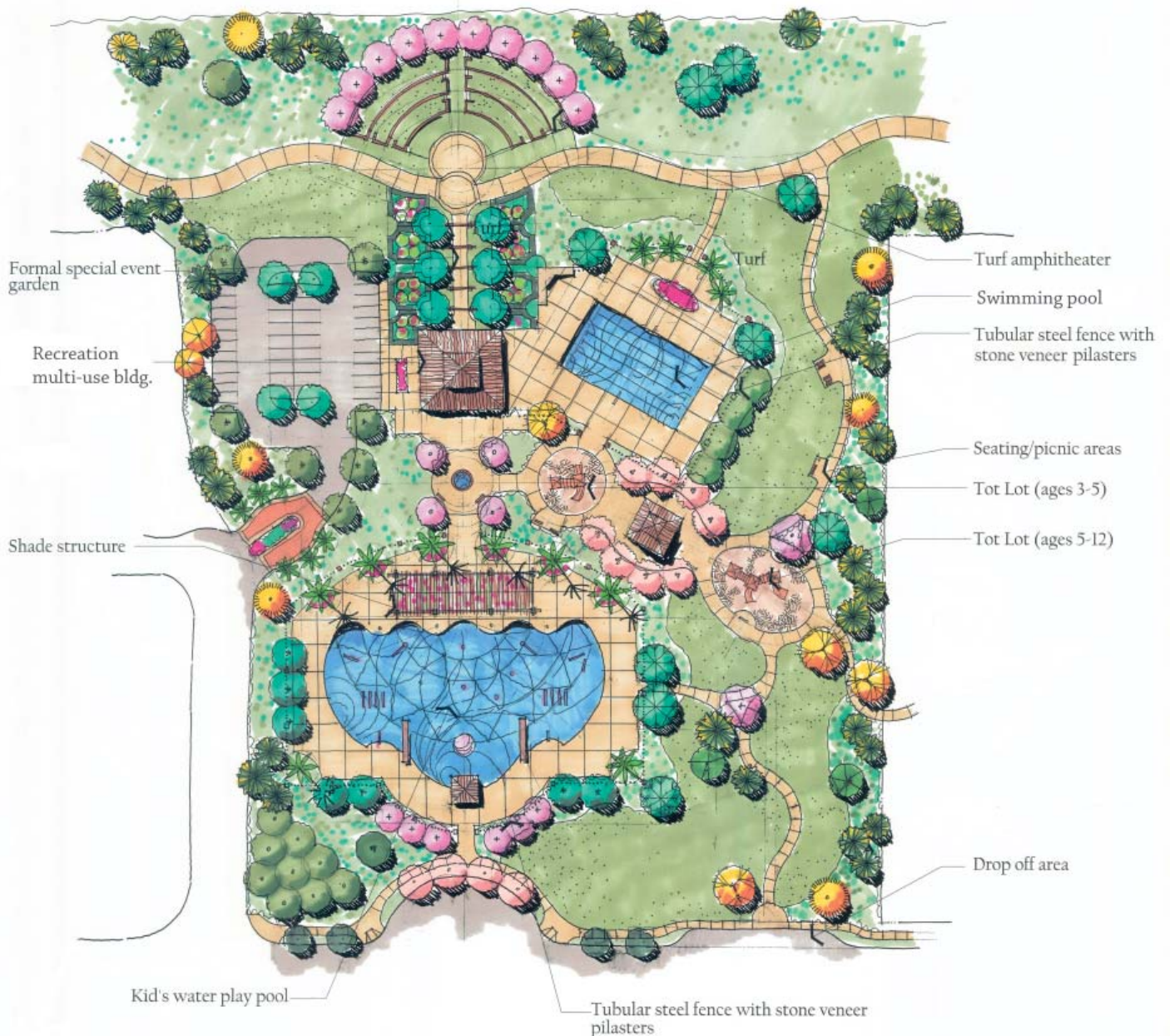
3.3.5 PRIVATE RECREATION CENTERS IN NEIGHBORHOOD III

Private recreation centers will be constructed in Neighborhood III. These recreation centers will be constructed on approximately two to five acres in Planning Areas 40, 53, and 64. The recreation centers in Neighborhood III will be gated and available for the private use of residents in Neighborhood III and their guests. Residents of Neighborhood II will be served by their own Active Adult recreation center. The Neighborhood III recreation center will be well designed and landscaped, and will serve as a community focal and gathering point. The largest of the recreation centers may contain a central clubhouse facility with a meeting room, exercise rooms, locker rooms, restrooms, and other amenities. Additional amenities could include a swimming pool with a spa, as well as BBQs and outdoor areas for picnics and special events. Please refer to Figures 3-5 and 3-6 for conceptual recreation center plans.

3.3.6 ACTIVE ADULT RECREATION CENTER

A minimum of one private recreation center is planned within Neighborhood II (Active Adult). The Neighborhood II Active Adult Recreation Center will be limited to use by Active Adult residents and their guests only. The recreation center will be constructed in Planning Area 86, adjacent to the public 18-hole golf course. The facility will be well-designed and landscaped, and will serve as a neighborhood focal and gathering point. The recreation center will contain a central clubhouse facility that may contain such amenities as meeting and game/craft rooms, exercise facilities, locker rooms, restrooms, and other facilities. There will also be a swimming pool with a spa, and an outdoor area with BBQs for picnics and special events. The Active Adult recreation center will be a minimum of three acres in size.

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Not to Scale



Figure 3-5
Conceptual Recreation Center
(Planning Area 53)

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Not to Scale



Figure 3-6
Conceptual Recreation Center
(Planning Areas 40 and 64)

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3.3.7 GOLF COURSE AND CLUBHOUSE

Within Planning Area's 87, 95, 99 and 101, the project is planned to include a renovated and reconfigured 18-hole public golf course. The existing golf course (i.e., the El Rancho Verde Royal Vista Golf Club) will close down for a period of approximately 18 to 24 months to be reconfigured. Existing homes that abut an existing fairway/green shall continue to abut a golf course fairway/green after the reconfiguration. The existing fairways and greens shall be reconfigured and improved with enhanced landscaping. The golf course rerouting, grading, and redesign shall be reviewed and approved by the City of Rialto in conjunction with an application for a Precise Plan of Design.

The golf course will include a new 19,000-square-foot minimum clubhouse facility with pro shop, men's and women's locker rooms, offices, bar, restaurant, kitchen, and banquet facilities. Other features will include a tournament lawn, driving range, and storage barn for golf carts.

Although much of the golf course will be surrounded by a gated active adult housing community, the golf course and clubhouse will be open for use by the general public. The architectural style of the clubhouse may be any one of the following styles: Spanish Eclectic, Italianate, Tuscan, or Craftsman/California Bungalow. Ultra-modern or contemporary designs for the clubhouse shall not be permitted. The clubhouse must be built and operational within three (3) years of the reopening of the reconfigured golf course. See Figure 3-7, Conceptual Golf Course Plan, and Figure 3-8, Conceptual Golf Clubhouse Building Elevations.

As an alternative to the golf course, the OS/R zoning designation of the Specific Plan allows the developer of Planning Areas (87, 95, 99 and 101) to develop these Planning Areas for other open space uses as permitted under Section 5.6.10 of this Specific Plan, including but not limited to community facilities, recreation centers and buildings, health clubs, public parks and recreation areas, sports parks, swimming pools, and other outdoor athletic facilities and similar recreational uses. In addition, this zone allows for low intensity, passive recreational uses such as trails, picnic areas, bicycle paths, sitting areas.

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Figure 3-7
Conceptual Golf Course Plan

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Figure 3-8
Conceptual Golf Clubhouse Building Elevations

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3.3.8 PARKS AND RECREATION PLAN DEVELOPMENT STANDARDS

- A. A total of three public neighborhood parks are planned in Neighborhood III (i.e., Planning Areas 40, 53, and 64) will be provided for the benefit of residents of the community as well as the general public. These parks may contain such facilities as gardens and community gardens, plazas, tot lots and playgrounds, basketball courts, open turf areas, BBQ areas and shade structures, picnic tables, benches, drinking fountains, seat walls, night lighting, walkways, multi-purpose trails, parking lots, and other similar amenities. Private recreation centers shall be permitted in all neighborhood parks.
- B. The planning areas designated as “Open Space/Joint-Use” shall be designed to include playgrounds and/or sports fields. These facilities will be used primarily by the Rialto Unified School District. However, when school is not in session, these facilities may be available for use by the general public.
- C. Mini parks are allowed within Lytle Creek. Such parks are optional and may be provided at the discretion of the project master developer or builder(s). If provided, mini parks will typically be less than one acre in size. Mini parks may be located in Neighborhoods I, III, and IV. Because of the extensive amenities already provided in Neighborhood II, it is not anticipated that any mini parks will be located within that neighborhood. These optional mini parks may contain open play turf areas, tot lots, shade structures, benches, ornamental gardens, and other passive amenities. The uses proposed or identified in these private parks shall be conducive to the residential neighborhoods that they serve. Active uses and restroom facilities are not appropriate facilities in mini parks. The exact locations, sizes, and configurations of these mini parks shall be determined in conjunction with an application for a Tentative Tract Map and Precise Plan of Design. All mini parks will be privately owned and maintained by a homeowners association or other entity acceptable to the City of Rialto.
- D. All recreational/open space areas shall be landscaped and contain permanent irrigation systems.
- E. All recreational facilities shall provide parking in accordance to the City of Rialto standards.
- F. Recreation acreage calculations for residential development within Lytle Creek Ranch shall be based upon a minimum of three acres per 1,000 residents.
- G. The design of the public parks will require review and approval by City staff.

3.4 OPEN SPACE AND CONSERVATION PLAN

The Lytle Creek Ranch Specific Plan design is sensitive to the existing resources on-site, including the Lytle Creek Wash, habitat and species associated with it, and other sensitive flora and fauna currently found within the site.

Of the 2,447.3 acres located within the Specific Plan boundaries, a minimum of 829.2 acres of the property, including Lytle Creek Wash, will be preserved as open space by clustering development along Riverside Avenue, Lytle Creek Road/Sierra Avenue, Glen Helen Parkway, Clearwater Parkway, and the I-15 corridor (see Figure 3-9, Open Space and Conservation Plan). While the actual acreage included within this natural open space may be adjusted to a limited degree as a result of future reconfiguring/refinement of neighborhoods, in no event shall the total acreage of natural open space be less than 829.2 acres for Lytle Creek Ranch. To protect the flora and fauna in these natural open space areas, no trails will be constructed within these areas (except for trails that may be necessary for habitat restoration and species conservation efforts) and public access shall not be allowed. The areas to be included as undisturbed open space in this Specific Plan are:

- A total of 612.5 acres of additional natural open space, including 444.8 acres within and immediately adjacent to Lytle Creek Wash and 167.7 acres within Neighborhood I (adjacent to the San Bernardino National Forest and Glen Helen Regional Park), to be preserved in perpetuity as part of the Lytle Creek Ranch project.
- Approximately 160.5 acres of land in Lytle Creek Wash that has been set aside for San Bernardino kangaroo rat (SBKR) conservation as part of the adjacent Lytle Creek North Biological Opinion/404 permit;
- An additional 52.2 acres for SBKR mitigation in Lytle Creek Wash immediately adjacent to these 160.5 acres and set aside by Lytle Development Company in conjunction with the Lytle Creek North project; and
- Four acres of SBKR habitat in Lytle Creek Wash, which was purchased by the West Valley Water District, and set aside as an expansion of the SBKR conservation area previously mentioned.

3.4.1 AVOIDANCE AND LONG-TERM PRESERVATION

A minimum of 829.2 acres of open space within the project area will be set-aside in perpetuity for avoidance and long-term preservation of habitat and species and as natural open space, including land within Lytle Creek Wash. This natural open space supports several sensitive plant and wildlife species, including San Bernardino kangaroo rat (SBKR), Los Angeles pocket mouse, northwestern San Diego pocket mouse, and Plummer's mariposa lily. A large population of Parry's spineflower plants, estimated at more than 120,000 individuals, will be preserved within the conservation area. A total of 444.8 acres of land are planned as permanent natural open space (not including Neighborhood I open space), which are immediately contiguous with an existing 216.7 acres of SBKR habitat, which Lytle Development Company established largely in conjunction with the Lytle Creek North Planned Development project.

Conservation of the SBKR and an ecologically viable community of Riversidean Alluvial Fan Sage Scrub (RAFSS) is a hallmark of the Lytle Creek Ranch project. The proposed project has been designed to contribute to the conservation and recovery of the SBKR, and to assist with the conservation and recovery of other sensitive species, which could utilize portions of the preservation area in the future. Selection of natural open space areas to be set aside by the project have taken into consideration the areas designated as critical habitat by the U.S. Fish and Wildlife Service (USFWS) for the SBKR and the California gnatcatcher, so as to both contribute to the long-term conservation of these species and to allow these units of critical habitat to continue to provide their identified conservation benefits to the species after project build-out. An additional objective of the project has been to preserve a significant portion of the ecologically viable RAFSS on the project site, including areas of the pioneer, intermediate and mature phases of this plant community and habitat. Although some areas of RAFSS are proposed to be removed by the project, the RAFSS habitat that is proposed to be set aside is expected to remain an ecologically viable community and to provide important conservation habitat for species reliant on this kind of habitat.

Another advantage to the location of the natural open space to be conserved is the location of other past natural open space dedications benefiting the SBKR and RAFSS habitat in the vicinity. In particular, the project has been designed to make a synergistic contribution to SBKR conservation and recovery by designating suitable SBKR habitat as natural open space which will be contiguous to, expand upon and augment other existing SBKR conservation areas, as well as areas containing RAFSS habitat, through a combination of habitat set aside and active habitat restoration, enhancement, and management. For example, the project would dedicate another roughly 443 acres of open space and RAFSS habitat in and adjacent to Lytle Creek Wash, which would be contiguous with a previous 52-acre area set aside for SBKR conservation by the project applicant in connection with the County's approval of the Lytle Creek North development project and which would also be contiguous with a prior contribution of another 160.5 acres of RAFSS and SBKR habitat in Lytle Creek Wash that had been identified as contributing to SBKR conservation through consultations with the USFWS as part of the Lytle Creek North Planned Development project.

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Figure 3-9
Open Space and Conservation Plan

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The majority of the natural open space to be dedicated by the Lytle Creek Ranch project has also been designated as critical habitat for the SBKR and coastal California gnatcatcher by the USFWS. Importantly, the dedicated natural open space in the Specific Plan would link with and expand upon previous conservation dedications by the project applicant for the SBKR and coastal California gnatcatcher and with hundreds of acres of SBKR conservation lands located both immediately downstream and in the Cajon Wash (including SBKR mitigation areas established by Calmat, San Bernardino County and Cemex). In total, these land set asides would secure a large amount of connected, occupied and suitable SBKR habitat and RAFSS habitat within the Lytle / Cajon Wash system, thereby securing a substantial amount of functional habitat for these species and allowing the species to persist in this area over the long-term.

In addition, the project applicant proposes to extend the scope of its SBKR habitat restoration, enhancement and monitoring program – currently being applied to 216.7 acres of wash and upland habitat (including upland refugia habitat) within Lytle Creek Wash. The USFWS has previously approved a habitat restoration and enhancement plan for approximately 40 acres of upland refugia habitat within a large island in Lytle Creek Wash. The project proposes to expand this restoration program to increase the amount and quality of protected occupied SBKR habitat within Lytle Creek Wash, thereby further enhancing the long-term conservation and recovery of this species within the Lytle / Cajon wash system. The coastal California gnatcatcher would also be expected to benefit from this restoration program, helping to ensure that Lytle Creek Wash can continue to provide for potential movement of this species, as well as others, through this area.

3.4.2 MAINTENANCE OF WILDLIFE MOVEMENT CORRIDOR

The on-site portions of Lytle Creek and the adjoining wash function as a regional wildlife corridor. Preservation of the majority of the wash will ensure the continued viability of this wildlife corridor. The conservation area generally ranges from approximately 600 feet wide within Lytle Creek to 2,400 feet wide within Neighborhood III. The wash provides wildlife cover through scattered islands and patches of vegetated habitat. Natural open space to be set aside by this project will link directly with other open space mitigation areas with similar habitats in Lytle and Cajon washes, including portions of land owned by Cemex, Calmat, and San Bernardino County.

3.4.3 PRESERVATION AND RESTORATION OF RIPARIAN HABITAT FOR LEAST BELL'S VIREO

Neighborhood I encompasses a riparian corridor, Sycamore Flats, which will be preserved and enhanced as part of the proposed project. The northernmost portion of the corridor is not included in the preservation/enhancement area for this Specific Plan since it is San Bernardino County's land. Mitigation for riparian habitat impacts elsewhere in the project area will include restoration and enhancement to approximately 18.9 acres of the riparian corridor and the adjacent floodplain. This area serves as habitat for the least Bell's vireo.

3.4.4 PRESERVATION OF PARRY'S SPINEFLOWER AND PLUMMER'S MARIPOSA LILIES

The project will preserve the majority of the Parry's spineflower and Plummer's mariposa lilies in the project area. The Plummer's mariposa lily is considered a sensitive plant species and the Parry's spineflower is a species of interest to the California Native Plant Society, which is in the process of gathering more data to determine whether, and to what extent, this species may be a sensitive species. Although both species have been found in Neighborhood II, Neighborhood III, and Neighborhood IV, the vast majority of the individuals occur within the large island within the wash in Neighborhood III. The sensitive plants on this island occur both within a portion already set aside for SBKR for the Lytle Creek North Planned Development project, as well as within the portion farther east or downstream that is within the proposed open space for the Lytle Creek Ranch Specific Plan. Therefore, the majority of Parry's spineflower and Plummer's mariposa lily will be preserved in perpetuity.

3.4.5 PROTECTION OF NESTING BIRDS

To protect nesting birds regulated by the federal Migratory Bird Treaty Act, efforts will be made to schedule vegetation removal between September 1 and February 14 to avoid the nesting bird season. If clearing and/or grading activities cannot be avoided during the nesting season, all suitable habitat will be thoroughly surveyed for the presence of nesting birds by a qualified biologist prior to removal. If any active nests are detected, the area will be flagged, along with a minimum 100-foot buffer (buffer may range between 100 and 300 feet as determined by the monitoring biologist) and will be avoided until the nesting cycle is complete or it is determined by the monitoring biologist that the nest has failed. In addition, a biologist will be present on the site to monitor any vegetation removal to ensure that nests not detected during the initial survey are not disturbed.

3.4.6 PROTECTION OF BURROWING OWLS

In order to avoid impacts to any burrowing owls that may colonize the development impact footprint prior to commencement of construction activities, a Phase III protocol survey shall be conducted within 30 days prior to commencement of ground disturbance activities (California Burrowing Owl Consortium 1993). This pre-construction survey will entail four separate days between two hours before sunset to one hour after or one hour before sunrise to two hours after. This survey applies during both the breeding season (February 1 through August 31) as well as the non-breeding season when wintering owls are most likely detected if present (December 1 through January 31). If burrowing owls are detected within the development impact footprint or within approximately 80 feet of the impact area, on-site passive relocation would be conducted during the non-breeding season in accordance with the establishment protocol (California Burrowing Owl Consortium, 1993).

3.5 CIRCULATION PLAN

3.5.1 CIRCULATION PLAN DESCRIPTION

Figure 3-10, Circulation Plan, illustrates the project roadway concept, based on input from the City Traffic Engineer and the project Traffic Consultant, Crane and Associates. The main objective of the Circulation Plan is to provide direct and convenient access to individual residential enclaves, employment, and service land uses through a safe and efficient street network and a pedestrian trail/sidewalk system. The Circulation Plan includes standards for vehicular circulation, pedestrian circulation, bikeways, parking facilities, and connections to mass transit. Typical roadway cross sections are shown on Figures 3-11 through 3-14.

Primary project entries will be located at Riverside Avenue/N. Live Oak Avenue and Riverside Avenue/N. Locust Avenue. Secondary entries will be located on Riverside Avenue opposite Redwood Avenue and N. Alder Avenue. The entries on Riverside Avenue opposite N. Live Oak Avenue and N. Locust Avenue will serve as the Primary Entries into Neighborhood III. The entry at Country Club Drive will serve as a Primary Entry into Neighborhood II. Another Primary Entry into Neighborhood II will be provided at Riverside Avenue/Linden Avenue.

3.5.2 VEHICULAR CIRCULATION NETWORK AND HIERARCHY

The Vehicular Circulation Plan includes a network of public and private streets that create an efficient and comprehensive street pattern. The circulation network includes the following streets:

Interstate 15 (I-15) Freeway

The I-15 Freeway generally runs in a north-south direction. The freeway has three to four travel lanes in each direction near Lytle Creek Ranch. Access to I-15 is provided at Sierra Avenue and Glen Helen Parkway.

State Route 210 (SR-210) Freeway

The SR-210 Freeway runs in an east-west direction. The freeway begins in the City of Rialto and extends westerly to merge with Interstate 210 in the City of Glendora. In the project vicinity, SR-210 is being constructed with three mainline travel lines and a High-Occupancy-Vehicle (HOV) lane in each direction. Access to SR-210 is provided via Riverside Avenue.

Riverside Avenue (See Figure 3-11)

Riverside Avenue is designated as a Major Arterial in the City of Rialto. This roadway borders Lytle Creek Ranch on the southwest, and intersects Sierra Avenue just south of the I-15 Freeway/Sierra Avenue interchange. Riverside Avenue provides direct access to Neighborhoods II and III of Lytle Creek Ranch. Figure 3-15 depicts a typical bus mid-block turn-out design along Riverside Avenue.

As proposed, Riverside Avenue will be improved with a 127' right-of-way consisting of a 14' striped median, three travel lanes in each direction totaling 38', a 24' landscaped parkway that includes an 8' sidewalk/bicycle path on the Lytle Creek Ranch side of the street, and a 13' landscaped parkway with a 4'-6" sidewalk on the south side (Las Colinas side).

Lytle Creek Road/Sierra Avenue (See Figure 3-11)

Lytle Creek Road/Sierra Avenue has a 104' right-of-way north of the I-15 Freeway. South of the I-15 Freeway, Sierra Avenue has a 132' right-of-way. Lytle Creek Road and Sierra Avenue border the project site on the northwest, and Lytle Creek Road provides access to Neighborhood IV and to Neighborhood I via Glen Helen Parkway.

Glen Helen Parkway (See Figure 3-11)

Glen Helen Parkway is a Major Highway in the County of San Bernardino. The roadway extends easterly from Lytle Creek Road, and provides direct access to Neighborhoods I and IV of Lytle Creek Ranch. Glen Helen Parkway is improved with a 114' right-of-way consisting of a 14' striped median, two travel lanes and a breakdown lane (totaling 33' in each direction), and a 17' landscaped parkway that includes a sidewalk on each side of the street.

Clearwater Parkway (See Figure 3-11)

Clearwater Parkway extends through Neighborhood I of Lytle Creek Ranch and the adjacent residential development, and provides access to Glen Helen Parkway at the northern end of the project. As proposed, Clearwater Parkway will have a 104' right-of-way that consists of a 14' striped median, two travel lanes and a breakdown lane (totaling 33' in each direction), and 12' landscaped parkways.

Entry Streets – Neighborhood III (See Figure 3-12)

Lytle Creek Ranch proposes several entry streets in to Neighborhood III from Riverside Avenue. The entry streets will be opposite the existing streets of Redwood Avenue, N. Live Oak Avenue, N. Alder Avenue, and N. Locust Avenue. Each Entry Street will have a 118' right-of-way consisting of a 14' landscaped median, one 26' travel lane in each direction, and 26' parkway on either side. A 5' sidewalk will be provided within the parkway on each side of the street. Each entry street will be designed with a special landscaped entry treatment adjacent to Riverside Avenue.

Collector Streets (See Figure 3-12)

Collector streets are designed to collect local residential street traffic to major and secondary entry streets and to Riverside Avenue in Neighborhood III. Collector streets will have a 94' right-of-way, which consists of one 20' travel lane in each direction, a 14' wide landscape median, and a 17' wide landscaped parkway on one side of the street, and a 23' wide parkway on the other side of the street. In addition, both sides of the street will contain a 5' sidewalk.

Figure 3-10
Circulation Plan

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Figure 3-11
Roadway Cross-Sections

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Figure 3-12
Roadway Cross-Sections

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Figure 3-13
Roadway Cross-Sections

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Figure 3-14
Roadway Cross-Sections

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Figure 3-15
Typical Bus Mid Block Turnout

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Local Streets (See Figure 3-12)

Local streets in Neighborhoods I, III, and IV of Lytle Creek Ranch will provide access to individual properties and connect to collector streets. Local streets will have a 46' right-of-way, which consists of one 18' travel lane in each direction, and a 5' sidewalk on one side of the street and either a sidewalk or landscaping on the other side of the street. Local streets may be either public or private.

Alley Drives (See Figure 3-12)

Alley drives in Lytle Creek Ranch will have a 26' right-of-way, which consists of one 13' drive lane in either direction.

Country Club Drive (See Figure 3-13)

Country Club Drive is a Major Arterial south of Riverside Avenue in the City of Rialto and a local street north of Riverside Avenue in the County of San Bernardino. As part of the Lytle Creek Ranch project, Country Club Drive will be fully improved and re-landscaped from Riverside Avenue to the Lytle Creek Ranch boundary. The reconstructed street will consist of a 102' right-of-way with a 9'-6" raised landscaped median, three travel lanes in each direction (totaling 36' in each direction), and landscaped parkways on either side of the street. Within Lytle Creek Ranch, Country Club Drive will vary in width from a 67' to 72' right-of-way consisting of a central 10' raised landscaped median and a 26' travel lane in each direction. Parkway will be provided on both sides of Country Club Drive directly adjacent to on-site residential uses. No parkways will be provided where Country Club Drive abuts the golf course or open space/recreation uses.

Active Adult Entry Street (See Figure 3-14)

An Active Adult entry street is proposed in Neighborhood II (Active Adult neighborhood). The Active Adult entry street begins with a 102' right-of-way at Riverside Avenue and extends to a point located just east of Planning Area 90, where it transitions into an 84' right-of-way adjacent to Planning Area 92 and residential, open space/recreation, or golf course areas. The Active Adult entry street will consist of a 14' landscaped median, a 12' travel lane adjacent to the median, and a 14' travel lane adjacent to the curb in each direction. There will also be an 18' landscaped parkway on one or both sides of the street, which includes an 8' wide multi-purpose trail.

Active Adult Local Street (See Figure 3-14)

Active Adult local streets are planned in Neighborhood II (Active Adult neighborhood). Similar to local streets, the Active Adult local streets will provide access to individual properties and connect to the Active Adult Entry Street and to Country Club Drive. The Active Adult local street will have a 42' right-of-way, consisting of one 18' travel lane in each direction, and a 10' landscaped parkway that includes a 5' sidewalk on one side of the street.

Roundabouts (Active Adult Neighborhood Only)

The Lytle Creek Ranch project includes two roundabouts in Neighborhood II and three roundabouts in Neighborhood III to facilitate continuous, safe and orderly traffic movement, while minimizing unnecessary stops. It should be noted that modern roundabouts are not the same as older traffic circles, which exist in some cities. Three basic principles distinguish the modern roundabout from a traffic circle:

- A. Modern roundabouts follow the "yield-at-entry" rule in which approaching vehicles must wait for a gap in the circulating flow before entering the circle. Many traffic circles in the United States require circulating vehicles to grant the right of way to entering vehicles. Some traffic circles also use stop signs or signals to control vehicle entry.
- B. Modern roundabouts involve low speeds for entering and circulating traffic, as governed by small diameters and deflected (curved) entrances. In contrast, traffic circles emphasize high-speed merging and weaving, made possible by larger diameters and tangential (straight) entrances.
- C. Adequate deflection of the vehicle entering a roundabout is the most important factor influencing their safe operation. Roundabouts should be designed so that the speed of all vehicles is restricted to 30 mph or less within the roundabout.

In giving priority to entering vehicles, a traffic circle tends to lock up at higher volumes. The operation of a traffic circle is further compromised by the high speed environment in which large gaps are required for proper merging. These deficiencies have been essentially eliminated with the modern roundabout designs.

The roundabouts in Lytle Creek Ranch will also serve as important iconic elements that will help to create a unique identity for the project circulation system. To keep maintenance requirements to a minimum, each roundabout will contain trees and plant materials, while minimizing the use of turf and other high-maintenance plantings. To help prevent distractions to vehicular traffic circulating through the roundabouts, no potentially distracting features such as fountains, sculptures, community signage, or other similar elements will be permitted within the central island in each of the roundabouts. Traffic-related signage shall be permitted as needed anywhere within the roundabouts.

3.5.3 MASS TRANSIT CONNECTIONS

Lytle Creek Ranch has been designed to promote the use of alternative forms of transportation. The project site is located close to several major transportation routes, including the I-15 (which bisects a portion of the site), I-210, and I-10 freeways. Bus transportation is currently provided along portions of Riverside Avenue (Bus Route 22) by Omnitrans. Bus Route 22 includes stops along a portion of Riverside Avenue and at or near Carter High School, Kolb Junior High School, the Rialto Civic Center, and the Metrolink station located at 261 South Palm Avenue in Rialto. The Metrolink line provides stops in San Bernardino to the east and Fontana, Rancho Cucamonga, Upland, Montclair, Claremont, Pomona, Covina, Baldwin Park, El Monte, Cal State Los Angeles, and Union Station in downtown Los Angeles to the west. Many of the Omnitrans buses are low emitting vehicles and run on Compressed Natural Gas (CNG), while the newest vehicles are electric/gasoline hybrids.

The project proposes a system of bicycle trails and walking trails throughout the project site. These trails will follow the alignment of the major streets in Lytle Creek Ranch and connect to a trail system to be established along the northeast side of Riverside Avenue. Thus, residents will be able to walk or ride their bikes to Riverside Avenue and catch a ride on the bus to other portions of the City.

Convenient access to Village Center Commercial development in Lytle Creek Ranch will be available via the project's internal trail and roadway systems. Retail, commercial and office uses are planned along Riverside Avenue. It is anticipated that there will be a shopping center located near the juncture of Sierra Avenue/Riverside Avenue/I-15 in Planning Areas 31 and 33. This shopping center may contain such uses as big and medium box retailers, a supermarket or, grocery store, and other services such as dry cleaners and restaurants. Residents will be able to walk or bike to this center, or drive to the center without placing additional strain on the surrounding off-site roads.

3.5.4 PARKING

Parking shall be provided in accordance with City of Rialto requirements as set forth in Section 18.58 of the City's Municipal Code, except as otherwise amended in this Specific Plan. Shared parking may be permitted in planning areas designated as Village Center Commercial, subject to preparation of a shared parking analysis by a qualified Traffic Engineer. CEQA review may be required. This study shall be reviewed and approved by both the Director of Development Services and the City Traffic Engineer.

3.5.5 CIRCULATION PLAN GENERAL DEVELOPMENT STANDARDS

- A. The proposed project includes an efficient and safe circulation design that shall accommodate traffic from land uses as well as public safety, security and public transportation needs. All on-site roadway improvements shall be phased in accordance with the Infrastructure phasing plan.
- B. Heavy through traffic shall be eliminated from residential neighborhoods. Major roadways shall be implemented as non-access roadways, with residential neighborhoods served by smaller residential collectors.
- C. Provisions shall be made for a safe and efficient trail and sidewalk network, providing pedestrian and bicycle circulation in conjunction with the roadway network. A sidewalk system shall be developed along all key streets within Lytle Creek Ranch. Pedestrian traffic shall be separated from vehicular traffic, particularly in commercial and retail areas.
- D. Bicycle paths shall be located along interior and exterior streets where they will be safe and effective in serving local residents' needs.
- E. All subdivisions shall comply with the street improvement recommendations/mitigations outlined in the project Traffic Analysis and as determined by the Engineering Division of Public Works and Development Services (EIR Technical Appendices).
- F. In selected locations raised planters may be used as local street medians to provide a higher level of street character and visual interest. Specific locations will be identified at the tentative tract map stage.
- G. All roads within Lytle Creek Ranch shall be constructed to the standards contained in this Specific Plan.
- H. Connections to mass transit are encouraged to facilitate and promote alternative transportation.
- I. The master developer shall install all traffic signals within the Specific Plan area as required by the Department of Public Works.
- J. A traffic signal shall be installed at the intersection of Linden Avenue and Riverside Avenue prior to the issuance of the first occupancy permit during the first phase of development. The developer shall be reimbursed for the cost of the installation of the signal less the amount of the project fair share contribution toward the signal as specified in the Traffic Impact Analysis and Mitigation Monitoring and Reporting Plan for the project.

3.6 INFRASTRUCTURE PLAN

3.6.1 WATER SYSTEM

Water Plan Description

The backbone water facilities and infrastructure shall be owned, operated, and serviced by the West Valley Water District (West San Bernardino County Water District). The fair-share cost of designing and constructing the water system shall be financed by the project master developer, project area builders, and/or other financing mechanism(s) acceptable to the City of Rialto. The conceptual water plans for each neighborhood are depicted in Figures 3-16 through 3-19, Water Plans.

- A. Neighborhood I – The water system for Neighborhood I will consist of a series of new waterlines of varying widths that will connect with existing lines, and a new 6.5 million gallon (MG) reservoir with an approximate site area of 2.2 acres. Neighborhood I lies within Zone 7 of the conceptual water plan.
- B. Neighborhood II – The water system for Neighborhood II will consist of a series of new waterlines of varying widths, a new 8.5 MG reservoir with an approximate site area of three acres, and a new booster station. Two additional reservoirs are currently in place near Neighborhood II. Neighborhood I lies within Zone 4 of the conceptual water plan.
- C. Neighborhood III – The water system for Neighborhood III will consist of a series of new waterlines of varying widths, two new reservoirs, and two new booster stations. Neighborhood III is divided between Zones 5 and 6 of the conceptual water plan. Within Zone 5, a 10.7 MG reservoir covering an approximate site area of 3.5 acres is planned. A 10.1 MG reservoir covering an approximate site area of 3.5 acres is planned in Zone 6. Two additional reservoirs currently exist near Neighborhood III.
- D. Neighborhood IV – The water system for Neighborhood IV will consist of a series of new waterlines of varying widths, one new reservoir, and one new booster station. Neighborhood IV is divided between Zones 7 and 8 of the conceptual water plan. A new 4.7 MG reservoir, which will require an approximate site area of 1.6 acres, will be located within Zone 8. Two additional reservoirs currently exist near Neighborhood IV.

Water Plan General Development Standards

- A. All lines shall be designed in accordance with the West Valley Water District requirements.
- B. Water facilities shall be installed in accordance with the requirements and specification of the West Valley Water District.

LYTLE CREEK RANCH

SPECIFIC PLAN

- C. Assurance for provision of adequate water service is required prior to approval of a subdivision map, and/or Plot Plan for retail and office uses in accordance with the State Subdivision Map Act.
- D. If a convenient, readily available, and affordable source of recycled water exists, then the project shall incorporate recycled water for landscaping and non-potable uses.
- E. The project shall comply with Title 20, California Code of Regulations Section 1604 (f) (Appliance Efficiency Standards), which establishes efficiency standards that set the maximum flow rate of all new showerheads, lavatory faucets, as well as Health and Safety Code Section 17621.3 which requires low-flush toilets and urinals in virtually all buildings.

Figure 3-16
Water Plan – Neighborhood I

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Figure 3-17
Water Plan – Neighborhood II

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Figure 3-18
Water Plan – Neighborhood III

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Figure 3-19
Water Plan – Neighborhood IV

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3.6.2 SEWER SYSTEM

Sewer Plan Description

The backbone sewer facilities and infrastructure shall be owned and operated by the City of Rialto. The fair share cost associated with designing and constructing the sewer system shall be financed by the project master developer, project area builders, and/or other financing mechanism(s) acceptable to the City of Rialto.

The proposed on-site collection system for each neighborhood is depicted on a separate exhibit. Please see Figures 3-20 through 3-23 for the sewer exhibits.

- A. Neighborhood I – The sewer collection system for Neighborhood I will collect the sewage and direct the flows into a sewer located within Clearwater Parkway. These flows, in turn, will be handled by the existing wastewater treatment plant, which was constructed as part of the Rosena Ranch community. (See Figure 3-20.)
- B. Neighborhood II – The Neighborhood II sewer collection system will be located within the streets in Neighborhood II. A scalping plant will be located at the southern portion of Neighborhood II within the golf course. The scalping plant will remove water from the sewage and, through the use of micro filtration and reverse osmosis, will reuse the water to water the golf course. The scalping plant will not produce smell because the sewage will be put back into the sewer system, as all of the water extraction part will take place below ground. The entire process will occur inside of a building or underground. (See Figure 3-21.)
- C. Neighborhood III – The backbone infrastructure in this neighborhood will be located primarily within the central Collector Street and the Grand Paseo open space. To the north, the project will connect underneath the I-15 Freeway to the sewer collector system in Neighborhood IV. To the south, the project will connect to the sewer collector system. (See Figure 3-22.)
- D. Neighborhood IV – The sewer collector system through Planning Areas 20, 23, and 25 in Neighborhood IV will connect underneath the I-15 Freeway to the sewer collection system in Neighborhood III. (See Figure 3-23.)

Sewer Plan General Development Standards

- A. All sewer lines shall be designed per City of Rialto requirements.
- B. Sewage disposal facilities shall be installed in accordance with the requirements and specifications of the City of Rialto and/or San Bernardino County Special Districts.
- C. Assurance for provision of adequate water service is required prior to approval of a subdivision map, and/or Plot Plan for retail and office uses in accordance with the State Subdivision Map Act.
- D. The project shall comply with Title 20, California Code of Regulations Section 1604 (f) (Appliance Efficiency Standards), which establishes efficiency standards that set the maximum flow rate of all new showerheads, lavatory faucets, as well as Health and Safety Code Section 17621.3 which requires low-flush toilets and urinals in virtually all buildings.

Figure 3-20
Sewer Plan – Neighborhood I

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Figure 3-21
Sewer Plan – Neighborhood II

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Figure 3-22
Sewer Plan – Neighborhood III

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Figure 3-23
Sewer Plan – Neighborhood IV

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3.6.3 DRAINAGE PLAN

Drainage Plan Description

The project proposes a master drainage plan for the site in order to protect the proposed site from the 100-year flood potential from Lytle Creek (see Figures 3-24 through 3-27, Drainage Plans). The proposed plan utilizes the project streets, storm drains, and the “Grand Paseo” bioswale to carry stormwater through the site.

The local storm drain system shall be funded and constructed by the project master developer, project area builders, and/or other financing mechanism(s) acceptable to the City of Rialto. The regional storm drain system and flood control improvements associated with Lytle Creek Wash is expected to be funded and constructed by a Community Facilities District or other similar mechanism.

- A. Neighborhood I – Water in Neighborhood I will generally flow from northwest to southeast in the portions of Neighborhood I located north of the I-15 freeway, and toward the southwest in the portions to the east of the freeway. Water will flow both on streets and in storm drains. Four water quality treatment basins are planned north of the I-15 freeway, and two basins are planned south of the freeway. (See Figure 3-24.)
- B. Neighborhood II – Water in Neighborhood II will generally flow toward the southern portion of Neighborhood II, both on streets and in storm drains. In addition, the reconfigured golf course will accommodate much of the drainage flow in the neighborhood. Approximately eight vegetated basins and six water quality treatment basins will be provided within this neighborhood. These basins and the water flowing between them will also act as a series of water features as part of the golf course. (See Figure 3-25.)
- C. Neighborhood III – Water runoff in Neighborhood III will generally drain from north to south. Drainage from each of the proposed catchment areas will be collected at node locations, which will channel the water through a system of urban storm drain piping, which will terminate in water quality treatment basins located within the Grand Paseo. Neighborhood III will contain twelve water quality treatment basins within the Grand Paseo. These basins will detain and treat all first flush water runoff, which is then released further downstream through the Grand Paseo and ultimately discharge at the southerly end of the neighborhood into a system of urban storm drain piping within the Riverside Avenue right-of-way. This piping system will then carry the water runoff east into the Neighborhood II water quality basin system. (See Figure 3-26.)
- D. Neighborhood IV – Water will generally flow drain from north to south in Neighborhood IV, both on streets and in storm drains. Four water quality treatment basins are included in this neighborhood. (See Figure 3-27.)

Storm Drainage Plan General Development Standards

- A. Drainage and flood control facilities and improvements shall be provided in accordance with the City of Rialto and the County of San Bernardino Flood Control District.
- B. It is anticipated that the major backbone drainage/flood control facilities will be maintained by the City of Rialto and/or County of San Bernardino Flood Control District. Local drainage devices will be maintained by the City of Rialto or a similar public/private entity.
- C. All proposed construction activities including, clearing, grubbing or excavation shall obtain the appropriate State general permit for National Pollutant Discharge Elimination System (NPDES) permits and pay the appropriate fees. Proposed Best Management Practices (BMPs) may include, but are not limited to, on-site retention, vegetated swales (bioswales), and monitoring programs.
- D. A Stormwater Pollution Prevention Plan (SWPPP) will be prepared in accordance with the California State Water Resources Control Board (State Water Board) Order No. 92-08-DWQ National Pollutant Discharge Elimination System (NPDES) General Permit No. CAS000002. This SWPPP complies with Best Available Technology (BAT) achievable and Best Conventional Pollutant Control Technology (BCT) to reduce or eliminate stormwater pollution from areas of a construction activity. The SWPPP document will be certified in accordance with the signatory requirements of Standard Provisions C. 9 in the State General Construction Stormwater Permit.

Figure 3-24
Drainage Plan – Neighborhood I

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Figure 3-25
Drainage Plan – Neighborhood II

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Figure 3-26
Drainage Plan – Neighborhood III

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Figure 3-27
Drainage Plan – Neighborhood IV

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3.6.4 UTILITIES AND PUBLIC SERVICES

Utilities

It is anticipated that utilities will be provided by the existing public utility companies, Southern California Edison (SCE) and Southern California Gas Company (SCG) or other service providers allowed to enter the market place under Assembly Bill 1890.

Electricity

Electrical service is currently provided in the area by Southern California Edison Company (SCE). All new lines installed in Lytle Creek Ranch shall be placed underground.

Adequate electric power supply will be provided by SCE. SCE will install the necessary distribution facilities to serve the project site.

It should be noted that Assembly Bill 1890, commonly referred to as the "Public Utilities Act," has allowed for the deregulation of public utilities in California. Based on this Act, a number of other service providers are able to enter the marketplace. Consequently, there may be additional utility service providers in the future providing the same services that SCE currently provides to southern California and the proposed project site.

Natural Gas

Natural gas service is currently provided by Southern California Gas Company. Existing facilities in the area include existing lines located in Riverside Avenue and Knollwood/Country Club Drive.

SCG indicates that gas service could be provided to the Specific Plan area in accordance with the Company's policies and extension rules on file with the California Public Utilities Commission at the time contractual arrangements are made.

It should be noted that Assembly Bill 1890, commonly referred to as the "Public Utilities Act," has allowed for the deregulation of public utilities in California. Based on this Act, a number of other service providers are able to enter the marketplace. Consequently, there may be additional utility service providers in the future providing the same services that SCG currently provides to southern California and the proposed project site.

Cable Services

Cable services are provided by Time Warner Cable, which is located at 3430 East Miraloma Avenue in Anaheim, California. Services offered by Time Warner Cable include cable television (e.g., HDTV, DVR, On Demand), high-speed internet, and digital telephone service.

Telephone Service

Telephone service to the site is available from AT&T.

Public Services

Public Services are considered and planned as part of the overall Specific Plan development concept. Public Services include solid waste disposal, hazardous waste disposal, police protection, fire protection, schools, and libraries.

Solid Waste Disposal

Trash collection and waste disposal is available through EDCO Disposal, which is located at 1850 Agua Mansa Road in Riverside, California. EDCO is a family-owned and locally operated waste collection and recycling company that has been serving various communities in Southern California since 1967. The EDCO family of companies offers integrated waste removal and recycling programs to serve residential homes, multi-family properties, commercial businesses, multi-tenant buildings, industrial centers, construction sites, and community events. Trash service in the City of Rialto is mandatory and EDCO Disposal is the only service provider approved by the City Council with an exclusive franchise.

The Mid-Valley Landfill (permitted as the Fontana Refuse Disposal Site, permit number 36-AA-0055) is located at 2390 Alder Avenue in Fontana. It is owned by San Bernardino County and operated under contract by Burrtec Waste Industries Inc., which operates and maintains all disposal facilities owned by San Bernardino. The site is located in Fontana, approximately 0.5-mile north of Highland Avenue and approximately 0.25-mile east of Sierra Avenue.

The landfill site includes 498 acres. Its ultimate capacity is listed as 62 million cubic yards. The estimated capacity remaining is listed as 694,000 cubic yards. It is expected to continue in operation as an active disposal site until at least 2033. It is estimated that the landfill has capacity remaining until the year 2040 (estimated). The final use of the landfill site after closure has not been decided.

Hazardous Waste Disposal

Disposal of motor oil and oil filters, antifreeze, weed killer and fertilizers, household cleaners, latex and oil base paints, wood preservative, paint thinner, car polish/wax, furniture and floor polish, auto and household batteries, aerosol paint, medicines (prescription and over the counter), pesticides, cosmetics, nail polish and remover, or pet care products is available at the City of Rialto Household Hazardous Waste Site, which is located behind 246 South Willow Avenue in Rialto, California.

Police Protection

Law enforcement services shall be provided by the City of Rialto Police Department. Services will be provided as residential units and development come online. The Fire Department is currently responsible for response to 911 police calls, traffic collisions, medical, and other types of emergencies. Additional services provided include crime prevention, investigation, and enforcement of the law, providing police support to the area with patrol responses, reporting, and investigative support. A portion of Lytle Creek Ranch falls within the response time radius of the new County sheriff's facility in Neighborhood I and, as such, could potentially be served by that sheriff's facility.

Fire Protection

Fire protection and emergency response services for the project area are provided by the City of Rialto Fire Department. In 2007, the City had four fire stations. It is anticipated that Fire Station 202, which is located at 1925 N. Riverside Ave in Rialto, will serve the project. Station 202 has one fire engine and two paramedic ambulances (one in reserve). The fire station will provide wildland and structural fire protection, and response to 911 medical aid calls, traffic accidents, and hazardous materials.

Additional support may be provided by Fire Station 204, which is located at 3288 N. Alder in Rialto. Fire Station 204 has two fire engines (one in reserve), one water tender, and two specialized units. Services will be provided as residential units and development come online.

In addition, a new County fire station is planned as part of the adjacent Rosena Ranch community. This new fire station must be constructed prior to occupancy of the 1,000th dwelling unit in Rosena Ranch and will be operated by San Bernardino County. This fire station will be sited on a parcel of land situated between Planning Areas 14 and 15. Portions of the Lytle Creek Ranch community (Neighborhoods I, IV, and portions of III) falls within the response time radius of the new County fire station and, as such, can be served by that fire station.

Schools

The proposed project is located within three different school districts. Students in a portion of Neighborhood I will attend existing schools in the San Bernardino City Unified School District (SBCUSD). It is anticipated the existing schools will have sufficient capacity to serve the new students generated by the proposed project.

Students in the northwestern portion of the Lytle Creek Ranch (Neighborhood IV) will attend schools in the Fontana Unified School District (FUSD). Students in the FUSD will attend existing schools, as it is anticipated that existing schools will have sufficient capacity to adequately serve the new students generated by the proposed project.

As previously mentioned, an elementary school and a joint elementary/middle school are proposed in Neighborhood III on 10-acre and 14-acre sites, respectively. Both proposed school sites are located within the jurisdictional boundaries of the Rialto Unified School District.

No students will be generated by Neighborhood II as it is planned as an age-qualified community for adults aged 55 years and older.

The project will pay its fair share of fees to each school district as required by California state law and/or the project master developer shall enter into a mitigation agreement with the school district.

Libraries

Library services to the project site will be provided by the San Bernardino County Library System from a series of branch libraries. The closest branch library to Lytle Creek Ranch is located at 251 West 1st Street in Rialto. Development of the project will generate additional patrons and will ultimately create a need for additional staff and space for additional resources. The project will pay library fees, which are included in the City's Development Impact Fees (DIF) to offset the project's effect on library services.

3.7 GRADING PLAN

3.7.1 GRADING PLAN DESCRIPTION

The Conceptual Grading Plan is sensitive to the natural topography of the site, which slopes gently toward the south. The Conceptual Grading Plan will create large pads that conform generally to the existing natural landforms. (See Figures 3-28 through 3-31, Grading Plans). Additional conditions that act as constraints for grading of the site include Lytle Creek, existing perimeter conditions; existing street grades; the ability to use gravity sewers; and no diversion of storm flows on adjacent properties. The may require some off-site material to be imported in order to reflect the grading depicted on the Conceptual Grading Plans. The Conceptual Grading Plans are subject to modification pending final design and engineering.

3.7.2 GRADING PLAN GENERAL DEVELOPMENT STANDARDS

1. All grading activities shall be in substantial conformance with the overall Conceptual Grading Plans (see Figures 3-28 through 3-31), and shall implement the recommendations outlined in the Geotechnical Study (EIR Technical Appendices). Grading for the site shall balance on-site.
2. For erosion control purposes, slopes exceeding five feet in vertical height shall be hydromulched, prior to final acceptance and prior to the beginning of the rainy season (October – March).
3. All grading shall be accomplished in accordance with the City of Rialto standards.
4. The applicant shall be responsible for maintenance and upkeep of all planting and irrigation systems until those operations become the responsibility of other entities.
5. Graded, but undeveloped land shall be maintained weed-free and planted with interim landscaping, such as hydroseed, and temporary irrigation within one year (365 days) of completion or grading, unless building permits are obtained.

6. Slopes shall not be steeper than 2:1 unless approved by the Planning and Public Works Departments and considered safe in a slope stability report prepared by a soils engineer or an engineering geologist.
7. Prior to commencing any grading, including clearing and grubbing, a grading permit shall be obtained from the City of Rialto.
8. Soil stabilizers shall be used to control dust as required by SCAQMD Rule 403.

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Figure 3-28
Grading Plan – Neighborhood I

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Figure 3-29
Grading Plan – Neighborhood II

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Figure 3-30
Grading Plan – Neighborhood III

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Figure 3-31
Grading Plan – Neighborhood IV

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4.0 DESIGN GUIDELINES

This Chapter contains the site planning, architectural, and landscaping design guidelines for the Lytle Creek Ranch community. These guidelines, when implemented, will ensure that Lytle Creek Ranch develops as a quality master planned community with consistent design elements. These guidelines are intended to provide general direction to planners, builders, architects, landscape architects, and engineers, and should not be construed to be rigid standards that cannot be modified. The essence of good design is creativity and flexibility — these guidelines are intended to foster those ideals and promote innovation.

4.1 PLANNING GUIDELINES

It should be noted that the design guidelines and the standards contained in this Specific Plan will guide development within Lytle Creek Ranch.

4.1.1 DESIGNING THE CITY'S NORTHERN GATEWAY

Currently, there is no clear boundary to the northern edge of the City of Rialto. The master planned community of Lytle Creek Ranch is designed to serve as the northern gateway into the City. A striking new entry feature will be erected on Riverside Avenue, near its intersection with Sierra Avenue, announcing to residents and visitors alike that they are entering Rialto. This entry feature will be a representation of the famous “Rialto Bridge” (see image below).



Artist's Conception of “Rialto Bridge” Entry Feature on Riverside Avenue

4.1.2 INTERFACE WITH LYTLE CREEK WASH

There will be a defined edge of development created along Lytle Creek in Neighborhoods I, II, III, and IV. A 20 foot wide public trail will run along the length of Neighborhoods II, III, and IV, providing visual public access to the creek, but not direct public access to the wash itself.

4.1.3 NEIGHBORHOOD CHARACTER AND DESIGN

A. Neighborhood Charm and Character

Lytle Creek Ranch will include a variety of residential housing types in community settings that reflect the neighborhood charm and structure reminiscent of small Southern California towns. The community is being designed as a mix of family-oriented and Active Adult homes clustered into identifiable neighborhoods. The entire community will contain well-designed housing and nicely landscaped residential areas. Each neighborhood will be designed with its own unique identity and character. This will be accomplished by promoting authentic architecture and designing iconic streets so that each street “tells a story.” Each street will have its own design elements and features and landscape palette to create an identifiable streetscape.

It is one of the key goals of these design guidelines to promote development of a community that, while unique, is reminiscent of the architectural heritage of Rialto and other local agrarian communities from the early to mid 20th century. It is intended that the architecture in Lytle Creek Ranch incorporate historic details and stylistic characteristics, while responding to the needs of modern buyers. Each aspect of every project should be designed to reinforce the neighborhood concepts for the Lytle Creek Ranch community.

B. Neighborhoods of Lytle Creek Ranch

Lytle Creek Ranch is actually four separate neighborhoods situated within a larger master planned community as follows:

Neighborhood I

This neighborhood will include some of the largest lots on-site with some of the best views. The homes in these areas will include a mix of home sizes including, but not limited to, 6,000, 7,200, and 10,800 square foot lots. Development in this area will reflect large gracious homes with variable building setbacks to create an attractive streetscene. The landscaping will be designed to reflect the proximity of the homes to nearby Glen Helen Regional Park and the San Bernardino National Forest. Streetscenes will include native and water-wise landscaping interspersed with carefully selected ornamental plantings. The larger sized lots will be large enough to accommodate swimming pools and other private recreational amenities. Individual housing developments within Neighborhood I may be gated to promote a sense of luxury and security. Some or all of the residential developments within Neighborhood I may be gated at the discretion of the master developer or builder(s).

Neighborhood II

This neighborhood will be devoted exclusively to Active Adult housing for residents aged 55 and older. Because many of the homeowners will be downsizing from larger properties, these neighborhoods will contain clusters of homes on smaller sized lots. Neighborhoods will incorporate a mix of housing types to foster visual interest. Front porches, patios, and enhanced entries will promote a sense of neighborliness. The focal point of the community will be an enhanced and reconfigured public 18-hole golf course and an Active Adult recreation center. Neighborhood II will be constructed as a gated community.

Neighborhood III

Neighborhood III is the largest of the neighborhoods and is targeted at families of all sizes, couples, and singles with a range of incomes and housing needs. This neighborhood will contain a mix of both attached and detached single family housing, as well as higher density housing including, but not limited to, condominiums, townhomes, courtyard homes, motorcourts, mansionettes, and apartments. This Neighborhood will contain extensive amenities including an elementary school, a K-8 school, several neighborhood parks, three private recreation centers, as well as trails, a large greenbelt (i.e., the “Grand Paseo”), and landscaped parkways. Clusters of homes will be arranged to promote a sense of place and neighborhood. Some of the enclaves of homes within this neighborhood may be gated; It is desirable, however, that most of the enclaves remain ungated with “architectural forward” designs to promote social interaction between neighbors.

Neighborhood IV

The fourth and final residential neighborhood will consist primarily of multi-family and attached housing. While single family housing is not prohibited, it is anticipated that this area will develop mostly with higher density residential development. The developments in Neighborhood IV may be gated at the discretion of the master developer or the builder(s).

4.1.4 PLACEMAKING

Successful neighborhood design within Lytle Creek Ranch depends on site planning, architecture, and landscaping being integrated into unified neighborhood concepts. The project approach includes “placemaking” to ensure that each neighborhood has a distinctive character and “sense of place.” Walled subdivisions are permitted within all four of Lytle Creek Ranch’s neighborhoods, particularly in planning areas where issues of privacy, security, or noise concerns exist. In most areas of Neighborhood III, however, Lytle Creek Ranch should contain open, unrestricted planning areas that promote walking between uses and social interaction. It is desirable that development in Neighborhoods III not consist entirely of a collection of walled subdivisions.

Lytle Creek Ranch will contain integrated communities of single-family detached homes, alley-loaded and courtyard style homes, manor homes, motorcourts, townhomes, mansionettes, flats, apartments, and other innovative products. Neighborhoods should be designed to avoid the appearance of a walled fortress. Although select planning areas within Lytle Creek Ranch may be

fully walled, it is intended that the use of walls be minimized in most areas. Entrances of multi-family and attached homes should generally front onto the major backbone streets so as to create appealing streetscenes, rather than having the rear of the units face the major streets. Residential subdivisions should, in general, connect to one another through street and alley connections and via paseos, sidewalks and trails, and landscaped parkways. An important goal of these guidelines is to create a streetscene possessing both functional and visual variety. Plotting and massing garage placement and building elevation criteria are intended to provide this variety in appearance, as well as a sense of individuality for each detached home.

4.1.5 LIVABLE STREETS

Lytle Creek Ranch is designed to promote interplay between streets and houses. Homes will be designed to have a strong relationship to the street. Residents should have direct views of the street and outdoor living space to enhance the sense of safety and security. One way to enhance security is to orient rooms, doors, and windows toward streets and public areas. Another way is to have houses “open up” to the street by incorporating architectural elements such as front stoops and porches.

A strong balance will be established between the built form and the landscaping with the introduction of continuous parkways along streets, uniform street trees on each street, paseos and greenways, and sidewalks for pedestrian connectivity. The goal is to create intimate, socially interactive and secure neighborhoods that encourage street activity, promote walking, and allow convenient access to parks, schools, and shopping.

In order to create more “livable streets,” it is also necessary to control traffic and reduce speeds. On-street parking will help to calm traffic in residential neighborhoods, as will narrower street cross-sections. Two traffic roundabouts are planned in the Active Adult neighborhood (Neighborhood II) to help slow down traffic. Additionally, the use of curb separated sidewalks will help create a more visual pleasing streetscene.

Livable streets may be achieved by implementing some or all of the following strategies:

- Different Product Types for Single-Family Detached Residential Dwellings
- Forward Architecture/Recessed Garages
- Varied Setbacks
- Varied Building Massing
- Variable Lot Sizes
- Neighborhood Edge Treatments

These strategies are described below:

Different Product Types for Single-Family Detached Residential Dwellings

Each single-family residential planning area will be required to provide at least four different architectural products. Also, each single-family detached product will have no fewer than three distinct building elevations. In addition, each single-family detached residential planning area shall contain a minimum of three architectural styles in order to add visual interest and variety. No one architectural style shall constitute more than forty (40) percent of all of the single-family detached residences constructed in the Lytle Creek Ranch Specific Plan area, excluding attached and multi-family development. For attached dwelling units and multi-family units, the products may either be designed with one consistent architectural style or designed with two or more architectural styles as determined by the builder(s). To enhance the streetscene, floor plans shall be interspersed periodically with reverse floor plans. Overly repetitious plans and building footprints shall be discouraged. Innovative floor plans that maximize interior space are encouraged.

Architecture Forward Design/Recessed Garages

The “living” portions of the house will be allowed to be placed forward on the lot so that active, articulated architecture will visually dominate the streetscene. House designs are encouraged that place entries, windows, front porches, and living areas close to the street on most plan variations. The living spaces of the home shall be designed in front of the garages such that the predominant features of the home fronting the street are the windows and the front door. Other architectural forward features include providing articulation on two-story homes facing streets and other areas exposed to public view, such as single story elements and covered front porches.

Varied Setbacks

Varied building setbacks are encouraged along the street frontage to create a dynamic streetscene. Strict compliance to the minimum garage setback is discouraged so as not to contribute to a repetitious and monotonous appearance along the street. Where feasible, a mix of housing forms and plans resulting in a variation of front yard setbacks is encouraged in single-family detached residential planning areas.

Building Massing

On larger lots, single-story elements may be incorporated into two story buildings, especially on corner lots, to create more pleasant streetscene. Roof planes and types will be varied between different products to enhance the feeling of diversity. The building massing should be reduced, where appropriate, through the addition of details and varying roof forms and styles between buildings.

Variable Lot Sizes

Where possible and appropriate, variable lot sizes in adjacent planning areas may be used to increase buyer selection and variety in house and lot size combinations.

Neighborhood Edge Treatments

In order to avoid a continuous “walled” character along residential collector streets, special treatments are encouraged. These may entail open cul-de-sacs, view fencing, hedges, shrubs, neighborhood street tree programs, trail connections, and variable wall alignments and treatments.

Wrap-Around Architecture

The front façade treatment of residential structures should wrap partially around onto the side of the house. This is especially important on corner lots, where the side of the homes is highly visible. Where side yards are screened from view by adjacent homes, the treatment may extend for only a portion of the front. However, some elements (such as trim) should continue fully on the sides of the buildings.

Four-Sided Architecture

Four-sided architecture will be required for homes abutting Riverside Avenue, the Main Entry Street and all Secondary Entry Entries in Neighborhood III, Collector Streets in Neighborhoods II and III, the Active Adult Entry Street in Neighborhood II, and on homes located adjacent to parks, the Grand Paseo, schools, recreation centers, and the Neighborhood II golf course.

Variations in Garages (Applies to Single-Family Detached Homes Only)

Variations in garage type, placement, sizes, and locations are desirable. In general, the home and yard, rather than the garage should be the primary emphasis of the elevation as seen from the street. The visual impact of the garage may be minimized by varying garage setbacks and allowing recessed garages, side-on garages, and other different types of garages. A variety of garage placement solutions may be considered within Lytle Creek Ranch, including the following:

Set Back Garages

On larger and wider lots, it is possible to set the garage back to the middle or rear of the lot. This design treatment strives to expose more habitable architecture toward the street, and pushes the innovation of the plan.

Rear Access

The use of rear accessways relocates garages off neighborhood streets and creates a more traditional streetscene, without garages dominating the front of the homes. This condition occurs on alley loaded designs and is especially desirable on narrower lots.

Side Entry Garages

The periodic use of side entry garages on lots at least 55 feet wide will break the continuous view of garage doors along the street. This design treatment allows for a formal motorcourt entrance that differentiates this type of home from those on narrower lots.

Tandem Garages

This garage layout de-emphasizes the second or third garage by concealing it behind a standard one- or two-car garage condition. The tandem space is located such that it may option into living space while still only showing the original one- or two-car garage to the street. Tandem garages are permitted for all products types within Lytle Creek Ranch.

Corner Lot Garage with Wrap-Around Architecture

A corner lot garage plan will have an entry door on the front elevation while the garage doors will be found on the side elevation. This plan form creates the opportunity for architectural enhancements that wrap around the home from front to side elevation.

4.1.6 DEFENSIBLE SPACE

Good design and site planning techniques will help foster a sense of perceived and actual security in Lytle Creek Ranch. Defensible space involves using architectural and environmental design to minimize the potential for criminal activity by promoting visibility and creating a sense of ownership. When space is used in such a way that makes people feel safe and secure in the community, it fosters the likelihood for increased social interactions — a primary source of crime deterrence. Techniques such as lighting, walls and fencing, and landscaping, can define spaces in a manner that promote community safety by decreasing criminal activity.

In developing site plans and designing neighborhoods for Lytle Creek Ranch, security should be given serious consideration. Design parameters that ought to be considered for new developments in Lytle Creek Ranch include the following:

- a. The front yards, the fronts of buildings, and the main entries to dwelling units should face streets or driveways so as to facilitate normal patrolling by police cars and police response to residents' request for assistance. This will also enable residents across the street, whose units also face the street, to survey their neighbors' front doors.
- b. Sidewalks or walkways shall be provided for safe convenient direct access to each dwelling unit and for safe pedestrian circulation throughout a development between facilities and locations where major need for pedestrian access is anticipated. Walkways shall be located so that they are easily seen from the interior of units.
- c. Lighting shall be provided for the entire developed site with concentrations at walks, ramps, parking lots, and entrances to dwelling units. The intent is not to bathe the site with light, but to provide adequate lighting for surveillance purposes. In most cases, lighting should be directional to avoid unnecessary sky glow, glare, and light trespass.

- d. Plantings should not be placed so as to screen the doors and windows of dwelling units from views from the street or from walkways leading from the street to the dwelling unit entries.
- e. Plant materials should be selected and arranged to permit full safe sight distance between approaching vehicles at street intersections. Additional attention is required where driveways enter streets, at crosswalks and especially in areas of concentrated mixed pedestrian and vehicular movement. Plantings that hide pedestrians from passing motorists should be avoided.
- f. Distinguish private spaces from public spaces by using landscaping plantings, pavement designs, walls and fences, grade changes, and other visual cues to differentiate spaces.
- g. Perceived safety is as important as actual safety. A park that is well-maintained and cared for presents itself as a safe and fun place where people want to spend time.
- h. Design walls to be “graffiti resistant” through carefully selecting materials and coatings. Installing plant materials along walls will help to make walls less desirable to graffiti vandalism.
- i. Design spaces around public buildings so that residents can meet there (e.g., foundations, benches, playgrounds, seating walls, etc.).

4.2 ARCHITECTURAL GUIDELINES

The purpose of these Architectural Guidelines is to identify the general architectural design concepts for the design and implementation of the buildings in Lytle Creek Ranch. The design concepts presented herein are intended to establish the overall architectural character for the neighborhoods and reflect the historical development precedents of the City of Rialto and the Inland Empire. The goal is to promote both visual compatibility and variety in a community setting achieved by utilizing a number of compatible traditional and contemporary styles, and through quality architectural innovation. This provides a strong framework to ensure that Lytle Creek Ranch is developed in a manner that enhances the existing development in the City.

The architectural design concept for Lytle Creek Ranch is based on creating a thematic community, reflective of early and mid 20th century Southern California architectural styles. To achieve this, specific architectural styles consistent with this concept have been identified as especially appropriate for use in Lytle Creek Ranch. These architectural styles include, but are not limited to, American Farmhouse, California Bungalow, Craftsman, Spanish Eclectic, Monterey, Tuscan, and Italianate, and focus on human scale details, thus enhancing the pedestrian-friendly character of the neighborhoods in Lytle Creek Ranch. Such elements may include the use of front porches, patios, enhanced entries, a mix of materials, colors and textures, and detailing on features such as

columns, balconies, windows, doors, shutters, wrought iron, wood trim, and lighting. Together, such design features enliven the streetscene and promote the friendly interaction of neighbors.

The descriptions provided in these Architectural Guidelines are intended to help serve as the design “inspiration” for the development of architecture within the Lytle Creek Ranch community. The photographs and graphic representations contained in this section are provided for conceptual purposes only, and are designed to help architects and designers envision the basic intent of the residential architecture in the Lytle Creek Ranch community.

4.2.1 ARCHITECTURAL STYLES

The community of Lytle Creek Ranch will contain a mix of architectural styles to promote interest and diversity and establish a distinct sense of place. The architectural character envisioned for the residential neighborhoods of Lytle Creek Ranch is influenced by the historical precedents of development traditionally found in Rialto and the Inland Empire during the late 19th century and early to mid 20th century. Neighborhoods of these eras can be characterized by their use of a mixture of architectural building styles on any given street, homes oriented to the street featuring architecturally expressive elevations and front porches, and a streetscape treatment all combining to create a pleasant neighborhood environment.

Permitted architectural styles in Lytle Creek Ranch include, but are not limited to:

- American Farmhouse
- California Bungalow
- Craftsman
- Monterey
- Spanish Eclectic
- Tuscan
- Italianate

The inherent attractiveness, informality, and sense of elegance of these styles have enabled the styles to remain popular over a long period.

Lytle Creek Ranch will contain smaller residential groupings of homes within each neighborhood. Rather than limit housing types to one or two styles, a variety of architectural styles are permitted and encouraged within Lytle Creek Ranch. The need for variety is especially important given the community’s long build-out period and the desire to respond to changing consumer tastes. Because market conditions and homeowner preferences are constantly evolving, additional architectural styles not specifically identified in this Specific Plan shall be permitted within the Lytle Creek Ranch Specific Plan area. Site plans, building elevations, and a colors and materials palette for all architectural products shall be submitted to the City of Rialto for Design Review to ensure that the quality design is commensurate with the standards contained in this Specific Plan.

Lytle Creek Ranch is designed to promote interplay between streets and houses. Homes should be designed to have a strong relationship to the street. Residents should have direct views of the street and outdoor living space to enhance the sense of safety and community. One way to accomplish this is through the orientation of rooms, doors, windows. Another way is to have houses “open up” to the street by incorporating architectural elements such as front stoops and porches.

It should be noted that the photographs contained in this Chapter are representative of concepts envisioned for Lytle Creek Ranch. The intention is to incorporate a variety of these design features into the community. These concepts may be subject to future refinements based upon economic, marketing, detailed architectural design, and other factors. The photographs shown are not intended to be indicative of the actual future product types for the Lytle Creek Ranch Specific Plan, but are instead provided as a source of inspiration for the architects, designers, and builders that will actually design and build the architecture in Lytle Creek Ranch.

These Design Guidelines provide the flexibility to create variety in the architectural expression and interpretation of these design styles, while also providing the framework to achieve harmony and compatibility throughout the neighborhoods. The following style elements for each of the seven architectural styles proposed are encouraged and appropriate for use in any of the four neighborhoods of Lytle Creek Ranch. The ultimate determination as to which architectural style(s) will be used in each residential or Village Center Commercial planning area will be made by the master developer or the builder(s) of each planning area.

A. AMERICAN FARMHOUSE

Historical Precedent

The American Farmhouse architectural style is defined by simple practicality. Homes were designed to provide basic comfort and utility, be attractive, and offer flexibility to grow and change uses over time. Well into the early 20th century, most homes were designed and built by local craftsmen, resulting in substantial regional deviations across the country. Because the Farmhouse architecture across the country showed the impact of local immigrant groups; the style was often a hybrid of ideas from different parts of the world combined with the unique circumstances of American small towns.

Design Characteristics

The core design elements of Farmhouse, found in structures in many parts of the country, include:

- Covered porches
- Dormer windows
- Gabled roofs
- Wood and stucco siding
- Typically homes consisting of two stories

Further details of these design concepts include:

Roofs:

Roofs are typically gable roofs. Roofs will often have dormers.

Overhangs:

Narrow roof overhangs with a plain frieze board.

Siding Materials:

Incorporates horizontal wood siding.

Window shapes/Treatments:

Horizontal windows with 6/6 lights. Plain window trim. Dormer windows are common.

Porches:

Buildings have large porches that take up most or all of the front façade and sometimes portions of the side façade. Porch supports are usually simple with little adornment.

Color Palette:

Colors include earth tone colors, reds and browns, white, grays, and off-whites. Trim is usually white or off-white.

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Figure 4-1

Examples of American Farmhouse Architecture

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Figure 4-2

Examples of American Farmhouse Architecture

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Gabled roofs



Front porch



Typically two-story height



Dormers



Vertically-oriented windows



Plain window trim



Wood siding

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B. CALIFORNIA BUNGALOW

Historical Precedents

The California Bungalow first appeared as a reaction to the elaborate decoration of the then-popular Victorian style. They were relatively easy and affordable to construct; kits could even be purchased through mail-order catalogs, which contained the plans and materials required for construction. The design spread east from California and remained popular into the Great Depression.

Design Characteristics

A number of features help define the California Bungalow style. These characteristics include:

- Low-pitched gabled or hipped roofs
- Large covered porches at the front entry
- Generally smaller overall size, but some large examples
- Typically one- to one-and-a-half stories
- Windows typically grouped in sets of two or three
- Large windows on front façade
- Large, decorative doors
- Front stoop

Further details of these design concepts include:

Massing:

California bungalows are typically narrow rectangular houses. Often one to 1½ stories in height. Two story buildings in the California Bungalow style are permitted.

Roofs:

Bungalows have low-pitched gabled or hipped roofs. Homes often have street-facing gables with shingled roofs.

Overhangs:

Usually provide wide overhangs that serve to shade the house.

Siding Materials:

California bungalows are typically made of stucco or sided with horizontal wood siding.

Windows:

Bungalows typically include a mix of window sizes and shapes with large front windows, often with divided panes above larger solid panels or panes. Windows are typically either single- or double-hung windows or casement windows. Sliding windows are not used. Window frames should be constructed of wood or wood-appearing materials. Windows are commonly grouped into sets of two or three.

Doors:

Front doors are typically large and decorative, often with glazing.

Porches:

Bungalows have covered front porches that are a defining characteristic of the style. The porches typically have rectangular or tapered columns. The lower part of the porch may be constructed of wood, stone, brick, river rock, or manufactured stone or brick.

Color Palette:

Colors vary widely, but include blues, greens, grays, creams, white, and beiges and other earth tone colors. Trim is often white or off-white.



Figure 4-4

Examples of California Bungalow Architecture

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Figure 4-5

Examples of California Bungalow Architecture

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Gable and cross-gable roof forms



Exposed rafter tails



Board or batten siding accent



Wide projecting roof forms



Large porch or veranda



Flat tile roof



Tapered columns

Figure 4-6

Typical California Bungalow Architectural Details

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C. CRAFTSMAN

Historical Precedent

The Craftsman style grew out of Bungalow architecture and was strongly influenced by the English Arts and Crafts movement. It is truly an American style which originated in southern California, and spread across the country during the 1920's and 30's through pattern books and catalogues.

The craftsman style of architecture sought the elimination of superfluous ornamentation, creating beauty instead through the simplified lines and masses of the building itself. The Craftsman style is characterized by one-story masses, although many California examples include second stories, and feature low-pitched, gable roofs (occasionally hipped) with wide, unenclosed eaves overhangs. Many times the roof extends to cover a full-width or partial-width front porch. Roof rafters are usually exposed, and decorative beams or braces are commonly added under gable roof ends.

The front porches are supported by heavy wood columns resting on tapered square masonry pilasters which frequently extend to the ground without a break at the level of the porch floor. The materials used in the Craftsman style were common to the region so that there was a strong integration of the structure to the landscape.

Craftsman Design Characteristics

Craftsman architecture was widely employed throughout the country during the early 20th century. This unique style promoted hand crafted quality to create natural, warm and livable homes. Symbolic characteristics of this architectural style are particularly emphasized by:

- Full- or partial-width porches with horizontal railings pickets
- Low- to moderate-pitch gable roofs with broad or deep overhangs with exposed rafter tails at the eaves and trellises over the porches
- Knee braces
- Detailed porch columns
- Grouping of windows in pairs or groups of three
- Shed or gable dormers
- Use of stone, brick, stucco, shingles, and horizontal siding
- Horizontal rather than vertical lines

Further details of these design concepts are included as follows:

Roofs:

Roofing material shall consist of flat or rustic concrete tile or architectural grade asphalt shingle. All roofing materials shall be fire retardant. Wood roofs are prohibited in Lytle Creek Ranch.

Overhangs:

Wide overhangs of 24 inches to 30 inches with unenclosed eaves.

Siding Materials:

Siding materials often consists of medium sand finish stucco, which may be used in combination with a manufactured stone wainscot base. Horizontal and vertical lap siding can be used as an accent feature. Stone, brick, or masonry, either real or manufactured, may be used as accent features and on post bases, piers, and fireplaces.

Chimneys:

Chimneys, if provided, should reflect building materials consisting of stone, brick, or stucco. Chimneys may incorporate a stucco, concrete, or metal cap.

Porches:

Porches will generally encompass no less than one half the length of the façade (exclusive of the garage). The porch base will generally be constructed with masonry. Lattice treatments generally are not appropriate. Porches should be designed as integral element of the building. Porch railings should compliment the building's architectural style. Instead of railings, porch masonry bases may continue as columns or as low walls.

Porch posts, columns, and piers will typically consist of double columns over brick, grounded stone column, tapered wood over stone pillars, double wood columns with trim, square columns on masonry, or tapered columns on masonry. Where railing exists, they shall reflect metal pickets, straight wood pickets, or a combination of wood and metal fascia pickets.

Balconies:

This style typically does not include balconies.

Windows:

Windows are grouped in twos or threes. Windows shapes shall consist of vertical and horizontal rectilinear or square windows with unique light divisions. Double-hung windows with divided lights are allowed in upper sash only. Small accent windows and angled bays shall be limited.

Window trim will consist of wood or simulated wood materials. Window trim shall be either wide (5 to 6 inches) with head trim extended past jamb trim or head trim with cap molding, or tapered side trip with head trim flared at ends. The use of mirrored or highly reflective glass is generally not permitted; provided, however, that energy efficient windows are encouraged.

Typical window sills will consist of projected wood or concrete, projected brick, or recessed and projected stucco or other similar materials.

Doors:

Doors may include some unique pattern of glass. Configurations may include a unique glass division, rectangular glass over rail, single divided light window, small square window over rail, or vertical glass over rail.

Garage Doors:

Typical garage doors may feature a glass over horizontal panel, glass over vertical panel, or vertical plank.

Entry:

Entries will be covered (i.e., a porch or overhang).

Color Palette:

Acceptable colors include, but are not limited to, stone, cream, browns, tans, beiges, yellows, yellow, grey-greens, yellow-greens, azure blue, light blue, and pure blue, with white and light colored trim.

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Figure 4-7

Examples of Craftsman Architecture

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Figure 4-8

Examples of Craftsman Architecture

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Horizontal emphasis of building forms



Front porch



Decorative beams and braces below gables



Exposed rafter tails



Gabled roofs



Tapered columns



Walls of brick, siding, stucco, or stone



Multi-paned upper sash and single-paned below



Broad windows

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D. MONTEREY

Historical Precedent

The Monterey style developed in the town of Monterey on California's central coast in the mid-19th century. The style developed from a combination of New England Colonial architecture brought by American settlers with the adobe architecture of the Mission period in California.

The major features of Monterey-style architecture are simple, two-story masses, similar to Colonial designs; a projecting balcony on the second floor extending along all or most of the façade; stucco or plaster exteriors (a result of adobe influences); and wood shake or clay tile roofs.

Design Characteristics

Monterey architecture is defined by several key features. These characteristics include:

- Simple, two-story masses
- Cantilevered balconies (sometimes serving as a porch) on the second floor, extending along all or most of the façade
- Stucco or plaster exteriors, occasionally with wood siding on the second story
- Wood shake or clay tile roofs
- Wood shutters are common, generally the same width as the adjacent multi-paned windows. Paired windows and false shutters are also common.
- Simple wood doors
- Colonial details such as pedimented doors and windows

Further details of these design concepts include:

Roofs:

Roofs forms are primarily front-to-back gables; intersecting cross-gables are permitted. Roof materials shall be flat concrete tiles or concrete shakes with a simulated wood appearance. Real wooden shakes are not permitted in Lytle Creek Ranch because of fire concerns.

Overhangs:

Overhangs shall extend a minimum of 12 inches.

Siding Materials:

Front elevations shall consist of stucco, brick, or cementuous siding.

Windows:

At least one principal window shall be included along the front elevation, featuring shutters, and/or traditionally-detailed trim. Generally, windows shall be vertically-oriented, with the height greater than the width.

Entry:

If the entry is not covered, the front door shall be recessed a minimum of 12 inches.

Color Palette:

Light stucco body colors and white-washed brick shall be used with dark contrasting colors or white for trim and accent elements.

Porches:

A porch or veranda shall be incorporated below a cantilevered balcony.

Balconies:

Cantilevered balconies extending along a portion of the façade shall be incorporated along the front elevation.



Figure 4-10

Examples of Monterey Architecture

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Figure 4-11

Examples of Monterey Architecture

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Cantilevered balconies along front facade



Simple, two-story masses



Stucco or plaster exterior, sometimes with wood siding on the second story



Simple wooden doors



Pedimented doors



False shutters

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E. SPANISH ECLECTIC

Historical Precedent

Because of the rich Spanish heritage of the early California settlers, along with the mild Mediterranean climate of the area, the Spanish Eclectic style of architecture was the preferred style of housing in Southern California during the early 1900's. The Spanish Eclectic style, also known as Spanish Colonial, is timeless and well suited to the Southern California lifestyle, and as a result has enjoyed several periods of renewed popularity throughout the years. The charm of this style lies in the directness, adaptability, and contrast of materials and textures.

The Spanish Eclectic style uses decorative details borrowed from the entire history of Spanish architecture. It is characterized by one-story and two-story building masses, which are often asymmetrical in form. Round or square towers are typical building accent forms, as are arcaded walkways leading to the front entrance or along a courtyard. Courtyards are typically simple with hanging pots, a flowering garden and sprawling shade trees. The roofs are typically low pitched with little eave overhang, and are covered with red "S" or barrel tile. Roof types commonly found in this style include side or cross-gabled, hipped, flat with parapet walls, or a combination of these. Use of stucco for walls, heavily textured wooden doors and highlighted ornamental ironwork are other architectural distinctions of this particular style.

Special features are used to further articulate and identify the Spanish Eclectic style of architecture. One or more prominent arches is/are commonly placed above a door or principal window, or beneath a porch roof. The entries are usually emphasized through the use of pilasters, columns, or patterned tiles, with the doors made of heavy wood panels. Many times there is one large focal window along the front facade, sometimes designed as a triple-arched shape. Decorative window grilles of wood or wrought iron are common, as are similar balustrades on porches and balconies.

Spanish Eclectic Design Characteristics

Spanish eclectic architectural offers many simple but distinct design features. The architecture is best understood by its design characteristics' significance on massing, scale, proportion, and building materials. These design characteristics are identified as:

- Exterior arches
- Round or square exterior columns
- Wrought iron accent gates
- Balcony railings
- Accent drain tiles
- Entry courtyard walls and gates
- Wooden front door
- Red barrel tile roofs

Further details of these design concepts are included as follows:

Roofs:

Roofing material shall consist of barrel tile or concrete 'S' tile in deep terracotta.

Overhangs:

Overhangs shall have tight rakes and 12" eaves with exposed rafter tails as an accent.

Siding materials:

Stucco or plaster. Wood should be limited to doors, shutters, and trim around windows and doors.

Windows:

Shutters may be used on front and side building elevations as accents. Windows will be trimmed out with fire-rated wood or stucco trim at the top and bottom of the window. On home product types, one or two accent windows may be recessed on the front elevation to create depth. The style of windows shall be compatible with the architectural style of the building. The use of many different styles of windows on one building plane shall be avoided. The size and proportion of panes shall correspond to the overall proportioning of the elevation. Although the use of mirrored or highly reflective glass is not permitted, energy efficient windows are encouraged.

Entry:

The entry shall be covered and be part of the porch and courtyard layout. The entry should be articulated as a focal point of the building's front elevation through appropriate usage of room elements, columns, porticos, recesses or projections, windows or other architectural features. Doors will be recessed and have stucco or wood trim surround along with articulated sidelights.

Color Palettes:

Wood/stucco trim may utilize a darker contrasting color, if desired. Typically, the stucco fascia will be similar in color to the main building. Where used, shutters will have more of a contrasting range with olives, aqua, blue, ochre, red, and other colorful accent colors.

Chimneys:

If provided, chimney will typically be constructed of sculptured stucco with an articulated cap detail. Exposed metal flues are not permitted.

Porches:

If provided, porches should be designed as an integral part of the front elevation to provide visual interest and should function as an extension of interior spaces. Porches may be accented by detailed columns, walls, and gates. Porches should be designed so as to not resemble a poorly conceived add-on element. Porch railings should compliment the building's architectural style.

Balconies:

Balconies shall be an integral part of both the front and rear elevations with the traditional cantilevered massing on the front elevation. Balconies may be either functional or designed as decorative elements rather than usable balconies depending on the design intent of the architect. Balconies will project out over building planes to break up the front mass and be articulated with wood or wrought iron details.

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Figure 4-13

Examples of Spanish Eclectic Architecture

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Figure 4-14

Examples of Spanish Eclectic Architecture

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Red barrel tile roof



Rounded arches



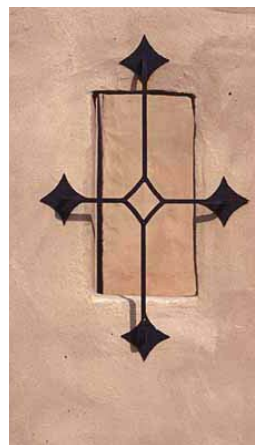
Deep-recessed entries
and windows



Entry courtyards



Wrought iron
railings



Decorative wrought
iron elements



Gates with wrought
iron elements

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F. TUSCAN

Historical Precedent

This style of architecture gradually developed with large homes in the countryside of Tuscany. It is known for its simplicity of design, with extensive use of materials such as stone, marble, and terracotta tiles. It is particularly suited to California's climate, with elements such as deep-set windows and outdoor spaces, and its popularity has grown in recent decades.

Design Characteristics

Tuscan architecture can be defined by the following features:

- Informal arrangement of building forms
- Mostly hipped roofs with occasional gable or cross-gable
- Predominantly barrel-tile roofs
- Rustic character through extensive stonework
- Rich earthy color tones
- Windows typically tall and narrow

Further details of these design concepts include:

Roofs:

Clay, concrete tile, or "S" tiles. Primarily hipped with secondary cross-gables or hips.

Overhangs:

Overhangs may vary in size and depth. Typical overhangs may extend from 12 to 24 inches.

Siding Materials:

Fieldstone or manufactured stone is typically used as an accent element on the front elevation with most of the façade being stucco.

Windows:

Windows shall include standard shutters or bermuda shutters.

At least one principal window treated in one of the following ways is required:

- Minimum 12" recess or surround
- Minimum 12" pot shelf with roof element and corbel
- Overhead trellis element projecting a minimum of 12"
- Decorative wrought iron window grille projecting forward of the wall plane.
- Full grid window mullion patterns

Entry:

If the front door is not covered, the front door shall have a minimum recess or surround of 12"

Color Palette:

Variety of rich “earthy” body colors with lighter or darker contrasting colors for trim and accent elements.



Figure 4-16

Examples of Tuscan Architecture

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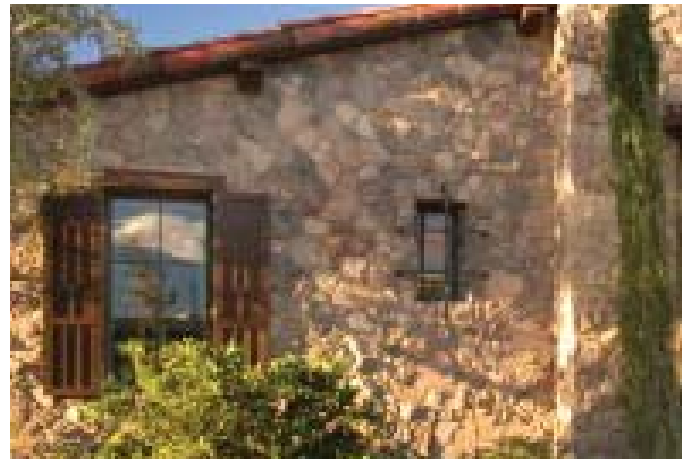


Figure 4-17
Examples of Tuscan Architecture

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Emphasized entries



Use of fieldstone



Window shutters



Informal arrangement of
building forms



Tall, narrow
windows



Decorative details



Window treatments



Wrought iron
balconies

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G. ITALIANATE

Historical Precedent

This elegant, old-world style was meant to evoke the country villas of Tuscany and Umbria. The style remained popular through the second half of the 19th century. Italianate villas spread quickly from the Northeast throughout the Midwest to the West Coast. Homes are usually two or three stories in height.

Design Characteristics

Italianate architecture can be defined by the following features:

- Square and symmetric massing
- Almost flat, hipped roofs with deep overhanging eaves
- Incorporates corbels under the eaves
- Predominantly barrel-tile roofs
- Often incorporates a “belvedere,” or small tower, centered on the roof
- Incorporates wood, stone, or stucco
- Earth tone colors, beiges and tans with darker red and brown roofs
- Windows typically tall and narrow

Further details of these design concepts include:

Massing:

Houses are often simple, cubic building shapes.

Roofs:

Clay, concrete tile, or “S” tiles. Almost flat, hipped roofs with deep overhanging eaves.

Overhangs:

Overhangs may vary in size and depth. Typical overhangs may extend from 18 to 30 inches.

Siding Materials:

Stucco is used as primary material.

Windows:

Windows are usually formally and regularly spaced. Windows on first floor are tall and thin.

Doors:

Doors are often made of glass or wood. Sometimes the front entry will have double doors.

Balconies:

Where provided, balconies are usually constructed with wrought-iron railings or Renaissance balustrading.

Entry:

If the front door is not covered, the front door shall have a minimum recess or surround of 12".

Color Palette:

Variety of rich "earthy" body colors with lighter or darker contrasting colors for trim and accent elements.



Figure 4-19

Examples of Italianate Architecture

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Figure 4-20

Examples of Italianate Architecture

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Simple, cubic shapes



Wrought iron balconies



Earth tone body colors and lighter or darker contrasting colors for trim and accent elements



Deep overhanging eaves



Stucco exteriors

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4.2.2 APARTMENT HOMES

Lytle Creek Ranch will construct up to 1,325 apartment homes in the High Density Residential land use category on a total of approximately 45.4 acres. Each home will consist of one, two or three bedrooms and a garage. In addition, each home will be provided with energy saving appliances and private open space in the form of a patio, deck, or balcony. The photographs on the following pages depict the typical quality of construction anticipated for the apartments.



LYTLE CREEK RANCH

SPECIFIC PLAN



4.2.3 VILLAGE CENTER COMMERCIAL ARCHITECTURAL GUIDELINES

Purpose

Commercial/retail and office developments present certain architectural opportunities and limitations due to building massing, parking requirements, pedestrian and service access, and lighting. The design objective is to create an attractive Village Center Commercial environment, compatible in scale and aesthetics to the entire development. Some of the architectural styles selected for Lytle Creek Ranch will apply better to Village Center Commercial development than others. For example, Tuscan, Italianate, and Spanish Eclectic would be excellent architectural style choices for Village Center Commercial development in Lytle Creek Ranch. Styles like American Farmhouse, Monterey, Craftsman, and California Bungalow tend to work better on smaller structures with a more residential scale. The final determination as to which architectural style(s) to use for the Village Center Commercial areas will be determined by the master developer and/or builder(s).

Lists of general architectural guidelines for Village Center Commercial development within Lytle Creek Ranch are as follows:

Siting and Orientation

- A. Buildings should be designed using simple forms organized around a single element or group of elements. The objective is for these areas to be positively differentiated as quality Village Center Commercial environments.
- B. All design shall incorporate the combination of compatible architecture and landscape forms to ensure that this development achieves an image that is distinctive, clearly understandable, and unified.
- C. The architecture should incorporate elements of historic styles, while recognizing the needs of modern retail, commercial and office development.
- D. All designs shall appear as an integrated part of an overall site design concept. Details should be integrated into the building and not simply applied as an afterthought.
- E. To unify the site, common site design elements such as lighting and signage, enriched paving, and landscape treatments shall be required.
- F. Architectural design shall incorporate variations in front building elevations to avoid monotony and add distinctiveness to the building.
- G. Large complexes of buildings may be arranged to create and enclose a variety of outdoor spaces: plazas, squares, eating areas, usable open space, etc.

- H. To create visual interest, smaller buildings may vary in orientation from the larger buildings on-site and may be clustered to create areas of similar activities.
- I. Where feasible, guest and visitor parking should be located in proximity to main entrances. Employee parking and loading zones should be located further from the front of the building or on the side or rear of the buildings, and should be attractively screened from public streets with landscaping or other site design elements. Street parking shall be permitted.
- J. Vehicular and pedestrian circulation routes should be well separated and defined by landscape and site design elements.

Form, Scale, and Massing

- A. Buildings visible from the public right-of-way should be designed with articulated elevations (e.g., elevations with doors, windows, porches, balconies, dormers, trim and mouldings, roofline variations, or other architectural features), and with clearly defined entries.
- B. Scale and massing should be given careful consideration. Long, uninterrupted expanses of walls are discouraged.
- C. Interconnection and lapping of building forms and heights to break up long expanses of blank walls help relieve monotony and are desirable.
- D. On smaller “pad” buildings, all building sides should be treated architecturally.
- E. Buildings should provide architectural and decorative enhancements at main building entrances.

Architectural Features and Details

- A. Fixtures and finishes should be selected for their contribution to the overall theme of the development.
- B. Medium or high performance glass is preferred for use on Village Center Commercial buildings.
- C. At key locations on certain Village Center Commercial buildings, architectural elements such as towers, domes, cupolas, arcades, trellis structures, and other design elements may be incorporated to enhance the building architecture and create a “sense of place.”

Roof Forms and Materials

Roof forms and materials should reflect the selected architectural theme(s). Roofs should be designed to minimize the appearance of “tacked on” features. Flat roofs are permitted in all Village Center Commercial planning areas.

Details, Materials, and Colors

- A. Materials shall be durable, relatively maintenance free, and sympathetic in scale and aesthetics to the overall theme of the Village Center Commercial development.
- B. Building colors and materials should relate to the selected architectural theme(s).
- C. Limited use of brick or stone (real or manufactured) is permitted at key locations on buildings such as at building entrances or on arcades or tower elements.
- D. In general, building finishes should be non reflective.
- E. Street and plaza furniture within the Village Center Commercial development shall be designed to coordinate in design, style, and color with the principal architectural themes and/or architectural details of the primary structure(s) and building(s) in the development.

Walls and Fences

Decorative walls and/or walls screening yards, parking lot or enclosures shall be designed to integrate with the architecture of the building, as well as the landscape design.

Accessory Structures and Services

Any accessory buildings and/or enclosures, whether attached to the main building or not, shall be of similar design and materials.

Lighting

- A. Use of low, shielded walkway lighting.
- B. Incorporate energy-saving light fixtures, where feasible.
- C. Screen site lighting from direct view by adjacent residential uses.

Mechanical Equipment

- A. Use parapets or other architectural elements to screen rooftop equipment from ground level views.
- B. Disperse rooftop mechanical equipment on larger buildings and paint equipment to match rooftop. Roof-mounted mechanical equipment shall not be visible from ground level views.
- C. When screening mechanical equipment use screening materials similar or complementary to the external materials used in the building architecture.

4.3 LANDSCAPE DESIGN GUIDELINES

This section of the Specific Plan identifies the landscape design guidelines for Lytle Creek Ranch. All required landscape plans must be prepared by a licensed landscape architect.

4.3.1 MASTER LANDSCAPE PLAN DESCRIPTION

Figures 4-22 through 4-26 depict the Conceptual Master Landscape Plan for Lytle Creek Ranch. The Conceptual Landscape Plan depicts the location of “Welcome to Rialto” signage, community entries, and streetscape treatments. Special streetscape treatments for the primary streets within Lytle Creek Ranch are contained in this Specific Plan for the following streets:

- Riverside Avenue
- Country Club Drive (off-site)
- Country Club Drive (on-site)
- Entry Streets (Neighborhood II)
- Entry Streets (Neighborhood III)
- Collector Street (Neighborhood III)

Figure 4-22

Conceptual Master Landscape Plan – Neighborhoods I and IV

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Figure 4-23
Conceptual Master Landscape Plan – Neighborhood II-a

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Figure 4-24
Conceptual Master Landscape Plan – Neighborhood II-b

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Figure 4-25
Conceptual Master Landscape Plan – Neighborhood III-a

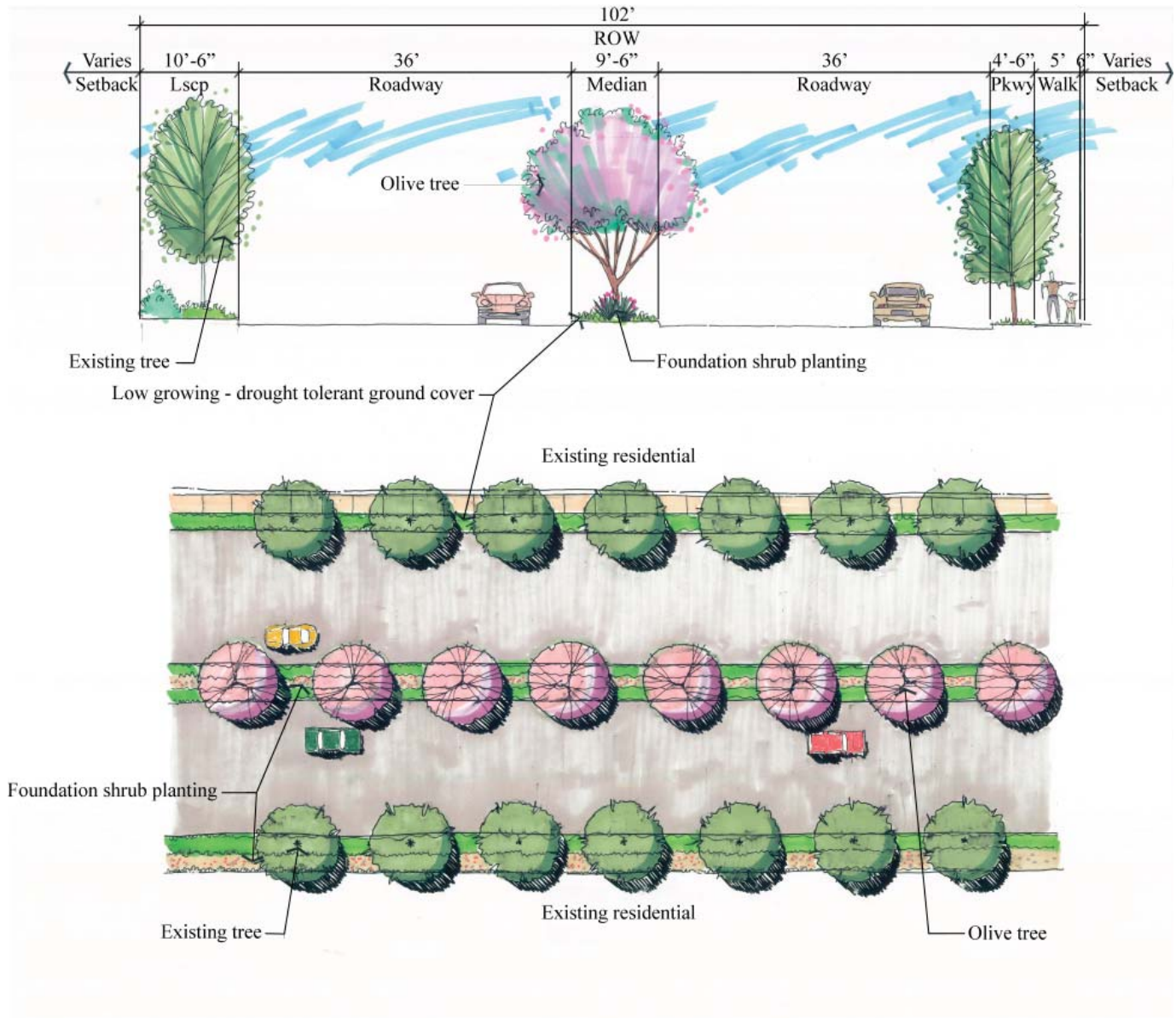
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Figure 4-26
Conceptual Master Landscape Plan – Neighborhood III-b

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Figure 4-27
Conceptual Riverside Avenue

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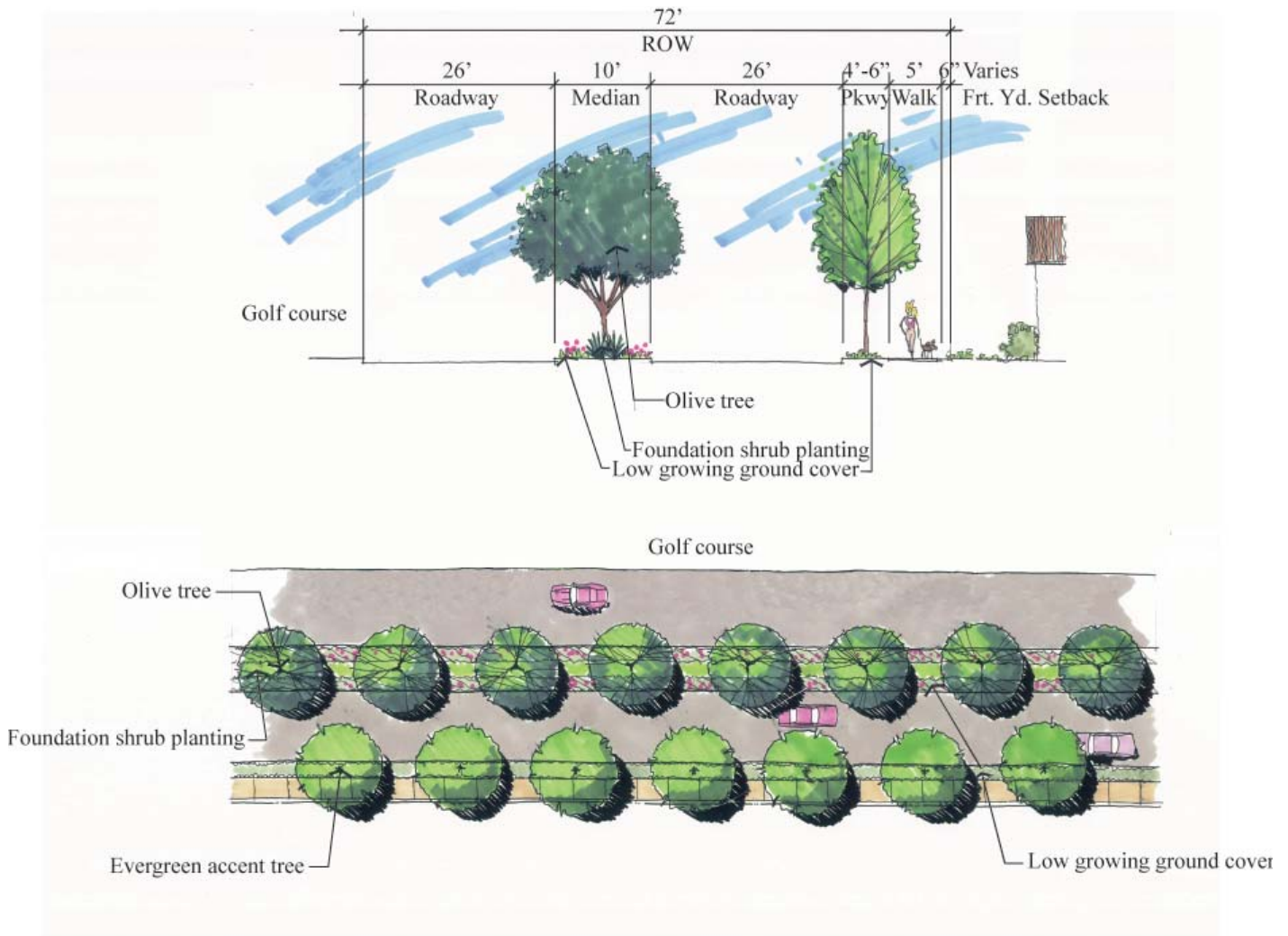


Not to Scale



Figure 4-28
Conceptual Country Club Drive
(Off-site)

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Not to Scale

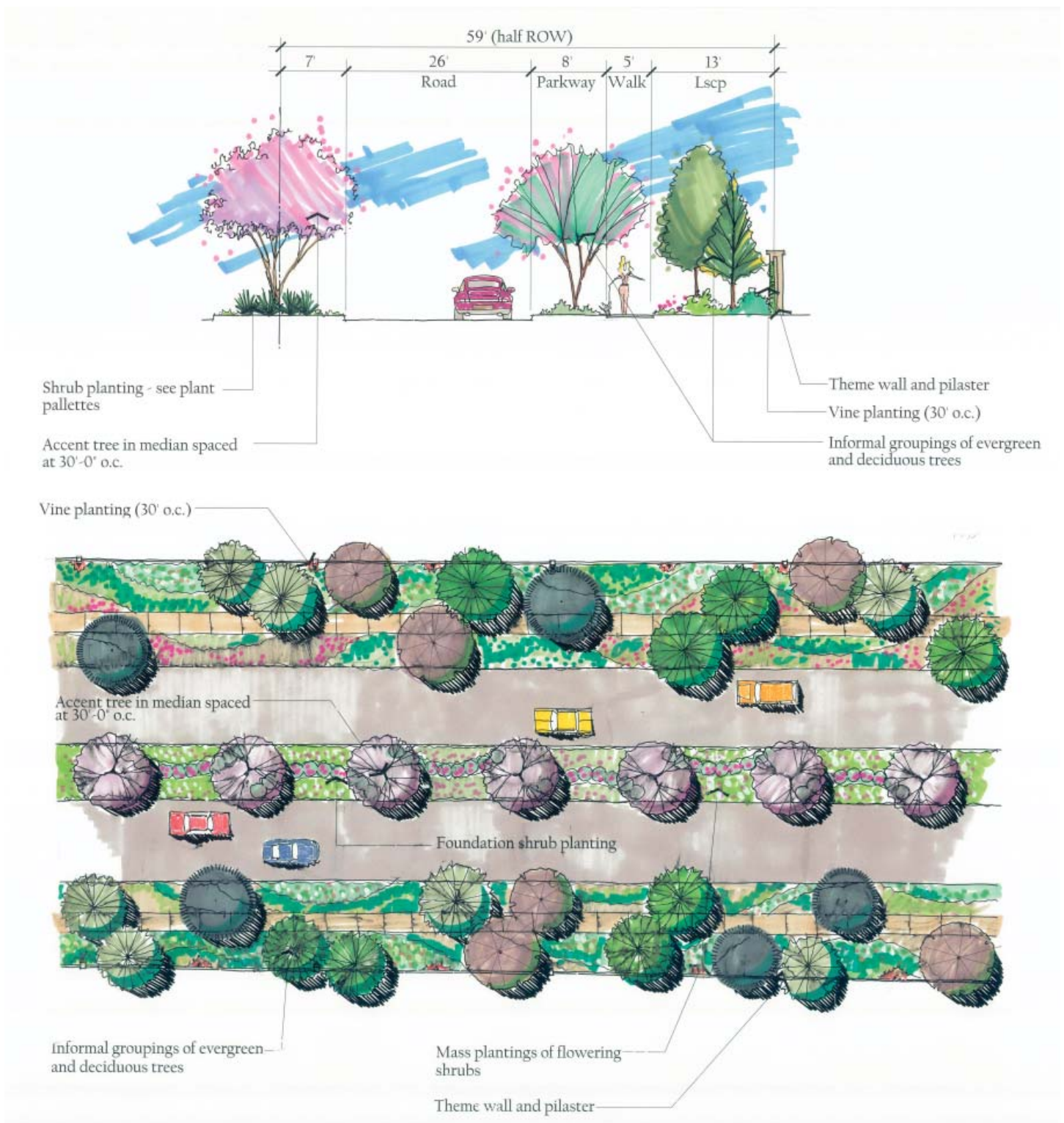


Figure 4-29
Conceptual Country Club Drive
(On-site, adjacent to residential uses)

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Figure 4-30
Conceptual Entry Street – Neighborhood II

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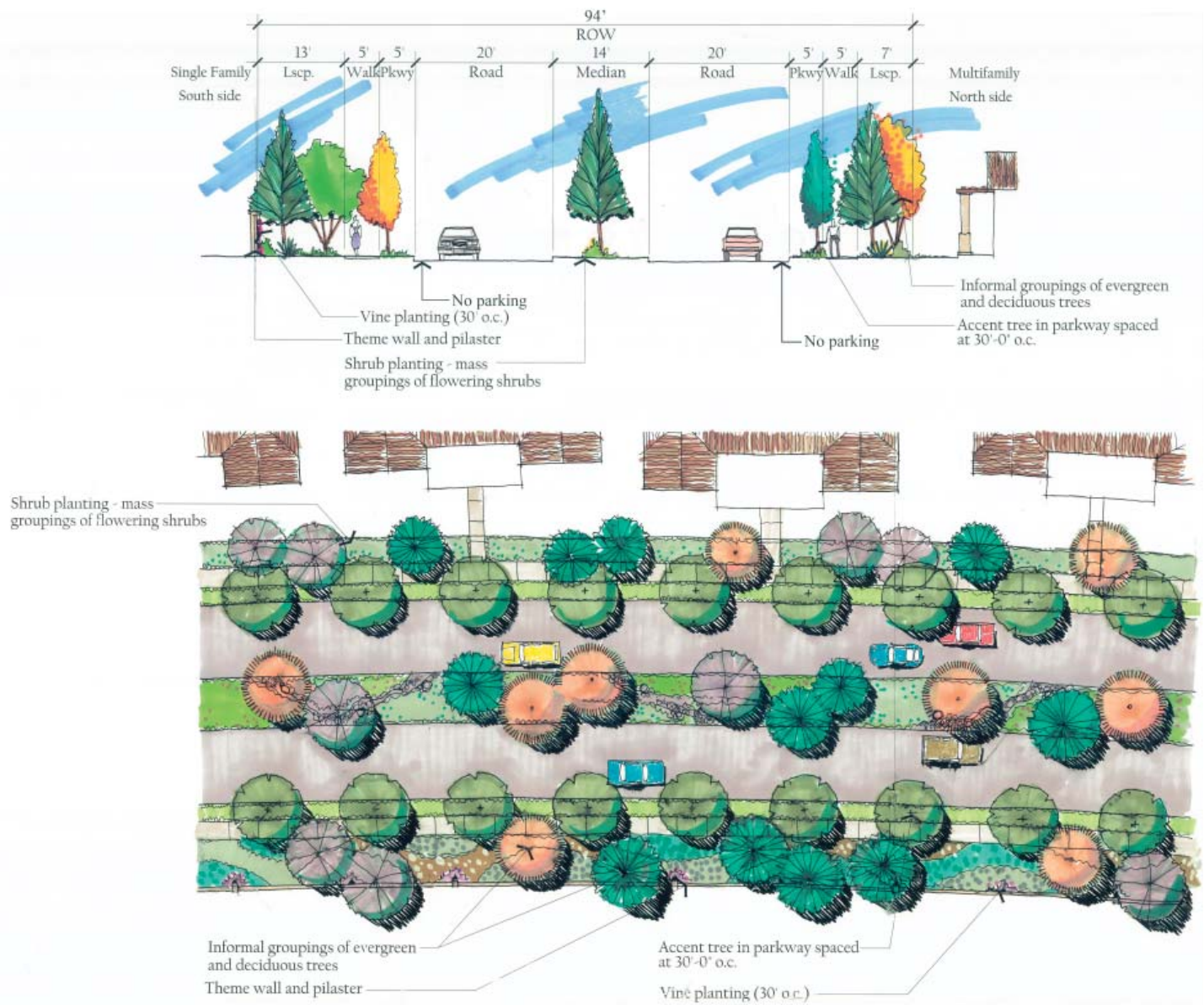


Not to Scale



Figure 4-31
Conceptual Entry Street - Neighborhood III

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Not to Scale



Figure 4-32
Conceptual Collector Road - Neighborhood III

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4.3.2 ENTRY MONUMENTATION

City of Rialto entry monuments and features, community entries, neighborhood entries, and Village Center Commercial entries will consist of a thematic blend of construction features, landscaping, signage, and specialty lighting, which will serve as area landmarks, while reinforcing the distinctiveness of Lytle Creek Ranch. City of Rialto entry monuments will be owned and maintained by the City. All project entry monumentation will be privately maintained and located outside of all City maintained areas and the public rights-of-way.

A hierarchy of community theme entries are planned and will consist of the following:

- Major Community Entries
- Residential Planning Area Entries
- Village Center Commercial Entries

Because the design of the neighborhood entries and the Village Center Commercial entries will vary for each planning area, only the designs for the community entries are identified in this Specific Plan.

Northern City Gateway Feature (City of Rialto “Bridge” Structure)

Lytle Creek Ranch proposes a gateway element within the street right-of-way near the intersection of Sierra Avenue and Riverside Avenue. This entry feature will contain a simplified, modern interpretation of the Rialto Bridge, an existing historic bridge located in the city of Venice, Italy, and which appears on the City of Rialto’s seal. A conceptual illustration of the bridge-like structure is depicted in Figure 4-33. This structure will be designed to allow pedestrians to actually walk over the bridge. This “bridge-like” structure is not intended to be an exact replica of the Rialto Bridge, but should be designed to incorporate massing and styling similar to the existing bridge in Venice, Italy. This structure will function as the City’s northern gateway feature and will incorporate the words “Rialto” or “City of Rialto.” In addition, the City’s seal may be installed on the bridge. The final design of this gateway feature shall be determined by the Lytle Creek Ranch project master developer. In no event, shall this gateway feature exceed a height of fifteen (15) feet.

City of Rialto Monument Signs (See Figure 4-34)

A Rialto monument sign shall be installed in Neighborhood I near to the I-15 Freeway/Glen Helen Parkway interchange. This sign will include the wording, “Welcome to the City of Rialto,” as well as a version of the City of Rialto’s seal. The base of the wall either consist of real stone or manufactured stone or cobbles, and the remainder of the sign will be constructed of precast concrete. Cast lettering will be pinned to the sign. The sign will be accented by shrubs and groundcover plantings.

Community Entries (See Figure 4-35)

Community entries are planned at several locations within Lytle Creek Ranch including at Riverside Avenue/Redwood Avenue, Riverside Avenue/N. Live Oak Avenue, Riverside Avenue/N. Alder

Avenue, Riverside Avenue/N. Locust Avenue, and Riverside Avenue/Linden Avenue intersections. Each entry will contain a raised median containing landscaping and a large specimen tree. On either side of the entry there will be low stone retaining walls, wooden “ranch” fencing, perimeter theme wall fencing, and clusters of trees. There will also be limited turf areas. Each entry will contain enhanced paving on the entry street to help create a sense of arrival. Community signage containing the community name and logo will be provided at each entry.

Gated Entries (Neighborhood II) (See Figure 4-36)

At the discretion of the master developer, Neighborhood II may have gated entries. Gates may be card-operated or controlled by a guard. Each entry will contain a raised median containing landscaping and a guardhouse. On either side of the entry there will be stone walls and clusters of trees. A monument pilaster will be placed in the median adjacent to the gates, marking a formal entry into the project. The roadway will be expanded at each entry to permit vehicle u-turns, and enhanced paving will be utilized on the entry street to help create a sense of arrival. Community signage containing the community name and logo will be provided at each entry. Unrestricted pedestrian access will be available along the adjacent sidewalk.

Residential Planning Area Entries

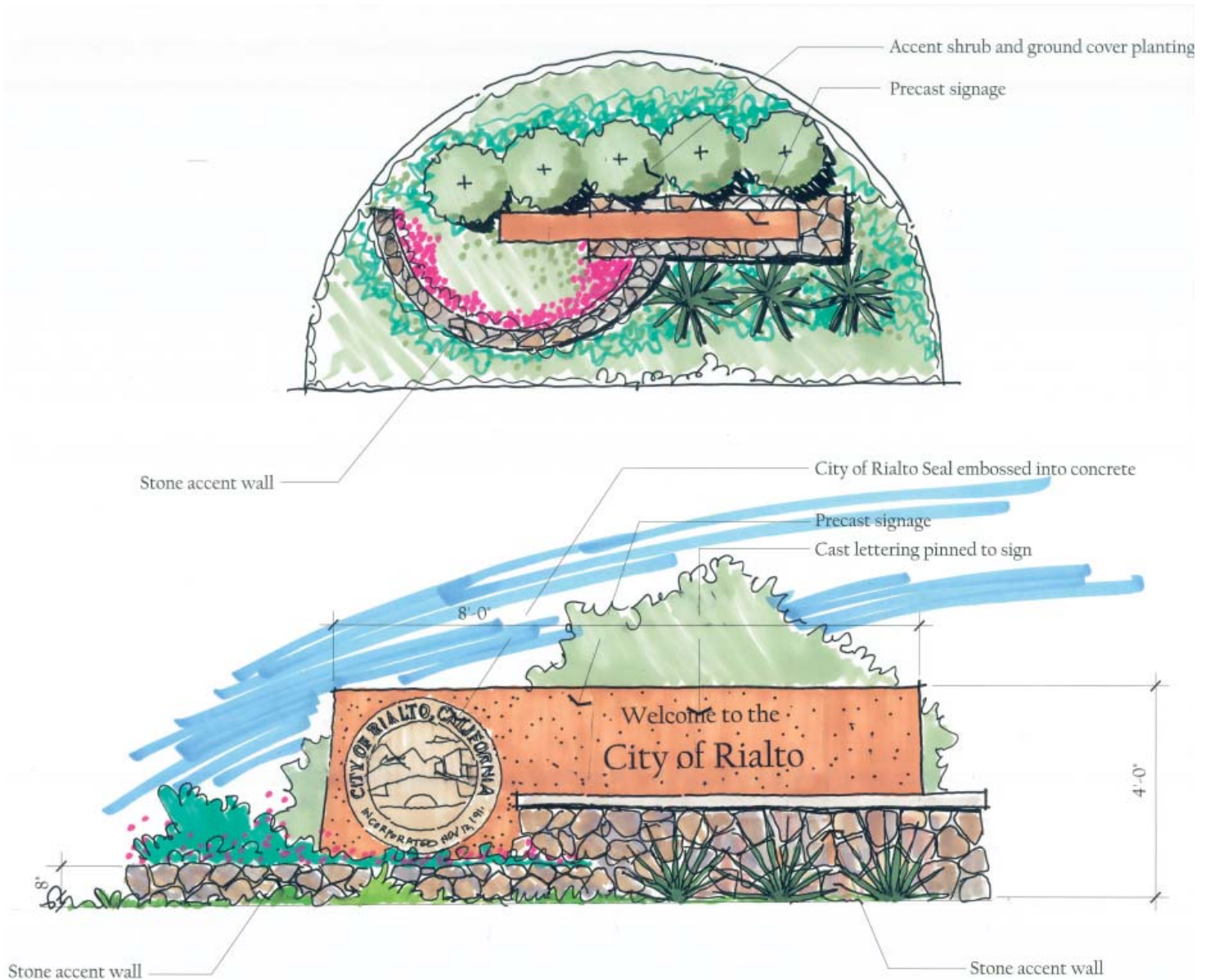
At the discretion of the project master developer, each residential planning area may contain signage. Where provided, this signage will identify the name of the development within the planning area. The intent of this Specific Plan is to allow flexibility in the design of these residential planning area entries in order to create interest and promote diversity. Signs shall conform to the City of Rialto signage standards, which are contained in Section 18.102 of the City’s Zoning Code.

Village Center Commercial Entries

Lytle Creek Ranch Village Center Commercial entry monuments occur at key entrances into the Village Center Commercial planning areas. These entries will reinforce the overall landscape concept of Lytle Creek Ranch. Each Village Center Commercial entry monument will be designed by the master developer and/or builder(s) and submitted to the City for Design Review.

Roundabouts (See Figure 4-37)

Two landscaped roundabouts are included in Neighborhood II, and three are planned in Neighborhood III. These roundabouts will serve as important iconic elements that will help to create a unique identity for the project circulation system. River rock and enhanced concrete paving will be utilized. To keep maintenance requirements to a minimum, each roundabout will contain trees and plant materials, while minimizing the use of turf and other high-maintenance plantings. A low stone veneer planter wall and large specimen tree will be placed in the center of the roundabout. To help prevent distractions to vehicular traffic circulating through the roundabouts, no potentially distracting features such as fountains, sculptures, community signage, or other similar elements will be permitted within the central island in each of the roundabouts. Traffic-related signage shall be permitted as needed anywhere within the roundabouts.

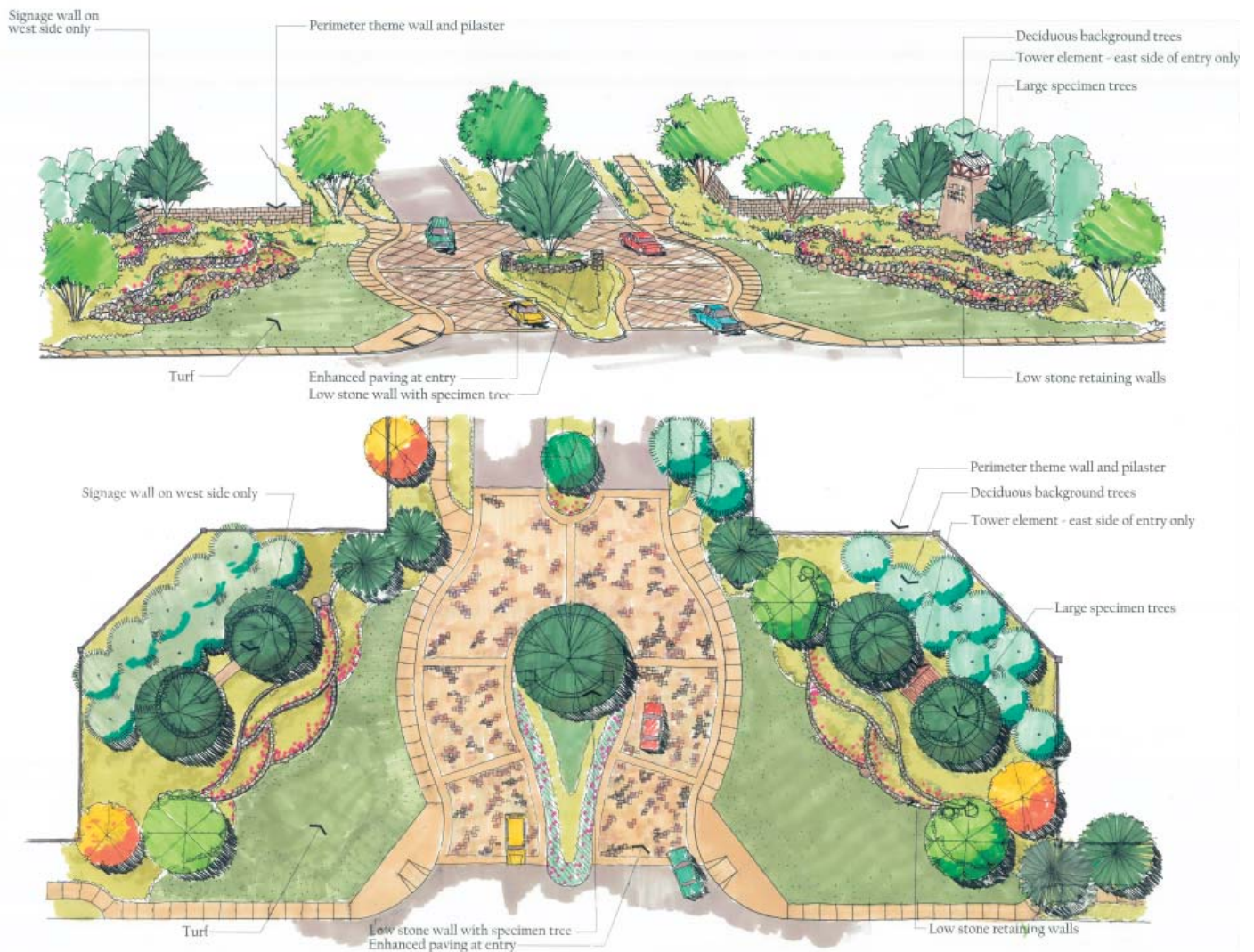


Not to Scale



Figure 4-33
Conceptual City of Rialto Monument Signs

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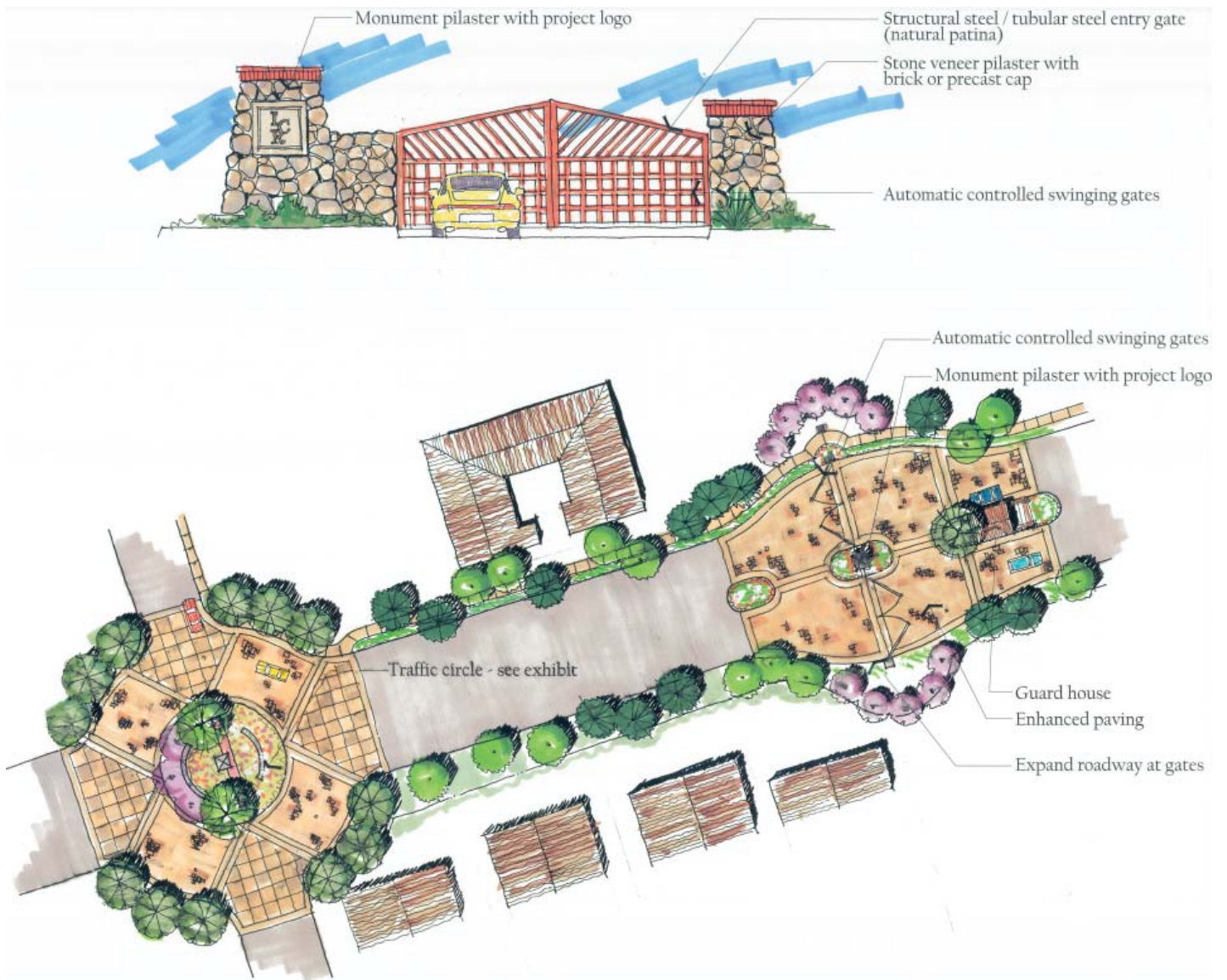


Not to Scale



Figure 4-34
Conceptual Community Entries

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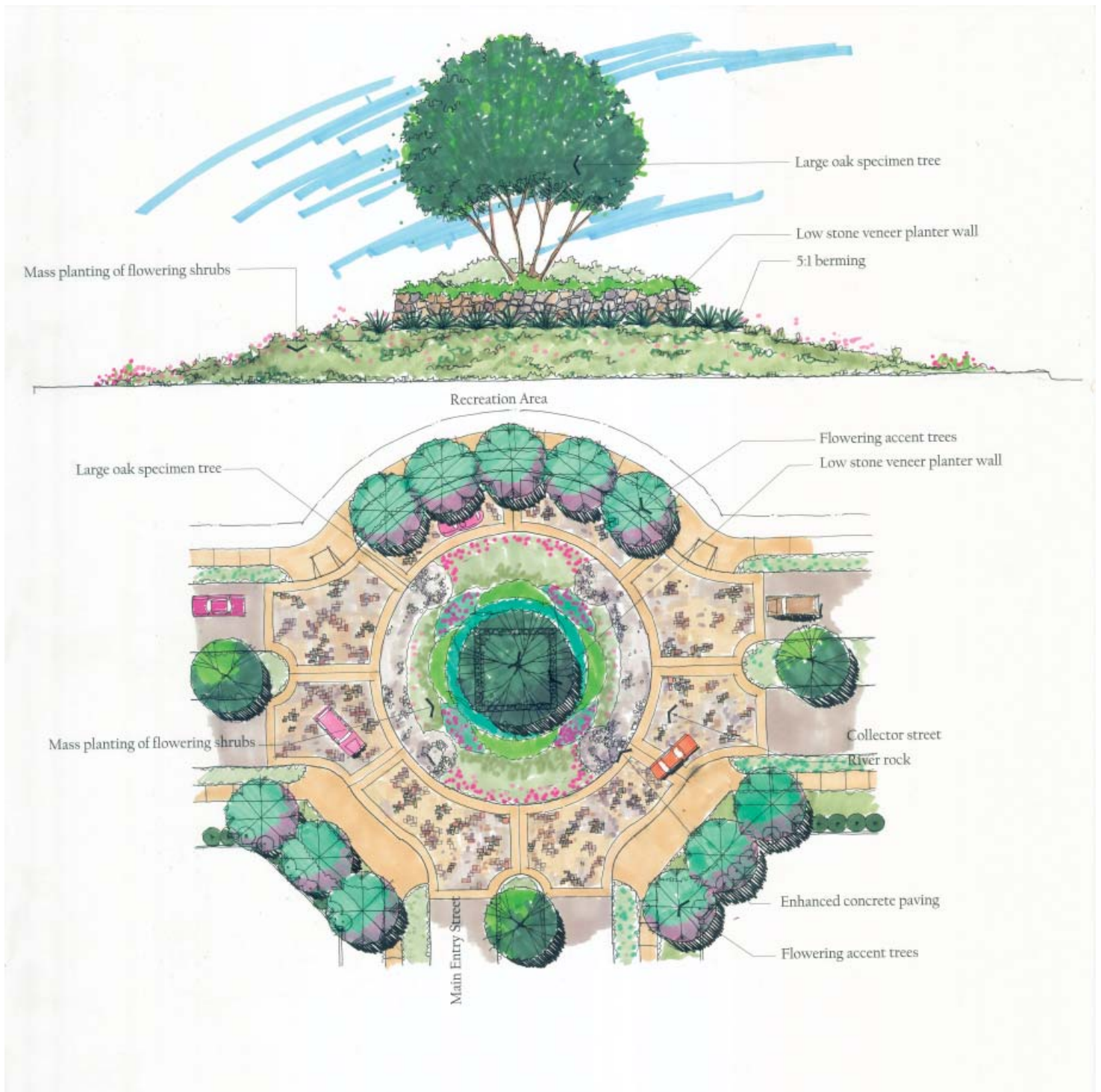


Not to Scale



Figure 4-35
Conceptual Gated Entries at Neighborhood II

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Not to Scale



Figure 4-36
Conceptual Roundabouts
(Neighborhoods II and III)

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4.3.3 PLANT MATERIALS GUIDELINES

In general, landscaping within Lytle Creek Ranch will be designed to reflect the area's historic agrarian theme, as well as the native vegetation and habitat of Lytle Creek. This Specific Plan restricts landscape plantings to non-invasive plant species for common areas adjacent to open space in order to minimize potential indirect effects to vegetation within these open space areas. Where appropriate, landscaping will consist of drought-tolerant, native species.

It is the intent of these guidelines to provide flexibility and diversity in plant material selection, while maintaining a cohesive plant palette in order to give greater unity and thematic identity to the community. The plant material lists have been selected for their appropriateness to the project theme, climatic conditions, soil conditions and concern for maintenance. Wherever possible, overall plant material selection for given project areas, will have compatible drought resistant or water wise characteristics. Irrigation programming can then be designed to minimize water application for the entire landscape setting. Plants used are to be reviewed and approved by the City during the conceptual drawing phase prior to preparing construction drawings. Plant installation will be provided per City standards.

In creating planting plans for Lytle Creek Ranch, consideration should be given to selecting plant materials for their color, texture, form (shape), and size (fine, medium, coarse) characteristics. At least one of the inherent characteristics should remain constant in each planting area to avoid a haphazard appearance to the plants and promote a sense of unity. For example, if a planting area contains a mixture of colored plants of various sizes and shapes, the textures of the plant materials used in this area should all be consistent to ensure some consistency to the plantings.

4.3.4 DROUGHT-TOLERANT PLANT MATERIALS AND WATER CONSERVATION

The conservation and efficient use of water and the use of drought tolerant and native plant materials is important to the landscape design for Lytle Creek Ranch. The following landscape standards shall apply to new development within Lytle Creek North, where appropriate. The following landscape standards shall apply to all new development:

- A. All landscaped areas shall be provided with automatic irrigation and shall be maintained at all times.
- B. Irrigated turf areas shall not exceed 40 percent of the each planning area or development area's total (parks, playgrounds, recreation areas, schools, and private residential lots are excluded from this requirement); provided, however, that the Planning Commission may allow larger turf areas, where special water conservation measures are implemented.
- C. Irrigated turf areas shall not exceed 60 percent of each private residential lot or pad.

- D. Consider using water saving turf varieties or turf substitutes (e.g., ground cover), where appropriate.
- E. Turf shall not be used in narrow planters, on raised planters, and other relatively small planters.
- F. Turf planting on slopes exceeding 15 percent causes excessive irrigation runoff and shall not be allowed.
- G. Plants shall be selected appropriate according to their suitability to experience the hot, dry Inland Empire climate.
- H. Protection and preservation of native species in natural open space areas is encouraged.
- I. "Gray water" or recycled water should be used for irrigation purposes, as available and as feasible.
- J. Plant selection should incorporate use of "water wise" plant materials, where feasible.
- K. Most plants need to be irrigated to survive and look their best. Even "water wise" plant materials require regular water to become established. An appropriate irrigation system might include sprinklers, bubblers, a drip system and hose bibs, for example. The system must be designed for efficient conservative use of water.

4.3.5 PLANT PALETTE

Below is a list of approved plant materials for use within the Lytle Creek Ranch Specific Plan area. Additional plant materials not listed below may be allowed by the City's Development Services Department on a case-by-case basis during review of the Precise Plan of Design. Final approval of plants in City-maintained Landscape Maintenance Districts (LMDs) shall be subject to approval by the Department of Public Works. Turf is permitted in all areas of Lytle Creek Ranch.

Botanical name

Common name

TREES

Liquidambar Styraciflua

Sweet gum

Schinus molle

California pepper

Alnus rhombifolia

White alder

Platanus racemosa

California sycamore

Lagerstroemia indica

Crape myrtle

Prunus cerasifera K. Vesuvius

Purple leaf plum

Platanus acerifolia

London plane tree

Rhus lancea

African sumac

Eriobotrya deflexa

Bronze loquat

Botanical name

Common name

TREES (continued)

Populus fremontii
Robinia idahoensis
Koelreuteria paniculata
Pinus halepensis
Pinus canariensis
Pinus eldarica
Pinus radiata
Pyrus calleryana 'aristocrat'
Quercus ilex
Quercus agrifolia
Tristania conferta

Western cottonwood
Idaho locust
Goldenrain tree
Aleppo pine
Canary Island pine
Afghan pine
Monterey pine
Evergreen pear
Holly oak
Coast live oak
Brisbane box

SHRUBS

Pittosporum tobira
Raphiolepis spp.
Trachelospermum jasminoides
Dietes bicolor
Hemerocallis hybrid
Pyracantha Santa Cruz
Nandina domestica
Xylosma congestum
Ligustrum texanum
Viburnum tinus
Photinia fraseri
Agapanthus africanus
Leucophyllum frutescens
Cistus purpureus
Rosa spp.
Rosemarinus prostratus
Euonymus japonicus variagata
Escallonia fradesi
Myoporum pacificum

Tobira, Green, Variegated, Wheelers Dwf.
India hawthorn
Star jasmine
African iris
Daylily, several colors
Firethorn low growing
Heavenly bamboo, low and regular
Xylosma, regular and low growing
Texas privet
Laurastinus
Photinia
Lily of the Nile, white and blue
Texas sage, 'White cloud'
Orchid rockrose
Roses as ground cover and low shrubs
Rosemary as ground cover
Variegated euonymus
Escallonia
Myoporum to 2 ft high

GROUND COVERS

Myoporum parvifolium
Hedera helix

Myoporum 3" to 6" high
Hahn's ivy

VINES

Rosa Banksii Alba
Bignonia spp.

White climbing rose
Lavender, yellow, red vines

4.3.6 PLANTING SCHEDULE

The installation of plant materials during the coldest winter months (December through March) and the hottest summer/fall months (July through September) can be difficult and should be avoided to

the extent feasible. Container plant materials not acclimated to the area can easily suffer from damage or sun exposure resulting in partial or entire foliage loss, even though such materials are perfectly suited to the temperature ranges once established.

4.3.7 PLANTING GUIDELINES

Planting areas must be integrated into each development area and with the design of the buildings. Plant materials should be selected to enhance the appearance and enjoyment of the project and soften the effect of the buildings and paving. Landscaping should consist of a mix of trees, shrubs, ground cover, and turf.

30,000 Trees Planted

A total of 30,000 trees (minimum 15 gallon) will be being planted within the Lytle Creek Ranch Specific Plan area. These trees will be provided as follows:

- A. A minimum of two (2) tree saplings will be offered to each single family residence by the Master Developer.
- B. The remaining trees will be planted within parkways, parks and recreation areas, school sites and joint-use sites, the Grand Paseo, the golf course and clubhouse facility, Village Center Commercial areas, and multi-family (MFR and HDR) and single family residential areas (SFR-2 and SFR-3) within the Lytle Creek Ranch Specific Plan area.

Street Parkway

Parkways, defined as the space between the curb and the sidewalk, are a key element in the overall community street scene. Guidelines for landscaping in this area are:

- A. A minimum of 10 percent 36" box trees are to be planted at designated community entries into Neighborhoods II and III.
- B. Street trees on streets within the Lytle Creek Ranch project shall be 24" box minimum.
- C. Street trees may be either informally or formally spaced, but shall average no more than 30' spacing on center.

Common Area Landscaping

- A. Most trees are to be a minimum 24" box in size. Up to 20% of the trees may be 15 gallon trees.
- B. Turf is appropriate for larger areas of active recreation such as parks, greenbelts, joint-use parks/schools, and the Grand Paseo.

- C. Shrub areas are to be planted with 60 percent 5 gallon and 40 percent 1 gallon.
- D. All buildings are to have a continuous foundation shrub planting.

Alley Drive Plantings

- A. All shrub pockets are to be planted with at least one 15 gallon vertical shrub along with ground cover and smaller shrubs at the base.
- B. 15 gallon vines with trellises or vine supports on the sides and top of the garage are to be provided on at least 50 percent of garages.
- C. Trees may be provided where space allows (minimum 24" box size). Trees in alleys are optional at the discretion of the builder or master project developer and shall not be required as part of project approvals.

Private Drive Plantings

- A. All trees are to be a minimum of 24" box size.
- B. 15 gallon vines with trellises or vine supports on the sides and top of the garage are to be provided on at least 50 percent of the homes on a block.
- C. Remaining shrub pockets are to receive a 15 gallon vertical shrub, with additional shrubs at the base adjacent to each garage.
- D. Shrub areas are to be planted with 60 percent 5 gallon and 40 percent 1 gallon.

Paseo and Trail Plantings

- A. Most trees are to be a minimum 24" box in size. Up to 25% of the trees may be 15 gallon trees.
- B. Shrub areas are to be planted with no smaller than 50 percent 5 gallon and 50 percent one gallon shrubs.

Parking Area Landscaping

Parking lot landscaping for all Village Commercial Center parking areas shall be required in agreement with a landscaping plan to be prepared by a licensed landscape architect, as follows:

- A. A minimum of ten percent of the required gross off-street parking area shall be landscaped, exclusive of setbacks. The parking area shall include access drives, aisles, stalls, maneuvering areas and required landscape setbacks around the perimeter of the parking facility.
- B. Landscape materials shall include plants consistent with the plant palettes contained in this Specific Plan and shall emphasize the use of drought-resistant ground covers, shrubs and trees to the extent feasible. At least one fifteen gallon tree shall be installed and maintained for every five parking stalls in the parking facility. Such trees may be clustered or grouped.
- C. An automatic irrigation system shall be installed and maintained in working order.
- D. Landscaping shall be continuously maintained and replanted as necessary. Landscaped areas shall be kept free of debris and litter.
- E. Landscaped areas shall be separated from vehicle parking and circulation areas by concrete curbs not less than six inches in height.
- F. Screen walls, gates, trellises, shrubs and vines, or espaliers are to be used to screen trash enclosures, where feasible.

Slope Landscaping

- A. All areas required to be landscaped will be planted with turf, groundcover, shrubs, or tree materials selected from the plant palette contained in these guidelines.
- B. Planting on slopes will commence as soon as the slopes are completed on any portion of the site and will provide for rapid short term coverage of the slope as well as long-term establishment cover per City of Rialto standards.

4.3.8 BIOFILTRATION SWALES

Lytle Creek Ranch incorporates the use of biofiltration swales to improve water quality on-site, particularly in the Grand Paseo in Neighborhood III and the golf course in Neighborhood II. Biofiltration swales are flow-through vegetated channels with a slope similar to that of standard storm drains channels (less than 6%), but are wider and shallower to maximize flow residence time and promote pollutant removal by filtration through the use of properly selected vegetation and settling. Some adsorption and uptake of dissolved pollutants also occurs. For biofiltration, it is important to maximize water contact with vegetation and the soil surface. The soils at the site should support vegetation growth. Biofilters should generally not receive construction-site runoff; if they do, presettling of sediments should be provided. Such biofilters should be evaluated for the need to remove sediments and restore vegetation following construction.

Maintenance of the infiltration/biofiltration areas is of vital importance for long-term operation. Maintenance can consist of sediment removal, vegetation cutting, replanting, changing types of plantings, etc. Long-term maintenance responsibility for infiltration/biofiltration areas will be provided by the Master Homeowners Association or other entity acceptable to the City of Rialto.

4.3.9 FENCES AND WALLS

Please refer to Figures 4-38 through 4-40 for conceptual wall and fence plans, and to Figure 4-41 for conceptual wall and fence details.

Perimeter Theme Wall and Pilasters

The perimeter theme wall will consist of a 6' tall colored precision block wall with a 4" colored precision block cap. Stone veneer pilasters with precast concrete caps will be constructed approximately every 100 feet along the wall.

Neighborhood Walls and Fences

Where provided, neighborhood fences and walls will be designed as integral components and extensions of building designs and surrounding landscapes. Periphery fences and walls may be integrated into adjacent structures and extended into the landscape areas to help integrate buildings into their environments. Fences and walls will be constructed of durable materials, colors, and textures that are similar and harmonious with the architecture. Wrought iron or tubular steel fencing, half block wall/glass or equivalent, vinyl fencing, colored precision block walls, split-face brick walls, manufactured stone and stone walls, brick and simulated brick walls, and other types of walls acceptable to the City, are all permitted types of walls/pilasters and fencing within Lytle Creek Ranch. Wood fencing is not permitted in Lytle Creek Ranch (excludes wooden gates, which are permitted).

Particular importance will be given to railing and cap details. Fences and walls may be offset occasionally to avoid visual monotony. Fencing and walls will be used to define the limits of property ownership, as well as for the creation of exterior privacy and to promote the public's health and safety.

Side and Rear Yard Walls

All new single-family residential development will be required to install minimum five and one-half (5½) foot block walls, wrought iron or tubular steel fencing, vinyl fencing, or combination walls and fences (including walls with glass inserts to allow for views) along the side, rear and street side of the property line, except for alley loaded products or where other design considerations make constructing a wall impractical, unnecessary, or undesirable. Wherever a question arises as to whether or not a wall shall be provided on side or rear yards, the builder and City shall reach a consensus during Design Review as to whether or not a wall shall be required.

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Figure 4-37

Conceptual Community Wall and Fence Plan – Neighborhoods I and IV

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Figure 4-38
Conceptual Community Wall and Fence Plan – Neighborhood II

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Figure 4-39
Conceptual Community Wall and Fence Plan – Neighborhood III

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Figure 4-40
Conceptual Wall and Fence Details

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4.4 SUSTAINABLE DESIGN STRATEGIES

The way we plan the physical layout, or land use, of new communities is fundamental to sustainable design. Two basic land use practices over the past several decades have converged to generate haphazard, inefficient, and unsustainable urban sprawl: These practices are:

- Zoning ordinances that isolate employment locations, shopping and services, and housing locations from each other, and
- Low-density growth planning aimed at creating automobile access to increasing expanses of land.

Sustainable practices can lessen the environmental impacts of development with techniques that include compact development, reduced pervious surfaces and improved water detention and conservation, preservation of habitat areas, mixing of land uses (e.g., homes, offices, retail); and improved pedestrian and bicycle amenities that reduced reliance on smog-generating emissions from vehicles.

Because the concept of sustainability is a relatively recent concept that is still evolving, it is anticipated that new sustainable strategies will be continually developed during the build-out period of the Lytle Creek Ranch community. This Specific Plan encourages the implementation of realistic sustainable design strategies into the project design as the community continues to evolve and build-out over time. Below is a sampling of sustainable design strategies that may be utilized in Lytle Creek Ranch.

4.4.1 SITE PLANNING

- A. Provide physical linkages between land uses that promote walking and bicycling and provide alternatives to automobile use.
- B. Encourage compact development that concentrates residential areas close to public amenities such as schools, parks, retail, golf, recreation centers, etc.
- C. Include a range of housing types and/or densities within each Neighborhood (i.e., Neighborhoods I, II, III, and IV) in Lytle Creek Ranch.
- D. Create an interconnected street network that has a high level of connections with cul-de-sacs that include pedestrian or bicycle through connections.
- D. Incorporate “green” practices in developing buildings and infrastructure, particularly for stormwater runoff (e.g., bioswales).

- E. Encourage design of landscape areas that capture and direct stormwater runoff, particularly in open space, parks, paseos, and Village Center Commercial areas.
- F. Stabilize slopes to limit erosion as part of the Stormwater Management Plan and erosion control plan.
- G. Minimize the amount of paved areas for roads, parking, and patios, particularly in residential areas, where feasible, or consider using porous or permeable pavement.

4.4.2 ENERGY EFFICIENCY

Most buildings can reach energy efficiency levels far beyond California 2010 Title 24 standards, yet most only strive to meet the standard. It is reasonable to strive for energy reduction in excess of that required by 2010 Title 24 standards. Therefore, development within the Lytle Creek Ranch Specific Plan shall be designed and implemented so as to exceed 2010 Title 24 standards by at least 15%. The builder will commit to a minimum of three of the following strategies:

- A. Passive design strategies can dramatically affect building energy performance. These measures include building shape and orientation, passive solar design, and the use of natural lighting.
- B. Develop strategies to provide natural lighting. Studies have shown that natural lighting has a positive impact on productivity and well being.
- C. Incorporate the use of Low-E windows or use Energy Star windows.
- D. Install high-efficiency lighting systems with advanced lighting controls. For non-residential buildings, include motion sensors tied to dimmable lighting controls. Task lighting reduces general overhead light levels.
- E. Where feasible, incorporate motion sensors or timers on exterior fixtures to reduce energy usage.
- F. Use a properly sized and energy-efficient heat/cooling system in conjunction with a thermally efficient building shell. Consider utilizing light colors for roofing and wall finish materials; install high R-value wall and ceiling insulation.
- G. Minimize the electric loads from lighting, equipment, and appliances.
- H. Individual developments within Lytle Creek Ranch are encouraged to implement some of the strategies of the EnergyStar program, which is an energy performance rating system developed by the U.S. Department of Energy and the Environmental Protection Agency,

which certifies products and buildings that meet strict energy-efficiency guidelines. Involvement in the EnergyStar program will be completely optional at the discretion of each individual developer/builder.

- I. For retail, commercial, office, and light industrial/manufacturing uses, promote the use of light colored roofing with a high solar reflectance in order to reduce the heat island effect from roofs.
- J. In retail, commercial, and office developments, provide a limited number of preferred parking spaces for hybrid vehicles, fuel cell vehicles, electric vehicles, and other fuel efficient vehicles.

4.4.3 MATERIALS EFFICIENCY

The builder will commit to a minimum of three of the following strategies:

- A. Select sustainable construction materials and products by evaluating several characteristics such as reused and recycled content, zero or low off gassing of harmful air emissions, zero or low toxicity, sustainably harvested materials, high recyclability, durability, longevity, and local production. Such products promote resource conservation and efficiency. Using recycled-content products also helps develop markets for recycled materials that are being diverted from California's landfills, as mandated by the Integrated Waste Management Act.
- B. Encourage the use of low VOC paints and wallpapers within Lytle Creek Ranch.
- C. Encourage the use of low VOC Green Label carpet within Lytle Creek Ranch.
- D. Use dimensional planning and other material efficiency strategies. These strategies reduce the amount of building materials needed and cut construction costs. For example, consider designing rooms on four foot multiples to conform to standard-sized wallboard and plywood sheets.
- E. Consider using recycle base, crushed concrete base, recycle content asphalt , shredded tires in base and asphalt in roads, parking areas, and drive aisles, if feasible and economically viable. Re-using materials keeps materials out of landfills and costs less.
- F. Require plans for managing materials through deconstruction, demolition, and construction.
- G. Design with adequate space to facilitate recycling collection and to incorporate a solid waste management program that prevents waste generation.

- H. Establish a construction waste recycling program with a local waste management company to recycle up to 30% of the construction waste.

4.4.4 WATER EFFICIENCY

- A. Minimize wastewater by using ultra low-flush toilets, low-flow shower heads, and other water conserving fixtures.
- B. Use recirculating systems for centralized hot water distribution.
- C. Use a water budget approach that schedules irrigation using the California Irrigation Management Information System data for landscaping.
- D. Meter the landscape separately from buildings. Use micro-irrigation (which excludes sprinklers and high-pressure sprayers) to supply water in non-turf areas.
- E. Use state-of-the-art irrigation controllers and self-closing nozzles on hoses.

4.4.5 OCCUPANT HEALTH AND SAFETY

- A. Recent studies reveal that buildings with good overall environmental quality can reduce the rate of respiratory disease, allergy, asthma, sick building symptoms, and enhance performance. Choose construction materials and interior finish products with zero or low emissions to improve indoor air quality. Many building materials and cleaning/maintenance products emit toxic gases, such as volatile organic compounds (VOC) and formaldehyde. These gases can have a detrimental impact on occupants' health and productivity.
- B. Provide adequate ventilation and a high-efficiency, in-duct filtration system. Heating and cooling systems that ensure adequate ventilation and proper filtration can have a dramatic and positive impact on indoor air quality.
- C. Prevent indoor microbial contamination through selection of materials resistant to microbial growth.
- D. Provide effective drainage from the roof and surrounding landscape.
- E. Install adequate ventilation in bathrooms.
- F. Allow proper drainage of air-conditioning coils.
- G. Design building systems to control humidity.

- H. Establish criteria for the delivery and storage of absorptive materials, and the ventilation of spaces once the materials are installed to prevent mold.

4.4.6 LANDSCAPE DESIGN

- A. Encourage the use of low water use and native plant materials throughout Lytle Creek Ranch and minimize turf areas. Areas that may include larger areas of turf include community entries, parks, joint-use park/school facilities, schools, paseos and greenbelts, golf courses, sports fields, turf play areas, and other high-use outdoor activity areas.
- B. Provide plant materials that are well-suited depending on the solar orientation and shading of homes.
- C. Provide for a low water use irrigation system and for zoning of the irrigation system.
- D. Use green waste mulch and soil amendments to retain soil moisture.
- E. Incorporate locally native vegetation into the plant palette for Lytle Creek Ranch.
- F. Encourage the use of colored hardscape materials to reduce glare and/or reflect heat in outdoor plazas and gathering areas.
- G. Consider the use of low-growing plant material in parkways instead of turf.

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5.0 DEVELOPMENT STANDARDS

5.1 PURPOSE AND INTENT

The regulations contained in this Chapter are intended to provide for development of all properties located within the Lytle Creek Ranch Specific Plan area. This Chapter establishes the permitted uses and physical development standards for the proposed development in Lytle Creek Ranch.

The standards contained in this Chapter of the Specific Plan supersede those of the Rialto Municipal Code, unless otherwise stated herein. Where the language in this Specific Plan is undefined, unclear, or vague, then the final interpretation and determination shall be made by the Director of Development Services. At his or her discretion, the Director of Development Services may forward an item requiring interpretation to the Planning Commission for determination. In addition, any decision by the Planning Commission may be appealed to the City Council for final determination. All decisions by the City Council shall be deemed final.

In instances of conflicting regulations and standards, the standards and regulations contained in the Specific Plan shall take precedence over the Municipal Code. If this Specific Plan is silent on an issue, then the standards in the Rialto Municipal Code or other applicable city, state, or federal code shall apply, as appropriate. The provisions in this chapter are not intended to interfere with, abrogate, or annul any easement, covenant, or other agreement between parties.

5.2 DEFINITIONS

For the purposes of this chapter, definitions shall be the same as described in Chapter 18.04 of the Rialto Municipal Code, except as otherwise defined in this Specific Plan.

5.3 ZONING CATEGORIES

The Lytle Creek Ranch Specific Plan and the City of Rialto Zoning Map, as amended, designate the entire project site as "Specific Plan Zone." Development within Lytle Creek Ranch is governed by the Land Use Plan (see Figure 3-1 in the Specific Plan). Within the "Specific Plan Zone," there are eight different zoning categories, as follows:

RESIDENTIAL

There will be five separate categories of residential development within the Lytle Creek Ranch Specific Plan. Each of the residential uses will be a separate category in the permitted uses table.

Single-Family Residential One (SFR-1). This category will only include single-family detached residential development ranging in density from 2 to 5 dwelling units/acre (du/ac).

Single-Family Residential Two (SFR-2). This category will include single-family detached and attached residential development ranging in density from 5 to 8 du/ac.

Single-Family Residential Three (SFR-3). This category will include a combination of single-family detached and attached residential product types at densities ranging from 8 to 14 du/ac.

Multi-Family Residential (MFR). This category will include only attached housing products such as, but not limited to, townhomes, attached row homes, condominiums, stacked flats, garden courts, motorcourts, and apartments with densities ranging from 14 to 28 du/ac.

High Density Residential (HDR). This category will include only high density residential products such as, but not limited to, condominiums, stacked flats, podium units, and apartments with densities ranging from 25 to 35 du/ac.

VILLAGE CENTER COMMERCIAL (VC)

This category allows for retail and commercial development including shopping centers, freestanding retail and commercial buildings, medical/dental uses, and office and business park uses. The intent of this category is to provide uses that are sales tax generating uses. Approximately 41.1 acres of land will continue its current use and not change, or the land has already changed.

OPEN SPACE / RECREATION (OS/R)

The Land Use Plan (Figure 3-1) identifies planning areas that may develop as “Open Space/Recreation.” These areas will consist of a mix of recreation types including, but not limited to, an 18-hole golf course, neighborhood parks, mini parks, private recreation centers, and trails and walkways. The permitted uses and the development standards for the OS/R category apply to all planning areas designated as “Open Space/Recreation.”

OPEN SPACE / JOINT-USE (OS/JU)

The Land Use Plan (Figure 3-1) identifies planning areas that may develop as “Open Space/Joint-Use.” These areas will consist of joint-use parks/schools. The permitted uses and the development standards for the Open Space/Joint Use category apply to all planning areas designated as “Open Space/Joint-Use.”

OPEN SPACE (OS)

The “Open Space” areas in Lytle Creek Ranch are intended to stay preserved in their existing, natural state. Land within this category is designed to protect important natural resources located within the Lytle Creek Ranch Specific Plan.

5.4 OVERLAY DISTRICTS

The Lytle Creek Ranch Specific Plan includes two separate zoning overlays as identified below. If a portion of a planning area is developed using the overlay district standards, then the entire planning area must developed under the same overlay in order to prevent potentially incompatible uses from locating adjacent to one another.

5.4.1 SINGLE-FAMILY RESIDENTIAL (SFR) OVERLAY

Portions of the areas designated as “Open Space/Recreation” (approximately three acres), as well as all areas designated as “Elementary School,” “Elementary/Middle School,” and “Open Space/Joint-Use” (approximately 41 acres) shall be overlain by a “Single-Family Residential Overlay” as depicted in Figure 3-1, Land Use Plan. This residential overlay district allows for the development of single-family residential homes at densities ranging from 2 to 14 du/ac; provided, however, that a Site Plan and Tentative Tract Map shall be submitted to the City for review and approval by the Planning Commission. Removal of open space and recreational areas and replacing them with homes will result in a need for a proportional increase in the amount of open space to be provided for those residences and/or payment of fees or combination thereof. In no event shall the dwelling unit cap of 8,407 dwelling units be exceeded in the Specific Plan area. In addition, the gross density for the entire Specific Plan area shall not exceed 3.5 du/ac.

The uses permitted by right in the “Single-Family Residential Overlay” include the following (see Table 5-1 for additional permitted uses):

- Residential, single-family detached and attached (2 to 14 du/ac)
- Model homes
- Sales and leasing offices and trailers
- Nursing homes and convalescent facilities
- Independent living and assisted living residential facilities
- Home occupations

If an area overlain by the “Single-Family Residential Overlay” is developed with residential uses, then the development standards of the SFR-1 zone, SFR-2 zone, or SFR-3 zone shall apply, as follows: (1) for developments with residential densities of 2 to 5 du/ac, the SFR-1 zone development standards shall apply (see Table 5-2, Summary Development Standards for SFR-1 Zone); (2) for developments with residential densities of 5 to 8 du/ac, the SFR-2 zone development standards shall apply (see Table 5-3, Summary Development Standards for SFR-2 Zone); and (3) for developments with residential densities of 8 to 14 du/ac, the SFR-3 zone development standards shall apply (see Tables 5-4 to 5-6, Summary Development Standards for SFR-3 Zone).

5.4.2 HIGH DENSITY RESIDENTIAL (HDR) OVERLAY

This overlay will include only high density residential products such as, but not limited to, condominiums, stacked flats, podium units, and apartments with densities ranging from 25 to 35 du/ac. See Table 5-1 for permitted uses for the High Density Residential Overlay (listed under the High Density Residential Zone). The development standards in Table 5-7, Summary Development Standards for MFR Zone, shall apply to all areas being developed under the High Density Residential Overlay with the following differences:

- 1) The density range in all HDR Overlay areas shall be 25 to 35 dwelling units per acre; and
- 2) The maximum building height in all HDR Overlay areas shall not exceed 55 feet.

In no event shall the dwelling unit cap of 8,407 dwelling units be exceeded in the Specific Plan area. In addition, the gross density for the entire Specific Plan area shall not exceed 3.5 du/ac.

The High Density Residential Overlay applies to Planning Areas 89, 90 and 91. A Site Plan and Tentative Tract Map shall be submitted to the City for review and approval by the Planning Commission for any planning area seeking to implement the High Density Residential Overlay.

5.5 PERMITTED USES

This section of the Specific Plan document sets forth the uses permitted in each zone within the Lytle Creek Ranch Specific Plan area. The permitted uses listed below in Table 5-1, below, are grouped into the following categories of uses:

- Accessory Uses and Structures
- Places of Assembly
- Automotive and Vehicle Uses
- Dining, Drinking, and Entertainment
- General Services
- Industrial and Research Uses
- Office Uses and Health Services
- Public and Semi-Public Uses
- Recreation Uses
- Retail Uses
- Residential, Lodging, and Child Care Uses
- Temporary Uses
- Warehousing and Commercial Uses
- Other Uses

TABLE 5-1
PERMITTED USES

Note: For permitted, conditional, accessory, interim, and prohibited land uses within the High Density Residential (HDR) Overlay, please refer to the HDR Zone in the table below.

P = Permitted Use A = Accessory Use (Use is Permitted as an Accessory Use Only; No Permit Required) C = Conditional Development Permit Required T = Temporary Use Permit Required I = Interim Use X = Prohibited Use	ZONES									OVERLAY
LAND USE	SFR-1	SFR-2	SFR-3	MFR	HDR	VC	OS/R*	OS/JU	OS	SFR Overlay
ACCESSORY USES AND STRUCTURES										
Outdoor vending (such as flower stands, hotdog stands, etc.) ¹	X	X	X	X	X	X	X	X	X	X
Swimming pools and spas as an accessory use	P	P	P	P	P	P	P	P	X	P
Signs for model homes and temporary sales offices	P	P	P	P	P	P	P	P	P	P
Fences and walls	P	P	P	P	P	P	P	P	P	P
Antennas and satellite dishes	A	A	A	A	A	A	A	A	X	A
Reverse vending machines	X	X	X	X	X	A	X	X	X	X
Recycling drop-off bins ¹	X	X	X	X	X	A	X	X	X	X
Incidental products or services for employees or business, such as cafeterias, and business support uses	A	A	A	A	A	A	A	A	X	A
Other accessory uses and structures which are customarily associated with and subordinate to the principal use on the premises and are consistent with the purpose and intent of the zoning district	A	A	A	A	A	A	A	A	A	A
¹ Recycling uses are subject to the requirements of Chapter 18.108 of the Rialto Municipal Code.										
PLACES OF ASSEMBLY USES										
Lodges, union halls, and social clubs	C	C	C	C	C	C	C	C	X	C
Senior citizen centers and senior recreation centers	C	C	C	C	C	P	P	P	X	C
Religious institutions and places of worship (e.g., churches, synagogues, mosques, temples)	C	C	C	C	C	C	C	C	C	C
Mortuaries and funeral homes	C	C	C	C	C	P	X	X	X	C
AUTOMOTIVE AND VEHICLE USES										
Gas and service stations	X	X	X	X	X	C	X	X	X	X
Car washes	X	X	X	X	X	C	X	X	X	X
Auto body repair and painting; major engine and transmission repair; provided, however, that all work must be conducted within an enclosed structure	X	X	X	X	X	C	X	X	X	X
Auto repair specialty shops as a primary use: providing minor auto maintenance: tire sales/service, muffler, brake, lube and tune-up services—not including major engine or drivetrain	X	X	X	X	X	P	X	X	X	X

P = Permitted Use A = Accessory Use (Use is Permitted as an Accessory Use Only; No Permit Required) C = Conditional Development Permit Required T = Temporary Use Permit Required I = Interim Use X = Prohibited Use	ZONES									OVERLAY
	SFR-1	SFR-2	SFR-3	MFR	HDR	VC	OS/R*	OS/JU	OS	SFR Overlay
repair; provided, however, that all work must be conducted within an enclosed structure										
Auto repair specialty shops same as above, but as an accessory use, subordinate to a primary use such as a discount store, warehouse store, or other permitted primary use; provided, however, that all work must be conducted within an enclosed structure	X	X	X	X	P	P	X	X	X	X
Auto and motorcycle sales and rentals; new/used	X	X	X	X	X	P	X	X	X	X
Recreational vehicle and boat storage	X	X	X	C	X	C	C	C	X	X
Truck, recreation vehicle, and boat sales and rentals	X	X	X	X	X	P	X	X	X	X
Truck and/or equipment rentals	X	X	X	X	X	X	X	X	X	X
Auto part stores (retail only)	X	X	X	X	X	P	X	X	X	X
Auto or truck storage yards, not including dismantling	X	X	X	X	X	X	X	X	X	X
Park and ride lots	C	C	C	P	P	P	P	P	X	C
DINING, DRINKING, AND ENTERTAINMENT										
Restaurants with outdoor seating not permitted	X	X	X	P	P	P	P	P	X	X
Restaurants with outdoor seating permitted	X	X	X	P	P	P	P	P	X	X
Restaurants, fast food (drive-thrus not permitted)	X	X	X	P	P	P	P	P	X	X
Restaurants, fast food (drive-thrus permitted)	X	X	X	X	X	C	C	C	X	X
Bars, taverns and cocktail lounges	X	X	X	X	X	P	P	P	X	X
Dancing or live entertainment as a principal use (subject to the requirements of the Rialto Municipal Code Entertainment Ordinance)	X	X	X	X	X	C	C	C	X	X
Dancing or live entertainment as an accessory use. An accessory use shall not consist of more than 25% of the facility.	X	X	X	X	X	P	P	P	X	X
Skating rinks, ice or roller	X	X	X	X	X	P	P	P	X	X
Theaters, live or motion picture	X	X	X	X	X	P	X	X	X	X
GENERAL SERVICES										
Barber shops, beauty, nail and tanning salons and similar uses	X	X	X	P	P	P	X	X	X	X
Miscellaneous services such as travel services, photo developing, videotape rentals, shoe repair, small household appliance repair (e.g., toasters, vacuum cleaners, etc.), and similar uses	X	X	X	P	P	P	X	X	X	X

P = Permitted Use A = Accessory Use (Use is Permitted as an Accessory Use Only; No Permit Required) C = Conditional Development Permit Required T = Temporary Use Permit Required I = Interim Use X = Prohibited Use	ZONES									OVERLAY
LAND USE	SFR-1	SFR-2	SFR-3	MFR	HDR	VC	OS/R*	OS/JU	OS	SFR Overlay
Laundromats and dry cleaners—except central cleaning plants	X	X	X	C	C	C	X	X	X	X
Printing, blueprinting and copy services	X	X	X	P	P	P	X	X	X	X
Postal annex, private	X	X	X	P	P	P	X	X	X	X
Pet grooming—without overnight boarding	X	X	X	X	X	P	X	X	X	X
Telecommuting centers	X	X	X	P	P	P	X	X	X	X
Tutorial services and learning centers	X	X	X	P	P	P	X	X	X	X
INDUSTRIAL AND RESEARCH USES										
Manufacture and assembly of components or finished products from materials such as cloth, fiber, fur, glass, leather, stone, paper (except milling), plastics, metal and wood	X	X	X	X	X	C	X	X	X	X
Research and development; provided, however, that such uses must occur entirely within an enclosed building	X	X	X	X	X	P	X	X	X	X
Recording studios; provided, however, that such uses must occur entirely within an enclosed building	X	X	X	X	X	C	X	X	X	X
Bottling plants	X	X	X	X	X	C	X	X	X	X
Welding, machine, and metal plating shops	X	X	X	X	X	C	X	X	X	X
Recycling centers as a principal use, collection and sorting only	X	X	X	X	X	X	X	X	X	X
Off-site hazardous waste facilities	X	X	X	X	X	X	X	X	X	X
OFFICE USES AND HEALTH SERVICES										
Banks and savings & loans	X	X	X	X	X	P	X	X	X	X
General and professional offices	X	X	X	X	X	P	X	X	X	X
Employment agencies	X	X	X	X	X	P	X	X	X	X
Medical, practitioner, and dental offices and out-patient surgery centers ¹	X	X	X	X	X	P	X	X	X	X
Hospitals and convalescent hospitals	X	X	X	X	X	P	X	X	X	X
Veterinary clinics/animal hospitals, without pet boarding	X	X	X	X	X	P	X	X	X	X
Veterinary clinics/animal hospitals, with pet boarding (indoor only)	X	X	X	X	X	P	X	X	X	X
¹ Offices for physicians, dentists, optometrists, chiropractors, physical therapists, and similar practitioners, including outpatient surgery centers.										
PUBLIC AND SEMI-PUBLIC USES										
Fire stations	P	P	P	P	P	P	P	P	X	P
Police stations and substations	P	P	P	P	P	P	P	P	X	P

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	LAND USE	SFR-1	SFR-2	SFR-3	MFR	HDR	VC	OS/R*	OS/JU	OS	SFR Overlay
Government offices	X	X	X	X	X	X	P	X	X	X	X
United States post office	X	X	X	X	X	X	P	X	X	X	X
Public utility facilities	P	P	P	P	P	P	P	P	P	P	P
Public flood control facilities and devices	P	P	P	P	P	P	P	P	P	P	P
College and university classrooms and offices in an enclosed building (excludes college and university campuses)	X	X	X	X	X	X	P	X	X	X	X
College and university primary and satellite campuses	X	X	X	X	X	X	C	X	X	X	X
Vocational schools (e.g., barber, beauty, and similar)	X	X	X	X	X	X	P	X	X	X	X
Bus and taxi stations	C	C	C	C	C	C	C	X	X	X	C
Helicopter pads	X	X	X	X	X	X	C	X	X	X	X
Private schools affiliated with a place of worship	C	C	C	C	C	C	C	C	C	X	C
Private schools and academies	C	C	C	C	C	C	C	X	X	X	C
Public schools (e.g., elementary, intermediate, middle, junior, and high schools)	P	P	P	P	P	P	P	X	X	X	P
Public or private kennels and animal shelters (with indoor or outdoor pet boarding)	X	X	X	X	X	X	X	X	X	X	X
RECREATION USES											
Bowling alleys and pool or billiard halls as a principal use	X	C	C	C	C	C	P	P	P	X	C
Pool or billiard tables as an accessory use comprising 25% or less of the facility	P	P	P	P	P	P	P	P	P	X	P
Game machine arcades as a principal use	C	C	C	C	C	C	C	C	C	X	C
Game machines as an accessory use comprising 25% or less of the facility	P	P	P	P	P	P	P	P	P	X	P
Tennis clubs, golf courses, and similar recreation uses, lighted or unlighted	P	P	P	P	P	P	P	P	P	X	P
Outdoor commercial recreation centers and uses, including such facilities as miniature golf, go-karts, bumper boats, batting cages, kiddie rides, rock climbing, and similar attractions, lighted or unlighted (applies to mixed-use areas containing residential uses only)	X	X	X	X	X	X	C	C	C	X	X
Outdoor commercial recreation centers and uses, including such facilities as miniature golf, go-karts, bumper boats, batting cages, kiddie rides, rock climbing, and similar attractions, lighted or unlighted (applies to mixed-use areas consisting of industrial and/or retail uses only; residential uses	X	X	X	X	X	X	P	P	P	X	X

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	LAND USE	SFR-1	SFR-2	SFR-3	MFR	HDR	VC	OS/R*	OS/JU	OS	SFR Overlay
are prohibited)											
Outdoor commercial roller hockey, skateboard, and “stunt” bike facilities, lighted or unlighted	X	C	C	C	C	C	C	C	C	X	C
Indoor commercial recreation centers and uses; roller hockey; and other facilities: with same types of facilities as “Outdoor” above	X	P	P	P	P	P	P	P	P	X	P
Health clubs, martial arts studios, and dance studios, under 10,000 sq.ft. floor area	P	P	P	P	P	P	P	P	P	X	P
Health clubs, martial arts studios, and dance studios, over 10,000 sq.ft. floor area	C	C	C	C	C	C	P	P	P	X	C
Libraries and museums	P	P	P	P	P	P	P	P	P	X	P
Cultural centers and performing arts centers	X	X	X	X	X	X	P	P	P	X	X
Parks, paseos, greenbelts and playgrounds	P	P	P	P	P	P	P	P	P	C	P
Sports fields and turf play areas	P	P	P	P	P	P	P	P	P	C	P
Open space	P	P	P	P	P	P	P	P	P	P	P
Bicycle, equestrian, multi-purpose and hiking trails	P	P	P	P	P	P	P	P	P	P	P
Equestrian centers, rings and stables (non-commercial)	P	X	X	X	X	X	X	P	P	X	X
Equestrian centers, rings and stables (commercial)	C	X	X	X	X	X	X	P	P	C	X
Private swim schools	P	P	P	P	P	P	P	P	P	X	P
Swimming pools as a principle use	P	P	P	P	P	P	P	P	P	X	P
Indoor pistol or rifle ranges	X	X	X	X	X	X	X	X	X	X	X
RETAIL USES											
Retail stores ¹	X	X	X	X	X	X	P	X	X	X	X
Convenience stores (under 15,000 sq. ft. in size)	X	X	X	X	X	X	C	X	X	X	X
Convenience stores (15,000 sq. ft. or larger in size)	X	X	X	X	X	X	P	X	X	X	X
Liquor stores ² —with no consumption of alcohol on the premises	X	X	X	X	X	X	C	X	X	X	X
Garden supply stores and retail plant nurseries	X	X	X	X	X	X	P	C	C	X	X
Plant nurseries used only for the propagating and cultivating of plants, truck gardening, tree farming and field crops (including wholesale sales and excepting retail sales)	I	I	I	I	I	I	I	I	I	X	I
Showroom – catalog stores, without substantial on-site inventory	X	X	X	X	X	X	P	X	X	X	X
¹ Such as supermarkets, warehouse stores, stores selling apparel, furniture, appliances, hardware, building materials (except lumber yards), and similar stores selling merchandise to the general public. Allows retail stores to be open up to 24											

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	LAND USE	SFR-1	SFR-2	SFR-3	MFR	HDR	VC	OS/R*	OS/JU	OS	SFR Overlay
hrs./day. Discount stores are not included as they are subject to a Conditional Development Permit.											
² Defined as retail stores selling primarily beer, wine, distilled spirits, and other beverages, plus some food items, all for off-site consumption.											
RESIDENTIAL, LODGING, AND CHILD CARE USES											
Small child day care facilities, centers and preschools as an accessory use (6 or fewer persons)	A	A	A	A	A	A	A	A	X		A
Large child day care facilities, centers and pre-schools as a principal use (more than 6 persons)	C	C	C	P	P	P	P	P	X		C
Residential, single-family detached	P	P	P	P	P	X	X	X	X		P
Residential, attached (14 dwelling units or fewer per net acre)	X	P	P	P	P	P	X	X	X		P
Residential, multi-family (14 to 28 dwelling units per net acre) ¹	X	X	X	P	P	P	X	X	X		X
¹ Rental housing in Lytle Creek Ranch ranging from 14 to 28 du/ac shall be permitted in all multi-family residential (MFR) planning areas by right. No Conditional Development Permit (CDP) shall be required.											
Residential (25 to 35 dwellings units per net acre) ²	X	X	X	X	P	P	X	X	X		X
² Rental housing in Lytle Creek Ranch ranging from 25 to 35 du/ac shall be permitted in all High Density Residential (HDR) planning areas by right. No Conditional Development Permit (CDP) shall be required.											
Private greenhouses and horticultural collections	A	A	A	A	A	A	A	A	X		A
Attached and detached guest houses and second living units on the same lot as a primary residence; provided, however that a building permit is obtained from the City	P	X	X	X	X	X	X	X	X		X
Home occupations ³	P	P	P	P	P	P	X	X	X		P
³ Home occupations, subject to review and approval in accordance with the provisions set forth in Chapter 5.68 of the Rialto Municipal Code; provided, such uses fully comply with the regulations set forth in Chapter 5.68 of the Municipal Code and any other additional conditions imposed upon the home occupation permit by the Director of Development Services or the Planning Commission.											
Single room occupancy (SRO) hotels	X	X	X	X	X	X	X	X	X		X
Model homes	P	P	P	P	P	P	P	P	X		P
Sales and leasing offices and trailers	P	P	P	P	P	P	P	P	X		P
Emergency shelters	X	X	X	X	X	X	X	X	X		X
Transitional shelters	X	X	X	X	X	X	X	X	X		X
Hotels and motels	X	X	X	X	X	P	X	X	X		X
Nursing homes and convalescent facilities	P	P	P	P	P	P	X	X	X		P
Independent living and assisted living residential facilities	P	P	P	P	P	P	X	X	X		P
Caretaker residences	X	X	X	X	X	X	X	X	X		X
TEMPORARY USES (City Application Required)											
Christmas tree sales	T	T	T	T	T	T	X	X	X		T
Halloween pumpkin sales	T	T	T	T	T	T	X	X	X		T
Farmers' markets	X	X	X	X	X	T	T	T	X		X
Outdoor fireworks displays	T	T	T	T	T	T	T	T	X		T
Outdoor concerts	T	T	T	T	T	T	T	T	X		T

P = Permitted Use A = Accessory Use (Use is Permitted as an Accessory Use Only; No Permit Required) C = Conditional Development Permit Required T = Temporary Use Permit Required I = Interim Use X = Prohibited Use	ZONES									OVERLAY
LAND USE	SFR-1	SFR-2	SFR-3	MFR	HDR	VC	OS/R*	OS/JU	OS	SFR Overlay
Sidewalk sales ¹	T	T	T	T	T	T	T	T	X	T
Swap meets	X	X	X	X	X	X	X	X	X	X
Fairs, street fairs, carnivals, and circuses	T	T	T	T	T	T	T	T	X	T
¹ Provided the public right-of-way and access areas are not impeded.										
WAREHOUSING, STORAGE, AND COMMERCIAL USES										
Wholesaling/distribution centers, with no sales to consumers	X	X	X	X	X	C	X	X	X	X
General warehouses, with no sales to consumers	X	X	X	X	X	C	X	X	X	X
Mini-storage warehouses and self storage	X	X	X	X	X	C	X	X	X	X
Lumber yards, outdoor (see retail stores for indoor lumber sales)	X	X	X	X	X	C	X	X	X	X
Pest control services	X	X	X	X	X	C	X	X	X	X
Tile manufacturing and sales	X	X	X	X	X	C / P ²	X	X	X	X
Contractor and similar equipment yards	X	X	X	I	I	I	X	X	X	X
Central cleaning or laundry plants	X	X	X	X	X	C	X	X	X	X
² Permitted by right in Planning Area 78 only.										
OTHER USES										
Adult businesses	X	X	X	X	X	X	X	X	X	X
Fortune telling and palmistry	X	X	X	X	X	X	X	X	X	X
Solar (photovoltaic) panels in conjunction with a primary or accessory building (must be roof mounted)	A	A	A	A	A	A	A	A	X	A
Tattoo parlor	X	X	X	X	X	X	X	X	X	X
Use of relocatable building (in conjunction with a permitted, conditionally permitted, or interim use or as an accessory use)	I	I	I	I	I	I	I	I	X	I
Construction trailers and guard offices	I	I	I	I	I	I	I	I	I	I
Other principal, accessory or temporary use not listed above	C	C	C	C	C	C	C	C	C	C

*Applies to both the “Open Space/Recreation” and “Open Space/Joint-Use” Zoning Categories.

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5.6 DEVELOPMENT STANDARDS

5.6.1 SINGLE-FAMILY RESIDENTIAL ONE (SFR-1)

The following development standards shall apply in the Single-Family Residential One (SFR-1) in all neighborhoods (i.e., Neighborhoods I, II, III, and IV). Table 5-2 contains the SFR-1 development standards.

**TABLE 5-2
SUMMARY DEVELOPMENT STANDARDS FOR SFR-1
(SINGLE-FAMILY RESIDENTIAL ONE) ZONE**

Residential Development Standards	SFR-1
Minimum development area	3 acres
Minimum lot area per dwelling unit	5,500 sf
Minimum average lot area per dwelling unit	6,000 sf
Maximum dwelling units per net acre	5 du/ac
LOT DIMENSIONS	
Minimum lot width	50 feet
Minimum lot width for a flag lot, cul-de-sac, or knuckle at front property line (flag lots permitted for detached dwellings only)	25 feet
Minimum lot depth	90 feet
MAXIMUM LOT COVERAGE	60%
SETBACKS	
Minimum front yard (to main building façade)	10 feet
Minimum front yard (to front porch or deck)	10 feet
Minimum garage front yard setback	18 feet from back of sidewalk
Minimum side-entry garage setback	10 feet
Minimum corner side yard	10 feet*
Minimum interior side yard	5 feet*
Minimum rear yard	15 feet (useable space)
MAXIMUM HEIGHT	3 stories, not to exceed 40 feet in height
MINIMUM DWELLING UNIT SIZE	1,600 sf

*Ground level architectural encroachments shall not be permitted into the required side yards with the exception of roofs, eaves, cornices and other similar features located above the first floor, which may encroach into the side yards a maximum of two (2) feet.

- A. The City's Development Review Committee (DRC) may approve modifications to these standards up to 15 percent for innovative and quality designs that meet the intent of the provisions of this Specific Plan, excepting modifications to minimum lot size, lot dimensions, and garage setback requirements, which may not be reduced.
- B. Parking. A minimum of two (2) enclosed spaces shall be provided per unit/lot. Side-entry and tandem garages shall be permitted. Enclosures shall comply with all yard requirements. For second units, one additional off-street parking space shall be provided; parking space may be uncovered.

C. Fences and walls. Fences and walls shall be permitted within the front, side, and rear yard setback areas, except as provided below:

1. Fences may not be erected within either public or private street rights-of-way.
2. Wherever fencing is visible from public view, the finished side of the fencing shall be exposed to public view.
3. No fence or wall shall exceed six (6) feet in height, unless a higher wall is specifically required for sound attenuation purposes. The height of the fence or wall shall be measured from the highest ground level immediately adjacent to the base of the wall.
4. In instances where a side or rear yard fence or wall is located adjacent to a public right-of-way, then the minimum fence height shall be six (6) feet as measured on the public right-of-way side.
5. Privacy walls, if provided in side and rear yards, shall be a minimum of five and one-half (5½) feet in height.
6. In front yard setback areas, solid fences and walls shall not exceed 42 inches in height. Pilasters and columns may be provided up to six (6) feet in height.
7. All pool enclosure fencing shall conform to applicable State of California or City of Rialto pool code fencing requirements, whichever is more stringent.

5.6.2 SINGLE-FAMILY RESIDENTIAL TWO (SFR-2)

The following development standards shall apply in the Single-Family Residential Two (SFR-2) in all neighborhoods (i.e., Neighborhoods I, II, III, and IV). Table 5-3 contains the SFR-2 development standards. Exhibits 5-1a to 5-1c depict typical product types permitted in the SFR-2 zone. Additional products types are permitted in the SFR-2 zone provided the maximum density does not exceed 8 dwelling units per acre.

**TABLE 5-3
SUMMARY DEVELOPMENT STANDARDS FOR SFR-2
(SINGLE-FAMILY RESIDENTIAL TWO) ZONE
(APPLIES TO BOTH ACTIVE & NON-ACTIVE ADULT HOUSING)**

Residential Development Standards	SFR-2 Single-Family Detached (Except Motorcourts, Garden Courts and Alley Loaded Detached)	Motorcourt And Garden Court Homes	SFR-2 Alley Loaded Detached
Minimum development area	3 acres	3 acres	3 acres
Minimum lot area per dwelling unit	3,750 sf	3,750 sf	3,750 sf
Maximum dwelling units per net acre	8 du/ac	8 du/ac	8 du/ac
LOT DIMENSIONS			
Minimum lot width	35 feet	30 feet	35 feet
Minimum lot width for a flag lot, cul-de-sac, or knuckle at front property line (flag lots permitted for detached dwellings only)	25 feet	25 feet	25 feet
Minimum lot depth	80 feet	65 feet	80 feet
MAXIMUM LOT COVERAGE	60%	70%	70%
SETBACKS			
Minimum setback from public or private street right-of-way	none required	5 feet	5 feet
Minimum front yard (to porch or main living area)	10 feet	none required	none required
Minimum garage front yard setback	5 feet or less or 18 feet or greater	none required	none required
Minimum side-entry garage setback	10 feet	none required	none required
Minimum garage setback (for alley-loaded garages or motorcourt or garden court homes)	none required	0 feet	0 feet
Minimum corner side yard	10 feet	none required	10 feet
Minimum interior side yard	0 feet*	0 feet	0 feet*
Minimum rear yard	10 feet	none required	none required
MINIMUM SPACING BETWEEN MAIN BUILDINGS	10 feet	10 feet	10 feet
MINIMUM SPACING BETWEEN GARAGES ON ALLEY			
Distance Between Opposite Main Buildings on Alleys with Facing Garages	none required	none required	28 feet
Distance Between Opposite Main Buildings on Alleys without Facing	none required	none required	26 feet

Residential Development Standards	SFR-2 Single-Family Detached (Except Motorcourts, Garden Courts and Alley Loaded Detached)	Motorcourt And Garden Court Homes	SFR-2 Alley Loaded Detached
Garages			
MAXIMUM HEIGHT	3 stories, not to exceed 40 feet in height	3 stories, not to exceed 40 feet in height	3 stories, not to exceed 40 feet in height
MINIMUM PRIVATE YARD AREA	not applicable	100 square feet with a minimum depth of 10 feet	100 square feet with a minimum depth of 10 feet
MINIMUM DWELLING UNIT SIZE	1,000 sf	1,000 sf	1,000 sf

*The minimum interior side yard shall be zero (0) feet; provided, however, that the minimum spacing between primary buildings on adjacent lots is five (5) feet. No ground level architectural encroachments shall be permitted. Roofs, eaves, cornices and other similar features located above the first floor may encroach into the required side yard a maximum of two (2) feet.

- A. The City's Development Review Committee (DRC) may approve modifications to these standards up to 15 percent for innovative and quality designs that meet the intent of the provisions of this Specific Plan, excepting modifications to minimum lot size, lot dimensions, and garage setback requirements, which may not be reduced.
- B. Parking. A minimum of two (2) enclosed spaces shall be provided per unit/lot. Tandem garages shall be permitted as the third enclosed parking space only. Side-entry garages shall not be permitted on lots narrower than 50 feet in width. Enclosures shall comply with all yard requirements.
- C. Fences and walls. Fences and walls shall be permitted within the front, side, and rear yard setback areas, except as provided below:
 1. Fences may not be erected within either public or private street rights-of-way.
 2. Wherever fencing is visible from public view, the finished side of the fencing shall be exposed to public view.
 3. No fence or wall shall exceed six (6) feet in height, unless a higher wall is specifically required for sound attenuation purposes. The height of the fence or wall shall be measured from the highest ground level immediately adjacent to the base of the wall.
 4. In instances where a side or rear yard fence or wall is located adjacent to a public right-of-way, then the minimum fence height shall be six (6) feet as measured on the public right-of-way side.
 5. Privacy walls, if provided in side and rear yards, shall be a minimum of five and one-half (5½) feet in height.

6. In front yard setback areas, solid fences and walls shall not exceed 42 inches in height. Pilasters and columns may be provided up to six (6) feet in height.
7. All pool enclosure fencing shall conform to applicable State of California or City of Rialto pool code fencing requirements, whichever is more stringent.

Alley Loaded Detached

Land Use: Single-Family Residential 2
Type: Single-Family Detached
Density: 5-8 du/ac

Typical Building Plotting

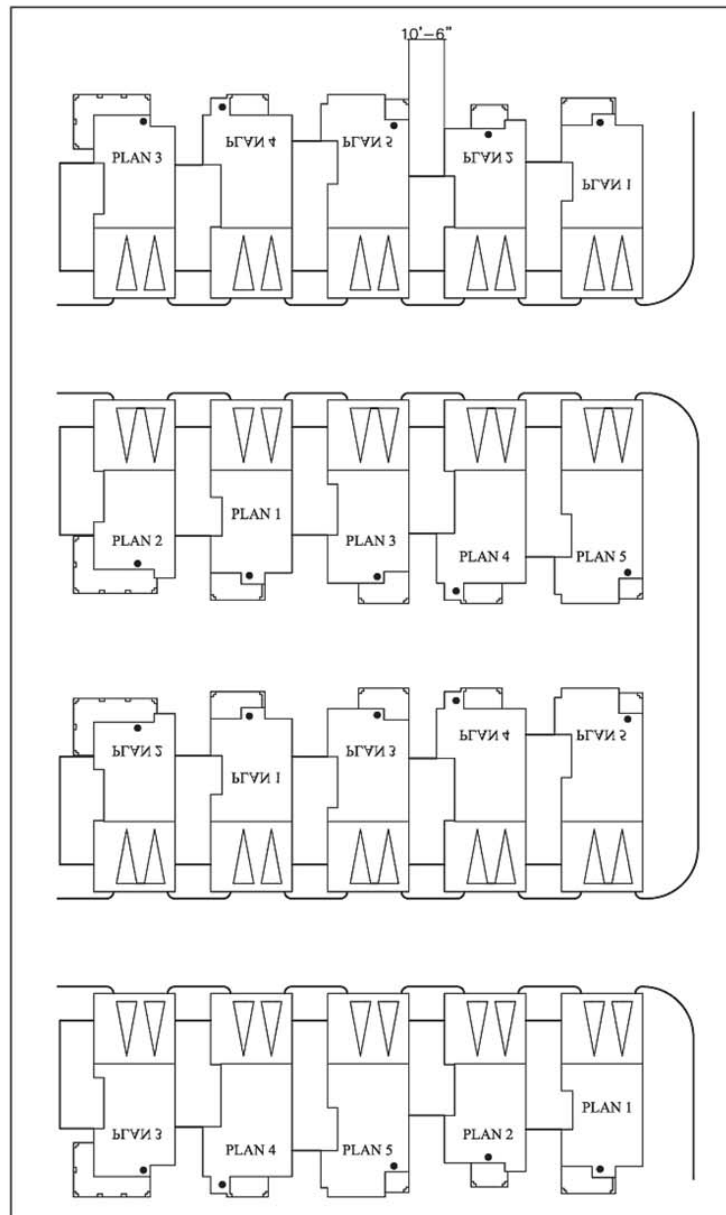


Figure 5-1a
Typical Alley Loaded Detached

Garden Court Detached

Land Use: Single-Family Residential 2

Type: Single-Family Detached

Density: 5-8 du/ac

Typical Building Plotting

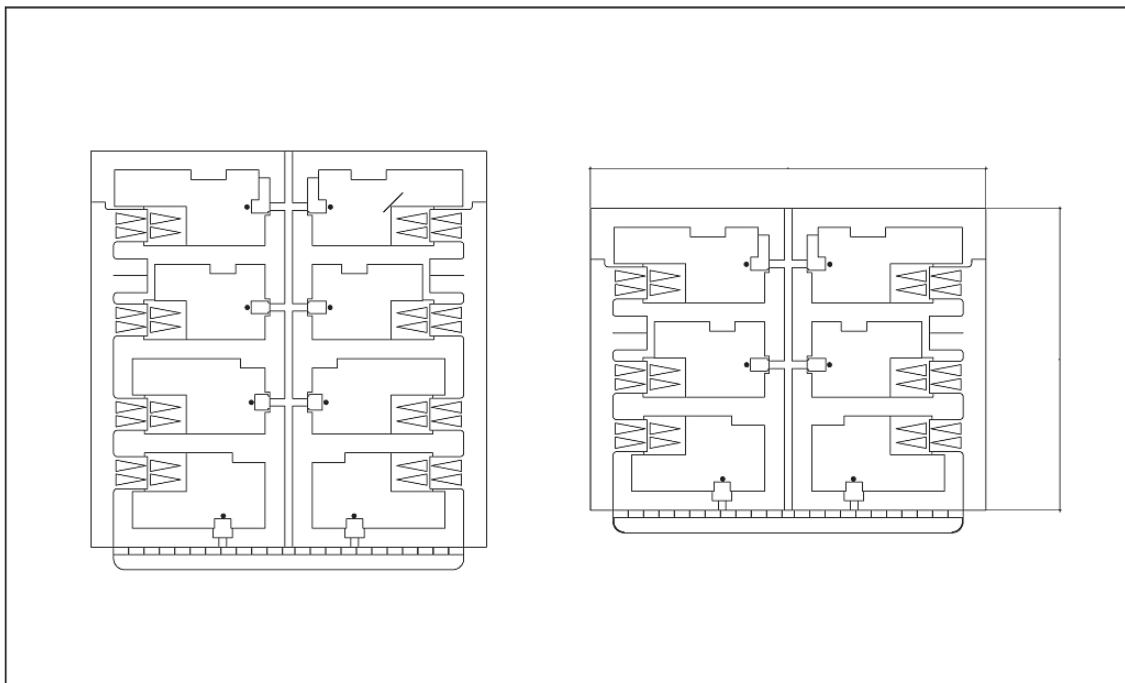


Figure 5-1b
Typical Garden Court Detached

Motor Courts

Land Use: Single-Family Residential 2
Type: Single-Family Detached
Density: 5-8 du/ac

Typical Building Plotting

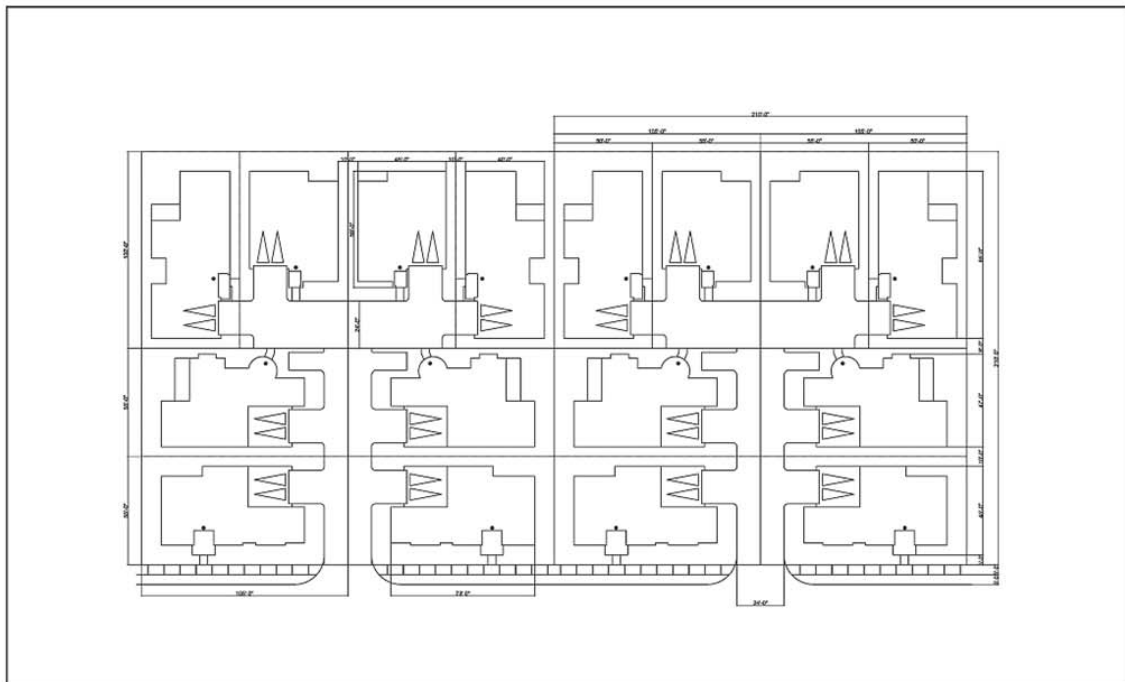


Figure 5-1c
Typical Motor Courts

5.6.3 SINGLE-FAMILY RESIDENTIAL THREE (SFR-3) – NEIGHBORHOODS I, III & IV

Development in this zone will consist of various type of detached and attached products including zero lot line housing. The following development standards shall apply in the Single-Family Residential Three (SFR-3) zones in Neighborhoods I, III, and IV. Tables 5-4 and 5-5 contain the SFR-3 development standards for Neighborhoods I, III, and IV. Exhibits 5-2a to 5-2d depict the typical product types permitted in the SFR-3 zone. Additional products types are permitted in the SFR-3 zone provided the maximum density does not exceed 14 dwelling units per acre.

**TABLE 5-4
SUMMARY DEVELOPMENT STANDARDS FOR SFR-3
(SINGLE-FAMILY RESIDENTIAL THREE) ZONE – NEIGHBORHOODS I, III & IV**

Residential Development Standards	SFR-3 Single-Family Detached	SFR-3 Alley Loaded Detached or Reverse Cluster Home*
Minimum development area	3 acres	3 acres
Minimum lot area per dwelling unit	2,000 sf	2,000 sf
Maximum dwelling units per net acre	14 du/ac	14 du/ac
LOT DIMENSIONS		
Minimum lot width	30 feet	30 feet
Minimum lot width for a flag lot, cul-de-sac, or knuckle at front property line (flag lots permitted for detached dwellings only)	25 feet	not applicable
Minimum lot depth	65 feet	65 feet
MAXIMUM BUILDING COVERAGE	80%	80%
SETBACKS		
Minimum front yard (to main building façade)	10 feet	5 feet
Minimum garage front yard setback	5 feet or less, or 18 feet or greater	not applicable
Minimum garage rear yard setback (for alley-loaded products)	not applicable	not applicable
Minimum corner side yard	5 feet**	5 feet**
Minimum interior side yard	5 feet / 0 feet ***	5 feet / 0 feet **
Minimum rear yard	none required	none required
MINIMUM SPACING BETWEEN MAIN BUILDINGS	5 feet	5 feet
MINIMUM PRIVATE OUTDOOR SPACE REQUIRED	100 sf on the ground floor; 60 sf above ground floor with a minimum width of 6 feet	100 sf on the ground floor; 60 sf above ground floor with a minimum width of 6 feet
MAXIMUM HEIGHT	3 stories, not to exceed 45 feet in height	3 stories, not to exceed 45 feet in height
MINIMUM DWELLING UNIT SIZE	1,000 sf	1,000 sf

*A reverse cluster home development includes units with garages oriented to both streets and alleys.

**For corner lots, the minimum interior side yard shall be zero (0). No ground level encroachments are permitted. Roofs, eaves, cornices and other similar features located above the first floor may encroach into the required corner side yard a maximum of two (2) feet; provided, however that the side yard is no less than five (5) feet in width.

***The minimum interior side yard shall be five (5) on one side and zero (0) feet on the other side; provided, however, that the minimum spacing between primary buildings on adjacent lots is no closer than five (5) feet. No ground level encroachments are permitted. Roofs, eaves, cornices and other similar features located above the first floor may encroach into the required side yard a maximum of two (2) feet.

TABLE 5-5
SUMMARY DEVELOPMENT STANDARDS FOR SFR-3
(SINGLE-FAMILY RESIDENTIAL THREE) ZONE – NEIGHBORHOODS I, III & IV

Residential Development Standards	SFR-3 Duplexes or Triplexes	SFR-3 Attached (Excluding Duplexes & Triplexes)
Minimum developable area	3 acres	3 acres
Minimum lot area	not applicable	not applicable
Maximum dwelling units per net acre	14 du/ac	14 du/ac
LOT DIMENSIONS		
Minimum lot width	85 feet	100 feet
Minimum lot width for a cul-de-sac, or knuckle at front property line	25 feet	none permitted
Minimum lot depth	90 feet	not applicable
MAXIMUM BUILDING COVERAGE		
	80%	75%
SETBACKS		
Minimum yard adjacent to street right-of-way (to main living area)	5 feet	10 feet
Minimum yard adjacent to street right-of-way (to front porch or deck)	0 feet	5 feet
Minimum garage setback	5 feet or less or 18 feet minimum from curb	not applicable
Minimum garage rear yard setback (for alley-loaded products)	not applicable	not applicable
Minimum corner side yard	5 feet*	not applicable
Minimum interior side yard	0 feet**	not applicable
Minimum rear yard	0 feet	not applicable
MINIMUM PRIVATE OUTDOOR SPACE REQUIRED	100 sf on the ground floor; 60 sf above ground floor with a minimum width of 6 feet	100 sf on the ground floor; 60 sf above ground floor with a minimum width of 6 feet
MINIMUM BUILDING SPACING		
Minimum Spacing Between Main Buildings	10 feet	10 feet
Buildings Built with Front Entry to Front Entry	not applicable	20 feet
Building Side to Building Side	not applicable	10 feet
Buildings Built with Front Entry to Rear Entry	not applicable	20 feet
Buildings Built with Front Entry to Building Side	not applicable	20 feet***
Buildings Built with Rear Entry to Rear Entry	not applicable	20 feet
Minimum Distance Between Main and Accessory Buildings	10 feet	10 feet
MINIMUM SPACING BETWEEN GARAGES ON ALLEY		
Distance Between Opposite Main Buildings on Alleys with	28 feet	28 feet

Residential Development Standards	SFR-3 Duplexes or Triplexes	SFR-3 Attached (Excluding Duplexes & Triplexes)
Facing Garages		
Distance Between Opposite Main Buildings on Alleys without Facing Garages	28 feet	28 feet
MAXIMUM HEIGHT	3 stories, not to exceed 45 feet in height	3 stories, not to exceed 45 feet in height
MINIMUM DWELLING UNIT SIZE	1,000 sf	1,000 sf

*For corner lots, the minimum interior side yard may be zero (0). No ground level encroachments are permitted. Roofs, eaves, cornices and other similar features located above the first floor may encroach into the required corner side yard a maximum of two (2) feet.

**No interior side yard is required.

***Porches and decks on front entry elevations may encroach up to 10 feet into required 20 foot spacing between buildings.

- A. The City's Development Review Committee (DRC) may approve modifications to these standards up to 15 percent for innovative and quality designs that meet the intent of the provisions of this Specific Plan, excepting modifications to minimum lot size, lot dimensions, minimum dwelling unit size, and garage setback requirements, which may not be reduced.
- B. Parking. A minimum of two (2) parking spaces shall be provided per unit/lot. At least one (1) of the spaces shall be enclosed in a garage. Tandem garages shall be permitted. Enclosures shall comply with all yard requirements.
- C. Guest parking. One guest parking space shall be provided for every five (5) dwelling units, or portion thereof. On-street parking for guest parking shall be permitted.
- D. Fences and walls. Fences and walls shall be permitted within the front, side, and rear yard setback areas, except as provided below:
 1. Fences may not be erected within either public or private street rights-of-way.
 2. Wherever fencing is visible from public view, the finished side of the fencing shall be exposed to public view.
 3. No fence or wall shall exceed six (6) feet in height, unless a higher wall is specifically required for sound attenuation purposes. The height of the fence or wall shall be measured from the highest ground level immediately adjacent to the base of the wall.
 4. In instances where a side or rear yard fence or wall is located adjacent to a public right-of-way, then the minimum fence height shall be six (6) feet as measured on the public right-of-way side.
 5. Privacy walls, if provided in side and rear yards, shall be a minimum of five and one-half (5½) feet in height.

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6. In front yard setback areas, fences and walls shall not exceed 42 inches in height. Pilasters and columns may be provided up to six (6) feet in height.
7. All pool enclosure fencing shall conform to applicable State of California or City of Rialto pool code fencing requirements, whichever is more stringent.

Reverse Cluster

Land Use: Single-Family Residential 3
Type: Single-Family Detached
Density: 8-14 du/ac

Typical Building Plotting

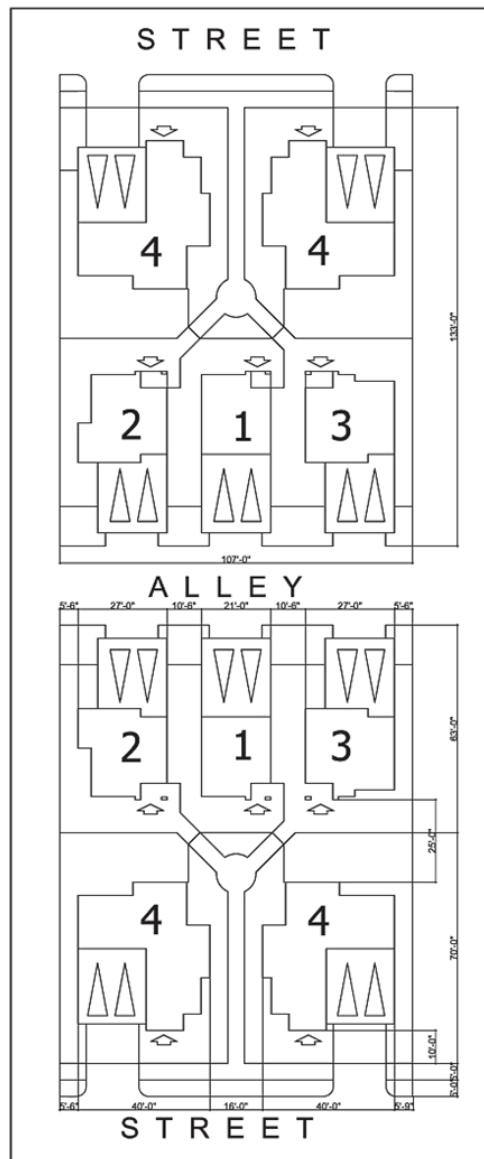


Figure 5-2a
Typical Reversed Cluster

Duplexes

Land Use: Single-Family Residential 3
Type: Single-Family Attached
Density: 8-14 du/ac

Typical Building Plotting

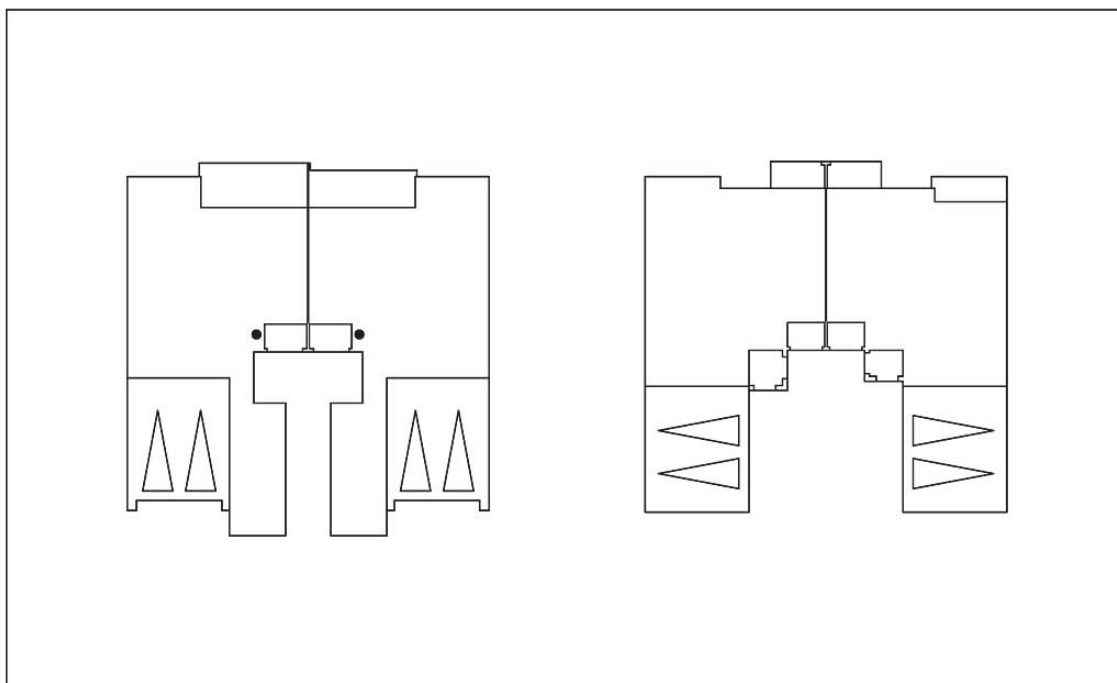
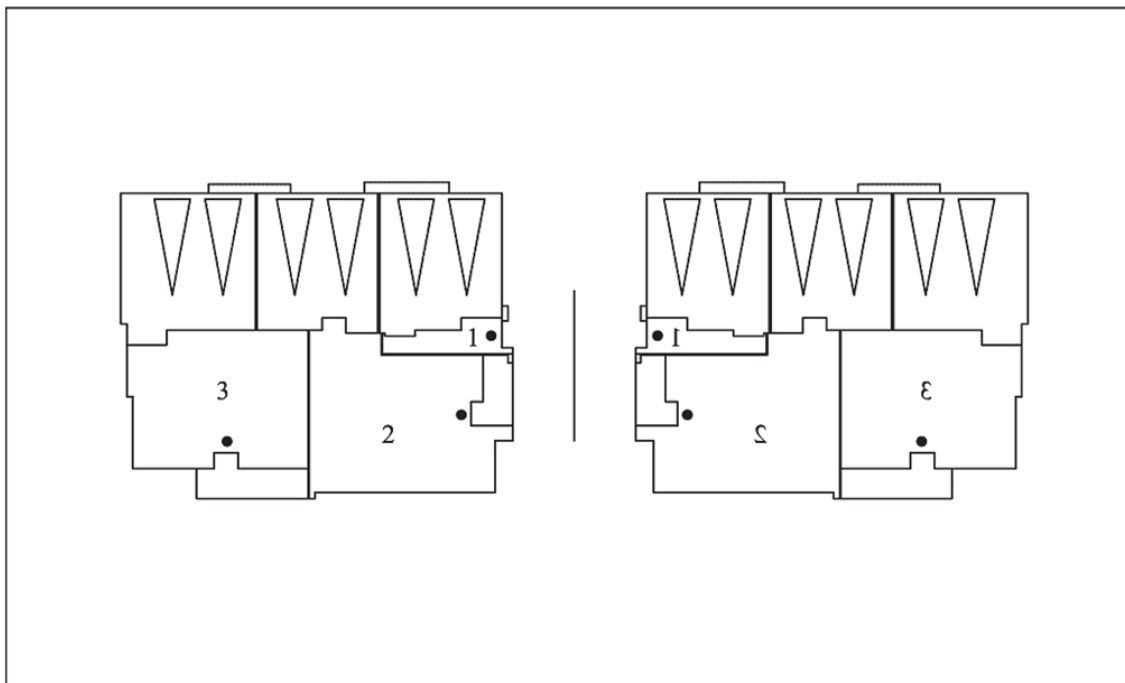


Figure 5-2b
Typical Duplexes

Manor Homes

Land Use: Single-Family Residential 3
Type: Single-Family Attached
Density: 8-14 du/ac

Typical Building Plotting



Flats

Land Use: Single-Family Residential 3
Type: Single-Family Attached
Density: 8-14 du/ac

Typical Building Plotting

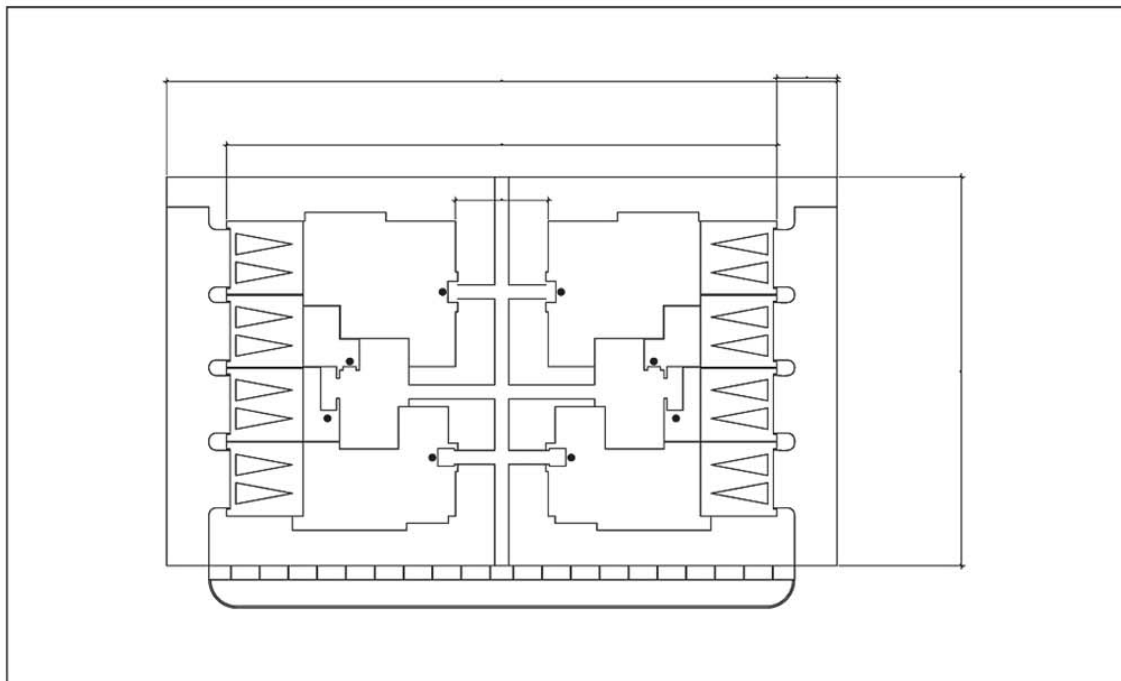


Figure 5-2d
Typical Flats

5.6.4 SINGLE-FAMILY RESIDENTIAL THREE (SFR-3) – NEIGHBORHOOD II ONLY

Development in this zone will consist of various types of detached and attached products including zero-lot-line housing. The following development standards shall apply in the Single-Family Residential Three (SFR-3) for Neighborhood II (Active Adult) only. Table 5-6 contains the SFR-3 Active Adult development standards for Active Adult uses. Exhibits 5-2a to 5-2d in this Specific Plan depict the typical product types permitted in the SFR-3 zone for Neighborhood II. Additional products types are permitted in the SFR-3 zone in Neighborhood II provided the maximum density does not exceed 14 dwelling units per acre.

**TABLE 5-6
SUMMARY DEVELOPMENT STANDARDS FOR SFR-3
(SINGLE-FAMILY RESIDENTIAL THREE) ZONE – NEIGHBORHOOD II ONLY**

Residential Development Standards	SFR-3 (Detached)	SFR-3 (Attached)
Minimum size of development area phase	3 acres	3 acres
Maximum dwelling units per net acre	14 du/ac	14 du/ac
LOT DIMENSIONS		
Minimum lot width	30 feet	not applicable
Minimum lot width for a flag lot, cul-de-sac, or knuckle at front property line (flag lots permitted for detached dwellings only)	20 feet	not applicable
Minimum lot depth	65 feet	not applicable
MAXIMUM BUILDING COVERAGE	80%	80%
SETBACKS		
Minimum setback from public or private street right-of-way	5 feet	5 feet
Minimum front yard (to main building façade)	5 feet	not applicable
Minimum garage front yard setback	5 feet or less or greater than 18 feet	not applicable
Minimum garage rear yard setback (for alley-loaded products only)	0 feet	not applicable
Minimum corner side yard	5 feet*	not applicable
Minimum interior side yard	5 feet / 0 feet **	not applicable
Minimum rear yard	not applicable	not applicable
Required Setback Adjacent to Off-site Residential Uses	15 feet	15 feet
MINIMUM BUILDING SPACING		
Minimum Spacing Between Main Buildings	10 feet	not applicable
Buildings Built with Front Entry to Front Entry	not applicable	20 feet
Building Side to Building Side	not applicable	10 feet
Buildings Built with Front Entry to Rear Entry	not applicable	20 feet
Buildings Built with Front Entry to Building Side	not applicable	20 feet***
Buildings Built with Rear Entry to Rear Entry	not applicable	20 feet
Minimum Distance Between Main and Accessory Buildings	not applicable	10 feet
MINIMUM SPACING BETWEEN GARAGES ON ALLEY		
Distance Between Opposite Main Buildings on Alleys with Facing Garages	28 feet	28 feet
Distance Between Opposite Main Buildings on Alleys without Facing Garages	28 feet	28 feet

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Residential Development Standards	SFR-3 (Detached)	SFR-3 (Attached)
MINIMUM PRIVATE OUTDOOR SPACE REQUIRED	100 sf on the ground floor; 60 sf above ground floor with a minimum width of 6 feet	100 sf on the ground floor; 60 sf above ground floor with a minimum width of 6 feet
MAXIMUM HEIGHT	2 stories, not to exceed 30 feet in height	2 stories, not to exceed 30 feet in height
MINIMUM DWELLING UNIT SIZE	1,000 sf	850 sf

*For corner lots, the minimum interior side yard may be zero (0) feet. No ground level encroachments are permitted. Roofs, eaves, cornices and other similar features located above the first floor may encroach into any required corner side yard a maximum of two (2) feet.

**The minimum interior side yard shall be five (5) feet on one side and zero (0) feet on the other side; provided, however, that the minimum spacing between primary buildings on adjacent lots is no closer than five (5) feet. No ground level encroachments are permitted. Roofs, eaves, cornices and other similar features located above the first floor may encroach into the required side yard a maximum of two (2) feet.

***Porches and decks on front entry elevations may encroach up to 10 feet into required 20 foot spacing between buildings.

- A. The City's Development Review Committee (DRC) may approve modifications to these standards up to 15 percent for innovative and quality designs that meet the intent of the provisions of this Specific Plan; provided, however, that lot sizes, lot dimensions, minimum dwelling unit size, and garage setbacks shall not be modified.
- B. Parking. A minimum of one (1) enclosed space shall be provided per unit/lot. One (1) additional space, either enclosed or unenclosed, shall be required per dwelling unit. This additional space may be in a driveway; provided, however, that the driveway extends a minimum of 18 feet from any sidewalk. Enclosures shall comply with all yard requirements. Tandem garages shall be permitted.
- C. Guest parking. One guest parking space shall be provided for every five (5) dwelling units, or portion thereof. On-street parking for guest parking shall be permitted.
- D. Fences and walls. Fences and walls shall be permitted within the front, side, and rear yard setback areas, except as provided below:
 1. Fences may not be erected within either public or private street rights-of-way.
 2. Wherever fencing is visible from public view, the finished side of the fencing shall be exposed to public view.
 3. No fence or wall shall exceed six (6) feet in height, unless a higher wall is specifically required for sound attenuation purposes. The height of the fence or wall shall be measured from the highest ground level immediately adjacent to the base of the wall.

4. In instances where a side or rear yard fence or wall is located adjacent to a public right-of-way, then the minimum fence height shall be six (6) feet as measured on the public right-of-way side.
5. Privacy walls, if provided in side and rear yards, shall be a minimum of five and one-half (5½) feet in height.
6. In front yard setback areas, fences and walls shall not exceed 42 inches in height. Pilasters and columns may be provided up to six (6) feet in height.
7. All pool enclosure fencing shall conform to applicable State of California or City of Rialto pool code fencing requirements, whichever is more stringent.

5.6.5 MULTI-FAMILY RESIDENTIAL (MFR)

The multi-family residential zoning district is intended to provide for the development of attached residential developments. Typical housing types may include, but are not limited to, townhouses, stacked flats, motorcourts, courtyard homes, podium units, and apartments, with a density range of 14 to 28 dwelling units per acre. Table 5-7 provides a listing of the MFR development standards. Exhibits 5-3a to 5-3c depict typical product types permitted in the MFR zone. Additional products types are permitted in the MFR zone provided the maximum density does not exceed 28 dwelling units per acre.

**TABLE 5-7
SUMMARY DEVELOPMENT STANDARDS FOR MFR
(MULTI-FAMILY RESIDENTIAL) ZONE**

Residential Development Standards	MFR
Minimum size of development area phase	2 acres
Maximum number of dwelling units per net acre	28 du/ac
LOT DIMENSIONS	
Minimum lot width at front property line	not applicable
Minimum lot depth	not applicable
MAXIMUM BUILDING COVERAGE	70%
SETBACKS	
Required Setback Adjacent to Local, Collector or Arterial Street	5 feet
Required Setback Adjacent to Off-site Open Space	10 feet
Required Setback Adjacent to Off-site Residential Uses	15 feet
Required Setback Adjacent to Off-site Commercial, Office, or Light Industrial Use	25 feet
MINIMUM PRIVATE OUTDOOR SPACE (required for each dwelling unit)	
Ground Level (patio, deck or porch) – min. 8 foot width & min. 6 foot depth	60 sf
Outdoor Space Above Ground Level (balcony) – min. 6 foot width & min. 4 foot depth (Note: This standard applies to useable balconies only; there are no minimum dimensions for decorative balconies.)	48 sf
LANDSCAPE SETBACK	
Minimum Landscape Setback Adjacent to Local, Collector or Arterial Street	5 feet
Minimum Landscaped Setback When Located Adjacent to Off-site	5 feet

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Residential Development Standards	MFR
Residential Use	
MINIMUM BUILDING SPACING	
Buildings Built with Front Entry to Front Entry	20 feet
Building Side to Building Side	10 feet
Buildings Built with Front Entry to Rear Entry	20 feet
Buildings Built with Front Entry to Building Side	20 feet**
Buildings Built with Rear Entry to Rear Entry	20 feet
Minimum Distance Between Main and Accessory Buildings	10 feet
MINIMUM SPACING BETWEEN GARAGES ON ALLEY	
Distance Between Opposite Main Buildings on Alleys with Facing Garages	28 feet
Distance Between Opposite Main Buildings on Alleys without Facing Garages	28 feet
MINIMUM AVERAGE FLOOR AREA OF EACH DWELLING UNIT	
Bachelor and Studios	550 sf average
One Bedroom	650 sf average
Two Bedroom	850 sf average
Three Bedroom	1000 sf average
Four Bedroom	1200 sf average
MAXIMUM HEIGHT	3 stories, not to exceed 45 feet in height*

*Special architectural features, including, but not limited to, chimneys, towers, domes, cupolas, elevator penthouses, etc. shall be permitted up to 55 feet in height, and shall not exceed 15 percent of the roof area.

**Porches and decks on front entry elevations may encroach up to 10 feet into required 20 foot spacing between buildings.

- A. The City's Development Review Committee (DRC) may approve modifications to these standards up to 15 percent for innovative and quality designs that meet the intent of the provisions of this Specific Plan; provided, however, that lot sizes, lot dimensions, and garage setbacks shall not be modified.
- B. Either centralized laundry facilities, including washers and dryers, shall be installed in one or more central locations within each multi-family complex and hookups to accommodate washers and dryers shall be installed in each dwelling unit, or washers and dryers shall be installed in each unit. The project master developer or builder shall determine which option to implement on a case-by-case basis.
- C. Because this Specific Plan provides substantial public/common open space in proximity to the Multi-Family Residential (MFR) areas on-site in the form of parks, greenbelts, and the Grand Paseo, the amount of common open space required within each MFR planning area has been reduced accordingly from the existing City standard. The intent is to provide common open space within Lytle Creek Ranch where it is most useable and accessible to the public at-large. Exhibit A, below, depicts this approach. Therefore, each development shall provide a minimum of 100 square feet of common usable outdoor living area per residential dwelling unit (excludes

private balconies, patios, and yards). Public or private driveways, parking areas, required trash areas, or other areas designed for operational functions are not considered open space. The minimum dimensions for open space areas shall be twenty-five feet in each direction. Open space areas may include, but are not limited to, turf areas, landscaped areas, hardscaped areas (excluding parking areas and public/private driveways), gardens, sitting areas, game courts, swimming pools, spas, sauna baths, tennis courts, basketball courts, play lots, bocce ball courts, outdoor cooking areas, lawn bowling and other recreational uses. The gradient or slope of all required outdoor living space shall not be greater than five percent in any direction except when grade variations are used as landscape features which do not interfere with proper drainage of the site.

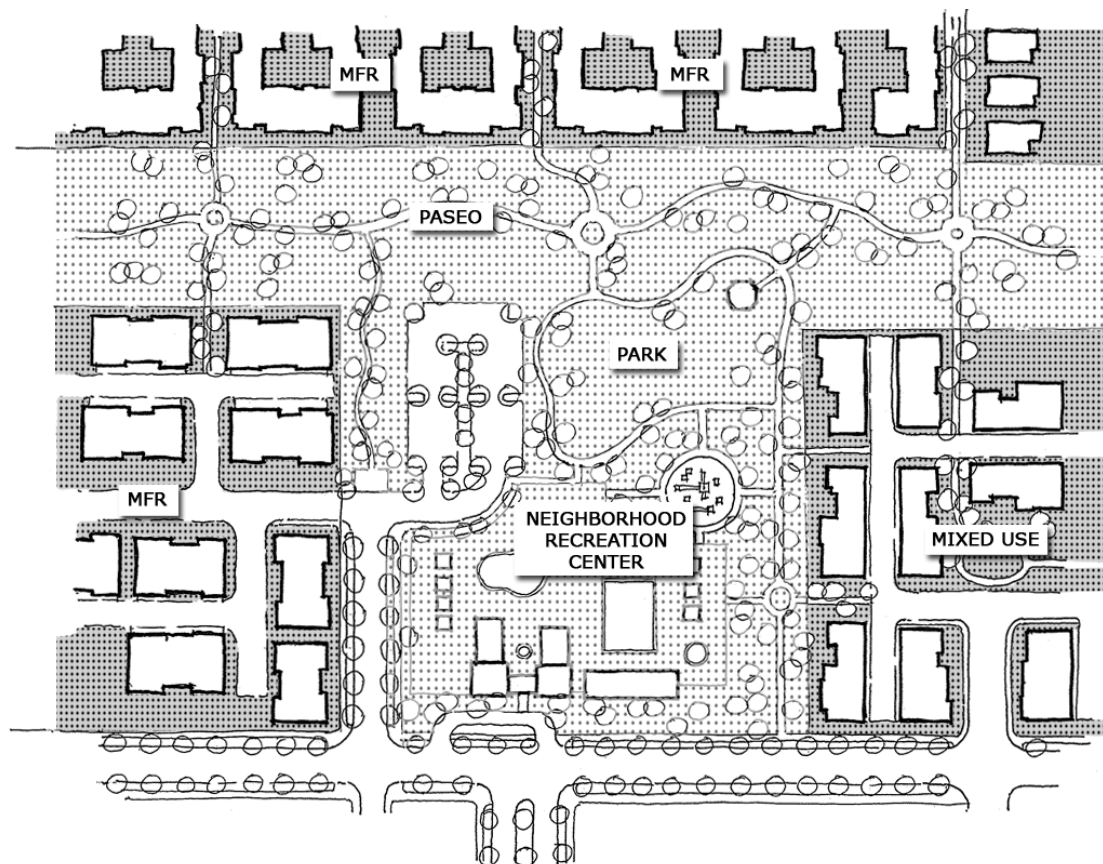


Exhibit A –Illustration Depicting Typical Relationship between Common Open Space in Private Residential Complexes and Public Open Space Areas within Lytle Creek Ranch

- D. The gradient or slope of all required outdoor living space shall not be greater than five percent in any direction except when grade variations are used as landscape features that do not interfere with proper drainage of the site.
- E. Open spaces created pursuant to the provisions of this chapter shall remain open and available for such use during the life of the development.

- F. A pedestrian circulation system shall be incorporated into the development design for the purpose of providing direct access to and from all individual dwelling units, trash storage areas, parking areas, recreational facilities, and all other outdoor areas. This system shall be developed with a combination of the following development standards:
1. A public sidewalk system shall be developed adjacent to all public streets and installed in accordance with City standards.
 2. The interior walkway system shall include pedestrian walks or paths. The minimum width of the interior pedestrian system shall be four feet. Walkway systems shall utilize materials such as concrete, brick, flagstone or other materials approved by the City.
- G. Trash collection areas should, in general, be located within two hundred feet of the furthest residential unit they are to serve. Consideration should be given to siting trash collection areas for convenient access, but with care given to avoid impacting important design features such as, but not limited to, entries, recreation areas, leasing offices, and clubhouses. Such units shall be constructed to City standards and situated so as to reduce noise and visual intrusion on adjacent units and properties.
- H. Parking. A minimum of 2.1 spaces shall be provided per unit/residential lot. A minimum of one parking space shall be provided in an enclosed garage. Tandem garages shall be permitted. Enclosures shall comply with all yard requirements.
- I. Lighting and Security Devices.
1. All exterior lighting shall be adequately controlled and shielded to prevent glare and undesirable illumination to adjacent properties or streets.
 2. The use of energy-conserving and vandal-resistant fixtures or lighting systems shall be given primary consideration.
 3. Each unit shall be provided with a solid core entry door(s) and equipped with a wide-angle peephole and deadbolt lock attached to the construction on studding.
- J. Fences and walls. Fences and walls shall be permitted within the front, side, and rear yard setback areas, except as provided below:
1. Fences may not be erected within either public or private street rights-of-way.
 2. Wherever fencing is visible from public view, the finished side of the fencing shall be exposed to public view.
 3. No fence or wall shall exceed six (6) feet in height, unless a higher wall is specifically required for sound attenuation purposes. The height of the fence or wall shall be measured from the highest ground level immediately adjacent to the base of the wall.

4. In instances where a side or rear yard fence or wall is located adjacent to a public right-of-way, then the minimum fence height shall be six (6) feet as measured on the public right-of-way side.
5. Privacy walls, if provided in side and rear yards, shall be a minimum of five and one-half (5½) feet in height.
6. In front yard setback areas, solid fences and walls shall not exceed 42 inches in height. Pilasters and columns may be provided up to six (6) feet in height.
7. All pool enclosure fencing shall conform to applicable State of California or City of Rialto pool code fencing requirements, whichever is more stringent.

Motor Court Townhomes

Land Use: Multi-Family Residential
Type: Multi-Family Attached
Density: 14-28 du/ac

Typical Building Plotting

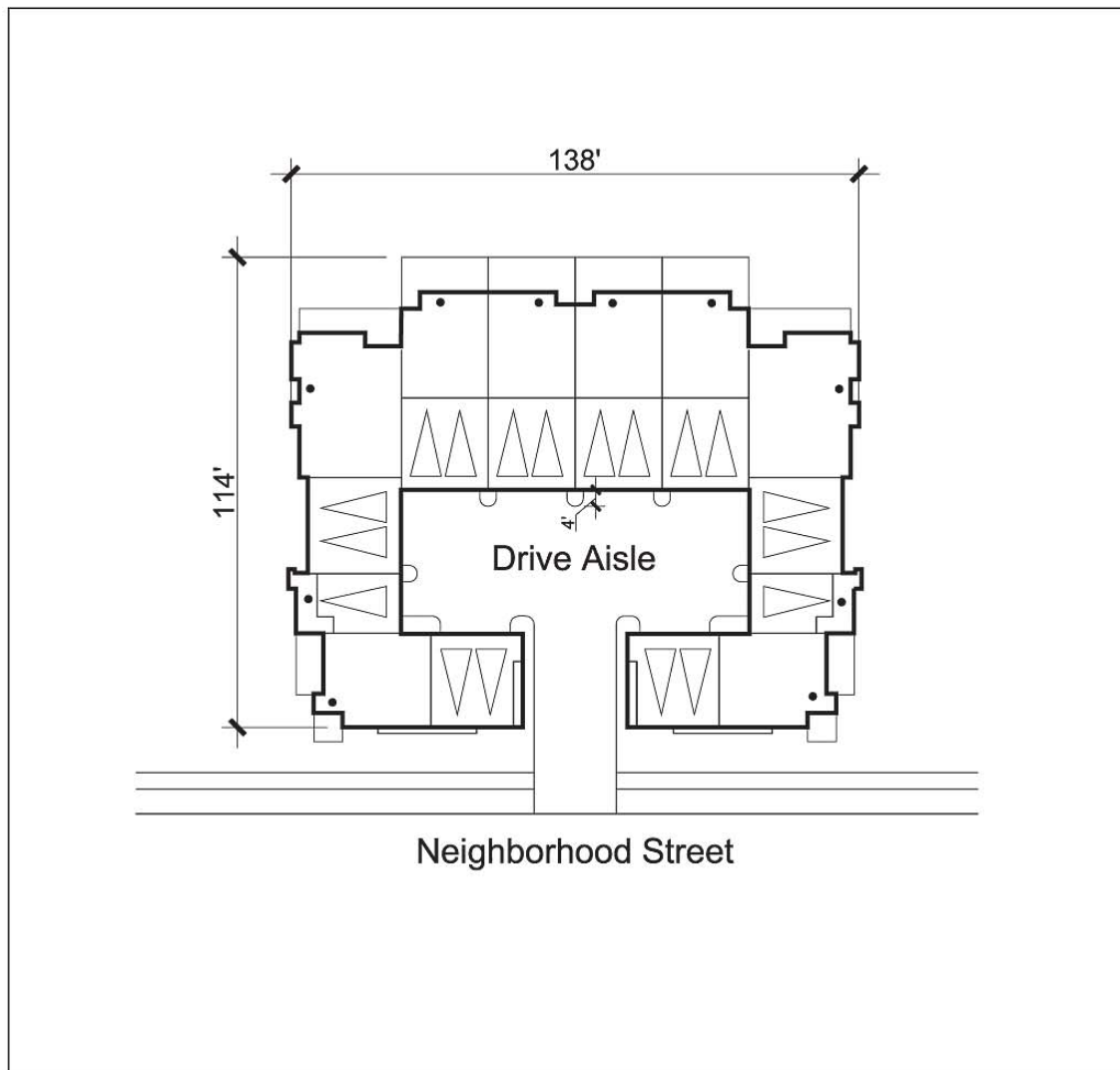


Figure 5-3a
Typical Motor Court Townhomes

Mansionette Condos

Land Use: Multi-Family Residential
Type: Multi-Family Attached
Density: 14-28 du/ac

Typical Building Plotting

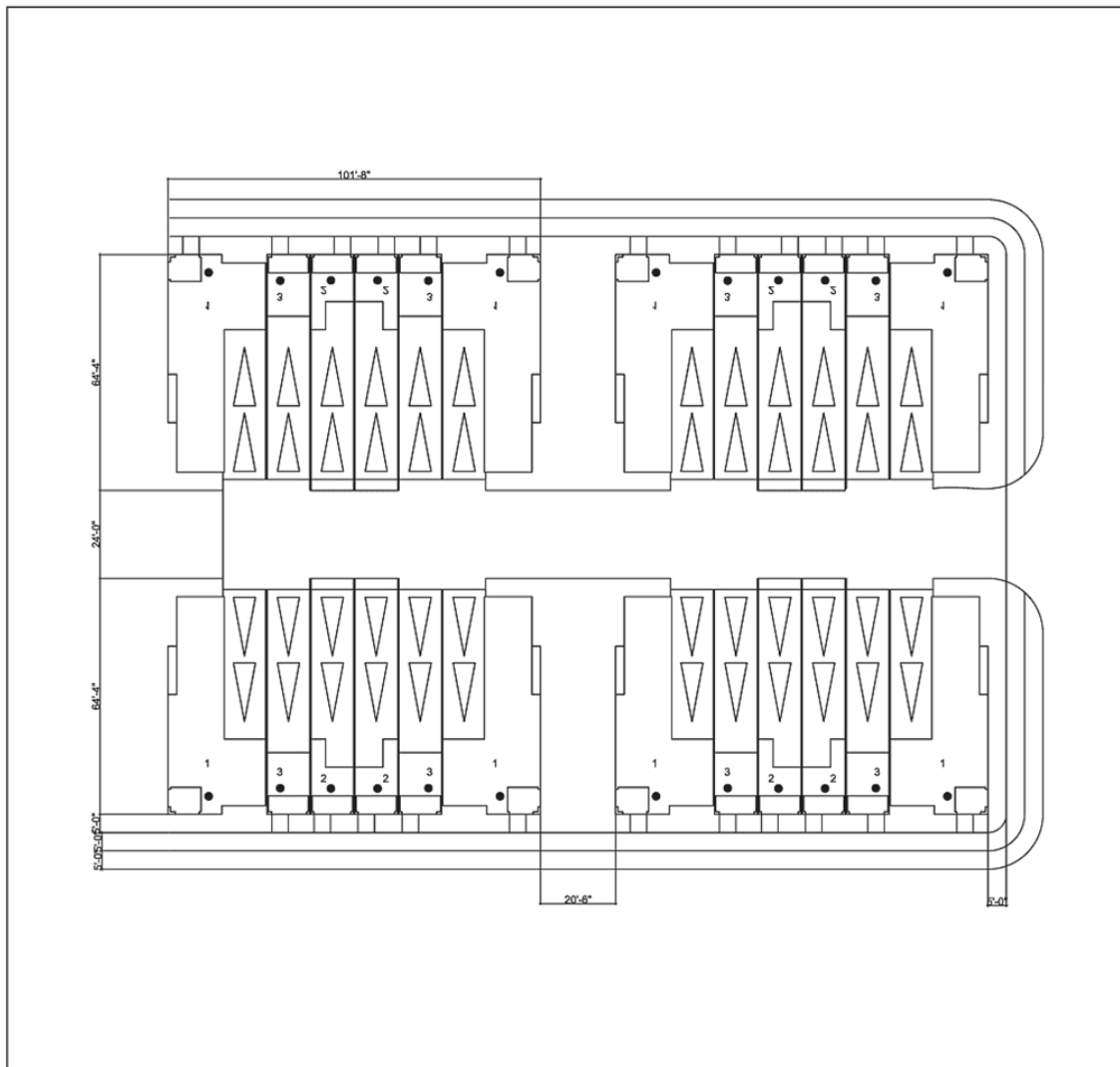


Figure 5-3b
Typical Mansionette Condos

11-Plex Garden Court

Land Use: Multi-Family Residential
Type: Multi-Family Attached
Density: 14-28 du/ac

Typical Building Plotting

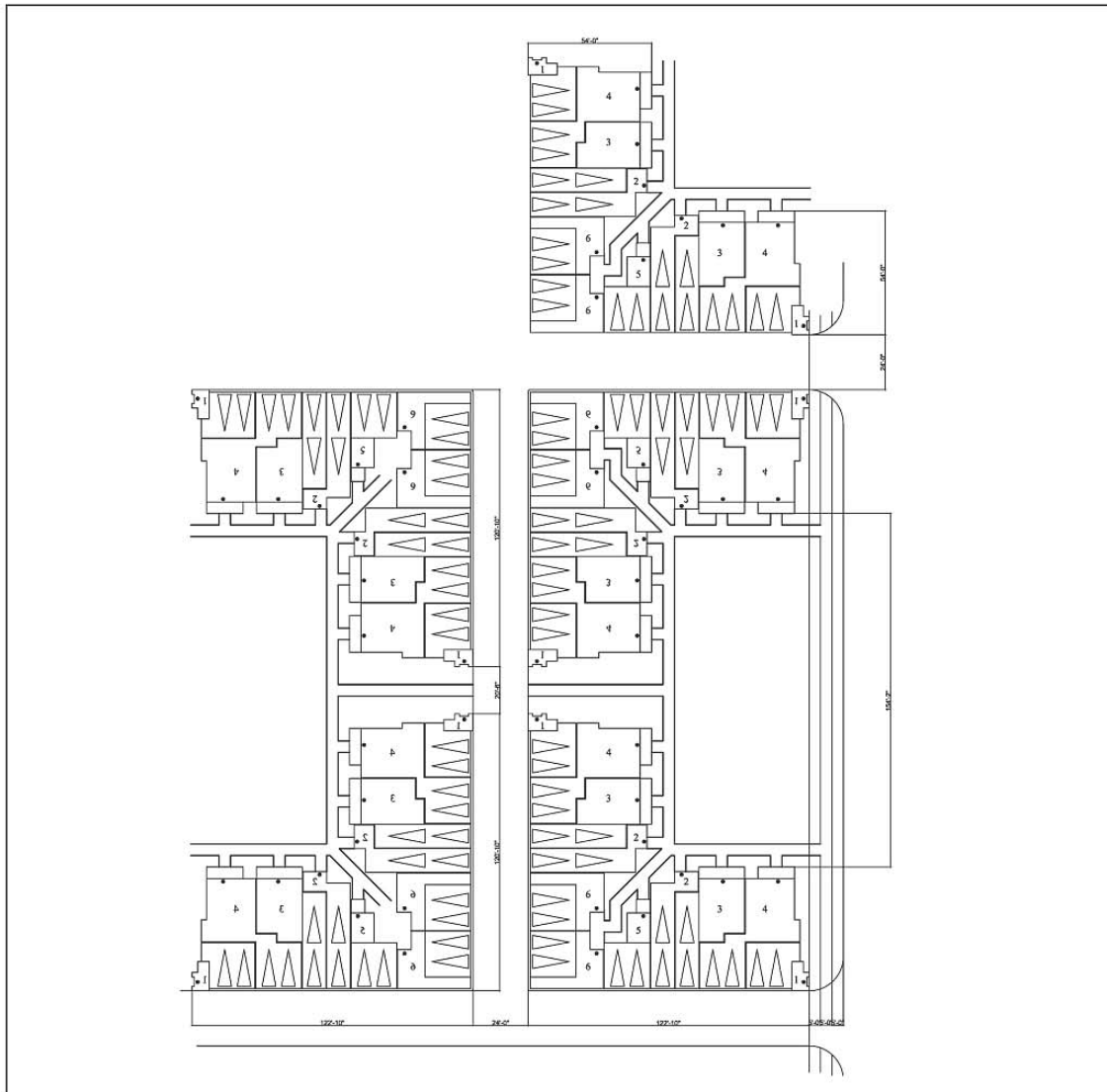


Figure 5-3c
Typical 11-Plex Garden Court

5.6.6 HIGH DENSITY RESIDENTIAL (HDR)

The High Density Residential zoning district standards shall be the same as the standards for the Multi-Family Residential zoning district contained in Table 5-7, with the following differences:

- 1) The density range shall be 25 to 35 dwelling units per acre; and
- 2) The maximum building height shall be 55 feet.

Typical housing types may include, but are not limited to, condominiums, stacked flats, podium units, and apartments.

5.6.7 VILLAGE CENTER COMMERCIAL (VC)

The Village Center Commercial zoning district allows a mixture of uses including, but not limited to, retail commercial, office and business park, and medical/dental uses. No residential development is permitted within the VC zoning district. Table 5-8 contains the VC development standards.

**TABLE 5-8
SUMMARY DEVELOPMENT STANDARDS FOR VC
(VILLAGE CENTER COMMERCIAL) ZONE**

Village Center Commercial Development Standards	VC
Minimum size of development area phase	2 acres
Maximum floor area ratio	1.5 FAR*
LOT DIMENSIONS	
Minimum lot width at front property line	not applicable
Minimum lot depth	not applicable
MINIMUM LANDSCAPE SETBACK	
Minimum landscape setback along public streets (measured from right-of-way)	10 feet
MINIMUM BUILDING SPACING	
Buildings Built with Front Entry to Front Entry	20 feet
Building Side to Building Side	10 feet
Buildings Built with Front Entry to Rear Entry	20 feet
Buildings Built with Front Entry to Building Side	20 feet
Buildings Built with Rear Entry to Rear Entry	20 feet
Minimum Distance Between Main and Accessory Buildings	10 feet
MAXIMUM HEIGHT	3 stories, not to exceed 55 feet in height; provided that building heights up to 60 feet are permitted in Planning Area 78 only**

*FAR calculations do not include structured parking.

**Special architectural features, including, but not limited to, chimneys, towers, domes, cupolas, elevator penthouses, etc. shall be permitted up to 65 feet in height, and shall not exceed 15 percent of the roof area.

- A. The City's Development Review Committee (DRC) may approve modifications to these standards up to 15 percent for innovative and quality designs that meet the intent of the provisions of this Specific Plan.

- B. Parking. Off-street parking shall be required pursuant to Section 18.58 of the Rialto Zoning Code, unless a shared parking analysis is prepared by a qualified traffic engineer and approved by both the Director of Development Services and the City Traffic Engineer, in which case reductions in the amount of required parking may be allowed. Any shared parking analysis may be subject to CEQA.
- C. Lighting and Security Devices.
1. All exterior lighting shall be adequately controlled and shielded to prevent glare and undesirable illumination to adjacent properties or streets.
 2. The use of energy-conserving and vandal-resistant fixtures or lighting systems shall be given primary consideration.

5.6.8 SINGLE FAMILY RESIDENTIAL (SFR) OVERLAY

The development standards for the Single-Family Residential Overlay shall be as follows:

- 1) For developments with residential densities of 2 to 5 du/ac, the SFR-1 zone district development standards shall apply (see Table 5-2, Summary Development Standards for SFR-1 Zone);
- 2) For developments with residential densities of 5 to 8 du/ac, the SFR-2 zone district development standards shall apply (see Table 5-3, Summary Development Standards for SFR-2 Zone); and
- 3) For developments with residential densities of 8 to 14 du/ac, the SFR-3 zone district development standards shall apply (see Tables 5-4 to 5-6, Summary Development Standards for SFR-3 Zone).

5.6.9 HIGH DENSITY RESIDENTIAL (HDR) OVERLAY

The development standards for the High Density Residential Overlay shall be the same as the standards for the Multi-Family Residential zoning district contained in Table 5-7, with the following differences:

- 1) The density range shall be 25 to 35 dwelling units per acre; and
- 2) The maximum building height shall be 55 feet.

Typical housing types may include, but are not limited to, condominiums, stacked flats, podium units, and apartments.

5.6.10 OPEN SPACE AND RECREATION (OS/R)

The Open Space and Recreation (OS/R) Zone is intended to promote a wide range of public and private recreational uses in the Lytle Creek Ranch community. The development standards in this zone apply to both “Open Space/Recreation” and “Open Space/Joint-Use” zones. These uses include community facilities, recreation centers and buildings, golf courses, health clubs, public parks and recreation areas, sports parks, swimming pools, and other outdoor athletic facilities and similar recreational uses. In addition, this zone allows for low intensity, passive recreational purposes and related uses such as trails, picnic areas, bicycle paths, gardens, and sitting areas.

5.6.11 OPEN SPACE (OS)

Open Space Zone (OS). The Open Space Zone is intended for those lands that should remain in a natural state as much as feasible without intrusions from active recreational uses. Improvements may be made to these areas to allow for safe limited public access or for control of erosion, geologic stability, flood control, habitat enhancement, or other public safety purposes. The construction of buildings or other structures is not permitted.

5.6.12 DEVELOPMENT STANDARDS FOR WATER WELLS

The following development standards shall apply to all water well sites located or constructed within the Lytle Creek Ranch Specific Plan area:

- A. A minimum six foot high solid block wall shall be constructed on all sides of the water well site with a gate provided on one side for access. The gate shall be constructed of wrought iron or other decorative metal.
- B. Well sites shall be covered with concrete tile roofs.
- C. All utilities shall be installed underground.
- D. The construction of each structure shall incorporate feasible and appropriate sound attenuation measures to mitigate potential noise impacts.
- E. The well facilities shall be designed and constructed to match or complement the architectural styles of adjacent development.

5.6.13 SIGNAGE AND ADVERTISING STRUCTURES REQUIREMENTS (ALL DISTRICTS AND ZONES)

Signs and advertising structures shall be regulated by Chapter 18.102 of the Rialto Municipal Code; provided, however, that the following signs shall be permitted in addition to the signs permitted by Chapter 18.102 of the Municipal Code:

- A. One freestanding up to 90 feet in height shall be allowed in each of the following planning areas: Planning Areas 23, 25, 27, 31, and 33. Additional height may be allowed

by the City subject to a “hang test.” Each sign may be double-sided. The signage portion of the structure shall not exceed 2,000 square feet in area (total, both sides). The sign may be internally or externally illuminated or a combination of both internally and externally lighting. These additional signs shall be reviewed and approved by the City of Rialto’s Development Review Committee.

- B. Billboards and electronic billboard-type signs shall be permitted within 400 feet of any State Route, Interstate Highway, or Freeway, subject to issuance of a Conditional Development Permit by the City of Rialto pursuant to the provisions of Chapter 18.66 of the City’s Zoning Code.

5.6.14 WALL AND FENCE STANDARDS (ALL ZONES)

- A. Chain link fencing is prohibited in Lytle Creek Ranch, except as temporary construction fencing or if used on school sites, sports fields, or playgrounds. Walls and fences around parks, schools, and playgrounds are permitted by right up to a height of eight (8) feet; provided that wall and fence heights up to twelve (12) feet may be permitted on a case-by-case basis subject to approval by the Parks Department and Community Development Department (no Variance or Conditional Development Permit required).
- B. Fences along Lytle Creek shall be constructed of wrought iron or tubular steel and shall be a minimum of six feet in height. The purpose of this fence is to discourage humans and animals from entering the Lytle Creek Wash. Actual height of the fences along Lytle Creek Wash shall be determined in consultation with the City of Rialto and the appropriate resource agencies.
- C. All new single-family residential development will be required to install minimum five and one-half (5½) foot block walls, wrought iron or tubular steel fencing, vinyl fencing, or combination walls and fences (including walls with glass inserts to allow for views) along the side, rear and street side of the property line, except for alley loaded products or where other design considerations make constructing a wall impractical, unnecessary, or undesirable. Wherever a question arises as to whether or not a wall shall be provided on side or rear yards, the builder shall make the final determination as to whether or not a wall shall be required.
- D. This Specific Plan permits, but does not require, residential walls and fences to extend up to ten (10) in height where such walls abut mining operations or other light industrial, manufacturing, warehousing, or similar use. The builder and project master developer shall determine the final wall height.

- E. Where required for sound attenuation purposes, residential walls anywhere within Lytle Creek Ranch may exceed the permitted maximum heights, subject to a sound attenuation study.

5.6.15 OFF-STREET PARKING REQUIREMENTS (APPLIES TO ALL DISTRICTS AND ZONES WITHIN THE LYTLE CREEK RANCH SPECIFIC PLAN)

Except as otherwise provided for in this chapter, parking shall be required pursuant to Section 18.58.010 of the Rialto Municipal Code; provided, however, that a reduction in the number of required parking spaces may be approved for any Village Center Commercial development by the Director of Development Services and the City Traffic Engineer pending approval of a shared parking analysis by a qualified Traffic Engineer. CEQA review may be required. Good site design can minimize the need for large parking lots and expansive areas of parking.

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6.0 ADMINISTRATION AND IMPLEMENTATION

6.1 PURPOSE AND INTENT

The City of Rialto shall administer the provisions of the Lytle Creek Ranch Specific Plan in accordance with the State of California Government Code, Subdivision Map Act, the Rialto General Plan, the City of Rialto Municipal Code, and other applicable State and City regulations. The Specific Plan development procedures, regulations, standards, and specifications shall supersede the relevant provisions of the City's Municipal Code, as they currently exist or may be amended in the future. Any development regulation and building requirement not addressed in the Specific Plan shall be subject to the City's adopted codes and regulations. Where there is a question of interpretation, the City's Planning Division shall make a determination as to the intent of any disputed clause, paragraph, section, or development standard. Said determination shall be judged to be final.

6.2 DEVELOPMENT PHASING

The project will be built-out in four phases or neighborhoods (Neighborhoods I, II, III, and IV), with build-out occurring by 2030 or as required by an approved development agreement. It is anticipated that construction will begin in Neighborhood I, followed by development in Neighborhoods II and III. Neighborhood IV will likely be the final neighborhood to be developed. These phases may occur either sequentially or concurrently with one another and the phasing is subject to change in response to market conditions and demands. Please refer to Figure 12-1, Development Phasing.

The project master developer shall have the right to alter the project phasing program at any time; provided, however, that notice of the phasing change shall be provided in writing to the City's Planning Division within thirty (30) calendar days of the change. In addition, the project phasing may be altered subject to approval by the affected City departments and revisions to the Development Agreement as deemed necessary or appropriate.

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Figure 6-1
Phasing Plan

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6.3 FINANCING

Several types of financing strategies and tools are available for financing master planned communities such as Lytle Creek Ranch. It is anticipated that the project will build-out using a variety of these strategies and tools including, but not limited to, the following:

6.3.1 MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982

The Mello-Roos Act enables cities, counties, special districts, and school districts to establish community facilities districts and to levy special taxes to fund a variety of facilities and services required by a specific plan. A Mello-Roos tax can be applied to the planning and design work directly related to the improvements being financed and may also fund services on a pay-as-you-go basis including police and fire protection, ambulances, flood protection, recreational programs, parks, and schools.

6.3.2 SPECIAL ASSESSMENT DISTRICTS

Special assessment districts, such as the Lighting and Landscape Maintenance Act of 1972, the Municipal Improvement Act of 1913 and the Improvement Bond act of 1915, provide methods of leveraged financing whereby a public entity determines an area in which the provision of facilities will benefit real property. One or more special assessment districts may be created for the Lytle Creek Ranch project to cover improvements such as landscaping and lighting. This financing tool can be used for public improvements that directly benefit specific properties that are assessed to pay for the improvements at no risk to public agency general funds.

6.3.3 IMPACT FEES AND EXACTIONS

Impact fees and exactions are another tool for paying for new development resulting from increased population or demand for services. The master developer for Lytle Creek Ranch will negotiate with the City of Rialto to determine appropriate fees and exactions, which shall be identified in a Development Agreement.

6.3.4 DEVELOPER FUNDING

In certain instances, funding for on-site facilities may be tied directly to the Lytle Creek Ranch project. The developer may pay a fair share portion of the facility in exchange for development rights. On-site local streets, utility connections from the main trunk lines, and drainage facilities are typical examples of facilities that may be funded by the developer. Such improvements will usually be required concurrent with the project development.

6.3.5 INFRASTRUCTURE FINANCING

- A. The local storm drain system shall be funded and constructed by the developer. The cost of the local system shall be borne by the developer without fee credits.
- B. The regional storm drain system and flood control improvements associated with Lytle Creek shall be funded and constructed by a Community Facilities District or other similar mechanism.
- C. The backbone water facilities and infrastructure shall be owned, operated, and serviced by the West Valley Water District (West San Bernardino County Water District). The fair share cost of designing and constructing the water system shall be borne by the developer.
- D. The backbone sewer facilities and infrastructure shall be owned and operated by the City of Rialto. The fair share cost associated with designing and constructing the sewer system shall be borne by the developer. The package treatment plant constructed as part of the Rosena Ranch project is expected to handle the waste from this proposed project as well.
- E. Telephone, electricity, gas lines, and cable television lines shall be installed and maintained by the appropriate utility companies.
- F. Roadway and parking lot improvements (the timing and responsibility for construction / funding of which shall be negotiated between the City of Rialto and the project master developer), shall occur in accordance with the adopted Development Agreement between the City of Rialto and project master developer.
- G. The Master Homeowner's Association or other private association or Landscape and Lighting District shall be responsible for installation, maintenance, and upkeep of all common landscape areas, hardscape areas, and irrigation systems within the Specific Plan area.
- H. All regional trails shall be the responsibility of the City of Rialto or other public entity to design, fund, construct, and maintain.
- I. All bicycle trails shall be the responsibility of the project master developer to design, fund, construct, and maintain.
- J. All necessary infrastructure (e.g., roads, sewers, water lines, storm drains, drainage improvements, etc.) shall be phased and installed concurrently with development.

6.4 MAINTENANCE RESPONSIBILITIES

Successful operation of maintenance districts and associations are important in ensuring that the project area is well-maintained. Maintenance responsibilities for parks, right-of-way, open space, landscape areas, street lighting, and common project facilities will be divided among a Master Homeowners Association, possible Neighborhood Associations, Community Services District, a Mello-Roos Community Facilities District, Landscape and Lighting Districts, or similar financing mechanism. Decisions regarding this joint assessment program will be made at a future state of project design and reviewed in concert with City agencies.

6.4.1 MASTER HOMEOWNERS ASSOCIATIONS

If not included within a Community Development District, Community Facilities District, Landscape and Lighting District, or other similar public maintenance mechanism, common areas identified in the Specific Plan shall be maintained by a permanent private master maintenance organization. Areas of responsibility shall include, but not be limited to, landscaped parkways, open space, parks, paseos, trails, mini parks, and private recreation areas.

6.4.2 RESIDENTIAL NEIGHBORHOOD ASSOCIATIONS

In certain residential areas of the project, smaller associations may be formed to assume maintenance responsibility for common areas and facilities that benefit only residents in those areas. Potential private recreation centers, common open space areas, and potential private roadways exemplify facilities that would come under the jurisdiction of a neighborhood association.

6.4.3 VILLAGE CENTER COMMERCIAL MAINTENANCE ASSOCIATIONS

Any Village Center Commercial planning areas may include their own private association(s).

6.4.4 OPEN SPACE AND PARKS MAINTENANCE ASSOCIATIONS

All open space, parks, mini parks, and recreation areas, which are not directly associated with a particular neighborhood, will be the responsibility of a Master Homeowners' Association, Community Facilities District, or other private entity. The joint-use parks within Lytle Creek Ranch shall be maintained by a Master Homeowner's Association, Community Facilities District, or the Rialto Unified School District.

6.4.5 PROJECT ROADWAYS MAINTENANCE

All public project roadways will be designed and constructed to standards acceptable to the City and will therefore be entered into the City of Rialto's system of roads for operation and

maintenance. Private roads will be the responsibility of either the Master Homeowner's Association or other private maintenance association.

6.5 SPECIFIC PLAN ADMINISTRATION AND IMPLEMENTATION

This Specific Plan shall generally be enforced in a manner identical to the prevailing City of Rialto procedure(s) to enforce the provisions of the zoning and subdivision codes. The City of Rialto Development Services Department shall enforce the site development standards and design guidelines set forth herein, in accordance with the State of California Government Code, Subdivision Map Act, the Rialto General Plan, and the Rialto Municipal Code. The development procedures, regulations, standards, and specifications contained in this adopted Specific Plan shall supersede the relevant provisions of the City's Municipal Code, as they currently exist or may be amended in the future.

6.5.1 COMPLIANCE WITH THE ADOPTED SPECIFIC PLAN

The City of Rialto shall monitor compliance with the adopted Specific Plan and mitigation measures at these stages, as appropriate:

- A. During the review and approval of tentative tract maps, subsequent conditional development permits, and use permits.
- B. During the review of working drawings, and prior to the issuance of grading or building permits.
- C. Prior to the issuance of a certificate of occupancy for any building within the specific plan area.
- D. Prior to the recordation of any parcel map or final map within the Specific Plan boundaries.

6.5.2 IMPLEMENTING DEVELOPMENT APPLICATIONS

Table 6-1, Implementing Development Applications, is designed to clarify the process of entitlement through the City of Rialto for various applications and actions.

**Table 6-1
Implementing Development Applications**

Proposed Improvements	Action Required By				
	Transportation Commission	DRC	Director of Development Services	Planning Commission	City Council
Development Transfer Between Planning Areas		■	■		
Specific Plan – Ministerial Changes		■	■		
Specific Plan – Minor Adjustments		■	■	■	
Specific Plan – Major Amendment	■	■	■	■	■
Precise Plan of Design (Design Review)		■	■		
Development Agreement					■
Tentative Map(s) or Parcel Map(s)		■	■	■	

The following administrative standards apply to the implementation of future development applications (including plot plans, tract maps, parcel maps, conditional use permits, or variances) for projects within the Specific Plan area.

- A. No development shall occur or building permits issued within the adopted Specific Plan area until the proposed development is reviewed by the City's Development Review Committee and found to be consistent with the adopted Specific Plan. Criteria for review and approval of proposed development shall include, but not be limited to the following:
1. Conformance with the land use designation;
 2. Conformance with the specific development standards, goals, and policies of the Specific Plan; and
 3. Conformance with the intended density of the zone of the site.

- B. Future development within the Specific Plan area shall require individual project review and analysis including General Plan and Specific Plan consistency and environmental analysis, according to the provisions of the California Environmental Quality Act (CEQA) and the CEQA Guidelines.
- C. Future tentative or parcel maps and site plan review documents shall be consistent with the Specific Plan.
- D. Building permits for dwelling units shall be issued when a final subdivision map has been recorded. Permits may be issued for model units prior to final map recordation subject to the Subdivision Map Act and Development Code.
- E. Specific lotting designs and residential dwelling unit types for each planning area shall be determined at the time of individual implementing site design or subdivision proposals. Residential lot sizes, densities, and housing types may vary within each planning area so long as the number of units in the planning area does not exceed that allowed by this Specific Plan.
- F. The Rialto Unified School District is the lead agency for all environmental and entitlement processes related to schools within Neighborhood III of Lytle Creek Ranch. Any additional review and approval through the Specific Plan process shall not be required.

6.5.3 SPECIFIC PLAN INTERPRETATIONS

In instances where any section, subsection, sentence, clause, phrase, portion, or word contained within this specific plan is undefined, unclear, or vague, then the Director of Development Services shall make a determination as to its meaning and intent. All determinations shall be held to be final. At his or her discretion, the Director of Development Services may forward an item requiring interpretation to the Planning Commission for determination. In addition, any decision by the Planning Commission may be appealed to the City Council for final determination. All decisions by the City Council shall be deemed final.

6.5.4 SEVERABILITY

If any section, subsection, sentence, clause, phrase, or portion of this specific plan, or any future amendments or additions hereto, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this specific plan, or any future amendments or additions hereto. The City hereby declares that it would have adopted these requirements and each sentence, subsection, clause, phrase, or portion or any future amendments or additions thereto, irrespective of the fact that any one or more sections, subsections, clauses, phrases, portions or any future amendments or additions thereto may be declared invalid or unconstitutional.

6.6 SPECIFIC PLAN MODIFICATIONS AND AMENDMENTS

6.6.1 DWELLING UNIT OR INTENSITY ADJUSTMENTS

This Specific Plan provides development flexibility by allowing for permitted shifts of dwelling units between planning areas and neighborhoods over the life of the Specific Plan. Any unused dwelling units or retail/commercial square footage within Lytle Creek Ranch may be transferred into other planning areas or neighborhoods within Lytle Creek Ranch; provided, however, the specific conditions are met. Transfer and adjustment of residential units and retail/commercial development shall be permitted to occur within the Specific Plan area as described in Section 3.2.4 of this Specific Plan.

6.6.2 MINISTERIAL CHANGES

Ministerial changes are modifications which are in substantial conformance with the Specific Plan as they relate to development standards or design guidelines. Ministerial changes shall be reviewed first by the City's Development Review Committee (DRC), then shall be forwarded to the Director of Development Services for final determination. Ministerial changes shall constitute the following:

- A. Minor revisions to the circulation plan related to ingress and egress locations.
- B. Minor modifications to the architectural or landscape design guidelines.
- C. Revisions to approved grading, water, sewer, or drainage plans.
- D. Revisions to phasing plans.

6.6.3 MINOR ADJUSTMENTS TO THE SPECIFIC PLAN

Minor adjustments to the plans, guidelines, regulations, and standards contained in the Lytle Creek Ranch Specific Plan may be approved at the discretion of the Director of Development Services; provided, however, that such deviations are deemed to be in substantial conformance with the Specific Plan and are not detrimental to the public health, safety, and welfare. Modifications to the adopted Specific Plan must be consistent with the purpose and intent of the originally approved Specific Plan.

The following modifications constitute "minor adjustments" to the approved Lytle Creek Ranch Specific Plan and may be approved without amending the Specific plan subject to a recommendation by the City's Development Review Committee (DRC) to the Director of Development Services with final determination made by the Planning Commission. Minor adjustments include modifications that do not change the meaning or intent of the Specific Plan.

- A. Density or dwelling unit transfers between planning areas that are originally designated for residential land uses or with a residential overlay designation provided that the entire Lytle Creek Ranch Specific Plan area does not exceed 8,407 dwelling units.
- B. Minor changes to the design of the roadway cross-sections, provided that the streets have adequate capacity to handle the anticipated volumes of traffic and the design changes are recommended by the City's Traffic Engineer.

6.6.4 SPECIFIC PLAN AMENDMENTS

Specific Plan Amendments, also referred to as major amendments, are modifications or amendments that change the intent, provisions, or development standards of the Specific Plan.

- A. Major amendments shall constitute the following:
 - 1. Modifications to the Specific Plan boundaries.
 - 2. Amendments to any planning area that would change the originally approved land use designation.
 - 3. Amendments to the Specific Plan that would result in an amendment to the City's Adopted General Plan.
 - 4. Amendments to an approved Development Agreement.
- B. The project master developer, project owner, or any project merchant builder shall have the authority to initiate an amendment to the adopted Specific Plan at any time. No authorization by City staff, the Planning Commission, or the City Council shall be necessary to initiate a Specific Plan Amendment.
- C. Said amendment shall not require a concurrent General Plan Amendment unless it is determined by the City of Rialto that the proposed amendment would substantively affect the General Plan goals, objectives, policies, or programs for the Lytle Creek Ranch Specific Plan area.
- D. All Specific Plan Amendments shall be subject to the requirements of the California Environmental Quality Act (CEQA) of 1970 and any applicable City of Rialto Environmental Guidelines.

- E. The Planning Commission and City Council shall each hold a public hearing on the proposed amendment of the Specific Plan. Any hearing may be continued from time to time as deemed appropriate and necessary by the Planning Commission and City Council.
- F. The Planning Commission shall review all proposed amendment to the adopted Specific Plan. Upon the close of the required public hearing, the Planning Commission shall act by resolution to adopt, reject, or modify the proposed Specific Plan Amendment and forward its recommendation and findings to the City Council for action.
- G. The City Council shall review the Planning Commission's findings and recommendations. Upon the close of the required public hearing, the City Council shall act by resolution and ordinance to adopt, reject, or modify the proposed Specific Plan Amendment. If approved by the City Council, any proposed Specific Plan Amendment shall be adopted by resolution, except for the Development Standards Chapter (Chapter 5.0), which shall be adopted by ordinance.
- H. Prior to approving or conditionally approving any Specific Plan Amendment, the following findings shall be made by the Planning Commission and City Council that the Specific Plan Amendment:
 - 1. Is consistent with the goal and policies of the General Plan and with its purposes, standards and land use guidelines;
 - 2. Will help to achieve a balanced community of all races, age groups, income levels, and ways of life;
 - 3. Results in development of desirable character which will be compatible with existing and proposed development in the surrounding neighborhoods;
 - 4. Contributes to a mix of land uses that will enable local residents to work and shop in the community in which they live; and
 - 5. Respects the environmental and aesthetic assets of the community consistent with economic realities.

6.7 TENTATIVE MAPS AND PARCEL MAPS

Implementing Tentative Tract Maps and Parcel Maps are expected to be processed through the City as part of implementing projects. These Maps will be processed according to the City's standard Tentative Map Review process and California's Subdivision Map Act. Tentative Tract Maps or Parcel Maps shall be reviewed first by the Director of Development Services, then by the Development Review Committee (DRC), and finally by the Planning Commission.

6.8 PRECISE PLAN OF DESIGN (DESIGN REVIEW)

This section is intended to provide for the review of those developmental qualities that are not subject to precise statement in this Specific Plan, in order to assure that yards, open space, structures, parking, loading facilities, landscaping, streets, and land uses will embody the overall character and intent of this Specific Plan.

Most implementing projects within Lytle Creek Ranch including, but not limited to, residential subdivisions, multi-family housing developments, and commercial/retail, office, business park, medical/dental, and light industrial developments will be required to go through a Precise Plan of Design as follows:

- A. The purpose of the Precise Plan of Design (PPD) is to promote an orderly and aesthetically pleasing environment within the City of Rialto and to ensure that development complies with all City ordinances and regulations. Because a Project EIR will be certified by the City in conjunction with approval of this Specific Plan, no further environmental studies shall be required for implementing projects.
- B. A PPD must be approved by the City's Development Review Committee prior to the issuance of any building permit for new construction of one or more residential units or for new commercial/retail, office, business park, medical/dental, and light industrial development within the Lytle Creek Ranch Specific Plan area.
- C. The Precise Plan of Design shall consider the provision of safe and convenient access to nearby public transportation, where feasible.
- D. When required, the PPD process shall be as follows:
 - 1. After receiving the completed application, the Planning Division will refer the PPD application to other members of the Development Review Committee (DRC), consisting of the Planning Division representative and members of the Engineering Division, Fire and Police Departments, the Building Division, Water Division, the Landscape Design Coordinator and the Redevelopment Agency.
 - 2. After determination by staff that the submittal package is complete, the completed applications shall be referred to the DRC within three (3) weeks. Applications will be notified by mail of staff's determination regarding their submittal.
 - 3. The DRC members will provide draft conditions of approval within three weeks from the date of distribution to the DRC members. The draft conditions of approval will be sent to the applicant/and or representatives and a DRC meeting will be scheduled the following

week. This meeting will afford the opportunity for the applicant to discuss areas of concern or differences with each Department/Division's representative of the DRC.

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APPENDIX A

GENERAL PLAN CONSISTENCY

APPENDIX A

GENERAL PLAN CONSISTENCY

This Appendix to the Specific Plan document contains an analysis of the consistency between the Lytle Creek Ranch Specific Plan and the goals and policies contained in the City of Rialto General Plan as required by Section 65454 of the California Government Code. Only those goals and policies that either relate directly to or have the potential to relate to the Lytle Creek Ranch project have been addressed. For the sake of brevity and clarity, those General Plan goals and policies that do not relate to new development or to the project have been omitted and are not addressed below. As evidenced by this consistency analysis, the Lytle Creek Ranch Specific Plan is consistent with the City of Rialto General Plan.

1.1 LAND USE ELEMENT

Goal 4.1.1 Encourage annexations which will demonstrate net benefit to the City before being considered for approval.

Policies

- 4.1.1.1 All large annexations to Rialto should be required to have an approved Specific Plan prior to annexation.
- 4.1.1.2 The City shall encourage, where appropriate, the preparation of Specific Plans on large annexations, to include a fiscal impact statement to insure that the City enjoys financial benefit from annexation of the subject land.
- 4.1.1.3 Based on the approved Specific Plan for large annexations, impact fees will be charged on new development sufficient to assure timely construction of public facilities and provision of expanded City services. Impact fees shall provide full mitigation of financial costs to the City, and protect its existing levels of services from deterioration.
- 4.1.1.4 Specific Plans for large annexations shall demonstrate compatibility of land uses both within and adjacent to the planned area.
- 4.1.1.5 Specific Plans for large annexations shall demonstrate protection of all resources valued by the cities of Rialto including, but not limited to: views, trees and other landscaping features, aquifers, surface water courses, historic buildings, etc. (Refer to Chapter X, the Conservation Element and Chapter IX, the Cultural and Historic Resources Element for policies to be applied to Specific Plan areas.)
- 4.1.1.6 Specific Plans for large annexations shall set aside land for community parks and other public facilities as appropriate to maintain the City's quality of life.

Consistency Analysis

Prior to initiation of annexation procedures through LAFCO, the Lytle Creek Ranch Specific Plan must be adopted by the City of Rialto. A fiscal impact analysis was prepared for this project, which indicates that the project will have a positive financial contribution to the City. The Lytle Creek Ranch project will pay its fair share of impact fees as negotiated with the City. These fees will provide mitigation of financial costs to the City, while protecting existing City levels of services.

The Lytle Creek Ranch Specific Plan has been carefully designed to ensure a mix of compatible land uses, both within the project and between on-site uses and existing off-site uses. Where portions of the project abut potentially incompatible land uses such as the I-15 or the adjacent mining operations, then landscape buffers will be installed and, where warranted, walls or fencing.

A major component of the Lytle Creek project is the preservation of environmental resources on-site – resources that are valued both by the community and region. To this end, a minimum of 829.2 acres of land will be preserved as natural open space, which will include Lytle Creek. There are no significant trees or historic buildings found on the project site.

Fifty percent (50%) of the Lytle Creek Specific Plan is devoted to open space and recreation uses. This includes several neighborhood parks, joint-use parks/schools, trails and walkways, and an 18-hole public golf course with a new clubhouse.

Goal 4.1.2 Eliminate all negative impacts of mining activities on the citizens of Rialto while complying with the provisions of the California Mining and Reclamation Act (Refer to the Conservation Element, Chapter X.)

Policies

4.1.2.2 Allow the phasing of other planned land uses on large mineral resource sites on that part of the site on which mining is not anticipated, or on that part of the site on which mining is completed and reclamation has been established.

Consistency

Portions of the Lytle Creek Ranch project are designated as Mineral Resource Zone; however, no mining currently occurs on the property, nor has mining occurred on-site in the recent past. In addition, mining is not contemplated for the project site in the future. Therefore, the Specific Plan, in compliance with General Plan Policy 4.1.2.2, proposes to develop the project site with residential, recreation, retail and commercial, and other compatible land uses.

Goal 4.1.3 Enhance Riverside Avenue to be the signature street of the City of Rialto.

Policies

- 4.1.3.1 Create a portal at the City's northwest entrance on Riverside Avenue (Refer to Chapter VIII, the Community Design Element.)
- 4.1.3.2 Provide planted median strips, parking planting and turning pockets on Riverside Avenue throughout the City. (Refer to the Community Design Element, Chapter VIII, Street Enhancement Program.)
- 4.1.3.3 Preserve and improve the northern section of Riverside Avenue as an enhancement to some of the City's finest neighborhoods.
- 4.1.3.4 Prevent strip commercial development and other inappropriate land uses on northern Riverside Avenue which is inconsistent with the goals and policies of the General Plan.
- 4.1.3.5 Route trucks and other through traffic between Riverside Avenue and Highland Avenue via Locust Avenue. (Refer to Chapter V, the Circulation Element.)
- 4.1.3.6 Encourage new and existing residential developments to provide ground signs and landscaping at their entrances to improve the identity and distinction of the City's neighborhoods. (Refer to Chapter VIII, the Community Design Element.)

Consistency Analysis

Lytle Creek Ranch will include the construction of an entrance portal into the City's northwest entrance within the Sierra Avenue or Riverside Avenue right-of-way, near to the I-15 Freeway (adjacent to Planning Area 33). This entry will be designed to include a representation of the Rialto Bridge, which is depicted on the City's seal. The entry will also include appropriate landscaping and possibly a water feature.

As part of improvements to Riverside Avenue, the street will be widened to an ultimate 127 foot wide right-of-way, including a 24 foot wide landscaped parkway on the northeast side of Riverside Avenue, adjacent to the project site. The landscape corridor will serve as the gateway to Neighborhoods II and III in the new master planned community of Lytle Creek Ranch.

The Lytle Creek Ranch land use plan designates several Village Center Commercial areas in key locations along the I-15 Freeway and Sierra Avenue/Riverside Avenue corridors. These areas are anticipated to include commercial and retail uses. However, no strip commercial development is planned. All commercial development will be concentrated into carefully designed shopping centers and developments.

The project proposes to route trucks from the Cemex site along Locus Avenue between Highland Avenue and Riverside Avenue, as recommended in the City's General Plan.

New residential development in Lytle Creek Ranch will include ground signs and landscaping at key entrances, which will help to improve the identity and distinctiveness of the City's neighborhoods.

Goal 4.1.5 Develop, protect and enhance high quality residential and industrial land uses in Rialto.

Goal 4.1.7 Ensure that all developed areas of the City are adequately served with essential public services and infrastructure including, but not limited to, streets, water, surface drainage, sanitary sewers, law enforcement, fire protection and public schools.

Policies

- 4.1.7.1 The City will coordinate all development proposals with other affected public entities to ensure the provisions of adequate public facilities.
- 4.1.7.2 Proposals for new residential development will be referred to the affected school district(s) for advise and comment.
- 4.1.7.3 When reviewing proposals for residential development, the City will work closely with the affected school districts(s) in order to plan coordinated mitigation of any negative impacts upon the schools.

Consistency Analysis

The project site is located within the boundaries of three separate school districts. The applicable school districts include the Rialto Unified School District, the Fontana Unified School District, and the San Bernardino Unified School District. The project will pay its fair share of fees to each school district as required by California state law and/or the project master developer shall enter into a mitigation agreement with the school district. In response to the specific needs of the Rialto Unified School District, the project identifies a potential elementary school site and a K-8 school site in Neighborhood III.

Goal 4.2.2 Meet adopted City standards for the provision of park lands and open space. (Refer to the Open Space and Recreation Element, Chapter VII.)

Policies

- 4.2.2.2 School facilities, parks, and other activity nodes within residential districts shall be linked with Class II bicycle trails on neighborhood streets. Bicycle trails will be located on only one side of residential streets, leaving the other side free for residential parking. (Refer to Chapter V, the Circulation Element.)

- 4.2.2.5 Require developers of the Lytle Creek Special Study Area to provide a Community Park within the project area.
- 4.2.2.10 Encourage proponents of development projects to provide parklands for residents and visitors.

Consistency Analysis

The project includes approximately 328.8 acres of park and recreation land and golf course uses within its boundaries. Another 17 acres will be used for joint-use park/school sites in Planning Areas 48 and 74. In addition, a minimum of 829.2 acres of the project will be preserved as natural open space. In total, fifty percent (50%) of the project will be preserved either as parkland, joint-use park/school, or open space. The project will link together parks and other activity nodes on-site via a 23.5-acre "Grand Paseo." This paseo will vary in width from a minimum of 70 feet up to 110 feet. Three neighborhood parks will be provided in Neighborhood III (Planning Areas 40, 53, and 64). Also, a network of bicycle trails and lanes (either on Class I or II) are planned in Neighborhoods II and III. Where provided, Class II bicycle trails will be located on at least one side of the street.

The project proposes a series of neighborhood parks and joint-use parks/schools that will include amenities similar to a community park. These amenities will include athletic fields (in the joint-use park/school sites), gardens, swimming pools, tot lots, etc. The neighborhood parks and joint-use parks/schools and the Grand Paseo will be available for use by all citizens of Rialto. A portion of the neighborhood parks in Planning Areas 40, 53, and 64 are expected to contain private recreation centers for use by residents of Neighborhood III and their guests.

Goal 4.2.4 All streetscapes in Rialto shall support and enhance the City's image as a desirable place in which to live or work.

Policies

- 4.2.4.1 Require landscaping in front of all barrier walls parallel to a street. (Refer to the Community Design Element, Chapter VIII.)
- 4.2.4.7 Stripe all collector streets with a center lane to facilitate residents' entrances and exits between these streets and their neighborhood streets. (Refer to Chapter V, the Circulation Element.)

Consistency Analysis

Where barrier walls about a street, landscaping shall be installed to help screen and beautify the walls. The Collector street in Neighborhood III shall be constructed with a raised center median with turn pockets to facilitate residents' entrances and exits between this street and local streets.

1.2 ECONOMIC DEVELOPMENT ELEMENT

Goal 1.1 Promote an economic base and positive business climate providing primary commercial services to the resident population.

Consistency Analysis

The project will help to provide an economic base and positive business climate in Rialto. Lytle Creek Ranch proposes approximately 95.6 acres of Village Center Commercial development, which will include at least one major shopping center, as well as smaller areas retail centers. The Specific Plan assumes up to 849,420 square feet of retail and commercial uses, which will provide important tax revenue to the City of Rialto, in addition to providing important services to the resident population.

1.3 CIRCULATION ELEMENT

Goal 3.2.3 Maintain Level of Service D or better on all Rialto arterial roadways.

Policies

3.2.3.2 New streets and improvements to existing streets made necessary by new development shall be provided concurrent with new development.

Consistency Analysis

The project will construct new streets and improvements to existing streets concurrently with new construction in order to ensure that Level of Service D is maintained on arterial roadways in the vicinity of the project.

Goal 3.2.4 Residential neighborhoods in Rialto shall be protected from the noise, pollution and danger of excessive vehicular traffic.

Policies

3.2.4.3 Residential areas border arterials shall be protected from traffic noise, pollution and danger by buffer walls bordering the arterial.

3.2.4.4 New residential driveways shall be permitted only on local streets and prohibited on arterials.

3.2.4.5 Collector streets shall be striped with left turn lanes in order to facilitate safe entrances and exits between local and collector streets.

Consistency Analysis

Residential areas bordering Glen Helen Parkway, Clearwater Parkway, Lytle Creek Road/Sierra Avenue, and Riverside Avenue will be protected from traffic noise, pollution and danger by buffer

walls, as necessary and appropriate. These walls will be landscaped for aesthetic purposes. Walls internal to the project are optional and will be provided at the discretion of the master developer and builders.

New residential driveways will be constructed only on local streets, and will be prohibited on arterials.

The Collector Street in Neighborhood III of Lytle Creek Ranch will contain a raised landscaped median with turn pockets that will facilitate safe entrances and exits between local and collector streets.

Goal 7.1.2 Safe pedestrian access throughout Rialto.

Policies

7.1.2.1 Require sidewalks on at least one side of all streets in newly developed areas.

Consistency Analysis

Lytle Creek Ranch is designed with sidewalks on at least one side of all streets. These sidewalks will facilitate safe pedestrian movement throughout the project. Lytle Creek Ranch is designed to foster and promote walking between land uses.

1.4 OPEN SPACE AND RECREATION ELEMENT

Goal 6.1 Optimal use of the flood plain, Alquist-Priolo Zone, and Rialto Municipal Airport Safety Zone II.

Policies

6.1.2 Investigate opportunities for dedication, acquisition or leasing of land in the Lytle Creek flood plan for appropriate use as City designated open space, parkland or recreational area.

Consistency Analysis

Lytle Creek Ranch is located within the flood plain of Lytle Creek. In addition, portions of the project are located within Alquist-Priolo Zones. Select areas within the Alquist-Priolo Zones will be preserved as open space areas or used as golf course and accessory uses. The project site is not located within the Rialto Municipal Airport Safety Zone II.

Goal 7.1 Meet adopted City standards for the provision of park lands and open space.

Policies

7.1.1 The City shall acquire additional land for parks and open space.

- 7.1.4 The City shall apply, by ordinance, the provisions of the Quimby Act to ensure that adequate park and recreational facilities are available within or accessible to new residential developments.

Consistency Analysis

There will be approximately 328.8 acres of park and recreation land within Lytle Creek Ranch, including an 18-hole public golf course. Except for the private recreation centers planned in Planning Areas 40, 53, and 64, these lands will be utilized as public parkland, which will be available for use by all City residents. The private recreation centers in Planning Areas 40, 53, and 64, will be for use by Neighborhood III residents and their guests only. In addition, the project will provide an Active Adult recreation center in Planning Area 86, which is designed specifically to meet the recreation needs of Neighborhood II (Active Adult) residents.

Goal 9.1: Completion, maintenance and successful operation of a safe, attractive and effective network of recreational/circulation trails within the City.

Policies

- 9.1.4 Coordinate recreational trail plans with neighboring cities and with San Bernardino County to insure linkage of local trails across city boundaries, and linkage with regional trail systems.
- 9.1.5 Provide walkways parallel to bicycle paths in scenic areas such as the Lytle Creek Wash, or in pleasant, landscaped stretches of Class I bicycle trails.
- 9.1.7 Encourage the inclusion of internal walkways or greenways in residential subdivisions and PRD zones.

Consistency Analysis

The trails in Lytle Creek Ranch connect with existing trails within San Bernardino County and the San Bernardino National Forest.

A minimum eight foot wide multi-purpose trail will be constructed in the Grand Paseo, which traverses through most of Neighborhood III. In addition, bike lanes can be accommodated on the primary streets in Neighborhoods II and III

A series of internal walkways and greenways will be provided within Lytle Creek Ranch. The largest of these greenways will be the Grand Paseo in Neighborhood III. This generous greenway will range in width from a minimum of 70 feet up to 110 feet. The paseo will link together three of the Neighborhood Parks. In addition, the project proposes a 20 foot wide paved trail along Lytle Creek in Neighborhoods II, III, and IV. Also, the project proposes a comprehensive system of sidewalks along its streets. These walkways and greenways will facilitate pedestrian movement within and between residential subdivisions and throughout the project.

1.5 COMMUNITY DESIGN ELEMENT

Goal 1.2 Protect Rialto's rural, small town character.

Policies

- 1.1.3** All new development and renovations, adjacent to older residential neighborhoods, shall respect the scale, massing, and landscape of older residential neighborhoods. This includes development of landscape plans which complement neighborhood lots, buffer adjoining land uses, and soften variations in size, setbacks, or architectural character of buildings on nearby parcels; the relationship between the size and bulk of building parts; placement of windows and doors, setbacks, colors, materials, and detailing compatible with the existing neighborhood; and adopt demolition and infill ordinances, applying demolition and infill standards in all future Specific Plans within developed areas.

Consistency Analysis

Development within Lytle Creek Ranch will respect the scale, massing, and landscape of the nearby older residential areas, while establishing its own unique community identity.

Goal 1.3: Improve the quality of planned development in the City of Rialto.

Policies

- 1.1.3** Stagger the layout of units and/or buildings to maximize visual interest and individual identity.

Consistency Analysis

The layout of units and buildings to maximize visual interest and individual identity will be encouraged; provided, however, that consideration is provided to maximizing efficiency of unit layout.

Goal 1.4: Improve the architectural quality of development within Rialto to achieve harmony without monotony in the built environment.

Policies

- 1.4.1** Although common themes for neighborhoods are to be encouraged, incentives for residential, commercial and industrial developers to vary design, setbacks, driveways, rooflines, materials, colors, landscape treatments, etc. should be developed to ensure variation of individual units within large development projects.

- 1.1.3** The following neighborhoods shall be addressed separately by specific policies and/or documents as identified below: . . .

- Sycamore Flats (Sycamore Flats Specific Plan)

- Lytle Creek Area (Lytle Creek Specific Plan)

In these areas, design shall conform to the separate design standards found in their respective Specific Plan documents. The City shall encourage the timely completion of design components within these areas.

Consistency Analysis

This Specific Plan includes standards to encourage innovation in project design including variations in architectural products and styles, setbacks, driveways, rooflines, materials, colors, and landscape treatments. Enclaves of homes will vary in size and density to promote diversity and interesting and varied neighborhoods.

The Sycamore Flats development area has been incorporated into the Lytle Creek Ranch Specific Plan. This Specific Plan (i.e., the Lytle Creek Ranch Specific Plan) covers both areas and include policies, standards, and regulations that apply specifically to these areas.

Goal 2.1 Promote well planned design of residential land uses within the City.

Policies

- 2.1.2 Within multi-family developments, encourage the clustering of residential units which provide semi-private common areas, maximize views, and provide passive open space and recreation uses.
- 2.1.3 Meandering greenbelts shall be incorporated into subdivision design along trails, collector streets, secondary streets and major highways, protected environmental areas, or other features. Bicycle and pedestrian trails should be connected with similar features in neighboring projects so that upon completion newer neighborhoods will be linked at the pedestrian level.
- 2.1.4 No houses should face secondary and/or major highways as defined in the Circulation Element.
- 2.1.5 The City shall encourage parkways to be placed on the outside of the public sidewalk immediately adjoining the curb, to shade pedestrians and provide a canopy of trees to be either uniformly spaced or informally grouped, but in no event shall trees be less than 25 feet average distance apart.
- 2.1.6 Where a subdivision fronts on a secondary or major highway, the subdivision shall be buffered and turned inward so that residences are not exposed to the traffic, noise and visual intrusions of the automobile. Instead, the subdivision shall be surrounded by decorative walls, varied in planned and texture to avoid monotony. Both the setback

area in front of the wall, the wall itself, and the parkways shall receive landscape treatment, including turf, trees, flowers, shrubs, and vines.

- 2.1.7 All new residential development shall be required to install six (6) foot block walls along the rear and street side of the property line.
- 2.1.8 A minimum of 50% of the required front yard in all residential areas shall be landscaped (i.e., grasses, shrubs, trees and other plant materials).

Consistency Analysis

Lytle Creek Ranch will include a variety of innovative product types, possibly including, but not limited to, patio homes, zero lot line units, “cluster homes,” attached townhouse products, garden courts, motorcourts, “mansionettes,” and alley-loaded designs. Furthermore, Lytle Creek Ranch promotes the clustering of residential units within multi-family developments that provide semi-private common areas, maximize views, and provide passive open space and recreation uses.

Greenbelts will be incorporated into subdivision design along trails, collector streets, and major highways, and along Lytle Creek. Bicycle and pedestrian trails will connect with similar features in nearby neighboring projects so that, upon completion, the neighborhoods in Lytle Creek Ranch will be linked with the existing off-site neighborhoods at the pedestrian level.

No houses within Lytle Creek Ranch will face any major arterials (i.e., Riverside Avenue) as defined in the Circulation Element.

The project will comply with the intent of the General Plan, which encourages parkways to be placed on the outside of the public sidewalk immediately adjoining the curb, to shade pedestrians and provide a canopy of trees. Parkway trees either will be uniformly spaced or informally grouped and will be spaced according to City standards.

Where a subdivision fronts on a secondary or major highway, the subdivision shall be buffered and turned inward so that residences are not exposed to the traffic, noise, and visual intrusions of the automobile. Instead, the subdivision shall be surrounded by decorative walls, varied in planned and texture to avoid monotony. Where there are no noise considerations, housing developments on collector and local streets may be constructed without walls. Both the setback area in front of the wall, the wall itself, and the parkways shall receive landscape treatment, including turf, trees, flowers, shrubs, and vines.

New single-family residential development will be required to install block walls along the rear and street side of the property line, except for alley loaded products or where other design considerations make constructing a wall impractical or undesirable.

The project will require compliance with the condition that a minimum of 50% of the required front yard in all residential areas shall be landscaped (i.e., grasses, shrubs, turf, trees, and other plant materials).

Goal 3.1 Promote commercial and/or industrial development which is well designed, people-oriented, sensitive to the needs of the visitor or resident, and functionally efficient for its purpose.

Policies

- 3.1.1 All commercial and industrial projects shall follow a site plan in which buildings are juxtaposed at differing angles, rather than arrayed along rectangular axes.
- 3.1.2 Building facades shall incorporate varied planes and textures; natural rather than manufactured finishes; variety in window and door treatments.
- 3.1.3 Architecture shall be encouraged which disaggregates massive buildings into smaller parts with greater human scale.
- 3.1.4 Mature landscape planting shall be incorporated into commercial and industrial projects to define and emphasize entrances, inclusive of those areas along the front of a building facing a parking lot.
- 3.1.5 All major commercial developments shall incorporate theme elements intended to distinguish them from other development, foster individuality, and promote gathering opportunities. These elements to include: outdoor cafes, gateways, kiosks, flag courts, trellises and arbors, bell towers, theme towers, galleries, patios and plazas, water elements, booths, amphitheaters, outdoor markets, colonnades and arcades, and clerestories.
- 3.1.6 All commercial projects shall incorporate direct walkways which cross the parking lots, connecting the buildings with the streets and bus shelters.
- 3.1.7 Parking lots at the rear of a commercial development shall not be isolated from the fronts of buildings. Commercial developments shall provide either mid-building pedestrian access or fully treated rear entrances. Delivery areas shall be separated from pedestrian areas.
- 3.1.8 Rather than relating only to the parking lots, commercial projects should also include internal corridors or passages which are not jeopardized by automobile noise and congestion. These should be designed with the type of visual and social elements which can draw the pedestrian from building to building, patio to courtyard.

- 3.1.9 Where pedestrian crossings are developed, curbs shall be pinched to shorten the crossing distance required, whenever feasible. Additional pedestrian protections, including bollards and defensible space landscape treatment shall be required.
- 3.1.10 Pedestrian walkways, including, but not necessarily limited to, those directly under building canopies, shall be enhanced by one or more of the following techniques: interlocking or textured paving, turf block walls, theme plantings, trees projecting through canopies, bollards and kiosks, pavilions or gazebos, trellises and arbors planted with flowering vines.
- 3.1.11 Bus shelters shall be incorporated in all new commercial and industrial projects, and in all residential, institutional or other developments fronting major highways as defined in Chapter V, Circulation. Bus shelters may also be required in rehabilitation projects affecting existing commercial and industrial projects.
- 3.1.13 Outdoor storage areas shall be fully screened from the public view with a combination of block walls and landscaping.

Consistency Analysis

Efforts will be made for commercial and industrial buildings in Lytle Creek Ranch to arrange the buildings to minimize the appearance of long, unbroken, rectangular axes, where feasible, without compromising the efficiency of the site design and layout. Landscaping will be used to visually “break up” long, straight axes. For smaller buildings, this may include clustering them together around a small plaza, green space, or other focal point.

Commercial and industrial building facades will incorporate varied planes, colors, and textures to promote interest.

To the extent feasible, large commercial buildings should be visually broken up into smaller components by changes in color, texture, rooflines, window and door spacing, or massing. Landscaping and vertical trees will also help to break up building massing.

The commercial and industrial development within Lytle Creek Ranch will incorporate enhanced landscape planting to define and emphasize entrances, including areas situated along the front of retail buildings, facing a parking lot.

All major commercial developments will incorporate theme elements intended to distinguish them from other developments, foster individuality, and promote gathering opportunities. Such elements may include, but are not limited to, outdoor cafes, gateways, kiosks, flag courts, trellises and arbors, bell towers, theme towers, galleries, patios and plazas, water elements, booths, outdoor markets, colonnades, arcades, and clerestories.

Larger commercial projects of ten acres or larger in size will incorporate direct walkways, where feasible, that cross the parking lot(s) and connect the buildings with the adjacent streets. Smaller commercial projects will include sidewalks and walkways, where feasible.

Parking lots at the rear of a commercial development shall not be isolated from the fronts of buildings. Commercial developments will provide either mid-building pedestrian access or fully treated rear entrances. Delivery areas will be separated from pedestrian areas.

Rather than relating only to the parking lots, commercial projects should also include internal corridors or passages which are not jeopardized by automobile noise and congestion. These should be designed with the type of visual and social elements that can draw the pedestrian from building to building, patio to courtyard.

Where pedestrian crossings are provided, curbs may be pinched to shorten the crossing distance required. Additional pedestrian protections, including bollards and defensible space landscape treatment may be required to ensure pedestrian safety.

Pedestrian walkways including, but not necessarily limited to, those directly under building canopies, shall be enhanced by one or more of the following techniques: interlocking or textured paving, aggregate or colored concrete, broom finished concrete or other decorative finish, turf block walls, theme plantings, trees plantings, canopies, bollards and kiosks, benches, seat walls, pavilions or gazebos, and/or trellises and arbors planted with flowering vines.

To help foster use of alternative modes of transportation, bus shelters will be incorporated into new commercial and industrial projects that have direct access to Riverside Avenue. Additional bus stops will be provided along Riverside Avenue, adjacent to the residential portions of the project, as permitted by the City of Rialto and the local transit authority (Omnitrans).

Outdoor storage areas within Lytle Creek Ranch will be screened from the public view with a combination of block walls and landscaping.

Goal 3.3: Minimize the visual impact of vehicles on the landscape and community design of parking lots.

Policies

3.3.1 The City shall require commercial developments to minimize the visual impacts associated with parking lots through:

- Depression of parking lot grade, wherever feasible, to reduce the visual impact of automobiles when seen from the street;
- Development of screen walls and landscaped buffers at sufficient height to conceal car grillwork and nuisance headlights into the street;

- Parking lot design which breaks up parking areas with landscaped belts, thereby reducing the massive and unbroken appearance of paved surfaces; or
 - Continuous connection of planters rather than isolated tree wells and planters separated by wide expanses of paving.
- 3.3.2 City standards shall require 10% of the off-street parking area to be landscaped and the planting of a minimum of one tree for every five parking stalls, whether the parking aisles are single or double loaded; however, this standard may be increased through project conditions of approval to address size, canopy, or other characteristics which make parking lots more inviting.
- 3.3.3 The City shall require one landscaped finger with two parking lot trees at each finger for every ten lineal spaces on the perimeter of a parking lot.
- 3.3.4 Parking lot design shall incorporate trees planted to provide substantial shade. Parking lot trees shall have a minimum box size of a 24" box and canopy to provide substantial coverage of paved areas. The periphery of parking lots shall be densely planted with trees and shrub hedges; more importantly, special consideration shall be given wherever.
- the periphery represents a change from one type of land use to another;
 - the property in question faces or backs to a freeway;
 - adjoining properties are of a different architectural style, character, or massing;
 - landscape treatments are necessary to ensure the privacy of residents.
- 3.3.5 The City shall require a five foot wide minimum clear planting space for all planting areas. Narrower planters are difficult to properly maintain or irrigate and often die, are trampled, or covered by the front bumpers of cars.
- 3.3.6 The City shall encourage the inclusion of pedestrian amenities including walkways, bus benches, and other features; textured paving along pedestrian walkways and under building canopies.

Consistency Analysis

Lytle Creek Ranch will comply with City requirements that commercial developments minimize the visual impacts associated with parking lots by using a variety of techniques, including some or all of the techniques identified below:

- Depression of parking lot grade, wherever feasible, to reduce the visual impact of automobiles when seen from the street;

- Development of screen walls and landscaped buffers at sufficient height to conceal car grillwork and nuisance headlights into the street;
- Parking lot design which breaks up parking areas with landscaped belts, thereby reducing the massive and unbroken appearance of paved surfaces; or
- Continuous connection of planters rather than isolated tree wells and planters separated by wide expanses of paving.

Lytle Creek Ranch will comply, at a minimum, with City standards that require 10% of the off-street parking area to be landscaped and the planting of a minimum of one tree for every five parking stalls, whether the parking aisles are single or double loaded. In addition, for commercial developments, one landscaped finger with two parking lot trees at each finger will be provided for every ten lineal spaces on the perimeter of a parking lot, except where an alternative landscape treatment is determined to be acceptable during Plan Review.

Where feasible, parking lot design shall incorporate trees planted to provide substantial shade. Parking lot trees shall have a minimum box size of a 24" box and canopy to provide substantial coverage of paved areas. Where visible from adjacent public streets, the periphery of parking lots shall be planted with trees and shrub hedges. Special consideration to landscaping shall be given wherever.

- the periphery represents a change from one type of land use to another;
- the property in question faces or backs to a freeway;
- adjoining properties are of a different architectural style, character, or massing;
- landscape treatments are necessary to ensure the privacy of residents.

In conformance with City standards, a five foot wide minimum clear planting space will be provided for planting areas in commercial developments, except where tree wells are provided. Areas less than five feet in width (excluding tree wells) will be paved.

The City shall encourage the inclusion of pedestrian amenities including walkways, bus benches, and other features; textured paving along pedestrian walkways and under building canopies.

LANDSCAPE TREATMENT

Goal 5.1 Promote the “greening” of Rialto.

Policies

- 5.1.3 The City shall insist that all new development incorporate street tree plantings dense enough to shade and beautify residential and commercial areas.
- 5.1.5 Landscape materials shall be installed prior to completion of the first building phase for the entire project, including vacant land for the following projects: new specific plan

areas, future development carried out under existing specific plans, and new commercial and industrial projects, regardless of the size of individual parcels within the development plan.

Consistency Analysis

Lytle Creek Ranch requires all new development to be landscaped. Street trees will be planted along all public and private streets where adequate right-of-way exists.

Landscape materials in Lytle Creek Ranch will be installed concurrently with each phase of development as each development is constructed.

Goal 5.2 The City shall develop a uniform streetscape program which emphasizes major and minor portals into the City.

Policies

5.2.1 Major entries to the City of Rialto shall be designated at the following high traffic volume locations: Riverside Avenue at the I-15 and I-10 freeways, Cedar Avenue at the I-10 Freeway, Foothill Boulevard at Pepper and Maple Avenues, Riverside Avenue entering Rialto from the south, and at Valley Boulevard at the eastern and western boundaries of the planning Area, as shown on Figure VIII-2.

The City shall establish unified entry treatments at the major entries to the City, thereby setting the tone for visitors and residents alike. The design of each of these entries shall consist of one or more of the elements described below.

- Low rise monument signs surrounded by groundcover, shrubs, and trees, similar to that monumentation found at Rialto City Park or in the Central Business District Redevelopment Project Area, consisting of precast concrete signs with embossed letters and natural river rock pilasters with concrete caps;
- Enriched, textured and /or interlocking paving at intersections, similar to that found in the Central Business District Redevelopment Project Area;
- Prohibition of pole signs and billboards within 500 feet of the entry;
- Sensitive lighting treatments;
- An emphasis on landscape treatments familiar to the area: river rock, rough hewn wood, plantings and trees.
- Undergrounding of utility lines.

5.2.3 The City shall encourage the development of unified entry statements for new residential, commercial, and industrial projects incorporating textured paving, coordinated monument signs and landscape treatments.

- 5.2.5 Along the major thoroughfares within the City, trees should be formally massed to promote a rhythmic, ceremonial appearance and conform with the City's Street Tree Plan. Street trees shall be placed along the public rights-of-way no farther than 30 feet apart, have a minimum size of 24" box, and be selected from Table 1.
- 5.2.6 The median along Riverside Avenue in the Central Business District Redevelopment Project Area offers an attractive amenity to the median wherever possible along Riverside Avenue, with special attention given to that segment of the roadway in the northern area of the City development and the Country Club residential area.
- 5.2.8 Along residential streets, trees may either be formally massed to produce a steady rhythm, or grouped informally to create an informal, naturally wooded street appearance. In any event, the total number of trees plotted should not be less than one for every 25 feet of lineal street frontage.
- 5.2.9 The City of Rialto recognizes the value of alleys and their importance to the circulation, aesthetic, and land use goals of the General Plan. New projects shall incorporate any improvements necessary to upgrade alleys behind the project area to current standards; and the City shall encourage projects which do not abandon the alleys, but rather seek to refine their appearance and function with landscape treatment, textured paving, rear I treatments, parking and loading.
- 5.2.11 The City shall continue to upgrade landscape treatments of all annexations to uniform City Standards.
- 5.2.13 The City shall work with developers/builders within Rialto and its Sphere of Influence to ensure new landscape treatments are installed per the City's Landscaping Maintenance specifications.

Consistency Analysis

Lytle Creek Ranch will construct an entry feature into the City of Rialto within the Sierra Avenue or Riverside Avenue rights-of-way near the I-15 Freeway. This City entry feature will be constructed adjacent to Planning Area 33 and will include a representation of the Rialto Bridge.

Lytle Creek Ranch will include entry statements for new residential projects that incorporate textured paving, coordinated monument signs, and landscape treatments.

Along the community's major thoroughfares, trees will be massed to create scenic streetscapes. Street trees shall be placed along the public rights-of-way no farther than 30 feet apart, have a minimum size of 24" box, and be selected from the plant palette contained in this Specific Plan.

Lytle Creek Ranch proposes to pay its fair share toward roadway improvements to Riverside Avenue that would include a landscaped median.

Street trees will be planted along all residential streets in Lytle Creek Ranch. The spacing of trees planted will comply with either City standards or the standards set forth in this Specific Plan, as applicable.

The City of Rialto recognizes the value of alleys and their importance to the circulation, aesthetic, and land use goals of the General Plan. Several of the new residential developments within Lytle Creek Ranch are expected to be alley-loaded products. Where provided, alleyways should be designed with rear façade treatments and landscaping, as feasible.

Lytle Creek Ranch will ensure that all areas to be annexed into the City of Rialto are maintained to uniform City standards. In addition, new landscape treatments within Lytle Creek Ranch shall be designed and installed per the City's Landscaping Maintenance specifications.

Goal 5.3 Ensure that the design of all freeways, their interchanges, and grade, separations are an aesthetically pleasing asset to the city of Rialto.

Policies

- 5.3.2 Arterials which cross over or under freeways shall be provided with planted medians sufficiently wide to include minor entry signs and landscape treatment. All medians shall be fully landscaped and treated with brick, tile, turf block, stamped concrete, pavers, or other elements.
- 5.3.5 The City shall establish loan, grant, or other programs to provide landscape treatment of residential lots immediately backing to proposed freeway routes and railways.
- 5.3.7 Landscape treatments near freeway off- and on- ramps should be designed to announce the drivers' entry into Rialto. Landscape design should incorporate the dedicated City tree which shall be determined.

Consistency Analysis

In conformance with the City's General Plan, arterials that cross under freeways shall be provided with planted medians sufficiently wide to include minor entry signs and landscape treatment. All medians shall be fully landscaped and treated with brick, tile, turf block, stamped concrete, pavers, or other elements.

Lytle Creek Ranch will provide a landscape treatment between the I-15 Freeway and any residential use. This landscape treatment shall not be required to exceed eight feet in width.

A landscaped entry feature with signage announcing arrival into the City of Rialto will be constructed adjacent to Planning Area 33 within either the Sierra Avenue or Riverside Avenue right-of-way.

Goal 6.1 Lighting features within the City shall be aesthetically pleasing, while being functionally useful.

Policies

6.1.1 Street lighting in neighborhoods should be consistent.

Consistency Analysis

Street lighting within each neighborhood (Neighborhoods I, II, III, and IV) shall be internally consistent, although lighting between neighborhoods may differ in order to provide visual interest and a “sense of place.”

Goal 6.3 New streets shall be developed to assist rather than alienate pedestrians.

Policies

6.3.1 In residential areas, straight streets shall be avoided, and curvilinear street shall be used, thereby contributing to the character of the streetscape while discouraging speeding, increasing the safety of these streets.

6.3.2 Landscape treatments shall incorporate street trees along all streets, of species which provide sufficient canopy to shade the street and promote a pedestrian scale.

6.3.3 The City shall pursue undergrounding of utilities in existing areas and require that utilities in existing areas and require that utilities be undergrounded on all major new development.

6.3.6 Walled projects (including gated residential communities) shall be designed to provide an interesting streetscape, through the following:

- Walls shall be varied in plane and texture, utilizing different, but complimentary, types of materials and colors, in addition to the use of vines (the latter will act as a deterrent from graffiti problems);
- Landscaped greenbelts, vine pockets, and other landscape techniques shall be employed;
- Curvilinear wall alignments and meandering sidewalks shall be encouraged along project peripheries;
- And variation in setbacks and front wall planes behind the established minimum setback line shall be encouraged. Variation in front of the minimum setback line shall be discouraged.

- 6.3.7 Screen or perimeter walls shall incorporate shrub massings, vine pockets or informal tree massing to minimize the vertical scale of the wall.
- 6.3.9 Enriched, varied textured paving treatments shall be used at all project entries, wherever pedestrian crossings, plazas, or gatherings areas are proposed, and as an accent feature to break up the monotonous appearance of concrete walkways.
- 6.3.12 Bus shelters and other outdoor use areas shall be shaded from the sun. Each project shall incorporate at least one bus shelter, taxi stop, bicycle racks, or similar pedestrian use area.

Consistency Analysis

Although many of the streets within Lytle Creek Ranch will be curvilinear, straight streets are permitted within individual Planning Areas. Long expanses of straight streets shall be avoided. The landscape design for Lytle Creek Ranch provides for street trees along all streets of all classifications. Where space allows, street trees will include tree species that provide sufficient canopy to shade the street and promote a pedestrian scale.

As permitted by the utility companies, utilities within Lytle Creek Ranch shall be placed underground.

Lytle Creek Ranch is designed to minimize the use of walls and fences. Where used, walls shall be designed to provide an interesting streetscape, through varying wall planes, textures, colors, and materials; providing vine pockets and other landscaped techniques; and occasionally varying setbacks and front wall planes. Walls will be installed in residential areas that abut Riverside Avenue for noise and safety reasons.

Perimeter walls shall incorporate shrub massings, vine pockets, and/or informal tree massing to minimize the vertical scale of the wall.

If permitted by the City of Rialto, enriched, varied textured paving treatments may be used at the various project entries along Riverside Avenue, opposite N. Live Oak Avenue, Redwood Avenue, N. Alder Avenue and N. Locust Avenue. Enhanced paving may also be used at other key entry and focal points within the project.

Where provided, bus shelters and other outdoor use areas shall be shaded from the sun. The project shall provide at least one of the following: one bus shelter, bicycle racks, or similar pedestrian uses in Neighborhood III.

Goal 6.5 Encourage the undergrounding of utility wires to protect scenery, enhance the appearance of major boulevards, and promote neighborhood character.

Policies

6.5.1 The City shall require the undergrounding of all utilities in Lytle Creek Ranch through its standard list of conditions. Where above-ground installations are not required, the City shall encourage electrical vaults to be placed underground. Where the installations must be aboveground, the City shall require these to be landscaped and concealed by a low decorative wall.

Consistency Analysis

Lytle Creek Ranch shall install all utilities underground, as permitted by the appropriate utility company or agency.

Goal 7.2 Ensure the protection of new development from watercourses, flood control channels and other waterways, while retaining an aesthetic appearance.

Policies

7.2.3 The City of Rialto shall require that whenever possible, watercourses shall be combined with pedestrian amenities, such as riding and hiking trails, scenic corridors, linear parks, greenbelts, pedestrian bridges, and other landscape features. The developers of such proposed projects should consider not only the landscape and cross sections of such facilities, but also demonstrate how these facilities can be interconnected with other elements of the City's trail and street systems. In addition, dense landscape treatments shall be used to promote the "greening of Rialto."

Consistency Analysis

The Lytle Creek Ranch project includes improvements to the flood control levee system along Lytle Creek Wash. These improvements will ensure the protection of new development from flooding associated with Lytle Creek during major storm events. In addition, a system of on-site drainageways will minimize the potential for flooding on the project site.

The project proposes a landscaped "Grand Paseo" in Neighborhood III that will function for both recreational and stormwater purposes. Likewise, the golf course in Neighborhood II will handle stormwater flows, while accommodating golfing as a recreational use. The intent is to provide "Green" stormwater swales and drainageways throughout Lytle Creek Ranch in lieu of using pipes for stormwater flows.

1.6 CULTURAL AND HISTORIC RESOURCES ELEMENT

HISTORIC ARCHAEOLOGICAL RESOURCES

Goal 3.1 All significant historic archeological resources within Rialto shall be surveyed recorded and, where feasible, protected.

Policies

3.1.3 Documentation of all historical archeological surveys conducted within the City of Rialto shall be provided to the Rialto City Planning Development, with copies to the Rialto Historical Society.

Consistency Analysis

The Lytle Creek Ranch project will comply with the requirements of Policy 3.1.3 on page IX-4 of the City of Rialto General Plan. Copies of the document will be provided to the Rialto City Planning Department and the Rialto Historical Society.

1.7 CONSERVATION ELEMENT

Goal 1.1 Conserve, protect and enhance the natural resources in Rialto to ensure their optimal use and support to the benefit of all present and future citizens of Rialto.

Goal 2.1 Protect and enhance Rialto's surface waters and groundwater basins.

Goal 2.2 Conserve scarce water resources.

Consistency Analysis

Lytle Creek Ranch will incorporate sustainable building techniques and design strategies intended to help conserve, protect, and enhance natural resources in the community.

By creating a system of natural bioswales and incorporating a variety of Best Management Practices, Lytle Creek Ranch will help to protect and enhance Rialto's surface waters and groundwater basins.

The project will help to conserve scarce water resources by incorporating irrigation timers and automatic sprinklers, drip irrigation (where feasible), low flush toilets, low water use shower heads, and other water conservation measures as feasible.

AIR QUALITY

Goal 5.1 To achieve conformance with the AQMP by adopting a comprehensive plan for implementation, so that all general developments projects approved are consistent with the AQMP.

Policies

- 5.1.1 Require that all developments within the City with more than 100 employees develop a rideshare programs.
- 5.1.2 Require all developments to comply with the AQMP, particularly regarding Transportation Demand Management (TDM) programs. A TDM plan for new developments shall include but not be limited to design considerations to encourage ridesharing, transit use, park and ride facilities, as well as bicycle and pedestrian circulation.
- 5.1.3 Incorporate phasing policies and requirements in development plans to achieve concurrent provision of infrastructure, particularly transportation facilities, to serve development.
- 5.1.4 Locate and design new development in a manner that will minimize direct and indirect emission of air contaminants. To this end, participate with SANBAG in jointly formulating appropriate standards for regulating the location and protection of sensitive receptors (i.e., schools, day care facilities, and hospitals) from excessive and hazardous emissions.

Consistency Analysis

Any and all developments within Lytle Creek Ranch that employ more than 100 employees shall be required to develop a rideshare program.

All developments within Lytle Creek Ranch shall be required to comply with the AQMP, particularly regarding Transportation Demand Management (TDM) programs. A TDM plan for new developments shall include but not be limited to design considerations to encourage ridesharing, transit use, and bicycle and pedestrian circulation.

The Lytle Creek Ranch project is designed to provide infrastructure concurrently with development. Roadways will be constructed to ensure adequate safety and comply with City circulation requirements.

The two potential school sites identified within the Lytle Creek Ranch Specific Plan area have been located to minimize these sensitive receptors from excessive and hazardous emissions. The

proposed school sites are surrounded by parks and residential uses. No heavy industry or manufacturing uses are planned near the school sites.

Goal 5.4 Promote the expansion of bus, rail and other forms of transit, within the region.

Policies

- 5.4.6 Develop standards and guidelines for support facilities to incorporate into development plans for increased bicycle and pedestrian routes to link appropriate activity centers to nearby residential development.

Consistency Analysis

Lytle Creek Ranch is designed to promote bicycle traffic and pedestrian movement throughout the community. The “Grand Paseo” in Neighborhood III will contain a minimum eight foot wide meandering multi-purpose trail that will accommodate both pedestrian and bicycle traffic. In addition, most of the larger streets within the community will contain on-street bike lines. There will also be a comprehensive system of sidewalks that will provide linkages between planning areas and the parks, schools, and open space on-site.

Goal 5.9 Reduce emissions through reduced energy consumption.

Policies

- 5.9.5 Require all new development to meet or exceed Title 24 building standards for energy efficiency.

Consistency Analysis

All construction will meet or exceed Year 2010 Title 24 building standards for energy efficiency, as applicable. It is the intent of the developer to promote energy efficiency within the structures located within Lytle Creek Ranch.

BIOLOGICAL RESOURCES

Goal 6.1 Conserve and enhance Rialto’s biological resources, facilitating development in a manner which reflect the characteristics, sensitivities and constraints of these resources.

Policies

- 6.1.1 Designate those areas along Lytle Creek which may contain rare or endangered species as “Biological Resource Management Areas.”
- 6.1.2 Require that all proposed development in these “Biological Resource Management Areas” be subject to a biological study, to be prepared by a qualified professional, to

determine whether there will be any impact to rare, threatened or endangered species, and identify mitigation measures where appropriate.

- 6.1.5 Pursue voluntary open space, wildlife corridors, or conservation easements to protect sensitive species or their habitats.

Consistency Analysis

A comprehensive biological resources report was prepared by PCR, a qualified firm specializing in preparing biological and environmental studies, for the entire Lytle Creek Ranch project site as part of the required environmental process. In addition, focused studies were undertaken to identify potential impacts to rare, threatened, or endangered species. As a result of these studies, a minimum of 829.2 acres on-site, including portions of Lytle Creek, will be preserved in permanent open space.

ENERGY

Goal 7.1 Conserve scarce energy resources.

Policies

- 7.1.1 Require the incorporation of energy conservation features in the design of all new construction and site development as required by state law.

Consistency Analysis

The project incorporates energy conservation features into the project design in excess of that required by California state law.

1.8 NOISE ELEMENT

Goal To protect public health and welfare by eliminating existing noise problems and by preventing significant degradation of the future acoustic environment.

Objective 1.0 Incorporate noise considerations into land use planning decisions.

Policies

Policy 1.b: The City shall require an environmental and noise impact evaluation for all projects as part of the design review process to determine if unacceptable noise levels will be created or experienced. Should noise abatement be necessary, the City shall require the implementation of mitigation measures based on a detailed technical study prepared by a qualified acoustical engineer (i.e., a Registered Professional Engineer in the State of California with a minimum of three years experience in acoustics).

Policy 1.c The City shall not approve projects that do not comply with the adopted standards.

Objective 2.0 Establish measures to reduce noise impacts from traffic noise sources.

Policies

Policy 2.a The City shall require the construction of barriers to mitigation sound emissions where necessary or feasible.

Consistency Analysis

Concurrently with preparation of this Specific Plan, both an environmental and noise impact evaluation were prepared for the Lytle Creek Ranch project. The project will incorporate all applicable noise mitigation techniques as identified in the Project EIR.

Lytle Creek Ranch shall comply with the adopted standards for noise mitigation.

The EIR will identify measures, as needed to reduce noise impacts from traffic noise sources.

The City shall require the construction of barriers to mitigation sound emissions as identified in the EIR for Lytle Creek Ranch.

1.9 SAFETY ELEMENT

GEOLOGIC HAZARDS

Goal 2.1 Minimize hazards to public health, safety, and welfare resulting from geotechnical hazards.

Policies

2.1.1 The City shall require geotechnical investigations by a certified engineering geologist and registered civil engineer for all grading and construction proposed within any area which may be subject to severe seismic hazards.

2.1.3 The City shall require construction to be in conformance with the Uniform Building Code, specifically Chapter 23 as it provides for earthquake-resistant design, and Chapter 70 as it provides for excavation and grading.

Goal 2.2 Encourage urbanization only in those areas without significant risk to life and property.

Policies

2.2.1 Development within Alquist-Priolo Special Studies Zones will be subject to the restrictions and requirements of the Special Studies Zones Act.

Consistency Analysis

Lytle Creek Ranch will comply with all applicable restrictions and requirements of the Special Studies Zones Act as it applies to Alquist-Priolo Special Studies Zones.

FLOODING

Goal 3.2 Minimize the adverse effects of urbanization upon drainage and flood control facilities.

Policies

- 3.2.1 The City shall require the implementation of adequate erosion control measures for development projects to minimize sedimentation damage to drainage facilities.
- 3.2.3 The City shall maintain its open space and shall require developers to provide adequate open space pursuant to the standards established in the Parks and Recreation Element of the General Plan and the City's zoning ordinance as a measure to minimize impermeable surfaces throughout the City.
- 3.2.4 The City shall require water retention devices in new development in order to minimize peak flows to the surface drainage system.

Consistency Analysis

The Lytle Creek Ranch project incorporates Best Management Practices and erosion control measures to minimize sedimentation damage to drainage facilities. Planning and design for water quality protection employs three basic strategies in the following order of relative effectiveness: 1) reduce or eliminate post-project runoff; 2) control sources of pollutants, and 3) treat contaminated stormwater runoff before discharging it to natural water bodies. These principles are consistent with the typical permit and local program requirements for projects that require a consideration of a combination of source control BMPs (that reduce or eliminate runoff and control pollutant sources) and treatment control BMPs with specific quantitative standards.

Lytle Creek Ranch provides adequate open space pursuant to the standards established in the Parks and Recreation Element of the General Plan and the City's zoning ordinance as a measure to minimize impermeable surfaces throughout the city.

As required by the General Plan, Lytle Creek Ranch provides for water retention devices concurrently with development of new construction in order to minimize peak flows to the surface drainage system. Most of these devices will be constructed within the "Grand Paseo" in Neighborhood III, or the golf course in Neighborhood II.

FIRE

Goal 4.1 **Fire prevention regulations and standards to minimize potential fire hazards and fire losses.**

Policies

4.1.4 Require that all site plans, subdivision plans, and building plans be reviewed by the Fire Department to ensure compliance with appropriate fire regulations.

Consistency Analysis

All site plans, subdivision plans, and building plans for Lytle Creek Ranch will be reviewed by the City's Fire Department to ensure compliance with appropriate fire regulations.

LAW ENFORCEMENT

Goal 7.1 **To provide a safe and secure environment for the City's residents, workers and visitors.**

Policies

7.1.1. The City shall require new development and improvements to employ defensible space concepts into site design and building specifications (i.e., lighting of sidewalks and parking areas, resident surveillance sight lines, and the use of burglary-resistant hardware and fixtures in buildings.)

Consistency Analysis

Lytle Creek Ranch complies with Policy 7.1.1, which requires that new developments employ defensible space concepts into site design and building specifications.

1.10 HOUSING ELEMENT

Goal 2.0 **Provide adequate residential sites through appropriate land use, zoning and Specific Plan designations to accommodate the City's share of Regional Housing needs.**

Policies

2.1 Implement land use policies which provide for a diversity of housing types and range ranges that will enable the City to encourage consistency with the 1998-2005 RHNA.

2.4 Promote the phase and orderly development of new neighborhoods consistent with the provision of infrastructure improvements.

Consistency Analysis

Development within Lytle Creek Ranch will be phased to ensure orderly growth. This Specific Plan requires that infrastructure improvements be provided concurrently with planned development.

Goal 3.0 Assist in the provision of adequate housing that is affordable to lower and moderate income households.

Policies

- 3.1 Support the development of rental units with three or more bedrooms to provide affordable housing that adequately accommodates larger families, thereby reducing overcrowding and overpayment.

- 3.5 Encourage the construction of apartment complexes with strong on-site management to ensure that housing is well-maintained.

Consistency Analysis

Lytle Creek Ranch incorporates several planning areas that are expected to develop with rental units. A percentage of these units may contain three or more bedrooms. The exact number of units with three or more bedrooms, if any, will be determined by the builder of each complex. Lytle Creek Ranch encourages the construction of apartment complexes with strong on-site management to ensure that housing is well-maintained.

Recording Fee: Exempt (Government Code Section 27383)

Recorded in Official Records, County of San Bernardino

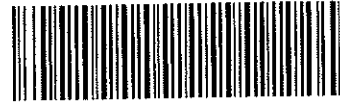
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STREET DEVELOPMENT SERVICES DEPARTMENT
ADDRESS 150 S. PALM AVENUE
CITY STATE & RIALTO, CA 92376
ZIP CODE

Recording Fee: Exempt (Government Code Section 27383)

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PRE-ANNEXATION AND DEVELOPMENT AGREEMENT

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(\$3.00 Additional Recording Fee Applies)

PRE-ANNEXATION AND DEVELOPMENT AGREEMENT

Between

THE CITY OF RIALTO

And

LYTLE DEVELOPMENT COMPANY,

a California corporation

And

EL RANCHO VERDE GOLF, LLC

a Delaware limited liability company

And

PHARRIS SYCAMORE FLATS LLC

a California limited liability company

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PRE-ANNEXATION AND DEVELOPMENT AGREEMENT

This PRE-ANNEXATION AND DEVELOPMENT AGREEMENT (this “**Agreement**”) is entered into this 14 day of August, 2012, by and between the CITY OF RIALTO, a municipal corporation (the “**City**”) and (i) LYTLE DEVELOPMENT COMPANY, a California corporation (“**Lytle Development**”), (ii) EL RANCHO VERDE GOLF LLC, a Delaware limited liability company (“**El Rancho Verde**”) and (iii) PHARRIS SYCAMORE FLATS LLC, a California limited liability company (“**PS Flats**”). Lytle Development, El Rancho Verde and PS Flats are collectively referred to herein as the “**Owners**” and individually as an “**Owner**”. The City, Lytle Development, El Rancho Verde and PS Flats are collectively referred to herein as the “**Parties**” and individually as a “**Party**.”

RECITALS

A. All capitalized terms used in the Recitals shall have the meanings given to such terms in Section 1 of this Agreement.

B. To strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic risk of development, the Legislature of the State of California adopted the “**Development Agreement Statute**,” Sections 65864 *et seq.*, of the California Government Code. The Development Agreement Statute authorizes the City to enter into an agreement with any person having a legal or equitable interest in real property, to provide for the development of such property and to vest certain development rights therein.

C. To ensure that the City remains responsive and accountable to its residents while pursuing the benefits of development agreements contemplated by the Legislature, the City: (1) accepts restraints on its police powers contained in development agreements only to the extent and for the duration required to achieve the mutual objectives of the Parties; and (2) to offset such restraints, seeks the public benefits which are provided in this Agreement.

D. Based on the foregoing, the City is authorized to enter into binding development agreements with persons having legal or equitable interests in real property for the development of such property, pursuant to the Development Agreement Statute (Section 65864, *et seq.* of the Government Code) and the rules and regulations adopted by the City for consideration of development agreements, pursuant to Section 65865 of the Government Code.

E. Lytle Development is the fee owner of a portion of the Property (the “**Lytle Property**”), legally described on Exhibits A-1.

F. El Rancho Verde is the fee owner of a portion of the Property (the “**El Rancho Verde Property**”), legally described on Exhibit A-2.

G. PS Flats is the fee owner of a portion of the Property (the “PS Flats Property”), legally described on Exhibit A-3.

H. An initial application for approval of the Specific Plan was submitted to the City on December 12, 2007.

I. Each of Lytle Development, El Rancho Verde and PS Flats may from time to time transfer all or portions of the Property to one or more developers who will succeed them, as the case may be, as the owner or owners under this Agreement with respect to those portions of the Property transferred. Development of the Property shall be undertaken by Lytle Development, El Rancho Verde and/or PS Flats, and/or successor owners.

J. City Procedures and Actions.

1. On July 13, 2010, the City Council introduced and adopted Ordinance No. 1471 approving this Agreement. The second reading of Ordinance No. 1471 was on July 27, 2010.

2. As a result of the ruling of the San Bernardino County Superior Court, dated September 30, 2011, in Case No. CIVDS 1011874, *Endangered Habitats League, et al. v. City of Rialto, et al.*, the court ordered the City to rescind its approvals for the Specific Plan, including approval of Ordinance No. 1471 for this Agreement. On November 22, 2011, the City Council adopted Ordinance No. 1495 rescinding approval of Ordinance No. 1471, the second reading of which was on December 13, 2011.

3. In compliance with the superior court’s decision, the City has prepared a Recirculated Portions of the Draft Environmental Impact Report, and the City will reconsider the certification of the Environmental Impact Report, and reconsider approval of the Specific Plan, the General Plan Amendment, Zone Change, Initial Financing Map and this Agreement.

4. On May 30, 2012, the City’s Planning Commission held a public hearing on the Agreement, and made certain findings and determinations with respect thereto, and recommended to the City Council that this Agreement be approved.

5. In accordance with the Development Agreement Statute, applicable City regulations, and other applicable law, the City Council on August 14, 2012, after conducting a duly noticed public hearing, considered the recommendations of the Planning Commission, adopted Ordinance No. 1511 (the “Ordinance”), to become effective on the thirty-first day after publication, approving this Agreement, having found that its provisions are consistent with the City’s General Plan and with the Specific Plan, and having authorized the execution of this Agreement.

6. The City has approved, or as of the Effective Date will have approved the Existing Development Approvals, as that term is defined in Section 1, below, for the Development of the Property in accordance with the Development Plan.

K. The City has fully complied with all of the requirements of the California Environmental Quality Act with respect to review and approval of the Project and this Agreement, including without limitation the City's review, consideration and certification of the EIR, the Findings adopted by the City, the Statement of Overriding Considerations and a Mitigation Monitoring Plan applicable thereto.

L. This Agreement and the Project are consistent with the General Plan and the Specific Plan.

M. Purpose of this Agreement.

1. Owner Objectives. In accordance with the legislative findings set forth in the Development Agreement Statute, and with full recognition of the City's policy of judicious restraints on its police powers, Owners desire to obtain reasonable assurances that the Project may be developed in accordance with the Existing Land Use Regulations, in accordance with the terms of this Agreement, and subject to the Section 3.11 (Reservations of Authority). Owners anticipate making capital expenditures in connection with the Development of the Project in reliance upon this Agreement. In the absence of this Agreement, Owners would have no assurance that they could complete the Project for the uses and to the density and intensity of development set forth in this Agreement and in the Existing Development Approvals. This Agreement, therefore, is necessary to assure Owners that the Project will not be: (1) reduced in density, intensity or use from what is set forth in the Existing Development Approvals; (2) subjected to new rules, regulations, ordinances or official policies which are not related to compliance with State or Federal mandates or health and safety conditions; or (3) subjected to delays for reasons other than health and safety enactments related to critical situations such as, but not limited to, the lack of wastewater treatment capacity, flooding or restricted water supply, as examples.

2. Mutual Objectives. Development of the Project by the Owners in accordance with this Agreement will provide for the orderly development of the Property in accordance with the objectives set forth in the General Plan and in the Specific Plan and will be, at a minimum, fiscally neutral with respect to its impact on the City. Moreover, this Agreement will eliminate uncertainty in planning for and securing orderly development of the Project, assure installation of necessary improvements, assure attainment of maximum efficient resource utilization within the City at the least economic cost to its citizens, and otherwise achieve the goals and purposes for which the Development Agreement Statute was enacted. The Parties believe that such orderly development of the Project will provide many public benefits to the City through the imposition of development standards and requirements under the provisions of this Agreement, including without limitation, imposition of certain fees, public dedications and public improvement requirements, and will further important policies and goals of the City. Additionally, although Development of the Project in accordance with this Agreement will restrain the City's land use or other relevant police powers, this Agreement will provide the City with sufficient reserved powers during the term hereof to remain responsible and accountable to its residents. In exchange for these and other

benefits to the City, Owners will receive assurances that the Project may be developed during the term of this Agreement in accordance with the Existing Land Use Regulations, in accordance with the terms and conditions of this Agreement, and subject to the provisions of Section 3.11 (Reservations of Authority).

A G R E E M E N T

Based upon the foregoing Recitals, the Parties hereby agree as follows:

1. DEFINITIONS.

The following terms when used in this Agreement shall have the meanings set forth below:

The term “**Action**” shall have the meaning set forth in Section 16.3 below.

The term “**Annexation**” means addition of territory to the City, pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Government Code sections 56000 *et seq.*

The term “**Building Permit**,” with respect to any building or structure to be constructed on the Property, means a building permit for not less than the shell and core of such building or structure issued by the Division of Building and Safety of the City.

The term “**CEQA**” or “**California Environmental Quality Act**” means the California Environmental Quality Act (California Public Resources Code Section 21000 *et seq.*), as may be amended from time to time.

The term “**Certificate of Occupancy**,” with respect to a particular building or other work of improvement, means the final certificate of occupancy issued by the City with respect to such building or other work of improvement.

The term “**CFD**” means the Community Facilities District for the Project allowed to be formed pursuant to the CFD Act by a Local Agency.

The term “**CFD Act**” means the Mello-Roos Community Facilities Act of 1982 (California Government Code Section 53311 *et seq.*), as may be amended from time to time, authorizing the imposition of a special tax to fund capital facilities and maintenance services.

The term “**City Council**” means the City Council of the City.

The term “**Dedicate**” or “**Dedication**” means to offer the subject land for dedication at the time of recordation of the final subdivision map for which such dedication is a condition of approval or as otherwise provided in Section 8.

The term **“Defaulting Party”** shall have the meaning set forth in Section 9.1 below.

The term **“Development”** or **“Develop”** means the improvement of the Property for purposes of constructing and completing the structures, improvements and facilities comprising the Project, including, but not limited to: grading, the construction of infrastructure and public facilities related to the Project whether located within or outside the Property, the construction of buildings and structures, and the installation of landscaping. **“Development”** or **“Develop”** also includes the operation, use and occupancy of, and the right to maintain, repair, or reconstruct, any private building, structure, improvement or facility after the construction and completion thereof; provided that such repair, or reconstruction takes place during the Term of this Agreement on parcels subject to this Agreement.

The term **“Development Agreement Fees”** means the monetary consideration charged by the City for entering into this Agreement, set forth on Exhibit “C” attached hereto.

The term **“Development Impact Fees”** means the monetary consideration, other than a tax or assessment charged by the City in connection with mitigating the Project-specific impacts of the Project and development of the public facilities related to development of the Project, including those fees, calculated on the basis of the number of residential units or square footage of non-residential development to be constructed, as set forth on Exhibit “C” attached hereto. Development Impact Fees do not include Processing Fees.

The term **“Development Plan”** means the Specific Plan Land Use Plan.

The term **“EIR”** means the Lytle Creek Ranch Environmental Impact Report certified by the City Council on July 24, 2012 (SCH No. 2009061113; City Council Resolution No. 6132), and any and all addenda thereto.

The term **“Effective Date”** of this Agreement means the effective date of the Ordinance approving this Agreement.

The term **“Existing Development Approvals”** means the Specific Plan, the EIR, the General Plan Amendment and Zone Changes and the Initial Financing Map.

The term **“Existing Land Use Regulations”** means all Land Use Regulations in effect as of the Effective Date, including all Existing Development Approvals.

The term **“Financing and Conveyance Map”** means any final subdivision map pursuant to the Subdivision Map Act, Government Code Sections 66410 *et seq.* which divides the Property into parcels or lots for financing and conveyance purposes only and which does not authorize development of any kind.

The term **“Force Majeure”** shall have the meaning set forth in Section 9.5 below.

The term “**General Plan**” means the City General Plan as it exists on the Effective Date, and as expressly amended by (i) General Plan Amendment/Zone Changes No. 29 approved by City concurrently with this Agreement (the “**GP Amendment and Zone Changes**”); and (ii) future amendments applicable to the Property, as approved by the Owners in the manner specified in Section 3.6 below.

The term “**Grand Paseo**” means a park area containing all of Planning Areas 37, 45, 51, 56, 61, 67, and 75, all as described in the Specific Plan.

The term “**Initial Financing Map**” means the tract map number 18767, that is a Financing and Conveyance Map approved approximately concurrently with the approval of the other Existing Development Approvals.

The term “**LAFCO**” means the San Bernardino County Local Agency Formation Commission.

The term “**Land Use Regulations**” means all ordinances, resolutions, codes, rules, regulations and official policies of the City governing the development and use of land, including the permitted use of land, the density or intensity of use, subdivision requirements, the maximum height and size of proposed buildings, the provisions for reservation or Dedication of land for public purposes, and the design, improvement and construction and initial occupancy standards and specifications applicable to the Development of the Property. “Land Use Regulations” do not include any City ordinance, resolution, code, rule, plan, regulation or official policy, governing any of the following: (i) the conduct, licensing or taxation of businesses, professions, and occupations; (ii) other than as provided in this Agreement or approved by the voters to fund the debt service of a general obligation bond or other city purpose funded by a city-wide ad valorem tax, including but not limited to a tax to fund the existing City PERS contract obligations,, taxes and assessments of general application upon all residents of the City; provided that the taxes and assessments are not imposed for the purpose of taxing the right, power or privilege of developing or improving land (e.g. excise tax) or to directly finance the construction or maintenance of any public improvement in respect of which the Owner is paying any fee or providing any improvement pursuant to Article 5 hereof; (iii) the control and abatement of nuisances; (iv) the granting of encroachment permits and the conveyance of rights and interests which provide for the use of or the entry upon public property; or (v) the exercise of the power of eminent domain.

The term “**Local Agency**” means any public agency authorized to levy, create or issue any form of land secured financing over all or any part of the Project, including, but not limited to, the City.

The term “**Lot**” means any of the parcels legally created as a result of any approved final subdivision parcel or tract map or recordation of a condominium plan pursuant to the California Civil Code Section 1352 for the Property pursuant to the Subdivision Map Act, Government Code Sections 66410 *et seq.*

The term “**Master Subdivision Map**” means a vesting tentative tract map which encompasses substantially all or substantially all of the Property, as the same may be finally approved by the City, and subject to all terms and conditions contained in such tract map.

The term “**Mitigation Monitoring and Reporting Program**” means that certain mitigation monitoring and reporting program included as Appendix VI-B to the EIR.

The term “**Mortgage**” means a mortgage, deed of trust, sale and leaseback arrangement, or any other form of conveyance in which the Property, or a portion thereof or interest therein, is pledged as security, and contracted for in good faith and for fair value.

The term “**Mortgagee**” means the holder of a beneficial interest under a Mortgage, or any successor or assignee of any such Mortgagee.

The term “**Mortgagee Successor**” means a Mortgagee or any third party who acquires fee title or any rights or interest in or with respect to the Property or any portion thereof through foreclosure, trustee’s sale, deed in lieu of foreclosure, lease termination, or otherwise from or through a Mortgagee. If a Mortgagee acquires fee title or any right or interest in or with respect to the Property or any portion thereof through foreclosure or trustee’s sale or by deed in lieu of foreclosure or trustee’s sale and such Mortgagee subsequently conveys fee title to such portion of the Property to a third party, then such third party shall be deemed a Mortgagee Successor.

The term “**Municipal Code**” means the City of Rialto Municipal Code, as the same existed as of the Effective Date of this Agreement and as may be amended from time to time consistent with this Agreement.

The term “**Non-Defaulting Party**” shall have the meaning set forth in Section 9.1 below.

The term “**Owner**” means any of the Owners, and any of the Owner Successors during the period of time that each such person or entity owns fee title to any portion of the Property. The term Owner excludes all Purchaser/Users.

The term “**Owner Successor**” means any person or entity (other than a Purchaser/User) who acquires fee title to some or all of the Property from an Owner, prior to the development of such portion of the Property, and subject to the terms of this Agreement.

The term “**Park Fees**” means Development Impact Fees levied by the City for Park Development pursuant to Section 3.34 of the Municipal Code and for Open Space pursuant to Section 3.44 of the Municipal Code.

The term “**Permitted Transferees**” means Lytle Development Joint Venture III, a California joint venture, Pharris III, LLC, a California limited liability company, Lytle

Development Joint Venture II, a California joint venture, Pharris II, LLC, a California limited liability company, a person or entity (i) that controls, is controlled by or is under common control with an Owner, (ii) that is a wholly owned subsidiary of an Owner, or (iii) if an entity, one that results from the merger of an Owner with such other entity and the entities described in Section 12.2.

The term **“Pre-Qualified Developer”** means a publicly traded builder or developer or a privately held merchant builder with a minimum net financial worth of Five Million Dollars and who has constructed at least 75 homes in California during the preceding five year period.

The term **“Project”** means the development of the Property pursuant to this Agreement, the Existing Land Use Regulations and the Existing Development Approvals, as depicted on Exhibit “B” attached hereto.

The term **“Property”** means the real property which is the subject of this Agreement and which is comprised of all of the Lytle Property, the El Rancho Verde Property, and the PS Flats Property.

The term **“Property Owner’s Association”** or **“POA”** means an association formed among the owners of real estate located within the Property (as the same may be subdivided from time to time), including but not limited to one or more homeowners’ association and/or other associations of owners of residential, industrial, commercial, educational and retail property.

The term **“Processing Fees”** means the following: (i) the City’s normal fees for processing, environmental assessment/review, tentative tracts/parcel map review, plan checking, site review, site approval, administrative review, building permit (plumbing, mechanical, electrical, building), inspection and similar fees imposed to recover the City’s costs associated with processing, review and inspection of applications, plans, specifications, etc.; (ii) fees and charges levied by any other public agency, utility, district or joint powers authority whether or not such fees are collected by the City, and whether or not such fees are used for maintenance or capital outlay purposes.

The term **“Proposed Project Facilities”** means those improvements set forth on Exhibit “D” attached hereto.

The term **“Purchaser/User”** shall have the meaning set forth in Section 2.6 below.

The term **“Quimby Act”** means Sections 66477 *et seq.*, of the California Government Code as implemented by Chapter 18.79 of Title 18 of the Municipal Code.

The term **“SANBAG”** means the San Bernardino Associated Governments, the council of governments and transportation planning agency for the County of San Bernardino.

The term “**Sports Park**” means a park area containing approximately 35.7 gross acres, to be located in Planning Area 72, improved with the facilities and equipment described in the Specific Plan and in Exhibit “H” attached hereto.

The term “**Specific Plan**” means the Lytle Creek Ranch Specific Plan, approved by City pursuant to Ordinance 1510, adopted on August 14, 2012.

The term “**Taxes**” means general or special taxes, including but not limited to ad valorem property taxes, sales taxes, transient occupancy taxes, utility taxes or business taxes of general applicability citywide which do not burden the Property disproportionately to similar types of development in the City and are not imposed as a condition of approval of a development project. Taxes do not include Development Impact Fees, Development Agreement Fees, Processing Fees, Traffic Impact Mitigation Fees or fair share mitigation fees.

The term “**Term**” shall have the meaning set forth in Section 2.4 below.

The term “**Third-Party Legal Challenge**” means any referendum or third-party action or legal action that is instituted and which might affect or challenge the validity or enforceability of the Ordinance or this Agreement including its Exhibits, or any provision thereof, or any document implementing the provisions contained in this Agreement including its Exhibits.

The term “**Traffic Impact Mitigation Fees**” shall have the meaning set forth in Section 5.6 below.

The term “**Uniform Construction Codes**” shall have the meaning set forth in Section 3.11.4 below.

The term “**Zoning Code**” shall refer to the City of Rialto Municipal Code, Title 18, Chapters 18.02 *et seq.*, as the same existed as of December 10, 2007, (i) as amended by any zone change relating to the Property approved concurrently with the approval of this Agreement, and (ii) as the same may be further amended from time to time consistent with this Agreement.

2. EFFECT OF AGREEMENTS.

2.1 Effect of Development Agreement. The Parties intend and direct that this Agreement be the full understanding between the Parties as to their respective rights and obligations with respect to development of its portion of the Property, and that any interpretation of or dispute with respect to such rights and responsibilities be resolved by reference to this Agreement.

2.2 City Release As To Actions Prior To Effective Date. The City forever discharges, releases and expressly waives as against Owners and their respective partners, members, attorneys and employees any and all claims, liens, demands, causes of action, excuses for nonperformance (including but not limited to claims and/or defenses of

unenforceability, lack of consideration, and/or violation of public policy), losses, damages, and liabilities, known or unknown, suspected or unsuspected, liquidated or unliquidated, fixed or contingent, based in contract, tort, or other theories of direct and/or of agency liability (including but not limited to principles of *respondeat superior*) that it has now or has had in the past, arising out of or relating to this Agreement, and the currently existing land use plans for the Property or any portion thereof.

2.3 Owners Release As To Actions Prior To Effective Date. Each of Owners forever discharges, releases and expressly waives as against the City and it's respective councils, boards, commissions, officers, attorneys and employees any and all claims, liens, demands, causes of action, excuses for nonperformance (including but not limited to claims and/or defenses of unenforceability, lack of consideration, and/or violation of public policy), losses, damages, and liabilities, known or unknown, suspected or unsuspected, liquidated or unliquidated, fixed or contingent, based in contract, tort or other theories of direct and/or of agency liability (including but not limited to principles of *respondeat superior*) that they have now or have had in the past, arising out of or relating to this Agreement, and the currently existing land use plans for the Property or any portion thereof.

2.4 Term. The term of this Agreement (as the same may be extended, the "Term") shall commence on the Effective Date and, except for those provisions in this Agreement that expressly survive the expiration of this Agreement, shall continue thereafter for a period of twenty-five (25) years from and after the Effective Date, with two (2) additional optional extensions of five (5) years for each extension, at the sole discretion of Owner, upon satisfaction of the conditions stated in this Section 2.4, unless this Agreement is terminated, modified or extended by circumstances set forth in this Agreement or by mutual written consent of all of the Parties. As a condition to Owner's right to extend the Term as set forth in the preceding sentence, as of the twenty-fifth anniversary of the Effective Date (subject to any Force Majeure delays) Certificates of Occupancy shall have been issued for both (a) not less than fifty percent (50%) of the residential units permitted by the Existing Development Approvals and (b) not less than fifty percent (50%) of the square feet of commercial space permitted by the Existing Development Approvals. As a further condition to Owner's right to extend the Term as set forth in the preceding sentence, as of the thirtieth anniversary of the Effective Date (subject to any Force Majeure delays) Certificates of Occupancy shall have been issued for both (a) not less than seventy percent (70%) of the residential units permitted by the Existing Development Approvals and (b) not less than seventy percent (70%) of the square feet of commercial space permitted by the Existing Development Approvals. However, in the event that maximum number of residential units or maximum square footage of industrial and commercial development is reduced by action of other governmental entities with jurisdiction or by a court, the maximum number of residential units and/or commercial space shall be reduced accordingly and the aforementioned percentages prorated.

2.5 Termination If Annexation has not Occurred. The provisions of this Agreement shall terminate with respect to any portion of the Property for which an

application for annexation has not been filed with LAFCO within one year following the date upon which the Existing Development Approvals and all federal and state permits required for the Development of the Property are final and all litigation with respect thereto and this Agreement has been finally resolved and no longer subject to appeal or further judicial review, whichever is the last to occur, subject to the provisions of Section 6, but in no event later than 10 years after the Effective Date of this Agreement. Notwithstanding any other provision of this Agreement, this Agreement may be terminated by the City in its sole discretion if, for any reason, the annexation to the City of the properties described in Exhibit B as Neighborhood II and Neighborhood III is not completed within 10 years following the Effective Date of this Agreement. At the discretion of the City, the annexation of Neighborhoods II and III shall be conducted concurrently.

2.6 Termination Upon Sale Of Individual Lots To Public And Completion Of Construction. The provisions of this Agreement shall terminate with respect to any individual Lot and such Lot shall be released from and shall no longer be subject to this Agreement (without the execution or recordation of any further document or the taking of any further action) upon the satisfaction of both of the following conditions: (i) the Lot has been finally subdivided and sold, leased (for a period longer than one (1) year as evidenced by a lease) or otherwise conveyed to a member of the public or any other ultimate purchaser or user (collectively, a “**Purchaser/User**”) which is not an Owner; and (ii) a Certificate of Occupancy has been issued for the building or buildings on the Lot or a final inspection of the building(s) has been approved by the City authorizing occupancy. The City shall cooperate with the Owner, at no cost to the City, in executing in recordable form any document that the Owner may submit to confirm the termination of this Agreement as to any such Lot.

3. DEVELOPMENT OF THE PROPERTY.

3.1 Applicable Regulations; Vested Right To Develop. During the Term of this Agreement, the terms and conditions of development applicable to the Property, including but not limited to the permitted uses of the Property, the density and intensity of use, maximum height and size of proposed buildings and provisions for the reservation and dedication of land for public purposes, shall be those set forth in the Existing Land Use Regulations and in the Existing Development Approvals subject to the provisions of Section 3.11 of this Agreement. The maximum number of residential units authorized to be constructed hereunder and the maximum square footage of industrial and commercial development, without regard to any density bonus or incentive or concession for child care pursuant to Government Code Sections 65915 through 65918 or other similar legislation or regulation the right to which is hereby waived by Owners, is 8,407 units and 849,420 square feet of industrial and commercial development. However, in the event that maximum number of residential units or maximum square footage of industrial and commercial development is reduced by action of other governmental entities with jurisdiction, or by a final decision of a court, the maximum number shall be reduced accordingly which reduction shall be reported within 90 days thereafter by written notice to the City.

3.1.1 Vested Right To Develop. Subject to the terms and conditions of this Agreement, Owners shall each have the vested right to carry out and develop the Property in accordance with the Existing Land Use Regulations and the Existing Development Approvals. In furtherance of the foregoing, Owners each retains the right to apportion the uses, intensities and densities, between itself and any subsequent Owners, upon the sale, transfer, or assignment of any portion of the Property, so long as such apportionment is consistent with the Existing Development Approvals and the Existing Land Use Regulations.

3.1.2 Right To Future Approvals. Subject to the City's exercise of its police power authority as specified in Section 3.11.7, Owner shall each have a vested right: (i) to receive from the City all future development approvals for the Property that are consistent with, and implement, the Existing Land Use Regulations, the Existing Development Approvals and this Agreement; (ii) not to have such approvals be conditioned or delayed for reasons which are inconsistent with the Existing Land Use Regulations, the Existing Development Approvals or this Agreement; and (iii) to develop the Property in a manner consistent with such approvals in accordance with the Existing Land Use Regulations, the Existing Development Approvals and this Agreement.

3.1.3 Vesting of Future Approvals. Subject to Section 3.6 below, any future development approvals for the Property, including without limitation general plan amendments, zone changes, or parcel maps or tract maps, shall upon approval by the City be vested in the same manner as provided in this Agreement for the Existing Land Use Regulations and the Existing Development Approvals.

3.2 Tentative Subdivision Maps. With respect to applications by an Owner for tentative subdivision maps for all or portions of the Property, such Owner may file and process vesting tentative maps in accordance with Chapter 4.5 (commencing with Section 66498.1) of Division 2 of Title 7 of the California Government Code and the applicable provisions of the City's subdivision ordinance, as the same may be amended from time to time. The term of such tentative maps shall be extended automatically to be co-terminus with the Term of this Agreement. Owners have advised City that Owners intend to file multiple final subdivision maps, as may be determined by each Owner in its sole and absolute discretion. City agrees that it shall permit the filing of multiple final subdivision maps in accordance with the procedures set forth in Government Code Section 66456.1.

3.3 Financing And Conveyance Maps. Owners may file one or more tentative tract maps dividing the Property into separate legal lots or parcels for financing and conveyance purposes only (each, a "**Financing and Conveyance Map**"). A Financing and Conveyance Map shall not authorize any Development of the Property, and shall not be subject to any condition, exactions, or restrictions other than monumentation and other similar conditions that do not require the payment of money by Owners and do not require the installation or construction of any infrastructure improvements by Owners, and which the City commonly imposes on similar financing and conveyance maps.

3.4 Processing Of Applications And Permits. Upon satisfactory completion by one or more Owners of all required preliminary actions and payment of appropriate Processing Fees, if any, the City shall promptly proceed to process, check, and make a determination on all applications for development and building approvals within the times set forth in the Permit Streamlining Act (Chapter 4.5 (Section 65920) of Division 1 of Title 7 of the California Government Code), the Subdivision Map Act (Division 2 (commencing with Section 66410) of Title 7 of the California Government Code) and other applicable provisions of law, as the same may be amended from time to time.

3.5 Other Governmental Permits. Provided that an Owner pays the reasonable cost of such cooperation, the City shall cooperate with such Owner in its efforts to obtain such additional permits and approvals as may be required by any other governmental or quasi-governmental agencies having jurisdiction over the applicable portion of the Property for which such permit or approval is sought, provided that such permits and approvals are consistent with the Existing Land Use Regulations, the Existing Development Approvals and other City approvals for development of the Property; and provided further that such approvals are consistent with applicable regulatory requirements. The City does not warrant or represent that any other governmental or quasi-governmental permits or approvals will be granted.

3.6 Subsequent General Plan Amendments And Zone Changes. Owners shall be vested in their respective right to the development of the Property in accordance with the Existing Land Use Regulations and the Existing Development Approvals. Accordingly, any general plan amendments or zone changes or any other regulatory approvals with respect to development of any portion of the Property will not become effective as to such portion of the Property unless consented to in writing by all Owners of the portion of the Property affected by such general plan amendment or zone change who may exist as of the date of such general plan amendments or zone changes or any other regulatory approvals and are consistent with CEQA and any other applicable provisions of general law then in existence. By this paragraph the City does not represent that it will accept, process or approve any general plan, zone change or other regulatory action; provided that the City shall, subject to and consistent with its police power authority, accept, process and approve all regulatory actions required in order to effectuate the vested rights and benefits to the Owners contained in this Agreement.

3.7 Construction of Commercial Development. Owner agrees to phase the development of commercial development within the City in accordance with the following schedule.

Phase 1 – 1,681 residential units – 50,000 square feet of commercial

Phase 2 – 3,363 residential units – an additional 50,000 square feet of commercial for a cumulative total of 100,000 square feet of commercial

Phase 3 – 5,044 residential units – an additional 50,000 square feet of commercial for a cumulative total of 150,000 square feet of commercial

Phase 4 – 6,726 residential units – an additional 50,000 square feet of commercial for a cumulative total of 200,000 square feet of commercial

Phase 5 – 8,407 residential units – an additional 50,000 square feet of commercial for a cumulative total of 250,000 square feet of commercial.

Owner shall not commence construction of any phase of residential development following Phase 1 until such time as construction has commenced for the amount of commercial construction required for the previous phase of residential development. Once commenced, construction shall be completed within twelve (12) months. If not completed within twelve months, no further residential building permits shall be issued for that phase until the required commercial construction has been completed and certificates of occupancy issued.

3.8 Transfers to Non-Profit Entities. In the event an Owner transfers title to property that was assumed to be developed for industrial or commercial purposes in the economic analysis of the Project prepared by Stanley R. Hoffman and Associates, dated May 6, 2010, to a non-profit entity, other than schools, churches and government facilities, that receives an exemption from ad valorem real property taxes, and the transfer materially and adversely impacts the fiscal effect of the Project on the City, Owner shall compensate City for the lack of real property tax revenue in a manner mutually acceptable to Owner and City.

3.9 Public Benefits.

3.9.1 Local and Regional Public Benefits. This Agreement provides assurances that the public benefits identified below in this Section 3.9 will be achieved and developed in accordance with the terms of this Agreement. The Project will provide local and regional public benefits to the City, including without limitation:

(i) Increased Impact Fees. The Owner will pay Development Impact Fees in excess of the fees currently charged by the City for other development within the City as set forth in Exhibit C.

(ii) Development Agreement Fee. The Owner will pay Development Agreement Fees as set forth in Exhibit C.

(iii) Increase Tax Revenue. The development of the Property in accordance with the terms of this Agreement will result in increased ad valorem real property and sales tax and other revenues to the City.

(iv) Reducing Vehicle Miles Travelled. The Project will reduce vehicle trips by implementing a transportation demand management program that takes advantage of alternative modes of mass transit within the City.

(v) Pedestrian Mobility. The Project encourages pedestrian mobility through the provision of walking paths, signage guiding pedestrians to nearby

destinations and through preservation of significant open space to create pleasant environments that encourages walking.

(vi) Sustainable Design. The Owner will use their good faith efforts to include sustainable design at a LEED certifiable level for commercial and industrial uses and green building standards for residential construction.

(vii) Pedestrian Connection. The Project will include a public pedestrian trail along the northernmost portion of Property.

(viii) Pedestrian Environment on Riverside Avenue. The Project will include improvements that enhance the pedestrian environment on Riverside Avenue, including bus turnouts, enhanced landscaping and other pedestrian amenities.

(ix) Reduce Traffic Congestion. The Project will include improvements and contribute fees to improvements that will reduce congestion on local streets and the regional transportation network such as Interstate I-15.

(x) Public Schools. The Project will include the construction of an elementary school and a K-8 school which will benefit residents without the Project and well as within the Project.

(xi) Open Space. Over 900 acres of natural open space will be preserved in perpetuity.

(xii) Parks and Recreation. Park and recreation improvements include:

- 21.0 acres of neighborhood parks
- 23.5 acres devoted to the "Grand Paseo," a greenbelt that will vary in width from between 70 feet and 100 feet and contain picnic areas, seating, and landscaping
- The Sports Park containing soccer fields and baseball diamonds, playgrounds, concession facilities, restrooms and picnic areas
- 10.0 acres devoted to private recreation centers (two 3-acre recreation centers with swimming pool and one 4-acre recreation center with swimming pool and water play area for children)
- 3.0-acre Active Adult recreation center (private for Active Adult homeowners only)
- 27.2 acres of linear open space/recreation land, trails and walkways

3.10 Assurances To Owner. The Parties acknowledge that the substantial public benefits to be provided by Owners to the City pursuant to this Agreement are in consideration for and reliance upon assurances that the City will permit Development of the Property in accordance with the terms of this Agreement. Accordingly, the City shall not attempt to restrict or limit the Development of the Property in any manner that would

conflict with the provisions of this Agreement. The City acknowledges that Owners cannot at this time predict the timing or rate at which the Property will be developed. The timing and rate of development depend on numerous factors such as market demand, interest rates, absorption, completion schedules and other factors which are not within the control of Owners or the City. In *Pardee Construction Co. v. City of Camarillo* (1984) 37 Cal. 3d 465, the California Supreme Court held that a construction company was not exempt from a city's growth control ordinance notwithstanding that the construction company and the city had entered into a consent judgment (tantamount to a contract under California law) establishing the company's vested rights to develop its property in accordance with the zoning. The California Supreme Court reached this result on the basis that the consent judgment failed to address the timing of development. It is the intent of the Parties to avoid the result of the *Pardee* case by acknowledging and providing in this Agreement that all Owners shall have the vested right to develop the Property in such order and at such rate and at such time as such each such Owner deems appropriate within the exercise of such Owner's sole subjective business judgment, notwithstanding the adoption of an initiative after the Effective Date by the City's electorate to the contrary. In addition to and not in limitation of the foregoing, but except as set forth in the following sentence, it is the intent of the Parties that no City moratorium or other similar limitation relating to the rate or timing of the Development of the Property or any portion thereof, whether adopted by initiative, referendum or otherwise, shall apply to the Property to the extent that such moratorium, referendum or other similar limitation is in conflict with the express provisions of this Agreement. Notwithstanding the foregoing, Owners acknowledge and agree that nothing herein is intended or shall be construed as (i) overriding any provision set forth in this Agreement relating to the phasing of development of the Project; (ii) overriding any provision of the Existing Land Use Regulations or the Existing Development Approvals relating to the phasing of development of the Project; or (iii) restricting the City from exercising the powers described in Section 3.11 of this Agreement to regulate development of the Property. Nothing in this Section 3.9 is intended to excuse or release an Owner from any obligation set forth in this Agreement which is required to be performed on or before a specified calendar date or event without regard to whether or not one or more Owners proceeds with any portion of the Project.

3.11 Reservations Of Authority. Notwithstanding any provision set forth in this Agreement to the contrary, the laws, rules, regulations, official policies and conditions of approval set forth below in this Section 3.11 shall apply to and govern development of the Property.

3.11.1 Consistent Future City Regulations. City ordinances, resolutions, regulations and official policies adopted or approved after the Effective Date pursuant to procedures provided by law which do not conflict with the Existing Land Use Regulations, the Existing Development Approvals, and this Agreement shall apply to and govern development of the Property. Without limitation, any future City regulations, whether adopted by voter initiative or City Council action or otherwise, which materially increase the cost of development (except future fees adopted on a city-wide basis as referenced in Section 5.2.3 below), reduce the density or intensity of the Project below

that permitted by the Existing Land Use Regulations and the Existing Development Approvals or materially limit the rate, timing or sequencing of development of the Property, or otherwise materially restrict any of the permitted uses, density, improvements, and construction shall be deemed inconsistent with this Agreement and shall not be applicable to the development of any portion the Property, unless the Owner of such portion of the Property expressly so consents. The Parties understand and agree that this Section 3.11.1 applies to the City's future adoption of ordinances, resolutions, regulations and official policies, but not to the imposition of conditions on future discretionary applications such as subdivision maps, conditional use permits, master plans, or similar approvals. The extent to which the City may impose conditions in connection with the evaluation of such subordinate discretionary applications is governed by the standards set forth in Section 3.11.6, below.

3.11.2 Overriding State and Federal Laws and Regulations. State and federal laws and regulations, including those of their regional agencies or departments such as the Regional Water Quality Control Board, which override the Owner's vested rights set forth in this Agreement shall apply to the Property, together with any City ordinances, resolutions, regulations and official policies which are necessary to enable the City to comply with such overriding state and federal laws and regulations; provided, however, that (i) none of the Owners waives its right to challenge or contest the validity of any such state, federal or local laws, regulations or official policies; and (ii) in the event that any such state or federal law or regulation (or City ordinance, resolution, regulation or official policy undertaken pursuant thereto) prevents or precludes compliance with one or more provisions of this Agreement, the Parties agree to consider in good faith amending or suspending such provisions of this Agreement as may be necessary to comply with such state or federal laws, provided that no Party shall be bound to approve any amendment to this Agreement unless this Agreement is amended in accordance with the procedures applicable to the adoption and amendment of development agreements as set forth in the Development Agreement Statute and each Party retains full discretion with respect thereto.

3.11.3 Public Health And Safety. Any City ordinance, resolution, regulation, or official policy, which is reasonably necessary to protect persons on the Property in the immediate community, or both, from conditions dangerous to their health, safety, or both, shall apply to the Property notwithstanding that the application of such ordinance, resolution, regulation, or official policy or other similar limitation would result in the impairment of Owner's vested rights under this Agreement. Any such regulations must constitute a valid exercise of the City's police power and must be applied and construed so as to provide the Owner, to the maximum extent possible, with the rights and assurances provided under this Agreement.

3.11.4 Uniform Construction Codes. Provisions of the building standards set forth in the Uniform Construction Codes shall apply to the Property. As used herein, the term "**Uniform Construction Codes**" collectively currently includes the 2007 California Building Codes, the 2007 California Electric Code, the 2007 California Plumbing Code, the 2007 California Mechanical Code, the 2006 Uniform Solar Energy

Code, the 2006 Uniform Swimming Pool, Spa and Hot Tub Code, the 1997 Uniform Housing Code, the 1997 Uniform Administrative Code and the 2007 California Fire Code (including amendments thereto by the San Bernardino Fire Authority), as modified and amended by official action of the City in accordance with the provisions of Health and Safety Code Section 17958.7. Notwithstanding the foregoing, no construction within the Project shall be subject to any provision in any of the subsequent Uniform Construction Codes, adopted by the State of California, but modified by the City which is more restrictive than the provisions of subsequent Uniform Construction Codes of the City, notwithstanding the fact that the City has the authority to adopt such more restrictive provision pursuant to the California Building Standards Law, including but not limited to California Health and Safety Code Section 18941.5.

3.11.5 Prevailing Wages. Owner shall carry out the Development of the Property in conformity with all applicable federal and state labor laws (including, without limitation, if applicable, the requirement under California law to pay prevailing wages and to hire apprentices). The Parties believe that the Development is not considered to be a "public work" under California law because the Project is receiving no financial assistance from City other than the reimbursement of the costs of constructing the public improvements required by City as a condition of approval of the Project, in accordance with Section 1720(c)(2) of the California Labor Code and this Agreement. Therefore, only the construction of such public improvements may be subject to the requirements of Labor Code Section 1720, *et seq.* relating to the payment of prevailing wages and the hiring of apprentices. Notwithstanding the foregoing, Owner shall be solely responsible for determining and effectuating compliance with such laws, and City makes no representation as to the applicability or non-applicability of any of such laws to the construction of the Improvements or any part thereof. Owner hereby expressly acknowledges and agrees that City has not previously affirmatively represented to Owner or its contractor(s) with respect to the Development of the Project, in writing or otherwise, that the work to be covered by this Agreement is not a public work, as defined in Section 1720 of the Labor Code. Owner hereby agrees that Owner shall have the obligation to provide any and all disclosures or identifications required by Labor Code Section 1781, as the same may be amended from time to time, or any other similar law. Owner shall indemnify, protect, defend and hold harmless the City and its officers, employees, contractors and agents, with counsel reasonably acceptable to City, from and against any and all loss, liability, damage, claim, cost, expense and/or increased costs (including reasonable attorneys fees, court fees, and other litigation costs including but not limited to fees of expert witnesses) which, in connection with construction related to the Development of the Project (as defined by applicable law and/or California labor law), results in or arises from the following: (1) the noncompliance by Owner with any applicable state and/or federal law (including, without limitation, if applicable, the requirement to pay prevailing wages and to hire apprentices); (2) the implementation of Section 1781 of the Labor Code, as the same may be amended from time to time, or any other similar law; and/or (3) failure by Owner to provide any required disclosure or identification as required by Labor Code Section 1781, as the same may be amended from time to time, or any other similar law. It is agreed by the Parties that, in connection with the Development of the Project, including, without limitation, any and all public

works (as defined by applicable law), Owner shall bear all risks of payment or non-payment of prevailing wages and hiring of apprentices under California law and/or the implementation of Labor Code Section 1781, as the same may be amended from time to time, and/or any other similar law. "Increased costs," as used in this Section, shall have the meaning ascribed to it in Labor Code Section 1781, as the same may be amended from time to time. The foregoing indemnity shall survive termination of this Agreement and shall continue after completion of the Development of the Project by any Owner.

3.11.6 Eminent Domain. The City shall not be required to exercise its power of eminent domain in connection with the Project, except as may be required for any mitigation measure included in the Existing Development Approvals that requires any of the Owners to acquire real property not part of the Property. In the event Owner is unable, after exercising reasonable efforts, including but not limited to its rights under Sections 1001 and 1002 of the California Civil Code, to acquire the necessary property interests, and if so requested by the Owner and upon the Owner's provision of adequate security for costs the City reasonably may incur, the City shall use reasonable good faith efforts to negotiate the purchase of the necessary real property at a price acceptable to the Owner. Upon the failure of the City to acquire such real property by negotiation, the City agrees to consider use of its eminent domain power to acquire such real property. However, nothing in this Agreement shall be construed to require the City to acquire such real property by the exercise of such powers, which shall be exercised only in the sole discretion of the City and only after the City has determined that there is substantial evidence of each of the following:

- (i) The public interest and necessity require the acquisition of such property for the purpose of constructing or installing public improvements thereon;
- (ii) Such public improvements are planned and located in the manner that will be more compatible with the greatest public good and the least private injury;
- (iii) Such property is necessary for such public improvement; and
- (iv) That either the offer required by California Government Code Section 7267.2 has been made to the Owner or Owners of the property, or that offer has not been made because such Owner or Owners of record cannot be located with reasonable diligence.

Prior to undertaking any proceedings for voluntary acquisition or condemnation, the City and the Owner subject to the requirement to acquire such property shall enter into an agreement which requires the Owner's deposit with the City of an amount of funds estimated by the City to be necessary to reimburse it for all costs and expenses incurred relative to such acquisition or condemnation, including without limitation, the City staff time, voluntary acquisition or judicial award costs, court costs, appraisal and engineering costs, attorney's fees, expert witness fees and other reasonably

necessary litigation costs. The failure of such Owner or Owners to enter into such agreement with the City shall relieve the City of all of its obligations pursuant to this Section 3.11.6 of this Agreement; provided, however, that such Owner or Owners shall still be obligated to construct the required public improvement or substitute improvements and facilities, at no greater cost, as determined by the City.

3.11.7 Police Power. In all respects not provided for in this Agreement, the City shall retain full rights to exercise its police power to regulate the development of the Property, and any uses or developments requiring a site plan, tentative tract map, master plan, or other discretionary permit or approval as required pursuant to the Existing Land Use Regulations or Existing Land Use Approvals. The City's discretion with respect to such actions shall be exercised consistent with the Owner's vested rights under this Agreement as set forth in Section 3.1. The City acknowledges pursuant to Government Code Section 65865.2 that the conditions, terms, restrictions, and requirements for subsequent discretionary actions or permits shall not prevent Development of the Property for the uses and to the density or intensity of development set forth in this Agreement.

4. Specific Plan.

4.1 Specific Plan. Land use and development on the Property shall be governed by the Specific Plan and this Agreement. Notwithstanding any other provision of this Agreement, the Owners shall have the right but not the obligation to build the uses specified in the Specific Plan at the locations specified in the Specific Plan.

4.2 Priority Of Specific Plan. The City has determined that the Specific Plan is consistent with the General Plan and the Zoning Code. As such, the Specific Plan shall be the primary document governing the use and development of the Property and in the event of a conflict shall prevail over any other of the Existing Development Approvals.

5. FEES.

5.1 Processing Fees. During the Term of this Agreement, the City may require Owners to pay all Processing Fees applicable to the Development of the Project, at the rates then in effect with respect to the applicable application date.

5.2 Development Impact Fees.

5.2.1 Limit on Exactions, Mitigation Measures, Conditions and Development Fees. Except for those fees expressly set forth in Section 5.6 below and subject to the changes permitted by Section 5.2.3 below, the City shall charge and impose only those exactions, mitigation measures and conditions, including, without limitation, dedications as are set forth in the Existing Development Approvals, and those fees relating to development or the privilege of Developing the Property as are expressly set forth in Exhibit "C" attached hereto, and no others.

5.2.2 Payment of Development Impact Fees. Each Owner shall pay all Development Impact Fees with respect to Development commenced on the portion of the Property owned by such Owner. The Development Impact Fees for wastewater collection and treatment, police, and fire set forth on Exhibit "C" of this Agreement shall be calculated and paid concurrent with the issuance of a Building Permit for a building, and shall be calculated based upon the number of residential units or square footage of non-residential development included in such building. Except for the wastewater collection and treatment, police, and fire Development Impact Fees, all other Development Impact Fees and the Development Agreement Fee shall be calculated and paid concurrent with the issuance of a Certificate of Occupancy for a building, and shall be calculated based upon the number of residential units or square footage included in such building.

5.2.3 Fee Reset Date. Except as provided in Sections 5.4 through 5.6, all Development Impact Fees shall be fixed for a period commencing on the issuance of the first grading permit for the Project other than grading for the Sports Park Facility and ending on the date that is the tenth anniversary of the issuance of the first grading permit or June 30, 2025 whichever occurs first (the "**Fixed Fee Period**"). On the day after the end of the Fixed Fee Period (the "**First Fee Reset Date**"), all Development Impact Fees shall be recalculated to be equal to the applicable Development Impact Fees generally charged on the First Fee Reset Date by the City to all developments within the City (regardless of whether such new fees are more or less than the Development Impact Fees previously in effect). If this Agreement is extended for an initial five year period as provided in Section 2.4, on June 30, 2035 (the "**Second Fee Reset Date**"), all Development Impact Fees and any new citywide fees shall be recalculated to be equal to the applicable Development Impact Fees and new citywide fees generally charged on the Second Fee Reset Date by the City to all developments within the City (regardless of whether such new fees are more or less than the Development Impact Fees previously in effect). If this Agreement is extended for a second five year period as provided in Section 2.4, on June 30, 2040 (the "**Third Fee Reset Date**"), all Development Impact Fees and any other new citywide fees shall be recalculated to be equal to the applicable Development Impact Fees generally charged on the Third Fee Reset Date by the City to all developments within the City (regardless of whether such new fees are more or less than the Development Impact Fees previously in effect). The City and Owner shall execute an amendment to Exhibit "C" and shall attach the revised Exhibit C to this Agreement to reflect the new Development Impact Fees established as of the Fee Reset Dates. After recalculation on the Fee Reset Dates, all Development Impact Fees shall then be fixed at such new amounts for the remaining Term of this Agreement. The Owners shall have the option to pre-pay Development Impact Fee for up to 1,000 residential permits at any time prior to the First Fee Reset Date. All remaining unpaid Development Impact Fees that would be applicable to all approved residential units for the entire Project, but for which no Building Permits have then been issued, and such pre-paid Development Impact Fees shall be calculated at the rates set forth on Exhibit "C" of this Agreement, or in Section 5.6 below.

5.3 Storm Drain Fees. The Owners shall treat all storm water within the Project boundaries without discharge into the City's existing storm drain system and therefore, no off-site infrastructure for the collection, treatment, handling or transportation of storm water shall be constructed in connection with the Project. Accordingly, the Owners shall be exempt from all storm drain fees, charges, hook-up fees or other similar charges.

5.4 Wastewater Facilities.

5.4.1 Wastewater Fees. The City levies two capital facilities fees related to wastewater: (i) a wastewater collection fee; and (ii) a wastewater treatment fee. The wastewater collection fees shall be fixed in accordance with Section 5.2.3 above, however, wastewater treatment fees shall be based on the applicable fee in effect at the time the fee is due as provided in the Municipal Code. However, if from time to time the City reduces the wastewater treatment fees it charges to any other development consisting of 20 residential units or more, then the wastewater treatment fee shall be automatically reduced to equal the wastewater treatment fee charged to the other development for a period of one year following the issuance of the last building permit for such other development.

5.4.2 Construction of Wastewater Collection Infrastructure in Lieu of Fees. If any additions, improvements and/or upgrades to the City's wastewater collection system outside the boundaries of the Property are required in connection with any Development of the Project, then the Owner shall have the option to elect to construct some or all of such additions, improvements and/or upgrades, at their sole cost and expense. The Owner completing any such works of improvement shall be entitled to offset the actual costs incurred by such Owner for the design, permitting, construction and installation of such works of improvement against any wastewater collection-related Development Impact Fees that may otherwise be payable in connection with future development of the portion of the Property owned by such Owner. As the Owner is not constructing any portion of the wastewater treatment facility, no offset shall be applied to the wastewater treatment fee. Any offsets against Development Impact Fees available to any Owner may be freely transferred among the Owners by delivering written notice of such transfer to the City.

5.4.3 Wastewater Treatment Capacity. The City shall use its best efforts to obtain the required permits and construct the needed improvements to the City wastewater treatment facilities in order to serve the Project. Owner shall keep City apprised of its building permits expectations (for the next 12 months) on January 15th and July 15 of each calendar year so that the City may plan its expansion responsibilities.

5.5 Park Fees. Owner will be constructing, installing and improving the park and recreation facilities listed below, which are deemed to be park, recreation and/or open space for the purpose of complying with the Municipal Code park dedication requirements. Within Neighborhoods II and III, with the exception for the Sport Park and except as provided below, all parkland and open space shall be maintained by POA, the

developer, the Owner or such other entity as approved by the City. Provided that all required parks and recreation facilities are constructed and installed in accordance with the Specific Plan and this Agreement, the Project will not be subject to the imposition of Park Fees by the City. The City acknowledges that the value of the land and improvements for the park, recreation and open space land and facilities exceeds the aggregate of all park fees which may be charged by the City pursuant to the Municipal Code in connection with the proposed Development of the entire Project.

Developer and/or Owners shall construct and install within the Project boundaries the following park and recreation facilities:

(a) the Grand Paseo Park, which consists of approximately 24 acres of meandering multi-purpose improved trail ranging in width from 70 feet to 100 feet and connecting all of the recreational elements in the Specific Plan for Neighborhood 3. The Grand Paseo also will include picnic areas, benches, walkways, and other recreational elements;

(b) three (3) publicly accessible parks (each containing approximately three acres), contiguous to the Grand Paseo Park, equipped with typical neighborhood park facilities, which could include picnic facilities, shade structures, playgrounds, turf areas, and related facilities;

(c) four (4) private recreation centers totaling approximately 12 acres, which will be gated and accessible only to the residents of the Project. These centers will include clubhouse facilities, restrooms, and other amenities including swimming pools;

(d) the Sports Park;

(e) Neighborhoods I and IV of the Project shall provide improved parkland within these neighborhoods in accordance with this Agreement's requirement of 3 acres per 1,000 residents, utilizing a per dwelling unit population factor of 3.153 persons per dwelling unit. The appropriate parkland requirement shall be calculated and displayed within the respective underlying subdivision tentative maps at such time said tentative map is processed (within Neighborhoods I and IV). The minimum acceptable park proposed for public maintenance shall be 3 acres.

5.6 Traffic Impact Mitigation Fees.

5.6.1 Fees to be Established. The City has established a development impact fee for the purpose of collecting funds to pay for the cost of constructing transportation improvements. The fee includes freeway interchange and arterial roadway improvements which are partially funded by SANBAG under the Measure I 2010-2040 Program and which are identified in a list of improvements submitted by the City and approved by SANBAG (the "Nexus List"). The fee also includes local improvements which are not subject to reimbursement under the Measure I 2010-2040 Program. The Traffic Impact Mitigation Fee established by the City includes interchange, arterial, and local improvement components. Subject to the provisions of

Section 5.6.3 below, each Owner shall be obligated to pay the applicable Traffic Impact Mitigation Fee established by the City with respect to the portion of the property then owned by such Owner.

5.6.2 Riverside Avenue/Sierra Avenue Project. At the first available date for amending the Nexus List eligible for reimbursement from SANBAG under the Measure I 2010-2040 Program, the city shall add a project(s) for improving Riverside Avenue and Sierra Avenue along the frontage of the property (the Riverside/Sierra Project). The City Acknowledges that it may need to delete other arterial roadways of equivalent value from the Nexus List or increase the unfunded deficiency. The estimated current cost for the Riverside/Sierra Project is \$8,300,000. The Owner shall be entitled to a credit or reimbursement for the actual cost of constructing the Riverside/Sierra Project against the Traffic Impact Mitigation Fees provided Owner complies with the approved rules and procedures for such credits or reimbursements, including as applicable the payment of prevailing wages for the cost of labor related to the improvements.

5.6.3 Increase to Traffic Impact Mitigation Fees. The City has established the amount of Traffic Impact Mitigation Fees for a single residential unit for the calendar year 2010 (the “Base Fee”) as \$2,776 per residential unit and \$1,923 per multi-family residential unit as illustrated in Exhibit C-1. The Base Fee will be increased or decreased on January 1 of each year to an amount equal to the product obtained by multiplying (i) the Base Fee by (ii) the factor recommended by SANBAG to adjust the Traffic Impact Mitigation Fee based upon inflationary costs for construction projects .

5.7 Owner to Construct Traffic Improvements and Pay Fair Share Fees. The Mitigation Monitoring and Reporting Program identifies a series of traffic infrastructure improvements that will be required in connection with the development of the Project. The completion of the traffic improvements as set forth in the Mitigation Monitoring and Reporting Program shall be the sole and only obligation of Owners. All of the traffic infrastructure improvements as set forth in the Mitigation Monitoring and Reporting Program shall be designed and constructed in accordance with all applicable laws, policies and regulations then in effect, and in accordance with the specifications for such traffic improvements applied generally to similar traffic improvements.

6. ANNEXATION

The Development Agreement’s effectiveness is subject to the annexation of the Property into the City. In the event LAFCO requires the City to include certain inhabited island areas within the City as shown on Exhibit “I” (the “County Inhabited Islands”), the Owner agrees to include the LAFCO Islands within the application for annexation of the Property. City and Owner agree to use their best efforts to accomplish the annexation of the Property to the City. In the event that annexation of portions of the Property is not approved by the Local Area Formation Commission, or for any other reason is not annexed to the City, then any such portions shall be excluded from this Development Agreement. City agrees, subject to the negotiation of a tax allocation agreement with the

County of San Bernardino acceptable to City, to use its best efforts to expeditiously accomplish the annexation of the Property, or such portions thereof as may be approved by Owner, to the City.

7. PAYMENT FOR CERTAIN PUBLIC IMPROVEMENTS AND FINANCING OF SAME

7.1 Owner's Obligations to Construct and Fund Construction. Owners have the obligation to pay fees for, construct or cause to be constructed, and to pay for the construction of, the Proposed Project Facilities (as identified in Exhibit D).

7.2 Formation of the CFD. Subject to the provisions of this Section 7, a CFD may be established to finance certain police, fire and park maintenance costs (incurred as a result of development of the Property) through the levy of a services special tax in the amount of One Hundred Four Dollars (\$104.00) per residential unit (the "Services Special Tax") located within the boundaries of such CFD. The City and Owner hereby agree to cooperate in good faith to form such a CFD, which will encompass and encumber the Property for the purposes of funding the Services Special Tax for as long as such police, fire and park maintenance services are required. Final terms and conditions regarding the formation of the CFD, its boundaries, shall be determined jointly by the City and Owner provided, however, that under no circumstances will the aggregate special tax levy on any parcel of the Property exceed 2% of the value of such parcel.. Owner hereby acknowledges that the City will determine, in its sole discretion, whether or not to finally form the CFD; provided, however, that should the City decide not to form a CFD for the purposes set forth above, either party may terminate this Agreement upon providing the other party with 30 days of prior written notice prior to the actual termination date. If, despite the parties' good faith efforts, the parties are unable to agree upon an alternative means of financing the Special Services Tax, either party may terminate this Agreement upon providing the other party with 30 days written notice prior to the actual termination date.

7.3 Sports Park. [OMITTED]

7.4 CFD Petition. Owners may execute and deliver to the City a petition as described in Section 53318(c) of the California Government Code (the "**CFD Petition**") at such time as Owners may determine. Upon the delivery of the CFD Petition, the City shall initiate and conduct the required proceedings for the consideration of the formation of a CFD as set forth in Government Code Section 53311 *et seq.*, including but not limited to, the City adopting a Resolution of Intention to establish the CFD within ninety (90) days from the submission of the CFD Petition and the payment of any applicable deposit, and then the City holding a public hearing on the establishment of the CFD within thirty (30) days to sixty (60) days after the adoption of the Resolution of Intention and the City shall use its best efforts to adopt a CFD on the terms set forth in the CFD Petition.

7.4.1 Cooperation for Formation. Subject to the limitations set forth in this Agreement, Owners shall cooperate with the City and take all reasonable actions to accomplish the formation of the CFD and the levying of such special taxes.

7.5 Reimbursement Agreements. If and to the extent that any Owner constructs or installs any infrastructure and/or facilities that have a capacity or size in excess of that required for use solely within the Project, the City shall enter into reimbursement agreements with Owners providing for reimbursement to Owners (including a reasonable rate of interest) of all costs and expenses incurred by Owners and/or the Owner that may construct such improvements for that portion of the dedications, public facilities and/or infrastructure that the City, pursuant to this Agreement, may require pursuant to the Existing Land Use Regulations, to the extent that they are in excess of those reasonably necessary to mitigate the impacts of the Project or development on the Property. City further agrees to adopt ordinances, including but not limited to those authorized by Government Code Section 66485 et seq., as may be required in order to impose a reimbursement obligation on other properties which may be served or benefited by the oversized infrastructure or facilities. Such reimbursement shall be contingent on collection of funds with which to make such reimbursement from other properties benefitted by such excess capacity, and shall not extend beyond the term of this Agreement.

8. DEDICATIONS AND CONVEYANCES OF PROPERTY INTERESTS.

8.1 Park Improvements.

8.1.1 Grand Paseo Park and Neighborhood Parks. On or before the date Certificate of Occupancies have been issued for an aggregate of 782 residential units within Neighborhood III on the Property, Owners shall improve certain neighborhood parks, based on the rate of 3 acres of park per 1,000 residential population. The parkland required by such date includes the following: (a) one (1) of the neighborhood parks identified in the Specific Plan, (b) approximately 7.7 acres of the Grand Paseo Park, and (c) one of the three private recreation centers contemplated by the Specific Plan. In addition to the parkland required in the foregoing sentence, on or before the date Certificate of Occupancies have been issued for an aggregate of 2,347 residential units within Neighborhood III on the Property, Owners shall improve certain additional neighborhood parks, based on the rate of 3 acres of park per 1,000 residential population. The parkland required by such date includes the following: (a) one (1) additional neighborhood park identified in the Specific Plan, (b) approximately 7.7 additional acres of the Grand Paseo Park, and (c) the second of the three private recreation centers contemplated by the Specific Plan. In addition to the parkland required above in this Section 8.1.1, on or before the date Certificate of Occupancies have been issued for an aggregate of 3,229 residential units within Neighborhood III, Owners shall improve certain additional neighborhood parks, based on the rate of 3 acres of park per 1,000 residential population. The parkland required by such date includes the following: (a) one (1) additional neighborhood park identified in the Specific Plan, (b) any of the Grand Paseo Park that has not then been completed, and (c) the third of the three private

recreation centers contemplated by the Specific Plan. These improvements fully satisfy all Owners' obligations to the City with respect to neighborhood parks. Some of the Projects' park facilities (i.e. recreation centers) are to be privately owned and maintained for the exclusive benefit of the residents of the Project. The Grand Paseo Park and the attached neighborhood parks (portions of Planning Areas 40, 53, 60) will be public parks open to the public. Parks within Neighborhoods I and IV less than three (3) acres in size shall be maintained by the POA. Owners shall provide improved parkland within Neighborhoods I and IV or pay fees in accordance with the Quimby Act requirement of 3 acres per 1,000 residents utilizing a per dwelling unit population factor of 3.153 persons per dwelling unit.

8.1.2 Sports Park.

The Sports Park as generally described in Exhibit H shall be dedicated, designed and constructed upon the earlier to occur of the following:

(i) On or before the date Certificate of Occupancies have been issued for an aggregate of 3,000 residential units, the Owner shall offer to dedicate the land upon which the Sports Park is to be constructed. On or before the date Certificate of Occupancies have been issued for an aggregate of 3,500 residential units, Owner shall have completed final rough grading of the Sports Park site. Thereafter, on or before the date Certificate of Occupancies have been issued for an aggregate of 4,203 residential units, Owner shall commence construction of the Sports Park with the Sports Park to be completed 9 months thereafter. Notwithstanding the foregoing, if during the CEQA process, the federal, or the state environmental permitting process or the imposition of subsequent governmental standards or requirements, the developable acreage of the project is diminished, the Owners reserve the right to diminish the size of the Sports Park as follows:

(a) If the number of approved residential building permits reaches 70% (5,885) of the maximum residential entitlement of 8,407 units within Neighborhoods I, II, III and IV, the park shall consist of the entire Planning Area 72 (approximately 35.7 acres in size).

(b) If the number of approved residential units is between 65% and 70% of the maximum residential entitlement of 8,407 units (between 5465 and 5884 units), then the required park size shall be reduced to 29.0 acres.

(c) If the number of residential units is less than 65% of the maximum residential entitlement of 8,407 units (less than 5,465), then the required park size shall be reduced to 23.0 acres.

(ii) If only Neighborhoods II and III (or only neighborhoods II, III and IV) are annexed to the City, the offer of land dedication shall continue

to be required on or before Certificates of Occupancy are issued for 3,000 residential units within neighborhoods II and III (and neighborhood IV if annexed). On or before the date Certificate of Occupancies have been issued for an aggregate of 3,500 residential units within neighborhoods II and III (and neighborhood IV if annexed), Owner shall have completed final rough grading of the Sports Park site. Thereafter, construction shall commence before the date Certificate of Occupancies have been issued for an aggregate of 4,203 residential units (which is equal to 69% of the summation of the units within Neighborhoods II and III) with park to be completed 9 months thereafter. Notwithstanding the foregoing, if during the CEQA process, the federal, or the state environmental permitting process or the imposition of subsequent governmental standards or requirements, the developable acreage of the project is diminished, the Owners reserve the right to diminish the size of the Sports Park as noted below. If developable acreage is lost for the reasons listed above, then for purposes of calculating the number of permits as referenced below, the said lost acreage shall be multiplied by the density of said lost acreage (as referenced from it's location on the Land Use Plan – Exhibit B) and subtracted from the maximum residential entitlement of 8,407 units.

(a) If the number of approved residential units reaches 70% (4,382) of the maximum residential entitlement of 6,260 units within Neighborhoods II and III, the Sports Park shall consist of the entire Planning Area 72 (approximately 35.7 acres in size).

(b) If the number of approved residential units is between 65% and 70% of the maximum residential entitlement of 6,260 units (between 4,069 and 4,381 units), then the required park size shall be reduced to 29.0 acres and the construction of the Sports Park shall start at 4,150 units with park to be completed 9 months thereafter.

(c) If the number of approved residential units is less than 65% of the maximum residential entitlement of 6,260 units (less than 4,069), then the required park size shall be reduced to 23.0 acres and the construction of the Sports Park shall start at 4,000 units with park to be completed 9 months thereafter.

(iii) The Sports Park shall be sized based upon the greater of the obligations established pursuant to (i) or (ii). The number of approved residential units shall be established upon completion of the state and/or federal permitting process, judicial review or the imposition of subsequent governmental standards or requirements. Within 90 days of receiving such action or actions as listed above, the owner shall report to the City the number of approved residential units upon which the City will base the Sports Park obligation. If developable acreage is lost for the reasons listed above, then for purposes of calculating the number of units, the said lost acreage shall be multiplied by the density of said lost acreage

(as referenced from it's location on the Land Use Plan – Exhibit B) and subtracted from the maximum residential entitlement of 8,407 units.

(iv) As security for the construction of the Sports Park, Owner shall deposit with the City the sum of \$2,442 per residential unit within Neighborhoods II and III at the time of the issuance of each residential building permit within Neighborhoods II and III until such time as the Owner commences construction of the Sports Park. The deposited funds shall be held by the City in an escrow account as security for the benefit of City to guarantee the construction of the Sports Park in accordance with the provisions of this Section 8.1.2. Upon commencement of construction of the Sports Park by Owner, the City shall release the funds in the escrow upon the request of Owner, which funds shall be utilized by Owner to pay for the cost of construction of the Sports Park. In the event Owner fails to construct the Sports Park as provided herein, City shall use the funds in the escrow account to construct the Sports Park to the extent of the available funds in the escrow account.

8.1.3 Open Space/Recreation Areas in Neighborhood II.

A Master Parcel Map shall be filed by the developer for Neighborhood II (2,567 single family units). A Master Parcel Map is a map that subdivides large tracts of land into smaller parcels for the purpose of later selling or otherwise transferring the parcels for further subdivision in accordance with an approved Specific Plan, or for the purpose of securing financing, but not for the purpose of creating either individual residential lots for sale to end-user homeowners, and not for the purpose of allowing construction or other improvements on non-residential parcels.

Upon submittal of the Master Parcel Map, the developer shall submit final conceptual design plans for the following Open Space/Recreation Planning Areas (PA) within Neighborhood II: PA Nos. 81, 85, 86, 87, 88, 95, 96, 97, 99 and 101 (234 acres total). The Open Space/Recreation design plans shall specify the location and size of *either* a 19,000 square foot clubhouse facility to be constructed as part of the permitted golf course reconfiguration or a recreation center of comparable size and utility to be included as part of alternative recreational amenity to be subsequently approved by the City.

Prior to issuance of the 500th Certificate of Occupancy within Neighborhood II (excluding Planning Area 92), the clubhouse facility or recreation center shall be constructed consistent with the design plans approved by the City. The Planning Areas designated for Open Space/Recreation shall be completed pursuant to the approved design as follows:

By the 500th Certificate of Occupancy- 58.5 acres;
By the 1,026th Certificate of Occupancy- 117 acres;
By the 1,540th Certificate of Occupancy – 175 acres;

By the 2,053rd Certificate of Occupancy- 234 acres.

9. DEFAULT AND REMEDIES.

9.1 Notice And Opportunity To Cure. Before this Agreement may be terminated or action may be taken to obtain relief in a manner consistent with this Agreement, the Party seeking relief ("**Non-Defaulting Party**") shall comply with the notice and cure provisions of this Section 9.1. A Non-Defaulting Party in its discretion may elect to declare a default under this Agreement in accordance with the procedures hereinafter set forth for any failure or breach of any other Party ("**Defaulting Party**") to perform any material duty or obligation of said Defaulting Party in accordance with the terms of this Agreement. However, the Non-Defaulting Party must provide written notice ("**Default Notice**") to the Defaulting Party setting forth the nature of the breach or failure and the actions, if any, required by the Non-Defaulting Party to cure such breach or failure. The Defaulting Party shall be deemed in "default" of its obligations set forth in this Agreement if the Defaulting Party has failed to take action and cured the default within twenty (20) days after the date of such Default Notice (for monetary defaults), within thirty (30) days after the date of such Default Notice (for non-monetary defaults), or within such lesser time as may be specifically provided in this Agreement. If, however, a non-monetary default cannot be cured within such thirty (30) day period, as long as the Defaulting Party does each of the following, then the Defaulting Party shall not be deemed in breach of this Agreement:

- (i) within twenty (20) days of the Default Notice, notifies the Non-Defaulting Party in writing with a reasonable explanation as to the reasons the asserted default is not curable within the thirty (30) day period;
- (ii) within twenty (20) days of the Default Notice, notifies the Non-Defaulting Party of the Defaulting Party's proposed course of action to cure the default;
- (iii) promptly commences to cure the default within the thirty (30) day period;
- (iv) makes periodic reports to the Non-Defaulting Party as to the progress of the program of cure; and
- (v) diligently prosecutes such cure to completion.

9.2 Default Procedures. Subject to Section 9.3 and Section 9.4, in the event of a default, the Non-Defaulting Party, at its option, may institute an action pursuant to Section 9.6 to cure, correct, or remedy such default, enjoin any threatened or attempted violation, enforce the terms of this Agreement by specific performance (including injunctive relief), or pursue any other remedy otherwise permissible under this Agreement. In addition to or as an alternative to exercising the remedies set forth in this Section 9.2, if there occurs a material default by an Owner, the City may give notice of its intent to terminate or modify this Agreement with respect to the portion of the Property owned by

such Owner, and may carry through on that notice and intent to terminate, pursuant to the Development Agreement Statute or related City regulations, in which event the matter shall be scheduled for consideration and review by the City Council in the manner set forth in the Development Agreement Statute or related City regulations.

9.3 Limitations on Defaults. Notwithstanding any provision in this Agreement to the contrary, a default by an Owner shall not constitute a default by a Purchaser/User or any other owner of a portion of the Property which is not the owner of the Property that is the subject of the default. Likewise, a default by a Purchaser/User with respect to a Lot (or group of Lots) it owns or leases shall not constitute a default by the applicable Owner, nor shall the default of the owner of a portion of the Property not owned by the applicable Owner constitute a default of the applicable Owner. Therefore, (i) no Purchaser/User shall have any liability to the City (or otherwise) for or with respect to any default of the applicable Owner or any default of any other Owner or other Purchaser/User, (ii) the applicable Owner shall have no liability to the City (or otherwise) for or with respect to any default by any other Owner or by any Purchaser/User, and (iii) the City's election to terminate this Agreement as a result of a default by an Owner or a Purchaser/User shall not result in a termination of this Agreement with respect to either (x) any portion of the Property not owned by such Owner or (y) those Lots owned or leased by a Non-Defaulting Party until such time that this Agreement would otherwise terminate in accordance with its terms.

9.4 Parties' Exclusive Remedies.

9.4.1 Limitation on Remedies. The Parties acknowledge that they would not have entered into this Agreement if either Party were to be liable in damages under or with respect to this Agreement, the Existing Land Use Regulations, or the application thereof, or any permit or approval sought by City or an Owner in accordance with the Existing Land Use Regulations, except as provided in this section. Accordingly, Owners each covenant on behalf of themselves and their successors and assigns, not to sue the City, and the City on behalf of itself and its successors and assigns, not to sue any Owner, for damages or monetary relief for any breach of this Agreement or arising out of or connected with any dispute, controversy or issue regarding the application, interpretation or effect of this Agreement, the Existing Land Use Regulations, or any land use permit or approval sought in connection with the development or use of the Property or any portion thereof. The Parties agree that declaratory and injunctive relief, mandate, and specific performance shall be their sole and exclusive judicial remedies, except for the limited right to pursue monetary damages provided in Section 9.4.2 below.

9.4.2 Recovery of Out-of-Pocket Losses and Damages. Notwithstanding Section 9.4.1 above, the Parties may pursue and obtain the additional remedies set forth below:

(i) Additional Costs and Measures. If additional mitigation measures, conditions, requirements, or obligations are imposed by the City on an Owner or any portion of the Property (i.e., in addition to those provided for in the Specific Plan)

in violation of this Agreement (“**Objectionable Conditions**”), the matter shall be submitted directly to binding arbitration pursuant to Section 9.7 for resolution as a non-monetary default (the Parties acknowledging and agreeing that any disputes arising under this sub-paragraph need not comply with the requirements of Section 9.6).

(ii) Restitution of Improper Development Impact Fees. In the event any Development Impact Fees or taxes are imposed on Development of the Property other than those authorized pursuant to this Agreement, an Owner shall be entitled to recover from City restitution of all such improperly assessed fees or taxes, together with interest thereon at the rate of specified in Article XV, Section 1 of the California Constitution from the date such sums were paid to City to the date of restitution.

(iii) Restitution Arising from Other Agreements. Owners may seek and recover monetary damages arising from agreements and/or approvals granted or entered into by the City and any third parties that materially and adversely affect the rights or obligations of the Owners under this Agreement (each, an “**Objectionable Agreement**”); provided that Owners shall have no right to recover any amounts under this Section 9.4 unless and until both (a) the matter shall be submitted directly to binding arbitration pursuant to Section 9.7 (the Parties acknowledging and agreeing that any disputes arising under this sub-paragraph need not comply with the requirements of Section 9.6, and (b) if the arbitration award is adverse to the City, the City fails or refuses to refrain from entering into or rescind, as the case may be, the Objectionable Agreement. Notwithstanding the foregoing in this Section 9.4.2, if the City refrains from entering into or rescinds the Objectionable Agreement, the City shall not be required to pay any monetary damages under this Agreement.

(iv) City may sue Owner for the payment of sums due from Owner to City under this Agreement pursuant to obligations incurred by Owner with respect to the development of the Project to the extent due and payable up to and include the time of the default of Owner.

9.5 Force Majeure/Supervening Events. A Party shall not be deemed to be in default under this Agreement where delays or failures to perform are due to any cause without the fault and beyond the reasonable control of such Party, including to the extent applicable, the following: war; insurrection; acts of terrorism; acts of mass violence; strikes; walk-outs; the unavailability or shortage of labor, material, or equipment; riots; floods; earthquakes; the discovery and resolution of hazardous waste or significant geologic, hydrologic, archaeological, paleontological, or endangered species problems on the Property; fires; casualties; acts of God; governmental restrictions imposed or mandated by other governmental entities; with regard to delays of an Owner’s performance, delays caused by the City’s failure to act or timely perform its obligations set forth herein; with regard to delays of the City’s performance, delays caused by an Owner’s failure to act or timely perform its or their obligations set forth in this Agreement; inability to obtain necessary permits or approvals from City, County, or other governmental entities; enactment of conflicting state or federal statutes or regulations;

judicial decisions; or litigation not commenced by such Party (collectively, “**Force Majeure**”). For each day during which a Force Majeure event occurs, the Term of this Agreement shall be extended by one day. Notwithstanding the foregoing, any delay caused by the failure of the City or any agency, division, or office of the City to timely issue a license, permit, or approval required pursuant to this Agreement shall not constitute an event of Force Majeure extending the time for the City’s performance hereunder. A Party shall be entitled to a delay in performance for a period of time equal to the period during which any Force Majeure event occurs; provided that such Party deliver to the other Party written notice of such delay or impossibility of performance within a reasonable time after the commencement of such delay resulting from a Force Majeure event. The Parties may mutually agree in writing for a longer period for excused performance due to a Force Majeure event. If a Party’s performance is rendered impossible due to a Force Majeure event, such performance may be excused in its entirety in writing by the other Party. In no event shall adverse market or financial conditions constitute an event of Force Majeure extending the time for a Party’s performance hereunder.

9.6 Dispute Resolution. EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED HEREIN, IF ANY CLAIM OR CONTROVERSY THAT ARISES OUT OF OR RELATES TO, DIRECTLY OR INDIRECTLY, THIS AGREEMENT OR ANY DEALINGS BETWEEN THE PARTIES CANNOT BE SETTLED BY THE PARTIES WITHIN THIRTY (30) DAYS AFTER EITHER PARTY IS FIRST PROVIDED WRITTEN NOTICE OF THE CLAIM OR CONTROVERSY BY THE OTHER, THE MATTER SHALL BE DETERMINED BY JUDICIAL REFERENCE PURSUANT TO THE PROVISIONS OF CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS 638 THROUGH 645.1, EXCEPT AS OTHERWISE MODIFIED HEREIN. THE PARTIES SHALL COOPERATE IN GOOD FAITH TO ENSURE THAT ALL NECESSARY AND APPROPRIATE PARTIES ARE INCLUDED IN THE JUDICIAL REFERENCE PROCEEDING. IF A LEGAL PROCEEDING IS INITIATED BASED ON ANY SUCH DISPUTE, THE FOLLOWING SHALL APPLY: (1) THE PROCEEDING SHALL BE BROUGHT AND HELD IN THE COUNTY IN WHICH THE PROPERTY IS LOCATED UNLESS THE PARTIES AGREE TO A DIFFERENT VENUE; (2) THE PARTIES SHALL USE THE PROCEDURES ADOPTED BY JAMS FOR JUDICIAL REFERENCE AND SELECTION OF A REFEREE (OR ANY OTHER ENTITY OFFERING JUDICIAL REFERENCE DISPUTE RESOLUTION PROCEDURES AS MAY BE MUTUALLY ACCEPTABLE TO THE PARTIES); (3) THE REFEREE MUST BE A RETIRED JUDGE OR LICENSED ATTORNEY WITH SUBSTANTIAL EXPERIENCE IN RELEVANT REAL ESTATE MATTERS; (4) THE PARTIES TO THE JUDICIAL REFERENCE PROCEDURE SHALL AGREE UPON A SINGLE REFEREE WHO SHALL HAVE THE POWER TO TRY AND DECIDE ANY AND ALL OF THE ISSUES RAISED, WHETHER OF FACT OR OF LAW, WHICH MAY BE PERTINENT TO THE MATTERS IN DISPUTE, AND TO ISSUE A STATEMENT OF DECISION THEREON. ANY DISPUTE REGARDING THE SELECTION OF THE REFEREE SHALL BE RESOLVED BY JAMS OR THE ENTITY PROVIDING THE REFERENCE SERVICES, OR, IF NO ENTITY IS INVOLVED, BY THE COURT IN ACCORDANCE WITH CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS

638 AND 640; (5) THE REFEREE SHALL BE AUTHORIZED TO PROVIDE ALL REMEDIES AVAILABLE IN LAW OR EQUITY APPROPRIATE UNDER THE CIRCUMSTANCES OF THE CONTROVERSY; (6) THE REFEREE MAY REQUIRE ONE OR MORE PRE-HEARING CONFERENCES; (7) THE PARTIES SHALL BE ENTITLED TO DISCOVERY, AND THE REFEREE SHALL OVERSEE DISCOVERY AND MAY ENFORCE ALL DISCOVERY ORDERS IN THE SAME MANNER AS ANY TRIAL COURT JUDGE; (8) A STENOGRAPHIC RECORD OF THE REFERENCE PROCEEDINGS SHALL BE MADE; (9) THE REFEREE'S STATEMENT OF DECISION SHALL CONTAIN FINDINGS OF FACT AND CONCLUSIONS OF LAW TO THE EXTENT APPLICABLE; (10) THE REFEREE SHALL HAVE THE AUTHORITY TO RULE ON ALL POST-HEARING MOTIONS IN THE SAME MANNER AS A TRIAL JUDGE; (11) THE PARTIES SHALL PROMPTLY AND DILIGENTLY COOPERATE WITH EACH OTHER AND THE REFEREE AND PERFORM SUCH ACTS AS MAY BE NECESSARY FOR AN EXPEDITIOUS RESOLUTION OF THE DISPUTE; (12) SUBJECT TO SECTION 15.3, EACH PARTY TO THE JUDICIAL REFERENCE PROCEEDING SHALL BEAR ITS OWN ATTORNEYS' FEES AND COSTS IN CONNECTION WITH SUCH PROCEEDING; AND (13) THE STATEMENT OF DECISION OF THE REFEREE UPON ALL OF THE ISSUES CONSIDERED BY THE REFEREE SHALL BE BINDING UPON THE PARTIES, AND UPON FILING OF THE STATEMENT OF DECISION WITH THE CLERK OF THE COURT, OR WITH THE JUDGE WHERE THERE IS NO CLERK, JUDGMENT MAY BE ENTERED THEREON. THE DECISION OF THE REFEREE SHALL BE APPEALABLE AS IF RENDERED BY THE COURT. THIS PROVISION SHALL IN NO WAY BE CONSTRUED TO LIMIT ANY VALID CAUSE OF ACTION, WHICH MAY BE BROUGHT BY ANY OF THE PARTIES. THE PARTIES ACKNOWLEDGE AND ACCEPT THAT BY EMPLOYING THIS JUDICIAL REFERENCE PROCEDURE THEY ARE WAIVING THEIR RIGHT TO A JURY TRIAL.

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LYTLE DEVEL.'S INITIALS

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PS FLAT'S INITIALS

CITY'S INITIALS

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EL RANCHO VERDE'S
INITIALS

9.7 Arbitration of Disputes. RECOGNIZING THAT TIMELY AND EFFECTIVE ENFORCEMENT OF THIS AGREEMENT IS CRITICAL TO THE PARTIES, IF FOR ANY REASON THE JUDICIAL REFERENCE PROCEDURES IN SECTION 9.6 ARE LEGALLY UNAVAILABLE AT THE TIME A DISPUTE WOULD

OTHERWISE BE REFERRED TO JUDICIAL REFERENCE (OR DO NOT APPLY BY THE EXPRESS TERMS OF THIS AGREEMENT), THEN, UPON THE WRITTEN DEMAND OF EITHER PARTY, THE DISPUTE SHALL BE RESOLVED BY BINDING ARBITRATION IN ACCORDANCE WITH THE AMERICAN ARBITRATION ASSOCIATION'S COMMERCIAL ARBITRATION RULES, EXCEPT AS FOLLOWS. THE ARBITRATION SHALL BE CONDUCTED BY ONE ARBITRATOR WHO IS A RETIRED SUPERIOR, APPELLATE OR FEDERAL COURT JUDGE OR AN ATTORNEY WITH NOT LESS THAN FIFTEEN (15) YEARS EXPERIENCE IN REAL ESTATE MATTERS; A LIST OF POTENTIAL ARBITRATORS WHO CAN ENSURE THAT ANY DISPUTE CONCERNING A NON-MONETARY DEFAULT CAN BE HEARD AND DETERMINED WITHIN NINETY (90) DAYS OF NOTICE OF ARBITRATION SHALL BE APPROVED BY THE PARTIES AS OF THE SECOND EFFECTIVE DATE. TO THE EXTENT THE RELIEF REQUESTED IN THE ARBITRATION SEEKS TO COMPEL THE PERFORMANCE OF A LEGISLATIVE ACT AND/OR THE ISSUANCE OF A WRIT OF MANDATE NOT PROPERLY THE SUBJECT OF AN ARBITRATION AWARD, THE PARTY SEEKING SUCH RELIEF MAY PROCEED BY JUDICIAL ACTION. THE ARBITRATION AWARD SHALL BE FINAL AND BINDING UPON THE PARTIES (EXCEPT IN CASE OF FRAUD OR UNDISCLOSED CONFLICT OF INTEREST ON THE PART OF THE ARBITRATOR) AND MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF. THE ARBITRATOR SHALL BE EMPOWERED HEREBY TO ENTER SPECIFIC PERFORMANCE ORDERS AS SHALL, IN ITS DISCRETION, BE NECESSARY TO ENSURE THE TIMELY PERFORMANCE OF THE OBLIGATIONS OF THIS AGREEMENT BY EITHER OR BOTH OF THE PARTIES, SO AS TO AVOID THE DELAYS ASSOCIATED WITH OBTAINING SUCH RELIEF PURSUANT TO COURT ACTION. THE ARBITRATOR MAY ALLOCATE THE FEES AND COSTS OF ARBITRATION BETWEEN THE PARTIES AND MAY AWARD COSTS, INCLUDING REASONABLE ATTORNEYS' FEES, TO THE PREVAILING PARTY IN ACCORDANCE WITH SECTION 15.3. IN THE ABSENCE OF A DETERMINATION BY THE ARBITRATOR, EACH PARTY SHALL BEAR ITS PROPORTIONATE SHARE OF THE COSTS OF THE ARBITRATION AND THE ARBITRATOR AND ALL OF ITS OWN COSTS. NOTHING CONTAINED IN THIS SECTION SHALL RESTRICT ANY PARTY FROM SEEKING PRELIMINARY EQUITABLE RELIEF FROM THE COURT SYSTEM PENDING RESOLUTION OF THE ARBITRATION.

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LYTLE DEVEL.'S INITIALS

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10. ANNUAL REVIEW.

10.1 Timing Of Annual Review. During the Term of this Agreement, at least once during every twelve (12) month period after the Effective Date, the City shall review the good faith compliance of the Owners with the terms of this Agreement (“**Annual Review**”). The Annual Review shall be conducted by the City Council in accordance with the City’s development agreement regulations.

10.2 Standards For Annual Review. During the Annual Review, Owners shall be required to demonstrate good faith compliance with the terms of this Agreement. If the City or its designee finds and determines that an Owner has not complied with any of the terms or conditions of this Agreement, then the City may declare a default by such Owner in accordance with Section 9 above. The City may only exercise its rights and remedies relating to any such event of default after the period for curing a default (as set forth in Section 9) has expired and the Owner in default has failed to cure the default. The costs incurred by the City in connection with the Annual Review process shall be paid by Owner. Nothing in this paragraph shall be construed to prohibit the City from declaring a default in accordance with Section 9 above, without first proceeding through an Annual Review.

10.3 Procedure on Review.

(a) Owners shall be required to demonstrate good faith compliance with the terms of this Agreement in any Annual Review and Owners shall have the burden of proof on this issue.

(b) Upon completion of a City staff analysis of the annual monitoring report submitted by the Owners for any Annual Review, the City Administrator shall submit a report to the City Council, setting forth the evidence concerning good faith compliance by Owners with the terms of this Agreement and recommended a finding on that issue. Any such report indicating lack of compliance with this Agreement shall be completed and provided to the City Council and Owners within 60 days after Owner’s submission of such annual monitoring report.

(c) If the City Council finds, on the basis of substantial evidence, that Owners have complied in good faith with the terms of this Agreement, the review shall be concluded.

(d) If the City Council makes a preliminary finding that one or more Owners have not complied in good faith with the terms of this Agreement, the City Council may terminate this Agreement as to such Owner after delivery of a written notice of default ("*Default Notice*") to such Owner(s), provided such Owner(s) that such Owner(s) fail to cure that default within sixty (60) days , or to commence such cure and work diligently to complete that cure. Such Default Notice , or any notice of default as provided under subsection (b) above shall be given to such Owner(s) prior to or concurrent with any proceedings under Section 11.4. In the alternative, the City may, with the consent of the Owner, modify this Agreement in order to address the Default of the Owner.

10.4 Hearing on Modification or Termination. At the time and place set for the hearing on modification or termination, Owner(s) shall be given an opportunity to be heard. Owner(s) shall be required to demonstrate good faith compliance with the terms of this Agreement; and shall have the burden of proof on this issue. If the City Council finds, based on substantial evidence, that one or more Owners have not complied in good faith with the terms of the Agreement, the City Council may terminate this Agreement, or, with the consent of the affected Owner, modify this Agreement, which modification may include such conditions as are reasonably necessary to protect the interest of the City, including a schedule for the completion of the development of fall of the Property during the term of this Agreement. The decision of the City Council shall be final, subject only to judicial review pursuant to Section 1094.5 of the California Code of Civil Procedure.

10.5 Certificate Of Compliance. If, at the conclusion of an Annual Review, Owner(s) are found to be in good faith compliance with this Agreement, City shall, within 30 days upon request of any Owner, issue a Certificate of Compliance ("Certificate"), stating that after the most recent Annual Review or Special Review, and based upon the information know and made know to the City Council: (i) this Agreement remains in effect; and (ii) no Owner is in default. The Certificate shall be in recordable form, shall contain information necessary to communicate constructive record notice of such good faith compliance, shall state the Certificate is issued after an Annual and state the anticipated dater of commencement of the next Annual Review. Any Owner may record the Certificate with the County Recorder. Whether or not the Certificate is relied upon by an Owner of an assignee or transferee of an Owner, City shall not be bound by such a Certificate if a default existed at the time of the Annual Review, but was concealed from the City Council by an Owner.

11. MORTGAGEE RIGHTS.

11.1 Encumbrances On The Property. The Parties hereto agree that this Agreement shall not prevent or limit any Owner, in any manner, from encumbering the Property or any portion thereof or any improvements thereon with any Mortgage securing financing with respect to the construction, development, use, or operation of the Property.

11.2 Mortgagee Protection. This Agreement shall be superior and senior to the lien of any Mortgage. Notwithstanding the foregoing, no breach of this Agreement shall

defeat, render invalid, diminish, or impair the lien of any Mortgage made in good faith and for value, and a Mortgagee Successor shall have the rights, benefits and remedies of the Owner (as applicable for the Owner that is the borrower for such Mortgagee Successor) under this Agreement and shall be subject to all of the terms and conditions of this Agreement.

11.3 Mortgagee Not Obligated. Notwithstanding the provisions of this Section 11, a Mortgagee and a Mortgagee Successor will not have any obligation or duty pursuant to the terms set forth in this Agreement to perform the obligations of the Owner (as applicable to such Mortgagee and a Mortgagee Successor) or other affirmative covenants of such Owner, or to guarantee such performance, except that (i) the Mortgagee or Mortgagee Successor shall have the right to develop the portion of the Property then owned by such Mortgagee Successor under the Existing Land Use Regulations and the Existing Development Approvals; provided that the Mortgagee or Mortgagee Successor complies with the terms of this Agreement, and (ii) to the extent that any covenant to be performed by the applicable Owner is a condition to the performance of a covenant by the City, the performance thereof shall continue to be a condition precedent to the City's performance hereunder. If a Mortgagee or Mortgagee Successor obtains from an Owner ownership of less than the entirety of the Property, said Mortgagee or Mortgagee Successor may request, and the City shall not unreasonably refuse, an apportionment of obligations under this Agreement that assigns to said Mortgagee or Mortgagee Successor (i) all of the obligations of the Owner that are applicable solely to that portion of the Property obtained by the Mortgagee or Mortgagee Successor plus (ii) a pro-rata share of those obligations of Owner under this Agreement that are not assigned to a specific portion of the Property.

11.4 Notice Of Default To Mortgagee; Right Of Mortgagee To Cure. Each Mortgagee shall, upon written request to the City, be entitled to receive written notice from the City of the results of the Annual Review and of any default by the Owner that is such Mortgagee's borrower of its obligations set forth in this Agreement. Each Mortgagee shall have a further right, but not an obligation, to cure such default within ten (10) days after receipt of such notice (for monetary defaults), within thirty (30) days after receipt of such notice (for non-monetary defaults) or, if such default can only be remedied or cured by such Mortgagee upon obtaining possession of a portion of the applicable portion of the Property, such Mortgagee shall have the right to seek to obtain possession with diligence and continuity through a receiver or otherwise, and to remedy or cure such default within thirty (30) days after obtaining possession, and, except in case of emergency or to protect the public health or safety, the City may not exercise any of its judicial remedies set forth in this Agreement until expiration of such thirty (30) day period; provided that in the case of a default which cannot with diligence be remedied or cured within such thirty (30) day period, the Mortgagee shall have such additional time as is reasonably necessary to remedy or cure such default; provided Mortgagee promptly commences to cure the default within the thirty (30) day period and diligently prosecutes such cure to completion.

12. ASSIGNMENT.

12.1 Right To Assign. The qualifications and identity of an Owner are of particular concern to City. The Parties acknowledge that City has negotiated the terms of this Agreement in contemplation of the construction and installation of the Proposed Project Facilities and the sales tax, ad valorem tax and property tax increment to be generated by the development of the Project. Accordingly, for the term of this Agreement (a) no voluntary or involuntary successor in interest of Owner shall acquire any rights or powers under this Agreement, and (b) no transfer of ownership interests in the Property which cause majority ownership of Owner to transfer to another person or entity, (c) nor shall Owner make any total or partial sale, transfer, conveyance, assignment, subdivision, or lease of the whole or any part of the Property or the improvements thereon, (collectively referred to herein as a "Transfer"), shall occur without the prior written consent of City, except as provided herein. If any Transfer occurs without City consent if required herein, the transferring Owner shall continue to be liable for the performance of the designated obligations of the transferring Owner after the date of the assignment with respect to the portion of the Property so transferred. Notwithstanding the foregoing, without City's consent, each Owner may assign all of its rights under this Agreement to any person or entity (i) that is a Permitted Transferee or (ii) a Pre-Qualified Developer; provided that such person or entity assumes in writing all of the obligations of such Owner under this Agreement and notifies City in writing of the same. The assignment rights set forth above are in addition to any Mortgagee rights set forth in Section 11.

12.2 Notwithstanding any provision of this Agreement to the contrary, City approval of a Transfer or other assignment of any portion of the Property under this Agreement shall not be required in connection with any of the following provided that such person or entity transferee assumes in writing all of the obligations of such Owner under this Agreement and notifies City in writing of the same:

- (a) Any transfer to an entity or entities in which Owner retains a minimum of fifty-one percent (51%) of the ownership or beneficial interest and retains management and control of the transferee entity or entities.
- (b) The conveyance or dedication of any portion of the Property to City or other appropriate governmental agency, or the granting of easements or permits to facilitate construction or operation of the Proposed Project Facilities.
- (c) Any requested assignment for financing purposes, including the grand of a deed of trust to secure the funds necessary for land acquisition, construction and permanent financing of the Proposed Project Facilities.
- (d) Any transfer of interests in an Owner for estate planning purposes to the heirs of such Owner, provided that such heirs

retain a minimum of fifty-one percent (51%) of the ownership or beneficial interest of the transferor entity and retain management and control of the transferee entity.

- (e) Any transfer of interest to a Pre-Qualified Developer.

In the event of an assignment by an Owner under subparagraphs (a) or (d) above, not requiring City's prior approval, Owner nevertheless agrees that at least thirty (30) days prior to such assignment it shall give written notice to City of such assignment and satisfactory evidence that the assignee has assumed the obligations of this Agreement.

12.3 City Consideration of Requested Transfer. City agrees that it will consider a written request for approval of a Transfer, and such approval shall not be unreasonably withheld, delayed or conditioned. Such request shall be accompanied by sufficient evidence regarding the proposed transferee's development qualifications and experience, and its financial commitments and resources, in sufficient detail to enable City to evaluate the proposed assignee pursuant to the criteria set for the herein, as determined by City. An assignment and assumption agreement, in form reasonably satisfactory to City's legal counsel shall be required for all proposed Transfers. Within thirty (30) days after the receipt of an Owner's written request for City approval of a Transfer, City shall either approve or disapprove such proposed Transfer or shall respond in writing by stating what further information, if any, City reasonably requires in order to determine whether or not to grant the requested approval. Upon receipt of such a response, Owner shall promptly furnish to City such further information as may be reasonably requested.

12.4 Assignee Subject To Terms Of Agreement. Following an approved Transfer, the Owner Successor's exercise, use, and enjoyment of that portion of the Property so transferred shall be subject to the terms of this Agreement to the same extent as if the Owner Successor were one of the Owners. The burdens of this Agreement shall be binding upon, and the benefits of this Agreement shall inure to, all permitted successors in interest to the Parties to this Agreement. All provisions of this Agreement shall be enforceable as equitable servitudes and constitute covenants running with the land. Each covenant to do or refrain from doing some act hereunder with regard to development of the Property: (a) is for the benefit of and is a burden upon every portion of the Property; (b) runs with the Property and each and every portion thereof; and (c) is binding upon each party, each of Owner's permitted assignees and successors in interest, during their respective ownership of the Property or any portion thereof.

12.5 Release Upon Transfer. If the City's approval of an assignment is required, then upon the written consent of the City to an Owner's partial or complete assignment of this Agreement (which consent shall not be unreasonably withheld, conditioned or delayed), or in the event of an assignment to a Permitted Transferee or a Pre-Qualified Developer, upon the express written assumption, in a form approved by the City, by the Owner Successor, the transferring Owner shall be relieved of its legal duty to perform such assigned obligations, except to the extent such Owner is in default hereunder with respect to the particular assigned obligations prior to said transfer.

13. INDEMNITY.

13.1 Indemnity By Owner. Each Owner, singularly and not jointly with any other Owner, hereby agrees to indemnify, defend, and hold harmless the City and its elected and appointed councils, boards, commissions, officers, agents, contractors and employees from and against any and all actions, suits, claims, liabilities, losses, damages, penalties, obligations, and expenses (including but not limited to attorneys' fees and costs) which may arise, directly or indirectly, from the acts, omissions, or operations of such Owner or successor to such Owner or its agents, contractors, subcontractors, or employees pursuant to this Agreement but excluding any damages under or with respect to this Agreement, the Existing Land Use Regulations, or the application thereof, or any permit or approval sought by City or an Owner in accordance with the Existing Land Use Regulations, except as provided in Section 9.4, and any loss resulting from the intentional or active negligence of the City or its elected and appointed councils, boards, commissions, officers, agents, contractors and employees, including any liability of the City for payment of prevailing wages under Section 3.11.5 of this Agreement, including a fine or assessment. Notwithstanding the foregoing, City shall have the right to select and retain counsel to defend any such action or actions and the Owner or successor to Owner providing the indemnification shall pay the cost thereof. The indemnity provisions set forth in this Agreement shall survive termination of this Agreement.

13.2 Indemnity By City. The City agrees to indemnify, defend, and hold harmless the Owners and the Owner Successors, and their respective partners, members, agents, contractors and employees from and against any and all actions, suits, claims, liabilities, losses, damages, penalties, obligations, and expenses (including but not limited to attorneys' fees and costs) which may arise, directly or indirectly, from the acts, omissions, or operations of the City or its officers, officials, agents, contractors, subcontractors or employees pursuant to this Agreement, but excluding any damages under or with respect to this Agreement, the Existing Land Use Regulations, or the application thereof, or any permit or approval sought by City or an Owner in accordance with the Existing Land Use Regulations, except as provided in this Section 10.4, and any loss resulting from the intentional or active negligence of a Developer Party, or its agents, contractors or employees. Notwithstanding the foregoing, Owner shall have the right to select and retain counsel to defend any such action or actions and City shall pay the cost thereof. The indemnity provisions set forth in this Agreement shall survive termination of this Agreement.

14. THIRD-PARTY LEGAL CHALLENGE.

14.1 Owner's Obligation to Defend.

In the event of a Third Party Legal Challenge, Owners shall at Owner's expense, defend, indemnify and hold harmless City and its officials and employees from and against any claims, losses, or liabilities, including any award of attorneys' fees against the City, assessed or awarded against City by way of judgment, settlement, or stipulation.

City shall have the right to approve counsel that Owner retains to represent City, which approval shall not be unreasonably withheld.

14.2 City's Election to Defend.

If City elects to conduct its own defense of a Third Party Legal Challenge, City shall do so at its own cost and expense. City shall enter into a joint defense agreement with Owner's counsel and cooperate fully with Owner's counsel.

14.3 Cooperation in the Event of Third Party Legal Challenge.

City agrees to promptly notify Owner in the event of a Third Party Legal Challenge and to cooperate with Owner in the event of a Third Party Legal Challenge. City shall not allow its default to be taken in such legal action or otherwise compromise the legal action or stipulate to any interim or permanent remedies without Owner's prior written consent. In the event of any Third Party Legal Challenge, to the maximum extent permitted by law, this Agreement shall remain in full force and effect while such litigation, including any appellate review, is pending.

15. OPERATING MEMORANDA. The provisions of this Agreement require a close degree of cooperation between the City and Owners. The anticipated refinements to the Project and other development activity at the Property may demonstrate that clarifications to this Agreement and the Existing Development Approvals are appropriate with respect to the details of performance of the City and Owners. If, when, and as it becomes necessary or appropriate to make changes, adjustments or clarifications to matters, items or provisions, the Parties shall effectuate such changes, adjustments or clarifications through operating memoranda (the "**Operating Memoranda**") approved by the Parties in writing which reference this Section 15. Such Operating Memoranda shall not require public notices and hearings. The Parties may agree on changes to the mitigation requirements or project design features in Operating Memoranda without amending this Agreement. The City Manager shall be authorized, after consultation with and approval of Owners, to determine whether a requested amendment or clarification (i) may be effectuated pursuant to this Section 15 and is consistent with the intent and purpose of this Agreement and the Existing Development Approvals or (ii) is of the type that would constitute an amendment to this Agreement and thus would require compliance with the provisions of Section 16.2 below. The authority to enter into such Operating Memoranda is hereby delegated to the City Manager, and the City Manager is hereby authorized to execute any Operating Memoranda hereunder without further City Council action.

16. MISCELLANEOUS.

16.1 Covenants. The provisions of this Agreement shall constitute covenants and restrictions which shall run with the land comprising the Property for the benefit thereof, and the burdens and benefits hereof shall bind and inure to the benefit of each of the Parties hereto and all successors in interest to the Parties hereto.

16.2 Entire Agreement, Waivers And Amendments. This Agreement, together with the other documents and agreements attached hereto, constitutes the entire understanding and agreement of the Parties and supersedes all previous negotiations, discussions, and agreements among the Parties with respect to all or part of the subject matter hereof. No parole evidence of any prior or other agreement shall be permitted to contradict or vary the terms of this Agreement. Failure by a Party to insist upon the strict performance of any of the provisions of this Agreement by any other Party, or the failure by a Party to exercise its rights upon the default of the other Party, shall not constitute a waiver of such Party's right to insist and demand strict compliance by the other Parties with the terms of this Agreement thereafter. Any amendments or modifications to this Agreement must be approved by City in accordance with the Development Agreement Statute and must be in writing, signed by duly authorized representatives of all Owners then subject to this Agreement, and recorded in the Official Records of San Bernardino County, California.

16.3 Legal Expenses. In any judicial proceeding, arbitration, or mediation between the City and any Owner seeking enforcement of any of the terms and provisions of this Agreement (each, an "Action"), the prevailing Party in such Action shall recover all of its actual and reasonable costs and expenses (whether or not the same would be recoverable pursuant to Code of Civil Procedure Section 1033.5 or Civil Code Section 1717 in the absence of this Agreement), including expert witness fees, attorney's fees, and costs of investigation and preparation prior to the commencement of the Action. However, such recovery shall not exceed the dollar amount of the actual costs and expenses of the Party from whom such recovery is sought for such same Action ("**Non-Prevailing Party's Expenses**").

16.4 Constructive Notice And Acceptance. Every person who now or hereafter owns or acquires any right, title, or interest in or to any portion of the Project or the Property is and shall be conclusively deemed to have consented and agreed to every provision contained herein, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Project or the Property.

16.5 No Third-Party Beneficiaries. This Agreement and all of its terms, conditions, and provisions are entered into only for the benefit of the Parties executing this Agreement (and any successors in interest), and not for the benefit of any other individual or entity.

16.6 Relationship Of Parties. The City, on the one hand, and Owners, on the other hand, hereby renounce the existence of any form of joint venture or partnership between them and agree that nothing contained herein or in any document executed in connection herewith shall be construed as making the City and any Developer Party joint venturers or partners.

16.7 Severability. If any term, provision, covenant, or condition of this Agreement is invalidated by a timely referendum, determined by a court of competent

jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this Agreement shall continue in full force and effect.

16.8 Further Actions And Instruments. Each of the Parties shall cooperate with and provide reasonable assistance to the other Parties to the extent necessary to implement this Agreement. Upon the request of a Party at any time, the other Parties shall promptly execute, with acknowledgement or affidavit if reasonably required, and file or record such required instruments and writings and take any actions as may be reasonably necessary to implement this Agreement or to evidence or consummate the transactions contemplated by this Agreement.

16.9 Estoppel Certificate. Any Party hereunder may, at any time, deliver written notice to any other Party requesting such Party to certify in writing that, to the best knowledge of the certifying Party (i) this Agreement is in full force and effect and a binding obligation of the Party; (ii) this Agreement has not been amended or modified either orally or in writing, or if so amended, identifying the amendments; and (iii) the requesting Party is not in default in the performance of its obligations set forth in this Agreement or, if in default, to describe therein the nature and amount of any such defaults. A Party receiving a request hereunder shall execute and return such certificate within thirty (30) days following the receipt thereof. Any third-party including a Mortgagee shall be entitled to rely on the certificate.

16.10 Applicable Law; Venue. This Agreement shall be construed and enforced in accordance with the internal laws of the State of California. Any action at law or in equity arising under this Agreement or brought by any Party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Agreement shall be filed and tried in the Superior Court of the County of San Bernardino, State of California, and the Parties hereto waive all provisions of law providing for the removal or change of venue to any other court.

16.11 Non-Liability Of Officers, Employees and Other Parties. Notwithstanding anything in this Agreement to the contrary, (1) no official, officer, or employee of the City shall be personally liable to Owners or to any Owner Successors for any loss arising out of or connected with this Agreement or the Existing Land Use Regulations, and (2) no partner, member, affiliate, officer, agent or employee of any of the Owners or any Owner Successors, nor any of their respective partner's, member's or affiliate's separate property shall be personally liable for any claim arising out of or related to this Agreement. The liability of Owners and the Owner Party Successors under this Agreement shall be limited solely to the interest of such Owner or the Owner Successor in the Property.

16.12 Notices. Any notice or communication required hereunder between the Parties and or a Mortgagee or Mortgagee Successor must be in writing and may be given either personally, by registered or certified mail, return receipt requested. If given by registered or certified mail, the same shall be deemed to have been given and received on the date of actual receipt by the addressee designated herein below as the party to whom the notice is sent. If personally delivered, a notice shall be deemed to have been given

when delivered to the party to whom it is addressed. A Party hereto may at any time, by giving ten (10) days' written notice to the other Parties hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

If to City:

City of Rialto
City Hall
150 South Palm Ave.
Rialto, CA 92376
Attn: Director of Development Services
Telephone: (909) 820-2535

With a copy to:

Attn: Rialto City Attorney
Law Offices of Jimmy L. Gutierrez
12616 Central Avenue
Chino, CA 91710
Telephone: (909) 591-6336

If to Lytle Development:

Lytle Development
2050 Main Street, Suite 250
Irvine, CA 92614
Attn: Ron Pharris, Chairman
Telephone: (949) 313-5808

With a copy to:

Roger A. Grable
Manatt, Phelps & Phillips LLP
695 Town Center Drive, 14th Floor
Costa Mesa, CA 92626
Telephone: (714) 371-2500

If to any of the other

Owner:

[Name of Owner]
[To be provided]

Attn: [To be designated]
Telephone: [To be provided]

With a copy to:

Roger A. Grable
Manatt, Phelps & Phillips LLP
695 Town Center Drive, 14th Floor
Costa Mesa, CA 92626
Telephone: (714) 371-2500

16.13 Authority To Execute. Each Owner warrants and represents to the City that (i) it is duly organized and existing, (ii) it is duly authorized to execute and deliver this Agreement, (iii) by so executing this Agreement, the Owner is formally bound to the provisions of this Agreement, (iv) the Owner's entering into and performance of its obligations set forth in this Agreement does not violate any provision of any other agreement to which the Owner is bound, and (v) there is no existing or threatened litigation or legal proceeding of which the Owner is aware which could prevent such Owner from entering into or performing its obligations set forth in this Agreement.

16.14 Execution Of Agreement; Counterparts. This Agreement may be executed in any number of duplicate originals and all such duplicate originals, taken together, shall constitute one and the same agreement. The exchange of signature pages by facsimile or portable document format (PDF) transmission shall constitute effective delivery of such signature pages and may be used in lieu of the original signature pages for all purposes. Signatures of the parties hereto transmitted by facsimile or portable document format (PDF) shall be deemed to be their original signatures for all purposes. This Development Agreement shall constitute a valid and enforceable agreement between the City and each of the Owners.

16.15 Exhibits. This Agreement contains exhibits, attached hereto and made a part hereof by this reference. Said exhibits are identified as follows:

- A-1 The Lytle Development Property
- A-2 The El Rancho Verde Property
- A-3 The PS Flats Property
- B Specific Plan Land Use Plan
- C Development Impact Fees
- C-1 Traffic Impact Mitigation Fees
- D Proposed Project Facilities
- E Riverside Avenue and Sierra Avenue Improvements
- F Omitted
- G Omitted
- H Sports Park Facilities
- I County Inhabited Islands

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

CITY:

CITY OF RIALTO
a municipal corporation

By: Grace Vargas
Mayor Grace Vargas

Dated: 8-21, 2012

APPROVED AS TO FORM

Law Offices of Jimmy L. Gutierrez, LLP

By: [Signature], Esq.
Dated: 8-22, 2012

LYTLE DEVELOPMENT:

Lytle Development company,
a California Corporation

By: Ronald W. Pharris
Name: Ronald W. Pharris
Title: Chairman

Dated: 8-14, 2012

EL RANCHO VERDE:

EL RANCHO VERDE GOLF, LLC,
a California limited liability company

By: Ronald W. Pharris
Name: Ronald W. Pharris
Title: Managing member

Dated: 8-14, 2012

PS FLATS:

PHARRIS SYCAMORE FLATS LLC,
a California limited liability company

By: Ronald W. Pharris
Name: Ronald W. Pharris
Title: managing member
Dated: 8-14, 2012

APPROVED AS TO FORM

MANATT, PHELPS & PHILLIPS

By: Susan K. Hori
SUSAN K. HORI, Esq.
Dated: August 14,, 2012

COUNTY OF SAN BERNARDINO

On August 14, 2012, before me Rosalind Joire,
Notary Public,
 personally appeared RONALD W. PHILLIS, who proved to me on the basis
 of satisfactory evidence to be the person whose name is subscribed to the within
 instrument and acknowledged to me that he/she executed the same in his/her authorized
 capacity, and that by his/her signature on the instrument, the person or the entity upon
 behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

Rosalind Ayers

Notary Signature

(SEAL)

[illegible]

On August 14, 2012, before me Rosatind Joiner, Notary Public, personally appeared Ronald W. Pharris, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that ~~he~~^{she} executed the same in ~~his~~^{her} authorized capacity, and that by ~~his~~^{her} signature on the instrument, the person or the entity upon behalf of which the person acted, executed the instrument.

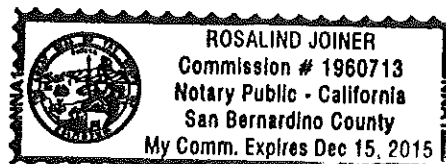
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

Roseline Jones

Notary Signature

(SEAL)



STATE OF CALIFORNIA)
) ss
COUNTY OF San Bernardino

On August 14, 2012, before me Rosalind Joiner
Notary Public, personally appeared Ronald W. Pharris, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the person or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

Rosalind Joiner

Notary Signature

(SEAL)



STATE OF CALIFORNIA)
) ss
COUNTY OF San Bernardino

On August 21, 2012, before me Maria Rodriguez
Notary Public, personally appeared Grace Vargas, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the person or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

Maria Rodriguez

Notary Signature

(SEAL)

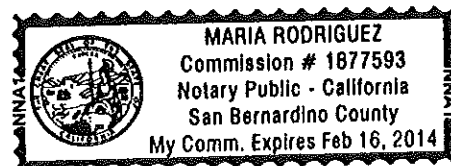


Exhibit "A-1"
Legal Description of the Lytle Development Company Property

Real property in the City of San Bernardino, County of San Bernardino, State of California, described as follows:

PARCEL NO. 1: 262-071-15,31,34; 262-031-06,12; 264-011-34

THAT PORTION OF THE FOLLOWING DESCRIBED PROPERTY DELINEATED AS EAST VILLAGE ON AN A.L.T.A. SURVEY DATED OCTOBER 27, 1997, PREPARED BY INTEGRA ENGINEERING, INC., DESCRIBED AS FOLLOWS:

A PORTION OF RANCHO MUSCUIABE, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 7 OF MAPS, PAGE(S) 23, RECORDS OF SAID COUNTY; AND AS DELINEATED ON UNITED STATES GOVERNMENT TOWNSHIP PLAT APPROVED JUNE 24, 1891 (RESURVEY), AND PORTIONS OF LOTS 1, 7, 8, 9, 10, 12, 14, 16, 18, 24, 26, 28, 30, 32, 34, 36, 38, 40, 42, 44, 46, 48, 50, 52, 54, 56, 58, 60 AND 62, DESIGNATED ON THE MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, AS PER PLAT RECORDED IN BOOK 6 OF MAPS, PAGE(S) 12, RECORDS OF SAID COUNTY, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT A POINT ON A LINE 2-3 OF THE NORTHEASTERLY BOUNDARY OF THE SOUTHWEST PORTION OF THE SAID MUSCUIABE RANCH, SAID POINT BEING NORTH 44 DEG. 59' 38" EAST, 9044.32 FEET (RECORD NORTH 45 DEG. WEST, 137.3 CHAINS) FROM THE SOUTHEAST CORNER OF SECTION 25, TOWNSHIP 1 NORTH, RANGE 5 WEST, SAN BERNARDINO BASE AND MERIDIAN; THENCE FOLLOWING THE NORTHERLY BOUNDARY OF THE LANDS HERETOFORE CONVEYED BY FONTANA DEVELOPMENT COMPANY TO THE LYTLE CREEK WATER AND IMPROVEMENT COMPANY BY DEED RECORDED IN BOOK 429, PAGE 103, OF DEEDS, SOUTH 72 DEG. 02' 11" WEST, 2204.02 FEET (RECORD SOUTH 71 DEG. 13' WEST, 34.28 CHAINS) TO A POINT; THENCE CONTINUING ALONG SAID NORTHERLY BOUNDARY, NORTH 82 DEG. 09' 54" WEST (RECORD NORTH 82 DEG. 59' WEST, 18.73 CHAINS) TO A POINT; THENCE NORTH 54 DEG. 15' WEST, 83.04 CHAINS; THENCE SOUTH 35 DEG. 45' WEST, 32.63 CHAINS TO THE SOUTH CORNER OF LOT 62 OF SAID SEMI-TROPIC LAND AND WATER COMPANY SUBDIVISION; THENCE NORTH 53 DEG. 24' 47" WEST (RECORD NORTH 54 DEG. 15' WEST), 201.88 CHAINS ALONG THE SOUTHWESTERLY BOUNDARY OF LOTS 62, 60, 58, 56, 54, 52, 50, 48, 46, 44, 42, 40, 38, 36, 34, 32, 30, 28, 26 AND 24 TO AN ANGLE POINT IN THE SOUTHWESTERLY BOUNDARY OF LOT 18 AS DESIGNATED ON SAID MAP; THENCE NORTH 23 DEG. 52' 33" WEST (RECORD NORTH 24 DEG. 43' WEST), 129.34 CHAINS ALONG THE SOUTHWESTERLY BOUNDARY OF LOTS 18, 16, 14, 12, 10, 9, 8, 7 AND 1 TO THE NORTH CORNER OF SAID LOT 1, SAID POINT BEING IN THE NORTHERLY BOUNDARY LINE OF THE MUSCUIABE RANCH; THENCE FOLLOWING AND ALONG THE NORTHERLY BOUNDARY OF SAID MUSCUIABE RANCH, THE FOLLOWING COURSES AND DISTANCES: SOUTH 51 DEG. 41' 14" EAST, 608.70 FEET (RECORD SOUTH 51 DEG. 30' EAST 11.5 CHAINS) TO THE POST NO. M-49 MUSCUIABE RANCH; THENCE NORTH 81 DEG. 44' 16" EAST, 1260.50 FEET (RECORD SOUTH 63 DEG. EAST, 40 CHAINS) TO SECTION 1 (M-1) OF SAID RANCH; THENCE SOUTH 39 DEG. 56' 48" EAST, 3482.63 FEET (RECORD SOUTH 67 DEG. 52' EAST, 35.53 CHAINS) TO STATION 2 (M-2) OF SAID RANCH; THENCE NORTH 74 DEG. 45' 22" EAST, 3118.39 FEET (RECORD NORTH 75 DEG. EAST 23 CHAINS) TO STATION 3 (M-3) OF SAID RANCH; THENCE NORTH 65 DEG. 14' 22" EAST, 662.50 FEET (RECORD NORTH 65 DEG. 10' EAST, 10 CHAINS) TO STATION 4 (M-4) OF SAID RANCH; THENCE SOUTH 87 DEG. 07' 22" EAST, 4574.30 FEET (RECORD SOUTH 83 DEG. 47' EAST, 4675.5 FEET) TO A POINT 136.80 FEET (RECORD 137 FEET FROM A STAKE MARKED SEMI-TROPIC LAND AND WATER CO. CORNER VI; THENCE SOUTH 10 DEG. 31' 28" WEST,

1962.87 FEET (RECORD SOUTH 10 DEG. 37' WEST, 29.65 CHAINS) TO S.T.L. & W. CO. CORNER V; THENCE SOUTH 44 DEG. 01' 58" EAST, 7802.09 FEET (RECORD SOUTH 44 DEG. 3' EAST, 118.27 CHAINS) TO S.T.L. & W. CO. CORNER NO. IV; THENCE SOUTH 30 DEG. 48' 44" EAST, 3449.59 FEET (RECORD SOUTH 30 DEG. 8' EAST, 52.23 CHAINS) TO S.T.L. & W. CO. CORNER NO. 111; THENCE SOUTH 44 DEG. 59 DEG. 38' EAST, 5819.37 FEET (RECORD SOUTH 45 DEG. EAST, 88.64 CHAINS, MORE OR LESS) TO THE POINT OF BEGINNING.

TOGETHER WITH THOSE PORTIONS OF RIVERSIDE AVENUE, VACATED, PURSUANT TO RESOLUTIONS OF THE SAN BERNARDINO COUNTY BOARD OF SUPERVISORS, AS EVIDENCED BY DOCUMENTS RECORDED MAY 5, 1916, IN BOOK "Y", PAGE 345, OF MISCELLANEOUS RECORDS; AND NOVEMBER 1, 1951, IN BOOK 2846, PAGE 530, OFFICIAL RECORDS, AS WOULD PASS BY OPERATION OF LAW WITH A CONVEYANCE OF SAID PROPERTY.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT IN THE DEED RECORDED MARCH 13, 1962, IN BOOK 5660, PAGE 919, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THOSE PORTIONS LYING NORTHWESTERLY OF THE SOUTHEASTERLY LINE OF THE PROPERTY CONVEYED TO SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT IN DEED RECORDED MARCH 19, 1975, IN BOOK 8638, PAGE 796, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THOSE PORTIONS LYING NORTHWESTERLY OF THE SOUTHEASTERLY LINE OF THE PROPERTY TAKEN BY THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, A PUBLIC CORPORATION, IN THAT CERTAIN JUDGMENT AND FINAL ORDER OF CONDEMNATION PURSUANT TO STIPULATION, SAN BERNARDINO COUNTY SUPERIOR COURT CASE NO. 151568, AS PER DOCUMENT RECORDED AUGUST 13, 1976, IN BOOK 8990, PAGE 945, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE CITY OF RIALTO, A MUNICIPAL CORPORATION, IN DEED RECORDED DECEMBER 8, 1986, INSTRUMENT NO. 86-371656, OFFICIAL RECORDS.

PARCEL NO. 2: 262-071-39, 28, 35

A PORTION OF RANCHO MUSCUIABE, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 7 OF MAPS, PAGE(S) 23, RECORDS OF SAID COUNTY; AND AS DESIGNATED ON UNITED STATES GOVERNMENT TOWNSHIP PLAT APPROVED JUNE 24, 1898 (RESURVEY) DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON LINE 2-3 OF THE NORTHEASTERLY BOUNDARY OF THE SOUTHWEST PORTION OF THE SAID MUSCUIABE RANCH, SAID POINT BEING NORTH 44 DEG. 59' 38" EAST, 9044.32 FEET (RECORD NORTH 45 DEG. WEST, 137.3 CHAINS) FROM THE SOUTHEAST CORNER OF SECTION 25, TOWNSHIP 1 NORTH, RANGE 5 WEST, SAN BERNARDINO BASE AND MERIDIAN; THENCE FOLLOWING THE NORTHERLY BOUNDARY OF THE LANDS HERETOFORE CONVEYED BY FONTANA DEVELOPMENT COMPANY TO THE LYTLE CREEK WATER AND IMPROVEMENT COMPANY BY DEED RECORDED IN BOOK 429, PAGE 103, OF DEEDS, SOUTH 72 DEG. 02' 11" WEST, 2204.02 FEET (RECORD SOUTH 71 DEG. 13' WEST, 34.28 CHAINS); THENCE CONTINUING ALONG SAID NORTHERLY BOUNDARY, NORTH 82 DEG. 09' 54" WEST (RECORD NORTH 82 DEG. 59' WEST, 18.73 CHAINS TO THE TRUE POINT OF BEGINNING; THENCE NORTH 54 DEG. 15' WEST, 83.04 CHAINS TO A POINT; THENCE SOUTH 35 DEG. 45' WEST TO THE NORTHWESTERLY CORNER OF LOT 64, SEMI-TROPIC LAND AND WATER COMPANY SUBDIVISION, AS PER PLAT RECORDED IN BOOK 6 OF MAPS, PAGE 12,

RECORDS OF SAID COUNTY; THENCE FROM SAID NORTHWESTERLY CORNER OF SAID LOT 64, EASTERLY AND SOUTHEASTERLY ALONG THE NORTHEASTERLY LINE OF LOTS 64, 66, 68, 70, 72, 74 AND 76 TO THE WESTERLY POINT OF THE LAND CONVEYED IN THE ABOVE MENTIONED DEED RECORDED IN BOOK 429, PAGE 103, OF DEEDS; THENCE FOLLOWING SAID NORTH BOUNDARY, SOUTH 82 DEG. 09' 54" EAST (RECORD SOUTH 82 DEG. 59' EAST), 26.27 CHAINS, MORE OR LESS, TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ANY PORTION WHICH MAY LIE WITHIN THE LANDS CONVEYED TO FONTANA RESOURCES CORPORATION, A CALIFORNIA CORPORATION, IN THE DEED RECORDED JANUARY 21, 1970, IN BOOK 7375, PAGE 810, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THOSE PORTIONS CONVEYED TO SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT IN THE DEED RECORDED MARCH 19, 1975, IN BOOK 8638, PAGE 796, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THOSE PORTIONS TAKEN BY THE METROPOLITAN WATER DISTRICT OF SOUTHER CALIFORNIA, A PUBLIC CORPORATION, IN THAT CERTAIN JUDGMENT AND FINAL ORDER OF CONDEMNATION PURSUANT TO STIPULATION, SAN BERNARDINO COUNTY SUPERIOR COURT CASE NO. 151568, AS PER DOCUMENT RECORDED AUGUST 13, 1976, IN BOOK 8990, PAGE 945, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL THAT PORTION THEREOF CONVEYED TO LYTLÉ DEVELOPMENT JOINT VENTURE, A CALIFORNIA GENERAL PARTNERSHIP, BY GRANT DEED RECORDED APRIL 18, 1997, INSTRUMENT NO. 97-136666, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM A PORTION THEREOF CONVEYED TO WEST SAN BERNARDINO COUNTY WATER DISTRICT, A PUBLIC AGENCY, BY GRANT DEED RECORDED OCTOBER 6, 1998, INSTRUMENT NO. 98-426354, OFFICIAL RECORDS.

PARCEL NO. 3: 264-011-10

LOT 64 OF THE SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 6 OF MAPS, PAGE(S) 12, RECORDS OF SAID COUNTY.

TOGETHER WITH THAT PORTION OF RIVERSIDE AVENUE, VACATED, PURSUANT TO RESOLUTION OF THE SAN BERNARDINO COUNTY BOARD OF SUPERVISORS, AS EVIDENCED BY DOCUMENT RECORDED MAY 5, 1916, IN BOOK "Y", PAGE 345, OF MISCELLANEOUS RECORDS, AS WOULD PASS BY OPERATION OF LAW WITH A CONVEYANCE OF SAID PROPERTY.

EXCEPTING THEREFROM THE SOUTHEASTERLY 100 FEET, AS CONVEYED TO SOUTHERN CALIFORNIA EDISON COMPANY, LTD., A CORPORATION, IN THE DEED RECORDED IN BOOK 1607, PAGE 185, OFFICIAL RECORDS.

PARCEL NO. 4: 264-011-36

THAT CERTAIN PORTION OF LOT 66, SEMI-TROPIC LAND AND WATER COMPANY SUBDIVISION AND OF RIVERSIDE AVENUE, VACATED, PURSUANT TO RESOLUTION OF THE SAN BERNARDINO COUNTY BOARD OF SUPERVISORS, A CERTIFIED COPY OF WHICH RECORDED IN BOOK "Y", PAGE 345, MISCELLANEOUS RECORDS, AS WOULD PASS BY OPERATION OF LAW WITH A CONVEYANCE OF SAID LAND, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 6 OF MAPS, PAGE(S) 12, RECORDS OF SAID COUNTY, PARTICULARLY DESCRIBED AS FOLLOWS, TO WIT:

BEGINNING AT A POINT IN THE CENTER LINE OF RIVERSIDE AVENUE, AS THE SAME IS NOW ESTABLISHED, 70 FEET WIDE, THROUGH SAID LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, WHERE SAID CENTER LINE IS INTERSECTED BY A LINE DRAWN AT RIGHT ANGLES THERETO AND PASSING THROUGH A LEAD AND TACK SET IN A CONCRETE WALL AT A POINT NORTH 35 DEG. 15' 00" EAST, 116.94 FEET FROM SAID POINT OF BEGINNING, AND THROUGH ANOTHER LEAD AND TACK SET IN A CONCRETE WALL AT A POINT NORTH 35 DEG. 15' 00" EAST, 163.21 FEET FROM SAID POINT OF BEGINNING, SAID 2 LEADS AND TACKS BEING ALSO LOCATED 0.21 FEET AND 0.33 FEET RESPECTIVELY, SOUTHEASTERLY, MEASURED AT RIGHT ANGLES FROM THE SOUTHEASTERLY FACE OF THE SOUTHEASTERLY WALL OF THE FONTANA POWER HOUSE TAIL RACE STRUCTURE NOW LOCATED ON SAID LOT 66, SAID POINT OF BEGINNING BEING NORTH 54 DEG. 45' 00" WEST, 417.91 FEET, MORE OR LESS, MEASURED ALONG SAID CENTER LINE OF RIVERSIDE AVENUE, 70 FEET WIDE, FROM A 1/2-INCH IRON PIPE SET FOR THE INTERSECTION OF SAID CENTER LINE WITH THE SOUTHWESTERLY PROLONGATION OF THE SOUTHEASTERLY LINE OF SAID LOT 66, AND BEING ALSO SOUTH 54 DEG. 45' 00" EAST, 6184.41 FEET, MORE OR LESS, MEASURED ALONG SAID CENTER LINE FROM A 1-INCH IRON PIPE SET FOR THE INTERSECTION OF SAID CENTER LINE WITH THE SOUTHWESTERLY PROLONGATION OF THE NORTHWESTERLY LINE OF LOT 48 OF SAID LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY; THENCE FROM SAID POINT OF BEGINNING, NORTH 35 DEG. 15' 00" EAST, 40.0 FEET TO A POINT IN THE CENTER LINE OF THE ORIGINAL RIVERSIDE AVENUE, 150 FEET WIDE, AS SHOWN ON THE ABOVE REFERRED TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, SAID POINT BEING THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE FROM SAID TRUE POINT OF BEGINNING, NORTH 35 DEG. 15' 00" EAST, 152.07 FEET TO A 2-INCH IRON PIPE IN A CEMENTED ROCK MOUND; THENCE NORTH 63 DEG. 27' 00" EAST, 244.0 FEET TO A 2-INCH IRON PIPE; THENCE NORTH 35 DEG. 15' 00" EAST, 198.55 FEET, MORE OR LESS, TO A POINT IN THE NORTHEASTERLY LINE OF SAID LOT 66; THENCE SOUTH 56 DEG. 45' 15" EAST ALONG SAID NORTHEASTERLY LINE, 302.78 FEET, MORE OR LESS, TO THE MOST EASTERLY CORNER OF SAID LOT 66; THENCE SOUTH 35 DEG. 15' 00" WEST, ALONG THE SOUTHEASTERLY LINE AND ITS PROLONGATION OF SAID LOT 66, A DISTANCE OF 576.18 FEET, MORE OR LESS, TO A POINT IN THE CENTER LINE OF THE ORIGINAL RIVERSIDE AVENUE, 150 FEET WIDE, REFERRED TO ABOVE; THENCE NORTH 54 DEG. 45' 00" WEST ALONG SAID CENTER LINE, 417.91 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION CONVEYED TO SAN GABRIEL VALLEY WATER COMPANY, A CALIFORNIA CORPORATION, IN A DEED RECORDED IN BOOK 3225, PAGE 263, OFFICIAL RECORDS, AS FOLLOWS:

BEGINNING AT A POINT IN THE CENTER LINE OF RIVERSIDE AVENUE, AS NOW ESTABLISHED, 70 FEET WIDE, SAID POINT BEING THE INTERSECTION OF THE CENTER LINE OF RIVERSIDE AVENUE WITH THE SOUTHWESTERLY EXTENSION OF THE SOUTHEASTERLY BOUNDARY OF SAID FARM LOT 66; THENCE NORTH 54 DEG. 45' WEST, 351.61 FEET ALONG THE CENTER LINE OF SAID RIVERSIDE AVENUE; THENCE NORTH 35 DEG. 15' EAST, 109.67 FEET TO THE TRUE POINT OF BEGINNING; THENCE FROM SAID TRUE POINT OF BEGINNING, CONTINUING NORTH 35 DEG. 15' EAST, 25 FEET; THENCE SOUTH 54 DEG. 45' EAST, 28 FEET; THENCE SOUTH 35 DEG. 15' WEST, 25 FEET; THENCE NORTH 54 DEG. 45' WEST, 28 FEET TO THE TRUE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM ALL THAT PORTION THEREOF CONVEYED TO FONTANA UNION WATER COMPANY, A CALIFORNIA CORPORATION, BY QUITCLAIM DEED RECORDED FEBRUARY 10, 1997, INSTRUMENT NO. 97-047241, OFFICIAL RECORDS.

Real property in the City of , County of , State of , described as follows:

PARCEL NO. 5:

A PORTION OF RANCHO MUSCUIABE, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 7 OF MAPS, PAGE(S) 23, RECORDS OF SAID COUNTY; AND AS DESIGNATED ON UNITED STATES GOVERNMENT TOWNSHIP PLAT APPROVED JUNE 24, 1898 (RESURVEY), AND PORTIONS OF LOTS 1, 7, 8, 9, 10, 12, 14, 16, 18, 24, 26, 28, 30, 32, 34, 36, 38, 40, 42, 44, 46, 48, 50, 52, 54, 56, 58, 60 AND 62, DESIGNATED ON THE MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, AS PER PLAT RECORDED IN BOOK 6 OF MAPS, PAGE(S) 12, RECORDS OF SAID COUNTY, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT A POINT ON A LINE 2-3 OF THE NORTHEASTERLY BOUNDARY OF THE SOUTHWEST PORTION OF THE SAID MUSCUIABE RANCH, SAID POINT BEING NORTH 44 DEG. 59' 38" EAST, 9044.32 FEET (RECORD NORTH 45 DEG. WEST, 137.3 CHAINS) FROM THE SOUTHEAST CORNER OF SECTION 25, TOWNSHIP 1 NORTH, RANGE 5 WEST, SAN BERNARDINO BASE AND MERIDIAN; THENCE FOLLOWING THE NORTHERLY BOUNDARY OF THE LANDS HERETOFORE CONVEYED BY FONTANA DEVELOPMENT COMPANY TO THE LYTLE CREEK WATER AND IMPROVEMENT COMPANY BY DEED RECORDED IN BOOK 429, PAGE 103, OF DEEDS, SOUTH 72 DEG. 02' 11" WEST, 2204.02 FEET (RECORD SOUTH 71 DEG. 13' WEST, 34.28 CHAINS) TO A POINT; THENCE CONTINUING ALONG SAID NORTHERLY BOUNDARY, NORTH 82 DEG. 09' 54" WEST (RECORD NORTH 82 DEG. 59' WEST, 18.73 CHAINS TO A POINT; THENCE NORTH 54 DEG. 15' WEST, 83.04 CHAINS; THENCE SOUTH 35 DEG. 45' WEST, 32.63 CHAINS TO THE SOUTH CORNER OF LOT 62 OF SAID SEMI-TROPIC LAND AND WATER COMPANY SUBDIVISION; THENCE NORTH 53 DEG. 24' 47" WEST (RECORD NORTH 54 DEG. 15' WEST), 201.88 CHAINS ALONG THE SOUTHWESTERLY BOUNDARY OF LOTS 62, 60, 58, 56, 54, 52, 50, 48, 46, 44, 42, 40, 38, 36, 34, 32, 30, 28, 26 AND 24 TO AN ANGLE POINT IN THE SOUTHWESTERLY BOUNDARY OF LOT 18 AS DESIGNATED ON SAID MAP; THENCE NORTH 23 DEG. 52' 33" WEST (RECORD NORTH 24 DEG. 43' WEST), 129.34 CHAINS ALONG THE SOUTHWESTERLY BOUNDARY OF LOTS 18, 16, 14, 12, 10, 9, 8, 7 AND 1 TO THE NORTH CORNER OF SAID LOT 1, SAID POINT BEING IN THE NORTHERLY BOUNDARY LINE OF THE MUSCUIABE RANCH; THENCE FOLLOWING AND ALONG THE NORTHERLY BOUNDARY OF SAID MUSCUIABE RANCH, THE FOLLOWING COURSES AND DISTANCES: SOUTH 51 DEG. 41' 14" EAST, 608.70 FEET (RECORD SOUTH 51 DEG. 30' EAST 11.5 CHAINS) TO POST NO. M-49 MUSCUIABE RANCH; THENCE NORTH 81 DEG. 44' 16" EAST, 1260.50 FEET (RECORD SOUTH 63 DEG. EAST, 40 CHAINS) TO SECTION 1 (M-1) OF SAID RANCH; THENCE SOUTH 39 DEG. 56' 48" EAST, 3482.63 FEET (RECORD SOUTH 67 DEG. 52 EAST, 35.53 CHAINS) TO STATION 2 (M-2) OF SAID RANCH; THENCE NORTH 74 DEG. 45' 22" EAST, 3118.39 FEET (RECORD NORTH 75 DEG. EAST 23 CHAINS) TO STATION 3 (M-3) OF SAID RANCH; THENCE NORTH 65 DEG. 14' 22" EAST, 662.50 FEET (RECORD NORTH 65 DEG. 10' EAST, 10 CHAINS) TO STATION 4 (M-4) OF SAID RANCH; THENCE SOUTH 87 DEG. 07' 22" EAST, 4574.30 FEET (RECORD SOUTH 83 DEG. 47' EAST, 4675.5 FEET) TO A POINT 136.80 FEET (RECORD 137 FEET) FROM A STAKE MARKED SEMI-TROPIC LAND AND WATER CO. CORNER VI; THENCE SOUTH 10 DEG. 31' 28" WEST, 1962.87 FEET (RECORD SOUTH 10 DEG. 37' WEST, 29.65 CHAINS) TO S.T.L. & W. CO. CORNER V; THENCE SOUTH 44 DEG. 01' 58" EAST, 7802.09 FEET (RECORD SOUTH 44 DEG. 3' EAST, 118.27 CHAINS) TO S.T.L. & W. CO. CORNER NO. IV; THENCE SOUTH 30 DEG. 48' 44" EAST, 3449.59 FEET (RECORD SOUTH 30 DEG. 8' EAST, 52.23 CHAINS) TO S.T.L. & W. CO. CORNER NO. 111; THENCE SOUTH 44 DEG. 59 DEG. 38' EAST, 5819.37 FEET (RECORD SOUTH 45 DEG.

EAST, 88.64 CHAINS, MORE OR LESS) TO THE POINT OF BEGINNING.

TOGETHER WITH THOSE PORTIONS OF RIVERSIDE AVENUE, VACATED, PURSUANT TO RESOLUTIONS OF THE SAN BERNARDINO COUNTY BOARD OF SUPERVISORS, AS EVIDENCED BY DOCUMENTS RECORDED MAY 5, 1916, IN BOOK "Y", PAGE 345, OF MISCELLANEOUS RECORDS; AND NOVEMBER 1, 1951, IN BOOK 2846, PAGE 530, OFFICIAL RECORDS, AS WOULD PASS BY OPERATION OF LAW WITH A CONVEYANCE OF SAID PROPERTY.

ALSO TOGETHER WITH THOSE PORTIONS OF RIVERSIDE AVENUE AND OF THAT CERTAIN UNNAMED STREET, AND LOTS 16 AND 18, AS SHOWN ON MAP OF SEMI-TROPIC LAND AND WATER COMPANY SUBDIVISION, AS PER PLAT RECORDED IN BOOK 6 OF MAPS, PAGE 12, RECORDS OF SAID COUNTY, AS VACATED PURSUANT TO RESOLUTION OF THE SAN BERNARDINO COUNTY BOARD OF SUPERVISORS, A CERTIFIED COPY OF WHICH WAS RECORDED MARCH 31, 1977, IN BOOK 9146, PAGE 1090, OFFICIAL RECORDS, WHICH SHOULD PASS BY OPERATION OF LAW WITH A CONVEYANCE OF SAID PROPERTY.

EXCEPTING THEREFROM THOSE PORTIONS CONVEYED TO SOUTHERN SURPLUS REALTY CO., A CALIFORNIA CORPORATION, IN DEEDS RECORDED AUGUST 28, 1974, IN BOOK 8504, PAGE 252, OFFICIAL RECORDS; AND IN BOOK 8504, PAGE 264, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THOSE PORTIONS LYING NORTHWESTERLY OF THE SOUTHEASTERLY LINE OF STATE OF CALIFORNIA HIGHWAY TAKEN BY THE STATE OF CALIFORNIA IN THAT CERTAIN FINAL ORDER OF CONDEMNATION, SAN BERNARDINO COUNTY SUPERIOR COURT CASE NO. 159760, A CERTIFIED COPY OF WHICH WAS RECORDED FEBRUARY 5, 1975, IN BOOK 8610, PAGE 443, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THOSE PORTIONS LYING SOUTHEASTERLY OF THE NORTHWESTERLY LINE OF PROPERTY CONVEYED TO SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT IN DEED RECORDED MARCH 19, 1975, IN BOOK 8638, PAGE 796, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THOSE PORTIONS LYING SOUTHEASTERLY OF THE NORTHWESTERLY LINE OF PROPERTY TAKEN BY THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, A PUBLIC CORPORATION, IN THAT CERTAIN JUDGMENT AND FINAL ORDER OF CONDEMNATION PURSUANT TO STIPULATION, SAN BERNARDINO COUNTY SUPERIOR COURT CASE NO. 151568, AS PER DOCUMENT RECORDED AUGUST 13, 1976, IN BOOK 8990, PAGE 945, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE CITY OF RIALTO, A MUNICIPAL CORPORATION, IN DEED RECORDED DECEMBER 8, 1986, INSTRUMENT NO. 86-371656, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF CONVEYED IN A CORPORATION GRANT DEED EXECUTED BY LYTLE CREEK LAND AND RESOURCES, A CALIFORNIA CORPORATION, IN FAVOR OF SUNBELT ACQUISITIONS, INC., A DELAWARE CORPORATION, RECORDED JULY 29, 1992, INSTRUMENT NO. 92-314960, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF CONVEYED IN QUITCLAIM DEED NO. 1601 EXECUTED BY LYTLE CREEK LAND AND RESOURCES, A CALIFORNIA CORPORATION, IN FAVOR OF THE CITY OF RIALTO, RECORDED SEPTEMBER 7, 1995, INSTRUMENT NO. 95-308798, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL THAT PORTION THEREOF LYING WITHIN PARCEL MAP NO.

14797, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 184 OF PARCEL MAPS, PAGE(S) 25, 26 AND 27, RECORDS OF SAID COUNTY.

PARCEL NO. 6:

LOT 17, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP SHOWING SUBDIVISION OF SEMI-TROPIC LAND AND WATER COMPANY, AS PER PLAT RECORDED IN BOOK 6 OF MAPS, PAGE(S) 12, RECORDS OF SAID COUNTY.

TOGETHER WITH THAT PORTION OF RIVERSIDE AVENUE, VACATED, PURSUANT TO RESOLUTION OF THE SAN BERNARDINO COUNTY BOARD OF SUPERVISORS, AS EVIDENCED BY DOCUMENT RECORDED MAY 5, 1916, IN BOOK "Y", PAGE 345, OF MISCELLANEOUS RECORDS, AS WOULD PASS BY OPERATION OF LAW WITH A CONVEYANCE OF SAID PROPERTY.

ALSO TOGETHER WITH THOSE PORTIONS OF RIVERSIDE AVENUE AND OF THAT CERTAIN UNNAMED STREET, AS SHOWN ON MAP OF SEMI-TROPIC LAND AND WATER COMPANY SUBDIVISION, AS PER PLAT RECORDED IN BOOK 6 OF MAPS, PAGE 12, RECORDS OF SAID COUNTY, AS VACATED PURSUANT TO RESOLUTION OF THE SAN BERNARDINO COUNTY BOARD OF SUPERVISORS, A CERTIFIED COPY OF WHICH WAS RECORDED MARCH 31, 1977, IN BOOK 9146, PAGE 1090, OFFICIAL RECORDS, WHICH WOULD PASS BY OPERATION OF LAW WITH A CONVEYANCE OF SAID PROPERTY.

EXCEPTING THEREFROM THOSE PORTIONS TAKEN BY THE STATE OF CALIFORNIA IN THAT CERTAIN FINAL ORDER OF CONDEMNATION, SAN BERNARDINO COUNTY SUPERIOR COURT CASE NO. 159760, A CERTIFIED COPY OF WHICH WAS RECORDED FEBRUARY 5, 1975, IN BOOK 8610, PAGE 443, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL THAT PORTION THEREOF LYING WESTERLY OF THE EASTERLY LINE OF SIERRA AVENUE, AS IT EXISTED OCTOBER 27, 1997.

PARCEL NO. 7:

PARCEL 1 AS PER PLAT ATTACHED TO CERTIFICATE OF COMPLIANCE NO. E0026-00, FOR LOT LINE ADJUSTMENT NO. E162-29/99, RECORDED MAY 20, 2000, INSTRUMENT NO. 20000151040, OFFICIAL RECORDS, BEING DESCRIBED THEREIN AS FOLLOWS:

PARCEL 1 OF PARCEL MAP NO. 14797, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 184 OF PARCEL MAPS, PAGE(S) 25 THROUGH 27, INCLUSIVE, RECORDS OF SAID COUNTY.

EXCEPTING THEREFROM THAT PORTION LYING NORTHEASTERLY OF THE FOLLOWING DESCRIBED LINE:

COMMENCING AT THE SOUTHWESTERLY END OF THAT COURSE SHOWN AS NORTH 38 DEG. 16' 31" EAST, 3569.75 FEET; THENCE NORTH 38 DEG. 16' 31" EAST ALONG SAID LINE A DISTANCE OF 186.21 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 58 DEG. 51' 51" WEST, A DISTANCE OF 866.25 FEET; THENCE NORTH 58 DEG. 34' 39" WEST, A DISTANCE OF 900.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 3000.00 FEET; THENCE NORTHWESTERLY AND WESTERLY ALONG SAID CURVE, TO THE LEFT, THROUGH A CENTRAL ANGLE OF 15 DEG. 13' 49" AN ARC DISTANCE OF 797.46 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE TO THE NORTHEASTERLY AND HAVING A RADIUS OF 5600.00 FEET; THENCE WESTERLY AND

NORTHWESTERLY ALONG SAID CURVE, TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 14 DEG. 46' 41" AN ARC DISTANCE OF 1444.38 FEET; THENCE NORTH 59 DEG. 01' 47" WEST, TANGENT TO SAID CURVE, A DISTANCE OF 1906.97 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHEAST AND HAVING A RADIUS OF 1750.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE, TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 3 DEG. 44' 06" AN ARC DISTANCE OF 114.08 FEET TO A POINT OF CUSP ON A CURVE CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 19600.00 FEET AND FROM WHICH THE RADIUS POINT BEARS SOUTH 41 DEG. 14' 55" EAST, SAID POINT BEING ON THE SOUTHEASTERLY LINE OF THE STATE OF CALIFORNIA RIGHT OF WAY PER DEED RECORDED FEBRUARY 5, 1975 IN BOOK 8610, PAGE 443, OFFICIAL RECORDS OF SAID COUNTY.

Real property in the City of San Bernardino, County of San Bernardino, State of California, described as follows:

PARCEL NO. 8:

A PORTION OF RANCHO MUSCUIABE, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 7 OF MAPS, PAGE(S) 23, RECORDS OF SAID COUNTY; AND AS DESIGNATED ON UNITED STATES GOVERNMENT TOWNSHIP PLAT APPROVED JUNE 24, 1898 (RESURVEY), AND PORTIONS OF LOTS 1, 7, 8, 9, 10, 12, 14, 16, 18, 24, 26, 28, 30, 32, 34, 36, 38, 40, 42, 44, 46, 48, 50, 52, 54, 56, 58, 60 AND 62, DESIGNATED ON THE MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, AS PER PLAT RECORDED IN BOOK 6 OF MAPS, PAGE(S) 12, RECORDS OF SAID COUNTY, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT A POINT ON A LINE 2-3 OF THE NORTHEASTERLY BOUNDARY OF THE SOUTHWEST PORTION OF THE SAID MUSCUIABE RANCH, SAID POINT BEING NORTH 44 DEG. 59' 38" EAST, 9044.32 FEET (RECORD NORTH 45 DEG. WEST, 137.3 CHAINS) FROM THE SOUTHEAST CORNER OF SECTION 25, TOWNSHIP 1 NORTH, RANGE 5 WEST, SAN BERNARDINO BASE AND MERIDIAN; THENCE FOLLOWING THE NORTHERLY BOUNDARY OF THE LANDS HERETOFORE CONVEYED BY FONTANA DEVELOPMENT COMPANY TO THE LYTLE CREEK WATER AND IMPROVEMENT COMPANY BY DEED RECORDED IN BOOK 429, PAGE 103, OF DEEDS, SOUTH 72 DEG. 02' 11" WEST, 2204.02 FEET (RECORD SOUTH 71 DEG. 13' WEST, 34.28 CHAINS) TO A POINT; THENCE CONTINUING ALONG SAID NORTHERLY BOUNDARY, NORTH 82 DEG. 09' 54" WEST (RECORD NORTH 82 DEG. 59' WEST, 18.73 CHAINS) TO A POINT; THENCE NORTH 54 DEG. 15' WEST, 83.04 CHAINS; THENCE SOUTH 35 DEG. 45' WEST, 32.63 CHAINS TO THE SOUTH CORNER OF LOT 62 OF SAID SEMI-TROPIC LAND AND WATER COMPANY SUBDIVISION; THENCE NORTH 53 DEG. 24' 47" WEST (RECORD NORTH 54 DEG. 15' WEST), 201.88 CHAINS ALONG THE SOUTHWESTERLY BOUNDARY OF LOTS 62, 60, 58, 56, 54, 52, 50, 48, 46, 44, 42, 40, 38, 36, 34, 32, 30, 28, 26 AND 24 TO AN ANGLE POINT IN THE SOUTHWESTERLY BOUNDARY OF LOT 18 AS DESIGNATED ON SAID MAP; THENCE NORTH 23 DEG. 52' 33" WEST (RECORD NORTH 24 DEG. 43' WEST), 129.34 CHAINS ALONG THE SOUTHWESTERLY BOUNDARY OF LOTS 18, 16, 14, 12, 10, 9, 8, 7 AND 1 TO THE NORTH CORNER OF SAID LOT 1, SAID POINT BEING IN THE NORTHERLY BOUNDARY LINE OF THE MUSCUIABE RANCH; THENCE FOLLOWING AND ALONG THE NORTHERLY BOUNDARY OF SAID MUSCUIABE RANCH, THE FOLLOWING COURSES AND DISTANCES: SOUTH 51 DEG. 41' 14" EAST, 608.70 FEET (RECORD SOUTH 51 DEG. 30' EAST 11.5 CHAINS) TO POST NO. M-49 MUSCUIABE RANCH; THENCE NORTH 81 DEG. 44' 16" EAST, 1260.50 FEET (RECORD SOUTH 63 DEG. EAST, 40 CHAINS) TO SECTION 1 (M-1) OF SAID RANCH; THENCE SOUTH 39 DEG. 56' 48" EAST, 3482.63 FEET (RECORD SOUTH 67 DEG. 52' EAST, 35.53 CHAINS) TO STATION 2 (M-2) OF SAID RANCH; THENCE NORTH 74 DEG. 45' 22" EAST, 3118.39 FEET (RECORD NORTH 75 DEG. EAST 23 CHAINS) TO STATION 3 (M-3) OF SAID RANCH; THENCE NORTH 65 DEG. 14' 22" EAST, 662.50 FEET (RECORD NORTH 65 DEG. 10' EAST, 10 CHAINS) TO STATION 4 (M-4) OF SAID RANCH; THENCE SOUTH 87 DEG. 07' 22" EAST, 4574.30 FEET (RECORD SOUTH 83 DEG. 47' EAST, 4675.5 FEET) TO A POINT 136.80 FEET (RECORD 137 FEET) FROM A STAKE MARKED SEMI-TROPIC LAND AND WATER CO. CORNER VI; THENCE SOUTH 10 DEG. 31' 28" WEST, 1962.87 FEET (RECORD SOUTH 10 DEG. 37' WEST, 29.65 CHAINS) TO S.T.L. & W. CO. CORNER V; THENCE SOUTH 44 DEG. 01' 58" EAST, 7802.09 FEET (RECORD SOUTH 44 DEG. 3' EAST, 118.27 CHAINS) TO S.T.L. & W. CO. CORNER NO. IV; THENCE SOUTH 30 DEG. 48' 44" EAST, 3449.59 FEET (RECORD SOUTH 30 DEG. 8' EAST, 52.23 CHAINS) TO S.T.L. & W. CO. CORNER

NO. 111; THENCE SOUTH 44 DEG. 59 DEG. 38' EAST, 5819.37 FEET (RECORD SOUTH 45 DEG. EAST, 88.64 CHAINS, MORE OR LESS) TO THE POINT OF BEGINNING.

TOGETHER WITH THOSE PORTIONS OF RIVERSIDE AVENUE, VACATED, PURSUANT TO RESOLUTIONS OF THE SAN BERNARDINO COUNTY BOARD OF SUPERVISORS, AS EVIDENCED BY DOCUMENTS RECORDED MAY 5, 1916, IN BOOK "Y", PAGE 345, OF MISCELLANEOUS RECORDS; AND NOVEMBER 1, 1951, IN BOOK 2846; PAGE 530, OFFICIAL RECORDS, AS WOULD PASS BY OPERATION OF LAW WITH A CONVEYANCE OF SAID PROPERTY.

EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE COUNTY OF SAN BERNARDINO IN THE DEED RECORDED MARCH 13, 1962 IN BOOK 5660, PAGE 915, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THOSE PORTIONS CONVEYED TO SOUTHERN CALIFORNIA EDISON COMPANY, A CORPORATION, IN DEEDS RECORDED DECEMBER 30, 1966 IN BOOK 6751, PAGE 138, OFFICIAL RECORDS; IN BOOK 6751, PAGE 142, OFFICIAL RECORDS; AND MAY 6, 1968 IN BOOK 7021, PAGE 23, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THOSE PORTIONS CONVEYED TO SOUTHERN SURPLUS REALTY CO., A CALIFORNIA CORPORATION, IN DEEDS RECORDED AUGUST 28, 1974 IN BOOK 8504, PAGE 252, OFFICIAL RECORDS; AND IN BOOK 8504, PAGE 264, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE COUNTY OF SAN BERNARDINO IN DEED RECORDED SEPTEMBER 29, 1970, IN BOOK 7525, PAGE 674 OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THOSE PORTIONS LYING WITHIN AND SOUTHEASTERLY OF THE NORTHWESTERLY LINE OF PROPERTY WITHIN AND TAKEN BY THE STATE OF CALIFORNIA IN THAT CERTAIN FINAL ORDER OF CONDEMNATION, SAN BERNARDINO COUNTY SUPERIOR COURT CASE NO. 159760, A CERTIFIED COPY OF WHICH WAS RECORDED FEBRUARY 5, 1975 IN BOOK 8610, PAGE 443, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO WEST SAN BERNARDINO COUNTY WATER DISTRICT, A PUBLIC AGENCY, BY DEED RECORDED JANUARY 26, 1989, INSTRUMENT NO. 89-029036, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION CONVEYED TO WEST VALLEY WATER DISTRICT, A PUBLIC AGENCY, BY DEED RECORDED JUNE 16, 2005, INSTRUMENT NO. 20050430683, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION THEREOF LYING WITHIN TRACT MAP NO. 15900, AS PER PLAT RECORDED IN BOOK 308 OF MAPS, PAGES 60 THROUGH 81, INCLUSIVE, RECORDS OF SAID COUNTY.

LOTS 1, 2, 4, 6, 7, 14 AND LETTER LOTS A AND B OF TRACT NO. 15900, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 308 OF MAPS, PAGES 60 THROUGH 18, INCLUSIVE, RECORDS OF SAID COUNTY.

Exhibit "A-2"
Legal Description of the El Rancho Verde Property

PARCEL NO. 5: 264-421-06, 12, 20, 21, 29

THAT PORTION OF LOT 1, BLOCK 1, TRACT NO. 5135, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 64 OF MAPS, PAGES 99 AND 100, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF LOT 9, TRACT NO. 5359, AS PER PLAT RECORDED IN BOOK 65 OF MAPS, PAGE 82; THENCE SOUTH 69 DEG. 59" EAST, 119.55 FEET ON THE NORTHEASTERLY LINE OF SAID LOT 9; THENCE SOUTH 45 DEG. 09' 10" EAST, 230.86 FEET ON THE NORTHEASTERLY LINE OF LOTS 9, 10 AND 11 OF SAID TRACT NO. 5359, TO THE NORTHEASTERLY CORNER OF SAID TRACT NO. 5359;
THENCE FOLLOWING THE NORTHERLY BOUNDARY OF TRACT 5268, AS PER PLAT RECORDED IN BOOK 63 OF MAPS, PAGE 38, SOUTH 45 DEG. 09' 10" EAST, 5.05 FEET; THENCE CONTINUING ON THE BOUNDARY LINE OF SAID TRACT NO. 5268, SOUTH 55 DEG. 34' 41" EAST, 283.77 FEET; THENCE SOUTH 73 DEG. 34' 08" EAST, 253.65 FEET; THENCE SOUTH 62 DEG. 51' 22" EAST, 350.32 FEET; THENCE SOUTH 52 DEG. 59' 49" EAST, 452.82 FEET TO THE MOST EASTERLY CORNER OF SAID TRACT NO. 5268; THENCE LEAVING SAID TRACT NO. 5268, SOUTH 64 DEG. 58' EAST, 336.04 FEET; THENCE SOUTH 63 DEG. 45' 30" EAST, 338.57 FEET; THENCE SOUTH 54 DEG. 50' 30" EAST, 192.65 FEET;
THENCE SOUTH 78 DEG. 09' 30" EAST, 187.18 FEET; THENCE SOUTH 58 DEG. 32' 30" EAST, 220.51 FEET; THENCE SOUTH 41 DEG. 20' 30" EAST, 95.31 FEET; THENCE SOUTH 31 DEG. 21' 15" EAST, 166.04 FEET;
THENCE SOUTH 60 DEG. 20' EAST, 140.73 FEET; THENCE SOUTH 48 DEG. 33' EAST, 169.75 FEET; THENCE SOUTH 21 DEG. 56' 15" EAST, 209.00 FEET; THENCE SOUTH 47 DEG. 25' 15" EAST, 159.92 FEET;
THENCE SOUTH 43 DEG. 17' 15" EAST, 326.44 FEET; THENCE SOUTH 35 DEG. 27' 15" EAST, 387.05 FEET TO A POINT ON THE CENTER LINE OF SYCAMORE AVENUE, AS SHOWN ON SHEET NO. 2 OF RECORD OF SURVEY IN BOOK 11 OF SURVEYS, PAGES 38 TO 42, THEREOF, RECORDS OF SAID SAN BERNARDINO COUNTY; THENCE ON SAID CENTER LINE, SOUTH 53 DEG. 24' 25" EAST, 1028.5 FEET; THENCE SOUTH 78 DEG. 51' 45" EAST, 646.41 FEET; THENCE NORTH 19 DEG. 58' WEST, 1381.50 FEET; THENCE NORTH 49 DEG. 48' WEST, 307.53 FEET; THENCE NORTH 40 DEG. 24' EAST, 385.95 FEET; THENCE SOUTH 59 DEG. 55' EAST, 517.35 FEET; THENCE NORTH 76 DEG. 08' 30" EAST, 155.47 FEET; THENCE SOUTH 84 DEG. 50' 30" EAST, 142.56 FEET;
THENCE NORTH 29 DEG. 49' EAST, 121 FEET; THENCE NORTH 34 DEG. 51' EAST, 98.56 FEET, TO AN ANGLE POINT IN THE SOUTHEASTERLY LINE OF THE LAND DESCRIBED IN THE DEED TO AMERICAN PROCESSING COMPANY, A CALIFORNIA CORPORATION AND SIDNEY HERZBERG, A MARRIED MAN, RECORDED FEBRUARY 10, 1956, IN BOOK 3854, PAGE 351, OFFICIAL RECORDS; THENCE NORTH 41 DEG. 15' 30" WEST, 513.76 FEET; THENCE NORTH 47 DEG. 56' 30" WEST, 282.45 FEET TO THE MOST EASTERLY CORNER OF THE PROPERTY DESCRIBED IN DEED TO LYTLE CREEK WATER AND IMPROVEMENT COMPANY, RECORDED FEBRUARY 20, 1957 IN BOOK 4161, PAGE 179, OFFICIAL RECORDS; THENCE ON THE SOUTH BOUNDARY OF SAID PROPERTY ON A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 1900 FEET, 255.5 FEET; THENCE ON SAID SOUTHERLY LINE, NORTH 66 DEG. 21' 05" WEST, 1708.38 FEET TO A POINT IN THE SAID MEANDERING BOUNDARY LINE OF THE PROPERTY DESCRIBED IN DEED RECORDED IN BOOK 3854, PAGE 351, OFFICIAL RECORDS, SAID POINT BEING THE MOST EASTERLY CORNER OF THE LAND DESCRIBED IN DEED TO EL RANCHO VERDE COUNTRY CLUB, RECORDED FEBRUARY 20, 1957 IN BOOK 4161, PAGE 183, OFFICIAL RECORDS; THENCE NORTH 66 DEG. 21' 05" WEST, 175 FEET; THENCE NORTH 86 DEG. 38' 25" WEST, 759.5 FEET; THENCE NORTH 78 DEG. 19' 35" WEST, 210 FEET; THENCE NORTH 11 DEG. 40' 25" EAST, 58 FEET;
THENCE NORTH 84 DEG. 27' 47" WEST, 335.92 FEET; THENCE SOUTH 11 DEG. 40' 25" WEST, 28 FEET; THENCE NORTH 78 DEG. 19' 35" WEST, 614 FEET TO A POINT ON A LINE WHICH

BEARS NORTH 72 DEG. 41' 35" EAST FROM THE MOST EASTERLY CORNER OF THE LAND DESCRIBED IN DEED TO LYTLE CREEK WATER AND IMPROVEMENT COMPANY, RECORDED FEBRUARY 20, 1957 IN BOOK 4161, PAGE 180, OFFICIAL RECORDS; THENCE SOUTH 72 DEG. 41' 35" WEST, 232.55 FEET, TO THE MOST EASTERLY CORNER OF THE LAND DESCRIBED IN THE DEED TO LYTLE CREEK AND IMPROVEMENT COMPANY, BY ABOVE MENTIONED DEED; THENCE NORTH 85 DEG. 52' WEST, 36.85 FEET; THENCE NORTH 53 DEG. 24' 25" WEST, 168.96 FEET TO THE MOST SOUTHERLY CORNER OF THE LAND DESCRIBED IN DEED TO EL RANCHO COUNTRY CLUB, RECORDED FEBRUARY 20, 1957, IN BOOK 4161 PAGE 184, OFFICIAL RECORDS; THENCE NORTH 72 DEG. 41' 35" EAST 123.76 FEET ON THE SOUTHEASTERLY BOUNDARY OF PROPERTY ABOVE MENTIONED; THENCE NORTH 53 DEG. 24' 25" WEST 613.85 FEET TO THE NORTH LINE OF THE LYTLE CREEK WATER AND IMPROVEMENT COMPANY LAND, AS SHOWN ON SHEET 2 OF THERECORD OF SURVEY, RECORDED IN BOOK 11, PAGES 38 TO 42, RECORDS OF SURVEY OF SAN BERNARDINO COUNTY; THENCE ON SAID BOUNDARY LINE AS SHOWN BY SAID RECORD OF SURVEY MAP, NORTH 82 DEG. 08' 25" WEST, 1040.08 FEET TO THE INTERSECTION WITH THE CENTER LINE OF VACATED SYCAMORE AVENUE, AND INTERSECTION BEING SHOWN IN DETAIL "G" OF SHEET 2 OF AFOREMENTIONED RECORD OF SURVEY; THENCE SOUTH 53 DEG. 24' 25" EAST 908.41 FEET ON SAID CENTER LINE TO THE TRUE POINT OF BEGINNING .

EXCEPT THAT PORTION DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHERLY PROLONGATION OF THE SOUTHEASTERLY BOUNDARY OF LOT 99 OF SEMI-TROPIC LAND AND WATER CO. AS PER MAP RECORDED IN BOOK 6, PAGE 12 OF MAPS, WITH THE CENTER LINE OF THAT CERTAIN UNNAMED STREET, NOW VACATED, ADJOINING SAID LOTS 99 AND 100 ON THEIR SOUTHERLY BOUNDARY; THENCE NORTH 45 DEG. 09' 10" WEST (RECORDED NORTH 45 DEG. 19' 45" WEST) 77.47 FEET ON THE SOUTHERLY BOUNDARY OF THE LAND DESCRIBED IN THE DEED TO AMERICAN PROCESSING CO., AND SIDNEY HERZBERG, A MARRIED MAN, RECORDED FEBRUARY 10, 1956 IN BOOK 3854, PAGE 351, OFFICIAL RECORDS; THENCE NORTH 72 DEG. 41' 35" EAST, 481.58 FEET TO THE NORTHERLY BOUNDARY OF SAID LAND DESCRIBED BY THE ABOVE MENTIONED DEED RECORDED IN BOOK 3854, PAGE 351, OFFICIAL RECORDS; THENCE ON SAID LAST MENTIONED BOUNDARY LINE, SOUTH 53 DEG. 24' 25" EAST, 168.96 FEET; THENCE SOUTH 85 DEG. 52' EAST, 36.85 FEET; THENCE SOUTH 72 DEG. 41' 35" WEST, 519.54 FEET TO A POINT ON THE NORTHERLY BOUNDARY LINE OF TRACT NO. 5268, AS PER PLAT RECORDED IN BOOK 63 OF MAPS, PAGE 38 RECORDS OF SAID COUNTY; THENCE ON SAID BOUNDARY LINE, NORTH 55 DEG. 34' 41" WEST, 103.38 FEET TO THE POINT OF BEGINNING, AS DESCRIBED IN TH DEED TO SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT, A BODY POLITIC AND CORPORATE, RECORDED SEPTEMBER 10, 1958 IN BOOK 4598, PAGE 6, OFFICIAL RECORDS.

ALSO EXCEPT ALL RIGHTS TO MINERALS BENEATH THE SURFACE OF THE GROUND, TOGETHER WITH THE RIGHT TO ENTER THEREON AND EXTRACT THE SAME, AS RESERVED IN THE DEED FROM LYTLE CREEK WATER AND IMPROVEMENT COMPANY, A CORPORATION, RECORDED AS INSTRUMENT NO. 53, FEBRUARY 10, 1956 IN BOOK 3854, PAGE 351, OFFICIAL RECORDS.

TOGETHER WITH AN EASEMENT FOR INGRESS AND EGRESS OVER THAT PORTION OF LOT 1, BLOCK 1, TRACT 5135, AS PER PLAT RECORDED IN BOOK 64 OF MAPS, PAGES 99 AND 100, RECORDS OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE SOUTHERLY PROLONGATION OF THE SOUTHEASTERLY BOUNDARY OF SAID LOT 99, WITH THE CENTER LINE OF THAT CERTAIN UNNAMED STREET, NOW VACATED, ADJOINING SAID LOTS 99 AND 100, ON THEIR SOUTHERLY BOUNDARY; THENCE NORTH 45 DEG. 09' 10" WEST (RECORD NORTH 45 DEG. 19'

45" WEST), A DISTANCE OF 77.47 FEET ALONG THE SOUTHERLY BOUNDARY OF THAT CERTAIN PARCEL OF LAND CONVEYED TO AMERICAN PROCESSING CO., AND SIDNEY HERZBERG, A MARRIED MAN, BY DEED RECORDED FEBRUARY 10, 1956 IN BOOK 3854, PAGE 351, OFFICIAL RECORDS OF SAID COUNTY;

THENCE NORTH 72 DEG. 41' 35" EAST, A DISTANCE OF 481.58 FEET TO THE NORTHERLY BOUNDARY OF SAID PARCEL OF LAND CONVEYED BY THE ABOVE MENTIONED DEED RECORDED IN BOOK 3854, PAGE 351, OFFICIAL RECORDS; THENCE ALONG SAID LAST MENTIONED BOUNDARY LINE, SOUTH 53 DEG. 24' 25" EAST 168.96 FEET; THENCE SOUTH 85 DEG. 52' EAST, 36.85 FEET; THENCE SOUTH 72 DEG. 41' 35" WEST 519.54 FEET TO A POINT ON THE NORTHERLY BOUNDARY LINE OF TRACT NO. 5268 AS PER PLAT RECORDED IN BOOK 63 OF MAPS, PAGE 38, RECORDS OF SAID COUNTY; THENCE ALONG SAID BOUNDARY LINE NORTH 55 DEG. 34' 41" WEST, 103.38 FEET TO THE POINT OF BEGINNING, AS RESERVED IN THE DEED TO SAN BERNARDINO COUNTY FLOOD CONTROL DISTRICT, A BODY POLITIC AND CORPORATE, FROM EL RANCHO VERDE COUNTRY CLUB, A LIMITED PARTNERSHIP RECORDED SEPTEMBER 10, 1958, IN BOOK 4598, PAGE 6, OFFICIAL RECORDS.

PARCEL NO. 5A: 264-421-30

BEGINNING AT THE INTERSECTION OF THE NORTHEASTERLY PROLONGATION OF THE NORTHWESTERLY LINE OF LOT 80, OF THE SEMI-TROPIC LAND AND WATER COMPANY SUBDIVISION, AS PER PLAT RECORDED IN BOOK 6 OF MAPS, PAGE 12, RECORDS OF SAID COUNTY WITH THE CENTER OF THAT UNNAMED STREET ADJOINING SAID LOT 80 ON THE NORTHEAST; THENCE SOUTH 53 DEG. 24' 25" EAST 101.50 FEET; THENCE NORTH 72 DEG. 41' 35" EAST 759.44 FEET;

THENCE SOUTH 78 DEG. 19' 35" EAST 948.00 FEET TO THE SOUTHEAST CORNER OF THE LAND CONVEYED TO EL RANCHO VERDE COUNTRY CLUB BY PARCEL #1 OF A DEED RECORDED SEPTEMBER 10, 1958 IN BOOK 4598 OF OFFICIAL RECORDS, PAGE 4, AND THE TRUE POINT OF BEGINNING; THENCE CONTINUING SOUTH 78 DEG. 19' 35" EAST 210.00 FEET; ALONG THE BOUNDARY LINE OF THE LAND CONVEYED TO EL RANCHO VERDE COUNTRY CLUB BY A DEED RECORDED FEBRUARY 20, 1957 IN BOOK 4161 OF OFFICIAL RECORDS, PAGE 183, TO AN ANGLE POINT THEREIN, THENCE NORTH 86 DEG. 38' 25" EAST 759.50 FEET ALONG THE BOUNDARY LINE OF SAID LAST MENTIONED COUNTRY CLUB LAND TO AN ANGLE POINT THEREIN; THENCE NORTH 66 DEG. 21' 05" WEST 143.00 FEET; THENCE SOUTH 89 DEG. 24' WEST 821.13 FEET; THENCE SOUTH 11 DEG. 40' 25" WEST 58.00 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT ALL RIGHTS TO MINERALS BENEATH THE SURFACE OF THE GROUND IN SAID REAL PROPERTY AS RESERVED IN DEED RECORDED SEPTEMBER 12, 1961 IN BOOK 5532, PAGE 385 OF OFFICIAL RECORDS.

PARCEL NO. 6: 264-421-31

THAT PORTION OF LOT 1, BLOCK 1, TRACT NO. 5135, BEING A REVERSION TO ACREAGE MAP, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 64 OF MAPS, PAGES 99 AND 100, RECORDS OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHWESTERLY BOUNDARY OF SAID TRACT NO. 5135, SAID POINT ALSO BEING AN ANGLE POINT IN THE SOUTHWESTERLY BOUNDARY OF THAT CERTAIN PARCEL OF LAND CONVEYED TO THE AMERICAN PROCESSING CO., ET. AL., BY DEED RECORDED FEBRUARY 10, 1956 IN BOOK 3854, PAGE 351, OFFICIAL RECORDS, SAID POINT BEING THE SOUTHEASTERLY TERMINUS OF THE COURSE DESCRIBED IN SAID DEED AS

RUNNING SOUTH 53 DEG. 24' 25" EAST, 1028.5 FEET; THENCE SOUTH 78 DEG. 51' 45" EAST, 646.41 FEET; THENCE NORTH 19 DEG. 58' WEST, 1381.50 FEET; THENCE NORTH 40 DEG. 24' EAST 440.83 FEET; THENCE SOUTH 59 DEG. 55' EAST 204.77 FEET, MORE OR LESS, TO THE EAST CORNER OF THE LAND CONVEYED TO THE LYTLE CREEK WATER AND IMPROVEMENT COMPANY, BY DEED RECORDED SEPTEMBER 10, 1958, IN BOOK 4598, PAGE 3, OFFICIAL RECORDS; THENCE NORTH 76 DEG. 08' 30" EAST 155.47 FEET; THENCE SOUTH 84 DEG. 50' 30" EAST 142.56 FEET TO THE SOUTHEAST CORNER OF THE LAND CONVEYED TO THE EL RANCHO VERDE COUNTRY CLUB, BY DEED RECORDED JUNE 24, 1959, IN BOOK 4856, PAGE 47, OFFICIAL RECORDS; THENCE NORTHEASTERLY 121.0 FEET TO THE NORTHEAST CORNER OF SAID EL RANCHO VERDE COUNTRY CLUB LAND; THENCE SOUTH 60 DEG. 20' 24" EAST 396.77 FEET; THENCE NORTHEASTERLY ALONG THE SOUTHEASTERLY LINE OF THAT CERTAIN PARCEL OF LAND KNOWN AS PARCEL "A" IN THAT CERTAIN FINAL ORDER OF CONDEMNATION ACTION NO. 88163, RECORDED MARCH 3, 1961 IN BOOK 5367, PAGE 563, OFFICIAL RECORDS, TO THE MOST EASTERLY CORNER THEREOF; THENCE DUE SOUTH TO THE INTERSECTION WITH THE SOUTHERLY LINE OF THE PARCEL OF LAND DESCRIBED WITHIN PARCEL 410 OF THAT CERTAIN DECLARATION OF TAKING, ACTION NO. 4758-M-CIVIL, A CERTIFIED COPY OF WHICH WAS RECORDED JUNE 3, 1947 IN BOOK 2051, PAGE 470, OFFICIAL RECORDS; THENCE SOUTHWESTERLY, A DISTANCE OF 1,045 FEET, MORE OR LESS, TO A POINT WHICH BEARS SOUTH 53 DEG. 24' 25" EAST 1,246.11 FEET, MORE OR LESS, FROM THE POINT OF BEGINNING; THENCE NORTHWESTERLY ALONG SAID DISTANCE TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL THAT PORTION DESCRIBED WITHIN PARCEL 410 OF THAT CERTAIN DECLARATION OF TAKING, ACTION NO. 4758-M-CIVIL, A CERTIFIED COY OF WHICH WAS RECORDED JUNE 3, 1947 IN BOOK 2051, PAGE 470, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL THAT PORTION OF LOT 1, BLOCK 1, TRACT NO. 5135, AS PER PLAT THEREOF RECORDED IN BOOK 64 OF MAPS, PAGES 99 AND 100, RECORDS OF SAN BERNARDINO COUNTY, STATE OF CALIFORNIA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THAT CERTAIN PARCEL OF LAND RECORDED IN INSTRUMENT NO. 80-043279, RECORDS OF SAN BERNARDINO COUNTY, SAID CORNER ALSO BEING THE MOST EASTERLY CORNER OF THAT PARCEL OF LAND RECORDED IN BOOK 5367, PAGE 563, SAID COUNTY; THENCE ALONG THE EAST LINE OF SAID PARCEL RECORDED IN INSTRUMENT NO. 80-043279, SOUTH, A DISTANCE OF 1056.80 FEET TO A POINT ON A CURVE FROM WHICH THE RADIUS BEARS SOUTH 15 DEG. 52' 52" WEST, SAID POINT ALSO BEING ON THE NORTH LINE OF PARCEL 410 AS DESCRIBED IN THAT CERTAIN DECLARATION OF TAKING ACTION NO. 4758-M-CIVIL, A CERTIFIED COPY OF WHICH WAS RECORDED JUNE 3, 1947, IN BOOK 2051, PAGE 470, OFFICIAL RECORDS; THENCE ALONG THE ARC OF SAID CURVE, CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 880.00 FEET, A CENTRAL ANGLE OF 3 DEG. 21' 31", AND A LENGTH OF 51.58 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID CURVE, HAVING A CENTRAL ANGLE OF 6 DEG. 35' 59", A LENGTH OF 101.36 FEET; THENCE NORTH, A DISTANCE OF 83.76 FEET; THENCE EAST, A DISTANCE OF 100.00 FEET; THENCE SOUTH, A DISTANCE OF 100.00 FEET TO THE POINT OF BEGINNING, AS GRANTED TO WEST SAN BERNARDINO COUNTY WATER DISTRICT, A PUBLIC AGENCY BY DEED RECORDED OCTOBER 12, 1988 AS INSTRUMENT NO. 88-342253, OFFICIAL RECORDS OF SAID COUNTY. ALSO EXCEPTING THEREFROM THOSE PORTIONS, IF ANY, INCLUDED WITHIN THE LINES OF THE LAND DESCRIBED AS PARCEL NO. 6 AND THE LAND DESCRIBED AS PARCEL NO. 7, BOTH IN THE DEED TO WEST SAN BERNARDINO COUNTY WATER DISTRICT, RECORDED JULY 20, 1962, AS INSTRUMENT NO. 382 IN BOOK 5737, PAGE 310, OF OFFICIAL RECORDS OF SAID COUNTY.

PARCEL NO. 7: 264-011-22

THOSE PORTIONS OF LOT 76 AND 78, ACCORDING TO MAP SHOWING SUBDIVISION OF LAND BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 6 OF MAPS, PAGE 12, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND THAT PORTION OF THAT CERTAIN UNNAMED ABANDONED STREET VACATED AND ABANDONED BY RESOLUTION OF THE BOARD OF SUPERVISORS OF SAN BERNARDINO COUNTY, RECORDED FEBRUARY 23, 1904 IN BOOK 'B', PAGES 82 AND 85, INCLUSIVE, OF MINUTES OF BOARD OF SUPERVISORS, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF SAID LOT 78, SAID CORNER BEING ON THE CENTER LINE OF SAID UNNAMED VACATED STREET; THENCE NORTH 53 DEG. 24' 25" WEST, 33 FEET; THENCE SOUTH 36 DEG. 35' 35" WEST, 250 FEET; THENCE EASTERLY ON THE NORTHERLY LINE OF TRACT 5359, AS PER PLAT RECORDED IN BOOK 65 OF MAPS, PAGE 82, THE FOLLOWING COURSES:

NORTH 87 DEG. 26' 19" EAST, 200.26 FEET;
THENCE SOUTH 86 DEG. 30' 30" EAST, 226.24 FEET;
THENCE LEAVING SAID TRACT, NORTH 53 DEG. 24' 25" WEST, 311.81 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 8: 264-011-19

THAT PORTION OF LOT 76, ACCORDING TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 6 OF MAPS, PAGE 12, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND THAT PORTION OF THAT CERTAIN UNNAMED ABANDONED STREET VACATED AND ABANDONED BY RESOLUTION OF THE BOARD OF SUPERVISORS OF SAN BERNARDINO COUNTY, RECORDED FEBRUARY 23, 1904 IN BOOK "B", PAGES 82 TO 85, INCLUSIVE, OF MINUTES OF BOARD OF SUPERVISORS, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHWESTERLY PROLONGATION OF THE CENTER LINE OF SAID VACATED UNNAMED STREET ADJOINING SAID LOT 76, AND THE NORTHEASTERLY PROLONGATION OF THE NORTHWESTERLY LINE OF SAID LOT 76;
THENCE SOUTH 36 DEG. 35' 35" WEST 470.00 FEET ON SAID NORTHWESTERLY LINE AND ITS NORTHEASTERLY PROLONGATION,
THENCE SOUTH 72 DEG. 44' 30" EAST, 664.47 FEET TO A POINT ON A LINE 33.00 FEET NORTHWESTERLY AND PARALLEL WITH THE SOUTHEASTERLY LINE OF SAID LOT, SAID POINT BEING THE WESTERLY CORNER OF THE LAND DESCRIBED IN THE DEED TO CHESTER SQUIBB AND PHYLLIS M. SQUIBB, HUSBAND AND WIFE, AS JOINT TENANTS, RECORDED MAY 4, 1956 IN BOOK 3929, PAGE 51, OFFICIAL RECORDS; THENCE NORTH 36 DEG. 35' 35" EAST 250 FEET ON SAID LAND AS CONVEYED TO SQUIBB TO THE NORTHEASTERLY LINE OF SAID LOT 76, SAID NORTHEASTERLY LINE BEING ALSO THE CENTER LINE OF SAID VACATED UNNAMED STREET; THENCE NORTH 53 DEG. 24' 25" WEST 627.00 FEET ON SAID CENTER LINE, TO THE POINT OF BEGINNING.

PARCEL NO. 9: 264-781-12

THAT PORTION OF LOT 74, ACCORDING TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 6 OF MAPS, PAGE 12,

IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHWESTERLY PROLONGATION OF THE CENTER LINE OF THAT CERTAIN UNNAMED STREET NOW VACATED, LYING NORTHEASTERLY OF AND ADJACENT TO LOT 76, SAID SUBDIVISION, AND THE NORTHEASTERLY PROLONGATION OF THE SOUTHEASTERLY LINE OF SAID LOT 74; THENCE SOUTH 36 DEG. 35' 35" WEST 470 FEET ON SAID SOUTHEASTERLY LINE AND ITS NORTHEASTERLY PROLONGATION, THENCE NORTH 61 DEG. 43' 50" WEST, 344.42 FEET; THENCE NORTH 36 DEG. 35' 35" EAST 418.72 FEET TO THE NORTHERLY LINE OF SAID LOT 74; THENCE SOUTH 71 DEG. 10" EAST 346.52 FEET ON SAID NORTHERLY LINE, TO THE POINT OF BEGINNING.

PARCEL NO. 10: 264-631-08

LOT 7 OF TRACT 6762, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 86 OF MAPS, PAGES 26 AND 27, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE NORTHWESTERLY 4 FEET.

PARCEL NO. 11: 264-482-12, 13

LOT 1, TRACT NO. 5638, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 75 OF MAPS, PAGE 38, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

Exhibit "A-3"
Legal Description of the PS Flats Property

Real property in the City of Rialto, County of San Bernardino, State of California, described as follows:

PARCEL NO. 1:

ALL THAT PORTION OF SECTIONS 4 AND 5, TOWNSHIP 1 NORTH, RANGE 5 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO GOVERNMENT SURVEY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF THE NORTH 1/2 OF THE SOUTH-EAST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 5; THENCE SOUTH 88 DEG. 18' 05" WEST, 1975.47 FEET TO THE SOUTHWEST CORNER OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 5; THENCE NORTH 9 DEG. 19' 54" EAST, 657.10 FEET TO THE NORTHWEST CORNER OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 5; THENCE SOUTH 88 DEG. 10' 23" WEST, 658.74 FEET TO THE SOUTHWEST CORNER OF GOVERNMENT LOT 2 OF SAID SECTION 5; THENCE NORTH 0 DEG. 18' 52" EAST, 622.85 FEET TO THE NORTHWEST CORNER OF THE SOUTH 1/2 OF SAID GOVERNMENT LOT 2; THENCE NORTH 88 DEG. 03' 05" EAST, 1317.96 FEET TO THE NORTHEAST CORNER OF THE SOUTH 1/2 OF SAID GOVERNMENT LOT 2; THENCE SOUTH 0 DEG. 20' 55" WEST, 625.66 FEET TO THE SOUTHEAST CORNER OF SAID GOVERNMENT LOT 2; THENCE NORTH 88 DEG. 10' 23" EAST, 1317.48 FEET TO THE NORTHEAST CORNER OF THE NORTH 1/2 OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 5; THENCE NORTH 89 DEG. 30' 30" EAST ALONG THE NORTH LINE OF GOVERNMENT LOT 3 OF SAID SECTION 4, A DISTANCE OF 541.26 FEET; THENCE SOUTH 0 DEG. 49' 35" WEST, 838.17 FEET; THENCE SOUTHWESTERLY ALONG A CURVE CONCAVE SOUTH-EASTERLY AND HAVING A RADIUS OF 694.00 FEET FROM AN INITIAL TANGENT BEARING SOUTH 70 DEG. 18' 42" WEST THROUGH A CENTRAL ANGLE OF 23 DEG. 13' 40", A DISTANCE OF 281.35 FEET TO A POINT THAT BEARS SOUTH 42 DEG. 54' 58" EAST, A DISTANCE OF 432.97 FEET FROM THE POINT OF BEGINNING; THENCE NORTH 42 DEG. 54' 58" WEST, 432.97 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL THAT PORTION THEREOF CONDEMNED TO THE COUNTY OF SAN BERNARDINO BY FINAL ORDER OUT OF THE SUPERIOR AND MUNICIPAL COURTS OF CALIFORNIA, COUNTY OF SAN BERNARDINO - CENTRAL DISTRICT, CASE NO. 13055, RECORDED JUNE 19, 1997, INSTRUMENT NO. 97-217597, OFFICIAL RECORDS.

PARCEL NO. 2:

ALL THAT PORTION OF SECTIONS 4 AND 5, TOWNSHIP 1 NORTH, RANGE 5 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO GOVERNMENT SURVEY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF GOVERNMENT LOT 5 OF SAID SECTION 5; THENCE NORTH 0 DEG. 20' 55" EAST ALONG THE WEST LINE OF SAID GOVERNMENT LOT 5, A DISTANCE OF 493.63 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 0 DEG. 20' 55" EAST, 1482.69 FEET TO THE NORTHWEST CORNER OF THE SOUTH 1/2 OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 5; THENCE NORTH 88 DEG. 18' 05"

EAST, 1316.198 FEET TO THE NORTHEAST CORNER OF THE SOUTH 1/2 OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 5; THENCE SOUTH 42 DEG. 54' 58" EAST, 432.97 FEET; THENCE SOUTH-WESTERLY ALONG A CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 694.00 FEET FROM AN INITIAL TANGENT BEARING SOUTH 47 DEG. 05' 02" WEST THROUGH A CENTRAL ANGLE OF 26 DEG. 35' 44", A DISTANCE OF 322.14 FEET; THENCE SOUTH 20 DEG. 29' 18" WEST, 970.42 FEET TO A POINT THAT BEARS NORTH 88 DEG. 25' 47" EAST, A DISTANCE OF 1103.46 FEET FROM THE TRUE POINT OF BEGINNING; THENCE SOUTH 88 DEG. 25' 47" WEST, 1103.46 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL THAT PORTION THEREOF CONDEMNED TO THE COUNTY OF SAN BERNARDINO BY FINAL ORDER OUT OF THE SUPERIOR AND MUNICIPAL COURTS OF CALIFORNIA, COUNTY OF SAN BERNARDINO - CENTRAL DISTRICT, CASE NO. 13055.

PARCEL NO. 3:

ALL THAT PORTION OF SECTIONS 4 AND 5, TOWNSHIP 1 NORTH, RANGE 5 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO GOVERNMENT SURVEY; AND A PORTION OF THE RANCHO MUSCUIABE, AS PER PLAT RECORDED IN BOOK 7 OF MAPS, PAGE 23, RECORDS OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF GOVERNMENT LOT 5 OF SAID SECTION 5; THENCE NORTH 0 DEG. 20' 55" EAST, ALONG THE WEST LINE OF SAID GOVERNMENT LOT 5, A DISTANCE OF 493.63 FEET; THENCE NORTH 88 DEG. 25' 47" EAST, 1103.46 FEET; THENCE NORTH 20 DEG. 29' 18" EAST, 970.42 FEET TO THE BEGINNING OF A TANGENT CURVE; THENCE NORTHEASTERLY ALONG SAID CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 694.00 FEET THROUGH A CENTRAL ANGLE OF 49 DEG. 49' 24", A DISTANCE OF 603.49 FEET; THENCE SOUTH 0 DEG. 49' 35" WEST, 878.61 FEET TO THE WESTERLY LINE OF STATE HIGHWAY NO. 31; THENCE SOUTH 21 DEG. 32' 45" WEST ALONG SAID WESTERLY LINE, A DISTANCE OF 80.08 FEET; THENCE SOUTH 25 DEG. 48' 50" WEST ALONG SAID WESTERLY LINE, A DISTANCE OF 993.15 FEET; THENCE SOUTH 22 DEG. 02' 59" WEST ALONG SAID WESTERLY LINE, A DISTANCE OF 645.85 FEET; THENCE SOUTH 33 DEG. 59' 10" WEST ALONG SAID WESTERLY LINE, A DISTANCE OF 805.86 FEET TO A POINT THAT BEARS SOUTH 87 DEG. 42' 11" EAST, A DISTANCE OF 42.86 FEET FROM RANCHO CORNER "M- 4", AS SHOWN ON SAID MAP OF RANCHO MUSCUIABE; THENCE NORTH 87 DEG. 42' 11" WEST, 42.86 FEET TO SAID RANCHO CORNER "M-4"; THENCE NORTH 8 DEG. 55' 47" WEST, 1209.25 FEET TO RANCHO CORNER "M-5", AS SHOWN ON SAID MAP OF RANCHO MUSCUIABE; THENCE NORTH 52 DEG. 07' 45" EAST ALONG THE NORTHERLY LINE OF SAID RANCHO MUSCUIABE, A DISTANCE OF 146.16 FEET TO THE SOUTH LINE OF SAID GOVERNMENT LOT 5 OF SAID SECTION 5; THENCE SOUTH 88 DEG. 39' 44" WEST ALONG SAID SOUTH LINE, A DISTANCE OF 581.09 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED DECEMBER 26, 1962, IN BOOK 6947, PAGE 231, OFFICIAL RECORDS.

EXCEPTING THEREFROM ALL THAT PORTION THEREOF CONDEMNED TO THE COUNTY OF SAN BERNARDINO BY FINAL ORDER OUT OF THE SUPERIOR AND MUNICIPAL COURTS OF CALIFORNIA, COUNTY OF SAN BERNARDINO - CENTRAL DISTRICT, CASE NO. 13055, RECORDED JUNE 19, 1997, INSTRUMENT NO. 97-217597, OFFICIAL RECORDS.

PARCEL NO. 4:

ALL THAT PORTION OF THE TRACT OF LAND OR RANCHO KNOWN AND DESIGNATED AS THE

MUSCUIABE RANCHO, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 7 OF MAPS, PAGE 23, RECORDS OF SAID COUNTY, PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT STATION 4, IN THE WEST BOUNDARY LINE OF SAID RANCHO; THENCE NORTH 8 DEG. WEST, 18.00 CHAINS (1188.00 FEET) TO STATION 5; THENCE NORTH 54 DEG. EAST, 44 CHAINS TO STATION 6; THENCE SOUTH 78 DEG. EAST, 14 CHAINS TO STATION 7; THENCE NORTH 39 DEG. EAST, 4 CHAINS TO STATION 8; THENCE NORTH 1 DEG. 30' EAST, 26 CHAINS TO STATION 9; THENCE LEAVING SAID LINE AND FOLLOWING THE COURSES AND DISTANCES AS DELINEATED UPON A MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, AS PER PLAT RECORDED IN BOOK 6 OF MAPS, PAGE 12, RECORDS OF SAID COUNTY, SOUTH 15 DEG. 55' EAST, 20.52 CHAINS TO A STAKE MARKED NO. VIII; THENCE SOUTH 11 DEG. 35' EAST, 6.72 CHAINS TO A STAKE MARKED NO. VII; THENCE SOUTH 19 DEG. 45' EAST, 41.77 CHAINS TO A STAKE MARKED NO. VI; THENCE SOUTH 10 DEG. 37' WEST, 137 FEET TO A POINT; THENCE NORTH 83 DEG. 47' WEST, 4675.5 FEET TO THE POINT OF BEGINNING.

EXCEPT THAT PORTION DESCRIBED AS:

BEGINNING AT STATION 6, RANCHO MUSCUIABE; THENCE SOUTH 78 DEG. 30' EAST ALONG THE NORTH LINE OF SAND RANCHO, 359 FEET; THENCE SOUTH 11 DEG. 30' WEST, 61 FEET; THENCE NORTH 68 DEG. 09' WEST, 363.89 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPT THOSE PORTIONS CONVEYED TO THE STATE OF CALIFORNIA FOR HIGHWAY BY DEED RECORDED DECEMBER 26, 1962, IN BOOK 6947, PAGE 231, OFFICIAL RECORDS; AND BY DEED RECORDED AUGUST 30, 1974, IN BOOK 8506, PAGE 177, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ANY PORTION LYING WESTERLY OF THE EASTERLY LINE OF THE PROPERTY CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED DECEMBER 26, 1962, IN BOOK 6947, PAGE 231, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION OF LOT 37, MUSCUIABE RANCHO, AS PER PLAT RECORDED IN BOOK 1, PAGE 24, OFFICIAL RECORDS; AND IN BOOK 7, PAGE 23, OFFICIAL RECORDS OF SAID COUNTY, SAID PORTION LYING WITHIN SECTION 4, TOWNSHIP 1 NORTH, RANGE 5 WEST, SAN BERNARDINO BASE AND MERIDIAN, SAID PORTION BEING DESCRIBED AS FOLLOWS:

BEGINNING AT CORNER "M-8" OF THE MUSCUIABE RANCHO, AS PER PLAT RECORDED IN BOOK 1 OF MAPS, PAGE 24, AND IN BOOK 7 OF MAPS, PAGE 23, RECORDS OF SAID COUNTY, SAID CORNER BEING ALSO DELINEATED ON THAT CERTAIN MAP RECORDED APRIL 18, 1966, IN BOOK 25, PAGE 17, RECORDS OF SURVEY, IN THE OFFICE OF THE RECORDER OF SAID COUNTY; THENCE CONTINUING ALONG SAID RANCHO LINE NORTH 01 DEG. 35' 39" EAST (RECORD NORTH 1 DEG. 13' 56" EAST), A DISTANCE OF 1,733.41 FEET (RECORD 1,741.53 FEET) TO CORNER "M-9" OF SAID RANCHO; THENCE SOUTH 09 DEG. 50' 37" EAST (RECORD NORTH 10 DEG. 06' 24" WEST), A DISTANCE OF 1,814.28 FEET TO SEMI-TROPIC CORNER VIII AS DELINEATED ON SAID RECORD OF SURVEY AS "SEMI-TROPIC COR. VIII"; THENCE SOUTH 12 DEG. 20' 55" EAST (RECORD NORTH 12 DEG. 36' 42" WEST), A DISTANCE OF 185.46 FEET TO A 1-INCH IRON PIPE, SAID PIPE BEING DELINEATED ON THE AFORESAID RECORD OF SURVEY AS "FD. 1" I.P. - SEMI-TROPIC COR. VII"; THENCE NORTH 89 DEG. 34' 37" WEST, A DISTANCE OF 401.54 FEET; THENCE NORTH 01 DEG. 35' 39" EAST, A DISTANCE OF 233.00 FEET, MORE OR LESS, TO THE AFORESAID CORNER "M-8" OF SAID RANCHO AND THE TRUE POINT OF BEGINNING.

ALSO EXCEPTING THEREFROM ALL THAT PORTION OF THE TRACT OF LAND OR RANCHO KNOWN AND DESIGNATED AS THE MUSCUIABE RANCHO, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 7 OF MAPS, PAGE 23, RECORDS OF SAID COUNTY; AND ALL THAT PORTION OF SECTION 4, TOWNSHIP 1 NORTH, RANGE 5 WEST, SAN BERNARDINO BASE AND MERIDIAN, ACCORDING TO GOVERNMENT SURVEY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EASTERLY LINE OF THE PROPERTY CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED DECEMBER 26, 1962, IN BOOK 6947, PAGE 231, OFFICIAL RECORDS, SAID POINT IS SOUTH 1 DEG. 13' 56" WEST, 2085.0 FEET AND NORTH 43 DEG. 00' 00" WEST, 2,172.00 FEET, PLUS OR MINUS FROM STATION 8 IN THE WEST BOUNDARY LINE OF MUSCUIABE RANCHO, AS PER PLAT RECORDED IN BOOK 7 OF MAPS, PAGE 23, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA; THENCE SOUTH 43 DEG. 00' 00" EAST, A DISTANCE OF 2,172.00 FEET, PLUS OR MINUS; THENCE NORTH 1 DEG. 13' 56" EAST, A DISTANCE OF 2,085.00 FEET TO SAID STATION 8; THENCE SOUTH 28 DEG. 33' 13" WEST, A DISTANCE OF 263.55 FEET TO STATION 7; THENCE NORTH 78 DEG. 58' 12" WEST, A DISTANCE OF 564.95 FEET; THENCE SOUTH 11 DEG. 01' 48" WEST, A DISTANCE OF 108.47 FEET TO THE SOUTHERLY LINE OF DEVORE CUT-OFF ROAD; THENCE NORTH 62 DEG. 59' 57" WEST TO SAID EASTERLY LINE OF PROPERTY CONVEYED TO THE STATE OF CALIFORNIA; THENCE WESTERLY AND SOUTHERLY ALONG SAID STATE PROPERTY TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL THAT PORTION THEREOF CONDEMNED TO THE COUNTY OF SAN BERNARDINO BY FINAL ORDER OUT OF THE SUPERIOR AND MUNICIPAL COURTS OF CALIFORNIA, COUNTY OF SAN BERNARDINO - CENTRAL DISTRICT, CASE NO. 13055, RECORDED JUNE 19, 1997, INSTRUMENT NO. 97-217597, OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM THAT PORTION DEEDED TO THE COUNTY OF SAN BERNARDINO BY DEED RECORDED JUNE 8, 2005, INSTRUMENT NO. 20050410336, OFFICIAL RECORDS.

PARCEL NO. 5:

ALL THAT PORTION OF GOVERNMENT LOTS 3 AND 5 IN SECTION 4, TOWNSHIP 1 NORTH, RANGE 5 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO GOVERNMENT SURVEY, LYING EASTERLY OF THE FOLLOWING DESCRIBED LINE:

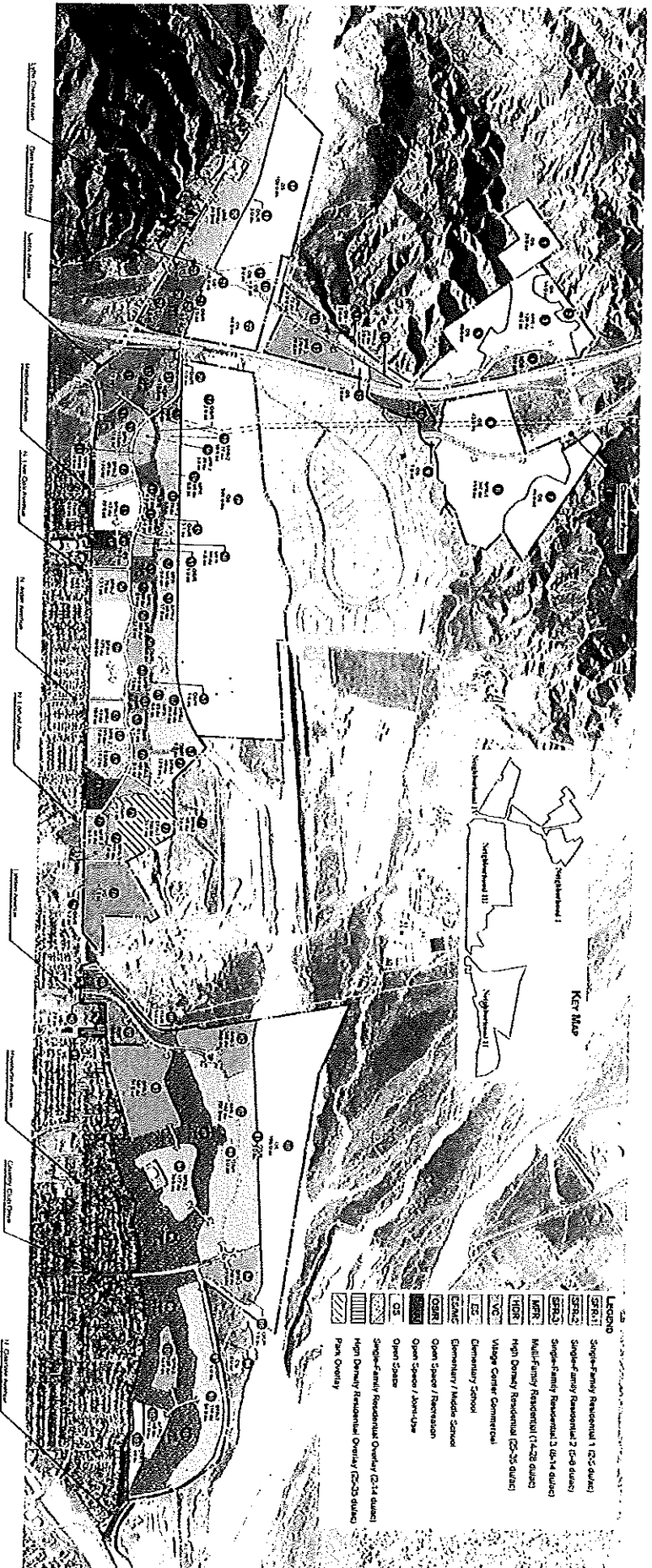
COMMENCING AT THE NORTHWEST CORNER OF SAID GOVERNMENT LOT 3; THENCE NORTH 89 DEG. 30' 30" EAST, 541.26 FEET TO THE TRUE POINT OF BEGINNING OF THE LINE TO BE DESCRIBED; THENCE FROM SAID TRUE POINT OF BEGINNING SOUTH 0 DEG. 49' 35" WEST TO A POINT ON THE WESTERLY LINE OF STATE HIGHWAY NO. 31, AS CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED DECEMBER 26, 1962, IN BOOK 6947, PAGE 231, OFFICIAL RECORDS, SAID POINT BEING THE TERMINUS OF SAID LINE.

EXCEPTING THEREFROM THAT PORTION LYING EASTERLY OF THE WESTERLY LINE OF THAT PARCEL CONVEYED TO THE STATE OF CALIFORNIA BY DEED RECORDED DECEMBER 26, 1962, IN BOOK 6947, PAGE 231, OFFICIAL RECORDS.

EXCEPTING THEREFROM ALL THAT PORTION THEREOF CONDEMNED TO THE COUNTY OF SAN BERNARDINO BY FINAL ORDER OUT OF THE SUPERIOR AND MUNICIPAL COURTS OF CALIFORNIA, COUNTY OF SAN BERNARDINO - CENTRAL DISTRICT, CASE NO. 13055, RECORDED JUNE 19, 1997, INSTRUMENT NO. 97-217597, OFFICIAL RECORDS.

Exhibit "B" Specific Plan Land Use Plan

LYTLE CREEK RANCH Specific Plan



Note: Street alignments and configurations are conceptual and subject to change pending final design and engineering.

Figure 3-1
Conceptual Land Use Plan

Exhibit C
Development Impact Fees

Description of Fee	Fee Per each Single Family Unit	Fee Per each Multi-Family Unit	Fee Per each Senior Dwelling
Fees paid at building Permit			
Wastewater Treatment*	\$2,604	\$2,604	\$2,604
Wastewater Collection	\$1,440	\$1,440	\$1,440
Police Facilities	\$870	\$870	\$540
Fire Facilities	\$420	\$420	\$260
Fees paid at Certificate of Occupancy			
General Facilities	\$990	\$990	\$600
Library Facilities	\$250	\$250	\$150
Street Medians	\$70	\$70	\$50
Development Agreement	\$1,030	\$1,030	\$830
Traffic Impact Mitigation Fee*	\$2,776	\$1,923	sfd or mfd fee as applicable

Description of Fee	Fee Per each Commercial Square Foot	Fee Per each Office Square foot	Fee Per each Industrial Square Foot
Fees paid at building Permit			
Wastewater Treatment*	per applicable schedule by use	per applicable schedule by use	per applicable schedule by use
Wastewater Collection	\$48 per frontage foot	\$48 per frontage foot	\$48 per frontage foot
Police Facilities	\$0.11	\$0.15	\$0.06
Fire Facilities	\$0.13	\$0.23	\$0.09
Fees paid at Certificate of Occupancy			
General Facilities	\$0.10	\$0.14	\$0.10
Library Facilities	n/a	n/a	n/a
Street Medians	\$0.20	\$0.10	\$0.03
Development Agreement**	\$0	\$0	\$0
Traffic Impact Mitigation Fee*	\$6.35	\$3.83	\$2.20/\$0.53***

* Wastewater Treatment Fee and Traffic Impact Fee are not fixed fees as described in Section 5.

**Commercial property is not subject to the Development Agreement Fee

*** \$0.53 is the High Cube Rate

Exhibit "C-1"

Traffic Impact Mitigation Fees

Land Use	Fee
Single Family Dwellings	\$ 2,775.77 per unit
Multi-Family Dwellings	\$ 1,923.03 per unit
Commercial	\$ 6.35 per bsf
Office	\$ 3.83 per bsf
Industrial	\$ 2.20 per bsf
High Box Cube	\$ 0.53 per bsf

Exhibit "D"
Proposed Project Facilities

- Streets, highways and bridges
- Street lighting
- Flood control facilities
- Libraries
- Traffic signals and Safety lighting
- Public Utilities
- Parks
- Law Enforcement and fire protection facilities
- Governmental facilities
- Recreation facilities, including golf courses
- Sanitary wastewater facilities
- Storm drain facilities
- Biological mitigation measures involving land acquisition, dedicating and revegetation
- Potable and reclaimed water facilities
- Development impact fees
- Traffic Mitigation Fees
- Wastewater collection and treatment fees
- Water facility and connection fees
- School fees

Exhibit "E"
Riverside Avenue and Sierra Avenue Improvements

1. Riverside Avenue & Sierra Avenue Intersection – Widen and restripe Sierra Avenue to provide dual left-turn lanes and two through lanes in the southbound direction. Also improve the intersection to allow a free right-turn from Riverside Avenue onto Sierra Avenue. Install a traffic signal at this intersection. Provide all sidewalks, streetlights, landscaping, irrigation and necessary dry utilities on the Rialto portions of this intersection
2. Riverside Avenue – Riverside Avenue will be improved with a 127' right-of-way consisting of a 14' striped median, three travel lanes in each direction totaling 38', a 24' landscaped parkway that includes an 8' sidewalk/bicycle path on the the lytle Creek Ranch side of the street, and a 13' landscaped parkway with a 4'-6' sidewalk on the south side (Las Colinas side)

Exhibit "F"
Omitted

Exhibit "G"
Omitted

Exhibit "H-1" Sports Park Depiction

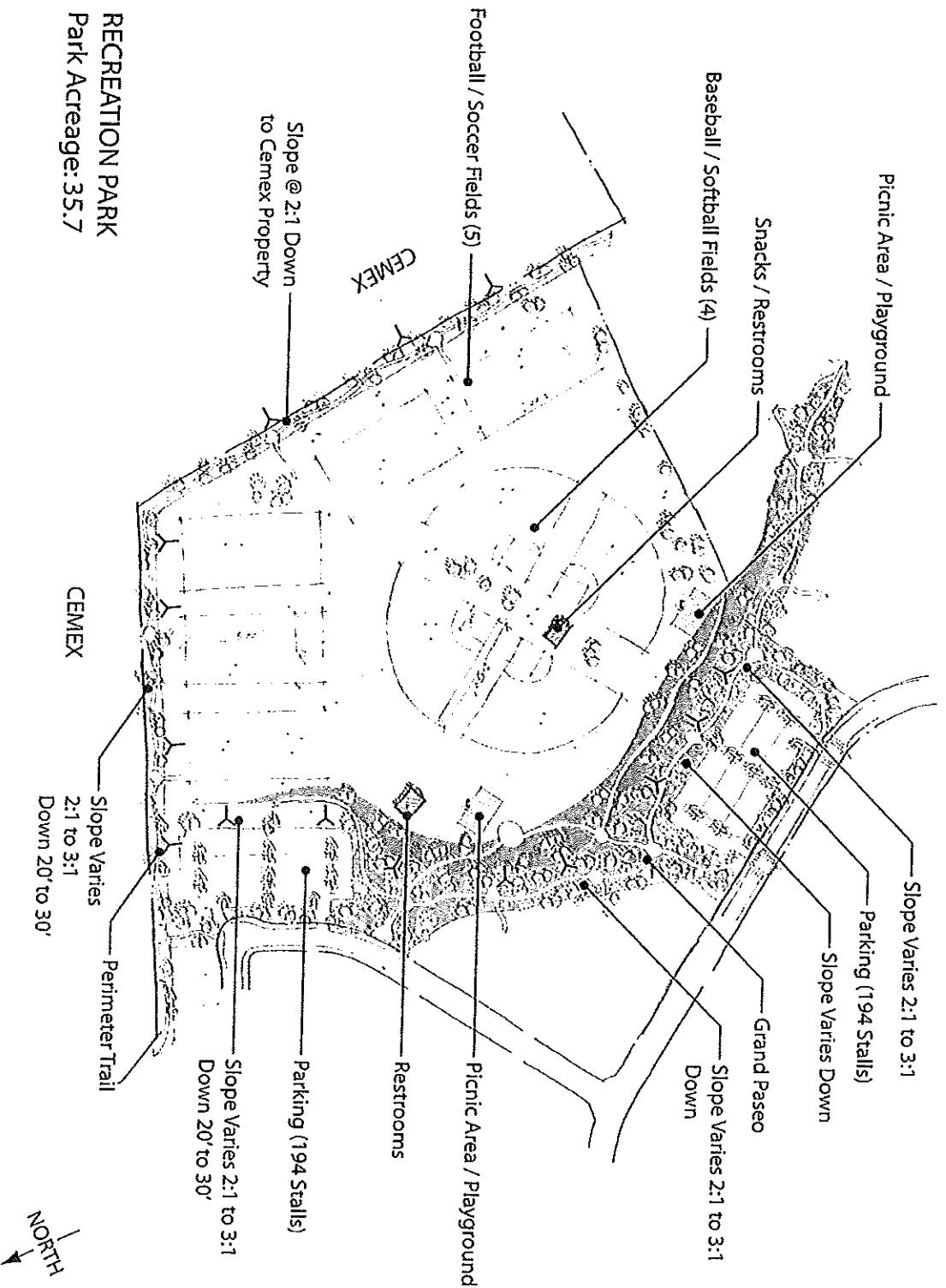


EXHIBIT H SPORTS PARK

I. GENERAL

This Exhibit H presents general requirements for the development of the Sports Park. Detailed requirements will be addressed in the approval of specific construction plans and documents in accordance City's normal and customary park design processes. The Sports Park shall be consistent with the provisions, standards, and requirements of the the Rialto General Plan, the Rialto Municipal Code, and the California Environmental Quality Act, as applicable.

City and Owner will cooperate and direct their respective consultants, architects, and/or engineers to cooperate so as to ensure the continuity and coordination vitally necessary for the proper and timely design, dedication and construction of the Sports Park.

II SITE DESCRIPTION

The site consists of approximately 35.7 acres identified as Planning Area 72 as shown on the Land Use Map (the "Sports Park Site"). The Sports Park Site is currently a depressed former quarry and river bed approximately 30-100 feet below adjoining grade. The Owner intends to construct a levee on the northeast boundary of the Sports Park Site to provide floodplain protection. The Owner shall fill the Sports Park Site to a grade approximately 20-30 feet below grade acceptable to the City which is necessary to accommodate the proposed facilities.

III PROJECT DESCRIPTION

The Sports Park will range from a minimum size of 23 acres to a maximum size of approximately 35.7 acres pursuant to this Agreement. The Sports Park Site is located at the eastern edge of Neighborhood III, in Planning Area 72 as shown on the Land Use Plan. The Basic Concept Drawing for the Sports Park is attached hereto as Exhibit H-1.

The Sports Park is intended to serve as an active sports function for the community similar in character to Frisbie Park, Jerry Eaves Park, or Fergusson Park with a combination of soccer, baseball/softball, and/or football fields along with play equipment, restroom/concession structures, and parking of approximately 300 spaces adequate to support the intended uses. The fields shall be lighted.

The Sports Park shall have access from the primary collector road serving the Project. It shall also be connected to the Grand Paseo which runs through Neighborhood III.

IV GRADING OF SPORTS PARK SITE

The Owner shall submit a rough grading plan to the City for the Sports Park Site concurrent with the rough grading plans for the Project as required to demonstrate satisfaction of the following conditions:

EXHIBIT H SPORTS PARK

- A. All grading activities shall be in substantial conformance with the approved grading plans and shall implement the recommendations outlined in the approved geotechnical report. The report must also include a fault study and geotechnical investigation for the existing site condition, including the presence of any contaminated soils material and recommendations for appropriate removal of all unsuitable material from the site. The report must be reviewed and approved by City staff prior to any grading activity.
- B. All grading operations must be under the supervision of a registered soils engineer who shall certify that all recommendations of soils report are met and that the site is free from any hazardous material and safe for the intended use.
- C. The source of import soils material must be identified and all imported material must be approved by a registered soils engineer.
- D. All grading shall be accomplished in accordance with the City of Rialto standards and approved geotechnical and hydrology reports.
- E. Slopes shall not be steeper than 2:1 unless approved by the Planning and Public Works Department and considered safe based upon approved slope stability report prepared and signed by a soils engineer or an engineering geologist registered in the State of California.
- F. A hydrology report shall be submitted for review and approval which addresses historical, existing condition, and proposed drainage of the site. Hydrology map shall indicate subarea of drainage for each condition.
- G. The proposed site must be protected from 100-Year flood potential from Lytle Creek and must not serve as a drainage basin for the Project.

V CONDITION OF SPORTS PARK SITE AT OFFER OF DEDICATION

The Sports Park Site shall be graded to the specification approved in the rough grading plan and any precise grading plans as applicable. All public improvements shall be constructed to the Sports Park Site, including streets, sidewalks, and landscaping, wet and dry utilities. The Sports Park Site shall be basically ready for precise grading and development.

VI APPROVAL OF IMPROVEMENT PLANS FOR SPORTS PARK

The City and Owner agree to cooperate on the design of the Sports Park. Not later than six months after the Offer of Dedication is required pursuant to Section 8.1.2 of the Agreement, the Owner shall submit schematic plans for review and approval by the City. Upon approval of the schematic plans, the Owner shall prepare construction plans for review and approval by the City implementing its normal and customary park review procedures. The Sports Park shall be designed generally consistent with the Basic

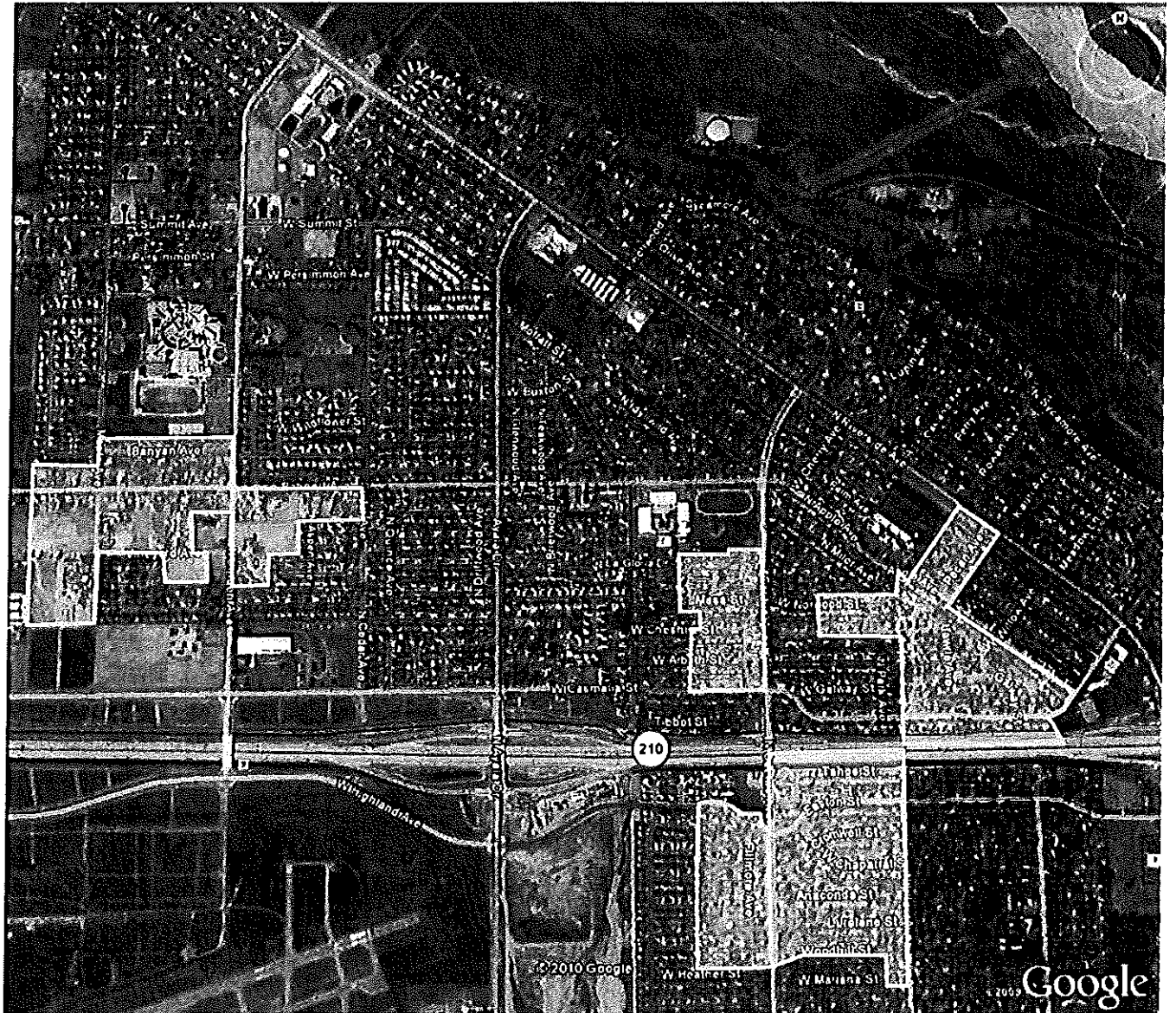
EXHIBIT H
SPORTS PARK

Concept Drawing attached hereto and to the reasonable satisfaction of the Director of Recreation and Community Services.

**VII DEDICATION AND ACCEPTANCE OF IMPROVED SPORTS PARK
SITE BY CITY**

The Owner shall construct the Sports Park in accordance with the requirements of this Agreement and the construction plans approved by the City. The City shall inspect the improvements and upon satisfactory completion of the City's standard maintenance warranty period, the City will accept the Sports Park, inclusive of the land and improvements, for maintenance by the City.

EXHIBIT I
COUNTY INHABITED ISLANDS



West Valley Water District Plan for Service

Attachment 3



**PLAN FOR SERVICE
FOR THE
LYLE CREEK RANCH DEVELOPMENT
AS REQUIRED BY
LOCAL AGENCY FORMATION COMMISSION
COUNTY OF SAN BERNARDINO**

Prepared by:
West Valley Water District
855 W. Base Line
Rialto, CA 92377

June 11, 2015

INTRODUCTION

This “Plan for Service” is being submitted to the County of San Bernardino Local Agency Formation Commission (LAFCO) as required by Government Code Section 56653 for the Lytle Creek Ranch Development (Development). This Plan for Service (plan) will cover the use of domestic and irrigation water as well as the fire flow protection needed for those portions of the Development that are proposed to be annexed into the West Valley Water District’s (District) service area. These portions are currently outside of the Districts service area boundary but are within its sphere of influence (see Figure 1). The remaining portion of the Development that is not a part of this annexation is currently within the Districts service area.

West Valley Water District is a County Water District, a public agency of the State of California, organized and existing under the County Water District Law of the State of California (Division 12, Section 30,000 of the Water Code). The District serves water to customers within the Cities of Rialto, Fontana, Colton, Jurupa Valley (Riverside County) and to unincorporated areas of San Bernardino County. Its water distribution system includes eight pressure zones which are divided into a north and south system with the City of Rialto serving the area in between.

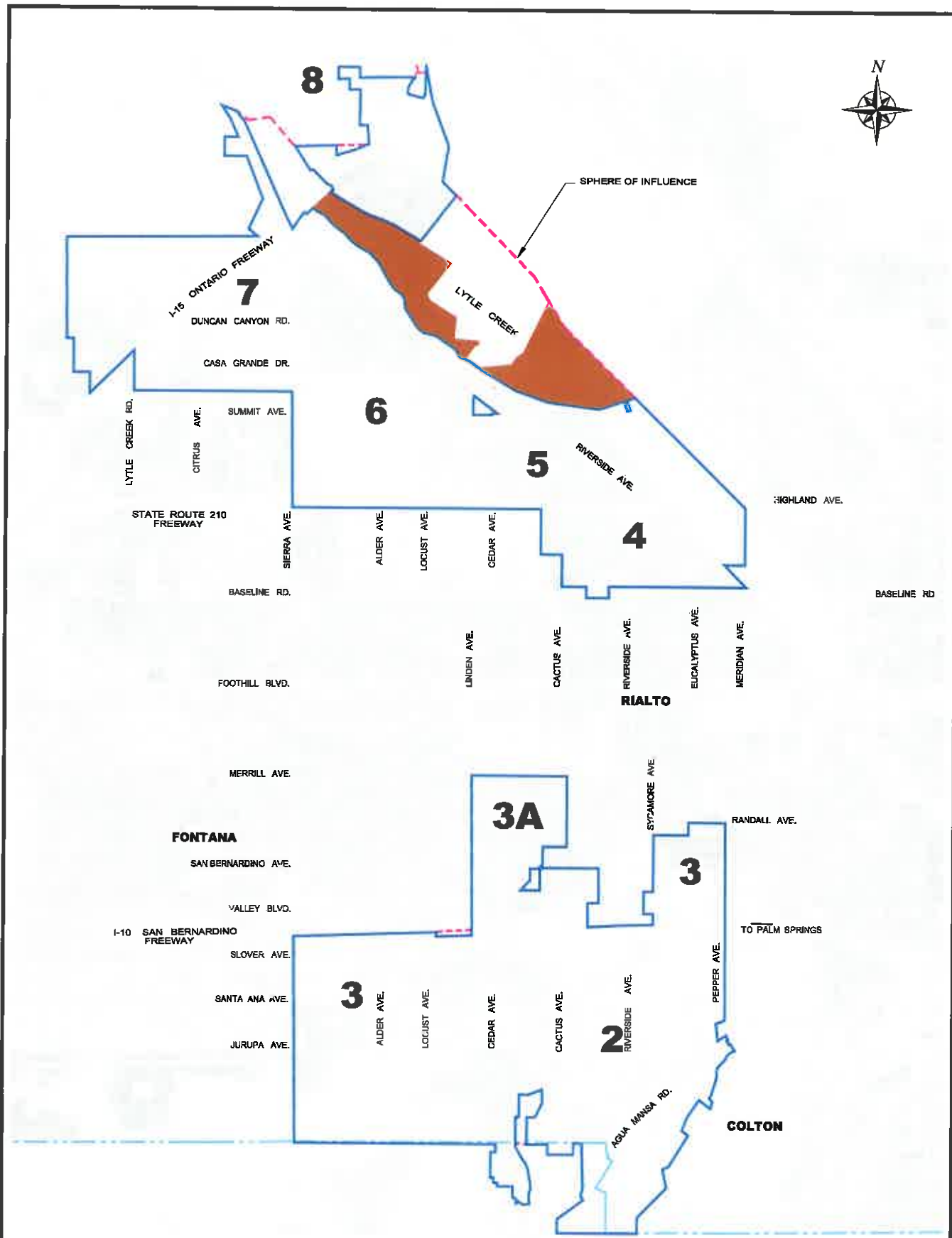
The Lytle Creek Ranch Development is a master planned community comprised of a mix of land uses and is located within the northern portion of the City of Rialto and the County of San Bernardino.

PROJECT DESCRIPTION

The Development is generally described as being north east of Riverside Avenue from the old El Rancho Verde Golf Course north to the I-15 (Ontario) Freeway. The proposed annexation area is located in the Districts northern service area within pressure zones 5, 6 and 7.

The Development is a master planned community arranged into four separate Neighborhoods (I, II, III and IV), each containing a mix of land uses. The nine land use categories identified within this project, include three Single-Family Residential designations, (SFR-1, SFR-2 and SFR-3), Multi-Family Attached Residential (MFR), Mixed Use, Elementary School, Open Space/Recreation, Open Space and Roadways. The portion of the Development to be annexed into the Districts service area includes land uses in Neighborhood II and Neighborhood III.

In Neighborhood II 537.2 acres and in Neighborhood III 574.2 acres will be annexed into the Districts service area for a total of 1,111.4 acres. Of that 1,111.4 acres, only 257 acres in Neighborhood II and 128.9 acres in Neighborhood III will be developed and the remaining area will stay as natural open space.



LEGEND

- WEST VALLEY WATER DISTRICT SERVICE AREA BOUNDARY
- SPHERE OF INFLUENCE
- COUNTY BOUNDARY
- LYTLE CREEK PROJECT ANNEXATION AREA

West Valley Water District

DISTRICT BOUNDARY

LEVEL AND RANGE OF SERVICE

A description of the level and range of each service to be provided to the affected territory.

The District's distribution system is divided into a north and south section and is comprised of eight pressure zones serving elevations from 920 to 2,267 feet above sea level. This vast change in elevation has required the District to construct facilities that can boost water supplies to those upper pressure zones. The District has also designed the system to allow water to be dropped down to lower pressure zones, thus providing the District with operational flexibility.

WATER DEMAND

The Development is comprised of approximately 2,624 single family dwelling units, 563 multi-family dwelling units, an elementary school, commercial, open space and roadways.

Neighborhood II - 869 dwelling units of SFR - 2 (5-8 dwelling units per acre)
1,136 dwelling units of SFR - 3 (8-14 dwelling units per acre)
364 dwelling units of MFR (14-28 dwelling units per acre)

Neighborhood III - 149 dwelling units of SFR-1 (2-5 dwelling units per acre)
226 dwelling units of SFR-2 (5-8 dwelling units per acre)
244 dwelling units of SFR-3 (8-14 dwelling units per acre)
199 dwelling units of MFR (14-28 dwelling units per acre)
5.4 acres of commercial
13 acres of elementary school

Each equivalent dwelling unit (EDU) utilizes an average of 750 gallons per day (gpd). The open space will remain natural and will not require any water or facilities. The water use for the elementary school and the commercial area is calculated at 3,500 gpd per acre. The Average Day Demand and Peak Day Demand are estimated below.

$$\begin{aligned}\text{Average Day Demand (ADD)} &= (3,187 \text{ EDU} \times 750 \text{ gpd/EDU}) + (3,500 \text{ gpd} \times 18.4 \text{ acres}) \\ &= 2,390,250 \text{ gpd} + 64,400 \text{ gpd} \\ &= 2,454,650 \text{ gpd} \\ &= 1,705 \text{ gpm}\end{aligned}$$

$$\begin{aligned}\text{Peak Day Demand (PDD)} &= 2 \times (\text{ADD}) \\ &= 4,909,300 \text{ gpd} \\ &= 3,410 \text{ gpm}\end{aligned}$$

STORAGE

The largest fire flow requirements are for the elementary school which would be 3,000 gallons per minute (gpm) for 3 hours or 540,000 gallons. The required storage (PDD plus Fire Flow) for the proposed development is as follows:

PDD Storage (1.0 x PDD)	= 4,909,300	gallons
<u>Fire Flow Storage (3,000 gpm x 3 hours)</u>	<u>= 540,000</u>	<u>gallons</u>
Storage (with Fire Flow)	= 5,449,300	gallons

The existing storage capacity for the pressure zones that will serve the development are as follows:

Pressure Zone 5 – 13.0 million gallons
Pressure Zone 6 - 11.25 million gallons
Pressure Zone 7 – 9.15 million gallons

Current storage volumes are sufficient to supply the existing PDD within the system with some excess capacity. Depending on the timing of this development, there may be some capacity within the existing reservoirs to supply a portion of the development. As growth continues and increased demand is placed on these reservoirs, new reservoirs will need to be constructed.

EXTENTION OF FACILITIES

An indication of when the service can be feasibly extended to the affected territory.

The District continually assess development within its service area to determine where and when additional facilities are required. Changes in the economy that affect the speed of development, water demands and the areas within the District where growth is occurring are all things that drive the need for additional infrastructure.

There are multiple pipelines in Riverside Avenue, which is near the annexation area, that could initially assist in the transmission of water supplies to the development. As demand grows within the system additional facilities will be required to serve the annexed area. The developer and the District will have to work together closely to determine the timing of this phased development to coordinate the construction of the needed facilities.

FACILITY UPGRADES

An identification of any improvement or upgrading of structures, roads, water or sewer facilities, other infrastructure, or other conditions the affected agency would impose upon the affected territory.

Water demand for the development is based on the estimated number of dwelling units that will be within the annexation area, along with the estimated commercial and school usage. To serve water to the proposed annexed area, the District will have to construct new off-site facilities, including 5.4 million gallons of storage capacity, develop 3,410 gpm of water supply and the pump stations and pipelines needed to transport that supply to the development.

All on-site improvements required to serve the development including the in tract pipelines, hydrants, water services and appurtenances would be constructed and funded by the developer. Plans for all tracts would be submitted to the District for review and approval and would be designed to the Districts latest “Standards for Domestic Water Facilities.”

In the event there are existing facilities that would need to be relocated to accommodate the footprint of the new development, the District will make arrangements with the developer for those relocations. In addition, the District may need to obtain land from the Development to build the required storage reservoirs and pump stations at the required system elevations.

FISCAL IMPACT ANALYSIS

The Plan shall include a Fiscal Impact Analysis which shows the estimated cost of extending the service and a description of how the service or required improvements will be financed. The Fiscal Impact Analysis shall provide, at a minimum, a five (5)-year projection of revenues and expenditures. A narrative discussion of the sufficiency of revenues for anticipated service extensions and operations is required.

In 2012 an updated Capacity Charge study (study) was prepared for the District based on the 2012 Water Master Plan. The study assessed the facilities required due to projected growth and the replacement of the facilities in existence. The purpose of the study was to establish a method for new connections to pay for their proportional share of existing and future District facilities. Each new residential and nonresidential connection within the District will add to the incremental need for water and each new connection will benefit from the new facilities constructed.

Based on the recommendations from the study a cost or capacity charge was established for every new water service connecting to the Districts distribution system. This capacity charge fee is assessed and collected on all new development. These fees are then used to finance the replacement of existing facilities and the construction of new facilities. The facilities required for this development would be funded by capacity charge fees collected by the District.

IMPROVEMENT DISTRICT

An indication of whether the annexing territory is, or will be, proposed for inclusion within an existing or proposed improvement zone/district, redevelopment area, assessment district, or community facilities district.

The proposed annexation area is not currently within any improvement, assessment or community facilities district for West Valley Water District.

AVAILABILITY OF WATER

If retail water service is to be provided through this change, provide a description of the timely availability of water for projected needs within the area based upon factors identified in Government Code Section 65352.5 (as required by Government Code Section 56668(k)).

The District has multiple water supply sources that it utilizes: groundwater, local canyon runoff from Lytle Creek and imported State Water Project (SWP) water delivered through the San Gabriel Feeder from the San Bernardino Valley Municipal Water District (SBVMWD). Groundwater is pumped from five basins including, the Lytle Creek Basin, Bunker Hill Basin, Rialto Basin, North Riverside Basin and the Chino Basin. Over the years, the Districts supply of groundwater has served as the predominant water supply.

To satisfy the 1,705 gpm average day demand (3,410 gpm PDD) for the development, the supply source could come from the following:

- **Expand of the Oliver P. Roemer Water Filtration Facility (WFF)** - The WFF has a current treatment capacity of 14.4 million gallons per day (mgd) from a combination of both Lytle Creek Surface Water and SWP water. The District has plans to expand the capacity of the WFF by 6.0 mgd by constructing a new membrane plant. This would allow the District to utilize additional SWP water when it is available.

- **Purchase additional Base Line Feeder water from the Bunker Hill Basin** - The District has an existing agreement with SBVMWD which provides 5.8 mgd (up to 5,000 acre feet per year) of supply to the system. To utilize additional supplies from this source, new wells and/or agreements would have to be implemented.
- **Drill new wells** – The Districts distribution system is designed to pump water supplies to the upper pressure zones or drop supplies down to lower pressure zones depending on what water source is being used and the demands on the system. The drilling of a new well in any area of the system could be used to supply the annexed area.

CERTIFICATION

I hereby certify that the statements furnished above present the data and information required to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief.



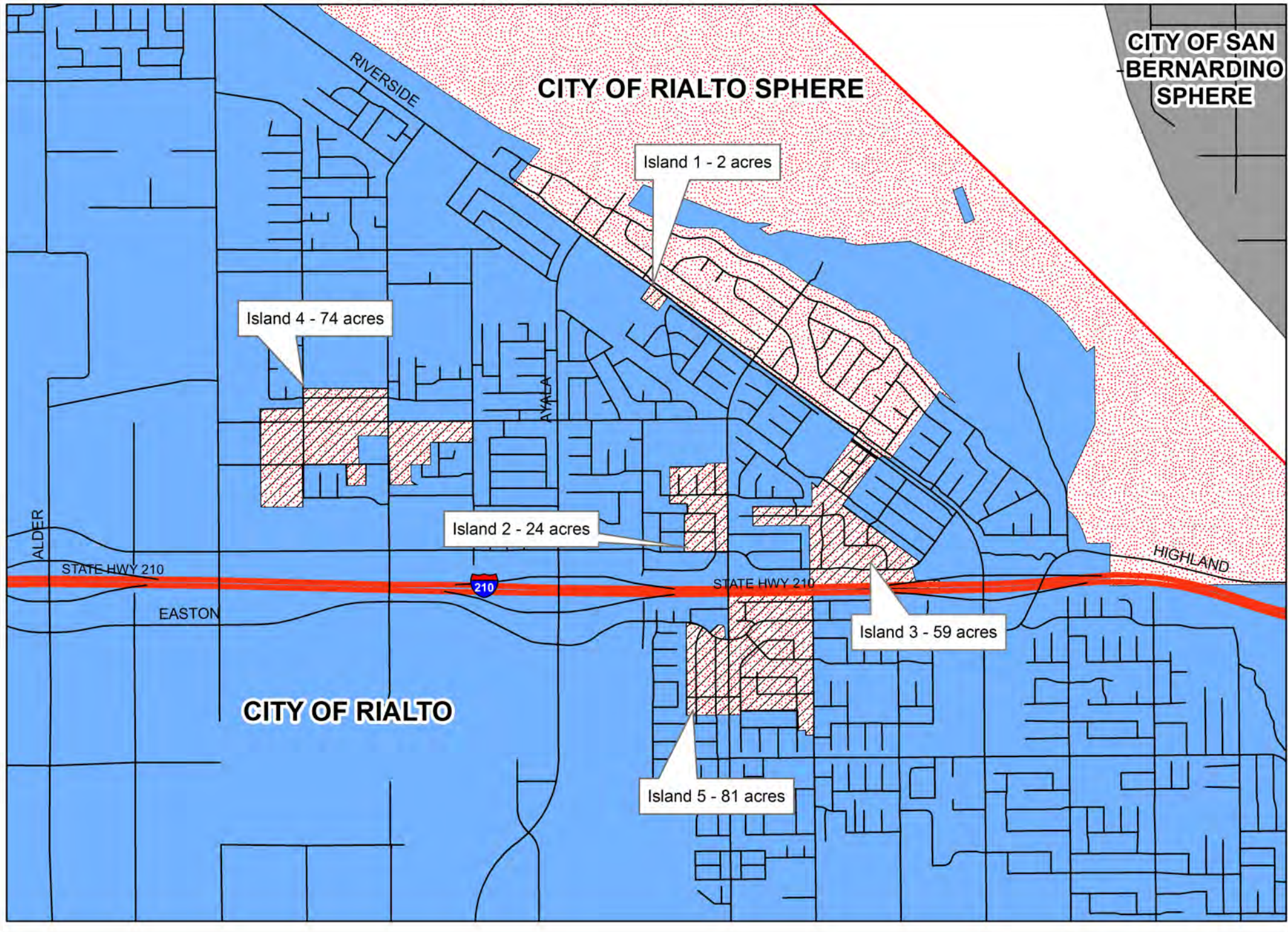
Thomas J. Crowley, General Manager
West Valley Water District

Date: 9/30/15

**North Rialto Islands Vicinity Map and Copy
of LAFCO Resolution 2961 for LAFCO 3066
and excerpt from the Minutes of April 16,
2007 Commission Hearing**

Attachment 4

North Rialto Islands



**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: lafoo@lafoo.sbcounty.gov
www.sbclafoo.org

PROPOSAL NO.: LAFCO 3066

HEARING DATE: APRIL 18, 2007

RESOLUTION NO. 2961

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF THE COUNTY OF SAN BERNARDINO MAKING DETERMINATIONS ON LAFCO 3066; WAIVING PROTEST PROCEEDINGS; AND APPROVING THE REORGANIZATION TO INCLUDE ANNEXATIONS TO CITY OF RIALTO AND WEST VALLEY WATER DISTRICT, DETACHMENTS FROM BLOOMINGTON RECREATION AND PARK DISTRICT AND CENTRAL VALLEY FIRE PROTECTION DISTRICT AND DISSOLUTION OF COUNTY SERVICE AREA 70 IMPROVEMENT ZONE P-11 (CACTUS INVESTMENT LLC), AS MODIFIED. The reorganization area, as modified, consists of three separate areas identified as follows: (1) The primary reorganization area is to be annexed to the City of Rialto and detached from the Bloomington Recreation and Park District and Central Valley Fire Protection District. It encompasses approximately 163.7+/- acres generally located north of El Rivino Road (existing Riverside/San Bernardino County boundary), east of Larch Avenue, south of Jurupa Avenue, and west of the City of Rialto. The reorganization area is generally bordered by El Rivino Road on the south, parcel lines on the west and north, and a combination of the City of Rialto boundary and parcel lines on the east. The reorganization includes areas east and west of Cactus Avenue. (2) The area to be annexed to the West Valley Water District encompasses approximately 126.8+/- acres generally located north of El Rivino Road (existing Riverside/San Bernardino County boundary), east of the existing West Valley Water District boundary, south of Jurupa Avenue, and west of Cactus Avenue. The annexation area is generally bordered by El Rivino Road on the south, parcel lines on the west, the existing West Valley Water District boundary on the north, and Cactus Avenue (existing West Valley Water District boundary) on the east. (3) The area of the dissolution of County Service Area 70 Improvement Zone P-11 (CSA 70 Zone P-11) encompasses approximately 37 acres and is generally located west of the existing City of Rialto boundary, north of parcel lines north of Cricket Drive, east of Cactus Avenue and southerly of parcel lines.

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

WHEREAS, an application for the proposed reorganization in the County of San Bernardino was filed with the Executive Officer of this Local Agency Formation Commission (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 the Executive Officer has examined the application and executed her certificate in accordance with law, determining and certifying that the filings are sufficient; and,

RESOLUTION NO. 2961

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 upon the date and at the time and place specified in the notice of public hearing and in 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 plans and proposed changes of organization, objections and evidence which were made, presented, or filed; it received evidence as to whether the territory is inhabited or uninhabited, improved or unimproved; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the application, in evidence presented at the hearing; and,

WHEREAS, the Commission determines to modify this proposal to include the dissolution of County Service Area 70 Improvement Zone P-11 as a function of the reorganization;

NOW, THEREFORE, BE IT RESOLVED, that the Commission does hereby determine, resolve, order, and find as follows:

DETERMINATIONS:

SECTION 1. The proposal is approved subject to the terms and conditions hereinafter specified:

CONDITIONS:

Condition No. 1. The boundaries are approved as set forth in Exhibits "A", "A-1", "B", "B-1" and "C" attached.

Condition No. 2. The following distinctive short-form designation shall be used throughout this proceeding: LAFCO 3066.

Condition No. 3. All previously authorized charges, fees, assessments, and/or taxes currently in effect by the City of Rialto and the West Valley Water District (annexing agencies) shall be assumed by the annexing territory in the same manner as provided in the original authorization pursuant to Government Code Section 56886(t).

Condition No. 4. The City of Rialto and the West Valley Water District shall indemnify, defend, and hold harmless the Commission from any legal expense, legal action, or judgment arising out of the Commission's approval of this proposal, including any reimbursement of legal fees and costs incurred by the Commission.

Condition No. 5. Pursuant to Government Code Section 56886.1, public utilities, as defined in Section 216 of the Public Utilities Code, have ninety (90) days following the recording of the Certificate of Completion to make the necessary changes to impacted utility customer accounts.

RESOLUTION NO. 2961

Condition No. 6. All streetlights currently the responsibility of County Service Area SL-1 within the reorganization area shall be transferred to the City of Rialto upon successful completion of the reorganization. The County Special Districts Department shall prepare the appropriate documentation to transfer the lights; LAFCO staff shall verify the data; and the City of Rialto shall sign the authorization form requesting Southern California Edison to transfer the specific lights to the City of Rialto accounts, prior to issuance of the Certificate of Completion.

Condition No. 7. County Service Area 70 Improvement Zone P-11 shall be dissolved as a function of this reorganization.

Condition No. 8. Pursuant to the provisions of Government Code Section 56885.5(a)(4), the County of San Bernardino, as governing body for County Service Area 70 Improvement Zone P-11, is prohibited from taking the following actions unless an emergency situation exists as defined in Section 54956.5:

- (a) approving any increase in compensation or benefits for members of the governing board, its officers, or the executive officer of the agency; and,
- (b) appropriating, encumbering, expending, or otherwise obligating, any revenue of the agency beyond that provided in the current budget at the time the dissolution is approved by the commission.

Condition No. 9. The date of issuance of the Certificate of Completion shall be the effective date of this reorganization.

SECTION 2. The Commission determines that:

- (1) this proposal is certified to be legally uninhabited;
- (2) it has unanimous written landowner consent; and
- (3) no written opposition to a waiver of protest proceedings has been submitted by any subject agency.

Therefore, the Commission does hereby waive the protest proceedings for this action as permitted by Government Code Section 56663(c).

SECTION 3. The Commission further determines that imposition of the restrictions contained within Government Code Section 56744 would be detrimental to the orderly development of the community; and the unincorporated corridor along the Riverside/San Bernardino County line, easterly of Cactus Avenue, cannot reasonably be annexed to another City or incorporated as a new city at this time.

SECTION 4. FINDINGS. The following findings are noted in conformance with Commission policy:

- 1. The Commission finds that the City of Rialto shall initiate the annexation of the three (3) totally-surrounded northern islands and the one (1) substantially-surrounded northern island located southwest of Riverside Avenue, as identified on maps on file in the LAFCO office, within one year

RESOLUTION NO. 2961

of the approval of LAFCO 3066. It is the intent of the Commission that these islands be addressed prior to the sunset date of AB 1602. LAFCO staff is directed to work with the City of Rialto staff to effectuate a phasing program to address the Commission's stated island concerns.

2. The subject 163.7+/- acre reorganization area is legally uninhabited, containing no registered voters, as certified by the County Registrar of Voters office.
3. The area is within the sphere of influence of the City of Rialto and has been since the late 1970's.
4. The County Assessor's Office has determined that the value of land and improvements within the reorganization area is \$10,679,236 (\$10,373,236--land; \$306,000--improvements) and that 100% of the landowners have consented to the reorganization.
5. Notice of this hearing has been advertised as required by law through publication in The Sun and the Rialto Record, newspapers of general circulation in the area. As required by State law, individual notification was provided to affected and interested agencies, County departments, and those agencies and individuals requesting mailed notice.
6. All notices required by State law and local Commission policies have been provided. With 100% landowner consent, a separate individual notice was not required to be provided within the reorganization area. Individual notice was mailed to landowners (359) and registered voters (303) surrounding the reorganization area in accordance with State law and adopted Commission policies. Comments from landowners, registered voters and any affected local agency have been reviewed and considered by the Commission in making its determination. Opposition has been received and considered by the Commission in making its determination.
7. The City of Rialto has processed land use approvals for the area through adoption of the General Plan Amendment and the Rancho El Rivino Specific Plan which has pre-zoned the territory. The General Plan Amendment designated the entire area of the project as "SPZ" Specific Plan Zone, with a development plan land use allocation identified as: SF-E (Single-Family Estate), SF-1 (Single-Family 1), SF-2 (Single-Family 2); and SF-3 (Single-Family 3). Other uses, such as paseos, neighborhood park, equestrian trails, etc., are identified for 10.3 acres within the Plan.

Pursuant to the provisions of Government Code Section 56375(e), these zoning designations shall remain in effect for two years following reorganization unless specific actions are taken by the City Council at a public hearing.

8. A Final Environmental Impact Report (hereinafter referred to as "Final EIR") was prepared and certified as adequate by the City of Rialto for the Rancho El Rivino Specific Plan and Annexation (State Clearinghouse No. 2005101117), which addresses environmental impacts from developing the 164+/- acre reorganization area in accordance with General Plan and Specific Plan designations. (Copies of the applicable environmental review documents were previously provided to the Commission.) The Commission's staff and Environmental Consultant have independently reviewed the City's Final EIR and found it to be adequate for the reorganization decision.

The Commission certifies that it has reviewed and considered the City's Final EIR and the effects outlined therein, and as referenced in the Candidate Findings of Fact and Statement of Overriding Considerations, prior to reaching a decision on the project and finds the information substantiating the Final EIR adequate for its use in making a decision as a CEQA responsible

agency. The Commission hereby acknowledges the mitigation measures and mitigation monitoring and reporting program contained in the City's Final EIR and finds that no additional feasible alternatives or mitigation measures will be adopted by the Commission. The Commission finds that all changes, alterations, and mitigation measures are within the responsibility and jurisdiction of the City and other agencies, and not the Commission. The Commission finds that it is the responsibility of the City to oversee and implement these measures and the mitigation monitoring and reporting program.

The Commission hereby adopts the Candidate Findings of Fact and Statement of Overriding Considerations regarding the environmental effects of the reorganization, a copy of which is available for review in the LAFCO office. The Commission finds that all feasible changes or alterations have been incorporated into the project; that these changes are the responsibility of the City and other agencies identified in the Candidate Findings of Fact and Statement of Overriding Considerations and the Final EIR; and that specific economic, social or other considerations make infeasible adoption of the alternatives identified in the Final EIR.

The Commission finds that the dissolution of County Service Area 70 Improvement Zone P-11, which has been included as a part of this project, does not modify the conclusions in the environmental documentation submitted, nor does it include any additional adverse environmental effects that would require further environmental evaluation.

The Commission, as a responsible agency, notes that this proposal is exempt from Department of Fish and Game fees because the filing fee was the responsibility of the City, as the CEQA lead agency. The Commission directs its Clerk to file a Notice of Determination within five (5) days with the San Bernardino County Clerk of the Board of Supervisors.

9. The local agencies currently serving the areas are: County of San Bernardino, Inland Empire Resource Conservation District, San Bernardino Valley Municipal Water District, Central Valley Fire Protection District, Bloomington Recreation and Park District, West Valley Water District (portion of the area), County Service Area SL-1 (streetlights), County Service Area 70 (County-wide, multi-function agency) and County Service Area 70 Improvement Zone P-11 (Tract No. 15544 for streetlighting, drainage, detention basins, landscape maintenance and equestrian trail services).

That portion of the reorganization area not currently a part of the West Valley Water District will be annexed as a function of the reorganization. The Central Valley Fire Protection District and the Bloomington Recreation and Park District are detached as a function of this reorganization. County Service Area 70 Improvement Zone P-11 is dissolved as a function of this reorganization. County Service Area 70 and County Service Area SL-1 will be detached from the area upon successful completion of the reorganization pursuant to the provisions of Government Code Section 25210.90. None of the other agencies will be directly affected by the completion of this proposal through an adjustment in their boundaries as they are regional in nature.

10. Upon reorganization, the City of Rialto will extend its services as required by the progression of development. The City has submitted a plan for the provision of services as required by Government Code Section 56653. The Fiscal Impact Analysis portion of the Plan for Service provides a general outline of the anticipated revenues/costs for the reorganization area and Specific Plan as a whole. The Plan indicates that revenues are anticipated to be sufficient to provide the level of services identified through the City and other agencies. Through the

identified financing mechanisms, the Plan shows that the level of service will be adequate for the development anticipated and that the revenues anticipated are sufficient to provide for the infrastructure and on-going maintenance and operation of these services.

Water service is to be provided by the West Valley Water District. The Plan for Service provided by the West Valley Water District outlines the services to be extended by the District and the mechanism for funding the required infrastructure and maintenance and operation of these services.

These Plans identify that the revenues to be provided through the transfer of property tax revenues and existing and potential financing mechanisms are anticipated to be sufficient to provide for the infrastructure and on-going maintenance and operation of the services to be provided from the City of Rialto and the West Valley Water District.

The Plans for Service have been reviewed and compared with the standards established by the Commission and the factors contained within Government Code Section 56668. The Commission finds that such Plans conform to those adopted standards and requirements.

11. This proposal complies with Commission policies and directives and State law that indicate the preference for areas proposed for urban-intensity development to be included within a multi-function agency for the provision of those services is the most efficient and effective service delivery system.
12. The reorganization area can benefit from the availability and extension of municipal services from the City of Rialto and the West Valley Water District, as evidenced by the Plans for Service.
13. This proposal will have an effect on the City of Rialto's ability to achieve its fair share of the regional housing needs as it proposes the addition of 726 residential units.
14. The City and County have negotiated the transfer of ad valorem taxes as required by State law. Copies of the resolutions adopted by the City Council of the City of Rialto and the San Bernardino County Board of Supervisors are on file in the LAFCO office outlining the exchange of revenues.
15. The maps and legal descriptions, as revised, are in substantial conformance with LAFCO and State standards as determined by the County Surveyor's Office.

SECTION 5. The reason for this reorganization is for the receipt of municipal-level services.

SECTION 6. The affected territory shall be taxed for existing bonded indebtedness or contractual obligations of the City of Rialto. The affected territory shall be taxed for existing bonded indebtedness of the West Valley Water District for the construction of capital improvements that benefit the District's entire service area. The District has no other contractual obligations for which the territory shall be taxed. The regular County assessment roll will be utilized by the City of Rialto and the West Valley Water District.

SECTION 7. Approval by the Local Agency Formation Commission indicates that completion of this proposal would accomplish the proposed change of organization in a reasonable manner with a maximum chance of success and a minimum disruption of service to the functions of other local agencies in the area.

RESOLUTION NO. 2961

SECTION 8. The Commission hereby orders the territory described in Exhibits "A", "A-1", "B", "B-1", and "C" reorganized. The Commission hereby directs that, following completion of the reconsideration period specified by Government Code Section 56895(b), the Executive Officer shall prepare and file a Certificate of Completion, as required by Government Code Sections 57176 through 57203, and a Statement of Boundary Change, as required by Government Code Section 57204.

SECTION 9. The Executive Officer is hereby authorized and directed to mail certified copies of this resolution in the manner provided by Section 56882 of the Government Code.

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

AYES: COMMISSIONERS: Colven, Cox, Hansberger, McCallion, Mitselfelt, Pearson

NOES: COMMISSIONERS: None

ABSTAIN: COMMISSIONERS: Biane (Mitzelfelt voting in his stead), Nuaimi and Williams


ABSENT: COMMISSIONERS: None

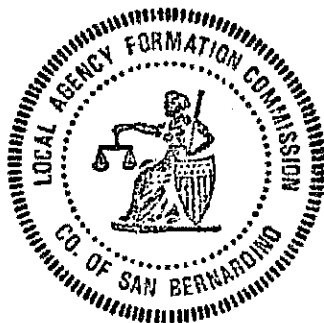
* * * * *

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 regular meeting of April 18, 2007.

DATED: April 19, 2007


KATHLEEN ROLLINGS-McDONALD
Executive Officer



**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF APRIL 18, 2007**

DISCUSSION ITEMS

It is noted that Commissioners Biane, Nuaimi and Williams, who all stated previously that they would abstain from voting on Item 6, leave the hearing at 9:10 a.m.

Vice Chairman Colven assumes the Chair.

CONSIDERATION OF: (1) FINAL ENVIRONMENTAL IMPACT REPORT ADOPTED BY CITY OF RIALTO FOR RANCHO EL RIVINO SPECIFIC PLAN AND ANNEXATION (SCH NO. 2005101117), AS CEQA RESPONSIBLE AGENCY FOR LAFCO 3066; (2) ADOPTION OF FINDINGS OF FACT AND STATEMENT OF OVERRIDING CONSIDERATIONS; AND (3) LAFCO 3066—REORGANIZATION TO INCLUDE ANNEXATIONS TO CITY OF RIALTO AND WEST VALLEY WATER DISTRICT, DETACHMENTS FROM BLOOMINGTON RECREATION AND PARK DISTRICT AND CENTRAL VALLEY FIRE PROTECTION DISTRICT AND DISSOLUTION OF COUNTY SERVICE AREA 70 IMPROVEMENT ZONE P-11 (CACTUS INVESTMENT LLC) – APPROVE STAFF RECOMMENDATION AS MODIFIED

LAFCO conducts a public hearing to consider a reorganization to include annexations to the City of Rialto and West Valley Water District, detachments from Bloomington Recreation and Park District and Central Valley Fire Protection District and dissolution of County Service Area (CSA) 70 Improvement Zone P-11 (Cactus Investment LLC). Notice of this hearing was advertised as required by law through publication in The Sun and the Rialto Record, newspapers of general circulation in the area. Individual mailed notice was provided to affected and interested agencies, County departments, those individuals and agencies requesting mailed notice and landowners and registered voters within and surrounding the reorganization area pursuant to State law and Commission policy.

Executive Officer Kathleen Rollings-McDonald presents the staff report, a copy of which is on file in the LAFCO Office and is made a part of the record by reference herein. Ms. McDonald states this proposal was initiated by landowner petition to allow for residential development of the territory. She shows maps of the reorganization area on the overhead display. She says the primary reorganization area, encompassing approximately 164+/- acres generally located north of El Rivino Road, east of Larch Avenue, south of Jurupa Avenue and west of the City of Rialto, is to be annexed to the City of Rialto (hereinafter "the City") and detached from the Bloomington Recreation and Park District (hereinafter referred to as "Bloomington RPD") and Central Valley Fire Protection District. She says the area to be annexed to the West Valley Water District encompasses approximately 127+/- acres generally located north of El Rivino Road, east of the existing West Valley Water District boundary, south of Jurupa Avenue and west of Cactus Avenue. She notes that a portion of the development project is currently part of the West Valley Water District. She says the area of the proposed dissolution of CSA 70 Improvement Zone P-11 encompasses approximately 37 acres generally located west of the existing City of Rialto boundary, north of parcel lines north of Cricket Drive, east of Cactus Avenue and southerly of parcel lines. She explains that this Improvement Zone was created to address service delivery to Tract No. 15544 approved by the County; she says that Tract was never finalized; but CSA 70 Improvement Zone P-11 has been legally formed since 1996. She shows an aerial view of the area, noting that the El Rivino Country Club will be developed for residential use.

Ms. McDonald discusses boundary issues. As outlined in the staff report, she says there are three primary issues of concern to be considered. First, she says this annexation will create a corridor of unincorporated territory to the southeast of the proposed reorganization. She discusses the three options available to the Commission in addressing the creation of this corridor which are: a) expansion of LAFCO 3066 to include the whole of the area; b) requiring the City to initiate the annexation of the corridor area as a condition of approval for LAFCO 3066; or c) approval of LAFCO 3066 creating the corridor, making the determinations required by Government Code Section 56375(m). She says that the reorganization area is legally uninhabited and that expanding this proposal to include this larger area would, in the staff view, terminate the proceeding since voters in that area have expressed opposition to annexation to the City

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
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and prefer to be included in the Bloomington incorporation. She says option b to require the City to submit a reorganization proposal addressing the balance of the area, while its success or failure has not been tested in the past, again these voters in the area have expressed support for the incorporation of Bloomington. She says that is why option c is recommended by staff.

Ms. McDonald discusses the second boundary issue, stating that early in the process staff reviewed with City staff the Commission's directives that when development-related annexations are presented, the City will be required to address its "islands". She shows a map displaying the City's three totally-surrounded islands and one substantially-surrounded island in the North Rialto area and says those islands were reviewed with the City and the City evaluated the financial implications of providing service to those islands. She reports that staff understands that the City has taken the position that it was not financially feasible to annex those islands because of the City's inability to extend its utility tax to these areas. She says that when the staff report was published, staff had not seen the financial analysis, but she says that fiscal analysis prepared in 2005 was received on Monday. However, she points out that AB 1602 has been signed in the interim; and she says the City would receive the \$50 per capita associated with the AB 1602 calculation, as long as the annexations are completed prior to January 1, 2009. Ms. McDonald says that the chart on page nine of the staff report outlines the property tax transfers to be applied to the islands if they are initiated.

Ms. McDonald reports that the Commission has been presented with a letter today from the City expressing its position that, while it understands the importance of these islands, it wants to establish a phasing approach to address this issue. She says the Commission has agreed to a phasing approach for the City of San Bernardino, which agreed that six of its 13 islands would be initiated now, with the balance to be initiated later. She says that option is available for this proposal but she says staff believes that the four North Rialto islands should be addressed by the City now. She points out that the staff report also identifies four Bloomington islands that are not being addressed at this time, as shown on the display maps; and she explains that those islands are related to the Bloomington community and staff feels they should be addressed later. Ms. McDonald states that staff recommends that the Commission require the City to initiate annexation of its four northern islands prior to issuance of the Certificate of Completion for this proposal. She notes that this annexation has 100% landowner consent so there will be no protest proceeding.

Ms. McDonald discusses the third boundary issue, stating that there is no direct connection from the annexation area to the City. She explains that the connection to the City is along a parcel boundary adjacent to an industrial development which is a part of the Agua Mansa Industrial Corridor Specific Plan. She says there is no roadway connection from this industrial area through to the proposed annexation territory and she says that the development proposes two gated communities, with internal private roads, and no through connection to the City. She adds that the Development Agreement identifies transportation improvements required to make the delivery of service more efficient. She states that staff does not believe this is an overriding issue.

Ms. McDonald discusses the existing land uses within the primary annexation area, which includes the non-operational El Rivino Country Club and vacant lands, and the land uses surrounding the site, as outlined in the staff report. She reports that on February 20, 2007, the City Council adopted the General Plan Amendment and Final Environmental Impact Report for the El Rivino Specific Plan area and that the pre-zoning will be required to remain in effect for a period of at least two years, unless certain findings are made by the City Council.

Ms. McDonald discusses the financial effects and service considerations. She states the City has certified as to the accuracy of the Plan for Service and Fiscal Impact Analysis and she says the mechanisms for the delivery of services are outlined in the staff report. She says the West Valley Water District provided a Plan for Service for the extension of its facilities into the area. She discusses two areas of concern related to the detachment from the Bloomington RPD. She reports that the County Special Districts Department, administrator for the Bloomington RPD, objected to the detachment of the District on the basis that it will further erode the tax base necessary to support the District and requested that the retention of the overlay of the Bloomington RPD be considered. She says that when the County's request was conveyed to the

**MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION
HEARING OF APRIL 18, 2007**

City, the City indicated it wants to adhere to the Commission's policy to detach the District. She also notes that the draft resolution contains a condition of approval indicating that the responsibility for the streetlights in the area will be transferred to the City upon completion of the reorganization.

Ms. McDonald discusses the environmental considerations, reporting that LAFCO's Environmental Consultant, Tom Dodson and Associates, has reviewed the City's environmental documents and found them adequate for the Commission's use as a CEQA responsible agency. She says Mr. Dodson drafted a Statement of Overriding Considerations for the Commission's review and adoption, a copy of which is attached to the staff report.

Ms. McDonald says staff believes the Commission should approve this reorganization for those reasons outlined in the staff report. She says the area is proposed to develop at urban levels of land use; therefore, it requires municipal-level services. She says the findings required by Commission policy and State law are outlined in the staff report and are made a part of the record by reference herein. She says the staff recommendation is outlined on pages one, two and three of the staff report and includes that the Commission: 1) take the actions listed with respect to the environmental review; 2) modify LAFCO 3066 to include the dissolution of CSA 70 Improvement Zone P-11 as a function of the reorganization; 3) approve LAFCO 3066, as modified, making the determination outlined in the staff report, and subject to the conditions outlined in the staff report, including the condition that the issuance of the Certificate of Completion for LAFCO 3066 shall be held in abeyance, for a period not to exceed six months, until the City has initiated annexation of the four North Rialto islands identified by staff; and 4) adopt LAFCO Resolution No. 2961 setting forth the Commission's terms, conditions, findings and determinations.

Commissioner Hansberger asks what the acreage is of the remaining area to the east and south of the annexation area. Ms. McDonald responds that it is about 210 acres. Commissioner Hansberger comments that he thinks the staff recommendation is strange in that the City is being asked to initiate annexation of areas five to six miles north of this project but the City is not being asked to initiate annexation of areas immediately adjacent to this project. He says that the North Rialto islands are a policy issue the Commission would like to deal with in terms of getting them annexed, but he says there should not be any connection to this annexation and those islands since the areas are so far apart. Ms. McDonald comments that this is the same precedent used with the City of San Bernardino for the Arrowhead Springs annexation. Commissioner Hansberger responds that those islands are all in north San Bernardino in the same general vicinity of Arrowhead Springs. He says this project is a mile or two south of Interstate 10 and that the North Rialto islands are two to four miles north of Interstate 10, in an entirely different region of the community. Ms. McDonald says the four Bloomington islands shown on page 10 of the staff report could be addressed. Commissioner Hansberger responds that he did not understand why staff recommended dealing with islands that are so far away and did not recommend dealing with those closer islands. Ms. McDonald states that the reason for doing so is because those northern islands have been historically reviewed with the City of Rialto as a part of this proposal since 2005, so staff continued that position forward. Commissioner Hansberger says maybe staff should not have been reviewing those islands with a project so far away.

Commissioner Mitzelfelt asks whether staff is recommending that this annexation be held up pending the inclusion of the four northern islands. Ms. McDonald says that the recommendation is that the issuance of the Certificate of Completion be held until the four islands have been initiated, not completed. She explains that means that annexation of the islands has been initiated by City resolution and the property tax transfer process has been completed; and she says once that was accomplished, the Certificate of Completion for this annexation would be issued. She indicates that there would be hearings before the Commission to review the northern islands. Commissioner Mitzelfelt says he agrees with Commissioner Hansberger because he does not see any connection or nexus between this annexation and those islands. He says he thinks it would be preferable if the Commission and its staff worked with the City to deal with those islands and get that process initiated, but not hold up this annexation. Ms. McDonald asks if he is recommending that staff recommendation 3c, which discusses a condition to be imposed, be modified to require that annexation of the North Rialto islands be initiated and that staff then be directed to discuss a phasing strategy. Commissioner Mitzelfelt responds "No", stating that the initiation could take

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place whenever appropriate. He adds that he thinks the phased strategy is reasonable but says that he does not think it is fair to delay this annexation because of the four northern islands.

Commissioner McCallon points out that the City of Rialto in its letter says it realizes the importance of these four islands and wants to discuss the island annexation issue in more detail to determine a timeline for outreach and to review a phasing annexation strategy. He says he thinks it is important that the City make the commitment and work with LAFCO staff to come up with a timeline for when these annexations will be processed, but says he agrees with both the Supervisors that it is probably not appropriate in this case to tie this annexation to the initiation of those islands.

Commissioner Hansberger says he knows of a number of projects up in that northern region that will be coming forward and which the City will be interested in annexing. He discusses that there should be something other than that the areas are in the same town—that there should be some physical relevance to the service connections. He says there are projects in the north end of the City which do have service relevance and it would make more sense to tie the northern islands to those projects when, and if, they come forward. Ms. McDonald says staff does not know whether those projects will ever come forward so she says that if the Commission wants a commitment from the City as to a timeline for moving forward with the northern islands, the only correspondence that has been received is what was presented to the Commission this morning.

Commissioner Cox asks if there is any motivation for the City to move forward with annexing those islands, other than the inclusion of the condition of approval. Ms. McDonald reports that the City Council's position is not to initiate any annexation that does not have substantial landowner and voter support; and that these islands have existed in this area in some configuration for over 28 years because the people in the areas historically have not wanted to be a part of the City. She notes that one motivation for people to agree to annexation is that, if they are annexed as part of an island annexation, the City's utility tax cannot be extended to them. However, she says if they were annexed under a regular City annexation, that City utility tax would be extended.

Commissioner Pearson says that the Commission has to keep in mind that one of its goals is to do something about the islands that are scattered throughout cities by bringing them into the city to enhance service and reduce costs to the public. He says the concern over the City's inability to extend the utility tax is valid; but he notes that Ms. McDonald's presentation pointed out that the State recognized this and he says that it appears from the numbers provided in the staff report that the \$50 per capita associated with the AB 1602 calculation will make up for the utility tax. He says the willingness of the people in those islands to be annexed has been a problem for 28 years and probably will not change. He says that although they do not have a nexus of location, the islands are within the City limits overall; that they have an opportunity to bring the islands into the City for the benefit of the citizens and eliminate any further concern with those islands. He says he sees as incidental the fact that the initiation of those northern islands is tied to an annexation in the southern part of the City and says he thinks they should move forward with staff recommendation.

Ms. McDonald says that if the Commission feels that initiation of annexation of those islands is inappropriate as a condition of approval, she understands that representatives of the City are present and, if they wish to make a commitment to initiate the four islands within a given period of time, that could be included as a finding in the resolution.

Vice Chairman Colven asks if there is anyone present from the City to respond.

Ed Scott, a City Council Member, says the City Council recognizes the importance of the annexation of those four northern islands but he says they also recognize the fact that it is in the best interest of the City to eventually annex them for a number of reasons, including public safety and service. However, Mr. Scott says the City Council is of the same opinion as the two Supervisors that their annexation should not be tied to the El Rivino project. He says they believe the islands should be tied to a future project that will occur in North Rialto or that discussions should be opened up with the City and LAFCO staffs regarding a phased annexation of those areas. Vice Chairman Colven asks if the City has an additional

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proposal in North Rialto and wishes to include the annexation of the four islands at that time. Mr. Scott says he believes that would be the appropriate time to do that. Vice Chairman Colven asks what the timeline on that proposal would be. Mr. Scott responds that the project is in process in the City's Planning and Building Departments so the project is ongoing.

Commissioner Curatalo asks Ms. McDonald's opinion of this second project. Ms. McDonald responds that she knows the project exists; that she does not know its actual status in the development process; but that it is an extremely large project that will take several years. She points out that the Commission must understand that with an island annexation, the AB 1602 \$50 per capita funding will expire July 1, 2009, so she says if these islands are not annexed by that time, that money will disappear. Commissioner Curatalo says that his understanding is that even if staff recommendation is approved as worded, the completion of this annexation is dependent only on the initiation of the annexation of those four islands, not their completion, so he asks if there really would be any material change if the islands were deferred to that time. Ms. McDonald responds that the issue is on the phasing of the annexations or the actual completion and introduction of these islands into the City. She explains that once these annexations are initiated, a hearing must be held within 90 days of the issuance of the Certificate of Filing, so staff could be directed to bring the islands back at a hearing to discuss a solid phasing program.

Vice Chairman Colven opens the public hearing and calls on those wishing to speak.

Virginia Gell, representing the Bloomington Preservation Foundation, discusses that she wants to see that a senior village for Bloomington is built. She says Reggie King (developer of the El Rivino project), who has been a good friend of hers and has done a lot for Bloomington, told her a short time ago that there is a piece of land along El Rivino which could be used for a senior village. She asks that the Commission not approve annexation of this area; she says she desperately needs it for the senior village.

Alexia King, a member of the Bloomington Incorporation Commission (BIC), asks that the Commission deny annexation and says that BIC, which is still alive and well, wants this area for the Bloomington Incorporation. She says every time an area is annexed away from Bloomington, the ability of Bloomington to support itself as a city is undermined. She says the nibbling away of Bloomington's edges means that there will be a whole population in their community that will be denied city services that she heard the Commission discussing as being very important in the North Rialto islands. She says denial of staff recommendation will allow Bloomington to move forward with incorporation to provide the people a level of service they will not get from another city for years to come. Ms. King discusses a second concern, stating she and her husband own a nursery in Bloomington and are served by the West Valley Water District. She says that three or four years ago they had to establish a second meter to provide enough water for the nursery and they now they frequently have hardly enough water volume to keep one hose running. She says she talked to the Water District and its answer was that there is just too much demand. She says that calls into question any level of development that may deny her water that is needed for her livelihood.

Gilbert Loop, a resident in the area south of the annexation area, says this annexation will cut him off from Bloomington and create an island so that he eventually will be annexed to Rialto, of which he is not in favor. He says he is not against the Cactus Investment LLC development but is against this annexation, which will cut off more tax base for the Bloomington Incorporation, which is still going forward.

Eric Davenport, Chairman of BIC, states that the Commission was presented this morning with a letter outlining the reasons why BIC is requesting that a decision on this annexation be deferred or at least postponed until the next meeting. He reports that BIC has been meeting with members of the City of Rialto as well as Cactus Investment LLC in a new spirit of cooperation in the incorporation effort, which is moving forward. He says they need this area to remain part of Bloomington; that they are not opposed to Cactus Investment's development and it will help increase Bloomington's net worth. He says this annexation would create an island that is part of the incorporation effort and will severely hamper their efforts. He requests that the Commission postpone its decision at least until next month so that BIC can continue talking with the interested parties to see how they can all come together to make incorporation work.

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Vice Chairman Colven asks if there is anyone else wishing to speak on this item. There is no one and he closes the hearing.

Commissioner Mitzelfelt moves to approve staff recommendation, with Recommendation 3c modified to direct staff to work with the City of Rialto to develop an annexation strategy to bring forward the four islands in its northern sphere in a coordinated and phased manner, once the islands have been initiated. Commissioner Cox seconds the motion. Vice Chairman Colven asks if he wishes to establish any timelines in his motion. Commissioner Mitzelfelt states that he is sensitive to the issue of the AB 1602 deadline but says he thinks that the intent here is to move forward as soon as is practical.

For clarification, Ms. McDonald asks if the motion is removing the condition to withhold the Certificate of Completion. Commissioner Mitzelfelt responds "yes". Ms. McDonald says her understanding of the motion is that staff recommendation 3c will be modified, striking the second sentence about holding the issuance of the Certificate of Completion for this proposal in abeyance. She asks if the intent is to then say that the City of Rialto is required to initiate the annexation of the four islands within the next six months or the next year. She points out that this would become a finding in the resolution instead of a condition since the Certificate of Completion will not be held in abeyance. Commissioner Mitzelfelt responds that a finding is fine, but says the date he was sensitive to is 2009. Ms. McDonald explains that to be sure that the process is completed within that time period, the City will need to initiate within one year. She asks if the City will be required to make a commitment to fulfill that finding by letter. Commissioner Mitzelfelt says that a finding within a one year period and a letter from the City seems reasonable but he says he is interested in hearing how the City feels about that. He adds that his motion also included direction to staff to work with the City in developing a phasing strategy for the annexations.

Commissioner Pearson asks if they are saying that the annexation of those four islands must be completed within one year. He points out that they have been given an extension until 2014 to process island annexations; but he says if they jeopardize that timeline, the annexation of those islands, which have been around for 28 years, might not get completed at all. He says there must be some positive steps taken with whatever is decided today to ensure that the completion of the annexations of those islands takes place within a reasonable time period. Ms. McDonald explains that the requirement for the City to initiate annexation of those islands within one year is the direction of the Commission. She says if the City fails to fulfill that finding, staff will let the Commission know. But she points out that the only way to guarantee the requirement for initiation is through the conditional approval recommended by staff. Commissioner Pearson comments that is what he was afraid of and he discusses that they went through a similar procedure with the City of San Bernardino several months back. He says that after discussions back and forth, the City agreed to move forward with its islands in a phased approval, but he says the Commission does have some assurance that will happen because the City wants an action taken on its Arrowhead Springs project.

Commissioner Hansberger comments that there is relevance between those San Bernardino islands and the action the City is asking for on its other project, noting that there would not have been relevance if the islands were located south of Mill Street. He says it is like saying they are on the same planet, so it is the same issue; but he says it is not.

Commissioner Mitzelfelt says there is sentiment to not condition this annexation on the initiation of those four islands so he says this is a compromise. He says that with the working relationship they have with the City, he feels that this issue will be taken care of and that the Commission has the ability to address this in the future if the finding has not been complied with in one year.

Legal Counsel Clark Alsop says that as he understands the motion, staff recommendation 3c will now only include the first sentence and everything else in that paragraph will be stricken. He says a finding will also be added to the resolution indicating that the Commission hopes that the City will initiate the island annexations within one year. Commissioner Mitzelfelt says that the word "hopes" should not be used, but something stronger such as the Commission "expects". He says the motion also includes that staff will work on a phasing strategy with the City.

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Commissioner McCallon asks if the City would like to comment on the timeline the Commission is discussing.

Mr. Scott says he does not have the authority to make a commitment for the entire City Council but he says they clearly have an intention to annex those islands. He says he would like to do some research into the funding that would be available to assist the City in doing that before he makes any commitment. He says he thinks it would be appropriate that City staff move ahead within twelve months to start the annexation process of the pockets up in the north end of Rialto.

Commissioner Hansberger says the County did not create any islands; that they were created by the cities when the cities annexed everything except for the areas they did not want. He discusses that his view is that if cities are willing to come to LAFCO and ask for LAFCO's assistance to accomplish things, then the cities have to accept responsibility for everything within their boundaries. Mr. Scott responds that he tends to agree with Commissioner Hansberger and he thinks the City Council does too. He says that the four islands in the north end of the City, because of the lack of public safety on the part of the County, have become havens for crime up there and he says the City would love to see its Police Department serving those islands. He says that the majority of residents up there want to be annexed to the City for better services and he says his issue is not so much what it is going to cost the City but to do it in a manner that works. He points out that the County, because of its funding sources, does not put a lot of money into the infrastructure in those pockets so he says the City has to look at ways to fund bringing the infrastructure up to City standards. Mr. Scott assures the Commission that from the Council's standpoint, those pockets should be in the City and they believe the residents up there actually do want to be in the City. He says he is clearly in favor of moving ahead with annexation.

Commissioner Hansberger comments that it has been the unfortunate practice for cities to take the things that pay the money and leave the things that cost money to the County, and then they complain about the County not doing its job. He says his view is that if the cities are going to take the money, they should also take the problems and the entire community so that some people are not left hanging out there with no resources.

Commissioner Cox, for clarification, modifies her second to Commissioner Mitzelfelt's motion on staff recommendation 3c so that it only includes the first sentence and everything else is stricken. Commissioner Mitzelfelt says he wants the motion to include the finding outlined by Ms. McDonald. Ms. McDonald says the balance of recommendation 3c regarding the commitment and requirement of the City to initiate the four northern islands within one year has been moved to a finding of the resolution and she says that all references to withholding the Certificate of Completion for this proposal will be removed.

Vice Chairman Colven asks if that is satisfactory to Commissioner Mitzelfelt and he says it is. Vice Chairman Colven asks if there is any further comment. There being none, he calls for a voice vote on the motion and it is as follows: Ayes: Colven, Cox, Hansberger, McCallon, Mitzelfelt, Pearson. Noes: None. Abstain: Biane (Mitzelfelt voting in his stead), Nuaimi, Williams. Absent: None.

**City of Rialto's North Rialto Islands
Annexation Plan for Service and Fiscal
Impact Analysis**

Attachment 5

North Rialto Islands Annexation Plan for Service and Fiscal Impact Analysis City of Rialto

Prepared for:

City of Rialto
150 South Palm Avenue
Rialto, CA 92376
Attn: Robb Steel, Assistant City Administrator/Development Services Director
909.820.8008

April 25, 2016

SRHA Job #1305

CERTIFICATION

The City of Rialto hereby certifies that this document presents the data and information required for the Plan for Service and Fiscal Impact Analysis for the *North Rialto Islands Annexation* to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief.

DATE _____

SIGNATURE OF APPLICANT

Mike Story, City Administrator
City of Rialto, California

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EXECUTIVE SUMMARY

This report provides an assessment by Stanley R. Hoffman Associates (SRHA) of public service delivery capabilities of the City of Rialto and other agencies or special districts affected by annexation of five North Rialto Islands into the City of Rialto. The North Rialto Islands are located within the City's sphere of influence in unincorporated San Bernardino County, as shown in Figure 1. Appendix A includes detailed maps of each Island area.

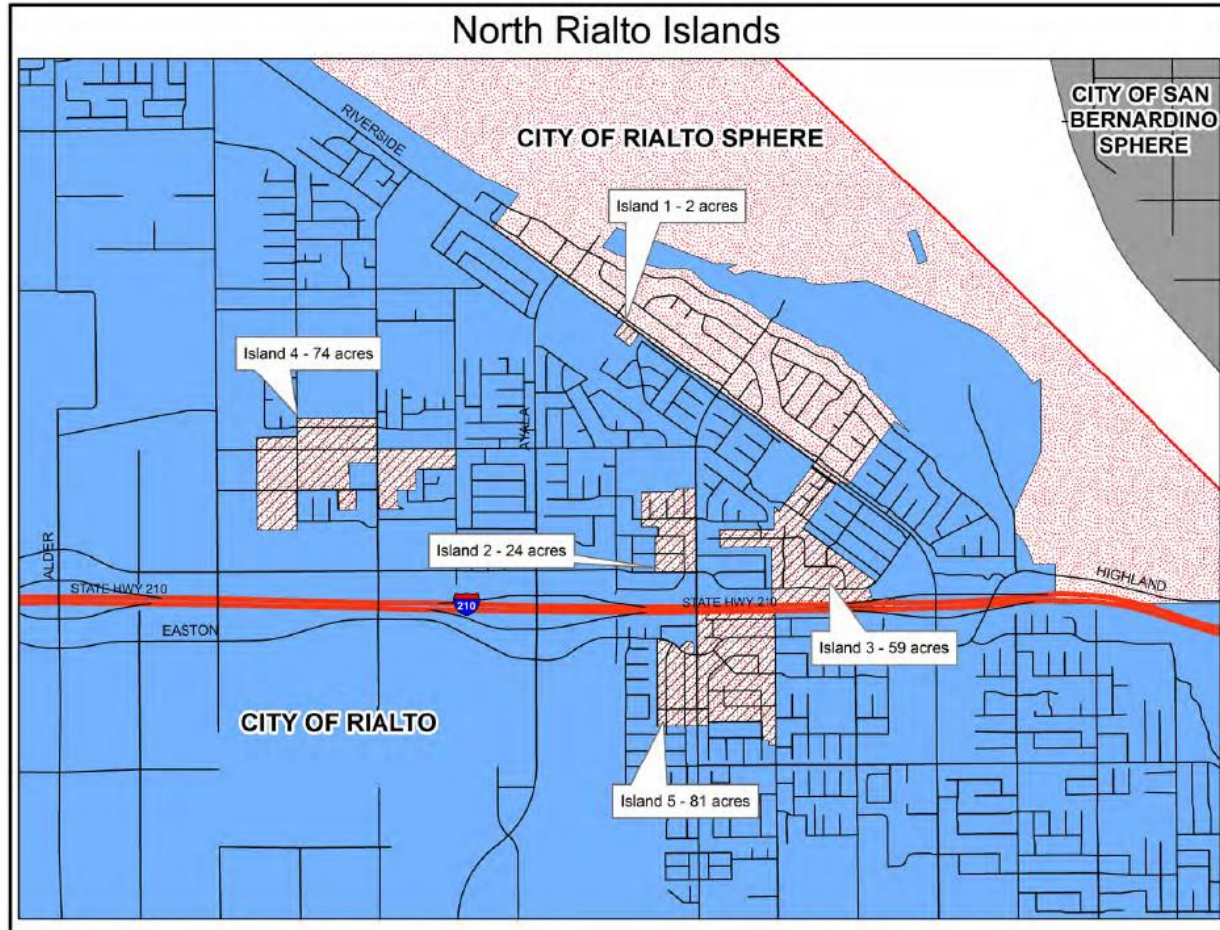
This report is being submitted to the County of San Bernardino Local Agency Formation Commission (LAFCO) as a "Plan for Service" required by California Government Code Section 56653. Currently, the City of Rialto provides fire protection services to the island annexation areas through a mutual aid agreement where the County provides fire protection services to the southern part of Rialto to offset the City services provided to the unincorporated island areas. Upon annexation of the island areas, the City will continue to provide fire protection to the annexation islands and the mutual aid agreement for fire protection with the County is assumed to no longer be applicable, and the City may incur additional costs for reimbursement of County fire protection services in the southern part of Rialto. The County of San Bernardino provides many other services to the unincorporated areas, including general government, development services, sheriff patrol, public library, regional parks and recreation, street lighting, transportation, flood control and drainage, and countywide services, such as law and justice, and health and welfare.

After annexation, the City of Rialto would provide many of these services including general government, community development, fire and paramedic services, police protection, local parks and recreation, community services and public works services to the annexed area. The County of San Bernardino will continue to provide Countywide services such as regional parks and recreation, regional flood control and drainage, law and justice, and health and welfare.

Background

County of San Bernardino Local Agency Formation Commission (LAFCO) prepared a fiscal analysis of existing development in the North Rialto Islands Annexation. The LAFCO document is entitled *Agenda Item #7 – Presentation Required Pursuant to Section IV – Application Processing, Policy 11 – Island Annexation Pursuant to Government Code Section 56375.3 –*

Figure 1
Location of Annexation Islands
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto



Sources: Stanley R. Hoffman Associates, Inc.

Local Agency Formation Commission for San Bernardino County, *Agenda Item #7-- Presentation Required Pursuant to Section IV - Application Processing, Policy 11 – Island Annexation Pursuant to Government Code Section 56375.3*, December 8, 2015

Proposed Annexation to the City of Rialto and West Valley Water District of the Lytle Creek Ranch Specific Plan Anticipating the Development of more than 500 Units, December 8, 2015.

The LAFCO fiscal analysis for the North Rialto Islands Annexation provides the estimated existing households, population and assessed value for each Island area. LAFCO's fiscal impacts are projected based on the development assumptions presented in their fiscal report and the fiscal assumptions used in the October 9, 2014 Lytle Creek fiscal analysis prepared by Stanley R. Hoffman Associates (SRHA).

Development Summary

Total households are estimated at 553 and existing population is estimated at 2,250 for the five North Rialto Islands, based on information provided by LAFCO and summarized in Table 1. The LAFCO fiscal analysis does not include estimated future growth for the island areas. Based on review of the County parcel file, the City designated density for the island areas and the existing average vacancy rate for the surrounding areas, future residential development is estimated at 97 households, resulting in estimated households of 650 after buildout of the five island areas. Based on the current average persons per household for the total island areas of 4.07 from the LAFCO analysis, population for the estimated incremental units is estimated at 395, resulting in an estimated buildout population of 2,645 for the total five North Rialto Islands.

Table 1
Development Description
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2016 Dollars)

Category	North Rialto Islands Annexation Areas		
	Existing Development	Future Growth	Buildout
Estimated Units	595	104	699
Estimated Households (at 7% Vacancy Rate)	553	97	650
Estimated Population	2,250	395	2,645
<i>Average Persons per Household</i>	<i>4.07</i>	<i>4.07</i>	<i>4.07</i>
Estimated Retail/Commercial SiteTotal Square Feet	37,350	0	37,350
Estimated Building Square Feet (at .20 FAR)	7,470	0	7,470
Estimated Employment	10	0	10
Estimated Assessed Valuation ¹	\$93,374,249	\$37,024,000	\$130,398,249
<i>Average Value per Unit</i>	<i>\$156,932</i>	<i>\$356,000</i>	<i>\$186,550</i>

Note: 1. Estimated assessed valuation for existing development excludes exemptions as listed on the County APN file. The average value per unit for future development is estimated based on the average value per unit for the proposed units in the Lytle Creek annexation area.

Sources: Stanley R. Hoffman Associates, Inc.

Local Agency Formation Commission for San Bernardino County, *Agenda Item #7 --*

Presentation Required Pursuant to Section IV - Application Processing, Policy 11 -

Island Annexation Pursuant to Government Code Section 56375.3..., December 8, 2015

City of Rialto, Assistant City Administrator/Development Services Director

A review of the County parcel file shows an estimated 37,350 site square feet of retail/commercial uses. Assuming a floor area ratio of 0.20, building space is estimated at 7,470 square feet and 10 jobs are estimated in the North Rialto Islands Annexation.

Estimated assessed valuation for the existing development is about \$93.4 million, excluding homeowner and other exemptions. Based on the average value per unit of \$356,000 used for the Lytle Creek annexation fiscal analysis, valuation for the estimated new 104 housing units is estimated at about \$37.0 million. When combined with existing valuation, valuation at buildout of the five annexation islands is estimated at about \$130.4 million in constant 2016 dollars.

Projected Fiscal Impacts of North Rialto Islands Annexation

SRHA projects fiscal impacts to the City for the existing development in the five North Rialto Island areas upon annexation; as well as the projected fiscal impacts for the estimated future development in the island areas. In addition to projecting the fiscal impacts to the City for the existing and future development in the five North Rialto Island areas, the recurring fiscal impacts to the City include projected impacts with and without the current City utility users tax (UUT). Rialto voters approved a five year extension of the UUT on March 2013. The UUT is approved through June 2018. Because the UUT will need voter approval to be extended before buildout of the North Rialto Islands occurs, the fiscal analysis projects impacts to the Rialto General Fund both with and without the UUT.

Based on an analysis of current service delivery capabilities to the five North Rialto Islands annexation areas, the projected revenues to the City from these areas are not sufficient to meet additional service demands from the annexation areas. The projected fiscal impacts are summarized in Table 2, and the detailed fiscal analysis of the existing development and future growth is included in Chapter 5.

With Utility Users Tax. As shown in Panel A of Table 2, a recurring annual deficit \$523,929 is projected for the existing development with the utility users tax (UUT). After buildout of the estimated future development, a recurring deficit of \$518,211 is projected.

No Utility Users Tax. As shown in Panel B of Table 2, after buildout without the UUT, an annual recurring deficit of \$797,663 is projected based on a projected deficit of \$761,757 for existing development and a projected deficit of \$35,906 for future growth in the island areas.

Table 2
Summary of Projected Fiscal Impacts
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2016 Dollars)

Category	North Rialto Islands Annexation Areas		
	Existing Development	Future Growth	Buildout
<u>A. With Utility Users Tax</u>			
Annual Recurring Revenues	\$722,299	\$223,831	\$946,130
Annual Recurring Costs	<u>\$1,246,228</u>	<u>\$218,113</u>	<u>\$1,464,341</u>
Annual Recurring (Deficit) or Surplus	(\$523,929)	\$5,718	(\$518,211)
Revenue/Cost Ratio	0.58	1.03	0.65
<u>B. No Utility Users Tax</u>			
Annual Recurring Revenues	\$484,471	\$182,207	\$666,678
Annual Recurring Costs	<u>\$1,246,228</u>	<u>\$218,113</u>	<u>\$1,464,341</u>
Annual Recurring (Deficit) or Surplus	(\$761,757)	(\$35,906)	(\$797,663)
Revenue/Cost Ratio	0.39	0.84	0.46

Sources: Stanley R. Hoffman Associates, Inc.
Local Agency Formation Commission for San Bernardino County, *Agenda Item #7 -- Presentation Required Pursuant to Section IV - Application Processing, Policy 11 - Island Annexation Pursuant to Government Code Section 56375.3...*, December 8, 2015
City of Rialto, Assistant City Administrator/Development Services Director

Comparison of Projected Fiscal Impacts Upon Annexation: SRHA and LAFCO

Table 3 presents a comparison of the SRHA projected fiscal impacts and the LAFCO fiscal analysis of the North Rialto Islands Annexation in December 2015. The SRHA fiscal analysis is based on the existing residential assumptions and fiscal assumptions used in the LAFCO analysis. The SRHA total assessed valuation assumptions are from the LAFCO fiscal analysis minus homeowner and other exemptions as contained in the County parcel file, as summarized in Appendix Table A-3. The LAFCO fiscal analysis assumes a utility users tax (UUT) and does not project impacts without UUT.

As shown in Table 3, for existing development upon annexation with UUT, SRHA projects a deficit of \$523,929 and LAFCO projects a recurring surplus of \$139,263. The difference in projected net revenues and costs of \$663,192 between the two respective analyses are

Table 3
Summary of Projected Fiscal Impacts Upon Annexation: SRHA and LAFCO
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2016 Dollars)

Category	Existing Development Upon Annexation		
	With Utility Users Tax		
	SRHA	LAFCO ¹	SRHA minus LAFCO
Annual Recurring Revenues	\$722,299	\$911,375	(\$189,076)
Annual Recurring Costs	<u>\$1,246,228</u>	<u>\$772,112</u>	<u>\$474,116</u>
Annual Recurring (Deficit) or Surplus	(\$523,929)	\$139,263	(\$663,192)
Revenue/Cost Ratio	0.58	1.18	

Note: 1. The projected impacts for the LAFCO analysis are from the LAFCO report cited below. The LAFCO analysis does not include impacts without utility users tax (UUT).

Sources: Stanley R. Hoffman Associates, Inc.

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summarized in Table 3. Chapter 5 presents the detailed differences in projected amounts of revenues and costs by category.

Projected Revenues. SRHA projects \$184,076 fewer revenues than the LAFCO analysis. The most significant differences in projected revenues include:

- Property Tax. SRHA projects less property tax than LAFCO because homeowner and other exemptions are not removed from the LAFCO estimated assessed valuation.
- On-Site Sales and Use Tax. SRHA estimates sales and use tax for the existing retail uses in the annexation area. The LAFCO analysis does not include this revenue.
- In Lieu Property Tax (Sales and Use Tax). SRHA does not project this revenue because, per Hinderliter de Llamas and Associates (HdL), the State will discontinue this shift from sales and use tax to in-lieu property tax in 2016. LAFCO projects this revenue.
- In Lieu Property Tax of VLF (Vehicle License Fee). While the LAFCO analysis estimates this revenue for current valuation, SRHA does not project this revenue pursuant to SB89 legislation that states that upon annexation, the current valuation of the annexing area is not considered for calculating in lieu of VLF to the City. Only increases in gross assessed valuation after annexation generate property tax in lieu of VLF to the City.

Projected Costs. SRHA projects \$474,116 more costs than the LAFCO analysis. The most significant differences in projected costs include:

- Fire Protection. The LAFCO fiscal analysis excludes fire protection costs for the island annexation areas, because the City of Rialto currently provides fire protection services to the island annexation areas through a
- mutual aid agreement where the County provides fire protection services to the southern part of Rialto to offset the City services provided to the unincorporated island areas. Based on discussion with City staff, upon annexation of the island areas, the City will continue to provide fire protection to the annexation islands and the mutual aid agreement for fire protection with the County is assumed to no longer be applicable. The City is assumed to incur additional costs for reimbursement of County fire protection services in the southern part of Rialto.
- General Government. SRHA projects general government overhead costs. However, these costs are not projected in the LAFCO analysis.
- 5% Contingency/Reserves. Because SRHA projects higher costs in several categories than the LAFCO analysis, the SRHA 5 percent estimated contingency costs increase proportionally.

North Rialto Islands Plus Lytle Creek Specific Plan

Annexation Areas - Existing Development. As shown in Table 4, a recurring deficit of \$523,929 is projected upon annexation of the five North Rialto Islands with utility users tax (UUT). When combined with the projected surplus of \$20,929 for the annexation area in the Lytle Creek project – prior to any development, a recurring deficit of \$503,000 is projected upon annexation with UUT. Without UUT, a recurring deficit of about \$756,683 is projected for existing development within the islands annexation area combined with the Lytle Creek annexation area prior to development.

Annexation Areas - Buildout. As also shown in Table 4, a recurring deficit of \$518,211 is projected after buildout of the five island annexations with UUT. When combined with the projected surplus of \$514,521 for the annexation area of the Lytle Creek project with UUT, the projected surplus after buildout of the combined annexations areas with UUT is roughly breakeven at \$3,690. A recurring deficit of about \$1.3 million is projected after buildout of both annexation areas without UUT.

Total Buildout. As shown in Table 5, when the projected recurring deficit of \$518,211 for the five island annexations is combined with the projected recurring surplus of about \$2.4 million for the total Lytle Creek project after buildout, a recurring surplus of about \$1.9 million is projected

Table 4
North Rialto Islands Annexation and Lytle Creek Annexation Area,
Summary of Projected Recurring Fiscal Impacts: Annexation Areas Only
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2016 Dollars)

Category	Annexation Areas Only					
	Existing Development			Buildout of Areas		
	Five Islands Annexation Areas	Lytle Creek Annexation Area Only	Total Annexation Areas	Five Islands Annexation Areas	Lytle Creek Annexation Area Only ¹	Total Annexation Areas
<u>A. With Utility User Tax</u>						
Annual Recurring Revenues	\$722,299	\$20,929	\$743,228	\$946,130	\$6,689,174	\$7,635,304
Annual Recurring Costs	<u>\$1,246,228</u>	<u>\$0</u>	<u>\$1,246,228</u>	<u>\$1,464,341</u>	<u>\$6,174,653</u>	<u>\$7,638,994</u>
Annual Recurring (Deficit) or Surplus	(\$523,929)	\$20,929	(\$503,000)	(\$518,211)	\$514,521	(\$3,690)
Revenue/Cost Ratio	0.58	n/a	0.49	0.65	1.08	1.00
<u>B. No Utility User Tax</u>						
Annual Recurring Revenues	\$484,471	\$5,074	\$489,545	\$666,678	\$5,683,405	\$6,350,083
Annual Recurring Costs	<u>\$1,246,228</u>	<u>\$0</u>	<u>\$1,246,228</u>	<u>\$1,464,341</u>	<u>\$6,174,653</u>	<u>\$7,638,994</u>
Annual Recurring (Deficit) or Surplus	(\$761,757)	\$5,074	(\$756,683)	(\$797,663)	(\$491,248)	(\$1,288,911)
Revenue/Cost Ratio	0.39	n/a	0.39	0.46	0.92	0.83

Note: 1. The projected fiscal impacts for Lytle Creek include a special tax levy of \$104 per unit to finance annual maintenance costs for police, fire and parks.

Sources: Stanley R. Hoffman Associates, Inc.
City of Rialto, Assistant City Administrator/Development Services Director
LAFCO Fiscal Analysis, December 8, 2015

Table 5
North Rialto Islands and Total Lytle Creek Project
Summary of Projected Recurring Fiscal Impacts: Total Buildout
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2016 Dollars)

Category	Buildout of Five Islands and Total Lytle Creek Project		
	Five Islands Annexation Areas	Lytle Creek Total Project ¹	Total Areas
<u>A. With Utility User Tax</u>			
Annual Recurring Revenues	\$946,130	\$13,735,912	\$14,682,042
Annual Recurring Costs	<u>\$1,464,341</u>	<u>\$11,368,214</u>	<u>\$12,832,555</u>
Annual Recurring (Deficit) or Surplus	(\$518,211)	\$2,367,698	\$1,849,488
Revenue/Cost Ratio	0.54	1.21	1.12
<u>B. No Utility User Tax</u>			
Annual Recurring Revenues	\$666,678	\$11,737,949	\$12,404,627
Annual Recurring Costs	<u>\$1,464,341</u>	<u>\$11,368,214</u>	<u>\$12,832,555</u>
Annual Recurring (Deficit) or Surplus	(\$797,663)	\$369,735	(\$427,928)
Revenue/Cost Ratio	0.38	1.03	0.95

Note: 1. The projected fiscal impacts for Lytle Creek include a special tax levy of \$104 per unit to finance annual maintenance costs for police, fire and parks.

Sources: Stanley R. Hoffman Associates, Inc.
City of Rialto, Assistant City Administrator/Development Services Director
LAFCO Fiscal Analysis, December 8, 2015

with UUT. Without the UUT, a recurring deficit of \$427,928 is projected when the projected deficit of \$797,663 for the five island annexation areas are combined with the total Lytle Creek project surplus of \$369,735 after buildout without UUT.

The projected fiscal impacts for both the Lytle Creek Annexation Area and the Lytle Creek Total Project include a special tax levy of \$104 per unit for annual maintenance and operations costs for police, fire protection and parks.

It should be noted that the two scenarios where the combined fiscal impacts of the island annexation areas and the Lytle Creek area is either roughly breakeven or positive, include the assumption of the existing utility users tax (UUT) being in place. Also, it will take a number of years of development within Lytle Creek – particularly the commercial development – for these positive fiscal conditions to be realized. In the meantime, the City will be experiencing a sizable negative fiscal impact from the island annexation areas from existing development under any of the scenarios, with or without the UUT.

Projected Fiscal Impacts of North Rialto Islands Annexation with No New Fire Costs

As discussed earlier, the City of Rialto currently provides fire protection services to the island annexation areas through a mutual aid agreement where the County provides fire protection services to the southern part of Rialto to offset the City services provided to the unincorporated island areas. The previous projected fiscal impacts upon annexation of the island areas assumed that the City will continue to provide fire protection services to the annexation islands and the mutual aid agreement for fire protection with the County will no longer be applicable. Under this assumption, the City may incur additional costs for reimbursement of County fire protection services in the southern part of Rialto.

In contrast, Table 6 summarizes the projected fiscal impacts if no new fire costs are assumed for Rialto upon annexation of the island areas. However, upon annexation, the current estimated property tax for fire protection that is going to the County for the annexation areas is assumed to shift to the City.

With Utility Users Tax and No New Fire Costs. As shown in Panel A of Table 6, a recurring annual deficit \$127,449 is projected for the existing development with the utility users tax (UUT) and no additional south Rialto fire protection costs. After buildout of the estimated future development, a recurring deficit of \$52,340 is projected.

Table 6
Summary of Projected Fiscal Impacts with No New Fire Costs
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2016 Dollars)

Category	No New Fire Costs		
	North Rialto Islands Annexation Areas		
	Existing Development	Future Growth	Buildout
<u>A. With Utility Users Tax</u>			
Annual Recurring Revenues	\$722,299	\$223,831	\$946,130
Annual Recurring Costs	<u>\$849,748</u>	<u>\$148,722</u>	<u>\$998,470</u>
Annual Recurring (Deficit) or Surplus	(\$127,449)	\$75,109	(\$52,340)
Revenue/Cost Ratio	0.85	1.51	0.95
<u>B. No Utility Users Tax</u>			
Annual Recurring Revenues	\$484,471	\$182,207	\$666,678
Annual Recurring Costs	<u>\$849,748</u>	<u>\$148,722</u>	<u>\$998,470</u>
Annual Recurring (Deficit) or Surplus	(\$365,277)	\$33,485	(\$331,792)
Revenue/Cost Ratio	0.57	1.23	0.67

Sources: Stanley R. Hoffman Associates, Inc.

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No Utility Users Tax and No New Fire Costs. As shown in Panel B of Table 6, after buildout without the UUT and without additional south Rialto fire protection costs, an annual recurring deficit of \$331,792 is projected based on a projected deficit of \$365,277 for existing development and a projected surplus of \$33,485 for future growth in the island areas.

Comparison of Projected Fiscal Impacts with No New Fire Costs: SRHA and LAFCO

Table 7 presents a comparison of the SRHA projected fiscal impacts with Rialto's utility users tax (UUT) and no new fire protection costs in south Rialto, and the LAFCO fiscal analysis of the North Rialto Islands Annexation areas in December 2015.

As shown in Table 7, for existing development upon annexation with UUT and no new fire protection costs, SRHA projects a deficit of \$127,449 and LAFCO projects a recurring surplus of \$139,263. The difference in the projected net fiscal impacts with no new fire protection costs is

Table 7
Summary of Projected Fiscal Impacts with No New Fire Costs: SRHA and LAFCO
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2016 Dollars)

Category	Existing Development Upon Annexation		
	With Utility Users Tax and No New Fire Costs		
	SRHA	LAFCO ¹	SRHA minus LAFCO
Annual Recurring Revenues	\$722,299	\$911,375	(\$189,076)
Annual Recurring Costs	<u>\$849,748</u>	<u>\$772,112</u>	<u>\$77,636</u>
Annual Recurring (Deficit) or Surplus	(\$127,449)	\$139,263	(\$266,712)
Revenue/Cost Ratio	0.85	1.18	

Note: 1. The projected impacts for the LAFCO analysis are from the LAFCO report cited below. The LAFCO analysis does not include impacts without utility users tax (UUT).

Sources: Stanley R. Hoffman Associates, Inc.

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\$266,172, as compared to a difference of about \$663,192 between the SRHA and LAFCO projections (shown in Table 3) when SRHA assumes that fire protection costs currently provided by the County Fire Department under the existing mutual aid agreement does not continue.

CHAPTER 1

INTRODUCTION

This report provides an assessment by Stanley R. Hoffman Associates (SRHA) of public service delivery capabilities of the City of Rialto and other agencies or special districts affected by the annexation of five North Rialto Islands into the City of Rialto. The North Rialto Islands are located within the City's sphere of influence in unincorporated San Bernardino County. Appendix A includes detailed maps of each Island area.

1.1 Background

Regionally, the City of Rialto is located approximately 60 miles east of downtown Los Angeles and 103 miles north of San Diego, in the western portion of the San Bernardino Valley. The primary regional transportation linkages include the Foothill Freeway (State Route 210), which traverses through the central portion of the City in an east-west direction, and the Ontario Freeway (Interstate 15), which borders the City to the north, providing regional access to the project area. Secondary regional transportation access is provided by the Interstate 215 Freeway to the northeast. From the I-15, direct access to the project site is provided by Sierra and Riverside Avenues. Riverside Avenue runs along the southwestern boundary of the site. Access to the site from State Route 210 is available via an interchange at Riverside Avenue.

1.2 Purpose of the Study

The County of San Bernardino Local Agency Formation Commission (LAFCO) prepared a fiscal analysis of the existing development in the North Rialto Islands Annexation in December 2015. The LAFCO document is entitled *Agenda Item #7 – Presentation Required Pursuant to Section IV – Application Processing, Policy 11 – Island Annexation Pursuant to Government Code Section 56375.3 – Proposed Annexation to the City of Rialto and West Valley Water District of the Lytle Creek Ranch Specific Plan Anticipating the Development of more than 500 Units, December 8, 2015*.

The projected fiscal impacts in the LAFCO analysis are compared with the projected impacts in this analysis. The major differences in projected revenues and costs are discussed.

1.3 Organization of the Report

Chapter 2 contains the description of the North Rialto Islands Annexation areas. The analysis of existing public service delivery in the Annexation area and upon annexation into the City is

presented in Chapter 3. Chapter 4 discusses the development impact fees and charges for infrastructure associated with the proposed project, as well as the estimated cost for road infrastructure improvements. The fiscal impact analysis of the annual operations and maintenance costs for the provision of services to the Annexation area is provided in Chapter 5, and compared with the LAFCO fiscal analysis. Chapter 6 covers the revenue and cost assumptions used for the fiscal analysis.

Appendix A includes the North Rialto Island maps and the existing development descriptions for each of the islands. Appendix B includes the fiscal impact analysis for the existing development in each of the islands. Supporting tables for the fiscal assumptions appear in Appendix C, and Appendix D lists the project contacts and references used in the preparation of this study.

CHAPTER 2 PROJECT DESCRIPTION

This chapter presents the development description for the North Rialto Islands Annexation fiscal analysis.

2.1 Development Description

A summary of the existing development and estimated future growth is presented in Table 2-1 and Table 2-2 includes a detailed description of the North Rialto Island Annexation.

Existing Development

A total of 595 residential units area estimated based on the current County parcel file for the five islands. Total households are estimated at 553 and total existing population is estimated at 2,250 for the five North Rialto Islands, based on information provided by LAFCO.

A review of the County parcel file shows an estimated 37,350 site square feet of retail and service commercial uses. Assuming a floor area ratio of 0.20, building space is estimated at 7,470 square feet and 10 jobs are estimated in the North Rialto Islands Annexation. As shown in Panel D of Table 2-2, building square feet is estimated at 3,600 for retail and 3,870 square feet are estimated for service commercial.

Existing development for each of the five annexation islands is included in Appendix Table A-1.

Future Growth

The LAFCO fiscal analysis does not include estimated future growth for the island areas. Future residential units are estimated at 104 units based on review of the vacant parcels in the County parcel file and the City designated zoning and density for the island areas, as shown in Appendix Table A-2. When the existing average vacancy rate of 7 percent is applied, 97 future households are estimated. Based on the current average persons per household for the total island areas of 4.07 from the LAFCO analysis, population for the estimated future units is estimated at 395.

Buildout

A total of 699 housing units are estimated for the five islands at buildout. Assuming the 7 percent average vacancy rate, the number of households is estimated at 650 after buildout. A buildout population of 2,645 is estimated for the total five North Rialto Islands based on 4.07 persons per household.

Table 2-1
Development Summary
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2016 Dollars)

Category	North Rialto Islands Annexation Areas		
	Existing Development	Future Growth	Buildout
Estimated Units	595	104	699
Estimated Households (at 7% Vacancy Rate)	553	97	650
Estimated Population	2,250	395	2,645
<i>Average Persons per Household</i>	<i>4.07</i>	<i>4.07</i>	<i>4.07</i>
Estimated Retail/Commercial Site Total Square Feet	37,350	0	37,350
Estimated Building Square Feet (at .20 FAR)	7,470	0	7,470
Estimated Employment	10	0	10
Estimated Assessed Valuation ¹	\$93,374,249	\$37,024,000	\$130,398,249
<i>Average Value per Unit</i>	<i>\$156,932</i>	<i>\$356,000</i>	<i>\$186,550</i>

Note: 1. Estimated assessed valuation for existing development excludes exemptions as listed on the County APN file. The average value per unit for future development is estimated based on the average value per unit for the proposed units in the Lytle Creek annexation area.

Sources: Stanley R. Hoffman Associates, Inc.
Local Agency Formation Commission for San Bernardino County, *Agenda Item #7 -- Presentation Required Pursuant to Section IV - Application Processing, Policy 11 - Island Annexation Pursuant to Government Code Section 56375.3...*, December 8, 2015
City of Rialto, Assistant City Administrator/Development Services Director

Estimated retail/commercial building space of 7,470 square feet and 10 jobs is not estimated to increase at this time.

2.2 Assessed Valuation, Property Tax and Sales Tax

Assessed Valuation

Estimated assessed valuation for the existing development is about \$93.4 million, excluding homeowner and other exemptions. Based on the average value per unit of \$356,000 used for the Lytle Creek annexation fiscal analysis, valuation for the estimated new 104 housing units is estimated at about \$37.0 million. When combined with existing valuation, valuation at buildout of the five annexation islands is estimated at about \$130.4 million in constant 2016 dollars.

Table 2-2
Detailed Development Description
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto

Category	Existing Development	Future Development ²	Total Buildout
A. ACRES	240	0	240
B. PARCEL SQUARE FEET BY LAND USE			
Single Family	6,738,716	0	6,738,716
Multi-Family	22,374	0	22,374
Retail Commercial	17,998	0	17,998
Service Commercial	19,352	0	19,352
Vacant	<u>1,034,918</u>	<u>0</u>	<u>1,034,918</u>
Total Square Feet	7,833,358	0	7,833,358
C. RESIDENTIAL DEVELOPMENT			
Units	595	104	699
Households (Occupied Units @ 7% Vacancy)	553	97	650
Estimated Population	2,250	395	2,645
<i>Estimated LAFCO PPH</i>	<i>4.07</i>	<i>4.07</i>	<i>4.07</i>
D. NON-RESIDENTIAL DEVELOPMENT			
<u>Building Square Feet (@ 0.20 FAR)</u>			
Retail Commercial	3,600	0	3,600
Service Commercial	<u>3,870</u>	<u>0</u>	<u>3,870</u>
Total Building Square Feet	7,470	0	7,470
<u>Estimated Employment</u>			
Retail Commercial @ 500 sq. ft. per employee	7	0	7
Service Commercial @ 1,200 sq. ft. per employee	<u>3</u>	<u>0</u>	<u>3</u>
Estimated Employment	10	0	10
E. ESTIMATED SERVICE POPULATION ³			
Population	2,250	395	2,645
Employment at 50%	<u>5</u>	<u>0</u>	<u>5</u>
Total Service Population	2,255	395	2,650

Note: 1. Existing acres, households and population by Island areas are provided by LAFCO as presented in the report cited below, and presented in Appendix Table A-1. Retail/commercial square feet is from the County assessor parcel number (APN) file. Employment is estimated by the fiscal consultant.

2. Future residential units of 104 are estimated by the fiscal consultant based on vacant parcels and development density information from City staff, as shown in Appendix Table A-2. Based on the current citywide vacancy rate of 7 percent, households are estimated at 97. Population for these households is estimated at 395 based on the persons per household factor of 4.07 from the LAFCO report cited below.

3. This analysis has weighted the employment at 50% to account for the estimated less frequent use of City services by employment versus population.

Sources: Stanley R. Hoffman Associates, Inc.
Local Agency Formation Commission for San Bernardino County, *Agenda Item #7 -- Presentation Required Pursuant to Section IV - Application Processing, Policy 11 - Island Annexation Pursuant to Government Code Section 56375.3...*, December 8, 2015
City of Rialto, Assistant City Administrator/Development Services Director

Property Tax

As shown in Panel A of Table 2-3, estimated net assessed valuation for the existing development is about \$93.4 million when homeowner and other exemptions of about \$2.2 million are excluded from total assessed valuation of about \$95.6 million, as shown in Appendix Table A-3. The one percent property tax levy on the net assessed valuation of \$93.4 million is \$933,742. Based on the property tax allocation to the City of Rialto of 21.04 percent provided in the LAFCO report and shown in Appendix Table C-3, property tax to the City for existing development is estimated at \$196,492.

Based on the estimated assessed valuation of \$37.0 million for future growth, the one percent property tax levy is estimated at \$370,240, and property tax to the City is estimated at \$77,911 for future growth. Based on this estimated \$77,911 of property tax for future growth and the estimated \$196,492 of property tax for existing development, property tax for buildout of the five island areas is estimated at \$274,403, in constant 2016 dollars.

Sales and Use Tax

While the specific size and current sales tax generated by an existing retail market/deli is not available. For purposes of the fiscal analysis, the size of the retail establishment is estimated at 3,600 square feet, as shown in Panel B of Table 2-3. Retail taxable sales are projected at \$792,000 based on an assumption of \$220 per square foot of taxable sales. Sales tax is estimated at \$7,920 and use tax at the rate of 11.5 percent of sales tax results in total estimated sales and use tax of \$8,830. No retail uses are assumed for future growth.

Table 2-3
Estimated Assessed Valuation and Property Tax
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2016 Dollars)

Category	Existing Development	Future Growth	Total Buildout
A. ESTIMATED ASSESSED VALUATION AND PROPERTY TAX			
Total Estimated Assessed Valuation	\$95,614,212	\$37,024,000	\$132,638,212
Exemptions (homeowner and other) <i>minus</i>	\$2,239,963	\$0	\$2,239,963
Net Estimated Assessed Valuation <i>equals</i>	\$93,374,249	\$37,024,000	\$130,398,249
1% Property Tax Levy <i>times</i>	\$933,742	\$370,240	\$1,303,982
City General Fund Share of 1% Levy <i>times</i>	21.04%	21.04%	21.04%
Projected City General Fund Property Tax ¹ <i>equals</i> (@ 21.04 of 1% levy)	\$196,492	\$77,911	\$274,403
B. ESTIMATED ON-SITE SALES AND USE TAX			
Retail (Corner Market/Deli) Square Feet	3,600	0	3,600
Retail Taxable Sales (@ \$220 per square foot taxable sales)	\$792,000	\$0	\$792,000
Retail Sales Tax (@ 1% of taxable sales) <i>plus</i>	\$7,920	\$0	\$7,920
Use Tax (@ 11.5% of sales tax) ²	<u>\$910</u>	<u>\$0</u>	<u>\$910</u>
Total On-Site Sales and Use Tax	\$8,830	\$0	\$8,830

Note: 1. The property tax allocation rate of 21.04 percent of the basic one percent levy is provided in the LAFCO report cited below and included in Appendix Table C-3.

2. Use tax is rounded to the nearest tens.

Sources: Stanley R. Hoffman Associates, Inc.
Local Agency Formation Commission for San Bernardino County, *Agenda Item #7 -- Presentation Required Pursuant to Section IV - Application Processing, Policy 11 - Island Annexation Pursuant to Government Code Section 56375.3...*, December 8, 2015
City of Rialto, Assistant City Administrator/Development Services Director

CHAPTER 3

PUBLIC FACILITIES BEFORE AND AFTER ANNEXATION

This chapter describes the existing and anticipated future service providers for the proposed North Rialto Islands Annexation project area. The level and range of the services for the annexation area are described, if they are known. The following services are detailed in this chapter:

- General Government
- Development Services
- Fire Prevention and Protection
- Emergency Medical Services
- County Sheriff/Police Services
- Library
- Parks and Recreation
- Animal Control
- Street Lighting
- Landscape Maintenance
- Water
- Sewer
- Transportation
- Flood Control and Drainage
- Utilities
- Schools
- Solid Waste Management

Table 3-1 presents current and anticipated service providers in the North Rialto Islands annexation area. In many cases, such as general government, community development, economic development, fire and paramedic, and sheriff/police, among others, responsibilities shift from the County of San Bernardino to the City of Rialto. Other services, like water and utilities, remain unchanged before and after annexation. These changes are detailed in subsequent sections of this chapter.

3.1 General Government

Before Annexation

The County of San Bernardino provides general government services, including: all Administrative services, Community Development services, and Economic Development services to the annexation area. In addition, the County provides countywide services, such as law and justice, and health and welfare services that are provided to all residents whether they reside in the unincorporated area or a City.

Table 3-1
Current and Anticipated Service Providers in the North Rialto Islands Annexation Areas
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto

Service Type	Current Service Provider	Anticipated Service Provider
General Government:		
Administrative Services	County of San Bernardino	City of Rialto
Development Services		
Planning	County of San Bernardino	City of Rialto
Building Services	County of San Bernardino	City of Rialto
Development Review	County of San Bernardino	City of Rialto
Code Compliance	County of San Bernardino	City of Rialto
Business Licensing	County of San Bernardino	City of Rialto
Countywide Services	County of San Bernardino	County of San Bernardino
Fire Prevention and Protection	San Bernardino County Fire Protection District - Valley Service Zone	City of Rialto Fire Department
Emergency Medical	American Medical Response, SBCFPD	City of Rialto Fire Department
Sheriff/Police	County of San Bernardino Sheriff's Department	City of Rialto Police Department
Library	County of San Bernardino Library District	County of San Bernardino Library District
Parks and Recreation:		
Local Facilities	none	City of Rialto
Regional Facilities	County of San Bernardino	County of San Bernardino
Animal Control	San Bernardino County Animal Care and Control	City of Rialto Police Department
Street Lighting	CSA (SL-1) provides street lighting installation and maintenance for a small portion of the project. Lighting powered by Southern California Edison.	City of Rialto
Landscape Maintenance	Private	City of Rialto
Water	San Bernardino Valley Municipal Water District West Valley Water District (WVWD) for a portion of the project.	San Bernardino Valley Municipal Water District Entire project must annex to the West Valley Water District (WVWD)
Sewer	Private Septic Service	City of Rialto Sewer System
Transportation:		
Freeways and Interchanges	Cal Trans	Cal Trans
Arterials and Collectors	San Bernardino County - Public Works	City of Rialto Public Works Department
Local Roads	San Bernardino County - Public Works	City of Rialto Public Works Department
Transit	Omnitrans	Omnitrans
Flood Control and Drainage:		
Local Facilities	San Bernardino County Flood Control District	City of Rialto Public Works Department
Regional Facilities	San Bernardino County Flood Control District, U.S. Army Corp of Engineers	San Bernardino County Flood Control District, U.S. Army Corp of Engineers
Utilities:		
Cable/Internet Provider/Phone	Time Warner, AT&T Uverse	Time Warner, AT&T U-verse
Telephone	AT&T	AT&T
Power	Southern California Edison	Southern California Edison
Natural Gas	Southern California Gas Company	Southern California Gas Company
Schools	Rialto Unified School District San Bernardino Unified School District Fontana Unified School District	Rialto Unified School District San Bernardino Unified School District Fontana Unified School District
Solid Waste Management	Burrtec Waste Industries	Burrtec Waste Industries has exclusive franchise with City of Rialto

Sources: Stanley R. Hoffman Associates, Inc.
City of Rialto, Website
San Bernardino County Local Agency Formation Commission

After Annexation

After the annexation, the City of Rialto will provide the general government services which include administrative services as well as General Governance, Community Development and Economic Development. The County of San Bernardino will continue to provide Countywide services such as law and justice, and health and welfare services that are provided to all residents of the County whether they reside in a City or the unincorporated area.

3.2 Fire and Paramedic

Before Annexation

San Bernardino County Fire Protection District is responsible fire protection to the North Rialto Island Annexation area. Currently, the City of Rialto provides fire protection services to the island annexation areas through a mutual aid agreement where the County provides fire protection services to the southern part of Rialto to offset the City services provided to the unincorporated island areas.

After Annexation

Upon annexation of the island areas, the City will continue to provide fire protection and the mutual aid agreement for fire protection with the County will no longer be applicable. Upon annexation, the project area will be detached from the San Bernardino Fire Protection District. The Rialto City Fire Department will be the service provider for fire prevention, protection and EMS, i.e. paramedic services after the annexation. City fire codes and fire abatement requirements will be addressed during the entitlement and permitting process. The City may incur additional costs for reimbursement of County services in the southern part of Rialto.

There are four fire stations in Rialto; Station 202, located at 1925 N. Riverside Avenue, is the closest station to the North Rialto Islands project site. Station 202 has one fire engine and two paramedic ambulances (one in reserve). The fire station will provide wildland and structural fire protection, and response to 911 medical aid call, traffic accidents and hazardous materials.

Additional support may be provided by Fire Station 203 on Ayala Drive and Fire Station 204, located at N. Alder in Rialto.

3.3 Sheriff/Police

Before Annexation

The San Bernardino County Sheriff-Coroner's Department provides public safety services to the

unincorporated areas. The Sheriff's Department and the City Police Department provide mutual backup services upon request within both the City and unincorporated areas. The California Highway Patrol provides traffic patrol on State Highways within the unincorporated areas of the County. The Highway Patrol can also provide emergency response backup to the City Police and the County Sheriff upon request.

After Annexation

After the annexation, the City of Rialto Police Department will be providing the public safety services for the North Rialto Islands Annexation. The Department currently employs 140.5 total employees, with 101 sworn and 39.5 non-sworn personnel. In addition to patrol services, the Police Department offers K-9, School Resource Officer (SRO), Street Crime Attach Team (SCAT), investigations, traffic enforcement, narcotics enforcement, training and background checks, community services, animal control services and re-entry support services. The Rialto Police Department is also part of the Four-City Regional SWAT Team (IVS) and Air-Support Unit.

3.4 Library

Before Annexation

Currently, the annexation area is served by the San Bernardino County Library system. The nearest County library is the Carter Branch Library located at 2630 North Linden Drive in Rialto.

After Annexation

The annexation area would continue to receive library services from the San Bernardino County Library system library upon annexation. In addition to the Carter Branch Library, the Rialto Branch Library is located at 251 West 1st Street in Rialto.

3.5 Parks and Recreation

Before Annexation

The County Regional Parks Department provides regional park services to all residents within the County, including unincorporated areas. The County Regional Parks system includes the following parks: Glen Helen, Yucaipa, Lake Gregory, Cucamonga, Guasti, and Prado. The closest regional park is Glen Helen Regional Park which has various recreation areas with amenities for fishing, boating, and picnicking. However, the County does not provide local park services, and, currently, there are no local parks within the annexation area.

It likely that the current residents of the island annexation areas are using the local park and recreation facilities in the City of Rialto.

After Annexation

Rialto has a variety of parks and recreation facilities for public use. Park facilities include picnic areas, ball fields, basketball courts, walking tracks and shelters. The Rialto Community Center and Rialto Senior Center have rooms available to rent for meetings, seminars and private parties.

3.6 Animal Control

Before Annexation

The San Bernardino County Animal Care and Control Program currently offers field services, animal licensing and education for dog owners in the unincorporated areas of the County. The Program operates two animal shelters: 1) Big Bear Animal Shelter is located at Northshore Road, Big Bear City; and 2) Devore Animal Shelter is located at 19777 Shelter Way, Devore.

After Annexation

The Humane Services section of the Rialto Police Department is responsible for handling animal control related services for the City. These services include picking up strays, response to complaints or attacks, licensing and ordinance enforcement. The City contracts with the County for animal shelter services only. The annexation area will receive services from the City, which will be financed by the General Fund and various user fees.

3.7 Street Lighting

Before Annexation

Street lighting services in a small portion of the annexation area are funded thorough property tax revenues accruing to the CSA SL-1 Valley Area. Current street lighting improvements are powered by Southern California Edison.

After Annexation

Upon annexation, the City of Rialto will provide installation, maintenance and street lighting improvements. Based on information provided by LAFCO staff, the portion of the project within the CSA SL-1 will be detached from CSA SL-1 upon annexation to the City. The property tax revenues that would accrue to the County for CSA SL-1 will then be allocated to the City of Rialto per the estimated property tax allocation rates shown in Appendix Table C-3.

3.8 Landscape Maintenance

Before Annexation

Currently, the County of San Bernardino is responsible for minimal landscaping maintenance in the annexation area.

After Annexation

Upon annexation, the City will maintain all common landscape areas, hardscape areas, and irrigation systems in the North Rialto Islands Annexation. New growth may become part of an existing Lighting and Landscaping District (LLMD).

3.9 Water

Before Annexation

Currently, San Bernardino Valley Municipal Water District is the wholesale water service provider and State water contractor for the project area. The West Valley Water District provides domestic and recycled water, and maintains water quality for the annexation area.

After Annexation

Upon annexation, the entire project must annex into the West Valley Water District (WVWD). The backbone water facilities and infrastructure will be owned, operated and serviced by the WVWD. All new waterlines and water facilities will be designed and installed in accordance with the WVWD requirements and specifications. The fair share cost of designing and constructing the water system will be financed by the project master developer, project area builders, and/or other financing mechanisms acceptable to the WVWD.

3.10 Sewer

Before Annexation

The island annexation areas currently use private septic service and public sewer service is not currently provided in the North Rialto Islands Annexation area.

After Annexation

Upon annexation to the City, some of the existing development could connect to the City's sewer system. The City's sewer collection system runs under the streets on the perimeter of the island areas and, in some cases, passes through the island areas. City policy requires properties to connect to the sewer system within three years of the system becoming available within 200 feet of their property.

3.11 Transportation

Before Annexation

Current transportation services for the City of Rialto include freeways and interchanges serviced by Cal Trans; arterials and collectors serviced by the Public Works Department of San Bernardino County; local roads also serviced by the Public Works Department of San Bernardino County; and public transit serviced by Omnitrans.

After Annexation

Cal Trans will continue to provide their services post annexation for freeways and interchanges, and Omnitrans for public transit. All arterials and collectors and on-site street local roads will be maintained by the City public works department. The City estimates infrastructure improvements at about \$8.1 million due to deferred street maintenance and lack of sidewalk improvements for existing development in the island areas. Currently, this is an unfunded infrastructure liability. For new development, the developer, in cooperation with the City of Rialto, will be responsible for improvements of all necessary public streets, both on- and off-site.

3.12 Flood Control and Drainage

Before Annexation

On a regional level, the San Bernardino County Flood Control District intercepts and manages flood flows through and away from developed areas throughout the County. The Flood Control District is also responsible for water conservation and storm drain construction.

After Annexation

Local stormwater services would transfer to the City upon annexation and regional flood control services would remain with the County Flood Control District. The City has a system of north-south running drains feeding interceptor lines draining either to the Rialto Channel, which parallels Cactus Avenue, or to the Lytle Creek Wash area.

3.13 Utilities

Before and After Annexation

Utilities include cable television, internet, telephone, electric power, and natural gas. Currently, Time Warner and AT&T Uverse are the cable television and internet service providers. AT&T maintains telephone service to the annexation area. Electricity is provided by Southern

California Edison, while natural gas is supplied by the Southern California Gas Company. These service providers are not anticipated to change upon annexation.

3.15 Solid Waste Management

Before Annexation

The San Bernardino County Solid Waste Management Division, under the Department of Public Works, oversees the operation and management of the County's solid waste disposal system, which includes five regional landfills and nine transfer stations. The waste hauler for the project area is Burrtec Industries.

After Annexation

Solid waste collection in the City of Rialto is mandatory and Burrtec Industries has an exclusive franchise agreement with the City. Burrtec Industries offers integrated waste removal and recycling programs to residential and commercial customers. Per the franchise agreement with the City, Burrtec Industries utilizes the County owned landfill located in the City of Rialto for the disposal of solid waste collected in the City. All collection services are supported on a user fee basis.

CHAPTER 4

FINANCING PUBLIC FACILITIES AND INFRASTRUCTURE

Estimated development impact fees and estimated capital improvements for existing roads in the North Islands Annexation areas are presented in this chapter. The projected annual fiscal impacts to the City for provision of services to the North Rialto Islands Annexation areas are presented in Chapter 5.

4.1 Development Impact Fees

For purposes of estimating the development impact fees in this report, fee amounts are based on the fees that will become effective July 1, 2015 as included in City's *Development Fee Schedule, February 10, 2014*. As shown in Table 4-1 estimated one-time development impact fees that would be collected for new development in the North Rialto Islands Annexation are estimated at about \$2.3 million.

4.2 Schools

School Impact Fees are charged for both residential and commercial development. These fees will be based on the residential unit size and the amount of commercial square feet. These fees are not estimated in this report.

4.3 Utilities

Cable television, internet, power, and gas utilities are enterprise services, where user fees and charges are determined by each company's rate structure to cover both operations and maintenance and capital facilities costs.

4.4 Estimated Capital Improvements for Roads

As discussed earlier, the City estimates infrastructure improvements to the roads in the North Rialto Islands Annexation at about \$8.1 million due to deferred street construction and lack of sidewalk and curb improvements for existing roads in the annexation island areas. Table 4-2 presents the City's detailed estimate of these infrastructure costs by type of improvement and the location of the improvement as provided by the City of Rialto's public works staff.

Table 4-1
Estimated One-Time Development Impact Fees
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2016 Dollars)

A. Future Development Description		
Development Category		North Rialto Islands Future Development
<u>Single Family Residential Units</u>		104
B. Estimated Fees ¹		
Fee Category	Fee Per Single Family Unit	North Rialto Islands Future Development
<u>General Facilities</u>	\$1,823.90	\$189,686
<u>Police Facilities</u>	\$1,294.82	\$134,661
<u>Fire Facilities</u>	\$952.97	\$99,109
<u>Park Development - Quimby In-Lieu Fee</u>	\$5,469.53	\$568,831
<u>Open Space</u>	\$606.82	\$63,109
<u>Library Facilities</u>	\$326.14	\$33,919
<u>Regional Traffic Fees</u>	\$2,858.44	\$297,278
<u>Street Medians</u>	\$53.46	\$5,560
<u>Storm Drain Facilities</u>	\$3,560.49	\$370,291
<u>Wastewater Collection</u>	\$1,788.13	\$185,966
<u>Wastewater Treatment</u>	\$3,239.68	\$336,927
TOTAL DEVELOPMENT IMPACT FEES		\$2,285,336

Note: 1. Applicable City fees in this table represent the current City fee schedule amounts effective 7/1/2015, based on the City's fee schedule cited below.

Sources: Stanley R. Hoffman Associates, Inc.
City of Rialto, *Development Fee Schedule*, July 1, 2015

Table 4-2
Estimated Capital Improvement Costs for Roads
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2016 Dollars)

ITEM	DESCRIPTION	COST	AREA 2		AREA 3		AREA 4		AREA 5		TOTAL
			UNITS	TOTAL	UNITS	TOTAL	UNITS	TOTAL	UNITS	TOTAL	
1	Curb & Gutter			\$0.00		\$0.00		\$0.00		\$0.00	\$0.00
2	Curb, Gutter Removal & Replace	\$23.50	200	\$4,700.00		\$0.00		\$0.00	500	\$11,750.00	\$16,450.00
3	Sidewalk	\$5.95	33,200	\$197,540.00	42,815	\$254,749.25		\$0.00	90,000	\$535,500.00	\$987,789.25
4	Driveway Approach Concrete	\$8.35	600	\$5,010.00	800	\$6,680.00	20,800	\$173,680.00		\$0.00	\$185,370.00
5	Tree Removal	\$1,000.00	27	\$27,000.00	18	\$18,000.00	5	\$5,000.00	45	\$45,000.00	\$95,000.00
6	Utility Pole Relocation	\$300.00	9	\$2,700.00	12	\$3,600.00	50	\$15,000.00	35	\$10,500.00	\$31,800.00
7	Mail Box Reset	\$75.00		\$0.00		\$0.00	200	\$15,000.00		\$0.00	\$15,000.00
8	Driveway Repair	\$8.35		\$0.00		\$0.00		\$0.00	10,000	\$83,500.00	\$83,500.00
9	House Walk	\$5.95		\$0.00	480	\$2,856.00		\$0.00	300	\$1,785.00	\$4,641.00
10	Returning Curb	\$15.00		\$0.00		\$0.00		\$0.00	100	\$1,500.00	\$1,500.00
11	Handicapped Ramp	\$2,390.00	8	\$19,120.00	21	\$50,190.00	16	\$38,240.00	53	\$126,670.00	\$234,220.00
12	Pavement Slurry	\$0.30	135,000	\$40,500.00	151,696	\$45,508.80	118,400	\$35,520.00	78,472	\$23,541.60	\$145,070.40
13	Pavement Overlay	\$0.90		\$0.00	112,064	\$100,857.60		\$0.00	358,514	\$322,662.60	\$423,520.20
14	Sewer	\$95.42	3,225	\$307,729.50	5,391	\$514,409.22	6,855	\$654,104.10	10,350	\$987,597.00	\$2,463,839.82
15	Street Signs	\$250.00	7	\$1,750.00	11	\$2,750.00	7	\$1,750.00	23	\$5,750.00	\$12,000.00
16	Pavement Markings	\$0.48		\$0.00	3,000	\$1,440.00	16,667	\$8,000.00	25,000	\$12,000.00	\$21,440.00
17	Block Wall/Fence	\$60.00	450	\$27,000.00	100	\$6,000.00		\$0.00	100	\$6,000.00	\$39,000.00
18	Wood Fence/Iron Fence	\$28.60	250	\$7,150.00	100	\$2,860.00		\$0.00	100	\$2,860.00	\$12,870.00
19	Landscape	\$12,000.00		\$0.00		\$0.00		\$0.00	1	\$12,000.00	\$12,000.00
20	Cul-de-sac end of Fillmore	\$50,000.00	1	\$50,000.00						\$0.00	\$50,000.00
21	Cul-de-sac Lurline westerly including ROW	\$20,000.00							1	\$20,000.00	\$20,000.00
22	Linden from Bohnert to north of Norwood			\$0.00		\$0.00		\$0.00		\$0.00	\$0.00
	Curb, Gutter + Lane + Walk	\$246.00		\$0.00		\$0.00	925	\$227,550.00		\$0.00	\$227,550.00
23	Cedar from Bohnert south to west side			\$0.00		\$0.00		\$0.00		\$0.00	\$0.00
	Curb, Gutter + Lane + Walk	\$123.00		\$0.00		\$0.00	275	\$33,825.00		\$0.00	\$33,825.00
24	Bohnert from Linden to County Line			\$0.00		\$0.00		\$0.00		\$0.00	\$0.00
	Curb, Gutter + Lane + Walk	\$246.00		\$0.00		\$0.00	1,941	\$477,486.00		\$0.00	\$477,486.00
25	Banyon from Linden to Maple			\$0.00		\$0.00		\$0.00		\$0.00	\$0.00
	Curb, Gutter Both sides + 1 Lane	\$123.00		\$0.00		\$0.00	1,231	\$151,413.00		\$0.00	\$151,413.00
	Curb, Gutter & Sidewalk Only	\$48.75		\$0.00		\$0.00	1,231	\$60,011.25		\$0.00	\$60,011.25
26	Maple from Vineyard to South			\$0.00		\$0.00		\$0.00		\$0.00	\$0.00
	Curb, Gutter & Sidewalk	\$48.75		\$0.00		\$0.00	700	\$34,125.00		\$0.00	\$34,125.00
	Cul-de-sac including ROW	\$35,000.00		\$0.00		\$0.00	1	\$35,000.00		\$0.00	\$35,000.00
27	Maple from Bohnert to north of Banyon			\$0.00		\$0.00		\$0.00		\$0.00	\$0.00
	Curb, Gutter & Sidewalk Only	\$97.50		\$0.00		\$0.00	509	\$49,627.50		\$0.00	\$49,627.50
	Additional Pavement	\$5.27		\$0.00		\$0.00	1,527	\$8,047.29		\$0.00	\$8,047.29
	Additional Pavement	\$5.27		\$0.00		\$0.00	2,000	\$10,540.00		\$0.00	\$10,540.00
28	Vineyard from Linden to westerly join			\$0.00		\$0.00		\$0.00		\$0.00	\$0.00
	Curb, Gutter & Sidewalk + 1 Lane	\$246.00		\$0.00		\$0.00	1,970	\$484,620.00		\$0.00	\$484,620.00
	Additional Pavement	\$5.27		\$0.00		\$0.00	19,700	\$103,819.00		\$0.00	\$103,819.00
29	Maple from Vineyard to Bohnert			\$0.00		\$0.00		\$0.00		\$0.00	\$0.00
	Curb, Gutter & Sidewalk + 1 Lane	\$246.00		\$0.00		\$0.00	615	\$151,290.00		\$0.00	\$151,290.00
	Additional Pavement	\$5.27		\$0.00		\$0.00	6,150	\$32,410.50		\$0.00	\$32,410.50
Subtotal				\$690,199.50		\$1,009,900.87		\$2,806,058.64		\$2,208,616.20	\$6,714,775.21
10% Administrative Cost				\$69,019.95		\$100,990.09		\$280,605.86		\$220,861.62	\$671,477.52
10% Contingency Cost				\$69,019.95		\$100,990.09		\$280,605.86		\$220,861.62	\$671,477.52
TOTAL				\$828,239.40		\$1,211,881.04		\$3,367,270.37		\$2,650,339.44	\$8,057,730.25

Sources: Stanley R. Hoffman Associates, Inc.
City of Rialto, Assistant City Administrator/Development Services Director, February 2016

CHAPTER 5 FISCAL IMPACTS OF ANNEXATION AREA

This chapter presents the fiscal analysis of the North Rialto Islands Annexation. The focus of this analysis is on the impacts for the North Rialto Islands Annexation to the City of Rialto's General Fund. However, because the San Bernardino County LAFCO is considering the North Rialto Islands Annexation along with the annexation of two sections of the Lytle Creek Specific Plan, fiscal impacts are also presented for the North Rialto Islands Annexation along with the Lytle Creek annexation areas and the total Lytle Creek Specific Plan.

As discussed earlier, Rialto voters approved a five year extension of the utility users tax (UUT) on March 5, 2013. The UUT is approved through June 2018. Because the UUT will need voter approval to be extended beyond this date, the fiscal analysis projects impacts to the Rialto General Fund both with and without the UUT.

5.1 North Rialto Islands Annexation

Table 5-1 summarizes the projected fiscal impacts for the North Rialto Annexation with and without the UUT after buildout. Detailed fiscal projections are in Table 5-2 and 5-3.

Table 5-1
Summary of Projected Fiscal Impacts
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2016 Dollars)

Category	North Rialto Islands Annexation Areas		
	Existing Development	Future Growth	Buildout
<u>A. With Utility Users Tax</u>			
Annual Recurring Revenues	\$722,299	\$223,831	\$946,130
Annual Recurring Costs	<u>\$1,246,228</u>	<u>\$218,113</u>	<u>\$1,464,341</u>
Annual Recurring (Deficit) or Surplus	(\$523,929)	\$5,718	(\$518,211)
Revenue/Cost Ratio	0.58	1.03	0.65
<u>B. No Utility Users Tax</u>			
Annual Recurring Revenues	\$484,471	\$182,207	\$666,678
Annual Recurring Costs	<u>\$1,246,228</u>	<u>\$218,113</u>	<u>\$1,464,341</u>
Annual Recurring (Deficit) or Surplus	(\$761,757)	(\$35,906)	(\$797,663)
Revenue/Cost Ratio	0.39	0.84	0.46

Sources: Stanley R. Hoffman Associates, Inc.

Local Agency Formation Commission for San Bernardino County, *Agenda Item #7 --*

Presentation Required Pursuant to Section IV - Application Processing, Policy 11 -

Island Annexation Pursuant to Government Code Section 56375.3..., December 8, 2015

City of Rialto, Assistant City Administrator/Development Services Director

With Utility Users Tax

As shown in Panel A of Table 5-1, a recurring annual deficit \$523,929 is projected for the existing development with the utility users tax (UUT). After buildout of the estimated future development with a projected surplus of \$5,718, a recurring deficit of \$528,211 is projected.

Projected Recurring Revenues With Utility Users Tax. As shown in Table 5-2, about 68 percent of the total projected revenues after buildout of the North Rialto Annexation with the UUT are comprised of UUT, property tax and other transfers from other funds to the General Fund.

Projected Recurring Costs With Utility Users Tax. As also shown in Table 5-2, police protection, fire protection and general government are the largest projected recurring costs and account for about 81 percent of total projected recurring costs for the North Rialto Islands Annexation after buildout.

No Utility Users Tax

As shown in Panel B of Table 5-1, after buildout without the UUT, an annual recurring deficit of \$797,663 is projected based on a projected deficit of \$761,757 for existing development and a projected deficit of \$35,906 for future growth in the island areas.

Projected Recurring Revenues Without Utility Users Tax. As shown in Table 5-3, about 67 percent of the total project revenues after buildout of the annexation without the UUT is comprised of property tax, transfer from other funds to the General Fund and franchise fees.

Projected Recurring Costs Without Utility Users Tax. As with the scenario with UUT, police protection, fire protection and general government are the largest projected recurring costs and account for about 81 percent of total projected recurring costs for the North Rialto Islands Annexation after buildout without the UUT.

5.2 Comparison of SRHA and LAFCO Projected Impacts for North Rialto Islands

The SRHA projected fiscal impacts are compared with the December 2015 LAFCO fiscal analysis of the North Rialto Islands Annexation in Table 5-4. The SRHA fiscal analysis is based on the existing residential assumptions and fiscal assumptions used in the LAFCO analysis. The SRHA total assessed valuation assumptions are from the LAFCO fiscal analysis minus homeowner and other exemptions as contained in the County parcel file. The LAFCO fiscal analysis assumes a utility users tax (UUT) and does not project impacts without UUT.

Table 5-2
Detailed Projected Recurring Fiscal Impacts: With Utility Users Tax
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2016 Dollars)

Category	With Utility Users Tax			
	Total Existing	Future Development	Total Buildout	
			Amount	Percent of Total
<u>Recurring Revenues</u>				
Property tax	\$196,492	\$77,911	\$274,403	29.0%
On-site retail sales and use tax	8,830	0	8,830	0.9%
Property transfer tax-turnover	2,568	1,018	3,586	0.4%
In lieu property tax (VLF)	0	53,426	53,426	5.6%
Franchise fees	62,643	10,964	73,607	7.8%
Proposition 172 Sales Tax-Public Safety	10,754	1,887	12,641	1.3%
Utility users tax	236,189	41,337	277,526	29.3%
Business licenses	723	0	723	0.1%
Animal licenses and fees	3,735	655	4,390	0.5%
Fines, forfeits and penalties	9,696	1,697	11,393	1.2%
County LF excavation charges	0	841	841	0.1%
Current services	51,896	9,085	60,981	6.4%
Rents and concessions	4,421	774	5,195	0.5%
Administrative/passport/misc. fees	13,432	2,356	15,788	1.7%
Transfer from Gas Tax Fund	33,189	5,821	39,010	4.1%
Other transfers	82,754	14,516	97,270	10.3%
Interest on invested revenues	4,978	1,543	6,521	0.7%
Total Projected Revenues	\$722,299	\$223,831	\$946,130	100.0%
<u>Recurring Costs</u>				
Fire protection	\$338,047	\$59,164	\$397,211	27.1%
Police protection	548,483	95,994	644,477	44.0%
Development services-engineering	8,907	1,559	10,466	0.7%
Development services-business licensing	55	0	55	0.0%
Development services-code enforcement	15,514	2,715	18,230	1.2%
Public works-administration	9,787	1,713	11,500	0.8%
Public works-engineering services & projects	6,765	1,184	7,949	0.5%
Public works-park maintenance	0	0	0	0.0%
Public works-street maintenance/traffic signals	54,052	9,460	63,512	4.3%
Public works-graffiti removal	2,571	450	3,021	0.2%
Public works-traffic safety	17,679	3,094	20,773	1.4%
Public works-storm drain program	8,231	1,441	9,672	0.7%
Public works-community building maintenance	24,535	4,294	28,829	2.0%
Recreation	27,923	4,898	32,821	2.2%
General government	124,335	21,761	146,096	10.0%
Subtotal Recurring Costs	\$1,186,885	\$207,727	\$1,394,612	95.2%
5% contingency/reserves	\$59,343	\$10,386	\$69,729	4.8%
Total Recurring Costs	\$1,246,228	\$218,113	\$1,464,341	100.0%
<u>Annual Net Recurring Surplus or (Deficit)</u>	(\$523,929)	\$5,718	(\$518,211)	
<u>Revenue/Cost Ratio</u>	0.58	1.03	0.65	
<u>ANNUAL SURPLUS OR (DEFICIT) PER UNIT</u>				
Number of Units	595	104	699	
<u>Annual Surplus or (Deficit) per Unit</u>	(\$872)	\$55	(\$741)	

Source: Stanley R. Hoffman Associates, Inc.

Table 5-3
Detailed Projected Recurring Fiscal Impacts: No Utility Users Tax
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2016 Dollars)

Category	No Utility Users Tax			
	Total Existing	Future Development	Total Buildout	
			Amount	Percent of Total
<u>Recurring Revenues</u>				
Property tax	\$196,492	\$77,911	\$274,403	41.2%
On-site retail sales and use tax	8,830	0	8,830	1.3%
Property transfer tax-turnover	2,568	1,018	3,586	0.5%
In lieu property tax (VLF)	0	53,426	53,426	8.0%
Franchise fees	62,643	10,964	73,607	11.0%
Proposition 172 Sales Tax-Public Safety	10,754	1,887	12,641	1.9%
Utility users tax	0	0	0	0.0%
Business licenses	723	0	723	0.1%
Animal licenses and fees	3,735	655	4,390	0.7%
Fines, forfeits and penalties	9,696	1,697	11,393	1.7%
County LF excavation charges	0	841	841	0.1%
Current services	51,896	9,085	60,981	9.1%
Rents and concessions	4,421	774	5,195	0.8%
Administrative/passport/misc. fees	13,432	2,356	15,788	2.4%
Transfer from Gas Tax Fund	33,189	5,821	39,010	5.9%
Other transfers	82,754	14,516	97,270	14.6%
Interest on invested revenues	<u>3,339</u>	<u>1,256</u>	<u>4,595</u>	<u>0.7%</u>
Total Projected Revenues	\$484,471	\$182,207	\$666,678	100.0%
<u>Recurring Costs</u>				
Fire protection	\$338,047	\$59,164	\$397,211	27.1%
Police protection	548,483	95,994	644,477	44.0%
Development services-engineering	8,907	1,559	10,466	0.7%
Development services-business licensing	55	0	55	0.0%
Development services-code enforcement	15,514	2,715	18,230	1.2%
Public works-administration	9,787	1,713	11,500	0.8%
Public works-engineering services & projects	6,765	1,184	7,949	0.5%
Public works-park maintenance	0	0	0	0.0%
Public works-street maintenance/traffic signals	54,052	9,460	63,512	4.3%
Public works-graffiti removal	2,571	450	3,021	0.2%
Public works-traffic safety	17,679	3,094	20,773	1.4%
Public works-storm drain program	8,231	1,441	9,672	0.7%
Public works-community building maintenance	24,535	4,294	28,829	2.0%
Recreation	27,923	4,898	32,821	2.2%
General government	<u>124,335</u>	<u>21,761</u>	<u>146,096</u>	<u>10.0%</u>
Subtotal Recurring Costs	\$1,186,885	\$207,727	\$1,394,612	95.2%
5% contingency/reserves	<u>\$59,343</u>	<u>\$10,386</u>	<u>\$69,729</u>	<u>4.8%</u>
Total Recurring Costs	\$1,246,228	\$218,113	\$1,464,341	100.0%
<u>Annual Net Recurring Surplus or (Deficit)</u>	(\$761,757)	(\$35,906)	(\$797,663)	
<u>Revenue/Cost Ratio</u>	0.39	0.84	0.46	
<u>ANNUAL SURPLUS OR (DEFICIT) PER UNIT</u>				
Number of Units	595	104	699	
<u>Annual Surplus or (Deficit) per Unit</u>	(\$1,280)	(\$345)	(\$1,141)	

Source: Stanley R. Hoffman Associates, Inc.

Table 5-4
Summary of Projected Fiscal Impacts Upon Annexation: SRHA and LAFCO
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2016 Dollars)

Category	Existing Development Upon Annexation		
	With Utility Users Tax		
	SRHA	LAFCO ¹	SRHA minus LAFCO
Annual Recurring Revenues	\$722,299	\$911,375	(\$189,076)
Annual Recurring Costs	<u>\$1,246,228</u>	<u>\$772,112</u>	<u>\$474,116</u>
Annual Recurring (Deficit) or Surplus	(\$523,929)	\$139,263	(\$663,192)
Revenue/Cost Ratio	0.58	1.18	

Note: 1. The projected impacts for the LAFCO analysis are from the LAFCO report cited below. The LAFCO analysis does not include impacts without utility users tax (UUT).

Sources: Stanley R. Hoffman Associates, Inc.

Local Agency Formation Commission for San Bernardino County, *Agenda Item #7 -- Presentation Required Pursuant to Section IV - Application Processing, Policy 11 - Island Annexation Pursuant to Government Code Section 56375.3...*, December 8, 2015

As shown in Panel A of Table 5-4, for existing development upon annexation with UUT, SRHA projects a deficit of \$523,929 and LAFCO projects a recurring surplus of \$139,263. The major differences in projected revenues and costs between the SRHA analysis and the LAFCO analysis are highlighted in yellow in Table 5-5.

Projected Revenues. SRHA projects \$189,076 fewer revenues than the LAFCO analysis. The most significant differences in projected revenues include:

Property Tax. SRHA projects \$4,715 less property tax than LAFCO because homeowner and other exemptions are not removed from the LAFCO estimated assessed valuation.

On-Site Sales and Use Tax. SRHA projects sales and use tax for the existing retail uses in the annexation area of \$8,830. The LAFCO analysis does not include this revenue.

In Lieu Property Tax (Sales and Use Tax). SRHA does not project this revenue because, per Hinderliter de Llamas and Associates (HdL), the State will discontinue this shift from sales and use tax to property tax in 2016. LAFCO projects this revenue at \$51,685.

Table 5-5
Detailed Projected Fiscal Impacts of Existing Development: SRHA and LAFCO
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2016 Dollars)

Category	Existing Development Upon Annexation		
	With Utility Users Tax		
	SRHA	LAFCO	SRHA minus LAFCO
Recurring Revenues			
Property tax	\$196,492	\$201,207	(\$4,715)
On-site retail sales and use tax	8,830	0	8,830
In lieu property tax (sales and use tax)	0	51,685	(51,685)
Property transfer tax-turnover	2,568	2,629	(61)
In lieu property tax (VLF)	0	137,971	(137,971)
Franchise fees	62,643	62,605	38
SB509 sales tax - safety	10,754	10,755	(1)
Utility users tax	236,189	235,665	524
Business licenses	723	0	723
Animal licenses and fees	3,735	3,443	292
Fines, forfeits and penalties	9,696	9,675	21
County LF excavation charges	0	4,793	(4,793)
Current services	51,896	51,986	(90)
Rents and concessions	4,421	4,410	11
Administrative/passport/misc. fees	13,432	13,433	(1)
Transfer from Gas Tax Fund	33,189	33,188	1
Other transfers	82,754	82,755	(1)
Interest on invested revenues	4,978	5,175	(197)
Total Projected Revenues	\$722,299	\$911,375	(\$189,076)
Recurring Costs			
Fire protection	\$338,047	\$0	\$338,047
Police protection	548,483	547,268	1,216
Development services-engineering	8,907	8,888	20
Development services-business licensing	55	12,443	(12,388)
Development services-code enforcement	15,514	15,480	35
Public works-administration	9,787	9,765	22
Public works-engineering services & projects	6,765	6,750	15
Public works-park maintenance	0	0	0
Public works-street maintenance/traffic signals	54,052	53,933	119
Public works-graffiti removal	2,571	2,565	6
Public works-traffic safety	17,679	17,640	40
Public works-storm drain program	8,231	8,213	18
Public works-community building maintenance	24,535	24,480	55
Recreation	27,923	27,923	0
General government	124,335	0	124,335
Subtotal Recurring Costs	\$1,186,885	\$735,345	\$451,540
5% contingency/reserves	\$59,343	\$36,767	\$22,576
Total Recurring Costs	\$1,246,228	\$772,112	\$474,116
Annual Net Recurring Surplus or (Deficit)	(\$523,929)	\$139,263	(\$663,192)
Revenue/Cost Ratio	0.58	1.18	(0.60)
ANNUAL SURPLUS OR (DEFICIT) PER UNIT			
Number of Units	595	595	0
Annual Surplus or (Deficit) per Unit	(\$881)	\$234	(\$1,115)

Source: Stanley R. Hoffman Associates, Inc.
Local Agency Formation Commission for San Bernardino County, Agenda Item #7 --
Presentation Required Pursuant to Section IV - Application Processing, Policy 11 -
Island Annexation Pursuant to Government Code Section 56375.3..., December 8, 2015

In Lieu Property Tax VLF (Vehicle License Fee). While the LAFCO analysis estimates this revenue at \$137,971 for current valuation, SRHA does not estimate this revenue pursuant to SB89 legislation that states that upon annexation, the current valuation of the annexing area is not considered for calculating in lieu property tax VLF to the annexing City. Only increases in assessed valuation after annexation generate in lieu property tax VLF to the City.

Projected Costs. SRHA projects \$474,116 more costs than the LAFCO analysis. The most significant differences in projected costs include:

Fire Protection. The LAFCO fiscal analysis excludes fire protection costs for the Island annexation areas, because the City of Rialto currently provides fire protection services to the island annexation areas through a mutual aid agreement where the County provides equivalent fire protection services to the southern part of Rialto to offset the City services provided to the unincorporated island areas. Based on discussion with City staff, upon annexation of the island areas, the City will continue to provide fire protection at an estimated cost of \$338,047, and the mutual aid agreement for fire protection with the County is assumed to no longer be applicable. The City may incur additional costs for reimbursement of County services in southern part of Rialto.

General Government. SRHA projects general government overhead costs at \$124,335. However, these costs are not projected in the LAFCO analysis.

5% Contingency/Reserves. Because SRHA projects higher costs in several categories than the LAFCO analysis, the SRHA 5 percent estimated contingency costs are estimated to increase by \$22,576.

5.3 North Rialto Islands Annexation Plus Lytle Creek Specific Plan

Annexation Areas: Existing Development. As shown in Table 5-6, a recurring deficit of \$523,929 is projected upon annexation of the five North Rialto Islands with utility users tax (UUT). When combined with the projected surplus of \$20,929 for the annexation area in the Lytle Creek project before any development occurs, a recurring deficit of \$503,000 is projected upon annexation with UUT. Without UUT, a recurring deficit of about \$756,683 is projected for existing development upon annexation.

Table 5-6
North Rialto Islands Annexation and Lytle Creek Annexation Area,
Summary of Projected Recurring Fiscal Impacts: Annexation Areas Only
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2016 Dollars)

Category	Annexation Areas Only					
	Existing Development			Buildout of Areas		
	Five Islands Annexation Areas	Lytle Creek Annexation Area Only	Total Annexation Areas	Five Islands Annexation Areas	Lytle Creek Annexation Area Only ¹	Total Annexation Areas
A. With Utility User Tax						
Annual Recurring Revenues	\$722,299	\$20,929	\$743,228	\$946,130	\$6,689,174	\$7,635,304
Annual Recurring Costs	<u>\$1,246,228</u>	<u>\$0</u>	<u>\$1,246,228</u>	<u>\$1,464,341</u>	<u>\$6,174,653</u>	<u>\$7,638,994</u>
Annual Recurring (Deficit) or Surplus	(\$523,929)	\$20,929	(\$503,000)	(\$518,211)	\$514,521	(\$3,690)
Revenue/Cost Ratio	0.58	n/a	0.49	0.65	1.08	1.00
B. No Utility User Tax						
Annual Recurring Revenues	\$484,471	\$5,074	\$489,545	\$666,678	\$5,683,405	\$6,350,083
Annual Recurring Costs	<u>\$1,246,228</u>	<u>\$0</u>	<u>\$1,246,228</u>	<u>\$1,464,341</u>	<u>\$6,174,653</u>	<u>\$7,638,994</u>
Annual Recurring (Deficit) or Surplus	(\$761,757)	\$5,074	(\$756,683)	(\$797,663)	(\$491,248)	(\$1,288,911)
Revenue/Cost Ratio	0.39	n/a	0.39	0.46	0.92	0.83

Note: 1. The projected fiscal impacts for Lytle Creek include a special tax levy of \$104 per unit to finance annual maintenance costs for police, fire and parks.

Sources: Stanley R. Hoffman Associates, Inc.
City of Rialto, Assistant City Administrator/Development Services Director
LAFCO Fiscal Analysis, December 8, 2015

Annexation Areas: Buildout. As also shown in Table 5-6, a recurring deficit of \$518,211 is projected after buildout of the five island annexations with UUT. When combined with the projected surplus of \$514,521 for the annexation area of the Lytle Creek project with UUT, the projected deficit after buildout of the annexations areas with UUT is \$3,690. A recurring deficit of about \$1.3 million is projected after buildout of all annexation areas without UUT.

Total Buildout. As shown in Table 5-7, when the projected recurring deficit of \$518,211 for the five island annexations is combined with the projected recurring surplus of about \$2.4 million for the total Lytle Creek Specific Plan area after buildout, a recurring surplus of about \$1.9 million is projected with UUT. Without the UUT, a recurring deficit of \$427,928 is projected when the projected deficit of \$797,663 for the five island annexation areas are combined with the total Lytle Creek project surplus of \$369,735 after buildout without UUT.

Table 5-7
North Rialto Islands Annexation and Total Lytle Creek Project
Summary of Projected Recurring Fiscal Impacts: Total Buildout
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2016 Dollars)

Category	Buildout of Five Islands and Total Lytle Creek Project		
	Five Islands Annexation Areas	Lytle Creek Total Project ¹	Total Areas
<u>A. With Utility User Tax</u>			
Annual Recurring Revenues	\$946,130	\$13,735,912	\$14,682,042
Annual Recurring Costs	<u>\$1,464,341</u>	<u>\$11,368,214</u>	<u>\$12,832,555</u>
Annual Recurring (Deficit) or Surplus	(\$518,211)	\$2,367,698	\$1,849,488
Revenue/Cost Ratio	0.54	1.21	1.12
<u>B. No Utility User Tax</u>			
Annual Recurring Revenues	\$666,678	\$11,737,949	\$12,404,627
Annual Recurring Costs	<u>\$1,464,341</u>	<u>\$11,368,214</u>	<u>\$12,832,555</u>
Annual Recurring (Deficit) or Surplus	(\$797,663)	\$369,735	(\$427,928)
Revenue/Cost Ratio	0.38	1.03	0.95

Note: 1. The projected fiscal impacts for Lytle Creek include a special tax levy of \$104 per unit to finance annual maintenance costs for police, fire and parks.

Sources: Stanley R. Hoffman Associates, Inc.
City of Rialto, Assistant City Administrator/Development Services Director
LAFCO Fiscal Analysis, December 8, 2015

CHAPTER 6

CITY OF RIALTO FISCAL ASSUMPTIONS

This chapter presents the revenue and cost assumptions for the North Rialto Islands Annexation fiscal analysis. Revenue and cost assumptions are based on the *City of Rialto, Fiscal Year 2013/2014 Budget*, with adjustments based on the City's *Mid-Year Presentation FY 13-14, City Council Approved Adjustments, 2/25/2014*, discussions with City finance staff, and the general assumptions presented in this chapter. These fiscal assumptions were used for the October 9, 2014 fiscal impact analysis of the Lytle Creek Project prepared by Stanley R. Hoffman Associates and the December 8, 2015 fiscal analysis of the North Rialto Islands Annexation prepared by the Local Agency Formation Commission (LAFCO) of San Bernardino County.

The general City demographic and economic assumptions used for calculating fiscal factors are first presented. The assumptions for projecting recurring revenues are then presented followed by the assumptions for projecting recurring costs

6.1 City General Assumptions

Fiscal impacts that are not based on valuation and taxable sales are generally projected based on a per capita, per employee, or per service population basis. Some fiscal impacts are projected based on other factors, such as per unit or per acre, based on the available data. General fund revenue and cost factors are estimated by dividing the Fiscal Year (FY) 2013/2014 adjusted budget categories by the City's resident population, employment, total service population, or acres where appropriate. Table 6-1 provides the City's general assumptions for this fiscal analysis.

Population

Rialto's total population of 101,429 is based on the State Department of Finance (DOF) estimate as of January 1, 2014. The City population estimate is used for projecting certain revenues and costs on a per capita basis, such as State subvented gas taxes.

Employment

For fiscal factors that are impacted by only employment, such as business license taxes, the City's total employment is used as the basis for calculating the factor. Total employment for the City is estimated at 24,590. Payroll jobs for 2011 are estimated at 22,468 based on the

Table 6-1
City Population, Housing and Employment Assumptions
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto

Assumption	Description
	<u>Population and Housing</u> ¹
100,982	Household Population
447	<u>Group Quarters Population</u>
101,429	Total Population
	<u>Employment</u> ²
22,468	Estimated Payroll Jobs
2,121	<u>Additional Estimated Self-Employed</u>
24,590	Total Estimated City Employment
11,234	Employment Weighted at 50% (excludes self-employed) ³
	<u>Population and Employment</u>
112,663	Service Population (Population + Weighted Employment)

- Note: 1. Population and housing estimates are from the California Department of Finance (DOF) for January 1, 2014
2. Annual payroll jobs for 2011 are estimated based on data on primary jobs obtained from Census LEHD adjusted for all payroll jobs based on the relationship between 2008 LEHD primary jobs and 2008 EDD total payroll jobs. Estimated rates of self-employed by industry for San Bernardino County are calculated from the Census American Community Survey (ACS) 2009-2011 Public Use Microdata Sample, (PUMS), as shown in Appendix Table B-1.
3. This analysis has weighted the employment at 50% to account for the estimated less frequent use of City services by employment versus population. The self-employed are not included because these jobs are assumed to be represented in the population estimate.

Sources: Stanley R. Hoffman Associates, Inc.

State of California, Department of Finance, *E-5 City/County Population and Housing Estimates for Cities, Counties, and the State, January 1, 2011-2014*, Sacramento, May 2014

City of Rialto, Economic Development Department

California Economic Development Department, Labor Market Division, *NAICS Sector Level Employment and Payroll Data, City of Rialto, 2008*

Census Longitudinal Employer-Household Dynamic (LEHD) program, 2008 and 2011

Census American Community Survey (ACS) 2009-11 Public Use Microdata (PUMS)

relationship between the 2008 Census Longitudinal Employer-Household Dynamic (LEHD) and 2008 jobs provided by the City from the California Employment Development Department (EDD). Based on the Census 2009-2011 American Community Survey (ACS) Public Use Microdata Sample (PUMS), the self-employed by industry category for San Bernardino County is applied to each EDD industry category. As shown in Appendix Table C-1, the self-employed for Rialto are estimated at 2,121. With the estimated self-employed included, total employment is estimated at 24,590 for the City.

Service Population

Fiscal factors that are impacted by both population and employment growth are estimated by allocating total budgeted revenues or costs to the estimated service population. Service population includes the City's resident population plus 50 percent of the total estimated City employment. Employment is weighted at 50 percent to account for the estimated less frequent use of City services by employment versus population.

As shown in Table 6-1, the service population for the City is estimated at 112,663. The service population estimate includes the resident population of 101,429 and the weighted employment of 11,234 (50 percent of 22,468). The self-employed are not included in the weighted employment estimate because they are assumed to be represented in the household population estimate.

6.2 City Revenue Assumptions

The General Fund Fiscal Year (FY) 2013/2014 adjusted revenues are presented in Appendix Table C-2. Since the adoption of the FY 2013/2014 Budget, City Council approved revenue amendments of \$3,097,443 that primarily included grants and other carry-forwards from the prior year adopted budget. Based on discussion with the City Finance Manager, these revenue amendments are not projected in the fiscal analysis. In February 2014, mid-year revenue adjustments of \$1,783,079 were made to the City Budget, and these revenue adjustments are included in the appropriate revenue category, as shown in Appendix Table C-2.

Projected recurring revenues to the City General Fund include property tax; in lieu property tax VLF; sales and use tax; in lieu property tax (sales and use tax); property transfer tax; franchise fees; SB509 sales tax-safety; utility users tax; business licenses and permits; animal licenses and permits; fines, forfeits and penalties; County Landfill excavation charges; charges for current services; interest on investments; rents and concessions; administrative fees; transfer from Gas Tax Fund; and other transfers to the General Fund.

The revenue factors for the recurring revenues projected in the fiscal analysis are summarized in Table 6-2 and described in the remainder of this section. These factors are based on the City's Fiscal Year (FY) 2013/2014 adjusted revenues shown in Appendix Table C-2 and the City's population and service population estimates that are presented in Table 6-1.

Property Tax

General Fund property tax is projected based on assessed valuation times the allocation of the

Table 6-2
General Fund Recurring Revenue Factors
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto

Revenue Source	FY 2013-2014 Adjusted Budget	Projection Basis ¹	Projection Factor ¹
<u>Tax Revenue</u>			
Property Taxes ²	\$5,765,000	Assessed Valuation	1% Basic Tax Levy
In Lieu Property Tax (VLF)	\$8,561,000	Case Study	21.04% General Fund share of 1% levy \$1,443 per \$1,000,000 assessed valuation
Sales and Use Tax	\$7,849,000	Taxable Sales	75% of 1% of projected sales and use tax
In Lieu Property Tax (Sales Tax)	\$2,588,000	Taxable Sales	25% of 1% of projected sales and use tax
Use Tax Factor		Use Tax as Percent of Sales Tax	11.2% of sales tax
Property Transfer Tax	\$250,000	Property turnover and valuation assumptions	5.0% Residential turnover rate 5.0% Non-residential turnover rate \$0.55 per \$1,000 assessed valuation
Franchise Fees	\$3,130,000	Service Population = 112,663	\$27.78 per service population
SB509 Sales Tax-Safety	\$485,000	Population = 101,429	\$4.78 per capita
Utility User Tax	\$11,800,000	Service Population = 112,663	\$104.74 per service population
<u>Licenses and Permits</u>			
Business/Contractors/Truckers Licenses	\$1,777,000	Employment = 24,590	\$72.27 per employee
Dog Licenses	\$155,000	Population = 101,429	\$1.53 per capita
<u>Fines, Forfeits & Penalties</u>	\$484,000	Service Population = 112,663	\$4.30 per service population
<u>Revenue From Other Agencies</u>			
Motor Vehicle in Lieu Tax	\$0	Population = 101,429	\$0.00 per capita
County LF Excavation Charges ³	\$240,000	Service Population = 112,663	\$2.13 per service population
<u>Charges for Current Services</u>			
Animal Control Fees	\$13,000	Population = 101,429	\$0.13 per capita
Other Police Related Fees ⁴	\$297,433	Service Population = 112,663	\$2.64 per service population
Fire Related Inspections ⁵	\$300,000	Population = 101,429	\$2.96 per capita
Ambulance Service Fees/Subscriptions	\$1,860,000	Service Population = 112,663	\$16.51 per service population
Weed & Lot Cleaning	\$98,000	Service Population = 112,663	\$0.87 per service population
Other Current Services	\$4,100	Service Population = 112,663	\$0.04 per service population
<u>Interest on Investments</u>	\$358,850	Percent of Recurring Revenues	0.69% of projected recurring revenues
<u>Rents & Concessions</u>	\$221,000	Service Population = 112,663	\$1.96 per service population
<u>Administrative/Passport/Misc. Fees</u>	\$605,150	Population = 101,429	\$5.97 per capita
<u>Transfers In</u>			
Gas Tax Fund Transfer	\$1,496,080	Population = 101,429	\$14.75 per capita
Other Transfers ⁶	\$3,730,114	Population = 101,429	\$36.78 per capita

- Note: 1. For fiscal factors that are based on population and employment, an estimated resident equivalent factor is applied, which represents the total population plus 50 percent of the total employment estimate.
2. The fiscal analysis projects property tax to the General Fund at the Citywide average of 21.04% percent of the basic 1% levy for assessed value, based on the LAFCO analysis cited below.
3. This revenue is provided by City administrative staff, and represents the estimated share of total County Landfill revenues that are contributed from disposal by City residents. This revenue is projected for only new residents of the annexation areas because current residents of these annexation areas are included in the estimated landfill revenues.
4. The other police related fees category includes crime report copying, fingerprinting, reproduction charges, police false alarm responses, accident reports, general services, impound fees and crime analysis charges.
5. Fire related inspections include inspections for multi-family rentals.
6. The other transfers in category includes transfers to the General Fund from other funds, such as engineering, CFDs, CDBG and water.

Sources: Stanley R. Hoffman Associates, Inc.

Local Agency Formation Commission for San Bernardino County, *Agenda Item #7 -- Presentation Required Pursuant to Section IV - Application Processing, Policy 11 - Island Annexation Pursuant to Government Code Section 56375.3...*, December 8, 2015
City of Rialto, *Budget Fiscal Year 2013/2014*

City of Rialto, *Mid-Year Presentation FY 13-14, City Council Approved Budget Adjustments, 2/25/2014*

City of Rialto, Administrative, Finance, Economic Development and Public Works Departments

State of California, Department of Finance, *E-5 City/County Population and Housing Estimates for Cities, Counties and the State, January 1, 2011-2014*, Sacramento, May 2014

California Economic Development Department, Labor Market Division, *NAICS Sector Level Employment and Payroll Data, City of Rialto, 2008*

Census Longitudinal Employer-Household Dynamic (LEHD) program, 2008 and 2011

Census American Community Survey (ACS) 2009-11 Public Use Microdata (PUMS)

City's basic one percent property tax levy for the tax rate area (TRA) in which a property is located. All five North Rialto Island areas are within TRA 106039, and Appendix Table C-3 presents the allocations to agencies and districts. Based on the LAFCO fiscal analysis, upon annexation of the islands, the City of Rialto will receive the current allocations for the detaching fire district and CSA SL-1, or 21.04 percent of the basic one percent property tax levy.

In Lieu Property Tax VLF (Vehicle License Fee)

Cities and counties began receiving additional property tax revenue to replace vehicle license fee (VLF) revenue that was lowered when the state reduced the vehicle license tax in 2004. This in lieu property tax VLF is projected to grow with the change in the Citywide gross assessed valuation (AV) of taxable property from the prior year. In lieu property tax VLF revenue is allocated in addition to other property tax apportionments.

As shown in Appendix Table C-4, the in lieu property tax VLF in the City is projected to increase at \$1,443 per million dollars of new assessed valuation (AV). This factor is based on the change in AV and the change in property tax in lieu of VLF in the City over the period from fiscal year 2004-2005 to fiscal year 2013-2014. The change over the period from fiscal year 2004-2005 to fiscal year 2013-2014 is used to represent an average of the economic upturns and downturns.

For areas annexing into the City, the existing assessed valuation is not considered part of the increase in assessed valuation. After annexation, only valuation for new development within the annexed areas is considered part of the increase in assessed valuation.

Sales and Use Tax

As part of the total sales tax levied by the State, all cities and counties in the State generally receive a basic one percent (1.0 percent) sales tax and have the option to levy additional sales taxes under certain circumstances. In addition to sales tax revenue, the City receives revenues from the use tax, which is levied on shipments into the state and on construction materials for new residential and non-residential development not allocated to a situs location. Use tax is allocated by the State Board of Equalization (BOE) to counties and cities based on each jurisdiction's proportion of countywide and statewide direct taxable sales.

Appendix Table C-5 presents the City sales and use tax for calendar year 2013 provided by Hinderliter de Llamas and Associates (HdL). HdL estimates that \$1,070,015 of total sales and

use tax was made from levies designated as use tax and the remaining \$9,519,326 of the sales and use tax was point-of-sale sales tax. Therefore, use tax revenues to the City of Rialto are estimated at an additional 11.2 percent of point-of-sale, sales tax.

Prior to 2016, sales and use tax was projected at 75.0 percent of the total sales and use tax generated because the State had reduced the local sales tax allocation (1.0 percent) by 25.0 percent and replaced this with a dollar-for-dollar allocation of local property tax from County's ERAF funds. In 2016, the allocation from County ERAF funds will end and the City will receive its entire 1.0 percent share of generated taxable sales.

Real Property Transfer Tax

Sales of real property are taxed by San Bernardino County at a rate of \$1.10 per \$1,000 of property value. For property located in the City, property transfer tax is divided equally between the City and the County, with the City receiving \$0.55 per \$1,000 of transferred property value. Based on the U.S. Census Bureau, 2008-2012 American Community Survey, residential development in the City is assumed to change ownership at an average rate of about 5.0 percent per year (Appendix Table C-6). While change of ownership data is not available for businesses, they are also assumed to change ownership at an average rate of 5.0 percent per year.

Franchise Fees

The City receives a franchise fee from telephone/mobile, natural gas, electricity, water, cable/satellite and wastewater businesses within Rialto for use of public rights-of-way. Based on the City Fiscal Year (FY) 2013-2014 adjusted franchise revenues of \$3,130,000, franchise taxes are projected at \$27.78 per service population (112,663), as shown in Table 6-2.

SB509 Sales Tax – Safety

These revenues are projected at \$4.78 per capita based on the City FY 2013/2014 adjusted revenue amount of \$485,000 and the population estimate of 101,429.

Utility Users Tax

Rialto levies a utility users tax on the sale of electricity, natural gas, telephone/mobile, water, wastewater and cable/satellite services within the City. As shown in Table 6-2, based on the City FY 2013/2014 adjusted revenue amount of \$11,800,000 and the City's estimated service population of 112,663, utility users taxes are projected at \$104.74 per service population. This tax will sunset in 2018 unless it is renewed by a majority vote of the residents of Rialto.

Licenses and Permits

Business/contractors/truckers licenses and dog licenses are included in this category.

Business Licenses. Business/contractors/truckers licenses are projected at \$72.27 per employee based on FY 2013/2014 adjusted business license revenues of \$1,777,000 and the City employment estimate of 24,590.

Dog Licenses. Dog licenses are projected at \$1.53 per capita based on the FY 2013/2014 adjusted revenue amount of \$155,000 and the existing City population estimate of 101,429. These projected revenues are combined with projected animal control fees in the projected fiscal impacts for the annexation.

Fines, Forfeits and Penalties

As shown in Table 6-2, these revenues are projected at \$4.30 per service population based on FY 2013/2014 adjusted revenues of \$484,000 thousand and the service population estimate of 112,663. Revenues in this category include parking fines, court fines, and other fines/forfeits/penalties.

County Landfill Charges

City Finance Department staff estimates that about 10 percent adjusted County landfill revenues of \$2,400,000, or \$240,000, are from disposal fees from City residents. Based on this estimate of \$240,000 of revenues and the City's estimated service population of 112,663, these revenues are projected at \$2.13 per service population, as shown in Table 6-2.

Based on discussion with the City Finance Manager, these revenues are the City's portion of tonnage fees collected at the County-owned landfill located in the City. The City's waste hauler, Burrtec Industries, has an exclusive franchise with the City and part of the franchise agreement is that Burrtec Industries will dispose of the waste collected from City residents at the County-owned landfill located in the City. Therefore, these revenues are assumed to increase only with the new growth projected for the North Rialto Islands Annexation Area. Revenues from current residents of the annexation areas are already included in the estimated landfill revenues.

Charges for Current Services

Current service charges include animal control, other police department fees, ambulance service fees/subscriptions, weed and lot cleaning and other current services. Based on the City adjusted revenue amounts these revenues for current services are projected as follows.

Animal Control Fees. These fees are projected at \$0.13 per capita based on revenues of \$13,000 and the current city population estimate of 101,429. Projected animal control

fees are combined with future dog licenses in the projected fiscal impacts for the annexation.

Other Police Related Fees. These revenues are projected at \$2.64 per service population based on FY 2013/2014 adjusted revenues of \$297,433 and the estimated current City service population of 112,663.

Ambulance Service Fees/Subscriptions. These revenues are projected at \$16.51 per service population based on FY 2013/2014 adjusted revenues of \$1,860,000 and the estimated current City service population, as shown in Table 6-2.

Weed and Lot Cleaning Fees. These revenues are projected at \$0.87 per service population based on FY 2013/2014 revenues of \$98,000 and the estimated current City service population.

Other Current Services. These revenues are not projected because of the small amount of \$500 in the FY 2013/2014 adjusted revenues.

Interest on Investments

These revenues are projected at 0.69 percent of the projected recurring General Fund revenues in the fiscal analysis based on FY 2013/2014 adjusted estimated interest earnings of \$358,850 and non-interest General Fund projected recurring revenues of \$52,715,300.

Rents and Concessions

As shown in Table 6-2, these revenues are projected at \$1.96 per service population based on FY 2013/2014 adjusted revenues of \$221,000 and the City service population estimate of 112,663.

Administrative, Passport and Miscellaneous Fees

These revenues are projected at \$5.97 per capita based on FY 2013/2014 adjusted revenues of \$605,150 and the City population estimate of 101,429.

Transfers In

These revenues include transfers to the City General Fund from the Gas Tax Fund and other appropriate City funds.

Gas Tax Fund Transfer. Gas tax revenues are earmarked for road related costs, including capital and maintenance functions. State gasoline taxes transferred to the General Fund are projected at \$14.75 per capita based on the FY 2013/2014 adjusted revenue amount of \$1,496,080 and the City population estimate of 101,429.

Other Transfers. These revenues include transfers to the General Fund from other funds, such as engineering, community facility districts (CFDs), Community Development Block Grant (CDBG), landscaping maintenance and water. As shown in Table 6-2, other transfers to the General Fund are projected at \$36.78 per capita based on the FY 2013/2014 adjusted revenue amount of \$3,730,114 and the City's estimated population.

6.3 City Cost Assumptions

The General Fund cost factors that are used in preparing the fiscal analysis for the North Rialto Islands Annexation are presented in Table 6-3. These factors are based on the adjustments to the City's Fiscal Year (FY) 2013/2014 Budget shown in Table 6-4 and the City's population and service population estimates that are presented in Table 6-1.

Since the adoption of the FY 2013/2014 Budget, City Council approved expense amendments of \$4,624,853 that primarily included grants and other carry-forwards from the prior year adopted budget. Based on discussion with the City Finance Manager these amendments are not projected in the fiscal analysis. In February 2014, mid-year expense adjustments of \$545,599 were made to the City Budget, primarily for liability insurance and other general government expenditures. The mid-year expense adjustments of \$545,599 are included in the fiscal analysis as general government costs. In addition, City administrative staff made increases to fire, police and public works costs in order to reflect a budget with normalized staffing and service levels.

Projected General Fund expenditures include general government, or overhead functions, and the following non-general government services of fire, police, recreation, development services, and public works. The fiscal analysis also projects contingency costs at 5 percent of projected recurring costs.

General Government

General government costs such as City Administrator, City Council, City Clerk, City Treasurer, Human Resources, Finance, the City Cemetery and Non-Departmental expenditures, provide overhead services that cannot be directly linked to a specific department. General government costs include administration and support of departmental line costs such as police, fire and public works. These costs are usually viewed as citywide overhead and are projected using an overhead rate applied to departmental line costs.

As shown in Panel B of Table 6-4, FY 2013/2014 revised general government costs of \$9,151,138 represent about 15.6 percent of revised direct line costs of \$58,652,910. However, overhead costs are not assumed to increase on a one-to-one basis for new development. Based on discussion with City staff, general government costs are projected at a marginal rate of 75 percent, or at 11.7 percent of direct costs.

Table 6-3
General Fund Recurring Cost Factors
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto

Cost Category	FY 2013-2014 Budget		Projection Basis ¹	Cost Factor ¹
	Total	Adjusted		
<u>GENERAL FUND</u>				
General Government	\$9,151,138	\$6,863,354	Percent of General Fund Costs	11.7% of direct department costs, at a 75% marginal rate
Fire	\$15,488,832	\$16,888,832	Service Population = 112,663	\$149.91 per service population
Police	\$25,002,777	\$27,402,777	Service Population = 112,663	\$243.23 per service population
Recreation	\$1,258,356	\$1,258,356	Population = 101,429	\$12.41 per capita
Development Services:				
Engineering ²	\$1,973,988	\$444,942	Service Population = 112,663	\$3.95 per service population
Business Licensing	\$136,026	\$136,026	Employment = 24,590	\$5.53 per employee
Code Enforcement ³	\$826,337	\$775,337	Service Population = 112,663	\$6.88 per service population
Public Works:				
Public Works Administration	\$392,720	\$488,897	Service Population = 112,663	\$4.34 per service population
Community Building Maintenance	\$984,338	\$1,225,403	Service Population = 112,663	\$10.88 per service population
Park Maintenance ⁴	\$2,319,939	\$2,888,092	City Park Acres = 134	\$21,600 per acre
Graffiti Removal	\$102,880	\$128,075	Service Population = 112,663	\$1.14 per service population
Engineering Services and Projects ⁵	\$1,440,648	\$337,848	Service Population = 112,663	\$3.00 per service population
Street Maintenance - MOE	\$2,168,835	\$2,699,983	Service Population = 112,663	\$23.97 per service population
Traffic Safety	\$709,954	\$883,822	Service Population = 112,663	\$7.84 per service population
Storm Drain Program	\$330,688	\$411,674	Service Population = 112,663	\$3.65 per service population
Contingency	n/a	n/a	Case Study	5.0% of total recurring costs
<u>GAS TAX FUND</u>				
Street Maintenance ⁶	\$1,496,080	\$1,496,080	Service Population = 112,663	\$13.28 per service population

- Note: 1. For cost factors that are based on population and employment, the estimated Rialto service population is used to calculate the cost factor. The service population factor is applied to the estimated North Rialto Islands service population.
2. Net development services - engineering costs of \$444,942 are the budgeted costs of \$1,973,988 minus projected one-time fees, permits, and charges for services revenues of \$1,529,046, as shown in Panel A of Table C-7.
3. Net code enforcement costs of \$775,337 are the budgeted costs of \$826,337 minus projected one-time charges for services of \$51,000, as shown in Panel B of Table C-7.
4. Based on the park maintenance cost in the City budget and the 134 City park acres, park costs are projected at \$21,600 per acre.
5. Net public works engineering services and projects costs of \$337,848 are the service level adjusted budget costs of \$1,440,648 minus projected one-time fees for services revenues of \$1,102,800, as shown in Table C-8.
6. Traffic/street sweeping/street maintenance funding is provided through the Gas Tax Fund. According to the City's Fiscal Policy for New Development and Annexations, the City requires that new development annex into Landscaping and Lighting Maintenance District No. 2, or other appropriate financing district, for landscape maintenance of arterials and street lighting.

Sources: Stanley R. Hoffman Associates, Inc.
City of Rialto, *Budget Fiscal Year 2013/2014*
City of Rialto, *Mid-Year Presentation FY 13-14, City Council Approved Budget Adjustments, 2/25/2014*
City of Rialto, Administrative, Finance, Economic Development and Public Works Departments
State of California, Department of Finance, *E-5 City/County Population and Housing Estimates for Cities, Counties and the State, January 1, 2011-2014*, Sacramento, May 2014
City of Rialto, Administrative, Finance, Economic Development and Public Works Departments
California Economic Development Department, Labor Market Division, *NAICS Sector Level Employment and Payroll Data, Rialto*
Census Longitudinal Employer-Household Dynamic (LEHD) program, 2008 and 2011
Census American Community Survey (ACS) 2009-11 Public Use Microdata (PUMS)

Table 6-4
Calculation of City General Government Overhead Rate
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto

A. CURRENT GENERAL FUND EXPENDITURES AND OVERHEAD RATE

General Fund Expenditures	Fiscal Year 2013/2014				Revised Expenditure Amount		
	Adopted Budget	Budget Amendments and Mid-Year Adjustments ¹	Service Level Budget Adjustments ²	Total Revised Budget	Not Projected in Fiscal Analysis ¹	General Government	Non-General Government
General Government							
City Administrator	\$560,592	\$0	\$0	\$560,592		\$560,592	
City Council	313,525	0	0	313,525		313,525	
City Clerk	1,017,145	0	0	1,017,145		1,017,145	
City Treasurer	323,057	0	0	323,057		323,057	
Human Resources	526,119	0	0	526,119		526,119	
Finance	1,536,026	0	0	1,536,026		1,536,026	
Cemetery	12,400	0	0	12,400		12,400	
Non-Department Expenditures	4,316,675	0	0	4,316,675		4,316,675	
Budget Amendments: Grants and Carry-Forwards ³	0	4,624,853	0	4,624,853	\$4,624,853		
Mid-Year Budget Adjustment	0	545,599	0	545,599		545,599	
Non-General Government							
Engineering and Development Services	\$1,973,988	\$0	\$0	\$1,973,988			\$1,973,988
Development Services - Business Licensing	136,026	0	0	136,026			136,026
Development Services - Code Enforcement	826,337	0	0	826,337			826,337
Fire	15,488,832	0	1,400,000	16,888,832			16,888,832
Police	25,002,777	0	2,400,000	27,402,777			27,402,777
Public Works:							
Administration	392,720	0	96,177	488,897			488,897
Building Maintenance	733,188	0	179,558	912,746			912,746
Park Maintenance	2,319,939	0	568,153	2,888,092			2,888,092
Graffiti	102,880	0	25,195	128,075			128,075
Community Buildings	251,150	0	61,507	312,657			312,657
Engineering Services	737,854	0	180,701	918,555			918,555
Engineering - Projects	419,386	0	102,708	522,094			522,094
Street Maintenance/Street Sweeping/Traffic Signals	2,168,835	0	531,148	2,699,983			2,699,983
Traffic Safety	709,954	0	173,868	883,822			883,822
Storm Drain Program	330,688	0	80,986	411,674			411,674
Public Works Total	8,166,594	0	2,000,000	10,166,594			10,166,594
Recreation	1,258,356	0	0	1,258,356			1,258,356
Landscape maintenance	0	0	0	0			0
GRAND TOTAL GENERAL FUND	\$61,458,449	\$5,170,452	\$5,800,000	\$72,428,901	\$4,624,853	\$9,151,138	\$58,652,910

B. GENERAL FUND OVERHEAD RATE

Current General Government Overhead Rate

General Government Expenditures		\$9,151,138
	<i>divided by</i>	
Direct General Fund Expenditures		\$58,652,910
	<i>equals</i>	
Current General Government Overhead Rate		15.6%
Overhead Rate At 75% Marginal Increase		11.7%

Note: 1. Since the adoption of the Fiscal Year (FY) 2013/2014 Budget, City Council approved expense amendments of about \$4.6 million that primarily included grants and carry-forwards. Based on discussion with the City Finance Manager, these expense amendments of \$4.6 million are not projected in the fiscal analysis. In February 2014, mid-year expense adjustments of \$545,599 were made to the City Budget, primarily for liability insurance and other general government expenditures. These mid-year expense adjustments of \$545,599 are included in the fiscal analysis as general government costs.

2. The City administrative staff have provided cost estimates that would restore staff levels in police, fire and public works departments to 2010 service levels.

Sources: Stanley R. Hoffman Associates, Inc.
City of Rialto, *Budget Fiscal Year 2013/2014*
City of Rialto, *Mid-Year Presentation FY 13-14, City Council Approved Budget Adjustments, 2/25/2014*
City of Rialto, City Administrator and Development Services Department

Fire

As shown previously in Table 6-3, fire protection costs are projected at \$149.91 per service population based on FY 2013/2014 revised expenditures of \$16,888,832 and the City's estimated 112,663 service population.

Police

Police costs are projected at \$243.23 per service population, as shown in Table 6-3, based on FY 2013/2014 revised expenditures of \$27,402,777 and the City's service population estimate of 112,663.

Recreation

The Recreation and Community Services Fund operates as an Enterprise Fund to provide for the operations and maintenance of the City's sports center, swimming pool, fitness center, senior center and other facilities and programs, including neighborhood services and child development programs. Revenues for provision of services include racquet, fitness and swimming pool membership fees; class and program fees; rents and concessions; and transfers from the General Fund and the CDBG Fund. Appendix Table C-7 presents the detailed revenue sources for the Recreation and Community Services Fund.

As shown in Table 6-3, the General Fund recreation costs are projected at \$12.41 per capita based on FY 2013/2014 transfer of \$1,258,356 to Recreation and Community Service Fund and the City's population estimate of 101,429.

Development Services

Development services include engineering, business licensing and code enforcement. Based on the City FY 2013/2014 amounts these revenues for development services are projected as follows.

Engineering. Based on FY 2013/2014 net engineering costs of \$444,942 and the City service population estimate of 112,663, non-fee supported costs for engineering are estimated at \$3.95 per service population. As shown in Table 6-3, the total General Fund engineering costs of \$1,973,988 are offset by one-time development related permit and fee revenues of \$1,529,046. Panel A of Appendix Table C-8 presents the calculation of the net engineering cost factor.

Business Licensing. Non-fee supported business licensing costs are estimated at \$5.53 per employee based on FY 2013/2014 business licensing costs of \$136,026 and the City employment estimate of 24,590.

Code Enforcement. Code enforcement costs are projected at \$6.88 per service population based on FY 2013/2014 net code enforcement costs of \$775,337 and the City's service population estimate of 112,663. As shown in Table 6-3, budgeted code enforcement costs of \$826,337 are offset by one-time development related permit and fee revenues of \$51,000. Panel B of Appendix Table C-8 presents the calculation of the net code enforcement cost factor.

Public Works

Public works costs include department administration, community building maintenance, park maintenance, graffiti removal, engineering services and projects, street maintenance/street sweeping/traffic signals, traffic safety and storm drain program costs.

Administration. As shown previously in Table 6-3, public works administration costs are projected at \$4.34 per service population based on FY 2013/2014 revised costs of \$488,897 and the City service population estimate of 112,663.

Community Building Maintenance. Public works community building maintenance and operations costs are projected at \$10.88 per service population. These costs are based on FY 2013/2014 adjusted budget costs of \$1,225,403 and the current City service population.

Park Maintenance. Citywide public works park maintenance costs are projected at \$21,600 per acre. This cost factor is based on FY 2013/2014 adjusted budget costs of \$2,888,092 for park maintenance for the existing 134 City park acres.

Graffiti Removal. Public works costs for graffiti removal are projected at \$1.14 per service population. This factor is based on the FY 2013/2014 adjusted budget amount of \$128,075 and the City service population estimate of 112,663, as shown in Table 6-3.

Engineering Services and Projects. Based on adjusted FY 2013/2014 public works net engineering costs of \$337,848 and the City service population estimate of 112,663, non-fee supported costs for engineering are estimated at \$3.00 per service population. Total General Fund public works engineering costs of \$1,440,648 are offset by one-time development related permit and fee revenues of \$1,102,800, as shown in Appendix Table C-9.

Street Maintenance/Street Sweeping/Traffic Signals. Based on FY 2013/2014 adjusted costs of \$2,699,983 and the City service population estimate of 112,663, General Fund street maintenance/street sweeping/traffic signal costs are estimated at \$23.97 per service population, as shown in Table 6-3.

Traffic Safety. Public works costs for traffic safety are projected at \$7.84 per service population. This factor is based on the FY 2013/2014 adjusted budget amount of \$883,822 and the City service population estimate of 112,663.

Storm Drain Program. Costs for the public works storm drain program are projected at \$3.65 per service population based on FY 2013/2014 adjusted costs of \$411,674 and the current City service population estimate of 112,663.

Contingency

The fiscal analysis assumes a 5 percent contingency cost factor, based on discussion with city

finance staff, to account for unanticipated costs that may be incurred due to occasional economic downturns and State Budget uncertainties. The 5 percent contingency factor is applied to the projected total costs, including general government.

Gas Tax Fund

As shown previously in Table 6-3, part of the funding for Citywide traffic safety operations, street maintenance, street sweeping and traffic signals costs are provided through the Gas Tax Fund. The costs funded through the Gas Tax Fund are projected at \$13.28 per service population based on FY 2013/2014 budget costs of \$1,496,080 and the City service population estimate of 112,663.

Legend

Assessor Parcel Data

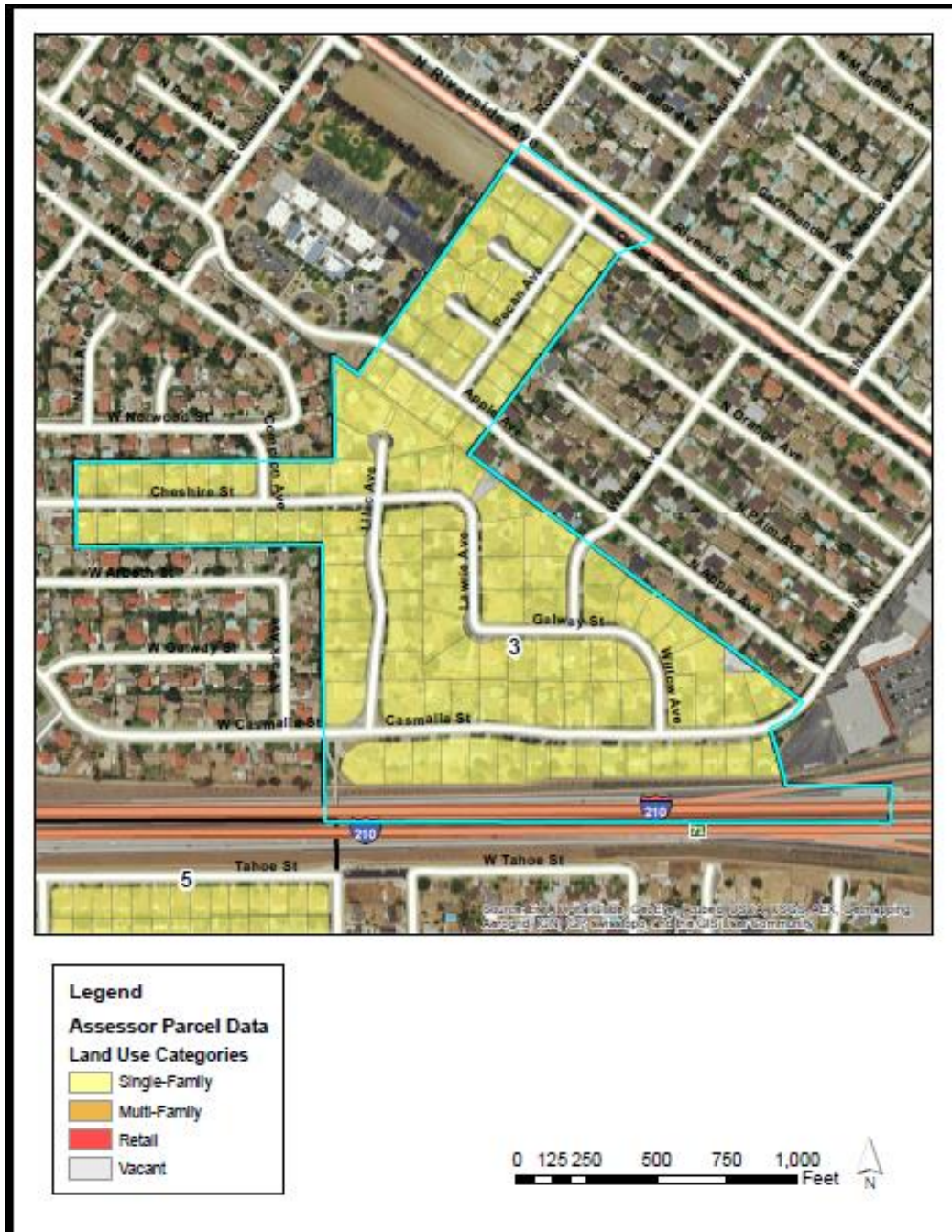
Land Use Categories

- Single-Family
- Multi-Family
- Retail
- Vacant

0 50 100 200 300 400 Feet

N

Figure A-3
Island 3 Map
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto



[illegible]

[illegible]

Table A-1
Existing Development Description by Island Area
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto

Category	Existing Development ¹					Total
	Island 1	Island 2	Island 3	Island 4	Island 5	
A. ACRES	2	24	59	74	81	240
B. PARCEL SQUARE FEET BY LAND USE						
Single Family	20,018	735,684	1,744,525	1,974,124	2,264,365	6,738,716
Multi-Family	0	0	0	22,374	0	22,374
Retail Commercial	0	0	0	17,998	0	17,998
Service Commercial				19,352	0	19,352
Vacant	0	0	13,462	1,021,456	0	1,034,918
Total Square Feet	20,018	735,684	1,757,987	3,055,304	2,264,365	7,833,358
C. RESIDENTIAL DEVELOPMENT						
<u>Units</u>	2	94	127	101	271	595
<u>Households (Occupied Units @ 7% Vacancy)</u>	1	76	125	110	241	553
Estimated Population	4	276	458	526	986	2,250
Estimated LAFCO PPH	4.00	3.63	3.66	4.78	4.09	4.07
D. NON-RESIDENTIAL DEVELOPMENT						
<u>Building Square Feet (@ 0.20 FAR)</u>						
Retail Commercial	0	0	0	3,600	0	3,600
Service Commercial	0	0	0	3,870	0	3,870
Total Building Square Feet	0	0	0	7,470	0	7,470
<u>Estimated Employment</u>						
Retail Commercial @ 500 sq. ft. per employee	0	0	0	7	0	7
Service Commercial @ 1,200 sq. ft. per employee	0	0	0	3	0	3
Estimated Employment	0	0	0	10	0	10
E. ESTIMATED SERVICE POPULATION ³						
Population	4	276	458	526	986	2,250
Employment at 50%	0	0	0	5	0	5
Total Service Population	4	276	458	531	986	2,255

Note: 1. Existing acres, households and population by Island areas are provided by LAFCO as presented in the report cited below. Non-residential square feet is from the County assessor parcel number (APN) file. Employment is estimated by the fiscal consultant.

2. This analysis has weighted the employment at 50% to account for the estimated less frequent use of City services by employment versus population.

Sources: Stanley R. Hoffman Associates, Inc.

Local Agency Formation Commission for San Bernardino County, *Agenda Item #7 -- Presentation Required Pursuant to Section IV - Application Processing, Policy 11 - Island Annexation Pursuant to Government Code Section 56375.3...*, December 8, 2015

City of Rialto, Assistant City Administrator/Development Services Director

Table A-2
Estimated Future Units
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto

LAFCO Island Number	COUNTY PARCEL FILE				SRHA ESTIMATE	
	APN	Land Use Code	Parcel Size (square feet)	Buildable Square Feet (@ 90% of total)	Estimated Units (@ average of 7,700 square feet per lot) ¹	Comment
3	026414128	Vacant	5,130	4,617	1	while less than 7,700 sq. ft., a unit would fit this parcel
3	026438307	Vacant	311	280	0	
3	026438308	Vacant	311	280	0	
3	026438309	Vacant	340	306	0	
3	026438310	Vacant	314	283	0	
3	026458111	Vacant	7,056	6,350	0	this lot is part of residence at 2040 N. Apple Ave.
Subtotal					1	
4	113317105	Vacant	1,899	1,709	0	
4	113317147	Vacant	8,045	7,241	1	while less than 7,700 sq. ft., a unit would fit this parcel
4	113320104	Vacant	290,341	261,307	33	
4	113321102	Vacant	61,970	55,773	7	
4	113321107	Vacant	16,488	14,839	2	
4	113321108	Vacant	21,977	19,779	2	
4	113321111	Vacant	22,966	20,670	2	
4	113321119	Vacant	3,797	3,417	0	
4	113321121	Vacant	1,899	1,709	0	
4	113321131	Vacant	49,434	44,490	5	
4	113322102	Vacant	218,315	196,483	25	
4	113322107	Vacant	179,751	161,776	21	
4	113323103	Vacant	102,732	92,459	0	public parcel - no units
4	113345116	Vacant	1,429	1,286	0	
4	113345119	Vacant	7,497	6,747	1	
4	113347125	Vacant	32,918	29,626	4	
Subtotal					103	
TOTAL					104	

Note: 1. Units are estimated based on a density of about 7,700 square feet per lot, as provided by City staff. When the calculation results in a fraction, the result is rounded down to the whole number.

Sources: Stanley R. Hoffman Associates, Inc.
Local Agency Formation Commission for San Bernardino County
City of Rialto, Assistant City Administrator/Development Services Director

Table A-3
Existing Assessed Valuation, Property Tax and Sales Tax by Island Area
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2016 Dollars)

Category	Existing Development					
	Island 1	Island 2	Island 3	Island 4	Island 5	Total
A. ESTIMATED ASSESSED VALUATION AND PROPERTY TAX						
Total Estimated Assessed Valuation	\$151,337	\$15,929,418	\$23,696,269	\$16,154,640	\$39,682,548	\$95,614,212
Exemptions (homeowner and other) <i>minus</i>	\$14,000	\$435,961	\$560,380	\$238,678	\$990,944	\$2,239,963
Net Estimated Assessed Valuation <i>equals</i>	\$137,337	\$15,493,457	\$23,135,889	\$15,915,962	\$38,691,604	\$93,374,249
1% Property Tax Levy <i>times</i>	\$1,373	\$154,935	\$231,359	\$159,160	\$386,916	\$933,742
City General Fund Share of 1% Levy <i>times</i>	21.04%	21.04%	21.04%	21.04%	21.04%	21.04%
Projected City General Fund Property Tax <i>equals</i> (@ 21.04 of 1% levy)	\$289	\$32,604	\$48,686	\$33,493	\$81,420	\$196,492
B. ESTIMATED ON-SITE SALES AND USE TAX						
Retail (Corner Market/Deli) Square Feet	0	0	0	3,600	0	3,600
Retail Taxable Sales (@ \$220 per square foot taxable sales)	\$0	\$0	\$0	\$792,000	\$0	\$792,000
Retail Sales Tax (@ 1% of taxable sales) <i>plus</i>	\$0	\$0	\$0	\$7,920	\$0	\$7,920
Use Tax (@ 11.5% of sales tax) ¹	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$910</u>	<u>\$0</u>	<u>\$910</u>
Total On-Site Sales and Use Tax	\$0	\$0	\$0	\$8,830	\$0	\$8,830

Note: 1. The property tax allocation rate of 21.04 percent of the basic one percent levy is provided in the LAFCO report cited below and included in Appendix Table C-3.
2. Use tax is rounded to the nearest tens.

Sources: Stanley R. Hoffman Associates, Inc.
Local Agency Formation Commission for San Bernardino County, Agenda Item #7 -- Presentation Required Pursuant to Section IV - Application Processing, Policy 11 - Island Annexation Pursuant to Government Code Section 56375.3..., December 8, 2015
City of Rialto, Assistant City Administrator/Development Services Director

APPENDIX B

DETAILED FISCAL IMPACTS OF ISLANDS, EXISTING DEVELOPMENT

Table B-1
Detailed Projected Recurring Fiscal Impacts: With Utility Users Tax, Existing Development
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2016 Dollars)

Category	With Utility User Tax					
	Existing Development					Total Existing
	Island 1	Island 2	Island 3	Island 4	Island 5	
<u>Recurring Revenues</u>						
Property tax	\$289	\$32,604	\$48,686	\$33,493	\$81,420	\$196,492
On-site retail sales and use tax	0	0	0	8,830	0	8,830
Property transfer tax-turnover	4	426	636	438	1,064	2,568
In lieu property tax (VLF)	0	0	0	0	0	0
Franchise fees	111	7,667	12,723	14,751	27,391	62,643
Proposition 172 Sales Tax-Public Safety	19	1,319	2,189	2,514	4,713	10,754
Utility users tax	419	28,908	47,971	55,617	103,274	236,189
Business licenses	0	0	0	723	0	723
Animal licenses and fees	7	458	760	873	1,637	3,735
Fines, forfeits and penalties	17	1,187	1,969	2,283	4,240	9,696
County LF excavation charges	0	0	0	0	0	0
Current services	92	6,354	10,543	12,209	22,698	51,896
Rents and concessions	8	541	898	1,041	1,933	4,421
Administrative/passport/misc. fees	24	1,648	2,734	3,140	5,886	13,432
Transfer from Gas Tax Fund	59	4,071	6,756	7,759	14,544	33,189
Other transfers	147	10,151	16,845	19,346	36,265	82,754
Interest on invested revenues	8	662	1,060	1,131	2,117	4,978
Total Projected Revenues	\$1,204	\$95,996	\$153,770	\$164,147	\$307,182	\$722,299
<u>Recurring Costs</u>						
Fire protection	\$600	\$41,375	\$68,659	\$79,602	\$147,811	\$338,047
Police protection	973	67,131	111,399	129,155	239,825	548,483
Development services-engineering	16	1,090	1,809	2,097	3,895	8,907
Development services-business licensing	0	0	0	55	0	55
Development services-code enforcement	28	1,899	3,151	3,653	6,784	15,514
Public works-administration	17	1,198	1,988	2,305	4,279	9,787
Public works-engineering services & projects	12	828	1,374	1,593	2,958	6,765
Public works-park maintenance	0	0	0	0	0	0
Public works-street maintenance/traffic signals	96	6,616	10,978	12,728	23,634	54,052
Public works-graffiti removal	5	315	522	605	1,124	2,571
Public works-traffic safety	31	2,164	3,591	4,163	7,730	17,679
Public works-storm drain program	15	1,007	1,672	1,938	3,599	8,231
Public works-community building maintenance	44	3,003	4,983	5,777	10,728	24,535
Recreation	50	3,425	5,684	6,528	12,236	27,923
General government	221	15,218	25,253	29,277	54,366	124,335
Subtotal Recurring Costs	\$2,108	\$145,269	\$241,063	\$279,476	\$518,969	\$1,186,885
5% contingency/reserves	\$105	\$7,263	\$12,053	\$13,974	\$25,948	\$59,343
Total Recurring Costs	\$2,213	\$152,532	\$253,116	\$293,450	\$544,917	\$1,246,228
<u>Annual Net Recurring Surplus or (Deficit)</u>	(\$1,009)	(\$56,536)	(\$99,346)	(\$129,303)	(\$237,735)	(\$523,929)
<u>Revenue/Cost Ratio</u>	0.54	0.63	0.61	0.56	0.56	0.58
<u>ANNUAL SURPLUS OR (DEFICIT) PER UNIT</u>						
Number of Units	2	94	127	101	271	595
Annual Surplus or (Deficit) per Unit	(\$505)	(\$601)	(\$782)	(\$1,280)	(\$877)	(\$881)

Source: Stanley R. Hoffman Associates, Inc.

Table B-2
Detailed Projected Recurring Fiscal Impacts: No Utility Users Tax, Existing Development
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto
(In Constant 2016 Dollars)

Category	No Utility Users Tax					
	Existing Development					
	Island 1	Island 2	Island 3	Island 4	Island 5	Total Existing
<u>Recurring Revenues</u>						
Property tax	\$289	\$32,604	\$48,686	\$33,493	\$81,420	\$196,492
On-site retail sales and use tax	0	0	0	8,830	0	8,830
Property transfer tax-turnover	4	426	636	438	1,064	2,568
In lieu property tax (VLF)	0	0	0	0	0	0
Franchise fees	111	7,667	12,723	14,751	27,391	62,643
Proposition 172 Sales Tax-Public Safety	19	1,319	2,189	2,514	4,713	10,754
Utility users tax	0	0	0	0	0	0
Business licenses	0	0	0	723	0	723
Animal licenses and fees	7	458	760	873	1,637	3,735
Fines, forfeits and penalties	17	1,187	1,969	2,283	4,240	9,696
County LF excavation charges	0	0	0	0	0	0
Current services	92	6,354	10,543	12,209	22,698	51,896
Rents and concessions	8	541	898	1,041	1,933	4,421
Administrative/passport/misc. fees	24	1,648	2,734	3,140	5,886	13,432
Transfer from Gas Tax Fund	59	4,071	6,756	7,759	14,544	33,189
Other transfers	147	10,151	16,845	19,346	36,265	82,754
Interest on invested revenues	5	461	727	745	1,400	3,339
Total Projected Revenues	\$782	\$66,887	\$105,466	\$108,145	\$203,192	\$484,471
<u>Recurring Costs</u>						
Fire protection	\$600	\$41,375	\$68,659	\$79,602	\$147,811	\$338,047
Police protection	973	67,131	111,399	129,155	239,825	548,483
Development services-engineering	16	1,090	1,809	2,097	3,895	8,907
Development services-business licensing	0	0	0	55	0	55
Development services-code enforcement	28	1,899	3,151	3,653	6,784	15,514
Public works-administration	17	1,198	1,988	2,305	4,279	9,787
Public works-engineering services & projects	12	828	1,374	1,593	2,958	6,765
Public works-park maintenance	0	0	0	0	0	0
Public works-street maintenance/traffic signals	96	6,616	10,978	12,728	23,634	54,052
Public works-graffiti removal	5	315	522	605	1,124	2,571
Public works-traffic safety	31	2,164	3,591	4,163	7,730	17,679
Public works-storm drain program	15	1,007	1,672	1,938	3,599	8,231
Public works-community building maintenance	44	3,003	4,983	5,777	10,728	24,535
Recreation	50	3,425	5,684	6,528	12,236	27,923
General government	221	15,218	25,253	29,277	54,366	124,335
Subtotal Recurring Costs	\$2,108	\$145,269	\$241,063	\$279,476	\$518,969	\$1,186,885
5% contingency/reserves	\$105	\$7,263	\$12,053	\$13,974	\$25,948	\$59,343
Total Recurring Costs	\$2,213	\$152,532	\$253,116	\$293,450	\$544,917	\$1,246,228
<u>Annual Net Recurring Surplus or (Deficit)</u>	(\$1,431)	(\$85,645)	(\$147,650)	(\$185,305)	(\$341,725)	(\$761,757)
<u>Revenue/Cost Ratio</u>	0.35	0.44	0.42	0.37	0.37	0.39
<u>ANNUAL SURPLUS OR (DEFICIT) PER UNIT</u>						
Number of Units	2	94	127	101	271	595
Annual Surplus or (Deficit) per Unit	(\$715)	(\$911)	(\$1,163)	(\$1,835)	(\$1,261)	(\$1,280)

Source: Stanley R. Hoffman Associates, Inc.

APPENDIX C SUPPORTING FISCAL TABLES

**Table C-1
City Employment Estimate
North Rialto Islands Annexation Area
Plan for Service and Fiscal Analysis, City of Rialto**

A. ESTIMATED CITY EMPLOYMENT IN 2011

Category	Estimated Payroll Jobs ¹	Estimated Self-Employed ²	Total Employment	Self-Employed Rate ³
Construction	994	249	1,243	20.0%
Manufacturing	2,052	76	2,128	3.6%
Wholesale Trade	1,162	63	1,225	5.2%
Retail Trade	2,740	176	2,916	6.0%
Transportation & Warehousing	5,412	240	5,651	4.2%
Information	80	9	89	10.2%
Finance & Insurance	272	52	324	16.1%
Real Estate & Rental & Leasing	127	37	164	22.5%
Professional, Scientific, & Technical Services	274	43	317	13.5%
Admin. & Support & Waste Mgmt. & Remediation	660	194	854	22.7%
Health Care & Social Assistance	1,118	70	1,189	5.9%
Arts, Entertainment, & Recreation	160	33	194	17.3%
Accommodation & Food Services	1,451	49	1,499	3.2%
Other Services	1,196	484	1,681	28.8%
Public Admin and Education	4,385	0	4,385	0.0%
Balance Employment ⁴	<u>386</u>	<u>345</u>	<u>732</u>	47.2%
Total	22,468	2,121	24,590	8.6%

B. SUMMARY DISTRIBUTION OF TOTAL EMPLOYMENT				
Retail/Service	5,547	742	6,289	11.8%
Office/Corporate Center	673	132	805	16.4%
Business Park/Light Industrial	7,138	840	7,977	10.5%
General Industrial/Employment	4,725	407	5,132	7.9%
Public Admin and Education	<u>4,385</u>	<u>0</u>	<u>4,385</u>	0.0%
Total	22,468	2,121	24,590	8.6%

Note: 1. Annual payroll jobs for 2011 are estimated based on data on primary jobs obtained from Census LEHD adjusted for all payroll jobs based on the relationship between LEHD primary jobs and EDD total payroll jobs.
2. Self-employment is estimated by applying self-employment rates by industry.
3. Estimated rates of self-employment by industry for San Bernardino County are calculated from the Census American Community Survey (ACS) 2009-11 Public Use Microdata Sample (PUMS).
4. The balance of employment includes non-classified jobs and suppressed data on agriculture, mining, utilities and management of companies.

Sources: Stanley R. Hoffman Associates, Inc.
City of Rialto, Economic Development Department
California Economic Development Department, Labor Market Division, *NAICS Sector Level Employment and Payroll Data, City of Rialto, 2008*
Census Longitudinal Employer-Household Dynamic (LEHD) program.
Census American Community Survey (ACS) 2009-11 Public Use Microdata (PUMS)

Table C-2 (page 1 of 3)
General Fund Revenues, Fiscal Year 2013-2014
North Rialto Islands Annexation Area
Plan for Service and Fiscal Analysis, City of Rialto

Revenue Category	Fiscal Year 2013/2014			Revised Revenue Amount	
	Adopted Budget	Budget Amendments and Mid-Year Adjustments ¹	Total Revised Budget	Not Projected in Fiscal Analysis or One-Time Revenue ²	Revenue Projected in Fiscal Analysis
<u>Tax Revenue</u>					
Property Taxes	\$4,891,000	\$548,000	\$5,439,000	\$0	\$5,439,000
In Lieu Property Tax (VLF)	8,400,000	161,000	8,561,000	0	8,561,000
Sales Tax	7,218,000	631,000	7,849,000	0	7,849,000
In Lieu Property Tax (Sales Tax)	2,396,000	192,000	2,588,000	0	2,588,000
Transient Lodging Tax	120,000	0	120,000	120,000	0
Unitary Property Tax	326,000	0	326,000	0	326,000
Franchise Fees	2,980,000	10,000	2,990,000	0	2,990,000
Franchise Fees-PD	150,000	(10,000)	140,000	0	140,000
SB509 Sales Tax-Safety	435,000	50,000	485,000	0	485,000
Property Transfer Tax	211,000	39,000	250,000	0	250,000
UUT-Telephone/Mobile	3,598,000	(48,000)	3,550,000	0	3,550,000
UUT-Gas/Electric	5,530,000	120,000	5,650,000	0	5,650,000
UUT-Water	1,200,000	50,000	1,250,000	0	1,250,000
UUT-Cable/Satellite	473,000	(13,000)	460,000	0	460,000
UUT-Wastewater	941,000	(51,000)	890,000	0	890,000
Subtotal Tax Revenue	\$38,869,000	\$1,679,000	\$40,548,000	\$120,000	\$40,428,000
<u>Licenses and Permits</u>					
Business Licenses	\$1,600,000	\$100,000	\$1,700,000	\$0	\$1,700,000
Contractors Licenses	60,000	0	60,000	0	60,000
Truck Delivery Licenses	17,000	0	17,000	0	17,000
Dog Licenses	155,000	0	155,000	0	155,000
Earthquake Fee	13,000	(11,000)	2,000	2,000	0
Building Permits	509,000	0	509,000	509,000	0
Plumbing Permits	28,000	22,000	50,000	50,000	0
Electrical Permits	30,000	30,000	60,000	60,000	0
Mechanical Permits	18,000	42,000	60,000	60,000	0
Overload Permits	20,000	0	20,000	20,000	0
State Business License Fee	3,000	0	3,000	3,000	0
Energy No-Fee Permits	5,000	0	5,000	5,000	0
SB 1473 State Revolving Fund Fee	5,000	(3,000)	2,000	2,000	0
Alarm Installation Permits	48,000	3,000	51,000	51,000	0
Fire Permits	110,000	0	110,000	110,000	0
Certificates of Occupancy	12,000	(3,000)	9,000	9,000	0
Mobile Home Park State OPS Permit	25,000	0	25,000	25,000	0
Temporary Sign Permits	2,000	0	2,000	2,000	0
Fire Sprinkler Permits	8,000	0	8,000	8,000	0
Other Licenses and Permits	10,000	0	10,000	10,000	0
Total Licenses & Permits	\$2,678,000	\$180,000	\$2,858,000	\$926,000	\$1,932,000
<u>Fines, Forfeits & Penalties</u>					
Parking Fines (City)	\$220,000	\$15,000	\$235,000	\$0	\$235,000
Court Fines (County)	141,000	22,000	163,000	0	163,000
Other Fines/Forfeits/Penalties	40,000	46,000	86,000	0	86,000
Total Fines, Forfeits & Penalties	\$401,000	\$83,000	\$484,000	\$0	\$484,000
<u>Use of Money & Property</u>					
Interest Income From Other Sources	\$58,850	\$0	\$58,850	\$0	\$58,850
Rents & Concessions	250,000	(29,000)	221,000	0	221,000
Investment Income	225,300	74,700	300,000	0	300,000
Total Use of Money & Property	\$534,150	\$45,700	\$579,850	\$0	\$579,850
<u>Revenue From Other Agencies</u>					
Motor Vehicle In Lieu Tax	\$0	\$0	\$0	\$0	\$0
Disaster Assistance	10,000	0	10,000	10,000	0
State Mandated Reimbursements	20,000	28,600	48,600	48,600	0
POST	50,000	(35,000)	15,000	15,000	0
RUSD-Fiscal Affairs/DARE	40,000	(40,000)	0	0	0
State Assistance/CalPers Medicare Part D Subsidy	0	28,340	28,340	28,340	0
DUI Emergency Response	8,500	0	8,500	8,500	0
County Reimbursement	8,840	0	8,840	8,840	0
County Waste Rebate	56,000	(38,360)	17,640	17,640	0
County LF Excavation Charges ³	3,490,000	(1,090,000)	2,400,000	2,160,000	240,000
Total Revenue From Outside Agencies	\$3,683,340	(\$1,146,420)	\$2,536,920	\$2,296,920	\$240,000

Table C-2 (page 2 of 3)
General Fund Revenues, Fiscal Year 2013-2014
North Rialto Islands Annexation Area
Plan for Service and Fiscal Analysis, City of Rialto

Revenue Category	Fiscal Year 2013/2014			Revised Revenue Amount	
	Adopted Budget	Budget Amendments and Mid-Year Adjustments ¹	Total Revised Budget	Not Projected in Fiscal Analysis or One-Time Revenue ²	Revenue Projected in Fiscal Analysis
<u>Charges For Current Services</u>					
Planning Variance Reviews	\$1,100	\$1,141	\$2,241	\$2,241	\$0
Lot Lines and Lot Splits	2,000	0	2,000	2,000	0
Development Agreements	4,000	0	4,000	4,000	0
Specific Plan Reviews/Changes	2,000	0	2,000	2,000	0
Annexation Reviews	0	9,127	9,127	9,127	0
Issuance Fees	40,000	0	40,000	40,000	0
Tentative Map Reviews	5,000	3,678	8,678	8,678	0
Sale of Maps/Publications	3,000	0	3,000	0	3,000
Conditional Development Reviews	23,000	21,000	44,000	44,000	0
Environmental Reviews	16,000	4,000	20,000	20,000	0
Animal Control Fees	10,000	3,000	13,000	0	13,000
Building Plan Check	500,000	100,000	600,000	600,000	0
Energy Plan Check	3,000	5,000	8,000	8,000	0
Public Improvement Inspection	250,000	75,000	325,000	325,000	0
Grading Inspection	15,000	0	15,000	15,000	0
Fingerprinting	1,000	0	1,000	0	1,000
Reproduction Charges	5,400	68,000	73,400	0	73,400
Precise Plan Review	74,000	(14,000)	60,000	60,000	0
Fire False Alarm Response	500	0	500	0	500
Police False Alarm Response	85,000	6,000	91,000	0	91,000
Police Accident Reports	48,000	0	48,000	0	48,000
Engineering General Services	50,000	20,000	70,000	70,000	0
Police General Services	5,000	20,533	25,533	0	25,533
Engineering Improvement Plan Check	250,000	0	250,000	250,000	0
Special Investigation Fee	10,000	0	10,000	10,000	0
Ambulance Service Fees	1,800,000	0	1,800,000	0	1,800,000
Ambulance Subscriptions	60,000	0	60,000	0	60,000
Weed & Lot Cleaning	98,000	0	98,000	0	98,000
Grading Plan Check Fee	10,000	0	10,000	10,000	0
Fire Plan Check Fee	80,000	(10,000)	70,000	70,000	0
Traffic Study Fee	4,000	0	4,000	4,000	0
Nuisance Review	51,000	0	51,000	51,000	0
On Site Improvement Inspection	0	200,000	200,000	200,000	0
Environmental Inspection Fee	0	40,000	40,000	40,000	0
Planning General Services	5,000	2,000	7,000	7,000	0
Inspections for Multi-Family Rentals	300,000	0	300,000	300,000	0
Police Impound Fees	58,000	0	58,000	0	58,000
Other Charges for Current Services	3,600	0	3,600	0	3,600
Department-Premium Engineering	172,800	0	172,800	172,800	0
<i>Total Charges for Current Services</i>	<i>\$4,045,400</i>	<i>\$554,479</i>	<i>\$4,599,879</i>	<i>\$2,324,846</i>	<i>\$2,275,033</i>
<u>Other Revenue</u>					
Gain on Disposition	\$0	\$8,310	\$8,310	\$8,310	\$0
Damage/Recovery Restitution	\$37,000	38,630	75,630	75,630	0
RUA Lease Payments	2,000,000	0	2,000,000	2,000,000	0
RUA Contract Payments	824,040	0	824,040	824,040	0
Administrative Fee	275,000	200,000	475,000	0	475,000
Passport Service Fee	50,000	0	50,000	0	50,000
PEG Access Funding	102,300	0	102,300	102,300	0
Miscellaneous Revenue	60,150	20,000	80,150	0	80,150
<i>Total Other Revenue</i>	<i>\$3,348,490</i>	<i>\$266,940</i>	<i>\$3,615,430</i>	<i>\$3,010,280</i>	<i>\$605,150</i>

Table C-2 (page 3 of 3)
General Fund Revenues, Fiscal Year 2013-2014
North Rialto Islands Annexation Area Plan for Service and Fiscal Analysis
City of Rialto

Revenue Category	Fiscal Year 2013/2014			Revised Revenue Amount	
	Adopted Budget	Budget Amendments and Mid-Year Adjustments ¹	Total Revised Budget	Not Projected in Fiscal Analysis or One-Time Revenue ²	Revenue Projected in Fiscal Analysis
Transfers In					
Transfers-Gas Tax	\$1,496,080	\$0	\$1,496,080	\$0	\$1,496,080
Transfers-Waste Management	38,490	0	38,490	0	38,490
Transfers-Fire Development	1,260	0	1,260	0	1,260
Transfers-Landscaping & Lighting District No. 2	34,005	0	34,005	0	34,005
Transfers-AQMD 2766	5,220	0	5,220	0	5,220
Transfers-Local Drainage	10	0	10	0	10
Transfers-CDBG	91,402	20,380	111,782	0	111,782
Transfers-PERS Property Tax	200	0	200	200	0
Transfers-Traffic Development	51,300	0	51,300	0	51,300
Transfers-Successor Agency	219,990	0	219,990	0	219,990
Transfers-Casa Grande Debt Service	12,610	0	12,610	0	12,610
Transfers-Water Administration/Utility	0	100,000	100,000	0	100,000
Transfers-Airport	51,440	0	51,440	0	51,440
Transfers-Utility Billing	62,720	0	62,720	0	62,720
Transfers-Engineering	2,889,007	0	2,889,007	0	2,889,007
Transfers-CFD 87-1	36,940	0	36,940	0	36,940
Transfers-CFD 2006-1	115,340	0	115,340	0	115,340
<i>Total Transfers In</i>	\$5,106,014	\$120,380	\$5,226,394	\$200	\$5,226,194
<i>Total Mid-Year Adjustments</i>		\$1,783,079			
Budget Amendments: Grants and Carry-Forwards ³	\$0	\$3,097,443	\$3,097,443	\$3,097,443	\$0
General Fund Total	\$58,665,394	\$4,880,522	\$63,545,916	\$11,475,689	\$52,070,227

Note: 1. Since the adoption of the Fiscal Year (FY) 2013/2014 Budget, City Council approved revenue amendments of about \$3.1 million that primarily included grants and carry-forwards. Based on discussion with the City Finance Manager, these revenue amendments are not projected in the fiscal analysis. In February 2014, mid-year revenue adjustments of about \$1.8 million were made to the City budget. These mid-year revenue adjustments are included in the fiscal analysis.

2. Certain revenues are not projected in the fiscal analysis. These include the estimated \$3.1 million revenue amendment (for grants and carry-forwards), revenues that are fixed payments and grants. Development-related one-time fee revenues are deducted from projected departmental costs for development services and engineering.

3. City administrative staff estimates that about 10 percent, or \$240,000, of the total County Landfill revenues that are contributed from disposal by City residents.

Sources: Stanley R. Hoffman Associates, Inc.

City of Rialto, *Budget Fiscal Year 2013/2014*

City of Rialto, *Mid-Year Presentation FY 13-14, City Council Approved Budget Adjustments, 2/25/2014*

Table C-3
Current Tax Rate Area (TRA) Allocations: TRA 106039
North Rialto Islands Annexation Plan for Service and Fiscal Analysis
City of Rialto

Agency Code	Agency	TRA 106039
<u>A. Current Allocations</u>		
AB01 GA01	San Bernardino County General Fund	0.13606702
AB02 GA01	Educational Revenue Augmentation Fund (ERAF)	0.20604917
BF02 GA01	Flood Control Zone 2	0.02415610
BF07 GA01	Flood Control District, Administration, 1 & 2	0.00169860
BL01 GA01	San Bernardino County Free Library	0.01317650
BS01 GA01	County Superintendent of Schools, Countywide	0.00466915
BS01 GA02	County Superintendent of Schools, Regional Occupational Program	0.00080051
BS01 GA03	County Superintendent of Schools, Physically Handicapped	0.00183662
BS01 GA04	County Superintendent of Schools, Mentally Retarded	0.00147470
BS01 GA05	County Superintendent of Schools, Development Center	0.00048143
SC54 GA01	San Bernardino Community College	0.04782331
SU50 GA01	Rialto Unified	0.29950283
UD98 GA01	CSA SL-1	0.01415458
UF01 GA01	San Bernardino County Fire Protection District, Valley Service Area	0.17184959
UF01 GA05	San Bernardino County Fire Protection District, Administration	0.02443024
WR04 GL01	Inland Empire Joint Resource Conservation District	0.00047331
WU23 GA01	San Bernardino Valley Municipal Water	0.02460988
WW28 GA01	West San Bernardino County Water District	0.02674646
	Total	1.00000000
<u>B. Detaching Districts Upon Annexation (Allocation Shifts to City of Rialto)</u>		
	CSA SL-1	0.01415458
	San Bernardino County Fire Protection District, Valley Service Area	0.17184959
	San Bernardino County Fire Protection District, Administration	0.02443024
	Total Detaching Districts	0.21043441

Sources: Stanley R. Hoffman Associates, Inc.

San Bernardino County Auditor-Controller, Property Tax Division, TRA Allocations

Table C-4
Estimated In Lieu Property Tax of Vehicle License Fees (VLF) Factor
North Rialto Islands Annexation Area Plan for Service and Fiscal Analysis
City of Rialto

Category	FY 2004-2005	FY 2013-2014	Change
A. Nominal Dollars			
In Lieu Property Tax - VLF	\$5,562,151	\$8,561,000	\$2,998,849
Assessed Valuation	\$3,842,110,300	\$5,917,583,374	\$2,075,473,074
VLF Increase divided by Assessed Valuation (AV)			0.001445
VLF Increase per \$1,000,000 increase in AV			\$1,445
B. Consumer Price Index (Annual 2004 and 2013)	193.20	239.21	1.24
C. Constant Dollars			
In Lieu Property Tax - VLF	\$6,886,674	\$8,561,000	\$1,674,326
Assessed Valuation	\$4,757,037,674	\$5,917,583,374	\$1,160,545,700
VLF Increase divided by Assessed Valuation (AV)			0.001443
VLF Increase per \$1,000,000 increase in AV			\$1,443

Sources: Stanley R. Hoffman Associates, Inc.
State Controller's Office, Division of Accounting and Reporting, *Revenue and Taxation Code Section 97.70©1(B)(i) Vehicle License Fee Adjustment Amounts, 2004/2005*
City of Rialto, *Budget Fiscal Year 2013/2014*
City of Rialto, *Mid-Year Presentation FY 13-14, City Council Approved Budget Adjustments, 2/25/2014*
San Bernardino County Assessor, *2013 Annual Report, 2013 Property Assessment Roll*
Bureau of Labor Statistics (BLS), *Consumer Price Index-All Urban Customers, Los Angeles-Riverside-Orange County, CA, January CPI, April 2014*

Table C-5
Calculation of Use Tax Factor
North Rialto Islands Annexation Area Plan for Service and Fiscal Analysis
City of Rialto

Rialto	Amount
<u>Use Tax</u>	
County Pool	\$1,064,180
State Pool	<u>5,835</u>
Total Use Tax	\$1,070,015
<u>Point-of-Sale Sales Tax</u>	\$9,519,326
Use Tax Rate¹	11.2%

Note: 1. The use tax rate is the County Pool plus the State Pool divided by point-of-sale taxable sales tax.

Source: The HdL Companies, *Sales Tax Allocation Totals, Calendar Year 2013*

Table C-6
Estimated Annual Residential Turnover
North Rialto Islands Annexation Area Plan for Service and Fiscal Analysis
City of Rialto

City of Rialto	Occupied Housing Units	Percent Turnover
Total Owner Occupied Units	15,169	
Moved in 2010 or later	900	
Moved in 2000 to 2009	<u>6,406</u>	
Total Moved 2000 to 2010	7,306	
Annual Turnover Rate: 2000 to 2010 ¹	731	5%

Note: 1. The annual turnover rate is based on the assumption of ten years for the 2000 to 2010 period.

Sources: Stanley R. Hoffman Associates, Inc.

U.S. Census Bureau, 2008-2012 American Community Survey Tenure by Year Householder Moved Into Unit

Table C-7
Recreation and Community Services Fund Revenues, Fiscal Year 2013-2014
North Rialto Islands Annexation Area
Plan for Service and Fiscal Analysis, City of Rialto

Recreation and Community Services Fund Revenues	2013/2014 Budget	Percent of Total
<u>Use of Money & Property</u>		
Rents & Concessions	\$106,690	4.54%
Community Center Rentals	25,000	1.06%
Simonson Center Rentals	0	0.00%
Simonson Center Pools	<u>2,000</u>	<u>0.09%</u>
Subtotal Tax Revenue	\$133,690	5.69%
<u>Charges For Current Services</u>		
Sports Fees	\$100,225	4.27%
Sports Center Programs	45,450	1.94%
Swimming Pool Programs	64,405	2.74%
Cultural Art Fees	43,000	1.83%
Child Development	125,000	5.32%
Swimming Pool Memberships	44,200	1.88%
Racquet/Fitness Membership Fees	397,800	16.94%
Recreation Miscellaneous	50	0.00%
Other Charges for Current Services	0	0.00%
Department Premiums - Simonson Center	<u>60,000</u>	<u>2.55%</u>
Total Charges for Current Services	\$880,130	37.47%
<u>Other Revenue</u>		
Cash Over/Short	\$0	0.00%
Miscellaneous Revenue	600	0.03%
Recreation Donation	<u>0</u>	<u>0.00%</u>
Total Other Revenue	\$600	0.03%
<u>Transfers In</u>		
Transfers-General Fund	\$1,258,356	53.58%
Transfers-NSP3	0	0.00%
Transfers-CDBG	<u>75,972</u>	<u>3.23%</u>
Total Transfers In	\$1,334,328	56.81%
Total Recreation and Community Services Fund	\$2,348,748	100.00%

Sources: Stanley R. Hoffman Associates, Inc.

City of Rialto, Budget Fiscal Year 2013/2014

Table C-8
General Fund Net Development Cost Factors
North Rialto Islands Annexation Area Plan for Service and Fiscal Analysis
City of Rialto

Category	Amount
A. General Fund Development Services Engineering Costs	
Development Services & Engineering Costs (includes Building and Planning Divisions)	\$1,973,988
	<i>minus</i>
<u>One-Time Licenses and Permits</u>	
Earthquake Fee	\$2,000
Building Permits	509,000
Plumbing Permits	50,000
Electrical Permits	60,000
Mechanical Permits	60,000
Energy No-Fee Permits	5,000
Certificates of Occupancy	9,000
Mobile Home Park State OPS Permit	25,000
Temporary Sign Permits	<u>2,000</u>
Total One-Time Licenses and Permits	\$722,000
	<i>minus</i>
<u>One-Time Charges for Current Services</u>	
Planning Variance Reviews	\$2,241
Lot Lines and Lot Splits	2,000
Development Agreements	4,000
Specific Plan Reviews/Changes	2,000
Annexation Reviews	9,127
Issuance Fees	40,000
Tentative Map Reviews	8,678
Conditional Development Reviews	44,000
Environmental Reviews	20,000
Building Plan Check	600,000
Energy Plan Check	8,000
Precise Plan Review	60,000
Planning General Services	<u>7,000</u>
Total One-Time Charges for Services	\$807,046
	<i>equals</i>
Recurring Net Development Services & Engineering Costs	\$444,942
	<i>divided by</i>
<u>City Service Population</u>	112,663
	<i>equals</i>
Net Development Services & Engineering Costs per Service Population	\$3.95
 B. General Fund Development Services - Code Enforcement Costs	
Development Services - Code Enforcement	\$826,337
	<i>minus</i>
<u>One-Time Charges for Services</u>	
Nuisance Review	\$51,000
	<i>equals</i>
Recurring Net Development Services-Code Enforcement Costs	\$775,337
	<i>divided by</i>
<u>City Service Population</u>	112,663
	<i>equals</i>
Net Development Services Costs per Service Population	\$6.88

Sources: Stanley R. Hoffman Associates, Inc.
City of Rialto, Budget Fiscal Year 2013/2014
City of Rialto, Mid-Year Presentation FY 13-14, City Council Approved Budget Adjustments, 2/25/2014
City of Rialto, City Administrator and Development Services Department

Table C-9
General Fund Net Public Works Engineering Costs
North Rialto Islands Annexation Area Plan for Service and Fiscal Analysis
City of Rialto

Category	Amount
<u>Total General Fund Public Works Engineering Services and Projects</u>	
Engineering Services	\$918,555
Engineering - Projects	<u>522,094</u>
Total Public Works Engineering Services and Projects Costs	\$1,440,648
	<i>minus</i>
<u>One-Time Licenses and Permits</u>	
Overload Permits	\$20,000
	<i>minus</i>
<u>One-Time Charges for Services</u>	
Public Improvement Inspection	\$325,000
Grading Inspection	15,000
Engineering General Services	70,000
Engineering Improvement Plan Check	250,000
Grading Plan Check Fee	10,000
On Site Improvement Inspection	200,000
Environmental Inspection Fee	40,000
Department-Premium Engineering	<u>172,800</u>
Total One-Time Charges for Service	\$1,082,800
	<i>equals</i>
Recurring Net Development Services Costs	\$337,848
	<i>divided by</i>
<u>City Service Population</u>	112,663
	<i>equals</i>
Public Works Engineering Costs per Service Population	\$3.00

Sources: Stanley R. Hoffman Associates, Inc.
City of Rialto, Budget Fiscal Year 2013/2014
City of Rialto, *Mid-Year Presentation FY 13-14, City Council Approved Budget Adjustments, 2/25/2014*
City of Rialto, City Administrator and Development Services Department

APPENDIX D PROJECT REFERENCES

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909.421.7219

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San Bernardino County Local Agency Formation Commission (LAFCO)

Kathleen Rollings-McDonald, Executive Officer
Samuel Martinez, Assistant Executive Officer
909.388.0480

County of San Bernardino

www.sbcounty.gov/

Hinderliter de Llamas and Associates

www.hdlcompanies.com

**Letter from Tom Dodson and Associates
and Facts, Findings and Statement of
Overriding Considerations, and
Environmental Documents Related to the
City of Rialto's Approval of the Lytle Creek
Ranch Specific Plan**

Attachment 6



MEMORANDUM

May 9, 2016

From: Tom Dodson

To: Kathleen Rollings-McDonald

Subj: Transmittal of a LAFCO version of the Findings of Fact and Statement of Overriding Considerations for LAFCO 3201

Kathy, the proposed LAFCO 3201 consists of a Reorganization to include Annexations to the City of Rialto and West Valley Water District; Detachments from the San Bernardino County Fire Protection Districts, its Valley Service Zone, Fontana Fire Protection District, County Service Area SL-1 and County Service Area 70 (Lytle Creek Ranch Specific Plan). The rezoning for the approximate 1,700 acres of the area proposed for Reorganization was carried out by the City of Rialto as part of the City's review and approval of the Specific Plan. Thus, for this City proposed Reorganization, the Commission must consider the Final Environmental Impact Report (Complete FEIR) certified by the City as compliance with the California Environmental Quality Act (CEQA). Hereafter, the City's certified environmental document will be referred to as the Complete EIR.

Subsequent to certifying the Complete FEIR and filing the Notice of Determination (NOD), the City was sued and subsequently made revisions and adopted the Complete FEIR in 2013. Because the Complete FEIR identified unavoidable significant adverse environmental impacts, the City adopted a Statement of Overriding Considerations (SOOC) weighing the project benefits with the identified adverse environmental impacts.

A copy of the pertinent NOD is provided as an attachment to the SOOC prepared by LAFCO Staff to support the Commission's action on LAFCO 3201. All of these documents comprise components of the City's administrative record being considered by the Commission in support of a decision on LAFCO 3201.

The City's Complete FEIR addressed all of the environmental issues contained (17) in the standard California Environmental Quality Act (CEQA) Initial Study Environmental Checklist Form. Of these issues, 14 were determined to experience less than significant impact, either with or without mitigation, and the remaining three issues (Air Quality, Noise, and Growth Inducement) were found to be significant unavoidable adverse impacts. When a project will result in unavoidable significant impacts if implemented as proposed, Section 15091 requires

both the lead agency and responsible agencies to make findings, including balancing the environmental effects with the social and economic benefits of a project, regarding these unavoidable significant effects if the agency approves the proposed action. LAFCO 3201 is a second tier or follow-on action that will allow the forecasted significant impacts for the three issues listed above to occur.

Therefore, on behalf of the Commission, Tom Dodson & Associates modified the City's findings and Statement to fit the action, Reorganization, being considered in LAFCO 3201. If the Commission chooses to approve LAFCO 3201, then it must approve the reliance on the City's Complete FEIR (stating that the Commission considered the Complete FEIR prior to making its decision as a CEQA Responsible Agency) and it must also adopt the Findings of Fact and Statement of Overriding Considerations as the basis for approving LAFCO 3201 because this action will facilitate ultimate implementation of the Specific Plan.

Should you have any questions regarding the required Commission actions in this matter or the content of the documentation, please contact me. I will be available at the May 2016 Commission meeting to address any questions that may be raised by the Commissioners or the public.



Tom Dodson

**FACTS, FINDINGS AND STATEMENT OF OVERRIDING CONSIDERATIONS
PREPARED PURSUANT TO THE
CALIFORNIA ENVIRONMENTAL QUALITY ACT FOR THE
COMPLETE FINAL ENVIRONMENTAL IMPACT REPORT FOR THE
LYTLE CREEK RANCH SPECIFIC PLAN PROJECT
REORGANIZATION UNDER LAFCO 3201
STATE CLEARINGHOUSE NO. 2009061113**

1.0 INTRODUCTION

The Lytle Development Company, El Rancho Verde Golf LLC, and Pharris Sycamore Flats LLC III (Applicant) filed applications with the City of Rialto ("City") for the development of approximately 2,447.3 acres (Project Site) generally located north of Riverside Avenue between Glen Helen Parkway and North Oakdale Avenue in the City of Rialto and unincorporated San Bernardino County. Development of the Project Site would be governed by the Lytle Creek Ranch Specific Plan (LCRSP or Project). The Project is the development of the Project Site pursuant to the LCRSP.

The City has filed an application with the Local Agency Formation Commission (LAFCO) for San Bernardino County for a Reorganization that will allow the LCRSP property to be annexed into the City of Rialto. The Reorganization was initiated by City Resolution at the request of the property owner to annex property in order to complete the entitlement process for the Specific Plan and to address the provision of municipal level service to future development within the LCRSP. Specifically, LAFCO 3201 seeks approval of a Reorganization to include Annexations to the City of Rialto and West Valley Water District; Detachments from the San Bernardino County Fire Protection District, its Valley Service Zone, Fontana Fire Protection District, County Service Area SL-1 and County Service Area 70. The Reorganization proposal encompasses seven areas along the Lytle Creek Wash area generally located northerly of the 210 Freeway; easterly of Riverside Avenue; and southerly of the I-15 Freeway, within the City of Rialto's northern Sphere of Influence. Specific locations are as follows:

Area A encompasses approximately 568 acres generally bordered by the I-15 Freeway on the north, parcel lines on the east and south, and parcel lines (existing City of Rialto boundaries) on the west, generally northeasterly of the intersection of Locus and Riverside Avenues.

Area B encompasses approximately 573 acres generally bordered by parcel lines on the north, east and south, and parcel lines (existing City of Rialto boundaries) on the west, generally northeasterly of the El Rancho Verde Community.

Area C is a single parcel encompassing approximately 0.46 acre generally bordered by County Club Drive on the west, parcel line (existing City of Rialto boundary) on the north, parcel line on the east and Sycamore Avenue on the south.

Area D encompasses approximately 539 acres generally bordered by parcel lines on the north and east, and parcel lines (existing West Valley Water District boundaries) on the south and west.

Area E encompasses approximately 13 acres that generally includes the San Bernardino County Flood Control channel area located within the Reorganization area.

Area F encompasses approximately 1.65 acres which includes a single parcel generally bordered by parcel lines on the north and east, and parcel lines (existing City of Rialto boundary) on the south and west.

Area G encompasses approximately 0.65 acres that generally includes a portion of the San Bernardino County Flood Control Channel located within the reorganization area.

The maps provided in Attachment 1 of this document show the location of these properties.

The City prepared the Lytle Creek Ranch Environmental Impact Report (State Clearinghouse No. 2009061113) in compliance with the California Environmental Quality Act, Cal. Public Resources Code Sections 21000-21177 (CEQA) and the Guidelines for California Environmental Quality Act, 14 Cal. Code of Regs. Sections 15000-15387 (CEQA Guidelines), which addressed the environmental impacts of the LCRSP. On July 13, 2010, the City certified the EIR, adopted the Statement of Overriding Considerations (SOOC) and the Findings of Fact, and approved the Mitigation Monitoring and Reporting Program (MMRP) for the LCRSP. On July 27, 2010, the City Council approved Ordinance Nos. 1468, 1469, 1470, and 1471, which rescinded the El Rancho Verde Specific Plan, approved General Plan Amendment No. 29, approved the Lytle Creek Specific Plan No. 12, and approved the Pre-Annexation Development Agreement No. 170.

On August 26, 2010, Endangered Habitats League, Inc. and Save Lytle Creek Wash filed a Petition for Writ of Mandate and Complaint for Declaratory Relief in the San Bernadino County Superior Court, challenging the City's approval of the Project under CEQA (Case No. CIVDS 1011874, *Endangered Habitats League, et al. v. City of Rialto, et al.*). The Court issued its ruling on September 30, 2011 (the Court Ruling) that found that the City did not comply with CEQA in approving the Project because: (1) the EIR did not provide substantial evidence to support a conclusion that impacts related to greenhouse gas (GHG) emissions would be less than significant; (2) the EIR improperly assessed the Project's traffic impacts; (3) the mitigation measures for seismic hazards and fire protection impacts improperly deferred mitigation; and (4) the EIR analysis of two habitat avoidance alternatives, referred to as HAA 1 and HAA 2, did not contain sufficient evidence to support conclusions regarding the air quality, noise and growth inducement impacts of those alternatives and that the findings regarding the economic infeasibility and the inability to meet Project objectives of those alternatives were not supported by evidence in the record. The Court ordered the City to "set aside all of [the] approvals it made in approving this Project" and "to revise the EIR with respect to the GHG emissions discussion, traffic impact analysis, Mitigation Measures 3.1 to 3.3 and 9.4 to 9.5, and alternatives HAA 1 and HAA 2 and recirculate those portions of the EIR." On October 7, 2011, the Court issued its Writ of Mandate and Judgment, which was limited to the items identified in the Court Ruling.

In response to the Court Ruling, the City adopted a resolution to decertify the EIR and set aside the adoption of the SOC and the Findings of Fact, and the approval of the MMRP on November 22, 2011. On December 27, 2011, the City adopted Ordinance Nos. 1492, 1493, 1494, and 1495 to rescind the previously adopted Ordinance Nos. 1468, 1469, 1470 and 1471, thus setting aside all approvals made by the City in approving the LCRSP.

In accordance with the Court Ruling, the City prepared Recirculated Portions of the Draft Environmental Impact Report (RPDEIR) pursuant to CEQA Guidelines Section 15088.5. As is proper under CEQA, the scope of the RPDEIR is limited to portions of the EIR determined to be inadequate in the Court Ruling. The RPDEIR contains the following clarifications, revisions, or updates to portions and/or sections:

- Revised greenhouse gas (GHG) emissions and climate impacts analysis, which incorporates the analysis in Appendix V-B (Revised Climate Change Technical Report);
- Revised traffic analysis reflecting the opinion in *Sunnyvale West Neighborhood Assn. v. City of Sunnyvale City Council* (2010) 190 Cal.App.4th1352 and incorporating the analysis in Appendix V-C (Addendum to the Traffic Impact Analysis);
- Revised Mitigation Measures 3-1, 3-2, and 3-3, proposed to mitigate the Project's potentially significant seismic impacts to less than significant levels;
- Revised Mitigation Measures 9-4 and 9-5, proposed to mitigate the Project's potentially significant fire protection impacts to less than significant levels; and
- Revised alternatives analysis for Habitat Avoidance Alternative 1 (Avoidance of San Bernadino Kangaroo Rat/Least Bell's Vireo Occupied Habitat, or "HAA 1") and Habitat Avoidance Alternative 2 (Avoidance of Riversidian Alluvial Fan Sage Scrub Areas, or "HAA 2").

The RPDEIR was published on February 17, 2012, and circulated for public comment for a 45-day comment period that ended on April 3, 2012. Following the comment period, the City prepared the Final Recirculated Portions of the EIR (Final RPEIR) for the LCRSP, also in response to the Court Ruling. The Final RPEIR contains corrections and additions to the RPDEIR, copies of comments on the RPDEIR and responses to those comments, and the ENVIRON Technical Memorandum that responds to comments regarding the GHG methodology described in the RPDEIR.

Together, the original Draft EIR (DEIR) for the Project, the original Final EIR (FEIR) for the Project, the RPDEIR, and the Final RPEIR comprise the "Complete Final EIR (FEIR)" for the LCRSP. These findings and facts in support of findings are based on the Complete FEIR, as well as all other information in the record of proceedings on this matter and in the City-certified Administrative Record for Case No. CIVDS 1011874, and are adopted by the City in accordance with the requirements of CEQA and the CEQA Guidelines.

To fully implement the LCRSP the property must be annexed into the City of Rialto. Thus, LAFCO 3201 constitutes a "step" in the process of implementing the LCRSP under the City's jurisdiction. This makes LAFCO a CEQA Responsible Agency, i.e., a public agency other than the Lead Agency which has discretionary approval power over the project. That discretionary approval in this instance consists of authority for discretionary review and approval of LAFCO 3201. As outlined in Section 15096 of the State CEQA Guidelines, "A Responsible Agency complies with CEQA by considering the EIR or Negative Declaration prepared by the Lead Agency and by reaching its own conclusions on whether and how to approve the project involved."

Thus, prior to making a decision on LAFCO 3201 the Commission must "consider" the environmental effects identified in the LCRSP Final EIR and reach its own conclusions regarding the whether to approve the proposed Reorganization. As part of this process, the Commission has determined that none of the conditions identified in Sections 15162 or 15163 of the State CEQA Guidelines requires the Commission to prepare a subsequent or supplemental environmental document/determination.

1.1 CEQA Requirements

The California Environmental Quality Act (CEQA), Public Resources Code Section 21081, and the State CEQA Guidelines, 14 Cal. Code of Regs. Section 15091, require that a public agency

consider the environmental impacts of a project before a project is approved and make specific findings. CEQA Section 21081 requires:

No public agency shall approve or carry out a project for which an environmental impact report has been certified which identifies one or more significant environmental effects on the environment that would occur if the project is approved or carried out unless both of the following occur:

- (a) The public agency makes one or more of the following findings with respect to each significant effect:*
 - (1) Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment.*
 - (2) Those changes or alterations are within the responsibility and jurisdiction of another public agency and have been, or can and should be, adopted by that other agency.*
 - (3) Specific economic, legal, social, technological, or other considerations, including considerations for the provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or alternatives identified in the environmental impact report.*
- (b) With respect to significant effects which were subject to a finding under paragraph (3) of subdivision (a), the public agency finds that specific overriding economic, legal, social, technological or other benefits of the project outweigh the significant effects on the environment.*

CEQA Guidelines Section 15091(b) states that “The findings required by subsection (a) shall be supported by substantial evidence in the record.” CEQA Guidelines Section 15091(c) states that “The finding in subdivision (a) (2) shall not be made if the agency making the finding has concurrent jurisdiction with another agency to deal with identified feasible mitigation measures or alternatives. The finding in subdivision (a) (3) shall describe the specific reasons for rejecting identified mitigation measures and project alternatives.”

CEQA Guidelines Section 15091(d) further provides, “When making the findings required in subsection (a)(1), the agency shall also adopt a program for reporting on or monitoring the changes which it has either required in the project or made a condition of approval to avoid or substantially lessen significant environmental effects. These measures must be fully enforceable through permit conditions, agreements, or other measures.”

CEQA Guidelines Section 15093 further provides:

- (a) CEQA requires the decision-making agency to balance, as applicable, the economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of a proposed project against its unavoidable environmental risks in determining whether to approve the project. If the specific economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of a proposed project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered “acceptable”.*

- (b) *When the lead agency approves a project which will result in the occurrence of significant effects which are identified in the final EIR but are not avoided or substantially lessened, the agency shall state in writing the specific reasons to support its action based on the final EIR and/or other information in the record. The statement of overriding considerations shall be supported by substantial evidence in the record.*
- (c) *If an agency makes a statement of overriding considerations, the statement should be included in the record of the project approval and should be mentioned in the notice of determination. This statement does not substitute for, and shall be in addition to, findings required pursuant to Section 15091.*

In addition to all of the above requirements, Section 15096 (h) states: "The Responsible Agency shall make the findings required by Section 15091 for each significant effect of the project and shall make the findings in Section 15093 if necessary." Thus, this set of findings and facts in support of findings and SOOC constitute the findings of the Commission regarding the LCRSP Final EIR in support of its decision to approve LAFCO 3201.

Where, as a result of the environmental analysis of the Project and the identification of project design features, compliance with existing laws, codes and statutes, and the identification of feasible mitigation measures, the following potentially significant impacts of the Project have been determined by the Commission to be reduced to a level of less than significant, the Commission has found in accordance with CEQA Section 21081(a)(1) and CEQA Guidelines Section 15091(a) (1) that "Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment," which is referred to herein as "**Finding 1**." Where the potential impact can be reduced to less than significant solely through adherence to and implementation of project design features or standard conditions, these measures are considered "incorporated into the project" which mitigate or avoid the potentially significant effect, and in these situations, the Commission also will make "Finding 1" even though no mitigation measures are required, but will note that the potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations.

Where the Commission has determined pursuant to CEQA Section 21081((a)(2) and CEQA Guidelines Section 15091(a)(2) that "Those changes or alterations are within the responsibility and jurisdiction of another public agency and have been, or can and should be, adopted by that other agency, the Commission's findings is referred to herein as "**Finding 2**." Based on the Commission's review of the Final EIR, none of the mitigation measures identified are the responsibility of the Commission to implement or oversee implementation.

Where, as a result of the environmental analysis of the Project, the Commission has determined that either (1) even with the identification of project design features, compliance with existing laws, codes and statutes, and/or the identification of feasible mitigation measures, potentially significant impacts cannot be reduced to a level of less than significant, or (2) no feasible mitigation measures or alternatives are available to mitigate the potentially significant impact, the Commission has found in accordance CEQA Section 21081(a)(3) and CEQA Guidelines Section 15091(a)(3) that "Specific economic, legal, social, technological, or other considerations, including considerations for the provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or alternatives identified in the environmental impact report," referred to herein as "**Finding 3**."

Having received, reviewed and considered the Complete FEIR for Lytle Creek Ranch Specific Plan, which includes the original DEIR and FEIR, and the RPDEIR and Final RPEIR, EAR 09-19/SCH #2009061113, as well as all other information in the record of proceedings on this matter, the following Findings and Facts in Support of Findings (Findings) and Statement of Overriding Considerations (SOC) are hereby adopted by the Commission in its capacity as the CEQA Responsible Agency.

These Findings set forth the environmental basis for current discretionary actions to be undertaken by the Commission for the implementation of the Lytle Creek Ranch Project by the City of Rialto after approval of LAFCO 3201. These actions include the approval Reorganization to include Annexations to the City of Rialto and West Valley Water District; Detachments from the San Bernardino County Fire Protection District, its Valley Service Zone, County Service Area SL-1 and County Service Area 70 (Lytle Creek Ranch Specific Plan).

1.2 Format of Findings

These Findings have been organized into the following sections:

Section 1.0, Introduction. This section provides an introduction to these Findings and to the Project and sets forth the requirements of CEQA for a Responsible Agency to make the following Findings.

Section 2.0, Project Description. This section provides a summary of the Project and overview of the discretionary actions required for implementation of the Project, and a statement of the Project's objectives.

Section 3.0, General Findings. In addition to the specific findings presented herein, this section identifies the general CEQA findings of the Responsible Agency.

Section 4.0, Findings Regarding the Significant or Potentially Significant Environmental Effects of the Project which cannot Feasibly be Mitigated to Below a Level of Significance. This section sets forth findings regarding the significant or potentially significant environmental impacts of the Project which cannot feasibly be mitigated to a less-than-significant level based on the threshold of significance criteria presented in the Complete FEIR and which will or may result from the implementation of the Project.

Section 5.0, Findings Regarding the Significant or Potentially Significant Environmental Effects of the Project which can Feasibly be Mitigated to Below a Level of Significance. This section sets forth findings regarding significant or potentially significant environmental impacts identified in the Complete FEIR which the Commission has determined are either not significant or can feasibly be mitigated to a less than significant level through the imposition of project design features, standard conditions, and/or mitigation measures. In order to ensure compliance and implementation, all of these measures will be included in the Mitigation Monitoring and Reporting Program (MMRP) for the Project. Where potentially significant impacts can be reduced to less than significant levels through adherence to project design features and standard conditions, these findings specify how those impacts were reduced to an acceptable level.

Section 6.0, Findings Regarding Alternatives. This section provides findings regarding those alternatives to the Project which were examined in the Complete FEIR and which were considered by the decision-making body of the Commission as part of their deliberations

concerning the Project but which were not selected by the City of Rialto City Council (City Council) or the Commission for approval.

Section 7.0, Statement of Overriding Considerations. This section contains the Responsible Agency's "Statement of Overriding Considerations" (SOC) setting forth each of the Commission's separate and independent reasons for finding that specific economic, legal, social, technological, and other considerations associated with or attributable to the Project outweigh the Project's potentially significant unavoidable adverse environmental effects.

1.3 Record of Proceedings

For purposes of CEQA and these Findings, the record of proceedings for the City's and Commission's Findings and determinations include, but are not limited to the following documents which were considered by the Commission prior to taking action on the Project, and adopting these Findings.

- (1) "Notice of Preparation" (NOP), "Notice of Completion" (NOC) for the original DEIR, "Notice of Availability" (NOA) for the original DEIR, NOA for the RPDEIR, NOC for the RPDEIR, and all other public notices issued by the City in conjunction with this CEQA process;
- (2) "Draft Environmental Impact Report – Lytle Creek Ranch Specific Plan, State Clearinghouse No. 2009061113" (original DEIR), including all technical appendices and all documents incorporated by reference therein, corrections and additions thereto, and all written comments submitted by public agencies and by members of the public during the public review periods established by the NOP;
- (3) "Response to Comments on the Draft Environmental Impact Report – Lytle Creek Ranch Specific Plan, State Clearinghouse No. 2009061113" (original FEIR), including corrections and additions to the DEIR, all written comments submitted by public agencies and by members of the public during the public review periods established by the NOP, NOC for the original DEIR, and NOA for the original DEIR, all responses to those comments provided therein, and all technical appendices and documents incorporated by reference therein;
- (4) September 13, 2011 Court Ruling issued by the San Bernadino County Superior Court in Case No. CIVDS 1011874, *Endangered Habitats League, et al. v. City of Rialto, et al.*
- (5) "Recirculated Portions of the Draft Environmental Impact Report – Lytle Creek Ranch Specific Plan, State Clearinghouse No. 2009061113" (RPDEIR), including all technical appendices and all documents incorporated by reference therein;
- (6) "Final Recirculated Portions of the Environmental Impact Report – Lytle Creek Specific Plan, State Clearinghouse No. 2009061113" (Final RPEIR), including all technical appendices and all documents incorporated by reference therein, and all written comments submitted by agencies and by members of the public during the review periods established by the NORA and responses thereto;
- (7) Other site-specific and/or Project-specific technical studies and exhibits not included in the Complete FEIR but explicitly referenced therein;
- (8) All written and verbal public testimony presented during public hearings for the Project at which public testimony was taken, specifically the June 2, 2010 Planning Commission hearing and the June 22, 2010 City Council hearing;, the May 9, 2012 Planning Commission hearing on the Complete FEIR, the June 2012 hearing on the Complete FEIR and the July 2012 hearing on the Complete FEIR.
- (9) All information submitted to the City by the Applicant and its representatives relating to the Project and/or the Complete FEIR;

- (10) All agendas, staff reports, and approved minutes of the City's Planning Commission and City Council relating to the Project;
- (11) All maps, exhibits, figures, and text comprising the LCRSP;
- (12) All other public reports, documents, studies, memoranda, maps, or other planning documents relating to the Project, the original DEIR, the original FEIR, the RPDEIR, the Final RPEIR, or the Complete FEIR, prepared by the City, consultants to the City, or responsible or trustee agencies; and
- (13) the City's application to LAFCO (LAFCO 3201) and all other public reports, documents, studies, memoranda, maps or other documents relating to the Project compiled by the Commission in support of LAFCO 3201.

1.4 Custodian and Location of Records

The following information is provided in compliance with Section 21081.6(a) (2) of CEQA and Section 15091(e) of the State CEQA Guidelines.

The documents and other materials constituting the administrative record for the Commission's actions related to the Complete FEIR are located at the Local Agency Formation Commission's office at 215 N. D Street, Second Floor, Suite 204, San Bernardino, California 92415. The San Bernardino County LAFCO is the custodian of the administrative record for the Project. During the regular business hours of the Commission, copies of the documents constituting the Complete FEIR's and the LCRSP's record of proceedings are available upon request at the offices of the LAFCO.

2.0 PROJECT DESCRIPTION

2.1 Project Location

The site proposed for Reorganization is located in unincorporated San Bernardino County (County). This site is located at the base of the San Gabriel and San Bernardino Mountains, abutting and proximal to the mouth of Lytle Creek Canyon. The general boundary of the area encompassed by the Reorganization includes five areas along the Lytle Creek Wash area generally located northerly of the 210 Freeway; easterly of Riverside Avenue; and southerly of the I-15 Freeway, within the City of Rialto's northern Sphere of Influence. Specific locations are as follows:

Area A encompasses approximately 574 acres generally bordered by the I-15 Freeway on the north, parcel lines on the east and south, and parcel lines (existing City of Rialto boundaries) on the west, generally northeasterly of the intersection of Locus and Riverside Avenues.

Area B encompasses approximately 572 acres generally bordered by parcel lines on the north, east and south, and parcel lines (existing City of Rialto boundaries) on the west, generally northeasterly of the El Rancho Verde Community.

Area C is a single parcel encompassing approximately 0.46 acre generally bordered by County Club Drive on the west, parcel line (existing City of Rialto boundary) on the north, parcel line on the east and Sycamore Avenue on the south.

Area D encompasses approximately 539 acres generally bordered by parcel lines on the north and east, and parcel lines (existing West Valley Water District boundaries) on the south and west.

Area E encompasses approximately 13 acres that generally includes the San Bernardino County Flood Control channel area located within the Reorganization area.

The maps provided in Attachment 1 of this document show the location of these properties.

2.2 Project Description

As stated previously, the City has filed an application with the Local Agency Formation Commission (LAFCO) for San Bernardino County for a Reorganization that will allow the LCRSP property to be annexed into the City of Rialto. The Reorganization was initiated by City Resolution at the request of the property owner to annex property in order to complete the entitlement process for the Specific Plan and to address the provision of municipal level service to future development within the LCRSP. Specifically, LAFCO 3201 seeks approval of a Reorganization to include Annexations to the City of Rialto and West Valley Water District; Detachments from the San Bernardino County Fire Protection District, its Valley Service Zone, County Service Area SL-1 and County Service Area 70. The Reorganization proposal encompasses five areas identified in the preceding paragraph of this document.

2.3 Discretionary Actions

The discretionary approval required from the Commission is limited to LAFCO 3201, the proposed Reorganization with Annexations and Detachments as summarized in the preceding paragraph. Prior to consideration of LAFCO 3201, the Commission must make certain findings and then consider the information in the LCRSP Complete FEIR regarding the environmental effects of the project, and make a determination that the information in the Complete FEIR is an adequate representation of the environmental effects of the LCRSP.

2.4 Project Objectives

The objective of the LAFCO 3201 application is to transfer jurisdiction over the LCRSP project area from the County to the City of Rialto. The Commission's responsibility in this process is to ensure that the property can be adequately served by the City of Rialto over the long term.

However, as described in the Complete FEIR the City and Applicant have established specific objectives concerning the development of the Project and/or the Project site. It is the objective of the City to promote and facilitate the attainment of those goals, objectives, plans, and policies as contained in the then existing "City of Rialto General Plan" (City General Plan). Specifically, those objectives include, but are not limited to, the following:

- GP-1 Encourage annexation which will demonstrate net benefit to the City (Land Use Element, Goal 4.1.1);¹

¹ Objective GP-1 corresponds to Land Use Element Goal 4.1.1 of the City of Rialto 1992 General Plan, which was in effect at the time the EIR was prepared. Although the wording varies slightly, GP-1 similarly corresponds to Land Use Element Goal 2-7 of the City's 2010 General Plan, which is now in effect.

- GP-2 Demonstrate compatibility of land uses both within and adjacent to the planning area (Land Use Element, Policy 4.1.1.4);²
- GP-3 Demonstrate protection of all resources valued by the citizens of Rialto, including, but not limited to, views, trees and other landscaping features, aquifers, surface water courses, and historic buildings (Land Use Element, Policy 4.1.1.5);³ and
- GP-4 Ensure that development is adequately served with essential public services and infrastructure including, but not limited to, streets, water, surface drainage, sanitary sewers, law enforcement, fire protection, and public schools (Land Use Element, Goal 4.1.7).⁴

Although not specifically tied to any single City General Plan goal or policy, based on the City General Plan's broad intent and the application of that intent to the Project site, the following additional Project-specific objectives have been formulated by the Lead Agency:

- LA-1 Accommodate development activities both within the City of Rialto and its Sphere of Influence that further the overall intent of the City General Plan;
- LA-2 Protect and enhance residential neighborhoods, commercial districts, and other areas by encouraging physical development that is of high quality and is compatible with the character, scale, and function of surrounding areas;
- LA-3 Provide for and encourage development that contains a compatible mix of residential and nonresidential uses within close proximity to each other;
- LA-4 Respond to local and regional needs for additional housing opportunities in response to anticipated areawide population growth;
- LA-5 Unless identified hazards can be effectively reduced, restrict or otherwise limit future develop in those areas containing identified public safety hazards;
- LA-6 Provide for and/or facilitate the introduction and expansion of economic opportunities and benefits for the City and its residents;

² Objective GP-2 corresponds to Land Use Element Policy 4.1.1.4 of the of the City of Rialto 1992 General Plan, which was in effect at the time the EIR was prepared. Although a similar goal or policy is not provided in the City's 2010 General Plan now in effect, GP-2 pertains to general land use compatibility issues, which are addressed in a manner more specific to sensitive land uses in the current Land Use Element Goal 2-9.

³ Objective GP-3 corresponds to Land Use Element Policy 4.1.1.5 of the of the City of Rialto 1992 General Plan, which was in effect at the time the EIR was prepared. Although a comparable single goal or policy is not provided in the City's 2010 General Plan now in effect, GP-3 touches on issues addressed in the current Land Use Element Goals 2-14, 2-28, and 2-39, as well as Land Use Element Policy 2-18.2.

⁴ Objective GP-4 corresponds to Land Use Element Goal 4.1.7 of the of the City of Rialto 1992 General Plan, which was in effect at the time the EIR was prepared. Although a similar goal or policy is not provided in the City's 2010 General Plan now in effect, implementation of the current Land Use Element Policy 2-7.3 would yield the same general results as GP-4 in terms of the provision of adequate public services and facilities.

- LA-7 Reduce, to the extent feasible, adverse impacts to City and County services, service providers, and systems resulting from permitted development;
- LA-8 Ensure that man and nature can effectively coexist;
- LA-9 Ensure that sufficient sewer capacity and other requisite services and systems are available to accommodate projected demand; and
- LA-10 Private development activities should be deemed by the City to be fiscally prudent.

2.4.2 Applicant's Objectives

The Applicant has formulated the following Project-specific objectives:

- A-1 Build upon the platform of high-quality design, architecture, and landscaping established by neighboring residential communities to provide a northern gateway to the City of Rialto that offers new and exciting amenities to residents;
- A-2 Establish a conservation-based community through the creation of open space preservation areas that will provide functioning habitats for sensitive, threatened, and endangered species, preserve Lytle Creek and minimize impacts to its riparian and alluvial fan sage scrub habitats, while providing other wildlife benefits;
- A-3 Locate and integrate the design of open space areas with significant blocks of native habitat and natural vegetation landscaping through the provision of habitat linkages and wildlife movement corridors in the region;
- A-4 Maximize opportunities for using native plant material/species in the Project landscaping, especially in areas where such landscaping is located in proximity to areas of preserved native habitat;
- A-5 Develop freeway-oriented commercial areas to serve regional needs and stimulate job and revenue growth in the City;
- A-6 Concentrate development within neighborhoods to promote greater efficiency of land use and promote walking and bicycling by providing a network of pleasant, safe, and convenient pedestrian trails and bike lanes;
- A-7 Respond to the unmet need for active-adult communities in the Rialto area by providing residents with a golf course-oriented community and a variety of conveniently located on-site amenities;
- A-8 Provide the City and surrounding community with a redesigned public golf course and clubhouse, recreation and open space areas, parks, and trails to meet the City General Plan goals to provide such facilities to maintain and enhance the City's quality of life;
- A-9 Address the City's current and projected housing needs for all segments of the community by providing a range of family-oriented single- and multi-family residences, as well as an active-adult golf course community;

- A-10 Establish a mix of land uses and local-serving activities that meet the City General Plan's objectives concerning community character and pedestrian-friendly design;
- A-11 Implement the City General Plan's Land Use Element goal to facilitate annexation of large areas of land that are governed by a specific plan, which provides for compatibility of land uses, fiscal balance, recreation, and resource protection;
- A-12 Create a transportation network that will fulfill the policies of the City General Plan's Circulation Element by allowing residents to live within proximity to schools, recreational opportunities, retail centers, and commercial development, and by minimizing vehicle trips utilizing access to a variety of transportation opportunities, including pedestrian pathways, bikeways, regional freeways, transit, and Metrolink;
- A-13 Address regional infrastructure concerns by locating development in areas where opportunities for ground water recharge are maintained and the life of ground water aquifers are protected;
- A-14 Incorporate "green" and sustainable practices, as practicable, in developing buildings and infrastructure;
- A-15 Identify and address safety hazards, such as wildfire and flooding dangers, through implementation of design safety features and levee improvements; and
- A-16 Undertake development of the Project site in a manner that is economically feasible and balanced to address both the Applicant's and the City's economic concerns.

The preceding objectives are project or applicant specific and provide the basis for considering alternative's to the project that have been submitted to the Commission for a decision on LAFCO 3201, the proposed approval of a Reorganization to include Annexations to the City of Rialto and West Valley Water District; Detachments from the San Bernardino County Fire Protection District, its Valley Service Zone, County Service Area SL-1 and County Service Area 70. The Reorganization proposal encompasses the five areas identified in the preceding text.

3.0 GENERAL FINDINGS

In addition to the specific findings identified herein, the Commission hereby finds that:

- (1) Under CEQA, the City was the appropriate "Lead Agency" for the Project and during the Project's CEQA proceedings no other agency asserted or contested the City's "Lead Agency" status;
- (2) As part of the CEQA process, in compliance with the provisions of Senate Bill (SB) 18 and the Governor's Office of Planning and Research's (OPR) "Supplement to General Plan Guidelines – Tribal Consultation Guidelines" (2005), the Lead Agency notified the appropriate California Native American tribes of the opportunity to conduct consultation for the purpose of preserving or mitigating impacts to cultural places, referred the proposed action to those tribes that are on the Native American Heritage Commission

- (NAHC) contact list that have traditional lands within the agency's jurisdiction, and send notice to tribes that have filed a written request for such notice;
- (3) Copies of the NOP, DEIR, NOC for the DEIR, RPDEIR, and NOC for the RPDEIR were provided to those Responsible Agencies identified in the Complete FEIR, and each such agency was provided a specified review period to submit comments thereupon;
 - (4) In compliance with Section 21092.5(a) of CEQA, at least 10 days prior to the certification of the Complete FEIR, the Lead Agency provided its written proposed response to those public agencies that submitted comments to the Lead Agency on the DEIR and RPDEIR;
 - (5) The Complete FEIR and all environmental notices associated therewith were prepared in compliance with CEQA and the State CEQA Guidelines and in accordance with the City's local guidelines and procedures;
 - (6) The City Council independently reviewed and analyzed the Complete FEIR and the Complete FEIR reflects the independent judgment of the City Council;
 - (7) A MMRP has been prepared for the Project, identifying those feasible mitigation measures that the City Council has adopted in order to reduce the potential environmental effects of the Project to the maximum extent feasible;
 - (8) The mitigation measures adopted or likely to be adopted by the City Council will be fully implemented in accordance with the MMRP, verification of compliance will be documented, and each measure can reasonably be expected to have the efficacy and produce the post-mitigated consequences that have been assumed in the Complete FEIR;
 - (9) The City has determined that neither the comments received nor the responses thereto add significant new information under Section 15088.5 of the State CEQA Guidelines that would require recirculation of the Complete FEIR prior to its certification;
 - (10) Copies of all the documents incorporated by reference in the Complete FEIR are and have been available for review during the regular business hours of the City at the office of the Development Services Department from the custodian of records for such documents; and
 - (11) Acting as a CEQA Responsible Agency, LAFCO Commissioners have considered the Complete FEIR prepared by the Lead Agency, City of Rialto, and in approving LAFCO 3201 concurs with the conclusions presented in this document.

4.0 FINDINGS REGARDING THE SIGNIFICANT ENVIRONMENTAL EFFECTS WHICH CANNOT FEASIBLY BE MITIGATED TO BELOW A LEVEL OF SIGNIFICANCE

The Complete FEIR identified that the Project would result in the following significant effects which, even after application of feasible mitigation measures, and compliance with existing statutes, regulations, uniform codes, and project design features, cannot be mitigated to below a level of significance and therefore will remain significant and unavoidable:

- **Air quality** (Impacts 7-1, 7-2, 7-4, and 7-7 through 7-10). Based on the size of the Project, and the current practices used in the building industry to grade and construct homes, no feasible mitigation measures exist to reduce construction term air emissions to below a level of significance. While measures such as requiring a substantial reduction in the size of the Project, imposing severe constraints on the number of acres to be graded during any single daily period, limiting the number of dwelling units and non-residential space to be painted each day, or restricting the square footage of areas that could be paved on a daily basis, might reduce construction air emissions, they are not feasible given the amount of acreage required to be graded, the amount of time it would take to build out the Project, and being able to construct in an efficient manner.

Similarly, during the Project's operations, based on the number of vehicle trips generated by each of the proposed on-site residential and non-residential land uses, mobile source emissions will remain significant.

With respect to potential impacts to on-site residential uses from off-site sources of toxic air contaminants, although mitigation is recommended which would substantially reduce exposure by on-site receptors to carcinogens, air quality impacts would, however, remain significant and unavoidable. The Project's recommended mitigation measures will not adequately mitigate for the Project's projected exceedance of the SCAQMD's suggested threshold of significance standards for construction-term carbon monoxide (CO), oxides of nitrogen (NOX), particulate matter less than 10 microns (PM10), particulate matter less than 2.5 microns (PM2.5), and volatile organic compound (VOC) emissions. Any Project that would individually have a significant air quality impact would also be considered to have a significant cumulative air quality impact. In addition, the Project's recommended mitigation measures will not adequately mitigate for the Project's projected exceedance of the SCAQMD's suggested threshold of significance standards for operational VOC, CO, PM10, PM2.5, and NOX emissions. Because the South Coast Air Basin is currently classified as non-attainment for ozone (O3) PM10, and PM2.5, the Project, in combination with other related projects, could contribute to an existing or projected air quality exceedance within the air basin.

Localized modeling shows that site construction would result in a substantial increase in certain criteria pollutants (≥ 10.4 micrograms per cubic meter [$\mu\text{g}/\text{m}^3$] of PM10 and PM2.5 averaged over a 24-hour period). In accordance with the SCAQMD's "Final Localized Significance Threshold Methodology" (SCAQMD, June 2003), emission levels attributable to the Project's construction would not appear to comply with the "Final 2007 Air Quality Management Plan" (SCAQMD, June 2007) (2007 AQMP). Based on the identified threshold of significance criteria, non-compliance with the 2007 AQMP would be deemed a significant environmental effect.

- **Noise** (Impacts 8-2 and 8-6). With respect to off-site traffic, the Project would contribute a maximum noise level increase of 4.4 dBA along one roadway segment adjacent to the Project Site and 3.1 dBA along another. Mitigation is recommended to reduce the off-site traffic noise to new developments along most roadway segments adjacent to the Project site to a less-than significant level (less than 3.0 dBA). Because of driveway configuration and orientation of existing residences, in combination with existing legal constraints (such as reducing speed limits, constructing traffic calming devices such as speed bumps or traffic circles), there are no feasible mitigation measures for 10 sensitive receptors located along Riverside Avenue (between Alder Avenue and Locust Avenue) and 12 along Country Club Drive (north of Riverside Avenue). Off-site traffic noise levels would, therefore, result in a significant and unavoidable impact for the existing residents located along those roadway segments. In addition, because the Project's contribution exceeds 3.0 dBA community noise equivalency level (CNEL), off-site traffic noise levels would result in significant and unavoidable cumulative impacts for sensitive receptors located along Riverside Avenue (between Alder Avenue and Locust Avenue) and along Country Club Drive (north of Riverside Drive).
- **Growth inducement** (Impact 15-1). Growth in an area may result from the removal of physical impediments or restrictions to growth, as well as the removal of planning impediments resulting from land-use plans and policies. Planning impediments may include restrictive zoning or general plan designations. The land-use policy changes

described herein would contribute, either directly or indirectly, to substantial population growth in the general Project area. As a result, this growth-inducing impact is deemed to be significant; however, CEQA notes that “[i]t must not be assumed that growth in any area is necessarily beneficial, detrimental, or of little significance to the environment” (14 CCR 15126.2[d]).

The Commission makes the following findings with respect to each of these significant, adverse environmental impacts.

4.1 Air Quality

4.1.1 Air Quality Impact 7-1: During construction, with regards to criteria pollutants, the projected maximum daily emissions of carbon monoxide (CO), oxides of nitrogen (NO_x), respirable particulate matter (PM₁₀), fine particulate matter (PM_{2.5}), and volatile organic compounds (VOC) could exceed SCAQMD recommended threshold standards.

Findings: The Commission hereby makes Findings (1) and (3).

Facts in Support of Findings: The following facts are presented in support of these findings:

- Project-related and cumulative air quality impacts are addressed in Section 4.7 (Air Quality) (with the exception of the GHG Emissions and Climate Impacts Analysis, which has been superseded in the RPDEIR), in Appendix III-F (Air Quality Analysis) and Appendix IV-I (Air Quality Assessment Technical Report: Localized Operational Analysis) of the original FEIR, Section 2.1 (Revised GHG Emissions and Climate Impacts Analysis) and Appendix V-B (Revised Climate Change Technical Report) in the RPDEIR, and Appendix VI-C (ENVIRON Technical Memorandum) in the Final RPEIR. That analysis is incorporated by reference herein.
- Construction of the Project has the potential to create air quality impacts through the use of heavy-duty construction equipment and through vehicle trips generated from construction workers traveling to and from the Project site. In addition, fugitive dust emissions would result from grading, demolition, and construction activities. Mobile source emissions, primarily particulate matter (PM) and NO_x, would result from the use of construction equipment such as dozers, loaders, and cranes. During the finishing phase, paving operations and the application of architectural coatings and other building materials would release VOCs.
- Construction emissions can vary substantially from day to day, depending on the level of activity, the specific type of operation and, for dust, the prevailing weather conditions. Although construction emissions are directly related to the intensity of construction activities, based on the SCAQMD’s recommended threshold criteria, computer modeling indicates that maximum CO, NO_x, PM₁₀, PM_{2.5}, and VOC construction-related daily (short-term) emissions would result in a significant impact prior to the incorporation of mitigation measures.
- All projects constructed in the South Coast Air Basin (SCAB) are subject to standard conditions, uniform codes, and other agency requirements. Compliance with those provisions is mandatory and, as such, do not constitute mitigation under CEQA. Those conditions mandated by the SCAQMD include, but are not limited to, the following: (1) Rule 403 requires the use of Best Available Control Technologies (BACT) during construction and sets requirements for dust control associated with

- construction activities; (2) Rules 431.1 and 431.2 require the use of low sulfur fuel for stationary construction equipment; (3) Rule 1108 sets limitations on ROG content in asphalt; and (4) Rule 1113 sets limitations on ROG content in architectural coatings.
- In order to reduce this impact, the City adopted the following mitigation measures which were identified and analyzed in the Complete FEIR and the Commission concurs with these measures that will be implemented by the City:

Mitigation Measure 7-1. The Applicant shall water active grading areas a minimum of three times per day (as opposed to two).

Mitigation Measure 7-2. All construction equipment shall be properly tuned and maintained in accordance with manufacturer's specifications.

Mitigation Measure 7-3. The Applicant shall maintain and operate construction equipment so as to minimize exhaust emissions. During construction, trucks and vehicles in loading and unloading queues shall turn their engines off when not in use to reduce vehicle emissions. Construction emissions shall be phased and scheduled to avoid emissions peaks to the extent feasible and discontinued during second-stage smog alerts.

Mitigation Measure 7-4. The Applicant shall use line power instead of diesel- or gas-powered generators at all construction sites where ever line power is reasonably available.

Mitigation Measure 7-5. Unless required for safety reasons, during construction, equipment operators shall limit the idling of all mobile and stationary construction equipment to no more than five minutes. The use of diesel auxiliary power systems and main engines shall also be limited to no more than five minutes when within 100 feet of homes or schools while driver is resting.

Mitigation Measure 7-6. Active grading activities shall be limited to 10 acres per day or less when grading within 1,000 feet of residential receptors.

Mitigation Measure 7-7. The Applicant shall implement measures to reduce the emissions of pollutants generated by heavy-duty diesel-powered equipment operating at the Project site throughout the Project construction. The Applicant shall include in all construction contracts the control measures required and recommended by the SCAQMD at the time of development. These measures presently include, but may not be limited to, the following: (1) Use Tier II (2001 or later) heavy-duty diesel-powered equipment at the Project site; (2) Apply NOx control technologies, such as fuel injection timing retard for diesel engines and air-to-air cooling, and diesel oxidation catalysts as feasible; feasibility shall be determined by using the cost-effectiveness formula developed by the Carl Moyer Program; and (3) General contractors shall maintain and operate construction equipment so as to minimize exhaust emissions and keep all construction equipment in proper tune in accordance with manufacturer's specifications.

Mitigation Measure 7-8. If stationary equipment, such as generators for ventilation fans, must be operated continuously, such equipment shall be located at least 100 feet from existing homes or schools, whenever possible.

Mitigation Measure 7-9. The Applicant shall ensure that the construction contractors utilize architectural coatings that contain a VOC rating of 75 grams/liter of VOC or less.

- With implementation of the recommended mitigation measures, daily emissions of CO, NO_x, PM₁₀, PM_{2.5}, and VOC from heavy-duty construction equipment would be reduced by a minimum of five percent. Implementation of those measures would reduce localized PM₁₀ emissions by about 15 percent (from 80.2 to 69.0 µg/m³) and PM_{2.5} emissions by about 14 percent (from 17.9 to 15.2 µg/m³).
- Based on the SCAQMD recommended threshold criteria, implementation of the recommended mitigation measures would not be expected to reduce daily construction CO, NO_x, PM₁₀, PM_{2.5}, and VOC emission levels to a less-than-significant level. There are no reasonably available mitigation measures and/or Project alternatives than can feasibly reduce projected construction CO, NO_x, PM₁₀, PM_{2.5}, and VOC emissions to less-than-significant levels.
- Any remaining significant Project-specific impacts related to construction-related air quality emissions are determined to be acceptable because they are substantially outweighed by the overriding social, economic, environmental and other benefits of the Project, as more fully set forth in the Statement of Overriding Considerations in Section 7.0 below.

4.1.2 Air Quality Impact 7-2: Maximum PM₁₀ and PM_{2.5} concentrations, as primarily associated with grading activities, are projected to be 80.2 µg/m³ and 17.9 µg/m³, respectively, and would occur in the vicinity of those residential areas located to the south of the Project site. Substantially lower PM₁₀ and PM_{2.5} concentrations would occur in the vicinity of those residential areas located to the east of the Project site.

Findings: The Commission hereby makes Findings (1) and (3).

Facts in Support of Findings: The following facts are presented in support of these findings:

- Project-related and cumulative air quality impacts are addressed in Section 4.7 (Air Quality) (with the exception of the GHG Emissions and Climate Impacts Analysis, which has been superseded in the RPDEIR), in Appendix III-F (Air Quality Analysis) and Appendix IV-I (Air Quality Assessment Technical Report: Localized Operational Analysis) of the original FEIR, Section 2.1 (Revised GHG Emissions and Climate Impacts Analysis) and Appendix V-B (Revised Climate Change Technical Report) in the RPDEIR, and Appendix VI-C (ENVIRON Technical Memorandum) in the Final RPEIR. That analysis is incorporated by reference herein.
- Localized effects from the on-site construction emissions of CO, NO_x (NO₂), PM₁₀ and PM_{2.5} were analyzed using the United States Environmental Protection Agency's (USEPA) Industrial Source Complex Short Term (ISCST3) dispersion model that has served as the industry standard and is still deemed acceptable by the SCAQMD for use in dispersion modeling.
- The most common regulated forms of particulate matter are PM₁₀ (particulate matter with a diameter of 10 microns or less in size) and PM_{2.5} (particulate matter with a diameter of 2.5 microns or less in size). The maximum PM₁₀ and PM_{2.5} concentrations of 80.2 micrograms per square meter (µg/m³) and 17.9 µg/m³, respectively,

would occur in the vicinity of those residential areas located to the south of the site and would occur primarily during site grading activities.

- The majority of PM₁₀ emissions associated with the Project's grading/site preparation phase are associated with fugitive dust and not diesel PM. During the building construction phase, most PM₁₀ emissions are attributable to diesel sources. Building construction activities, however, will likely occur at a greater distance from near-site receptors.
- Prior to the grading of any portion within the Project site, a grading plan will be submitted to and approved by the City. A NOI will be submitted to the SARWQCB and a site-specific SWPPP, including appropriate BMPs, will be created in accordance with RWQCB guidelines. The site will be appropriately watered (via water trucks or other watering system) to ensure dust control is maintained within the SCAQMD standards.
- Construction activities conducted within the SCAB are required to comply with applicable SCAQMD rules and regulations. As required under Section 39614 of the Health and Safety Code (H&SC), the California Air Resources Board (CARB) was required to adopt a list of the most readily available, feasible, and cost-effective control measures to reduce PM_{2.5} and PM₁₀ emissions. In addition to the implementation of applicable SCAQMD rules and regulations, a number of exhaust control-related mitigation measures (Mitigation Measures 7-2 through 7-5) have been formulated. Implementation of those measures would reduce localized PM₁₀ emissions by about 15 percent (from 80.2 to 69.0 µg/m³) and PM_{2.5} emissions by about 14 percent (from 17.9 to 15.2 µg/m³). Mitigation Measures 7-2 through 7-5 are set forth above in Section 4.1.1 and are incorporated by reference.
- Based on the SCAQMD recommended threshold criteria, implementation of the recommended mitigation measures (Mitigation Measure 7-2 through 7-5, Mitigation Measure 4-7, and Mitigation 4-8) would not be expected to reduce construction PM_{2.5} and PM₁₀ emissions to a less-than-significant level. There are no reasonably available mitigation measures and/or Project alternatives than can feasibly reduce projected construction PM_{2.5} and PM₁₀ emissions to less-than-significant levels.
- Any remaining significant Project-specific impacts related to construction-related air quality emissions are determined to be acceptable because they are substantially outweighed by the overriding social, economic, environmental and other benefits of the Project, as more fully set forth in the Statement of Overriding Considerations in Section 7.0 below.

4.1.3 Air Quality Impact 7-4: The increases in daily emissions resulting from operation of the Project are expected to exceed the SCAQMD thresholds for VOC, CO, PM₁₀, PM_{2.5}, and NO_x.

Findings: The Commission hereby makes Findings (1) and (3).

Facts in Support of Findings: The following facts are presented in support of these findings:

- Project-related and cumulative air quality impacts are addressed in Section 4.7 (Air Quality) (with the exception of the GHG Emissions and Climate Impacts Analysis, which has been superseded in the RPDEIR), in Appendix III-F (Air Quality Analysis) and Appendix IV-I (Air Quality Assessment Technical Report: Localized Operational Analysis) of the original FEIR, Section 2.1 (Revised GHG Emissions and Climate

Impacts Analysis) and Appendix V-B (Revised Climate Change Technical Report) in the RPDEIR, and Appendix VI-C (ENVIRON Technical Memorandum) in the Final RPEIR. That analysis is incorporated by reference herein.

- Daily air pollutant emissions associated with Project's operations would be generated by the consumption of electricity and natural gas and by the operation of on-road vehicles. Pollutant emissions associated with energy demand (i.e., electricity and natural gas consumption) are classified by the SCAQMD as regional stationary source emissions. Criteria pollutant emissions associated with the production and consumption of energy were calculated using emission factors from the CEQA Handbook.
- Stationary sources built and operated as a result of this Project are subject to comply with the applicable rules and regulations of the SCAQMD. Emission calculations associated with the operation of the Project assume mandatory compliance with applicable standards, prohibitions, and emission limits, such as the inclusion of Best Available Control Technology (BACT) and other measures to reduce pollutant emissions.
- Excluding regional stationary source emissions, operational emissions are primarily a function of mobile source emissions (e.g., vehicle trips). According to the traffic analysis, the Project would result in an increase of 81,660 daily trips over existing conditions. In addition to direct pollutant emissions, including carbon monoxide (CO), ozone (O₃), and particulate matter (PM₁₀ and PM_{2.5}), motor vehicles emit precursors that contribute to pollutant concentrations, including nitrogen oxides (NO_x), volatile organic compounds (VOCs), sulfur oxides (SO_x), and ammonia (NH₃). Mobile-source emissions were calculated using the current URBEMIS 2007 emissions inventory model (Version 9.2.4), which multiplies an estimate of the increase in daily vehicle miles traveled (VMT) by applicable EMFAC2007 emissions factors.
- Because operational emissions are primarily a function of vehicle trips and vehicle miles traveled and because mobile source emissions exceed identified threshold standards, a number of mitigation measures (Mitigation Measure 7-10 through 7-14) have been formulated which promote alternative modes of transportation and a reduction in vehicle trips and/or VMT.

Mitigation Measure 7-10. The Applicant shall, to the extent feasible, promote, support, and encourage the scheduling of deliveries during off-peak traffic periods to encourage the reduction of trips during the most congested periods.

Mitigation Measure 7-11. The specific plan shall include design and development standards and plans describing and delineating the location of all planned bicycle paths, routes, and trails and, excluding street-adjacent sidewalks, pedestrian pathways located within the Project boundaries. Bicycle and pedestrian facility plans shall illustrate the physical linkages between on-site residential, commercial, and publicly accessible recreational areas and show the connectivity between those on-site facilities and existing and proposed off-site facilities delineated on adopted City and County plans. Motorized and non-motorized travel routes shall be minimized to the maximum extent feasible.

Mitigation Measure 7-12. During site plan review, due consideration shall be given to the provision of safe and convenient pedestrian and bicycle access to transit stops and to public transportation facilities.

Mitigation Measure 7-13. Without forfeiting other development opportunities that may exist thereupon, development plans for Neighborhoods III or IV shall be revised to incorporate a park-and-ride/park-and-pool facility in proximity to the intersection of Sierra Avenue and Riverside Avenue (in the vicinity of PAs 27 or 33) or in an alternative location and of a size acceptable to the Director. Park-and-ride/park-and-pool facilities can be accommodated as part of or independent from a commercial development through the provision of on-site parking opportunities in excess of the parking requirements otherwise imposed by that use, accommodated at the perimeter of a residential development through the incorporation of appropriate design elements, or accommodated in a non-conservation open space area where such use can be shown not to produce a deleterious biological resource impact.

Mitigation Measure 7-14. The Applicant shall provide covered transit benches at the park-and-ride/park-and-pool facility and, should the local transit authority change existing and/or add new bus routes within the Project site or along public roadways abutting the Project site, at additional transit stops within the Project boundaries.

- Based on the SCAQMD recommended threshold criteria, implementation of the recommended mitigation measures would not be expected to reduce operational VOC, CO, PM₁₀, PM_{2.5}, and NO_x emissions to a less-than-significant level. There are no reasonably available mitigation measures and/or Project alternatives that can feasibly reduce projected operational VOC, CO, PM₁₀, PM_{2.5}, and NO_x emissions to less-than-significant levels.
- Any remaining significant Project-specific impacts from operational-related air quality emissions are determined to be acceptable because they are substantially outweighed by the overriding social, economic, environmental and other benefits of the Project, as more fully set forth in the Statement of Overriding Considerations in Section 7.0 below.

4.1.4 Air Quality Impact 7-7: The Project will locate sensitive receptors within an area of localized cancer risk in excess of the SCAQMD significance threshold of 10 in one million (10×10^{-6})

Findings: The Commission hereby makes Findings (1) and (3).

Facts in Support of Findings: The following facts are presented in support of these findings:

- Project-related and cumulative air quality impacts are addressed in Section 4.7 (Air Quality) (with the exception of the GHG Emissions and Climate Impacts Analysis, which has been superseded in the RPDEIR), in Appendix III-F (Air Quality Analysis) and Appendix IV-I (Air Quality Assessment Technical Report: Localized Operational Analysis) of the original FEIR, Section 2.1 (Revised GHG Emissions and Climate Impacts Analysis) and Appendix V-B (Revised Climate Change Technical Report) in the RPDEIR, and Appendix VI-C (ENVIRON Technical Memorandum) in the Final RPDEIR. That analysis is incorporated by reference herein.
- The threshold for significance used to evaluate the exposure to TAC is 10 excess cancer cases per one million people (10×10^{-6}). This is the threshold recommended by the SCAQMD and the CARB explicitly to determine impacts attributable to projects that introduce new sources of TAC emissions in an area.

- The primary sources of potential air toxics associated with the Project's operations include diesel PM from delivery trucks (e.g., truck traffic on local streets and on-site truck idling) and emergency backup generators. Modeled cancer risk exceeds the 10 in one million (10×10^{-6}) threshold, with freeway truck traffic being the major source of TAC exposure.
- With the possible exception of Monier Lifetile (3511 North Riverside Avenue, Rialto), Cemex USA's Lytle Creek Plant (3221 N. Riverside Drive, Rialto), Vulcan Materials Company's (formally Calmat) San Bernardino Sand and Gravel Plant (2400 W. Highland Avenue, Rialto), and gasoline stations (Nealey's Corner) the Project would not be located near any existing uses generating air emissions potentially affecting future on-site receptors.
- As the Project would introduce residential uses within the CARB siting distances for potential air toxic sources, on-site sensitive receptors may potentially be exposed to high levels of TACs.
- A number of programs and strategies to reduce diesel PM are in place or are in the process of being developed as part of the CARB's "Diesel Risk Reduction Program." In addition, the CARB adopted new PM and NO_x emission standards to clean up large diesel engines that power big-rig trucks, trash trucks, delivery vans and other large vehicles. The CARB has worked closely with USEPA on developing new PM and NO_x standards for engines used in off-road equipment, such as backhoes, graders, and farm equipment. When approved by USEPA, the CARB will adopt these as the applicable State standards for new off-road engines. These standards will reduce diesel PM emission by over 90 percent from new off-road engines currently sold in California.
- In addition, studies have shown that vegetation is highly effective in removing some of the most toxic components in the ambient atmosphere, namely diesel and smoking car exhaust. The Project includes the installation of tiered vegetative landscaping between the I-15 Freeway, the Cemex USA quarry, and Vulcan Materials Company plant and any residential unit located within 500 feet thereof.
- A mitigation measure (Mitigation Measure 7-15) has been formulated which would preclude the development of certain land uses that would have an increased potential of emitting toxic pollutants, including: (1) heavy industrial; (2) landfills and transfer stations; (3) hazardous waste and medical waste incinerators; and (4) chrome plating facilities. Because on-site sensitive receptors could be exposed to off-site air toxic emissions (e.g. diesel exhaust from the I-15 Freeway, Cemex USA quarry, and Vulcan Materials Company plant) in excess of the SCAQMD significance threshold, a mitigation measure (Mitigation Measure 7-16) has been formulated specifying certain disclosure requirements for properties within 500 feet of the I-15 Freeway, the Cemex USA quarry, and Vulcan Materials Company plant. In addition, a mitigation measure (Mitigation Measure 7-18) has been formulated prohibits sensitive public recreational uses, such as active outdoor playground, within 500 feet of the I-15 Freeway right-of-way and within 500 feet of the property boundary of the Cemex USA quarry and the Vulcan Materials Company plant. Also, a mitigation measure (Mitigation Measures 7-17) has been formulated specifying the use of air filtration systems within 500 feet of the I-15 Freeway right-of-way, the Cemex USA quarry, and Vulcan Materials Company plant. An air filtration system with a minimum efficiency reporting value (MERV) rating of 12 would reduce particles in the range of 1 to 3 microns by a minimum of 80 percent. These measures provide as follows:

Mitigation Measure 7-15. The specific plan shall be modified to prohibit the on-site development of the following land uses: (1) heavy industrial; (2) landfills and transfer stations; (3) hazardous waste and medical waste incinerators; and (4) chrome plating facilities.

Mitigation Measure 7-16. Future purchasers of real property located within 500 feet of the I-15 Freeway right-of-way and within 500 feet of the main truck route and active mining areas at the Cemex USA quarry and the Vulcan Materials Company plant shall, in accordance with the disclosure requirements of the California Department of Real Estate, receive notification that residential occupants and other sensitive receptors may be exposed to excess cancer risks as a result of long-term exposure to toxic air contaminants, including diesel particulate matter, associated with diesel-powered vehicles traveling along and operating within those areas.

Mitigation Measure 7-17. All dwelling units within 500 feet of the I-15 Freeway right-of-way and within 500 feet of the main truck route and active mining areas at the Cemex USA quarry and Vulcan Materials Company plant shall incorporate an air filtration system designed to have a minimum efficiency reporting value (MERV) of 12 or better as indicated by the American Society of Heating Refrigerating and Air Conditioning Engineers (ASHRAE) Standard 52.2.

Mitigation Measure 7-18. Excluding pedestrian and bicycle trails, sensitive public recreational uses, such as active outdoor playground, shall be prohibited within 500 feet of the I-15 Freeway right-of-way and within 500 feet of the main truck route and active mining areas at the Cemex USA and Vulcan Materials Company quarries.

- Based on the SCAQMD recommended threshold criteria, because the siting of sensitive receptors within 500 feet of off-sites uses has the potential to cause significant health effects, implementation of the recommended mitigation measures would not be expected to reduce operational cancer risks to a less-than-significant level. There are no reasonably available mitigation measures or Project alternatives that can feasibly reduce operational cancer risks to a less-than-significant level.
- Any remaining significant Project-specific impacts related to exposure of sensitive receptors to TACs are determined to be acceptable because they are substantially outweighed by the overriding social, economic, environmental and other benefits of the Project, as more fully set forth in the Statement of Overriding Considerations in Section 7.0 below.

4.1.5 Air Quality Impact 7-8: Projects that exceed the assumptions in the current Air Quality Management Plan (AQMP), based on the year of the Project's build-out, or fail to demonstrate compliance with the criteria outlined in the Guidance Document could result in an increase in the frequency or severity of existing air quality violations, cause or contribute to new violations, and/or delay the attainment of State and federal air quality standards.

Findings: The Commission hereby makes Findings (1) and (3).

Facts in Support of Findings: The following facts are presented in support of these findings:

- Project-related and cumulative air quality impacts are addressed in Section 4.7 (Air Quality) (with the exception of the GHG Emissions and Climate Impacts Analysis, which has been superseded in the RPDEIR), in Appendix III-F (Air Quality Analysis) and Appendix IV-I (Air Quality Assessment Technical Report: Localized Operational Analysis) of the original FEIR, Section 2.1 (Revised GHG Emissions and Climate Impacts Analysis) and Appendix V-B (Revised Climate Change Technical Report) in the RPDEIR, and Appendix VI-C (ENVIRON Technical Memorandum) in the Final RPEIR. That analysis is incorporated by reference herein.
- The purpose of the current (2007) AQMP is to bring the SCAB into compliance with State and federal ambient air quality standards. A significant impact may, therefore, occur if a Project is not consistent with the 2007 AQMP or would, in some way, represent a substantial hindrance to employing the policies or obtaining the goals of that plan.
- With the inclusion of the recommended mitigation measures (Mitigation Measures 1-1, 1-6, 7-4 through 7-8, 7-11, 7-13, and 7-15 through 7-18), it can be demonstrated that the Project generally complies with the goals of the Guidance Document and with the 2007 AQMP. However, localized modeling shows that site construction would result in a substantial increase, defined as $\geq 10.4 \mu\text{g}/\text{m}^3$ of PM_{10} and $\text{PM}_{2.5}$ averaged over a 24-hour period. As such, the Project adds cumulatively to an exceedance of particulate standards. Since the goal of the 2007 AQMP is to protect receptors from exceedance conditions, with regards to projected short-term particulate emissions, the Project would not appear to fully comply with that provision of the 2007 AQMP. Mitigation Measures 7-4 through 7-8, 7-11, 7-13 and 7-15 through 7-18 are set forth above and are hereby incorporated by reference. Mitigation Measures 1-1 and 1-6 provide as follows:

Mitigation Measure 1-1: Development applications involving the construction of any of the permitted land uses identified in the specific plan and listed in the “General Land-Use Compatibility Matrix” (see Table 4.1-4 in the DEIR) shall be accompanied by the submittal to the Director of a site-specific and use-specific analysis that addresses the potential land use conflicts identified therein and identifies the design measures (such as landscaping, screening, etc.), site planning measures (such as setbacks, massing), development standards in the LCRSP, and such other measures that will be employed to ensure compatibility among adjacent land uses. Development applications for conditionally permitted land uses within the Village Commercial Center designation, and other designations if necessary, shall submit a site-specific and use-specific analysis to the Director in the same manner as for permitted uses and shall also complete additional environmental review under the California Environmental Quality Act (CEQA) if the proposed development may cause a new significant environmental impact that has not been fully analyzed and disclosed in accordance with CEQA. Should the resulting investigation indicate the absence of any significant environmental effects, the Director may administratively grant authorization for such use. However, if mitigation measures are identified, those measures shall be imposed as subsequent conditions of approval for individual development projects. For the purpose of environmental compliance, “adjacent” shall be defined as directly abutting and shall not include uses separated by a street public or private right-of-way or designated open space area.

Mitigation Measure 1-6: Prior to the approval of any tentative “B” level tentative subdivision map (excluding any “A” level subdivision map for financing purposes

only) allowing for residential development or other sensitive land uses on lands abutting active mining areas, the Applicant shall delineate on the plan or map a buffer zone (which might be inclusive of road right-of-way) from the edge of those active mining areas of a width and configuration acceptable to the City and the Applicant shall incorporate within that buffer zone solid fencing, with a minimum height of not less than six feet above finish grade, and landscaping of a type and intensity acceptable to the City.

- Based on the SCAQMD recommended threshold criteria, implementation of the recommended mitigation measures would not be expected to demonstrate that the Project fully complies with the provisions of the 2007 AQMP. There are no reasonably available mitigation measures and/or Project alternatives that can feasibly result in the avoidance of an increase in the frequency or severity of existing air quality violations, cause or contribute to new violations, and/or delay the attainment of State and federal air quality standards, thus reducing the Project's air quality impacts to a less-than-significant level.
- Any remaining significant adverse impacts related to consistency with the AQMP are determined to be acceptable because they are substantially outweighed by the overriding social, economic, environmental and other benefits of the Project, as more fully set forth in the Statement of Overriding Considerations in Section 7.0 below.

4.1.6 **Air Quality Impact 7-9:** Since the Project will exceed SCAQMD regional emission thresholds during construction, even with the incorporation of all feasible mitigation measures, the Project will contribute to a significant cumulative air quality impact.

Findings: The Commission hereby makes Findings (1) and (3).

Facts in Support of Findings: The following facts are presented in support of these findings:

- Project-related and cumulative air quality impacts are addressed in Section 4.7 (Air Quality) (with the exception of the GHG Emissions and Climate Impacts Analysis, which has been superseded in the RPDEIR), in Appendix III-F (Air Quality Analysis) and Appendix IV-I (Air Quality Assessment Technical Report: Localized Operational Analysis) of the original FEIR, Section 2.1 (Revised GHG Emissions and Climate Impacts Analysis) and Appendix V-B (Revised Climate Change Technical Report) in the RPDEIR, and Appendix VI-C (ENVIRON Technical Memorandum) in the Final RPEIR. That analysis is incorporated by reference herein.
- Any Project that would individually have a significant air quality impact would also be considered to have a significant cumulative air quality impact. Since the Project would exceed SCAQMD regional emission thresholds during construction, even with the incorporation of all feasible mitigation measures, the Project will incrementally contribute to the creation of a significant cumulative air quality impact.
- Since the Project's recommended mitigation measures will not adequately mitigate for the Project's projected exceedance of the SCAQMD's suggested threshold of significance standards for construction-term CO, NO_x, PM₁₀, PM_{2.5}, and VOC emissions, implementation of those recommended mitigation measures would not reduce the Project's potential cumulative air quality impact to a less-than-significant level. No additional mitigation measures, formulated specifically to address the

Project's potential incremental contribution to cumulative construction-related air quality impacts, are deemed to be reasonably feasible.

- Any remaining significant cumulative adverse impacts to construction-related air quality emissions are determined to be acceptable because they are substantially outweighed by the overriding social, economic, environmental and other benefits of the Project, as more fully set forth in the Statement of Overriding Considerations in Section 7.0 below.

4.1.7 **Air Quality Impact 7-10:** The Project area is out-of-attainment for both ozone (O₃) and particulate (PM₁₀ and PM_{2.5}) emissions. Peak daily emissions of operation-related pollutants would exceed SCAQMD regional significance thresholds. By applying SCAQMD's cumulative air quality impact methodology, implementation of the Project would result in an addition of criteria pollutants such that cumulative impacts, in conjunction with related projects in the region, would occur. The emissions generated by Project operation would be deemed cumulatively considerable.

Findings: The Commission hereby makes Findings (1) and (3).

Facts in Support of Findings: The following facts are presented in support of these findings:

- Project-related and cumulative air quality impacts are addressed in Section 4.7 (Air Quality) (with the exception of the GHG Emissions and Climate Impacts Analysis, which has been superseded in the RPDEIR), in Appendix III-F (Air Quality Analysis) and Appendix IV-I (Air Quality Assessment Technical Report: Localized Operational Analysis) of the original FEIR, Section 2.1 (Revised GHG Emissions and Climate Impacts Analysis) and Appendix V-B (Revised Climate Change Technical Report) in the RPDEIR, and Appendix VI-C (ENVIRON Technical Memorandum) in the Final RPEIR. That analysis is incorporated by reference herein.
- A significant impact may occur if a project would add a cumulatively considerable contribution of a federal or state non-attainment pollutant. Because the SCAB is currently classified as non-attainment for O₃, PM₁₀, and PM_{2.5}, the Project, in combination with other related projects could exceed an air quality standard and/or contribute to an existing or projected air quality exceedance.
- Localized modeling shows that site construction would result in a substantial increase, defined as $\geq 10.4 \mu\text{g}/\text{m}^3$ of PM₁₀ and PM_{2.5} averaged over a 24-hour period. As such, the Project adds cumulatively to an exceedance of particulate standards.
- The implementation of the Project, even with the incorporation of all feasible mitigation measures, would result in an addition of criteria pollutants such that cumulative impacts, in conjunction with related projects in the region, would occur. The emissions generated by the Project operation would, therefore, be cumulatively considerable.
- Since the Project's recommended mitigation measures will not adequately mitigate for the Project's projected exceedance of the SCAQMD's suggested threshold of significance standards for operational VOC, CO, PM₁₀, PM_{2.5}, and NO_x emissions, implementation of the recommended mitigation measures would not reduce the Project's potential cumulative air quality impact to a less-than-significant level. No additional mitigation measures, formulated specifically to address the Project's potential incremental contribution to cumulative operational air quality impacts, are deemed to be reasonably feasible.

- Any remaining significant cumulative adverse impacts from air quality emissions are determined to be acceptable because they are substantially outweighed by the overriding social, economic, environmental and other benefits of the Project, as more fully set forth in the Statement of Overriding Considerations in Section 7.0 below.

4.2 Noise

- 4.2.1 **Noise Impact 8-2:** Upon completion, vehicular traffic added to those off-site roadways within the general Project area will introduce new mobile noise sources and may create a higher noise exposure to residents and other sensitive receptors beyond the noise levels currently experienced or otherwise predicted in the absence of the Project.

Findings: The Commission hereby makes Findings (1) and (3)

Facts in Support of Findings: The following facts are presented in support of these findings:

- Project-related and cumulative noise impacts are addressed in Section 4.8 (Noise) and Appendix III-H (Acoustical Analysis) in the original FEIR and that analysis is incorporated herein by reference.
- Off-site locations in the Project vicinity could experience an increase in noise resulting from the additional traffic generated by the Project. Ambient noise levels will also increase due to increased traffic volumes (from anticipated ambient growth and other related projects), independent of any contributions attributable to the Project.
- Increases in Project-related traffic noise levels would exceed the recommended significance threshold of 3.0 dBA CNEL at two intersections, resulting in an increase of 3.1 dBA CNEL on Riverside Avenue (between Alder Avenue and Locust Avenue) and 4.4 dBA CNEL on Country Club Drive (north of Riverside Avenue). Project-related traffic-related noise impacts along Country Club Drive (north of Riverside Avenue) and along the south (west) side of Riverside Avenue (between Alder Avenue and Locust Avenue) would, therefore, be considered significant.
- As shown in the June 7, 2012, memorandum from Matrix Environmental to Gina Gibson, the increases in Project-related traffic noise levels above future conditions would affect only 22 residences in total: 10 residences along Riverside Avenue (between Alder Avenue and Locust Avenue) intersection, and 12 residences adjacent to the Country Club Drive (north of Riverside Avenue) intersection. These same 10 residences along Riverside Avenue and the same 12 residences adjacent to Country Club Drive would also experience a significant noise impact under a "Sunnyvale" noise impact analysis. (See May 9, 2012 study by Acoustical Engineering Services, "Additional Traffic Noise Impacts Analysis.")
- It is noted, however, that in the field of acoustics, there are noticeable differences and subjective responses due to changes in noise level. It is widely accepted that in the community noise environment the average healthy ear can barely perceive noise level changes of 3 decibels. Noise level changes of 3 to 5 decibels may be noticed by some individuals who are extremely sensitive to changes in noise. A change in noise level of 5 decibels is readily noticeable, while the human ear perceives an increase of 10 decibels as a doubling of sound.
- Traffic noise can typically be minimized through reduction of vehicular speed and/or implementation of traffic calming measures, such as speed humps and traffic circles.

Given the nature of these road segments, noise attenuation measures would not appear to be feasible mitigation due to legal considerations, specifically, the Applicant's inability to legally reduce travel speeds or reconfigure off-site public streets.

- With respect to those 22 residences along Country Club Drive north of Riverside Avenue, the existing orientation and proximity of existing residences along Riverside Avenue (between Alder Avenue and Locust Avenue) and along Country Club Drive (north of Riverside Drive) makes infeasible the implementation of noise attenuation measures along that road segment. Vehicular access to and from existing residential uses is provided via driveways along Country Club Drive. Construction of landscaped berms and/or other noise barriers at these locations would interfere with vehicular access to those properties. If provided, requisite openings to allow access to these residences would dilute the effectiveness of those measures.
- A mitigation measure (Mitigation Measure 8-1) has been formulated specifying the construction of on-site noise barriers adjacent to the I-15 Freeway, Lytle Creek Road, Glen Helen Parkway, Sierra Avenue, and Riverside Avenue to reduce the exterior noise levels in order to meet City's noise standard with regards to sensitive on-site land uses.

Mitigation Measure 8-1. Noise barrier shall be constructed along any residential lots and school sites adjacent to the I-15 Freeway, Lytle Creek Road, Glen Helen Parkway, Sierra Avenue, and Riverside Avenue. Depending on the final lot grade elevations relative to the roadway elevations, noise barrier height of ranging between 5-8 feet would reduce the traffic noise to 65 dBA CNEL at outdoor noise sensitive uses, including residential backyards and courtyards and school playgrounds. A higher noise barrier will likely be required to mitigate I-15 Freeway noise. Overall height of noise barrier can be achieved by solid walls, earthen berms or combination of walls and earthen berms. Final noise barrier height shall be assessed when the final site and grading plans are completed. Prior to the issuance of grading permits for development projects located along I-15 Freeway, Lytle Creek Road, Glen Helen Parkway, Sierra Avenue, and Riverside Avenue, an acoustical analysis shall be prepared by a qualified acoustical consultant and submitted to, and when deemed acceptable, accepted by the City Engineer. The report shall determine the need for any noise barriers or other mitigation strategies and, if required, identify noise barrier heights, locations, and configurations

- There are no other reasonably available mitigation measures and/or Project alternatives that could feasibly reduce Project-related traffic noise levels to below the recommended 3.0 dBA CNEL threshold criteria along Riverside Avenue (between Alder Avenue and Locust Avenue) or along Country Club Drive (north of Riverside Drive), thus preventing the Lead Agency from reducing the Project's operational noise impacts at either of those locations to a less-than-significant level.
- Any remaining significant Project-specific impacts related to noise impacts are determined to be acceptable because they are substantially outweighed by the overriding social, economic, environmental and other benefits of the Project, as more fully set forth in the Statement of Overriding Considerations in Section 7.0 below.

4.2.2 **Noise Impact 8-6:** Areawide development activities will result in increased traffic along local roadways. With increased traffic volumes, additional mobile source noise

generators are introduced into the Project area which can impact those sensitive receptors located adjacent to those roadways.

Findings: The Commission hereby makes Findings(1) and (3).

Facts in Support of Findings: The following facts are presented in support of these findings:

- Project-related and cumulative noise impacts are addressed in Section 4.8 (Noise) and Appendix III-H (Acoustical Analysis) in the original FEIR and that analysis is incorporated herein by reference.
- Cumulative noise impacts attributable to roadway traffic would occur as a result of increased traffic on local roadways due to the Project and other projects within the study area. Cumulative traffic-generated noise impacts were, therefore, assessed based on the contribution of the Project to the future cumulative traffic volumes in the Project vicinity at the Project's build-out (2030). Increases in cumulative traffic noise levels would exceed the recommended significance threshold of 3.0 dBA CNEL at eight roadway segments, resulting in increases ranging from 3.1 to 7.2 dBA CNEL.
- For the purpose of impact assessment, based on the recommended threshold of significance criteria, the contribution of the Project to the cumulative environment is considered significant if the Project were to contribute 3 dBA CNEL or more to a cumulative noise increase of 5 dBA CNEL or greater. The increase in noise levels attributable to the Project would only exceed the recommended criteria at two of the impacted roadway segments: (1) Riverside Avenue (between Alder Avenue and Locust Avenue) (Project contribution 3.1 dBA CNEL); and (2) Country Club Drive (north of Riverside Avenue) (Project contribution 4.4 dBA CNEL).
- With respect to those residences along Country Club Drive north of Riverside Avenue, the existing orientation and proximity of existing residences along Riverside Avenue (between Alder Avenue and Locust Avenue) Country Club Drive (north of Riverside Drive) makes infeasible the implementation of noise attenuation measures along that road segment. Vehicular access to and from existing residential uses is provided via driveways along Country Club Drive. Construction of landscaped berms and/or other noise barriers at these locations would interfere with vehicular access to those properties. If provided, requisite openings to allow access to these residences would dilute the effectiveness of those measures.
- A mitigation measure (Mitigation Measure 8-1) has been formulated specifying the construction of on-site noise barriers adjacent to the I-15 Freeway, Lytle Creek Road, Glen Helen Parkway, Sierra Avenue, and Riverside Avenue to reduce the exterior noise levels in order to meet City's noise standard with regards to sensitive on-site land uses.

Mitigation Measure 8-1. Noise barrier shall be constructed along any residential lots and school sites adjacent to the I-15 Freeway, Lytle Creek Road, Glen Helen Parkway, Sierra Avenue, and Riverside Avenue. Depending on the final lot grade elevations relative to the roadway elevations, noise barrier height of ranging between 5-8 feet would reduce the traffic noise to 65 dBA CNEL at outdoor noise sensitive uses, including residential backyards and courtyards and school playgrounds. A higher noise barrier will likely be required to mitigate I-15 Freeway noise. Overall height of noise barrier can be achieved by solid walls, earthen berms or combination of walls and earthen berms. Final noise barrier height shall be assessed when the

final site and grading plans are completed. Prior to the issuance of grading permits for development projects located along I-15 Freeway, Lytle Creek Road, Glen Helen Parkway, Sierra Avenue, and Riverside Avenue, an acoustical analysis shall be prepared by a qualified acoustical consultant and submitted to, and when deemed acceptable, accepted by the City Engineer. The report shall determine the need for any noise barriers or other mitigation strategies and, if required, identify noise barrier heights, locations, and configurations.

- There are no other reasonably available mitigation measures and/or Project alternatives that can feasibly reduce Project-related traffic noise levels to below the recommended 3.0 dBA CNEL threshold criteria along Riverside Avenue (between Alder Avenue and Locust Avenue) and Country Club Drive (north of Riverside Drive), thus preventing the Lead Agency from reducing the Project's operational noise impacts at those locations to a less-than-significant level.
- Any remaining cumulative adverse impacts resulting from noise related impacts are determined to be acceptable because they are substantially outweighed by the overriding social, economic, environmental and other benefits of the Project, as more fully set forth in the Statement of Overriding Considerations in Section 7.0 below.

4.3 Growth Inducement

- 4.3.1 **Growth Inducement Impact 15-1:** Because the Project's effectuation requires both a General Plan amendment and a zone change, as well as designated sphere of influence areas, the Project may result in on-site development activities that exceed current development assumptions. Although the Project area has been included in the master plan for services of water and other utilities and is surrounded by other already developed or entitled areas, the Project will have growth-inducing effects with respect to sewer as it requires the provision of new facilities that provide additional capacity, thus permitting growth that can use the excess capacity.

Findings: The Commission hereby makes Findings(1) and (3).

Facts in Support of Findings: The following facts are presented in support of these findings:

- Project-related and cumulative growth-inducing impacts are addressed in Section 5.0 (Growth Inducement) in the original FEIR and that analysis is incorporated herein by reference.
- Growth in an area may result from the removal of physical impediments or restrictions to growth, as well as the removal of planning impediments resulting from land-use plans and policies. Planning impediments may include restrictive zoning or general plan designations.
- Under existing City and County land-use policies and based on prior discretionary approvals by the City (e.g., "El Rancho Verde Specific Plan") and by the County (e.g., "Glen Helen Specific Plan" "Lytle Creek North Planned Development"), independent of any actions that the City may take with regards to the LCRSP, portions of the Project site would likely undergo development. Based on existing zoning, a total of approximately 2,215 single-family dwelling units and 1,097,418 square feet of commercial and light industrial development could be constructed, primarily in Neighborhoods II and III. An approximately 1,231.8-acre portion of the

subject property would be retained as natural or improved open space (including floodway, parklands, open space, and the existing SCE right-of-way).

- Under the LCRSP, a total of 8,407 dwelling units and 849,420 square feet of non-residential development, in combination with other public facilities (e.g., new school sites), would be authorized within the Project boundaries and a total of 1,253.8 acres would be retained as natural or improved open space.
- When proposed land-use policies are compared to what might otherwise be allowable under existing City and County zoning, those differences translate into approximately 6,192 additional dwelling units, 247,998 fewer square feet of non-residential use, and an approximately 22.0-acre increase in the size of the development footprint beyond those levels that would otherwise occur in the absence of the LCRSP.
- Although the term “substantial” is neither defined under CEQA nor the State CEQA Guidelines, it can be reasonably construed that those land-use policy changes would contribute, either directly or indirectly, to substantial population growth in the general Project area. As a result, this growth-inducing impact is deemed to be significant. No feasible measures or other conditions of approval have been identified by the Lead Agency which would effectively mitigate this growth-inducing impact to a less-than-significant level.
- This significant growth inducing impact is determined to be acceptable because it is substantially outweighed by the overriding social, economic, environmental and other benefits of the Project, as more fully set forth in the Statement of Overriding Considerations in Section 7.0 below.

5.0 FINDINGS REGARDING THE SIGNIFICANT OR POTENTIALLY SIGNIFICANT ENVIRONMENTAL EFFECTS OF THE PROJECT WHICH CAN FEASIBLY BE MITIGATED TO BELOW A LEVEL OF SIGNIFICANCE

The Complete FEIR identified that the Project would result in the following significant effects which, after application of feasible mitigation measures, and compliance with existing statutes, regulations, uniform codes, and project design features, will reduce these impacts to below a level of significance.

5.1 Land Use and Planning

- 5.1.1 Land Use Impact 1-1:** The Project will involve a variety of residential, non-residential, commercial/institutional, and open space uses. Based on operational differences, the on-site placement of residential units adjacent to other non-residential uses could result in land-use compatibility conflicts resulting in significant air quality, noise, and traffic impacts affecting local residents.

Finding: The Commission hereby makes Finding (1).

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative land-use impacts are addressed in Section 4.1 (Land Use) in the original FEIR and that analysis is incorporated by reference herein.
- The physical change to the Project area associated with the introduction of new land uses and/or the expansion of existing uses, in and of itself, does not inherently generate significant or potentially significant land-use impacts. Land-use conflicts

would typically only manifest if the operational characteristics and performance expectation and requirements of one use were to differ substantially from the operational characteristics and performance expectations and requirements of another nearby use.

- Operationally, although the LCRSP includes a land-use plan showing the proposed location and density of development anticipated with the implementation of the specific plan, the LCRSP does not expressly dictate the siting of specific land uses. In the absence of site-specific information, it is necessary to consider the operational characteristics of permitted land uses in each planning area to determine whether those uses (and their associated operational characteristics) may raise potential land-use conflicts or impose or create potential conflicts affecting proximal off-site areas. Because the LCRSP contains substantial flexibility with regards to the placement and intensity of those allowable uses, at this programmatic level, it is not possible to precisely quantify the exact nature of a yet-to-be-defined future use impacts on other yet-to-be-defined future uses. Such precision is not, however, required in order to ensure that any significant operational impacts are avoided or reduced to a less-than-significant level.
- In recognition of the potential land-use compatibility impacts associated with both the placement of certain permitted uses adjacent to other existing uses within and adjoining the specific plan area and, specifically, where a non-residential use may abut a residential or other sensitive land use, Mitigation Measure 1-1 is recommended which, when implemented, will reduce potential land-use compatibility conflicts to a less-than-significant level.

Mitigation Measure 1-1: Development applications involving the construction of any of the permitted land uses identified in the specific plan and listed in the “General Land-Use Compatibility Matrix” (see Table 4.1-4 in the original DEIR) shall be accompanied by the submittal to the Director of a site-specific and use-specific analysis that addresses the potential land-use conflicts identified therein and identifies the design measures (such as landscaping, screening, etc.), site planning measures (such as setbacks, massing), development standards in the LCRSP, and such other measures that will be employed to ensure compatibility among adjacent land uses. Development applications for conditionally permitted land uses within the Village Commercial Center designation, and other designations if necessary, shall submit a site-specific and use-specific analysis to the Director in the same manner as for permitted uses and shall also complete additional environmental review under the California Environmental Quality Act (CEQA) if the proposed development may cause a new significant environmental impact that has not been fully analyzed and disclosed in accordance with CEQA. Should the resulting investigation indicate the absence of any significant environmental effects, the Director may administratively grant authorization for such use. However, if mitigation measures are identified, those measures shall be imposed as subsequent conditions of approval for individual development projects. For the purpose of environmental compliance, “adjacent” shall be defined as directly abutting and shall not include uses separated by a street public or private right-of-way or designated open space area.

- Since none of the recommended threshold criteria would be exceeded, as mitigated, the identified impact would be less than significant and no additional mitigation measures are recommended or required.

- 5.1.2 Land Use Impact 1-2:** The Project site presently contains a number of natural gas and liquid fuel transmission pipelines. Damage to those transmission pipelines and/or the release of their contents, whether through natural events or other circumstances, could cause or contribute to public health and safety hazards and thereby create land-use compatibility conflicts with proximal land uses and near-site receptors.

Finding: The Commission hereby makes Finding (1).

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative land-use impacts are addressed in Section 4.1 (Land Use) in the original FEIR and that analysis is incorporated by reference herein.
- The Kinder Morgan Pipeline Company's (KMEP) Calnev Interstate Pipeline and the Southern California Gas Company's (SoCalGas) natural gas transmission pipeline both transport fuel and traverse portions of the City, the County, and surrounding jurisdictions, including portions of the Project site. The KMEP's 14-inch diameter liquid fuel pipeline, which transports gasoline, jet fuel, and No. 2 diesel fuel, is located to the east of the Cemex USA's Lytle Creek quarry. SoCalGas' two 36-inch diameter transmission pipelines (Lines 4000 and 4002), which transport natural gas, cross the Project site in generally a northeast-southwest direction.
- The presence of underground liquid or gaseous fuel transmission pipelines could introduce land-use conflicts if public safety factors are not adequately considered.
- The California Department of Education (CDE) has developed guidance procedures for evaluating safety hazards associated with natural gas and liquid fuel releases from underground and above ground pipelines. Among other requirements, the CDE imposes additional school siting evaluation obligations, including the consideration of alternative sites, when an above ground or underground pipeline that can pose a safety hazard is located within 1,500 feet of the proposed school site.
- In recognition of potential land-use conflicts that could, but would not necessarily, occur based on the presence of underground natural gas and liquid fuel transmission pipelines (i.e., covered pipeline segments), a number of mitigation measures (Mitigation Measure 1-2 through Mitigation Measure 1-5) have been formulated to ensure that the siting of specific land uses occurs in recognition of the presence of those existing facilities.

Mitigation Measure 1-2: No grading, landscape, and street improvement plans shall be approved or authorized within the recorded easements of Calnev Interstate Pipeline (Calnev) and Southern California Gas Company's (SoCalGas) natural gas transmission pipelines until approved by the City and the utility company and/or pipeline operator.

Mitigation Measure 1-3: The specific plan land-use map shall be modified to depict the existing alignment of the recorded easement for the Calnev Interstate Pipeline and Southern California Gas Company's natural gas transmission pipelines where they traverse the Project site. No habitable structures or structures that would impede access to the pipeline easement shall be placed within the easement area, unless otherwise approved by SoCalGas or Calnev.

Mitigation Measure 1-4: With the exception of open space, prior to approving any land use within an area designated as a "high consequence area" pursuant to

Title 49, Part 92, Subpart O of the Code of Federal Regulations (CFR) for covered pipeline segments (as defined in 49 CFR 192.903), if any, of the Calnev Interstate Pipeline and Southern California Gas Company's natural gas transmission pipelines located within the Project boundaries, the Applicant shall provide to the City if available a copy of the pipeline integrity management plan, as prepared by the pipeline operator pursuant to 49 CFR 192.907. The submittal of the pipeline integrity management plan is intended for the purpose of public disclosure and informed decision making and is not determinant of any Project-level entitlements with regards to those properties subject thereto.

Mitigation Measure 1-5: With the exception of open space, prior to approving any land use within an area designated as a "high consequence area" pursuant to Title 49, Part 92, Subpart O of the Code of Federal Regulations (CFR) for covered pipeline segments (as defined in 49 CFR 192.903), if any, of the Calnev Interstate Pipeline and Southern California Gas Company's natural gas transmission pipelines located within the Project boundaries, the Applicant shall provide to the City if available a copy of the pipeline integrity management plan, as prepared by the pipeline operator pursuant to 49 CFR 192.907. The submittal of the pipeline integrity management plan is intended for the purpose of public disclosure and informed decision making and is not determinant of any Project-level entitlements with regards to those properties subject thereto.

- Since none of the recommended threshold criteria would be exceeded, as mitigated, the identified impact would be less than significant and no additional mitigation measures are recommended or required.

5.1.3 Land Use Impact 1-3: Project implementation could impact the continuing operation of existing proximal land uses and/or impede the ability of the Cities of Fontana and Rialto and/or the County of San Bernardino to proceed with, if public, or to approve, if private, future land uses through the introduction of encroaching development constraints that do not presently exist in the area of those facilities or, if evident, do not exist at levels that presently constrain the development or continuing operation of those uses. Similarly, based on their operational characteristics, existing off-site uses, now operating within the general Project area could impact planned or permitted land uses that may occur on the Project site.

Finding: The Commission hereby makes Finding (1).

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative land-use impacts are addressed in Section 4.1 (Land Use) in the original FEIR and that analysis is incorporated by reference herein.
- The LCRSP provides for a mix of residential, commercial and light industrial uses. Proximal commercial development can benefit existing residential areas by enhancing access to neighborhood-serving retail uses. Land uses authorized within the "Village Center Commercial (VC)" zone are inherently compatible with those uses found within the adjacent, existing Las Colinas neighborhood, and proposed residential areas that will be situated adjacent to VC zoned areas.
- In recognition of the potential land-use compatibility impacts associated with both the placement of certain permitted land uses adjacent to other existing uses within the

LCRSP area and, specifically, with regards to those future commercial uses that may be located adjacent to existing residential uses, Mitigation Measure 1-1 is recommended which, when implemented, will reduce potential land-use compatibility conflicts associated with the contiguous placement of such uses to a less-than-significant level.

- Cemex USA's adopted mineral extraction plan for the Lytle Creek Plant is effective for a period of 25 years (with a two-year revegetation monitoring period), expiring on April 29, 2028. Cemex USA is a vested operation and is operating under an approved reclamation plan. As such, its continuing operation, in accordance with that plan and other applicable requirements, has been assumed. With regards to that active mining operation, the City does not have any adopted goals or policies promoting the development of new mineral extraction activities within the community. Similarly, the City General Plan does not preclude development in areas proximal to existing and/or former mineral resource sites. The County General Plan and County Development Code incorporates design, development, and performance standards that collectively seek to eliminate or minimize potential environmental impacts of permitted land uses on other existing and proposed uses. Those standards are intended to protect the public health and safety (including that of workers, nearby residents and businesses) and prevent damaging or deleterious effects to surrounding properties.
- Although Cemex USA has an established "vested right" to operate, the facility must, at all times operate in accordance with the requirements imposed by the State and the County. Mitigation Measure 1-6, set forth below, has been formulated to ensure that appropriate separation between these uses is provided in connection with approval of any "B" level tentative subdivision maps for residential uses adjoining active mining areas
- The Project thus does not exist in isolation but adjoins other existing and reasonably foreseeable uses located beyond the specific plan boundaries, including a variety of land uses within the Cities of Fontana and Rialto, within County unincorporated areas, and on federal lands located within the San Bernardino National Forest (SBNF). Those existing and reasonably foreseeable land uses exhibit or would be projected to exhibit operational characteristics that may differ from those produced by and associated with the planned and permitted development activities likely to occur on the LCRSP Project site.
- Abutting a substantial portion of Neighborhoods I and IV is the National Forest boundary. Although a portion of Neighborhood I extends into the National Forest's Congressional boundaries, because the proposed development area is privately owned, no portion of the LCRSP is subject to Forest Service jurisdiction. Although various resource management opportunities may exist and may be authorized under Forest Service policies, with regards to Neighborhood I, based on the "Partial Retention" designation of adjoining National Forest System (NFS) lands, no or only minimal future development can be anticipated within that portion of the SBNF located proximate to the LCRSP Project site. As a result, those National Forest areas that adjoin or are located proximate to the Neighborhood I are assumed to generally remain in their present form and no intensive development or other substantial intensification of existing National Forest uses and/or activities is assumed thereupon.
- That portion of the SBNF abutting Neighborhood IV has been designated "Developed Area Interface (DAI)" by the Forest Service. Because it provides a transitional buffer,

abutting “Open Space (OS)” areas in Neighborhood IV would be deemed compatible with the Forest Service’s “Developed Area Interface (DAI)” designation.

- The introduction of new residential, commercial, and general warehousing uses proximate to the National Forest may increase the level of both authorized and unauthorized park use, as well as introduce other exogenous impacts, including increased night lighting, noise, and predation by household pets and feral cats.
- With the exception of Project-related and cumulative traffic along Glen Helen Parkway, Lytle Creek Road, and Sierra Avenue, the LCRSP’s inclusion of residential and non-residential development located adjacent to the National Forest will not impose any substantial operational impacts affecting existing forest uses or foreclose future options affecting near-site federal lands. Similarly, with the exception of minimal noise and light intrusion, increased traffic along those public roadways located adjacent to the National Forest will not further encroach into or upon federal lands, restrict access to public lands, or limit further opportunities available to the USFS concerning the use of those federal lands.
- In order to reduce impacts on NFS lands and potential conflicts between development activities conducted outside the National Forest and the USFS’ resource management plans, a number of mitigation measures has been formulated requiring both a land-line survey which would allow for a precise delineation of the boundaries of the SBNF relative to the Project boundaries (Mitigation Measure 1-7) and specifying a development setback from NFS lands consistent with the provisions and intent of the County Development Code and the LCNPD (Mitigation Measure 1-8). Implementation of those mitigation measures would reduce any potential land-use conflicts to a less-than-significant level.

Mitigation Measure 1-1: Development applications involving the construction of any of the permitted land uses identified in the specific plan and listed in the “General Land-Use Compatibility Matrix” (see Table 4.1-4 in the DEIR) shall be accompanied by the submittal to the Director of a site-specific and use-specific analysis that addresses the potential land-use conflicts identified therein and identifies the design measures (such as landscaping, screening, etc.), site planning measures (such as setbacks, massing), development standards in the LCRSP, and such other measures that will be employed to ensure compatibility among adjacent land uses. Development applications for conditionally permitted land uses within the Village Commercial Center designation, and other designations if necessary, shall submit a site-specific and use-specific analysis to the Director in the same manner as for permitted uses and shall also complete additional environmental review under the California Environmental Quality Act (CEQA) if the proposed development may cause a new significant environmental impact that has not been fully analyzed and disclosed in accordance with CEQA. Should the resulting investigation indicate the absence of any significant environmental effects, the Director may administratively grant authorization for such use. However, if mitigation measures are identified, those measures shall be imposed as subsequent conditions of approval for individual development projects. For the purpose of environmental compliance, “adjacent” shall be defined as directly abutting and shall not include uses separated by a street public or private right-of-way or designated open space area.

Mitigation Measure 1-6: Prior to the approval of any tentative “B” level tentative subdivision map (excluding any “A” level subdivision map for financing purposes only) allowing for residential development or other sensitive land uses on lands abutting active mining areas, the Applicant shall delineate on the plan or map a

buffer zone (which might be inclusive of road right-of-way) from the edge of those active mining areas of a width and configuration acceptable to the City and the Applicant shall incorporate within that buffer zone solid fencing, with a minimum height of not less than six feet above finish grade, and landscaping of a type and intensity acceptable to the City.

Mitigation Measure 1-7: In order to avoid potential conflicts with the United States Forest Service's resource management plans, prior to the approval of any tentative tract map on lands abutting the National Forest, the Applicant shall prepare a land-line survey delineating the Project's boundaries relative to boundaries of the San Bernardino National Forest. The Applicant shall avoid disturbance to all public land survey monuments, private property corners, and forest boundary markers. In the event that any such land markers or monuments on National Forest System lands are destroyed by an act or omission of the Applicant, depending on the type of monument destroyed, the Applicant shall reestablish or reference same in accordance with: (1) the procedures outlined in the "Manual of Instructions for the Survey of the Public Land of the United States"; or (2) the specifications of the County Surveyor; or (3) the specifications of the Forest Service. Further, the Applicant shall ensure that any such official survey records affected are amended, as provided by law

Mitigation Measure 1-8: With the exception of Planning Area 15 which is subject to a 24-foot building setback requirements, unless otherwise approved by the responsible fire authority or a lesser setback is approved by the Director upon receipt of a use-specific application, design and development plans shall include a minimum 25-foot building setback from adjoining National Forest System lands. Landscape plans for the setback area shall, to the extent feasible, utilize plant materials indigenous to the San Bernardino National Forest.

- Since none of the recommended threshold criteria would be exceeded, as mitigated, the identified impact would be less than significant and no additional mitigation measures are recommended or required.

5.1.4 Land Use Impact 1-4: Proposed development activities upon the LCRSP property will be phased with Project build-out estimated to occur by 2030 or as required by an approved development agreement. It is estimated that construction will begin in Neighborhood I, followed by development in Neighborhoods II, III, and IV. Unless requisite infrastructure systems are sized to accommodate overall demand and operation prior to the commencement of each phase, infrastructure constraints and/or other unplanned environmental consequences may arise.

Finding: The Commission hereby makes Finding (1).

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative land-use impacts are addressed in Section 4.1 (Land Use) in the original FEIR and that analysis is incorporated by reference herein.
- Although the timing of certain components of the Project cannot be precisely defined because they may be subject to the above conditions and to market variables, no development activities can proceed pending the provision of adequate access and requisite services and systems.

- In recognition of those potential impacts and public policies, since the LCRSP does not explicitly delineate the timing of certain infrastructure improvements, a mitigation measure (Mitigation Measure 1-9) has been formulated to ensure that the sequencing of authorized land uses occurs in a manner and in a time period integrally linked to those infrastructure improvements and municipal services required to adequately support the proposed land uses.

Mitigation Measure 1-9: Prior to the approval of any tentative “B” level tentative subdivision map (excluding any “A” level subdivision map for financing purposes only), the Applicant shall submit documentation, acceptable to the City Engineer, demonstrating the availability of potable water supplies, the sufficiency of fire flow, and the capacity of wastewater conveyance and treatment systems to the area of and adequate to support the level of development that would be authorized within the tract map area and/or the Applicant’s plans and performance schedule for the delivery, to the tract map area, of those requisite services and systems.

- Implementation of that measure would reduce potential infrastructure-based compatibility impacts to a less-than-significant level.

5.1.5 Land Use Impact 1-5: To the extent that land-use policies have been promulgated in response to the environmental effects of pre-existing uses and/or recognized environmental constraints and hazards, revisions to those policies that neglect and/or fail to appropriately respond to the existence of those effects, constraints, and hazards could place persons and property at substantial risk.

Finding: The Commission hereby makes Finding (1).

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative land-use impacts are addressed in Section 4.1 (Land Use) in the original FEIR and that analysis is incorporated by reference herein.
- As proposed, that portion of Neighborhood II located within Lytle Creek Wash would be designated “Open Space (OS).” Although the land-use designation would change from “Floodway (FW)” to “Open Space (OS),” through the annexation of Neighborhood II, development in areas subject to flood hazards would be avoided and the area potentially subject to those hazards would be predominately retained as natural open space. The proposed “Open Space (OS)” designation of the Lytle Creek Wash area promotes the retention of that area for both flood control and resource conservation purposes and would, therefore, be consistent with the County’s existing “Floodway (FW)” designation.
- As proposed, that portion of Neighborhood III located within Lytle Creek Wash will be designated “Open Space (OS).” Although the land-use designation would change from “Floodway (FW)” to “Open Space (OS),” through the annexation of Neighborhood II, development in areas subject to flood hazards would be avoided and the area potentially subject to those hazards would be predominately retained as natural open space. The proposed “Open Space (OS)” designation of the Lytle Creek Wash area promotes the retention of that area for both flood control and resource conservation purposes and would, therefore, be consistent with the County’s existing “Floodway (FW)” designation.

- As proposed, that portion of Neighborhood IV located within Lytle Creek Wash will be designated “Open Space (OS).” Although the land-use designation would change from “Floodway (FW)” to “Open Space (OS), through the annexation of Neighborhood IV, development in areas subject to flood hazards would be avoided and the area potentially subject to those hazards would be predominately retained as natural open space.
- Section 17.16.020(B)(8) in Title 17 (Subdivisions) of the City Municipal Code stipulates that tentative tract maps submitted to the City shall include mapping indicating the “approximate location of all areas subject to inundation or storm water overflow and the location, width, and direction of flow of each watercourse.” Based on the proposed flood control improvements, following annexation, the County’s “Floodway (FW)” designation would no longer be applicable to the site. To the extent that such actions change FEMA’s flood insurance rate map (FIRM) designation, the Applicant can petition FEMA for either a “conditional letter of map amendment” (CLOMA) or a “letter of map amendment” (LOMA).
- A mitigation measure (Mitigation Measure 1-10) has been formulated to ensure that any resulting residential development within the LCRSP boundaries would not unduly expose any newly-designated residential areas to unacceptable flood hazards.

Mitigation Measure 1-10: If, as a result of the implementation of the proposed flood control improvements or other Applicant-initiated actions, the boundaries of the 100-year flood zone are modified or would likely be modified as a result thereof, the Applicant shall prepare and submit to the Federal Emergency Management Agency (FEMA), with proof of delivery to the City Engineer, a letter of map amendment (LOMA), including appropriate mapping and hydrologic analyses, requesting that FEMA revise the designation of affected on-site and off-site areas.

- Implementation of that measure would reduce potential effects related to recognized environmental constraints and hazards to a less-than-significant level.

5.1.6 Land Use Impact 1-6: Beyond the local level, regional plans have been formulated by regional planning organizations to guide development within the larger metropolitan area. Regional plans provide, if not a broader, a higher-tiered approach to addressing those environmental issues that extend beyond and across municipal boundaries. Local projects that are inconsistent with regional plans can thwart or otherwise hinder the attainment of certain environmental goals and produce impacts extending beyond individual corporate limits.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative land-use impacts are addressed in Section 4.1 (Land Use) in the original FEIR and that analysis is incorporated by reference herein.
- Projects that are “regionally significant” shall demonstrate to SCAG their consistency with a range of adopted regional plans and policies. The Project meets the State CEQA Guideline’s standard for categorization as a “project of Statewide, regional, or

areawide significance” (as replicated in SCAG’s Intergovernmental Review Criteria 1-12).

- The “Compass Blueprint 2% Strategy” presents guidelines outlining how and where SCAG seeks to promote its “growth vision” for southern California’s future. The “Compass Blueprint 2% Strategy” calls for modest changes to current land use and transportation trends on only two percent of the land area of the region. The strategy proposes increasing the region’s mobility by encouraging transportation investments and land-use decisions that are mutually supportive, locating new housing near existing job and new jobs near existing housing, and encouraging transit-oriented development and promoting a variety of travel choices. The “Compass Blueprint 2% Strategy” essentially consists of developing pockets of “walkable” urban density connected by public transit service, especially rail.
- The LCRSP is generally consistent with the Compass Blueprint and, in the context of the policies presented therein, appears to further the regional planning efforts of SCAG. The Project may not, however, further SCAG’s objectives with regards to jobs-housing relationship (Policy GVP 1.2). Because not all projects can or should include mixed-use development, project-specific attainment of a jobs-housing balance is not applicable to the assessment of individual development projects.
- The 2008 RTP emphasizes the importance of system management, goods movement, and innovative transportation financing. The plan strives to provide a regional investment framework to address the region’s transportation and related challenges and looks to strategies that preserve and enhance the existing transportation system and integrate land use into transportation planning. The implementation plans presented in the 2008 RTP are based, in part, on the population, housing, and employment projections used by SCAG to assess regional growth over the 2008 RTP’s planning period (2010-2035).
- The LCRSP is generally consistent with the 2008 RTP and, in the context of the policies presented therein, appears to further the regional planning efforts of SCAG.
- SCAG developed the 2008 RCP as a “planning framework for the development and implementation of guidelines applied to both the public and private sectors.” One of the stated “economic outcomes” outlined in the 2008 RCP is to “[i]ncrease the region’s economic vitality and attractiveness by focusing housing and job additions in urban centers, employment centers, and transportation corridors, such that there will be a minimum of 35 percent of the region’s housing growth and 32 percent of employment growth in these areas from their levels in 2005 by 2035.”
- The LCRSP appears generally consistent with SCAG’s 2008 RCP and, in the context of the policies presented therein, appears to further the regional planning efforts of SCAG.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.1.7 Land Use Impact 1-7: Implementation of the Project’s land-use overlay districts, in lieu of the underlying land-use designation, could change the character of the proposed development, introduce new environmental impacts, and/or increase the severity of those environmental efforts anticipated as a result of the development of the underlying.

Finding: The Commission hereby makes Finding (1).

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative land-use impacts are addressed in Section 4.1 (Land Use) in the original FEIR and that analysis is incorporated by reference herein.
- Under the LCRSP, a number of land-use overlay districts would be created. In lieu of the underlying land use, planning areas containing an overlay designation could be developed for the use(s) authorized under that overlay.
- The “Single-Family Residential Overlay” (SFR Overlay) encompasses a number of planning areas presently designated “Open Space/Recreation (OS/R),” “Open Space/Joint Use (OS/JU),” “Elementary School (ES),” and “Elementary School/Middle School (ES/MS)” in Neighborhoods II and III. With the implementation of the SFR Overlay, the underlying land-use designations would be replaced by the land uses and development standards authorized under that overlay.
- Because the SFR Overlay does not result in the introduction of any additional land uses not otherwise authorized under the LCRSP and because a mitigation measure (Mitigation Measure 1-1) has been proposed to mitigate potential land-use conflicts associated with the proximal siting of uses with different operational characteristics, implementation of this overlay, in lieu of the underlying land-use district, would not result in the introduction of any additional land-use impacts not otherwise addressed herein.
- In Neighborhood II, the “High Density Residential Overlay” (HDR Overlay) encompasses a number of planning areas which are designated under the LCRSP as “Village Center Commercial (VC)” (PAs 89-91). With the implementation of the HDR Overlay, the underlying land-use designations would be replaced by the land uses and development standards authorized under that overlay.
- As authorized under the LCRSP, the HDR Overlay includes only high-density residential products, such as condominiums, stacked flats, podium units, and apartments. The development standards for the “Multi-Family Residential (MFR) (18-28 du/ac)” shall apply to all uses with the HDR Overlay, except: (1) the density range shall be 25-35 dwelling units per acre; and (2) the maximum building height shall not exceed 55 feet. Authorized land uses within the SFR Overlay are, therefore, similar to those uses allowable under the “Multi-Family Residential (MFR) (18-28 du/ac)” and “High Density Residential (HDR) (25-35 du/ac)” districts.
- Because the HDR Overlay does not result in the introduction of any additional land uses not otherwise authorized under the LCRSP and because Mitigation Measure 1-1 has been proposed to mitigate potential land-use conflicts associated with the proximal siting of uses with different operational characteristics, implementation of this overlay, in lieu of the underlying land-use district, would not result in the introduction of any additional land-use impacts not otherwise addressed in the original FEIR.
- The “Park Overlay” (Park Overlay) is limited to a single planning area (PA 72) which is presently designated “Single-Family Residential 1 (SFR-1) (2-5 du/ac).” With the implementation of the Park Overlay all or a portion of the 35.7-acre underlying land-use designations would be replaced by a community park.
- Should the Park Overlay be implemented, the Lead Agency would envision the development of a large community park in PA 72 containing a number of multi-use athletic fields, comfort facilities, on-site parking, and other recreational uses.
- Because implementation of the Park Overlay would not result in the introduction of new uses, would serve to expand the inventory of park acreage within the LCRSP area, and because the potential impacts of “transfer of development units” have been adequately addressed in the original FEIR, no significant land-use impacts would result therefrom.

- In addition to the overlays described above, the LCRSP proposed and the DEIR analyzed two other overlays: a General Warehouse Overlay and a Village Commercial Overlay and in order to mitigate potential impacts associated with the location of general warehouse uses proximate to residential uses, the DEIR proposed Mitigation Measure 1-11. Since circulation of the DEIR, however, the Applicant has revised the LCRSP to remove the General Warehouse Overlay and the Village Commercial Overlay and therefore adoption of Mitigation Measure 1-11 is no longer required.
- With implementation of the following mitigation measure, any potential environmental effects would be reduced to less than significant:

Mitigation Measure 1-1: Development applications involving the construction of any of the permitted land uses identified in the specific plan and listed in the "General Land-Use Compatibility Matrix" (see Table 4.1-4 in the DEIR) shall be accompanied by the submittal to the Director of a site-specific and use-specific analysis that addresses the potential land-use conflicts identified therein and identifies the design measures (such as landscaping, screening, etc.), site planning measures (such as setbacks, massing), development standards in the LCRSP, and such other measures that will be employed to ensure compatibility among adjacent land uses. Development applications for conditionally permitted land uses within the Village Commercial Center designation, and other designations if necessary, shall submit a site-specific and use-specific analysis to the Director in the same manner as for permitted uses and shall also complete additional environmental review under the California Environmental Quality Act (CEQA) if the proposed development may cause a new significant environmental impact that has not been fully analyzed and disclosed in accordance with CEQA. Should the resulting investigation indicate the absence of any significant environmental effects, the Director may administratively grant authorization for such use. However, if mitigation measures are identified, those measures shall be imposed as subsequent conditions of approval for individual development projects. For the purpose of environmental compliance, "adjacent" shall be defined as directly abutting and shall not include uses separated by a street public or private right-of-way or designated open space area.

- 5.1.8 Land Use Impact 1-8:** Proposed is the annexation of that approximately 1,753.1-acre portion of the Project site presently located in unincorporated County into the City. To the extent that the proposed annexation failed to conform to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, annexation may be denied or delayed.

Finding: The Commission hereby makes Finding (1).

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative land-use impacts are addressed in Section 4.1 (Land Use) in the original FEIR and that analysis is incorporated by reference herein.
- Proposed is the annexation of that approximately 1,753.1-acre portion of the Project site presently located in unincorporated County jurisdiction into the City. All lands proposed for annexation are located in the City-adopted and Local Agency Formation Commission (LAFCO) approved northern Sphere of Influence. Annexation is subject to LAFCO review.

- LAFCO has raised a number of issues concerning items for which LAFCO may have jurisdictional authority, including issues regarding identified “exclusion areas” (i.e., real property not included within the area of proposed annexation). LAFCO has commented that certain lands (which are neither included in the LCRSP nor identified as “off-site” areas beyond the boundaries of the proposed specific plan but nonetheless included in the EIR) need to be included in order to allow the annexation of contiguous lands to proceed and/or to avoid the creation of unincorporated “County islands” or “County pockets.”
- In response to LAFCO’s expressed concerns, the Lead Agency has formulated a recommended mitigation measure (Mitigation Measure 1-12) conditioning the recordation of any final subdivision map for lands within Neighborhoods I and IV upon the annexation of those lands into the City.

Mitigation Measure 1-12: Prior to the recordation of any final subdivision map, including both “A” level and “B” level maps, for any portion of Neighborhoods I and IV, those areas shall be annexed into the City and such map shall not be effective until annexation of such property to the City has been completed to the satisfaction of the Director. If annexation has not been completed within one year of the approval of any tentative subdivision map for any portion of Neighborhoods I and IV, then the approval of such map shall be null and void. No subdivision of unincorporated lands shall be effected by approval of any map by the City unless annexation thereof to the City has been completed prior to the approval of the final map thereof.

- Implementation of Mitigation Measure 1-12 will reduce potential annexation impacts to a less than significant level.

5.1.9 Land Use Impact 1-9: Implementation of the Project in combination with those other related projects identified herein will result in the further urbanization of the general Project area, including the conversion of vacant or under-developed properties to higher-intensity land uses.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative land-use impacts are addressed in Section 4.1 (Land Use) in the original FEIR and that analysis is incorporated by reference herein.
- The City and County are and will continue to undergo rapid urbanization in response to regional growth. With that urbanization, real property previously designated for open space, agriculture, or resource conservation will be or has already been redesignated in order to accommodate a range of residential and non-residential uses. With that conversion and subsequent intensification, the feasibility of returning those properties to their previous use diminishes or may be eliminated in its entirety.
- Independent of other economic variable, this trend will continue throughout the region throughout the life of the Project.

- A project would normally be deemed to produce a significant environmental effect if the project were to substantively conflict with any applicable land-use plan, policy, or regulation of an agency with jurisdiction over the project adopted for the purpose of avoiding or mitigating adverse environmental effects. The LCRSP Project (including the annexation of the Project site and the implementation of the land uses authorized thereunder) has been examined in the context of compliance with and conformity to applicable or potentially applicable land-use plans and policies and found to be generally consistent with and/or not in substantial conflict with those requirements.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.2 Population and Housing

5.2.1 **Population and Housing Impact 2-1:** During the build-out period of the Project, an estimated 5,588 new on-site construction jobs would be created.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative population and housing impacts are addressed in Section 4.2 (Population and Housing) in the original FEIR and that analysis is incorporated by reference herein.
- For the purpose of CEQA analysis, it was assumed that, based on the methodology presented in the original FEIR, that an estimated 5,502 to 5,588 new on-site construction jobs would be created by the Project.
- As reported by the California Building Industry Association (CBIA), for every dollar spent on new construction, another \$0.80 in total economic activity is generated. Each job created through residential construction supports an additional 1.2 jobs. Based on that multiplier, the number of new construction-related may be on the order of 12,294 (5,588 + 6,706) jobs.
- As estimated by the CBIA, each new housing unit constructed results in the creation of 2.78 total direct, indirect, and induced jobs. The Project's 8,407 units would, therefore, result in the creation of approximately 23,370 total direct, indirect, and induced jobs.
- Based on the recent down-turn in the national, State, and local economies, including unemployment rates, both direct (primary) job creation and the indirect and induced (secondary) economic impacts of new construction activities should be seen as a beneficial impact.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.2.2 **Population and Housing Impact 2-2:** Project implementation will increase the City's population and housing inventory and add new employment opportunities within the City. At build-out, an estimated 32,720 individuals may reside on the site in 8,407 dwelling

units. Excluding on-site schools, recreational facilities, and any indirect or induced (secondary) jobs, proposed non-residential development may result in an estimated 3,398 primary, on-site employment opportunities.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative population and housing impacts are addressed in Section 4.2 (Population and Housing) in the original FEIR and that analysis is incorporated by reference herein.
- Population and jobs growth are the typical by-products of new development
- Although subject to change and refinement based on the proposed land-use flexibility that would be authorized under the LCRSP, the nature of the resulting job-producing land uses, and the demographics of Project area residents, a general estimate of the Project's jobs-housing balance can be formulated. Assuming a total of 849,420 square feet of commercial, office, business park, light industrial and manufacturing, general warehousing, and other similar uses and applying a ratio of one direct job for every 250 square feet of commercial, professional, and light industrial use, a total of 3,398 direct jobs would be generated by the Project.
- The ratio of total (direct, indirect, and induced) effects to direct effects is often called the "economic multiplier." Multipliers represent a quantitative expression of the extent to which some initial, "exogenous" force or change is expected to generate additional effects through the interdependencies that exist in the economy or "endogenous" linkage system. Multipliers are predicated upon a domino theory of economic change. They translate the consequences of change in one variable upon others, taking account of sometimes complicated and roundabout linkages. Assuming a low-end of the multiplier scale based on the nature of the anticipated direct employment attributable to the Project, assuming a multiplier effect of 1.5, the Project's estimated 3,398 primary jobs would result in an additional 5,097 indirect and induced jobs, resulting an estimated total of 8,495 direct, indirect, and induced jobs.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.2.3 Population and Housing Impact 2-3: If not adequately considered in the derivation of existing regional plans, project-related increases in population, housing, and/or employment could impede the attainment of regional objectives by introducing additional unplanned growth which has not sufficiently been accounted for in the formulation of the implementation strategies presented in those plans.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative population and housing impacts are addressed in Section 4.2 (Population and Housing) in the original FEIR and that analysis is incorporated by reference herein.
- SCAG projects that, between 2010 and 2030 (a time period corresponding with the build-out of the Project), the population of the City will increase by 28,996 individuals. Excluding all other development and/or redevelopment that could occur during that time period, the Project's 32,720 residents represent about 112.8 percent of the projected Citywide population increase. However, during that same period, SCAG projects that the population of the County will increase by 775,704 individuals. Since it must be assumed that SCAG's population projections are not based on any jurisdictional reorganizations, such as annexation of County lands, the Project's percentage contribution (4.2 percent) to that Countywide increase is minimal.
- At the City level, between 2010 and 2030, SCAG projects that 10,121 new households will be created in the City. Excluding all other development and redevelopment that could occur during that time period, the Project's 8,407 new dwelling units represents about 83.1 percent of all SCAG-projected new households within the City. However, during that same period, SCAG projects that 277,327 new households will be formed within the County. The Project's percentage contribution (3.0 percent) to that Countywide increase is minimal.
- At the City level, between 2010 and 2030, SCAG projects that a total of 14,063 new jobs will be created in the City. Excluding all other development and/or redevelopment that could occur during that time period, the Project's 3,398 new primary jobs represents about 24.2 percent of all new employment opportunities projected to occur within the City over that 20-year build-out period. However, during that same period, SCAG projects that 324,727. The Project's percentage contribution (1.0 percent) to that Countywide increase is minimal.
- Because the Project involves two jurisdictional areas, the Project's contribution to population, households, and employment should also be examined in the context of both unincorporated County areas and the City. Between 2010 and 2030, SCAG projects that the population of that combined unincorporated County and incorporated City area will increase by a total of 144,920 individuals, that a total of 59,723 new households will be established, and that a total of 38,092 new jobs will be created. Excluding all other development and/or redevelopment that could occur within unincorporated County and incorporated City areas during that time period, the Project represents about 22.6 percent of the total population growth assigned to the unincorporated County by SCAG. The number of proposed dwelling units represents about 14.1 percent of all SCAG-projected new households within those unincorporated areas. The number of new primary jobs likely to occur on the Project site represents about 8.9 percent of all new employment opportunities projected to occur within unincorporated County and incorporated City areas over that 20-year build-out period. Because the Project represents less than 25 percent of the projected population, household, and employment growth projected over that time period, the impact is less than significant and no mitigation measures are required or recommended.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.2.4 Population and Housing Impact 2-4: Local land-use decisions can either positively or adversely influence the ability of public agencies to promote the attainment of the State's goal of a suitable living environment and decent housing for all Californians.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative population and housing impacts are addressed in Section 4.2 (Population and Housing) in the original FEIR and that analysis is incorporated by reference herein.
- As indicated in Section 65580(a) of the CGC: "The availability of housing is of vital Statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farmworkers, is a priority of the highest order." As further indicated in Section 65580(d) therein, both local and State "governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community." In recognition of these policies, the State Legislature declared its intent to assure that counties and cities recognize their responsibilities in contributing to the attainment of the State housing goal and to require that counties and cities prepare and implement housing elements to move toward the attainment of the State housing goal.
- As stipulated under Section 65583 of the CGC, housing elements are required to contain specific information with regards to housing needs, make adequate provisions for existing and projected housing needs, and present an inventory of resources and constraints relevant to the meeting of those needs.
- Through the elimination of existing environmental and development constraints and changes to existing general plan and zoning provisions, the Project's implementation will increase the inventory of "land suitable for residential development" and/or increase the intensity and developability of those lands subject to the LCRSP.
- Adoption of the LCRSP and development agreement, in combination with the Applicant's provision of infrastructure improvements, will result in the removal of certain government constraints that impede the provision of new housing opportunities and will promote the expansion of additional housing addressing identifiable regional needs.
- State requirements and "green" building standards require a greater emphasis on energy conservation. Similarly, mitigation measures have been formulated requiring further energy conservation efforts. As such, adoption of the LCRSP will facilitate the provision of suitable housing while, at the same time, prompting energy conservation.
- While the LCRSP does not explicitly include provisions requiring the provision of housing for any economic segment, by including a range of product types and allowable densities, a diversity of housing products will be provided. As residential densities increase, increased opportunities exist to address the housing needs of a broader economic segment of the population.
- Implementation of the Project will positively influence the ability of to City to promote the attainment of the State's goal of a suitable living environment and decent housing

for all Californians. The Project will have a beneficial impact relative to housing supply and availability.

- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.2.5 Population and Housing Impact 2-5: By increasing the City's housing stock, absent a corresponding and proportional increase in long-term employment opportunities, Project implementation, in combination with cumulative development, could contribute to a jobs-housing imbalance.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative population and housing impacts are addressed in Section 4.2 (Population and Housing) in the original FEIR and that analysis is incorporated by reference herein.
- In 2010, the jobs-housing ratio in the City is projected to be 0.96. In 2030, with the annexation of the Project site, the jobs-housing ratio in the City is projected to remain at 0.96. As a result, the Project would have no substantial impact when examined from a 2010 and 2030 snapshot.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.3 Geology and Soils

5.3.1 Geology and Soils Impact 3-1: The Project site contains State-designated Alquist-Priolo Fault-Rupture Hazards Zones. Seismic events occurring along these active fault zones, as well as other seismic events reasonably predictable throughout the area and over the life of the Project, will expose people and property to potential surface rupture, ground shaking, and other seismic risks.

Finding: The Commission hereby makes Finding (1).

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative geotechnical hazards impacts are addressed in Section 4.3 (Geology and Soils), in Appendix III-A (Geotechnical Review), and in Appendix III-B (Mineral Resources Evaluation) in the original FEIR and that analysis is incorporated by reference herein.
- Using standard-of-practice methodology, based on the Alquist-Priolo field investigations, active faults and habitable structure setback zones have been identified in Neighborhoods I, II, and III.
- Programmatic fault investigations and geotechnical reviews conducted by GeoSoils, Inc. (GSI) have noted that active faults in Neighborhoods II and III project toward

residential PA 98 (Neighborhood II) and open space/recreational PAs 95 and 97 (Neighborhood II). Future investigation in PA 98 is recommended to evaluate residential development constraints attributable to the possible presence of active faults. Additional investigations are also recommended in PAs 95 and 97 to evaluate potential constraints owing to active faults where structures for human occupancy are proposed.

- Potential seismic hazards associated with an earthquake event are separately discussed below.
- *Ground rupture.* In recognition of the presence of active earthquake faults on the Project site, the potential for ground rupture during a seismic event is greatest along the northeasterly corner of the property. Once more detailed studies have been conducted and development adequately setback from the fault zone, the potential for ground rupture affecting future residential uses would be remote. Since development is now earmarked to occur within an Alquist-Priolo Fault-Rupture Hazard Zone, site development in the manner now proposed could expose people or structures to potential adverse effects, including those attributable to fault rupture and seismically-induced ground failure.
- *Ground shaking.* Earthquakes that could occur throughout the region have the potential to produce substantial ground movement, generating maximum accelerations near 1.0g. Severe ground shaking, as is possible at the site, can damage structures or cause significant secondary seismic hazards. GSI also notes the potential for co-seismic ground deformation, such as ground lurching, ground cracks, and associated surface deformation or subsidence/uplift at active faults. Ground shaking can also directly cause extensive structural damage through failure along bedding planes and through damage to improperly designed and constructed structures.
- *Liquefaction.* GSI preliminarily identified a high potential for liquefaction in alluvial areas of Neighborhood I. The high potential classification is based on the presence of shallow groundwater in alluvial areas of Neighborhood I and observation of paleo-liquefaction features in some fault trenches. GSI also preliminarily classified the alluvial areas of Neighborhoods II, III, and IV as having a low potential for liquefaction. The USGS has indicated that much of Neighborhood IV is potentially located in an area with high ground-failure potential susceptibility to liquefaction and that much of Neighborhood III is potentially located in a moderately high to moderate ground-failure potential liquefaction susceptibility area.
- *Landslide, slope creep, and significant surficial failure.* No indications of seismically induced or deep-seated landsliding, slope creep, or significant surficial failures on the Project site were observed during field work conducted by GSI in 1994, 2006, and 2007. However, slope failures have been recorded by LOR Geotechnical, Inc. (1994) in the Sycamore Canyon area of Neighborhood I, bordering the west side of PA 3. According to Morton and Matti (2001), the greenstone facies of the Pelona Schist is landslide prone. Cohesionless natural sediments, and proposed fills within the LCRSP should be considered erosive.
- *Debris flow, flooding, and inundation.* Much of the LCRSP is subject to debris flow, flooding, and inundations. GSI indicates that the potential for large debris flows within drainages and tributary canyons is moderate to high under present soil cover, vegetation, and excessive precipitation conditions and may be further exacerbated in burn areas. Low-lying areas of the Project site are underlain by alluvial deposits that owe their origin, at least in part, to irregular flooding. In consideration of the potential for prolonged rainfall, possible brush fires, and vegetation denudation, GSI

recommend that the Project civil engineer consider using debris, desilting, and detention basins and/or debris impact walls with sufficient freeboard where swales or their watershed intersect the proposed development. GSI further recommends that the Project's civil engineer evaluate the site for flooding associated with catastrophic failure of flood control devices and up-gradient water-storage tanks and aqueduct during an earthquake.

- *Seiche*. Considering that the site is located within and in close proximity to significant seismic zones and proposed development likely includes the construction of water features, there is a high potential for seiching and associated down-gradient flooding within Neighborhood II. GSI recommends that this potential be evaluated when the location and the side and bottom configurations of any proposed water features become available. Seiche potential for any up-gradient or adjacent existing lakes should also be evaluated.
- Surface fault rupture and subsidence/uplift is inherently mitigated by the approved habitable structure setback zones (avoidance). The effects of seismic shaking and ground deformation can be mitigated by proper design and adherence to applicable building codes, as well as current standards of practice. Mitigation of slope stability issues is typically obtained by one or a combination of the following: buttresses, catchment or stabilization fills, retaining walls, gabions, catchment berms, or slope layoffs, and constructing fill slopes with appropriate code-compliant factors of safety, in accordance with the State Mining Geology Board's (SMGB) "Guidelines for Evaluating and Mitigating Seismic Hazards in California, Special Publication No. 117" (Special Publication 117), UBC standards, and local ordinances. Mitigation of debris flows, flooding, inundation, and seiching should be in accordance with current UBC and standards of practice and in accordance with the recommendations of the project design civil engineer. Geologic and geotechnical issues can be mitigated with a variety of accepted practices and designs.
- In recognition of the presence of potential geological and geotechnical hazards, a number of mitigation measures (Mitigation Measure 3-1 through Mitigation Measure 3-3) were included in the original FEIR. As discussed above, these measures were found to constitute improperly deferred mitigation. Mitigation Measures 3-1, 3-2, and 3-3 have been revised to ensure that all development activities will be preceded by site-specific, design-level geotechnical and geologic investigations approved by the City Engineer and that parcel-specific and use-specific conditions, recommendations and/or measures will be established in accordance with specified standards. These revised mitigation measures will provide reasonable assurance of an acceptable level of structural integrity and protection to site occupants and fully comply with CEQA.

Mitigation Measure 3-1: All development activities conducted on the Project site shall be consistent with the following:

- (1) The recommendations contained in the following studies: "EIR Level Geotechnical Review, Lytle Creek Ranch Land Use Plan, City of Rialto, San Bernardino County, California" (GeoSoils, Inc., May 22, 2008) and "Updated Geological and Geotechnical EIR Level Review of Documents Pertaining to the Lytle Creek Ranch Land Use Plan, City of Rialto, County of San Bernardino, California" (Pacific Soils Engineering, Inc., September 3, 2008), including but not limited to measures such as those listed below, provided the recommendations meet the conditions specified in Subsection (3) of this Mitigation Measure.

- Use of engineered foundation design and/or ground-improvement techniques in areas subject to liquefaction-induced settlement;
 - Use of subdrains in canyon areas or within fill lots underlain by bedrock;
 - Use of buttress or stabilization fills with appropriate factors-of-safety (including placing compacted non-structural fill against existing slopes subject to erosion/failure);
 - Engineering design incorporating post-tension/structural slabs, mat, or deep foundations; or
- (2) Alternative recommendations based on the findings of a site-specific, design-level geologic and geotechnical investigation(s) and approved by the City Engineer, including but not limited to the use of proven methods generally accepted by registered engineers to reduce the risk of seismic hazards to a less than significant level, provided such recommendations meet the conditions specified in Subsection (3) of this Mitigation Measure.
- (3) All recommendations shall comply with or exceed applicable provisions and standards set forth in or established by:
- (a) California Geological Survey's "Guidelines for Evaluating and Mitigating Seismic Hazards in California, Special Publication No. 117" (Special Publication 117);
 - (b) The version of the Uniform Building Code (UBC), as adopted and amended by the City of Rialto, in effect at the time of approval of the investigation(s) by the City Engineer;
 - (c) Relevant State, County and City laws, ordinances and Code requirements; and
 - (d) Current standards of practice designed to minimize potential geologic and geotechnical impacts.

Mitigation Measure 3-2: Prior to the approval of a tentative "B" level subdivision map for residential or commercial development proposed as part of the Project (excluding any "A" level subdivision map for financing purposes only), the Project Applicant shall:

- (1) Submit to the City of Rialto Building & Safety Division a site-specific, design-level geotechnical and geologic investigation(s) prepared for the Project by a registered geotechnical engineer. The investigation(s) shall comply with all applicable State, County and City Code requirements and:
 - (a) Document the feasibility of each proposed structure and its associated use based on an evaluation of the relevant geotechnical, geologic, and seismic conditions present at each structure's location using accepted methodologies. Included in this documentation shall be verification of soil

conditions (including identification of organic and oversized materials) and a specific evaluation of collapsible and expansive soils;

- (b) Determine structural design requirements prescribed by the version of the UBC, as adopted and amended by the City of Rialto, in effect at the time of approval of the investigation(s) by the City Engineer, to ensure the structural integrity of all proposed development; and
 - (c) In addition to the recommendations included in Subsections (1) and (2) of Mitigation Measure 3-1, include site-specific conditions, recommendations, and/or measures designed to minimize risks associated with surface rupture, ground shaking, soil stability (including collapsible and expansive soils), liquefaction, and other seismic hazards, provided such conditions, recommendations, and/or measures meet the conditions set forth in Subsection (3) of Mitigation Measure 3-1. Such measures shall specify liquefaction measures such as deep foundations extending below the liquefiable layers, soil cover sufficiently thick over liquefaction soil to bridge liquefaction zones, dynamic compaction, compaction grouting, and jet grouting. In accordance with Special Publication No. 117, other measures may include edge containment structures (e.g., berms, retaining structures, and compacted soil zones), removal or treatment of liquefiable soils, reinforced shallow foundations, and other structural design techniques that can withstand predicted displacements.
- (2) Unless otherwise modified, all conditions, recommendations and/or mitigation measures contained within the geotechnical and geologic investigation(s), including the imposition of specified setback requirements for proposed development activities within Alquist-Priolo Earthquake Fault Zones, shall become conditions of approval for the requested development.
 - (3) The Project structural engineer shall: review the geotechnical and geologic investigation(s); provide any additional conditions, recommendations and/or mitigation measures necessary to meet UBC requirements; incorporate all conditions, recommendations and/or mitigation measures from the investigation(s) in the structural design plans; and ensure that all structural plans for the Project meet the requirements of the version of the UBC, as adopted and amended by the City of Rialto, in effect at the time of approval of the investigation(s) by the City Engineer.
 - (4) The City Engineer shall: review the geotechnical and geologic investigation(s); approve the final report; and require compliance with all conditions, recommendations and/or mitigation measures set forth in the investigation(s) in the plans submitted for grading, foundation, structural, infrastructure and all other relevant construction permits.
 - (5) The City Building & Safety Division shall: review all Project plans for grading, foundation, structural, infrastructure and all other relevant construction permits to ensure compliance with the applicable geotechnical and geologic investigation(s) and other applicable Code requirements.

Mitigation Measure 3-3: In recognition of the potential lateral forces exerted by predicted seismic activities, habitable structures that may be located on the Project Site and which are located within the defined Alquist-Priolo Fault-Rupture Hazard Zones shall not be over two stories in height. Habitable structures of greater height within defined Alquist-Priolo Fault-Rupture Hazard Zones may only be authorized following the submittal of a subsequent site-specific, design-level geologic and geotechnical investigation(s) and its approval by the City Engineer and, at a minimum, the imposition of both the recommendations contained therein and such additional conditions as may be imposed by the City Engineer, including but not limited to the use of proven methods generally accepted by registered engineers to reduce the risk of seismic hazards to a less than significant level, provided such recommendations meet the conditions specified in Mitigation Measure 3-1, Subsection (3).

- Implementation of those mitigation measures, as well as Mitigation Measure 3-4 regarding the preparation of seismic hazard zone maps for the Project, discussed below, will reduce potential geologic, geotechnical, and seismic impacts to below a level of significance. .

5.3.2 Geology and Soils Impact 3-2: Project implementation will involve extensive earthwork. Unless conducted in a manner in keeping with the existing characteristics of the site and in light of the nature of the proposed development, soil conditions could result in stability problems that would adversely impact the structural integrity of proposed improvements.

Finding: The Commission hereby makes Finding (1).

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative geotechnical hazards impacts are addressed in Section 4.3 (Geology and Soils), in Appendix III-A (Geotechnical Review), and in Appendix III-B (Mineral Resources Evaluation) in the original FEIR and that analysis is incorporated by reference herein.
- Grading activities, as required to create the site's "super pads," street system, utility network, and for the construction of requisite public facilities will alter not only the site's existing physiography but will modify near-surface geology through soil removal, reconfiguration of the site's existing topography, and compaction. The earthwork required to implement the proposed development is estimated to be approximately 4.0 million cubic yards and, with the exception of the required removal of organic material and larger material that cannot or should not be used for fill, is intended to be balanced on the Project site.
- Typical cut-and-fill grading techniques would be utilized to prepare the site for construction of approximately 56 mass graded pads that will accommodate proposed land uses.
- With the exception of the Sycamore Canyon area, the site is underlain by alluvial and wash deposits or granular sedimentary deposits. The young alluvial and wash deposits are generally coarse and may locally be considered susceptible to collapse upon wetting (hydrocompaction).
- Expansive soils are not well represented. As a result, expansive soils are not likely to represent a significant hazard.

- In recognition of the presence of potential geological and geotechnical hazards, a number of mitigation measures (Mitigation Measure 3-1 through Mitigation Measure 3-3, set forth above) have been formulated to ensure that all development activities likely to occur on the Project site will be proceeded by design-level engineering studies acceptable to the City Engineer and that parcel-specific and use-specific conditions will be established which provide reasonable assurance of an acceptable level of structural integrity and protection to site occupants.
- Implementation of those measures will reduce potential geologic and geotechnical impacts to a less-than-significant level.

5.3.3 Geology and Soils Impact 3-3: On-site grading operations will disrupt surface soils and increase the potential for air and water-borne erosion.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative geotechnical hazards impacts are addressed in Section 4.3 (Geology and Soils), in Appendix III-A (Geotechnical Review), and in Appendix III-B (Mineral Resources Evaluation) in the original FEIR and that analysis is incorporated by reference herein.
- Project grading activities will involve the removal of vegetative cover, excavation, fill, and recompaction. Impacts to soils include accelerated erosion and downslope deposition and increased potential for surficial sliding and slumping. Compaction of soils by heavy equipment may reduce the infiltration capacity of on-site soils and deprive soil and vegetation of water, thereby increasing the potential for runoff and erosion.
- Grading activities shall occur in a manner that seeks to provide the maximum feasible sediment control.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.3.4 Geology and Soils Impact 3-4: Liquefaction susceptibility within the proposed development area is classified as non-susceptible and highly susceptible in Neighborhoods I and II, non-susceptible to highly susceptible in Neighborhood III, and non-susceptible and medium to highly susceptible in Neighborhood IV.

Finding: The Commission hereby makes Finding (1).

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative geotechnical hazards impacts are addressed in Section 4.3 (Geology and Soils), in Appendix III-A (Geotechnical Review), and in Appendix III-B (Mineral Resources Evaluation) in the original FEIR and that analysis is incorporated by reference herein.

- During an earthquake, seismic waves travel through and vibrate the ground. In cohesionless granular material having low relative density (e.g., loose sandy sediment), this vibration can disturb the particle framework, leading to increased compaction of the material and reduction of pore space between the framework grains. If the sediment is saturated, water occupying the pore spaces resists this compaction and exerts pore pressure that reduces the contact stress between the sediment grains. With continued shaking, transfer of intergranular stress to pore water can generate pore pressures greater enough to cause the sediment to lose its strength and change from a solid state to a liquefied state. This mechanism can cause various kinds of ground failure at or near the surface (e.g., lateral spreads, flow failures, ground oscillation, and loss of bearing strength). The liquefaction process typically occurs at depths less than 50-feet subsurface, although the most susceptible conditions occur at depths shallower than 30-feet subsurface.
- Historic groundwater levels in a well near Neighborhoods I and IV indicated that groundwater levels alternated between about 19 and 108 feet between 1919 and 2000. In addition, seeps and standing water (likely perched water) were encountered during programmatic subsurface explorations at the Project site.
- In recognition of the presence of potential geological and geotechnical hazards, a number of mitigation measures (Mitigation Measure 3-1 through Mitigation Measure 3-3, set forth above and herein incorporated by reference) have been formulated to ensure that all development activities likely to occur on the project site will be preceded by design-level engineering studies acceptable to the City Engineer and that parcel-specific and use-specific conditions will be established which provide reasonable assurance of an acceptable level of structural integrity and protection to site occupants.
- Implementation of those measures will reduce potential geologic and geotechnical impacts to a less-than-significant level.

5.3.5 Geology and Soils Impact 3-5: A substantial portion of the Project site is designated MRZ-2, indicating that the Project site contains aggregate resources of regional significance. The Project will impact the MRZ-2 classified resources by less than one (0.4) percent. This resource elimination will not affect other available resources in the region. As such, the Project would not result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the State.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative geotechnical hazards impacts are addressed in Section 4.3 (Geology and Soils), in Appendix III-A (Geotechnical Review), and in Appendix III-B (Mineral Resources Evaluation) in the original FEIR and that analysis is incorporated by reference herein.
- The Project site includes mineral resources that have been classified by the DMG under the Surface Mining and Reclamation Act of 1975 (SMARA), as codified in Section 2710 *et seq.* in Chapter 9 of Division 2 of the PRC, as mineral resource zone (MRZ) 2. MRZ-2 constitutes areas where adequate information indicates that

significant mineral deposits are present or where it is judged that a high likelihood for their presence exists.

- The Project site is located within the San Bernardino Production-Consumption Region (San Bernardino P-C Region). The San Bernardino P-C Region is comprised of “nine major MRZ-2 areas, divided into 127 smaller areas.
- About 2,030 acres of the LCRSP property is currently designated as MRZ-2. Based solely on surface acreage, the site represents about 29.6 percent of the 10.7 square mile area comprising “Sector B” and approximately 2.7 percent of the 116 square mile MRZ-2-designated area located within the entire San Bernardino P-C Region. Within the San Bernardino P-C Region, 10.5 billion tons of aggregate resources have been identified.
- As proposed, the LCRSP does not contain plans for the excavation of aggregate materials with the intent of salvaging these materials for commercial application. The feasibility of extracting construction aggregate from portions of the Project site is highly constrained due to the presence of existing infrastructure such as Lytle Creek Road, the I-15 Freeway, the Sierra Avenue freeway ramps, the I-15 Freeway bridge structure; the need to address hydrogeologic conditions and sensitive habitat areas; and the proximity to existing residential areas.
- Under the provisions of a recorded “declaration of covenants, conditions and restrictions,” as recorded with the County Clerk of the County of San Bernardino on July 29, 1992 (Instrument No. 92-314964), the Applicant’s rights and the rights of subsequent holders of real property interests, to engage in surface mining activities on all or portions of the Project site have been restricted for a period of 35 years from the date of execution of that agreement. That 35-year period would generally end on July 28, 2027
- The Project may potentially remove an estimated 41 million tons of aggregate resources from the MRZ-2 zone. When comparing the approximate 10.5 billion tons of resources (non-permitted) to the 41 million tons of aggregate resources potentially removed from the MRZ-2 zone by the Project, the Project represents about 0.4 percent of the total estimate of MRZ-2 resources identified within the San Bernardino P-C Region. The Project’s impact on aggregate resources would, therefore, be less than significant.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.3.6 Geology and Soils Impact 3-6: During the life of the Project, lands and structures within the Project site will be subject to periodic seismic events from localized and regional earthquake faults, producing the potential for damage to property, to the improvements located thereupon, and resulting in health and safety risks to site occupants.

Finding: The Commission hereby makes Finding (1).

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative geotechnical hazards impacts are addressed in Section 4.3 (Geology and Soils), in Appendix III-A (Geotechnical Review), and in Appendix III-B (Mineral Resources Evaluation) in the original FEIR and that analysis is incorporated by reference herein.

- During the life of the Project, on-site structures will be subjected to seismic events. As required by State law, certain California Department of Real Estate (DRE) disclosure obligations are imposed which serve to inform perspective purchasers of the presence of on-site and near-site conditions that could materially affect either the value of property or the wellbeing of site occupants. In accordance with those pre-existing requirements, perspective purchasers will receive notification of the presence of those geologic, geotechnical, and seismic conditions that affect both the site and the region. So informed, purchasers will be able to make an informed decision concerning their voluntary election to purchase property within the proposed development.
- DRE disclosure requirements presently include, but are not limited to, the presence of an Alquist-Priolo earthquake fault zone and seismic hazard maps, as prepared by the State Geologist under the provisions of the Seismic Hazard Mapping Act (Sections 2690-2698.6, PRC). The Project site is located in the USGS's Devore 7.5-Minute Topographic Quadrangle. Seismic hazard zone maps encompassing the Project site have not yet been prepared for that quadrangle by the State Geologist.
- These potentially significant effects will be mitigated through implementation of Mitigation Measures 3-1 to 3-3 above. In addition, Mitigation Measure 3-5 has been formulated requiring that, at a minimum, prospective purchasers of real property within the LCRSP be provided a copy of San Bernardino County General Plan – Hazard Overlay Map or be provided with similar information disclosing the potential presence of proximal earthquake faults, seismic hazards, liquefaction susceptibility, and earthquake-induced landslide susceptibility. The inclusion of this recommended measure does not replace, negate, or otherwise alter any existing obligations between sellers, their agencies, and prospective purchases as may be established by the DRE or under State law.

Mitigation Measure 3-4: At a minimum, pending the development of seismic hazard zone maps encompassing the Project site by the State Geologist under the Seismic Hazard Mapping Act (Sections 2690-2698.6, Public Resources Code), prospective purchasers of real property within the LCRSP shall be provided a copy of San Bernardino County General Plan – Hazard Overlay Map or similar information disclosing the potential presence of seismic hazards, including liquefaction susceptibility and earthquake-induced landslide susceptibility. This condition does not replace, negate, or otherwise alter any existing obligations between sellers, their agencies, and prospective purchases as may be established by the California Department of Real Estate or under State law.

- Implementation of all of the recommended mitigation measures will reduce this potentially significant effect to less than significant.

5.3.7 Geology and Soils Impact 3-7: Other projects located within proximity of the proposed development will be subjected to similar seismic forces and their associated hazards, subjecting those structures, improvements, and site occupants to potential seismic risks.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative geotechnical hazards impacts are addressed in Section 4.3 (Geology and Soils), in Appendix III-A (Geotechnical Review), and in Appendix III-B (Mineral Resources Evaluation) in the original FEIR and that analysis is incorporated by reference herein.
- Geotechnical impacts are generally site-specific in nature.
- Adequate control measures have been formulated by State and local governmental entities to ensure that all public and private structures are constructed and maintained in recognition of site-specific, area-specific, and regional geologic, geotechnical, and seismic conditions. With regards to seismicity, geologic, geotechnical, and soils considerations, compliance with applicable UBC standards, local ordinances, and associated permit-agency requirements will mitigate any potential cumulative impacts to below a level of significance.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.3.8 Geology and Soils Impact 3-8: With increased urbanization, the inventory of recoverable sand and gravel resources within the San Bernardino P-C Region diminishes; however, the resource elimination that will occur as a result of the Project impacting the MRZ-2 classified resources by less than one percent and remaining available resources in the San Bernardino P-C Region exceed the projected 50-year aggregate demand.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative geotechnical hazards impacts are addressed in Section 4.3 (Geology and Soils), in Appendix III-A (Geotechnical Review), and in Appendix III-B (Mineral Resources Evaluation) in the original FEIR and that analysis is incorporated by reference herein.
- Permitted aggregates in the San Bernardino P-C Region is sufficient to meet 24 percent of the needed aggregate supply to meet the State criteria for the region's 50-year demand. The San Bernardino P-C Region is projected to require 1,074 million tons of construction aggregate over the next 50 years and currently has only 262 million tons permitted. The 41 million tons of non-permitted aggregate resources which could be feasibly extracted from the Project site, based solely on an engineering perspective, represents about 16 percent of the currently permitted resources and about 5 percent of the SBPC Region's projected shortfall with regards to the region's anticipated 50-year demand.
- The California Department of Conservation's (CDC) Map Sheet 52 shows that there exist around 74 billion tons of un-permitted aggregates within the State. Thus, the projected aggregate supply in relation to its 50-year demand is a function of the inability to permit the necessary construction grade aggregate, as opposed to a

depletion issue. California would only have to permit a fraction of the non-permitted aggregate resources throughout the State to meet its 50-year demand.

- Based on the amount of aggregate resources present on the site as compared to the aggregate resources remaining in the SBPC Region, the loss of availability of on-site resources is not considered cumulatively significant. To the extent that other related projects are also located within areas designated by the DMG as containing State or regionally significant aggregate resources, the collective loss of those resources would not be deemed to be cumulatively significant on account of the Project's minimal loss of aggregate resources.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.4 Hydrology and Water Quality

- 5.4.1 Hydrology and Water Quality Impact 4-1:** The Project site contains areas designated as being located within the 100-year floodplain. Site development could, therefore, result in the introduction of residential and non-residential land uses within those areas and/or expose site users to potential flood hazards.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Findings: The following facts are presented in support of this finding:

- Project-related and cumulative hydrology and water quality impacts are addressed in Section 4.4 (Hydrology and Water Quality), Appendix III-C (Hydrology and Water Quality Analysis), Appendices IV-C, D and G in the original FEIR, and a June 30, 2010, memo from PACE Advanced Water Engineering, and that analysis is incorporated by reference herein.
- The Federal Emergency Management Agency (FEMA), a part of the Department of Homeland Security, has prepared flood insurance rate maps (FIRM) in order to identify those areas that are located within the 100-year floodplain boundary, termed "Special Flood Hazard Areas" (SFHAs). Four FIRM sheets (dated August 28, 2008) encompass the general Project area (i.e., Panel Nos. 06071C7905H, 06071C7910H, 06071C7920H, and 06071C7940H). As indicated therein, portions of the Project site are designated as "Zone A" (Areas of 100-Year Flood – No Base Flood Elevation Determined) and "Zone X" (Areas Determined to be Outside 500-Year Floodplain).
- As evidenced in FIRM Panel Nos. 06071C7920H and 06071C7940H, with regards to that segment of Lytle Creek located to the south of the I-15 Freeway and within the Project boundaries, flood waters are currently confined by the existing groin and levee system.
- As designated by FEMA, portions of Neighborhoods I, II, III and IV are located in the 100-year flood zone and designated as a SFHA subject to specific FEMA regulations (44 CFR 60.3[b]).
- The proposed development of Neighborhoods II, III, and IV will be located within the existing floodplain and, therefore, require flood control bank improvements to protect them from the floodwaters of Lytle Creek. An armored revetment structure is

proposed along the northerly edge of Neighborhoods II, III, and IV to provide 100-year flood protection for the adjacent planning areas. The revetment structure would encroach into the present 100-year flood hazard limits of Lytle Creek and redirect its existing flood flows. As a result, with the proposed east bank revetment in place, with the exception of open space, no residential or non-residential uses would be placed within a 100-year flood hazard area.

- The revetment will be designed to withstand the hydraulic forces generated by the 100-year bulked flow flowrate in Lytle Creek of 64,450 cubic feet per second (cfs), representing the bulked value of the base flood of 42,580 cfs. The calculated ultimate condition flow velocities in Lytle Creek range between 10-20 feet per second (fps). The Project reach has average flowline grades of 0.03 feet per foot. The flow regimes vary between subcritical and supercritical, with supercritical dominating most segments of the channel. The proposed revetment will provide a minimum three foot of freeboard over the base flood elevation and ultimate discharge of 64,540 cfs.
- In order to obtain FEMA approval, the proposed revetment improvements must be designed and constructed in accordance with FEMA's standard criteria (44 CFR 65.10). Potential risks of levee failure are minimized through FEMA-imposed obligations for the preparation of a levee maintenance plan (44 CFR 65.10[d]).
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.4.2 Hydrology and Water Quality Impact 4-2: Proposed drainage improvements have the potential to adversely impact the operation of those existing facilities now located within the Lytle Creek channel, including the I-15 Freeway bridge and those existing high-pressure pipelines that now traverse the wash.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Findings: The following facts are presented in support of this finding:

- Project-related and cumulative hydrology and water quality impacts are addressed in Section 4.4 (Hydrology and Water Quality), Appendix III-C (Hydrology and Water Quality Analysis), Appendices IV-C, D and G in the original FEIR, and a June 30, 2010, memo from PACE Advanced Water Engineering, and that analysis is incorporated by reference herein.
- With regards to the I-15 Freeway bridge, the south abutment and two piers of the existing bridge will be enclosed by the proposed flood control revetment. The encroachment into the existing floodplain will alter the current hydraulic behavior in the bridge vicinity and may affect the bridge flood conveyance and scour characteristics under the existing condition. The proposed revetment will act as the new south abutment for the bridge. Design of the toe-down has taken into account the maximum scour potential that may occur at the bridge location and will provide an adequate protection for both the Project and the bridge structure.
- Existing Southern California Edison (SCE) high-voltage transmission lines, constructed on steel-lattice towers, cross above Lytle Creek. Since those towers

span the existing channel, proposed drainage improvements will not impact those facilities.

- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.4.3 Hydrology and Water Quality Impact 4-3: Construction activities may increase sediment discharge and/or result in the introduction of hazardous materials, petroleum products, or other waste discharges that could impact the quality of the area's surface and groundwater resources if discharged to those waters.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Findings: The following facts are presented in support of this finding:

- Project-related and cumulative hydrology and water quality impacts are addressed in Section 4.4 (Hydrology and Water Quality), Appendix III-C (Hydrology and Water Quality Analysis), Appendices IV-C, D and G in the original FEIR, and a June 30, 2010, memo from PACE Advanced Water Engineering, and that analysis is incorporated by reference herein.
- During and following grading, existing vegetation, debris, and unsuitable fill materials will be cleared and removed. Bare ground surface area will be exposed to potential erosional forces such as wind and rain. The existing on-site soils are moderately-to-highly erosive. If proper controls are not implemented during the grading phases, siltation from exposed loose soils could be blown or washed into the adjacent segments of Lytle Creek and/or Sycamore Creek. If substantial amounts of such materials reach these watercourses, significant impacts on water quality could occur.
- The Applicant is required under the provision of the 2009 General Construction Permit requirements, as adopted by the State Water Resources Control Board (SWRCB), to prepare a management plan for the control of construction runoff, establishing adequate drainage controls to ensure that site runoff does not result in localized flooding or sediment loading both on and off the Project site. That plan is included as part of the stormwater pollution prevention plan (SWPPP) that is required to be prepared and submitted in compliance with NPDES requirements for any activity that requires grading more than one acre.
- Water quality protection is further ensured through preparation and implementation of the BMPs that will be identified in the SWPPP to ensure that grading and construction operations involving the transport, storage, use, and disposal of a variety of construction materials, including regulated materials, comply with certain requirements regarding the proper storage, handling and transport of these materials. BMPs also set out the means by which any accidental releases of hazardous materials would be contained, cleaned up, and reported to regulatory authorities.
- Compliance with 2009 General Construction Permit and SWPPP requirements will ensure that all construction activities occurring on the Project site will be undertaken in a manner to assure compliance with applicable water quality standards.

Implementation of BMPs will serve to effectively minimize impacts to water quality from Project-related construction activities.

- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.4.4 Hydrology and Water Quality Impact 4-4: The introduction of standing water on the Project site, including those waters associated with the Project's drainage facilities and BMPs, have the potential to introduce vector breeding habitat and harborage.

Finding: The Commission hereby makes Finding (1).

Facts in Support of Findings: The following facts are presented in support of this finding:

- Project-related and cumulative hydrology and water quality impacts are addressed in Section 4.4 (Hydrology and Water Quality), Appendix III-C (Hydrology and Water Quality Analysis), Appendices IV-C, D and G in the original FEIR, and a June 30, 2010, memo from PACE Advanced Water Engineering, and that analysis is incorporated by reference herein.
- Urban storm water runoff regulations now mandate the construction and maintenance of structural BMPs for both volume reduction and pollution management. Structural and treatment control BMPs include dry extended detention basins, wet ponds/basins, wetland filters, a recirculating stream with pond biofiltration system, and vegetated swales. These elements have the potential to introduce standing water on the Project site.
- Design and maintenance of BMP structures has been shown to contribute to the production of vectors. Stagnant water with a high concentration of organic material can attract mosquitoes. In general, any design that includes standing water or requires more than 72 hours to drain serves as a source of mosquitoes and other vectors. Aquatic habitats that last only three to five days generally do not generally allow for the complete development of mosquito larvae.
- To prevent mosquito and other vector production, the dry extended detention basins were designed using a 24-hour drawdown time. That drawdown time represents the minimum acceptable time for water quality detention. As proposed, the wet ponds will always have water in them as well as any recirculating streams associated with the wet pond(s). The water in the wet ponds will be recirculated and will be stocked with mosquito fish for vector control. Circulating or flowing water disrupts the maturity cycle of mosquito larvae.
- Mitigation Measure 4-1 has been formulated requiring the preparation, by the Applicant, or a routine inspection plan for possible vector harborage.

Mitigation Measure 4-1: Prior to the approval of any subdivision map (except for an "A" level map for financing purposes only) in which dry extended detention basins or wet ponds are located, the Applicant shall prepare and, when acceptable, the City Engineer shall accept an inspection plan for each of the basins demonstrating that routine inspections for possible vector harborage will be performed monthly within 72 hours after a storm event or under such alternative inspection schedule as may be determined by the City Engineer.

- With implementation of Mitigation Measure 4-1, the potential for vector breeding would be reduced to less than significant.

5.4.5 Hydrology and Water Quality Impact 4-5: Stormwater and non-storm water runoff have the potential to impair downstream receiving waters, particularly in Lytle and/or Sycamore Creeks.

Finding: The Commission hereby makes Finding (1).

Facts in Support of Findings: The following facts are presented in support of this finding:

- Project-related and cumulative hydrology and water quality impacts are addressed in Section 4.4 (Hydrology and Water Quality), Appendix III-C (Hydrology and Water Quality Analysis), Appendices IV-C, D and G in the original FEIR, and a June 30, 2010, memo from PACE Advanced Water Engineering, and that analysis is incorporated by reference herein.
- In its current condition, the pollutants of concern for Lytle Creek are pathogens. Based on the proposed development, additional anticipated stormwater pollutants likely include bacteria/virus, nutrients, pesticides, sediment, trash and debris, organic compounds, oxygen demanding substances, metals and oil and grease.
- As required in Section 12.60.260 (Stormwater Quality Management Plan) of the City Municipal Code, prior to the issuance of any grading or building permit, all qualifying land development and redevelopment projects shall submit and have approved a storm water quality management plan (SWQMP) to the City Engineer. The SWQMP shall identify all BMPs that will be incorporated into the Project to control storm water and non-storm water pollutants during and after construction and shall be revised as necessary during the life of the Project.
- The treatment control BMPs will consist of: (a) dry extended detention basins; (b) wet ponds/basins; (c) wetland filters; and (d) vegetated swales. The proposed treatment train of BMPs will capture and treat dry-weather runoff and the target water quality volume or water quality flow for 2-year or less storm events before the storm water reaches Lytle Creek.
- Erosion and sedimentation will be prevented at the downstream receiving waters by the placement of outfall structures from the BMP basins as well as energy dissipaters at the outlets of the overflow storm drain pipes that discharge into Lytle Creek for storm events larger than the 2-year storm event.
- Each of the planned neighborhoods will include on-site storm water management system improvements. These improvements will consist of a closed conduit storm drain system (capable of conveying debris from the off-site watershed, on-site closed conduit storm drain, and/or open channel conveyance systems) and a water quality management system to treat non-storm and small storm runoff before discharge to Lytle and Sycamore Creeks.
- In addition to those structural and treatment control BMPs presented in the SWQMP, a number of source control measures have been identified and a mitigation measure formulated (Mitigation Measure 4-2) requiring the inclusion of those measures during the Project's operational life. In addition, regular monitoring will enable identification of excessive pollutant levels so that appropriate corrective measures can be taken, if deemed to be required. Monitoring has been included as a recommended mitigation measure (Mitigation Measure 4-3) and will constitute an on-going obligation upon the Project.

Mitigation Measure 4-2: Source Control BMPs. The following source control BMPs, or such other comparable measures as may be established by the City Engineer, shall be adopted as a condition of approval for subsequent tract maps approved by the City within the Project boundaries. (1) The master homeowners' association (HOA) and/or property owners' association (POA) will be given a copy of the SWQMP. Annually, the representatives of the HOA/POA, their employees, landscapers, property managers, and other parties responsible for proper functioning of the BMPs shall receive verbal and written training regarding the function and maintenance of the Project's BMPs. The homeowners will be provided annual notices of water quality issues through an association-published newsletter. (2) Vegetated buffer strips shall be properly maintained with vegetation but not overly fertilized. (3) Resident education and participation will be implemented to manage pollutants that contribute to biological oxygen demand. For example, residents shall be encouraged to keep pets on leashes and to remove feces in order to limit organic material in storm water runoff. Residents shall be further encouraged to irrigate their properties at certain times of the day in order to limit nuisance flow runoff carrying pesticides and other organic material. (4) Vehicle leak and spill control shall be implemented by educating and requiring vehicle and equipment maintenance, proper vehicle and maintenance fueling, and education of how to handle accidental spills. Stringent fines shall be applied to those who violate these requirements and participate in illegal dumping of hazardous material. Street and storm drain maintenance controls shall be put in place with signs posted prohibiting illegal dumping into street and storm drains. (5) Household hazardous waste collection facilities shall be put into place for proper disposal of fertilizers, pesticides, cleaning solutions, paint products, automotive products, and swimming pool chemicals. Proper material storage control shall be encouraged to keep materials from causing groundwater contamination, soil contamination, and storm water contamination.

Mitigation Measure 4-3: Water Quality Monitoring. Prior to the issuance of any grading permits, the Applicant shall submit, and when acceptable, the City Engineer shall approve, a long-term water monitoring program designed to ensure that the Project's proposed BMPs meet or exceed applicable water quality standards established by the California Regional Water Quality Control Board, Santa Ana Region (SARWQCB) and contained in the then current NPDES Permit. In accordance with that program, the Applicant shall institute regularly testing of the water quality at the storm drainage outlets within Lytle and Sycamore Creeks. If the monitoring program's test results determine that the water quality standards established by the SARWQCB are not being met, corrective actions acceptable to the SARWQCB and the City Engineer shall be promptly taken to improve the quality of surface runoff discharged from the outlets to a level in compliance with the adopted SARWQCB standards.

- With implementation of Mitigation Measures 4-2 and 4-3, the Project's water quality impacts would be reduced to a less-than-significant level.

5.4.6 Hydrology and Water Quality Impact 4-6: Project plans include the construction of new levee systems adjacent to Lytle Creek. In addition, Project implementation will result in the introduction of impervious surfaces and, as a result of the impedance of opportunities for absorption and infiltration of those waters, has the potential to increase the quantity, velocity, and duration of storm waters discharged from the Project site.

Finding: The Commission hereby makes Finding (1).

Facts in Support of Findings: The following facts are presented in support of this finding:

- Project-related and cumulative hydrology and water quality impacts are addressed in Section 4.4 (Hydrology and Water Quality), Appendix III-C (Hydrology and Water Quality Analysis), Appendices IV-C, D and G in the original FEIR, and a June 30, 2010, memo from PACE Advanced Water Engineering, and that analysis is incorporated by reference herein.
- Project implementation, including the introduction of impervious surfaces, will result in a concentration of flows, increase flow velocities, and shorten the time of concentration. Energy dissipaters will be constructed at the outfall locations of each storm drain.
- In order to ensure that people and structures are not subjected to significant flood hazards, the Project proposes the construction of an armored revetment structure along the northerly edge of Neighborhoods II, III, and IV to provide 100-year flood protection for the adjacent areas from potential flooding impacts of Lytle Creek. The Project has also been designed to capture and treat urban runoff from new development areas to ensure that discharge of storm water runoff downstream of the Project site into Lytle and Sycamore Creeks does not increase the velocity of peak flows in those creeks during storm events. The Project includes measures to ensure that, where feasible, storm water runoff is captured on the Project site and infiltration promoted so as to minimize the volume of storm water runoff discharged into the creeks. Features such as vegetated swales have been designed to capture runoff and provide for infiltration, and treatment and dissipation prior to discharge into receiving waters.
- In order to ensure that people and structures are not subjected to significant flood hazards, Mitigation Measure 4-4 has been formulated to provide specific standards by which the engineering plans for the armored revetment must comply in order to assure that impacts from creek flows are reduced to a less-than-significant level.
- In order to further ensure that people and structures are not subjected to significant flood hazards and that the Cemex USA levee repairs have been made along the Cemex USA South Pit levee by the time the armored revetment is being constructed in Neighborhoods II or III to protect property and people in those on-site neighborhoods, Mitigation Measure 4-5 has been formulated which requires the Applicant to complete these repairs if not otherwise implemented by Cemex.

Mitigation Measure 4-4: Final Design Plans. Prior to the issuance of grading permits in Neighborhoods II, III, or IV, final design plans for the proposed Lytle Creek flood control revetment shall be submitted to, and when deemed acceptable, approved by the City Engineer. As determined by the City Engineer, the final design of the Lytle Creek flood control revetment shall provide adequate structural protection for affected I-15 Freeway bridge structures. Design for the toe-down of the Lytle Creek west bank revetment shall take into account the maximum scour potential that may occur at the I-15 Freeway bridge to ensure that adequate protection is provided for both adjacent on-site and off-site development area and the bridge structure.

Mitigation Measure 4-5. Continuity of Flood Control Revetment and Levees. If Cemex USA has not completed the repairs to its South Pit levee for which it obtained

authorizations under Streambed Alteration Agreement 1600-2006-0256-R6 and Nationwide Permit No. 3 (USACE No. SPL-2006-1460) by the time that the Applicant is constructing its revetment for Neighborhoods II or III, subject to the existing agreement between Cemex USA and the Applicant, the Applicant shall undertake those repairs to the Cemex USA levee in connection with the Applicant's other off-site improvements to approximately 2,000 linear feet of the Cemex USA levee adjacent to Neighborhood II.

- With implementation of Mitigation Measures 4-4 and 4-5, impacts from Creek flows will be reduced to less than significant.

5.4.7 Hydrology and Water Quality Impact 4-7: Four groundwater infiltration ponds, used by the Fontana Water District, are presently located in Neighborhood II (PAs 82, 91 and 92). The areas where those ponds are located are proposed for "Single-Family Residential 3 (SFR-2) (8-14 du/ac)," High Density Residential (HDR) (25-35 du/ac)," and "Village Center Commercial (VC)" development. The existing infiltration ponds will be relocated and incorporated into the design of Neighborhood II.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Findings: The following facts are presented in support of this finding:

- Project-related and cumulative hydrology and water quality impacts are addressed in Section 4.4 (Hydrology and Water Quality), Appendix III-C (Hydrology and Water Quality Analysis), Appendices IV-C, D and G in the original FEIR, and a June 30, 2010, memo from PACE Advanced Water Engineering, and that analysis is incorporated by reference herein.
- Under the provision of a "Memorandum of Understanding" (MOU) to be entered into between Cemex USA, the San Bernardino County Special Districts Department's (SBCSDD), the Lytle Creek Water Conservation Association (LCWCA), and the Lytle Development Company, in order to augment and offset the lack of available reclaimed water within the Project area, as proposed, the Project's implementation would serve to assist in providing additional groundwater recharge within the Lytle Creek Basin.
- The SBCSDD manages and oversees the LCNWRP just downstream of the Cemex USA quarry on the northerly side of Lytle Creek which lies within County Service Area (CSA) 70-GH. As part of the discharge permitting requirements for that facility, the SARWQCB ordered the County to develop a total dissolved solids (TDS) plan as part of its waste discharge requirements (WDRs) under Order No. R8-2007-0004 (stipulating that a TDS offset program be developed and implemented that will enable the SBCSDD offset discharges of TDS from the LCNWRP that exceed the Lytle Creek Basin water quality objective of 260 mg/L and current ambient concentration of 240 mg/L). The proposed TDS offset for the Lytle Creek North WRP consists of enhanced recharge of the Lytle Creek surface water stream flows diverted during wet weather.

- The Lytle Basin has been used by the LCWCA member agencies and has proven to be a prime area for enhanced stream-flow recharge, due to the low TDS concentration of the Lytle Creek surface water.
- The Cemex USA mining operations vary within the mining property and does not work all of the property concurrently but on a rotating basis leaving areas unused for years at a time. As part of a revised mining permit application, Cemex USA has agreed to participate in the recharge program by providing two separate spreading basins. One of the basins will be located in the “North Pit” and one in the “South Pit” on a rotating schedule, depending on material availability and production needs. The two pits will provide approximately 80 acres of spreading basins and are expected to yield approximately 24,000 acre-feet per year (AF/Y) of basin recharge on a rotating basis. The historic 43-acre spreading basins provided approximately 13,000 AF/Y.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.4.8 Hydrology and Water Quality Impact 4-8: Development of the Project, in conjunction with other foreseeable related projects, will collectively contribute to surface flows within the Lytle and Sycamore Creek areas and will result in the introduction of additional urban pollutants that could affect the beneficial uses of existing surface and groundwater resources.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Findings: The following facts are presented in support of this finding:

- Project-related and cumulative hydrology and water quality impacts are addressed in Section 4.4 (Hydrology and Water Quality), Appendix III-C (Hydrology and Water Quality Analysis), Appendices IV-C, D and G in the original FEIR, and a June 30, 2010, memo from PACE Advanced Water Engineering, and that analysis is incorporated by reference herein.
- Although a substantial portion of the Project site will be retained as open space, the site's conversion to a more urbanized use will generate additional urban runoff that would be discharged into Lytle and Sycamore Creeks. These impacts could affect both surface and groundwater downstream of the Project site and could adversely affect the water quality of groundwater resources that provide a water supply source to a number of private and municipal water systems that are dependent upon that water source. The Project will, however, be required to implement BMPs, fully comply with all applicable State water quality laws and regulations, and implement the BMPs set forth in Mitigation Measures 4-2 and 4-3.
- Other related projects that may occur within the general Project area may produce cumulative water quality impacts. Those related projects will, however, also be required to implement various structural and treatment control BMPs to reduce impacts from stormwater and non-stormwater runoff, fully comply with all applicable State water quality laws and regulations, and would likely implement mitigation measures similar to Mitigation Measures 4-2 and 4-3, cumulative impacts would be less than significant after mitigation.

- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no additional mitigation measures are recommended or required.

5.5.1 Biological Resources Impact 5-1: Grading and grubbing activities will result in direct impacts to approximately 1,374.7 (1,368.0 on-site and 6.7 off-site) acres, resulting in the direct removal of existing vegetation within those areas. Temporary impacts include approximately 49.7 (40.8 on-site and 8.9 off-site) acres which will occur within temporary construction zones associated with the levee construction and the construction of a road under the I-15 Freeway. With regards to non-sensitive plant species, Project implementation will result in direct impacts to approximately 894.8 (889.9 on-site and 4.9 off-site) acres of non-sensitive plant communities. Temporary impacts to approximately 8.1 (5.1 on-site and 3.0 off-site) acres of non-sensitive plant communities will occur within temporary construction zones associated with the levee construction. With regards to sensitive plant species, Project implementation will result in direct impacts to approximately 478.0 (476.2 on-site and 1.8 off-site) acres of RAFSS (where RAFSS is the only or the primary community). Temporary impacts to approximately 41.6 (35.7 on-site and 5.9 off-site) acres of RAFSS which will occur within temporary construction zones associated with the levee construction. Permanent impacts to sensitive plant communities include approximately 1.7 on-site acres of southern cottonwood willow riparian and 0.2 on-site acre of California sycamore alliance (Biological Resources Impact 5-1).

Findings: The Commission hereby makes Finding (1).

Facts in Support of Findings: The following facts are presented in support of these findings:

- Project-related and cumulative biological resources impacts are addressed in Section 4.5 (Biological Resources), in Appendix III-D (Biological Resources Assessment), Appendix III-E (Jurisdictional Delineation Report), Appendix IV-H (Glenn Lukos Associates Response Regarding State Waters), and Appendices IV-E, IV-F and IV-J (PCR, Biological Resource documents) in the original FEIR and that analysis is incorporated by reference herein.
- Areas of direct disturbance are generally limited to a Project's grading and grubbing limits. A total of approximately 1,539.3 acres will be directly impacted under the conceptual grading plan.
- The total impacts to plant communities is identified as approximately 1,374.7 (1,368.0 on-site and 6.7 off-site) acres. Within the approximately 1,374.7-acre area examined in the original FEIR, direct impacts on non-sensitive and sensitive plant communities were described in Section 4.5 of the DEIR.
- Sensitive plant communities. Each of the sensitive plant communities identified within the LCRSP study area which will be directly impacted by the Project are individually addressed below.
- Riversidean alluvial fan scrub (RAFSS) communities. Construction impacts will result in permanent impacts to about 478.0 (476.2 on-site and 1.8 off-site) acres and temporary impacts to about 41.6 (35.7 on-site and 5.9 off-site) acres of RAFSS (where RAFSS is the only or primary community). Due to the amount of acreage which would be removed, RAFSS' status as a sensitive plant community (considered rare by the CNDDDB), riparian nature, and capacity to support suitable habitat for a

number of sensitive species, impact on this sensitive natural community would be deemed potentially significant. If avoidance is determined to be infeasible, Mitigation Measure 5-1 has been formulated to reduce impacts to this sensitive plant community to a less-than-significant level.

- Southern cottonwood willow riparian communities. Construction impacts will result in a direct loss of approximately 1.7 on-site acres of southern cottonwood willow riparian communities. This plant community is considered sensitive by the CDFG because it can be classified as a wetland. Direct impacts to southern cottonwood willow riparian communities would be deemed significant and, if avoidance were not possible, compensatory resources would be required to compensate for the loss of not only this plant community but the sensitive wildlife species that this habitat supports. Mitigation Measure 5-2 has been formulated to reduce impacts to this sensitive plant community to a less-than-significant level.
- California sycamore alliance. Construction impacts will result in a direct loss of about 0.2 on-site acre of California sycamore alliance. This small patch of sycamore trees is relatively isolated and is not part of a larger riparian community. Within the LCRSP study area, this vegetation association does not function as a true riparian community and is not likely to support sensitive species. The Project's impact on California sycamore alliance is less than significant and mitigation is not warranted.

Mitigation Measure 5-1: Riversidean Alluvial Fan Sage Scrub. Two alternative compensatory approaches to Riversidean alluvial fan sage scrub (RAFSS) mitigation have been identified and are described herein. The first approach is based on an "appropriately-scaled ratio" of acres to be preserved to acres to be impacted. The second approach is based on a "habitat equivalency analysis" (HEA) incorporating the measurement and comparative analysis of common ecological metrics (or indicators) between impacted sites and mitigation sites such that the functions and values between those areas can be demonstrated to be reasonably equivalent.

Mitigation Based on Appropriately-Scaled Ratios. Impacts to 519.6 acres (478.0 acres of permanent and 41.6 acres of temporary impacts) of RAFSS may be mitigated at a minimum mitigation ratio of 2:1 (replacement: disturbance) through the preservation of 1,039.2 acres of alluvial fan sage scrub (AFSS) vegetation both on and off the Project site. This shall be accomplished, in part, by the preservation of 395.4 acres of RAFSS on the site and the preservation of existing and/or the enhancement, restoration, or creation of AFSS off the site, on private and/or public lands.

The Applicant's acquisition of qualifying off-site and/or dedication of qualifying on-site AFSS habitat and/or the Applicant's securing of appropriate rights and authorization allowing for the preservation, enhancement, restoration, and/or creation of protected habitat on public and/or private lands, together with adequate funding to achieve the necessary preservation, enhancement, restoration, and/or creation, shall be secured by the Applicant at a minimum ratio of 2:1 (replacement: disturbance) prior to directly impacting RAFSS habitat for grading, grubbing, construction, and/or fuel modification activities.

Prior to the issuance of any permits and/or approvals that would result in the removal of RAFSS habitat, the Development Services Director (Director) shall verify that the Applicant has secured sufficient and appropriate AFSS habitat (whether on and/or off the site) to be preserved, enhanced, restored, and/or created to fulfill this 2:1

mitigation ratio, based on the amount of RAFSS habitat that would be removed under the then-issued grading, clearing, or grubbing permits, and has delivered to the City a binding instrument ensuring the implementation of the specified action.

Mitigation Based on Habitat Equivalency Analysis. An alternative method for determining the extent and location of mitigation lands for impacts to RAFSS is to calculate the amount of compensatory acreage of RAFSS habitat to be provided based upon a “habitat equivalency analysis” (HEA). The basic steps that shall be used for implementation of the HEA approach are: (A) determine the extent of potential impact; (B) determine the value of candidate mitigation site(s); and (C) determine required mitigation.

Prior to issuance of any grading permit that would result in the removal of RAFSS, the Director shall verify that the Applicant has: (1) applied the HEA metrics to the acres of RAFSS to be removed; (2) determined the appropriate set of mitigation/conservation activities to apply to the mitigation lands (in accordance with the ecological currency established by the HEA metrics); and (3) has assured that the mitigation lands will serve as mitigation in perpetuity and assured that long-term management will be provided.

The provision of compensatory resources and/or the acquisition of mitigation credits to offset impacts shall be secured by the Applicant prior to removing RAFSS for grading, grubbing, construction, and/or fuel modification activities. Prior to the issuance of any permits and/or approvals resulting in the removal of RAFSS, the Director shall verify that the Applicant has secured sufficient and appropriate RAFSS habitat conservation credits (whether on and/or off the site) based on the amount of RAFSS habitat that would be removed under the then-issued grading, clearing, or grubbing permit and has delivered to the City a binding instrument ensuring the implementation of the specified action.

The Applicant shall assure, to the satisfaction of the Director, that the compensatory acreage and/or mitigation credits to serve as mitigation will be secured to serve its specified function and that the appropriate long-term management of this habitat will be provided. Such assurance shall include those performance measures and guarantees as may be reasonably required by the Director to ensure the fulfillment of the intent of this measure.

At the Applicant’s sole expense, the City may select and hire a qualified biologist(s) to provide technical consultation, third-party review, and independent oversight of specified biological mitigation. At its sole discretion, the City’s acceptance of any Applicant-nominated compensatory resources and/or mitigation credits shall occur prior to the issuance of any permits and/or approvals resulting in direct impacts to RAFSS and any such permits or approvals shall be conditioned with the details of those actions which are to be implemented.

Mitigation Measure 5-2: Other Sensitive Riparian Communities. Mitigation for direct impacts to approximately 1.7 acres of southern cottonwood willow riparian shall include preservation, enhancement, and restoration of a minimum combined 3.4 acres within the existing and available mule fat scrub, southern willow scrub, and southern cottonwood willow riparian habitat within the Sycamore Flat East riparian

corridor. This mitigation represents a minimum 2:1 (replacement: disturbance) mitigation ratio.

Prior to issuance of any permits or approvals that would result in the removal of RAFSS, the Director shall verify that the Applicant has secured sufficient qualifying RAFSS habitat to be preserved, enhanced, restored, and/or created to conserve habitat functions and values equivalent to the functions and values of habitat that would be removed under the then-issued grading permits for the Project, as determined through the HEA approach.

The Applicant's acquisition of qualifying off-site and/or dedication of qualifying on-site riparian habitat and/or the Applicant's securing of appropriate rights and authorization allowing for the preservation, enhancement, restoration, and/or creation of protected habitat on public and/or private lands, together with adequate funding to achieve the necessary preservation, enhancement, restoration, and/or creation, shall be secured by the Applicant at a minimum ratio of 2:1 prior to directly impacting southern cottonwood willow riparian habitat for grading, grubbing, construction, and/or fuel modification activities. Prior to the issuance of any permits and/or approvals resulting in the removal of southern cottonwood willow riparian habitat, the Director shall verify that the Applicant has secured sufficient and appropriate riparian habitat (whether on and/or off the site) to be preserved, enhanced, restored, and/or created to fulfill this 2:1 mitigation ratio, based on the amount of southern cottonwood willow riparian habitat that would be removed under the then-issued grading, clearing, or grubbing permit, and has delivered to the City a binding instrument ensuring the implementation of the specified action.

The Applicant shall assure, to the satisfaction of the Director, that the compensatory acreage to serve as mitigation will be secured to serve its specified function and that this function will continue over the long term. Such assurance shall include those performance measures and guarantees as may be reasonably required by the Director to ensure the fulfillment of the intent of this measure.

- With implementation of these two mitigation measures, impacts during grading and grubbing activities to sensitive plant species will be reduced to less than significant.

5.5.2 Biological Resources Impact 5-2: Common Plant Species. Project implementation would result in the direct removal of numerous native and non-native common plant species.

Findings: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Findings: The following facts are presented in support of these findings:

- Project-related and cumulative biological resources impacts are addressed in Section 4.5 (Biological Resources), in Appendix III-D (Biological Resources Assessment), Appendix III-E (Jurisdictional Delineation Report), Appendix IV-H (Glenn Lukos Associates Response Regarding State Waters), and Appendices IV-E,

IV-F and IV-J (PCR, Biological Resource documents) in the original FEIR and that analysis is incorporated by reference herein.

- Population losses for common plants are proportional to the losses of those plant communities in which they occur within the region. These plant species are common and have no local, State, or federal protected status.
- Since this potential impact would not reduce common plant species to below self-sustaining levels, the recommended threshold criteria would not be exceeded, and the potential impact to common plant species would be considered less than significant and no mitigation measures are recommended or required.

5.5.3 Biological Resources Impact 5-3: Common Wildlife Species. In the short-term, Project implementation would result in direct removal of wildlife habitat and the potential mortality of common wildlife species existing within the area of disturbance. Long-term indirect impacts include increased human-related disruption (such as an increase in nighttime lighting, noise, road kills, and the presence of domestic pets) which may result in additional mortality of native wildlife species.

Findings: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Findings: The following facts are presented in support of these findings:

- Project-related and cumulative biological resources impacts are addressed in Section 4.5 (Biological Resources), in Appendix III-D (Biological Resources Assessment), Appendix III-E (Jurisdictional Delineation Report), Appendix IV-H (Glenn Lukos Associates Response Regarding State Waters), and Appendices IV-E, IV-F and IV-J (PCR, Biological Resource documents) in the original FEIR and that analysis is incorporated by reference herein.
- The removal of existing undisturbed habitat areas will result in the loss of small mammals, reptiles, and other animals, especially those inhabiting subterranean burrows and of slow mobility that live within the impacted areas. Surviving mobile wildlife species now using those areas would be forced to move into remaining on-site and off-site open space habitat areas, thus increasing competition for available resources. This situation could result in the further loss of those individuals that cannot successfully compete.
- The potential mortality of small animals has several consequences, including: (1) reduced prey base for larger predators; (2) increased pressure on surviving populations in the adjacent open space areas to absorb individuals that seek to escape mortality; (3) decline in genetic diversity; and (4) reduced number of individuals available to recolonize affected areas following site disturbance.
- However, since these impacts would not reduce common wildlife populations to below self-sustaining levels, the recommended threshold criteria would not be exceeded, and the potential impact to common wildlife species would be considered less than significant and no mitigation measures are recommended or required.

5.5.4 Biological Resources Impact 5-4: The Project will permanently impact approximately 43,741 (42,709 on-site and 1,032 off-site) linear feet and 58.02 (57.42 on-site and 0.60

off-site) acres of United States Army Corps of Engineers (USACE) non-wetland waters. In addition, the Project will permanently impact 60,894 (59,086 on-site and 1,808 off-site) linear feet and 93.98 (92.76 on-site and 1.22 off-site) acres of California Department of Fish and Game (CDFG) streambed (2.38 on-site acres consists of vegetated riparian habitat). The Project will temporarily impact approximately 8,852 (8,577 on-site and 275 off-site) linear feet and 26.73 (24.33 on-site and 2.40 off-site) acres of USACE non-wetland waters. In addition, the Project will temporarily impact 9,981 (9,706 on-site and 275 off-site) linear feet and 32.00 (27.73 on-site and 4.27 off-site) acres of CDFG streambed. Impacts may result in substantial changes to the bed, channel, and/or bank of jurisdictional waters.

Please note that the California Department of Fish and Game reference should be changed to the California Department of Fish and Wildlife (CDFW) wherever CDFG is referenced.

Findings: The Commission hereby makes Finding (1).

Facts in Support of Findings: The following facts are presented in support of these findings:

- Project-related and cumulative biological resources impacts are addressed in Section 4.5 (Biological Resources), in Appendix III-D (Biological Resources Assessment), Appendix III-E (Jurisdictional Delineation Report), Appendix IV-H (Glenn Lukos Associates Response Regarding State Waters), and Appendices IV-E, IV-F and IV-J (PCR, Biological Resource documents) in the original FEIR and that analysis is incorporated by reference herein.
- Project implementation will result in direct impacts to federally and State-regulated jurisdictional waters. Some of those impacts will be temporary and limited to the construction term, while others would be permanent in order to implement the Project. The Project will require a Section 404 (Clean Water Act) permit from the USACE, Section 401 (Clean Water Act) water quality certifications or waivers from SARWQCB, and Section 1602 (California Fish and Game Code) streambed alteration agreement from the CDFG.
- Project-related impacts upon waters of the U.S. and waters of the State are described in the DEIR, and include permanent impacts to USACE jurisdictional waters of approximately 58.02 acres (none of which consist of jurisdictional wetlands); approximately 26.73 acres of temporary impacts to USACE jurisdictional waters; permanent impacts to CDFG jurisdictional waters of approximately 93.98 acres (2.38 acres consist of vegetated riparian habitat); and temporary impacts to CDFG jurisdictional waters of approximately 32.0 acres, none of which consist of vegetated riparian habitat.
- A mitigation measure (Mitigation Measure 5-3) has been formulated to ensure both compliance with the provisions of Sections 401-404 of the CWA and Sections 1600-1616 of the CFGC and the provision of compensatory habitat areas.

Mitigation Measure 5-3: Jurisdictional Waters. Prior to the issuance of any grading permits affecting State and/or federal jurisdictional waters, the Applicant shall provide the Director with documentation, as may be deemed acceptable by the Director, demonstrating the Applicant's ability and binding commitment to provide the following compensatory resources: (1) the preservation, restoration, and/or

enhancement (individually or in combination) of USACE jurisdictional waters on or off the site (within the watershed) at a ratio of no less than 1:1 (replacement: disturbance); and (2) preservation, restoration, and/or enhancement (individually or in combination) of CDFG jurisdictional areas on or off the site (within the watershed) at a ratio of no less than 1:1. Temporary impacts to jurisdictional waters may be mitigated through restoring affected areas to pre-Project conditions, followed by hydroseeding with native plant species typical of the area.

Prior to issuance of any grading permit for work in jurisdictional waters, as applicable, the Applicant shall provide the City with evidence of the Applicant's receipt of a Section 404 permit issued by the United States Army Corps of Engineers (USACE), a Section 1600 streambed alteration agreement with California Department of Fish and Game (or other evidence of compliance with Section 1600 et seq. of the California Fish and Game Code), Section 401 water quality certification issued by the Regional Water Quality Control Board, Santa Ana Region and shall provide the Director with an agency approved habitat mitigation and monitoring plan (HMMP), prepared pursuant to USACE guidelines.

- Implementation of the recommended mitigation measure would reduce potentially significant impacts to a less-than-significant level.

5.5.5 Biological Resources Impact 5-5: Project implementation has the potential to impede existing wildlife movement patterns across the Project site, resulting in a potential fragmentation of habitat areas upon and surrounding the Project site.

Findings: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Findings: The following facts are presented in support of these findings:

- Project-related and cumulative biological resources impacts are addressed in Section 4.5 (Biological Resources), in Appendix III-D (Biological Resources Assessment), Appendix III-E (Jurisdictional Delineation Report), Appendix IV-H (Glenn Lukos Associates Response Regarding State Waters), and Appendices IV-E, IV-F and IV-J (PCR, Biological Resource documents) in the original FEIR and that analysis is incorporated by reference herein.
- The largest existing proximal off-site open space reserves that involve wildlife movement are those associated with the San Gabriel and San Bernardino Mountains and the Santa Ana River system (generally through Lytle and Cajon Creeks).
- From a regional perspective, significant regional movement throughout Lytle Creek is already impeded by the presence of the I-15 Freeway, the recently completed improvement to Glen Helen Parkway, and downstream channelization and urbanization. However, based on the presence of the I-15 Freeway bridge and underpass on the western end of the LCRSP study area, wildlife movement is likely to occur regularly and continue even with Project implementation between the SBNF and open space areas near the confluence of Lytle and Cajon Creeks via those portions of Lytle Creek that are located in the LCRSP study area. The Project would

preserve a substantial portion of this existing wildlife movement corridor within the LCRSP study area as open space.

- The majority of the Project's construction-related impacts would occur within the upland benches adjacent to but outside of the Lytle Creek floodway. Wildlife movement through and along Lytle Creek may, to a limited degree, be constricted by the presence of active mining operations within the Cemex USA quarry, however, that is an existing condition and not an impact of the Project. Although levee improvements may further constrict this existing corridor, development of the upland terraces would not be expected to significantly affect movement through the retained open wash.
- The elimination of wildlife habitat in the adjacent terraces would reduce habitat areas now used for cover, and the resulting reduction in native habitats would result in the displacement of wildlife to nearby open space areas. However, the preservation of the natural functions of Lytle Creek, the retention of islands of habitat scattered throughout Lytle Creek (such as the "SBKR Conservation Area") that provide opportunities for cover for wildlife, the presence of Vulcan Materials Company's "Cajon Creek Habitat Conservation Management Area," and the existing mitigation areas located to the north of Neighborhood II will contribute to the retention of a viable wildlife movement corridor and refuge through the LCRSP study area. With these adjacent mitigation areas, the proposed conservation area within Lytle Creek is approximately 1,200-feet wide at its narrowest point (I-15 Freeway underpass). Because existing physical linkages will generally be retained, the Project will not substantially impede opportunities for wildlife movement.
- In addition to direct effects, other indirect impacts to wildlife movement associated with proximity to human habitat may result from the Project. Edge effects (such as increased lighting, noise, and domestic pets) are not, however, anticipated to substantially reduce the functions and values of the existing wildlife movement corridor through the open wash. Due to the width of the proposed conservation area within Lytle Creek, indirect effects associated with the site's development are likely to dissipate over this distance (i.e., would be greatest in proximity to the edge of the interface between the retained open space and the proposed development and would diminish as the separation distance increases).
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.5.6 Biological Resources Impact 5-6: Sensitive Plant Species and CNPS List 3 and List 4 Plant Species. Construction will result in the loss of an unknown number of Plummer's Mariposa lily (CNPS List 1B.1 species) and an unknown number of Parry's spineflower (CNPS List 1B.1 species). In addition, construction will result in the loss of one southern California black walnut (CNPS List 4.2 species).

Findings: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Findings: The following facts are presented in support of these findings:

- Project-related and cumulative biological resources impacts are addressed in Section 4.5 (Biological Resources), in Appendix III-D (Biological Resources Assessment), Appendix III-E (Jurisdictional Delineation Report), Appendix IV-H (Glenn Lukos Associates Response Regarding State Waters), and Appendices IV-E, IV-F and IV-J (PCR, Biological Resource documents) in the original FEIR and that analysis is incorporated by reference herein.
- Sensitive plant species observed within the LCRSP study area consist of Plummer's Mariposa lily (California Native Plant Society [CNPS] List 1B.2 species) and Parry's spineflower (CNS List 1B.1 species). Although slender-horned spineflower was documented in the LCRSP study area in 1994, the species was not observed during surveys conducted between 2004 and 2008. CNPS List 3 and List 4 plant species observed within the LCRSP study area consist of southern California black walnut (CNPS List 4.2 species). In addition, three populations of woollystar (*Eriastrum densifolium*) were documented in the southeastern end of the LCRSP study area in 1994. Each of these plant species are separately discussed below.
- Plummer's Mariposa lily. The Project would directly impact about 88 out of 127,295 individual Plummer's Mariposa lilies. This impact represents a Project-induced loss of less than one percent of the estimated number of Plummer's Mariposa lily anticipated to occur within the LCRSP study area. The loss of 88 Plummer's mariposa lily within the LCRSP study area is not expected to cause the population to drop below self-perpetuating levels. Impacts to this species are deemed adverse but less than significant and no mitigation is required or recommended.
- Parry's spineflower. About 35,280 of the 501,280 individual plants documented in the LCRSP study area will be directly impacted by the Project, representing about seven percent of the population mapped within the LCRSP study area. The loss of about seven percent of Parry's spineflower within the LCRSP study area is not expected to cause the population to drop below self-perpetuating levels. Impacts to this species are deemed adverse but less than significant and no mitigation is required or recommended.
- Southern California black walnut. One individual southern California black walnut tree will be impacted by the Project. The loss of one individual of this CNPS List 4.2 species will not threaten regional populations and would not result in a substantial adverse effect on a sensitive species.
- Woollystar. In 2006, PCR Services Corporation (PCR) biologists conducted a sampling effort of corolla lengths which determined that the woollystar within the LCRSP study area most closely resembles the subspecies *elongatum*. PCR's analysis and peer-review indicated that the LCRSP study area does not support the endangered subspecies (*Eriastrum densifolium* ssp. *sanctorum*). Additionally, under the USFWS' and National Oceanic and Atmospheric Administration's (NOAA) proposed rule on hybridization (61 FR 4709 [February 7, 1996]), the LCRSP study area's population would not be considered part of the listed taxon.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.5.7 Biological Resources Impact 5-7: Sensitive Wildlife Species. Numerous sensitive wildlife species have been observed within the LCRSP study area or have the potential to occur therein. Project development, through direct loss or fragmentation of existing habitat and through the introduction of indirect exogenous effects, will reduce existing

sensitive species populations and impact the existing biodiversity of the LCRSP study area.

Findings: The Commission hereby makes Finding (1).

Facts in Support of Findings: The following facts are presented in support of these findings:

- Project-related and cumulative biological resources impacts are addressed in Section 4.5 (Biological Resources), in Appendix III-D (Biological Resources Assessment), Appendix III-E (Jurisdictional Delineation Report), Appendix IV-H (Glenn Lukos Associates Response Regarding State Waters), and Appendices IV-E, IV-F and IV-J (PCR, Biological Resource documents) in the original FEIR, as well as June 30, 2010, and July 25, 2010, memorandums from Dr. Michael J. O'Farrell, and that analysis is incorporated by reference herein.
- The region used in this analysis, identified as the approximately 187,127-acre "biological cumulative impacts study area" (BCISA), is defined to be bordered by Haven Avenue on the west, the lower elevation slopes of the mountains leading into the Angeles and San Bernardino National Forests on the north, and generally and inclusive of the Jurupa Mountains and the Santa Ana River (SAR) to the south and east, respectively. The criteria used to determine the suitable available habitat for the sensitive wildlife species observed or potentially occurring within the LCRSP study area included: (1) historic locations; (2) presence of habitat known to support the species using current locations and range; and (3) interpretation of vegetation types in aerial photographs to determine suitable habitat.
- The DEIR separately assessed the Project's potential impacts on sensitive wildlife species, including fish (Santa Ana sucker, Santa Ana speckled dace and arroyo chub); amphibians (western spadefoot); reptiles (coast (San Diego) horned lizard, orange-throated whiptail, silvery legless lizard, and coast patch-nosed snake); birds, and mammals.
- No sensitive fish species are expected to occur within the LCRSP study area due to the lack of suitable habitat. The Project will not impact perennial water flow within the main channel of Lytle Creek and no hydro-geomorphic effects on the main channel are anticipated that would effect the potential movement of these species through the area. As a result, the Project is not anticipated to have a significant impact on fish species and/or their habitats and no mitigation is required or recommended.
- Amphibians. No sensitive amphibian species were observed. There is, however, a low potential for the western spadefoot (California Species of Concern [CSC] species) to utilize suitable habitat (grassland) within the LCRSP study area. Suitable habitat (grassland) for this species is limited in the LCRSP study area (354.7 acres) and, should this species occur, would support a relatively small population. The loss of individuals of the western spadefoot species would not threaten the survival of regional populations of this species. Project-related impacts to this species and to the species' potentially suitable habitat would be adverse but less than significant and no mitigation is required or recommended.
- Reptiles. One sensitive reptile, the coast (San Diego) horned lizard, was observed within the LCRSP study area. Other sensitive reptile species with the potential to occur within the LCRSP study area include orange-throated whiptail, silvery legless lizard, and coast patch-nosed snake. Based on the threshold of significance criteria

identified herein, the loss of potentially suitable habitat within the LCRSP study area represents an adverse but less-than-significant impact to these species and to their habitats and regional populations.

- **Birds.** Eleven sensitive bird species were observed within the LCRSP study area, including the American peregrine falcon, willow flycatcher, Vaux's swift, loggerhead shrike, yellow warbler, yellow-breasted chat, coastal California gnatcatcher (CAGN), least Bell's vireo (LBV), burrowing owl (BUOW), white-tailed kite, northern harrier, and golden eagle. Other sensitive bird species not observed within the LCRSP study area but with the potential to occur include long-eared owl and tricolored blackbird. The Project was determined to not have a significant impact on all of these species, except for the least Bell's vireo, and Mitigation Measure 5-4 is adopted to address the vireo. Mitigation Measure 5-5 is adopted to address nesting birds protected by the Migratory Bird Treaty Act. Although the Project was determined to not have a significant impact on the burrowing owl, Mitigation Measure 5-6 is adopted to ensure that if any burrowing owls were to be found on the Project site prior to grading that appropriate surveys and passive-relocation are undertaken. Mitigation Measure 5-9 is adopted to ensure that prior to commencement of any ground-disturbing activities in areas containing suitable or potentially suitable habitat, the Applicant shall conduct one additional field survey for the slender horned spineflower, least Bell's vireo, Southwestern Willow Fly Catcher and California coastal gnatcatcher.
- **Mammals.** Six sensitive mammal species were observed within the LCRSP study area, including the San Diego black-tailed jackrabbit, western mastiff bat, pocketed free-tailed bat, northwestern San Diego pocket mouse, Los Angeles pocket mouse (LAPM), and San Bernardino kangaroo rat (SBKR). Several others sensitive mammal species potentially occur but were not observed, including the California leaf-nosed bat, Townsend's big-eared bat, pallid bat, San Diego desert woodrat, and southern grasshopper mouse. The Project will not significantly affect any of these species, except for the San Bernardino kangaroo rat.
- With respect to the SBKR, the SBKR is considered to occupy approximately 702.7 acres (696.8 on-site and 5.9 off-site acres) of the LCRSP study area. The Project will permanently impact about 140.6 acres (139.2 on-site and 1.4 off-site acres) and temporarily impact about 41.0 acres (35.8 on-site and 5.2 off-site acres) of the 702.7 acres of SBKR-occupied habitat that exists in the LCRSP study area. While impacts to the SBKR in this 51.0-acre area represent a "take" under the FESA, that area's conservation is not likely to contribute meaningfully to the long-term sustainability of the species in Lytle Creek. The Project would retain and contribute an additional 610.8 acre of natural open space to be preserved in perpetuity. Of that, about 443.1 acres are immediately adjacent to the existing 216.8-acre "SBKR Conservation Area." This additional 443.1 acres will result in the expansion of the protected SBKR area in Lytle Creek to 659.8 acres. Within these preservation areas, about 518.6 acres of SBKR-occupied habitat exist. The Project's contribution to this area would be about 316.2 acres (the remaining acreage is entirely within the existing "SBKR Conservation Area"). Some of the 443.1 acres which are proposed for open space retention are located in and around Lyle Creek and currently support chamise chaparral adjacent and downstream of the "SBKR Conservation Area" within Neighborhood III. These areas appear to be good candidates for restoration to suitable SBKR habitat. In addition, areas temporarily impacted by the construction of the levee (which have not been included in the open space areas described above) may also be good candidates for restoration to suitable SBKR habitat.

- In the absence of measures to prevent adverse indirect impacts from affecting the population in the wash, spill-over effects are also deemed to be potentially significant. Such impacts include the harmful effects of unrestricted access and habitat degradation, loss of habitat functions and values due to the establishment of invasive plant species, unnatural predation by domestic pets, and night-lighting.
- Permanent impacts to about 140.6 acres and temporary impacts to 41.0 acres of SBKR-occupied habitat would be deemed potentially significant and, if avoidance where not possible, compensatory resources would be required to compensate for the loss of this occupied habitat, including the taking of those SBKR that reside within that habitat. A mitigation measure (Mitigation Measure 5-7) has been formulated addressing Project-related impacts on SBKR-occupied habitat within the LCRSP study area. That measure would set aside (through the preservation of existing occupied and suitable habitat as well as creation and restoration) adequate wash and upland refugia in a biologically and geographically meaningful configuration necessary to sustain the species in the long-term rather than trying to achieve a set mitigation ratio.
- The Court Ruling rejected a claim that Mitigation Measure 5-7 would be ineffective to mitigate impacts to the SBKR to a less-than-significant level. The Court Ruling stated, in relevant parts: “To the extent Petitioners are arguing that the mitigation measures [for the SBKR] are not supported by substantial evidence, they do not meet their burden on this issue. . . . Petitioners argue, without any supporting evidence, that the Project’s impacts ‘are so large as to be essentially unmitigable to a level of insignificance.’”

Mitigation Measure 5-4: Least Bell’s Vireo. Mitigation for direct impacts to approximately 2.9 acres of least Bell’s vireo (LBV) habitat (including the loss of 1.2 acres of mule fat scrub and 1.7 acres of southern cottonwood willow riparian within Neighborhood II) shall include on-site preservation, restoration, and enhancement of southern willow scrub and adjacent mule fat scrub habitat at a minimum 2:1 (replacement: disturbance) ratio. Mitigation shall be accomplished through the enhancement and/or restoration of lands within the Sycamore Flat East riparian corridor. Mitigation shall include a combination of enhancement and restoration of approximately 5.8 acres within the existing Sycamore Flat East riparian corridor and adjacent floodplain to improve the quality of habitat for this species.

Potential indirect impacts to LBV shall be mitigated by implementing the following measures during all construction activities within 300 feet of potential LBV habitat: (1) to the extent feasible, grading and other construction activities within 300 feet of potential LBV habitat should take place outside the breeding season (March 15 to September 15); if grading or construction activities occur during breeding season, the mitigation measures in items (8)-(11) below shall be implemented; (2) to the extent practicable, all potential LBV habitat to be removed by the Project should be cleared outside the breeding season (March 15 to September 15); if grading or construction activities occur during breeding season, the mitigation measures in items (8)-(11) below shall be implemented; (3) construction limits in and around LBV potential habitat shall be delineated with flags and fencing prior to the initiation of any grading or construction activities; (4) prior to grading and construction a training program shall be developed and implemented to inform all workers on the Project about listed species, sensitive habitats, and the importance of complying with avoidance and minimization measures; (5) all construction work shall occur during the daylight hours; (6) noise from construction activities shall be limited to the extent possible

through the maximum use of technology available to reduce construction equipment noise; (7) two brown-headed cowbird traps shall be installed and maintained within the general vicinity (within 500 feet) of the habitat for five years. Additional measures shall be taken for all construction activities within 300 feet of potential LBV habitat during the breeding season (March 15 to September 15) and are set forth in items (8)-(11) herein; (8) pre-construction surveys shall be conducted within one week prior to initiation of construction activities and all results forwarded to the USFWS and CDFG; focused surveys shall be conducted for LBV during construction activities; (9) if at any time LBV are found to occur within 300 feet of construction areas, the monitoring biologist shall inform the appropriate construction supervisor to cease such work and shall consult with the USFWS and CDFG to determine if work shall commence or proceed during the breeding season; and, if work may proceed, what specific measures shall be taken to ensure LBV are not affected; (10) monitoring by a qualified acoustician shall be conducted as needed to verify noise levels are below 60 dBA required within identified, occupied LBV territories; if the 60 dBA requirement is exceeded, the acoustician shall make operational changes and/or install a barrier to alleviate noise levels during the breeding season; and (11) installation of any noise barriers and any other corrective actions taken to mitigate noise during the construction period shall be communicated to the USFWS and CDFG.

Mitigation Measure 5-5: Nesting Birds. To protect nesting birds regulated by the federal Migratory Bird Treaty Act, to the extent feasible, vegetation removal activities shall be scheduled between September 1 and February 14 to avoid the nesting bird season. If clearing and/or grading activities cannot be avoided during the nesting season, all suitable habitat will be thoroughly surveyed for the presence of nesting birds by a qualified biologist prior to removal. If any active nests are detected, the area will be flagged, along with a minimum 100-foot buffer (buffer may range between 100 and 300 feet as determined by the monitoring biologist) and will be avoided until the nesting cycle is complete or it is determined by the monitoring biologist that the nest has failed. A biologist will be present on the site to monitor any vegetation removal to ensure that nests not detected during the initial survey are not disturbed.

Mitigation Measure 5-6: Burrowing Owl. In order to avoid impacts to any burrowing owls that may colonize the development impact footprint prior to commencement of construction activities, a Phase III protocol survey shall be conducted within 30 days prior to commencement of any ground disturbance activities (California Burrowing Owl Consortium, 1993). This pre-construction survey would entail four separate days between two hours before sunset to one hour after or one hour before sunrise to two hours after. This survey applies during both the breeding season (February 1 through August 31) as well as the non-breeding season when wintering owls are most likely detected if present (December 1 through January 31). If burrowing owls are detected within the development impact footprint or within approximately 150 feet of the impact area, on-site passive relocation would be conducted during the non-breeding season in accordance with the established protocol (California Burrowing Owl Consortium, 1993).

Mitigation Measure 5-7: San Bernardino Kangaroo Rat. In order to effectively mitigate the Project-related impacts to the San Bernardino kangaroo rat (SBKR), a combination of several measures shall be implemented including: (1) avoidance, preservation, and creation of on-site habitat; (2) preservation, creation, and

connectivity of off-site habitat; (3) avoidance and minimization of direct individual SBKR mortality during construction; (4) minimization of indirect individual SBKR mortality through edge effects; and (5) management programs to assure the ability to sustain on-site and off-site SBKR populations in the long-term.

Implementation of these measures shall result in the preservation of a minimum of 316.2 acres of occupied on-site habitat and the creation of a minimum of 75.0 additional acres of habitat for the species (approximately 34.5 acres upstream of and a minimum of 40.5 acres downstream of the Cemex USA quarry).

On-site avoidance and preservation. On-site avoidance and preservation of occupied habitat shall contribute a total of approximately 316.2 acres to the existing 216.8-acre "SBKR Conservation Area." The acreage to be contributed shall support pioneer and intermediate RAFSS where SBKR populations are reported to reach their highest numbers and densities and mature RAFSS which are theorized to serve as refugia and sources for recolonization and repopulation following episodic flooding in active wash areas.

On-site mitigation shall include restoration, creation, and preservation of approximately 34.5 acres of chamise chaparral within Neighborhood II above the 100-year floodplain that is immediately downstream of, and contiguous with, the "SBKR Conservation Area." The Applicant shall remove the chamise and other species detrimental to the SBKR (such as non-native grasses) and manage these approximately 34.5 acres to supplement the already established founder population (that utilizes the habitat in the "SBKR Conservation Area") within the wash upstream of the Cemex USA quarry operation. Individual SBKR within the impact footprint shall be salvaged and translocated to unoccupied rehabilitated habitat within the mitigation area.

Off-site preservation and connectivity. In order to achieve adequate mitigation for impacts to occupied habitat downstream of the Cemex USA quarry, the Applicant shall remove chamise from and manage a total of 40 acres within off-site areas offering refugia habitat downstream of the Cemex USA quarry operations to assure a stable population in the downstream wash area. This shall be done by the Applicant in combination with a long-term management plan and managed in perpetuity within the existing Cemex USA mitigation area, San Bernardino County Sheriff woollystar preserve, San Bernardino County Flood Control conservation area, and/or Vulcan Materials Company's Cajon Creek conservation bank. The criteria for such off-site lands are: (1) upland refugia must be adjacent to active wash areas; (2) the minimum size of any single upland island/patch is 5 acres; and (3) upland refugia must have 80 to 90 percent of its interface between the active wash and upland (common perimeter) that is topographically passable by the species (not supporting steep escarpments) to ensure individuals have access to the wash. Individual SBKR shall be translocated from the impact areas to newly acquired and restored areas to assist with initial colonization.

Refinement of mitigation program through consultation with USFWS. As required under the Federal Endangered Species Act, during the "formal" Section 7 consultation the USFWS will gather all relevant information concerning the Project and the potential Project-related impacts on the SBKR and designated critical habitat, prepare a biological opinion with respect to whether the Project is likely to

jeopardize the continued existence of the species, and formulate alternatives and mitigation/conservation measures where appropriate.

Among those measures to be considered by USFWS are those described herein. At its sole discretion, the USFWS may refine, expand, and/or substitute some of these measures, or parts thereof, based on its analysis and determination that such modifications are required to comply with federal law. Accordingly, as long as any such modified, different or substituted on-site or off-site habitat creation, restoration, enhancement and/or management measures are found by the USFWS to result in a SBKR conservation program that is at least as effective in mitigating the impacts to SBKR as proposed herein (as evidenced by a determination by USFWS that the Project will not jeopardize the continued existence of the SBKR or result in the adverse modification of its designated critical habitat), such measures may be substituted for the on-site and off-site habitat creation, restoration, enhancement and/or management measures identified herein.

Avoidance and minimization of direct mortality of individuals. Construction-related mortality to individual SBKR shall be avoided through the design and implementation of a pre-construction trapping and relocation program. Key elements of this program shall include: (1) initial establishment of one or more receiver sites where suitable habitat is known to be unoccupied, is significantly below carrying capacity levels, and/or where scrub vegetation has been restored and colonization by the species has not occurred; (2) installation of exclusionary fencing at the limits of construction within suitable habitat areas; and (3) live-trapping of suitable habitat within construction areas and the relocation of trapped individuals to one or more biologically appropriate receiver sites.

Implementation of the trapping and relocation program shall begin with the installation of appropriate exclusionary fencing to a height of three feet around all construction areas within occupied SBKR habitat. A qualified and permitted biologist shall then conduct live trapping of the construction area to the extent necessary to be confident that all SBKR have been removed and relocated. It is anticipated that live trapping and relocation shall be conducted one time prior to construction; however, follow-up monitoring of the silt fence integrity shall be performed on a daily basis during construction. If at any point the fencing is compromised, construction shall be suspended in the area, repairs to the fence shall be made, and the trapping and relocation program shall be repeated.

Minimization of indirect mortality of individuals. Edge effects, or mortality due to the “spillover” effects of development near and adjacent to areas preserved for the benefit of the species shall be minimized through design elements intended to buffer and avoid human-wildlife conflicts. Key elements shall include: (1) installation of a cat-proof fence at the perimeter of development where it abuts preservation areas, and the location of all pedestrian and vehicular routes and trails outside the fence (except any routes necessary solely for conservation activities within the preserved habitat areas or associated with any pre-existing easements); (2) prohibition of night lighting along the perimeter of preserved areas; (3) direction of all night lighting within development areas away from preserved areas; (4) installation of signage to direct human activity away from preserved habitat areas; (5) prohibition of unleashed dogs within preserved habitat areas; and (6) implementation of a homeowner’s awareness

program to educate residents about the conservation values associated with preserved habitat areas.

Long-term management of preserved habitat areas. All areas to be preserved as natural (undisturbed) biological open space to benefit the SBKR within the LCRSP study area, as well as all areas to be restored both on and off the site, shall be monitored biologically for five years and managed in perpetuity by an appropriate management entity. Monitoring of SBKR populations within the areas to be preserved shall take place over a five-year period to ensure the success of the mitigation efforts such that they provide suitable habitat for this species. On-going maintenance (e.g., fence and sign repair) and management (e.g., periodic vegetation thinning) shall be a part of the long-term management plan.

As determined by the Director, this plan shall be funded through a combination of up-front capital costs and revenue-generating, non-wasting endowment funded by the Applicant. If additional work is determined to be necessary after the five years of monitoring, the funds provided by the Applicant shall be such that they cover adaptive management necessary to meet the success criteria stated therein.

Mitigation Measure 5-9: Prior to the commencement of any ground-disturbance activities within areas containing suitable or potentially suitable habitat, in accordance with applicable protocol requirements, if any, the Applicant shall conduct one additional survey for each of the following wildlife species: slender horned spinyflower, least Bell's vireo, southwestern willow flycatcher, and coastal California gnatcatcher. Should individuals of any of these species be found to occupy the proposed area of disturbance, prior to the commencement of those activities, the Applicant shall obtain any requisite incidental take authorization in accordance with the requirements of the federal Endangered Species Act.

- Implementation of the recommended mitigation measure will reduce Project-related impacts on sensitive wildlife species a less-than-significant level.

5.5.8 Biological Resource Impact 5-8: Invasive Plant Species. Project development has the potential to result in the introduction of invasive non-native plants that could spread to retained on-site open space areas and/or adjoining off-site areas, potentially reducing the propensity of native species to succeed in the general Project area.

Findings: The Commission hereby makes Finding (1).

Facts in Support of Findings: The following facts are presented in support of these findings:

- Project-related and cumulative biological resources impacts are addressed in Section 4.5 (Biological Resources), in Appendix III-D (Biological Resources Assessment), Appendix III-E (Jurisdictional Delineation Report), Appendix IV-H (Glenn Lukos Associates Response Regarding State Waters), and Appendices IV-E, IV-F and IV-J (PCR, Biological Resource documents) in the original FEIR and that analysis is incorporated by reference herein.
- During construction, invasive species can be introduced through the use of hay, straw, and other organic mulches to control erosion and transported from off-site areas via construction equipment, soils, and landscape materials. In addition,

following the commencement of the site's use, occupancy, and habitation, homeowners and other parties can introduce invasive plants through landscaping improvements that incorporate those species.

- The California Invasive Plants Council (CIPC) has published a list of exotic plants known to be invading native ecosystems and plant communities. A number of non-native plants have recently been observed or are suspected to occur on the Project site. These species, as well as other invasive plants, could be introduced and could propagate in retained on-site open space areas and off the Project site, including the SBNF.
- Impacts to and upon sensitive plants and plant communities resulting from introduced non-native plants are deemed potentially significant prior to mitigation. Mitigation Measure 5-8 requiring the preparation of an invasive plant management plan, has been formulated and, when implemented, will reduce potential impacts to a less-than-significant level.

Mitigation Measure 5-8: Invasive Plant Management Plan. Prior to the commencement of any grubbing or grading activities, the Applicant shall submit and, when acceptable, the Director shall approve an invasive plant management plan, including, but not necessarily limited to: (1) preventive practices to avoid the transport and spread of weeds and weed seed during Project development and operation; (2) a plan to control noxious weeds and weeds of local concern within designated open space areas; and (3) a strategy to educate construction personnel and homeowners in noxious weed identification and awareness. The invasive plant management plan shall incorporate weed prevention and control measures including, but not necessarily limited to: (1) use of only certified weed-free hay, straw, and other organic mulches to control erosion; (2) use of road surfacing and other earthen materials for construction that are certified weed free; and (3) use of only certified weed-free seed for the reclamation of disturbed areas.

5.5.9 Biological Resource Impact 5-9: Project implementation will result in the introduction of additional indirect or secondary effects that could adversely impact the viability of on-site and off-site open space areas to serve a continuing viable habitat function.

Findings: The Commission hereby makes Finding (1).

Facts in Support of Findings: The following facts are presented in support of these findings:

- Project-related and cumulative biological resources impacts are addressed in Section 4.5 (Biological Resources), in Appendix III-D (Biological Resources Assessment), Appendix III-E (Jurisdictional Delineation Report), Appendix IV-H (Glenn Lukos Associates Response Regarding State Waters), and Appendices IV-E, IV-F and IV-J (PCR, Biological Resource documents) in the original FEIR and that analysis is incorporated by reference herein.
- Project implementation will result in indirect or secondary effects such as increased human presence, construction and background noise, light intrusion, the introduction of non-native species (including pets and ornamental plants), and the introduction of environmental contaminants.
- Indirect impacts to the LBV are potentially significant and would be expected to occur within the Sycamore Flat East riparian corridor area of Neighborhood I where

proposed development is within several hundred feet of potentially suitable habitat for this species. Indirect impacts resulting from edge effects primarily include potential noise impacts from adjacent construction as well as potential predation by pets as a result of adjacent human habitation. Implementation of Mitigation Measure 5-4, set forth above, has been formulated to reduce indirect impacts to LBV to a level below significance. Mitigation Measure 5-7 has been formulated addressing Project-related impacts on SBKR-occupied habitat within the LCRSP study area. Indirect impacts to SBKR would be reduced to a level below significance as the result of the implementation of that measure.

- As a result of comments regarding the potential for surface water diversion and groundwater recharge programs being implemented by CEMEX USA to result in direct impacts downstream to biological resources within Lytle Creek and Santa Ana River due to the potential for in-stream flow reductions, Mitigation Measure 5-10 is being adopted to ensure that any surface water diversion does not occur until a minimum surface flow threshold has been exceeded to ensure that downstream water flows will not be significantly impacted during the non-wet months as a result of water diversion for groundwater recharge to the CEMEX South Pit.
- Indirect impacts to other plant and wildlife within the LCRSP study area may result in increased mortality of native species but would be less than significant.

Mitigation Measure 5-10: Surface Water Diversion for Groundwater Recharge. If the Applicant is required to complete the levee repair work in Mitigation Measure 4-5, then prior to any ground disturbance for construction in Neighborhoods II or III, the Applicant shall first obtain binding assurances, acceptable to the City, from the LCWCA or its relevant member agencies, that no water diversions will be made by LCWCA member agencies using the inlet pipes to be installed in the Cemex USA South Pit levee unless the daily flow in Lytle Creek through the Project site exceeds 80 cubic feet/second (cfs).

5.5.10 Biological Resources Impact 5-10: Implementation of the Project, in combination with other reasonably foreseeable future projects, will contribute incrementally to the continuing reduction in relatively natural, undisturbed open space areas found within the general Project area and contribute to the progressive fragmentation of habitat areas and decline in species diversity throughout the region.

Findings: The Commission hereby makes Finding (1).

Facts in Support of Findings: The following facts are presented in support of these findings:

- Project-related and cumulative biological resources impacts are addressed in Section 4.5 (Biological Resources), in Appendix III-D (Biological Resources Assessment), Appendix III-E (Jurisdictional Delineation Report), Appendix IV-H (Glenn Lukos Associates Response Regarding State Waters), and Appendices IV-E, IV-F and IV-J (PCR, Biological Resource documents) in the original FEIR and that analysis is incorporated by reference herein.
- Biological resource values within, adjacent to, and outside the LCRSP study area were determined by consideration of several factors, including the overall size of habitats to be affected, previous land uses and disturbance history, surrounding environments and regional context, biological diversity and abundance, the presence

of sensitive and special-status species, and the degree to which the LCRSP study area habitats are limited or restricted in distribution on a regional basis.

- The assessment considered past, present, and reasonably foreseeable future projects (within the next fifteen years), including federal, non-federal, and private actions to the extent that information was available and deemed to be reliable and accurate.
- Scrub, chaparral, and riparian species. With the exception of the LBV and SBKR, sensitive wildlife species dependent upon these habitat types are neither State nor federally-listed as threatened or endangered. The loss of individuals due to these relative levels of habitat loss would not threaten their regional populations within the BCISA, and the potential cumulative loss or disruption of potentially suitable habitat represents a less-than-significant impact to regional populations of these species and no mitigation is required or recommended.
- Least Bell's vireo. The Project will add incrementally to the cumulative impacts to LBV habitat within the BCISA but the impacts from the Project would not be deemed cumulatively significant in light of the amount of habitat or this species that remains available and protected.
- Los Angeles Pocket Mouse Habitat. The Project will add incrementally to the cumulative impacts to LAPM habitat within the BCISA but the impacts from the Project would not be deemed cumulatively significant in light of the amount of habitat that remains available for this species in the BCISA.
- Raptor foraging habitat. The Project will add incrementally to the cumulative impacts to raptor foraging habitat within the BCISA but the impacts from the Project would not be cumulatively significant in light of the amount of habitat that remains available for this species in the BCISA and no mitigation is required or recommended.
- Riversidean alluvial fan sage scrub. On a cumulative basis, taking into consideration the role of the RAFSS community within the BCISA to provide habitat for plant and animal species, a 10 percent cumulative loss of habitat would not result in declines of numbers below self-sustaining levels for any particular species and would not result in the remaining AFSS in the BCISA falling below self-sustaining levels as a community. Implementation of those mitigation measures formulated at the Project level (Mitigation Measures 5-1 and 5-7, set forth above) will reduce the Project's incremental cumulative contribution to a less-than-significant level by facilitating the assemblage of large blocks of continuous preserved habitat.
- San Bernardino kangaroo rat. In order to assess potential cumulative impacts to SBKR habitat within the region, the assessment of cumulative impacts to RAFSS habitat was utilized. Approximately 769 acres (10 percent) of RAFSS habitat will be cumulatively impacted by approved, pending, and reasonably foreseeable future projects. This level of potential cumulative loss is deemed significant on a regional basis. This determination is based on the endangered status of the species and the degree to which a seven percent cumulative loss, in the absence of mitigation, could accentuate the fragmentation and isolation of existing populations.
- At the Project level, a number of mitigation measures have been formulated addressing both the provision of compensatory resources for impacts to RAFSS (Mitigation Measure 5-1) and, with regards to SBKR, the avoidance, preservation, enhancement, and creation of on-site habitat and off-site connectivity, minimization of impacts, and the implementation of a management program to enhance sustainability (Mitigation Measure 5-7). From a cumulative perspective, implementation of those same mitigation measures will reduce the Project's incremental

contribution to potential cumulative impacts to a less-than-significant level by facilitating the assemblage of large blocks of continuous preserved habitat.

- **Wildlife Movement.** Although the Project preserves the majority of Lytle Creek as a wildlife corridor within the LCRSP study area, development along the southern edge of the wash limits the area of available habitat that could be utilized for wildlife movement. In combination with the levee that has been built along the northern bank of LCNPD, the Project will reduce the width of the corridor used by wildlife in this area and would contribute to cumulative regional impact on wildlife movement corridors. Cumulative impacts on wildlife movement would be less than significant and no mitigation for cumulative impacts to wildlife movement is required or recommended.
- **Implementation of Mitigation Measures 5-1 and 5-7, and 5-10** which mitigate significant impacts at the Project-level to less than significant will also serve to mitigate cumulative impacts for these species to less than significant. No other mitigation is required.

5.6 Transportation and Traffic

5.6.1 Transportation and Traffic Impact 6-1: Based on the construction of new roadways and other infrastructure improvements, the Project could substantially increase hazards due to a traffic-related design features.

Finding: The Commission hereby makes Finding (1).

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative transportation and traffic impacts are addressed in Section 4.6 (Transportation and Traffic), Appendix II-A (Traffic Impact Analysis), and Appendix IV-C (Traffic Study Update) in the original FEIR, and in Section 2.2 (Transportation/Traffic: “Sunnyvale” Analysis) and Appendix V-C (Addendum to the Traffic Impact Analysis) in the RPDEIR. That analysis is incorporated by reference herein.
- The Project’s construction will require the importation of building materials to the Project site and the exportation of organic materials, waste, and other surplus products brought to the site but not consumed during the construction process. Since grading will be balanced on the Project site and since the Project’s build-out period may extend over a 20-year period, no substantial short-term increase in heavy equipment traffic is anticipated along area roadways. Since peak construction hours are typically off-set from typical peak hours for street traffic, Project-induced construction traffic will not significantly add to congestion during AM or PM peak-hour periods. Since portions of the Project site will be developed and occupied prior to other portions, Project-related construction traffic will remain evident following the initial commencement of occupancy and the operation of proposed on-site land uses.
- Short-term lane closures may occur along major arterial, freeway ramps, and other affected roadways as a direct result of the Project’s development and as a result of the Project-induced and regional need to improve the area’s street and utility systems. Trenching, street widening, and other related activities may result in short-term street and lane closures and/or impede turning movements into and out of adjoining properties. Also, during construction, there is a potential for the heavy trucks to pose a danger to traffic and pedestrians as a result of the increased volume

of heavy- and medium-duty trucks, turning movements required along the major arterials leading to and from the Project site, and shared use of internal roadways during concurrent construction, operation, and occupancy.

- The California Department of Transportation's (Caltrans) "Manual of Traffic Controls for Construction and Maintenance Work Zones" provides useful guidance to both the Lead Agency and to the Applicant and certain provisions contained therein could be reasonably imposed by the City and/or by the Applicant in order to ensure appropriate and continuing vehicular access to and across the Project site.
- The Federal Highway Administration's (FHWA) "Part VI Standards and Guides for Traffic Controls for Street and Highway Construction, Maintenance, Utility and Incident Management Operations," a component of the "Manual on Uniform Traffic Control Devices" (MUTCD), acknowledges that, to the extent interruptions in normal flow are necessary for temporary traffic control operations or other events that must temporarily disrupt normal traffic flow, traffic control plans (TCPs) can play an important role in providing continuity of safe and efficient traffic flow. TCPs describe those traffic controls to be used for facilitating vehicle and pedestrian traffic through a temporary traffic control zone.
- Compliance with Caltrans and FHWA traffic standards for construction and implementation of standard construction practices and permit conditions have been demonstrated to ensure the safe movement of traffic and pedestrians and the safety of construction workers during those periods. Because of the potential for the short-term disruptions to traffic and impedance of site access during Project construction, Mitigation Measure 6-1 and Mitigation Measure 6-2 have been formulated imposing an obligation upon the Applicant to repair any construction-related damage to affected roadways and requiring the preparation of a detailed TCP for new major development projects prior to the approval of final grading permits.

Mitigation Measure 6-1: As a condition to the issuance of final grading permits, the Applicant shall be responsible for the repair of any damage to roads resulting from the delivery of heavy equipment and building materials and the import and export of soil and other materials to and from the Project site. Any resulting roadway repairs shall be to the satisfaction of the City, if within the City, or the County, if located in an unincorporated County area.

Mitigation Measure 6-2: Traffic Control Plan. Prior to the issuance of the final grading plan for new major development projects, defined herein as 50 or more new dwelling units and/or 50,000 or greater square feet of new non-residential use, the Applicant shall submit and, when deemed acceptable, the City Engineer shall approve a traffic control plan (TCP), consistent with Caltrans' "Manual of Traffic Controls for Construction and Maintenance Work Zones," or such alternative as may be deemed acceptable by the City Engineer, describing the Applicant's efforts to maintain vehicular and non-vehicular access throughout the construction period.

If temporary access restrictions are proposed or deemed to be required by the Applicant, the plan shall delineate the period and likely frequency of such restrictions and describe emergency access and safety measures that will be implemented during those closures and/or restrictions

- Incorporation of those measures together with compliance with Caltrans and FHWA traffic standards for construction will reduce potential construction-term impacts to a less-than-significant level.

5.6.2 Transportation and Traffic Impact 6-2: Based on individual Project-level schedules formulated by the developers of each planning area, construction activities may be occurring adjacent to occupied properties. Construction vehicles may, therefore, transport equipment, building materials, and hauling debris along local and collector streets within and adjacent to established residential areas and other areas where people congregate. In addition, Project construction will result in the introduction of construction vehicles and equipment and could result in the release of soil and other debris onto public roadways.

Finding: The Commission hereby makes Finding (1).

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative transportation and traffic impacts are addressed in Section 4.6 (Transportation and Traffic), Appendix II-A (Traffic Impact Analysis), and Appendix IV-C (Traffic Study Update) in the original FEIR, and in Section 2.2 (Transportation/Traffic: “Sunnyvale” Analysis) and Appendix V-C (Addendum to the Traffic Impact Analysis) in the RPDEIR. That analysis is incorporated by reference herein.
- Heavy equipment, including trucks transporting construction materials and debris, will access and depart from the Project site throughout the construction period. Large trucks often have reduced visibility based on the loads those vehicles carry and the generally elevated location of the drivers. Children residing in the existing residential neighborhoods located adjacent to the Project site, playing on or near neighborhood streets, or traveling to and from proximal school sites may be unaware of approaching construction traffic. Operators of large trucks and trucks hauling construction equipment and building materials may be unaware of the presence of children, bicyclists, and household pets.
- To best ensure the safety of pedestrians and residences and enhance the protection of children and others residing in adjoining neighborhoods, Mitigation Measure 6-3 has been formulated requiring the Applicant’s preparation of a construction traffic management plan (CTMP) prior to the approval of final grading permits for new major development projects.
- Heavy equipment used during construction that may use the off-site access road owned by the County connecting Neighborhood II to Highland Avenue may encounter trucks operated by Vulcan Materials Company as part of its commercial mining operations. In order to minimize potential conflicts during construction, Mitigation Measure 6-7 has been adopted to avoid potential conflict issues arising from the use of this private access road by the Applicant and Vulcan.
- Compliance with and enforcement of speed laws and other provisions of the California Vehicle Code (CVC) and the safe use and operation of vehicles by their drivers would be expected to keep public safety issues at a less-than-significant level.

Mitigation Measure 6-3: Construction Traffic Safety Plan. Prior to the issuance of the final grading permit for new major development projects, the Applicant shall

submit and, when deemed acceptable, the City shall approve a construction traffic mitigation plan (CTMP). The CTMP shall identify the travel and haul routes through residential neighborhoods, if any, to be used by construction vehicles; the points of ingress and egress of construction vehicles; temporary street or lane closures, temporary signage, and temporary striping; the location of materials and equipment staging areas; maintenance plans to remove spilled debris from neighborhood road surfaces; and the hours during which large construction equipment may be brought onto and off the Project site. The CTMP shall provide for the scheduling of construction and maintenance-related traffic so that it does not unduly create any safety hazards to children, to pedestrians, and to other parties.

Mitigation Measure 6-7: Prior to use by the Applicant of the off-site access road owned by the County connecting Neighborhood II to Highland Avenue, the Applicant shall meet with Vulcan Materials Company (Vulcan) representatives and develop a traffic management plan acceptable to Vulcan and the Applicant for the use of that roadway to allow Vulcan safe, uninterrupted use of the roadway for its commercial mining purposes.

- Implementation of the recommended mitigation measure will reduce potential transportation and traffic impacts to a less-than-significant level.

5.6.3 Transportation and Traffic Impact 6-3: Project operations could cause an increase in traffic that is substantial in relation to the existing traffic load and capacity of the street system.

Finding: The Commission hereby makes Finding (1).

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative transportation and traffic impacts are addressed in Section 4.6 (Transportation and Traffic), Appendix II-A (Traffic Impact Analysis), and Appendix IV-C (Traffic Study Update) in the original FEIR, and in Section 2.2 (Transportation/Traffic: “Sunnyvale” Analysis) and Appendix V-C (Addendum to the Traffic Impact Analysis) in the RPDEIR. That analysis is incorporated by reference herein.
- The “San Bernardino County Congestion Management Plan, 2005 Update” (County CMP) was adopted by the San Bernardino Associated Governments (SANBAG) on November 2, 2005. The adopted LOS standards for the County CMP system are the minimum standards allowable under Section 65089(b)(1)(B) of the CGC, namely LOS “E” for all segments and intersections, except those designated LOS “F”. A provision is made for any LOS “F” facility not to deteriorate greater than 10 percent below its level of service value at the time of the County CMP’s initial adoption. The procedures in the 2000 “Highway Capacity Manual” (HCM) have been adopted as the level of service procedures for the County CPM.
- Each local jurisdiction is required to adopt a regional transportation development mitigation program (RTDMP). The San Bernardino Associated Governments (SanBAG) “Nexus Study” determined the fair-share contributions from new development for each local jurisdiction. The “Regional Transportation Development Mitigation Plan of the County of San Bernardino” (County RTDMP) has been developed to satisfy the provisions of the County CMP.

- A fee program has been established to fund the fair-share development contribution of improvement cost for specific transportation facilities. In calculating fees, the fair-share contribution of total Project costs in each subarea is divided by the projected vehicular generation attributable to new development in that subarea.
- A key element of the County CMP is the traffic impact analysis (TIA) report for a Project. The TIA, prepared by local jurisdictions, serves to provide a basis for addressing the impacts of land-use decisions on the regional transportation system by providing a consistent format to identify and mitigate traffic impacts and quantify mitigation costs.
 - (a) The scope of the LCRSP's TIA that was prepared as part of the original DEIR and FEIR was developed in conjunction with the staffs of the City and SanBAG.
 - (b) For this Project, the study intersections and freeway segments were selected based on the identification of traffic volumes that would exceed County standards. According to the County CMP standards, the study area must include all major intersections with 50 or more peak-hour Project trips (two-way) and freeway segments with 100 or more peak-hour Project trips (two-way) within a five-mile radius from the Project site.
 - (c) Based on those standards, a total of 75 study intersections and 29 study freeway segments were selected for analyses. All traffic analyses were performed using traditional and well-established traffic engineering techniques. Traffic counts were conducted in the first quarter of 2007 specifically for this study to ensure that accurate traffic patterns would be reflected in this analysis. Other data (i.e., intersection geometrics, parking-related curb restrictions and traffic signal and stop-controlled operations) were obtained by field surveys at the study locations.
 - (d) The Project's TIA was separately reviewed by SanBAG, acting in its role as Congestion Management Agency (CMA), and by other potentially impacted jurisdictions, in concert with the permitting jurisdiction's Project review schedule and prior to any approval or permitting activity.
- An analysis of 2007 traffic conditions at the 75 existing study area intersections shows that all but 12 intersections (seven County CMP intersections and five study area intersections) are operating at Level of Service (LOS) "D" or better during the peak hours.
- The TIA and Traffic Study Update (Appendix IV-C) included in the original FEIR assessed the Project's traffic impacts based on anticipated horizon year's (2030) traffic volumes. The Year 2030 traffic volumes, as projected in the general Project area, were forecast by the City of San Bernardino, using their local refinement of the regional travel demand model, called the East Valley Transportation Model (EVTM). Based on the analysis of Year 2030 conditions, the original FEIR concluded that, under the City's significance threshold, a significant traffic impact would result at 22 study intersections under the "with project" condition prior to mitigation. This analysis remains valid after the Court Ruling as a determination of significant impacts for the "Future (2030) Conditions plus Project" analysis of cumulative impacts.
- Feasible roadway improvements and traffic reduction measures were designed and included in the original FEIR to mitigate the significant traffic impacts of the Project at those 22 intersections. These mitigation measures included Project area and CMP intersection improvements based on a fair-share contribution of the costs of those improvements (Mitigation Measure 6-4), improvements performed by the Applicant (Mitigation Measure 6-5) and other regional transportation system improvements (Mitigation Measure 6-6).

- The Court Ruling found that the assessment of the Project's traffic impacts based on Year 2030 traffic volumes was not sufficient under CEQA and required the preparation of a "Sunnyvale" Analysis to compare the Project to the existing conditions during the approval process. A "Sunnyvale" Analysis comparing Existing (2007) Conditions without the Project to Existing Conditions expected to be produced with the Project ("Existing (2007) Conditions plus Project") was prepared as part of the RPDEIR in accordance with the Court Ruling. In the "Sunnyvale" Analysis, only the traffic routes that existed during the collection of traffic count data in the first quarter of 2007 for the 75 study intersections were included. As with the TIA, for the "Sunnyvale" Analysis, a significant Project impact would occur where the Project would contribute 50 or more peak-hour trips at a location and where Project traffic would cause conditions to degrade below the City's goal of LOS D.
- The "Sunnyvale" Analysis prepared for the RPDEIR concludes that 16 study intersections would be significantly impacted by the Project under the "Existing (2007) Conditions plus Project" when no roadway improvements or cumulative traffic growth are included. These 16 significantly-impacted intersections, pre-mitigation, were determined to be Project-specific impacts given the nature of the "Sunnyvale" Analysis.
- Of the 16 intersections impacted under the "Existing (2007) Conditions plus Project" scenario, 10 of these intersections were also found to be significantly impacted under the "Future (2030) Conditions plus Project" scenario analyzed in the original FEIR. These 10 overlapping intersections, plus the 6 intersections only significantly impacted under the "Existing (2007) Conditions plus Project" scenario, are appropriately addressed and mitigated below significant levels through the Project-specific intersection mitigation measures identified in revised Mitigation Measure 6-4(a), discussed below. The remaining intersections that are significantly impacted under a "Future (2030) Conditions plus Project" analysis are addressed as part of the mitigation of impacts resulting from cumulative conditions and are included in revised Mitigation Measure 6-4(b), below.
- Several important roadway routes were not yet completed during the traffic data collection period that occurred during the first quarter of 2007, and were therefore not included in the Existing (2007) Conditions. These included the additional routes resulting from the SR-210/SR-30 freeway gap closure project and the Glen Helen Parkway extension, as well as other surface roadway improvements around the Project Site. As of November 2011, the SR-210/SR-30 freeway gap closure project and the Glen Helen Parkway extension have been completed and are therefore appropriate for inclusion in the "Sunnyvale" Analysis as existing conditions. In the "Sunnyvale" Analysis, the roadway improvements assist in reducing Project-related impacts to less than significant levels.
- As a result of the "Sunnyvale" Analysis, the Mitigation Measure identified in the original FEIR as 6-4 has been revised as Mitigation Measure 6-4(a) to address the Project-specific impacts to the 16 intersections impacted under the "Existing (2007) Conditions plus Project" analysis.

Mitigation Measure 6-4(a):_Project-Specific Intersection Mitigation. Should the level of Project development generate trip levels exceeding those indicated at the following intersections (on an intersection by intersection basis), as indicated on a trip generation report submitted to the City by the Applicant prior to the approval of a Tentative "B" Map, the Applicant shall cause to be completed the following improvements prior to the City's issuance of any certificates of occupancy for the

level of development that causes the exceedance. This obligation does not apply to those intersections listed below at which (i) certain improvements have already been constructed and the “Sunnyvale” Analysis determined that such improvements would reduce Project impacts to less-than-significant or (ii) the “Sunnyvale” Analysis determined Project impacts would be less-than-significant due to the completion of the SR- 210/SR-30 gap closure project and Glen Helen Parkway extension project.

- ◆ I-215 Freeway Southbound On/Off Ramps & University Parkway (Study Intersection No. 7). Improve University Parkway to provide an exclusive right-turn lane in the Northbound direction and one left-turn lane, one left/through-shared lane, and one through lane in the Southbound direction. In order to accommodate the left-through-shared lane, modify the existing traffic signal to allow split phases for the Northbound and Southbound approaches. (Minimum trip levels: P.M. Peak Hour = 9,840.)
- ◆ I-15 Southbound On/Off Ramps & Glen Helen Parkway (Study Intersection No. 8). Install traffic signal. (Minimum trip levels: A.M. Peak Hour = 794; P.M. Peak Hour = 427, whichever is triggered first). This improvement need not be completed should the I-15/I-215 interchange improvements project described in the Traffic Study be constructed prior to Project development exceeding the above minimum trip levels.
- ◆ I-15 Northbound On/Off Ramps & Glen Helen Parkway (Study Intersection No. 9). (The “Sunnyvale” Analysis determined that the Project would not result in significant impacts at this intersection, due to the completion of the SR-210/SR-30 gap closure project and Glen Helen Parkway extension project.)
- ◆ Lytle Creek Road & Sierra Avenue (Study Intersection No. 11). Restripe Lytle Creek Road and Sierra Avenue to accommodate one left-turn lane and two through lanes in the northwest-bound direction and one through lane and one through/right-shared lane in the southeast-bound direction. Install a traffic signal at this location. (With the exception of the installation of the traffic signal, this improvement has already been constructed, and the “Sunnyvale” Analysis determined that additional mitigation is not required.)
- ◆ I-15 Freeway Southbound On/Off Ramps & Sierra Avenue (Study Intersection No. 12). Improve Sierra Avenue to provide dual left-turn lanes and two through lanes in the northwest-bound direction and two through lanes and one free right-turn lane in the southeast-bound direction. Widen the Southbound off-ramp to accommodate one left-turn lane, one left/right-shared lane, and one right-turn lane. Install a traffic signal at this location. (Minimum trip levels: A.M. Peak Hour = 272; P.M. Peak Hour = 281, whichever is triggered first.)
- ◆ I-15 Freeway Northbound On/Off Ramps & Sierra Avenue (Study Intersection No. 13). Improve Sierra Avenue to provide dual left-turn lanes and two through lanes in the southeast-bound direction and two through lanes and one right-turn lane in the northwest-bound direction. Reconstruct the Northbound off-ramp to accommodate one left-turn lane, one left/through-shared lane, and one free right-turn lane. Install a traffic signal at this location. (Minimum trip levels: A.M. Peak Hour = 240; P.M. Peak Hour = 222, whichever is triggered first.)
- ◆ I-15 Freeway Southbound On/Off Ramps & Summit Avenue (Study Intersection No. 16). Restripe Summit Avenue to accommodate one additional left-turn lane in the Eastbound direction. (The “Sunnyvale” Analysis determined that the Project would not result in significant impacts at this intersection, due to the completion of the SR-210/SR-30 gap closure project and Glen Helen Parkway extension project.)

- ◆ I-15 Freeway Northbound On/Off Ramps & Summit Avenue (Study Intersection No. 17). Restripe the Northbound off-ramp to provide dual left-turn lanes and one right-turn lane. (The “Sunnyvale” Analysis determined that the Project would not result in significant impacts at this intersection, due to the completion of the SR-210/SR-30 gap closure project and Glen Helen Parkway extension project.)
- ◆ Riverside Avenue & Sierra Avenue (Study Intersection No. 18). Widen and restripe Sierra Avenue to provide dual left-turn lanes and two through lanes in the Southbound direction. Improve the intersection to allow a free right-turn from Riverside Avenue onto Sierra Avenue. Install a traffic signal at this intersection. (Minimum trip levels: A.M. Peak Hour = 258; P.M. Peak Hour = 247, whichever is triggered first).
- ◆ Riverside Avenue & Linden Avenue (Study Intersection No. 22). Widen and restripe to provide one left-turn lane, one through lane, and one through/right-shared lane in the northwest-bound direction. (Minimum trip levels: A.M. Peak Hour = 250; P.M. Peak Hour = 210, whichever is triggered first.)
- ◆ Bohnert Avenue & Locust Avenue (Study Intersection No. 31). (The “Sunnyvale” Analysis determined that the Project would not result in significant impacts at this intersection, due to the completion of the SR-210/SR-30 gap closure project and Glen Helen Parkway extension project.)
- ◆ Casmalia Street & Alder Avenue (Study Intersection No. 34). (The “Sunnyvale” Analysis determined that the Project would not result in significant impacts at this intersection, due to the completion of the SR-210/SR-30 gap closure project and Glen Helen Parkway extension project.)
- ◆ SR-210 Freeway Westbound On/Off Ramps & Alder Avenue (Study Intersection No. 39). (The “Sunnyvale” Analysis determined that the Project would not result in significant impacts at this intersection, due to the completion of the SR-210/SR-30 gap closure project and Glen Helen Parkway extension project.)
- ◆ Easton Street & Ayala Drive (Study Intersection No. 55). Flare and restripe Easton Street in the Eastbound direction to accommodate an exclusive right-turn lane. Modify the traffic signal to include a right-turn overlap phase with the left-turn phase in the Northbound direction. (This improvement has already been substantially constructed, and the “Sunnyvale” Analysis determined that additional mitigation is not required.)
- ◆ Easton Street & Riverside Avenue (Study Intersection No. 56). (The “Sunnyvale” Analysis determined that the Project would not result in significant impacts at this intersection, due to the completion of the SR-210/SR-30 gap closure project and Glen Helen Parkway extension project.)
- ◆ Baseline Road & Alder Avenue (Study Intersection No. 59). Flare and restripe Alder Avenue to provide one left-turn lane, one through lane, and one through/right shared lane in the Southbound direction. (The “Sunnyvale” Analysis determined that the Project would not result in significant impacts at this intersection, due to the completion of the SR-210/SR-30 gap closure project and Glen Helen Parkway extension project.)
- The remaining intersections that will be significantly impacted by cumulative conditions under the “Future (2030) Conditions plus Project” analysis are addressed through a fair-share contribution of the cost of the improvements that have been identified to mitigate the impact below the level of significance.

Mitigation Measure 6-4(b): Fair-Share Contribution. The Applicant shall equitably contribute to the implementation of identified improvements to the following project area and CMP intersections by paying a “fair share” of the cost of those improvements that is proportional to the Project’s contribution of traffic volumes at such intersections under cumulative conditions, as determined by the City and County, unless those improvements have already been implemented. These measures are included as part of those transportation improvements being funded by the City’s transportation development impact fees. The Project will be required to pay into this fund, less any in-lieu credit for measures which the Applicant implements. In addition, should any of the intersections listed below not be part of a mitigation plan involving the improvement of such intersections that has been approved by the relevant agency, the Applicant would be required to contribute 100 percent of the cost of the improvement.

- ◆ I-215 Freeway Northbound On/Off Ramps/Arrowhead Boulevard & Devore Road (Study Intersection No. 1). Install traffic signal.
- ◆ Cajon Blvd & Glen Helen Parkway (Study Intersection No. 3). Install traffic signal.
- ◆ I-215 Freeway Northbound On/Off Ramps & Palm Avenue (Study Intersection No. 4). Install traffic signal.
- ◆ I-215 Freeway Southbound On/Off Ramps & Palm Avenue (Study Intersection No. 5). Install traffic signal.
- ◆ Lytle Creek Road & Glen Helen parkway (Study Intersection No. 10). Restripe Lytle Creek Road to accommodate one left-turn lane and two through lanes in the southeast-bound direction and two through lanes and one right-turn lane in the northwest-bound direction. Improve and restripe the Glen Helen Parkway approach at Lytle Creek Road to provide dual left-turn lanes and one right-turn lane. Install a traffic signal at this location
- ◆ SR-210 Freeway Westbound On/Off Ramps & Riverside Avenue (Study Intersection No. 43). Flare and restripe Riverside Avenue to provide an exclusive right-turn lane in the Southbound direction. In addition, improve the SR-210 off-ramp to provide one left-turn lane, left/through/ right shared lane, and one right-turn lane.
- ◆ SR-210 Freeway Eastbound On/Off Ramps & Riverside Avenue (Study Intersection No. 44). Improve Riverside Avenue to provide two through lanes and two right-turn lanes in the Northbound direction and dual left turn lanes and two through lanes in the Southbound direction.
- ◆ SR-210 Freeway Westbound On/Off Ramps & State Street (Study Intersection No. 47). Improve State Street to provide dual left-turn lanes and two through lanes in the Northbound direction and one through lane, one through/right shared lane, and one right-turn lane in the Southbound direction.
- ◆ SR-210 Freeway Eastbound On/Off Ramps & State Street (Study Intersection No. 48). Flare and restripe the Eastbound off-ramp to provide one left-turn lane, one left/through-share lane, and two right-turn lanes. Modify the traffic signal to accommodate a right-turn overlap phase for the off-ramp Eastbound approach and the Southbound approach on State Street.
- ◆ Highland Avenue & State Street (Study Intersection No. 49). Flare and restripe Highland Avenue to provide dual left-turn lanes, one through lane, and one through/right-shared lane in the Westbound direction and one left-turn lane, one through lane, one through/right-shared lane, and one right-turn lane in the Eastbound direction.

- ◆ Rialto Avenue & Cedar Avenue (Study Intersection No. 72). Flare and restripe Cedar Avenue to provide an exclusive right-turn lane in the Southbound direction.
 - ◆ Merrill Avenue & Cedar Avenue (Study Intersection No. 74). Flare and restripe Cedar Avenue to provide an exclusive right-turn lane in the Northbound direction and Merrill Avenue to provide an exclusive right-turn lane in the Eastbound direction. Additional right-of-way may be required to implement this measure.
- In order to analyze the impact of the “Existing (2007) Conditions plus Project” scenario on the regional transportation system (i.e., the freeway network), the EVTM was used and analyzed in a “Sunnyvale” Analysis. As with the future conditions analysis in the TIA (Appendix II-A to the original DEIR), a total of 29 freeway segments near the Project Site were selected based on the probable routes that would be followed by Project traffic. These freeway segments included those segments most likely to be significantly impacted by the Project. The Project would cause a significant traffic impact if it would cause conditions on any freeway segment to degrade below LOS E, except for freeway segments designated LOS F in the CMP. Under a “Sunnyvale” Analysis, the “Existing (2007) Conditions plus Project” would not result in significant impacts to any of the 29 freeway segments.
 - Under the “Future (2030) Conditions plus Project” analysis, the proposed Project would have a significant traffic impact at 8 freeway of those segments. In addition, without substantial capacity improvements, the congested conditions on the SR-210 and I-215 Freeways will worsen under both the “Future (2030) without Project” and “Future (2030) with Project” conditions. With regards to freeway improvements, a mitigation measure (Mitigation Measure 6-6) has been formulated which imposes an obligation upon the Applicant to make a “fair-share” contribution to the cost of those improvements. With the exception of the I-215 Freeway between Baseline Street and 5th Street in the northbound direction, recommended mitigation measures will reduce the LOS of all study area freeway segments to an acceptable level of service (i.e., LOS “E” or better). In order to further improve the LOS at this location, so as to reduce the cumulative traffic impact to LOS “E” or better, local jurisdictions would need to collectively implement trip reduction programs for all existing and cumulative developments. Alternatively, attempts could be made to increase the existing freeway ROW, through additional ROW acquisition, in order to increase the existing freeway capacity. While these measures could potentially improve the LOS along this freeway segment, the implementation of a regional or subregional transportation demand management (TDM) program and the expansion of existing freeway capacity through unplanned ROW acquisition are outside the ability of the Project to effectuate. Although a regional or subregional TDM program cannot feasibly be implemented at the Project level, consistent with the TDM provisions of the County CMP, the Project will, nonetheless, be required to incorporate and implement, to the extent feasible, those TDM measures promoting alternative transportation methods, carpooling and vanpooling, and the use of transit, bicycles, and walking.
 - Transportation demand management measures include techniques to reduce the use of motor vehicles or shift their use to uncongested times of day. As defined in the County’s “Non-Motorized Transportation Plan,” TDM measures refer “to policies, programs, and actions that are directed toward increasing the use of high occupancy vehicles (transit, carpooling, and vanpooling) and the use of bicycling and walking with the express purpose of reducing or limiting vehicle cold starts and miles traveled for congestion and air quality purposes.”

- Because TDMs have the potential to reduce vehicle miles traveled (VMT), implementation will produce both traffic-related and air quality benefits. A number of traffic control measures strategies (Mitigation Measure 7-11 and Mitigation Measure 7-13) have been formulated and their implementation will reduce the identified impact to the maximum extent feasible.

Mitigation Measure 6-5: Study Area Roadways. Based on a schedule established by the City, in consultation with the County, the Applicant shall undertake the following non-intersection improvements to study area roadways. These improvements could, however, be implemented by SanBAG, the City, the Applicant, and/or by others.

- ♦ Lytle Creek Road. Widen and restripe Lytle Creek Road from Glen Helen Parkway to Sierra Avenue to provide two through lanes in each direction.
- ♦ Glen Helen Parkway. Widen and restripe Glen Helen Parkway between Lytle Creek Road and Cajon Boulevard to provide two through lanes in each direction.
- ♦ Sierra Avenue. Improve Sierra Avenue to provide two through lanes in each direction between Riverside Avenue and just north of Glen Helen Parkway.
- ♦ Riverside Avenue. Widen and restripe Riverside Avenue between Sierra Avenue and Ayala Drive to provide two through lanes in each direction.

Mitigation Measure 6-6: Freeway Study Segments. Those CMP freeway improvements that are located in the study area are described below: (1) add a high-occupancy-vehicle (HOV) lane in the Northbound and Southbound directions on I-15 Freeway between the I-215 and the I-10 Freeways; (2) add a mainline lane in the Northbound and Southbound directions on the I-215 Freeway between the I-15 and the SR-259 Freeway; (3) improve the I-215 Freeway between the SR-259 and the I-10 Freeways to provide four mainline and one HOV lane in the Northbound and Southbound directions; (4) improve the SR-210 Freeway between the I-15 Freeway and Highland Avenue to provide a total of three mainline lanes and one HOV lane in the Westbound and Eastbound directions; and (5) add a mainline lane on the SR-30 Freeway between Highland Avenue and the I-10 Freeway in the Westbound and Eastbound directions.

In addition to those freeway improvements, other physical improvements to address the cumulative impact of overall regional growth could include the addition of one freeway lane on the segments below: (1) I-215 Freeway between Highland Avenue and Massachusetts Avenue (Northbound and Southbound); (2) I-215 Freeway between Massachusetts Avenue and SR-259 Freeway (Northbound and Southbound); (3) I-215 Freeway between SR-259 Freeway and Baseline Street (Northbound only); (4) I-215 Freeway between Baseline Street and 5th Street (Northbound and Southbound); (5) I-215 Freeway between 2nd Street and Mill Street (Northbound and Southbound); (6) SR-210 Freeway between Riverside Avenue and Pepper Avenue (Eastbound only); (7) SR-210 Freeway between Pepper Avenue and State Street (Westbound and Eastbound); and (8) SR-210 Freeway between State Street and I-215 Freeway (Westbound and Eastbound). Based on an implementation schedule and in an amount to be established by the City, as developed in consultation with the County and Caltrans, the Applicant shall equitably contribute to the implementation of identified regional transportation system improvement by paying a “fair share” of the cost of those improvements. These measures are included as part of those transportation improvements being funded by

the City's transportation development impact fees. The Project will be required to pay into this fund, less any in-lieu credit for measures which the Applicant implements.

Mitigation Measure 7-11: The specific plan shall include design and development standards and plans describing and delineating the location of all planned bicycle paths, routes, and trails and, excluding street-adjacent sidewalks, pedestrian pathways located within the Project boundaries. Bicycle and pedestrian facility plans shall illustrate the physical linkages between on-site residential, commercial, and publicly accessible recreational areas and show the connectivity between those on-site facilities and existing and proposed off-site facilities delineated on adopted City and County plans. Motorized and non-motorized travel routes shall be minimized to the maximum extent feasible.

Mitigation Measure 7-13: Without forfeiting other development opportunities that may exist thereupon, development plans for Neighborhoods III or IV shall be revised to incorporate a park-and-ride/park-and-pool facility in proximity to the intersection of Sierra Avenue and Riverside Avenue (in the vicinity of PAs 27 or 33) or in an alternative location and of a size acceptable to the Director. Park-and-ride/park-and-pool facilities can be accommodated as part of or independent from a commercial development through the provision of on-site parking opportunities in excess of the parking requirements otherwise imposed by that use, accommodated at the perimeter of a residential development through the incorporation of appropriate design elements, or accommodated in a non-conservation open space area where such use can be shown not to produce a deleterious biological resource impact.

5.6.4 Transportation and Traffic Impact 6-4: As a result of both ambient growth and other areawide development activities, the Project's operations could cumulatively exceed the LOS standard established by the County Congestion Management Agency for designed roads and highways.

Finding: The Commission hereby makes Finding (1).

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative transportation and traffic impacts are addressed in Section 4.6 (Transportation and Traffic), Appendix II-A (Traffic Impact Analysis), and Appendix IV-C (Traffic Study Update) in the original FEIR, and in Section 2.2 (Transportation/Traffic: "Sunnyvale" Analysis) and Appendix V-C (Addendum to the Traffic Impact Analysis) in the RPDEIR. That analysis is incorporated by reference herein.
- Through a search of the City's database, a large inventory of "related projects" were identified which included projects that are completed but not fully occupied, under construction or beginning construction, or are presently only proposed but which could become operational within the time frame examined in this study. The contribution of those related projects to future traffic volumes along the roadway network were analyzed in the Project's TIA included in the original FEIR. Based on the CMP threshold criteria, significant traffic impacts were projected at 20 study intersections under the "with project" condition. Significant impacts would occur at all 20 study intersections under the "without project" scenario due to non-project cumulative traffic impacts, except at the three study area intersections located at

Riverside Avenue and Linden Avenue, SR-210 Freeway westbound ramps and Alder Avenue, and SR-210 Freeway, westbound ramps and Riverside Avenue.

- A number of mitigation measures have been formulated to mitigate traffic impacts attributable to both the Project-specific and the cumulative impacts attributable to ambient growth and areawide development. These mitigation measures include Project area and CMP intersection improvements required by Mitigation Measure 6-4(a) and 6-4(b) and Mitigation Measure 6-5, described above, and regional transportation system improvements set forth above in Mitigation Measure 6-6. Those measures identified therein are intended to accommodate the additional traffic generated by the Project as well as other cumulative area developments.
- These proposed improvements will reduce Project-related traffic impacts to less than significant levels and ensure that sufficient roadway capacity exists to accommodate all anticipated area growth.
- The implementation of the freeway improvements identified therein would reduce the LOS of all study freeway segments to an acceptable level (i.e., LOS “E” or better), except for the I-215 Freeway between Baseline and 5th Streets in the NB direction (Segment 15). This segment is currently operating at LOS “E” and is expected to operate at LOS “F” under both “without” and “with” project conditions. The cumulative traffic impact at this location is, nonetheless, considered less than significant in accordance with the County CMP.

5.7 Air Quality

5.7.1 Air Quality Impact 7-3: Construction activities will yield a maximum incremental increase in off-site individual cancer risk of about 4.2 in one million (4.2×10^{-6}) over the duration of construction. The maximum impact occurs at residential uses south of the Project site.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative air quality impacts are addressed in Section 4.7 (Air Quality) (with the exception of the GHG Emissions and Climate Impacts Analysis, which has been superseded in the RPDEIR), in Appendix III-F (Air Quality Analysis) and Appendix IV-I (Air Quality Assessment Technical Report: Localized Operational Analysis) of the original FEIR, Section 2.1 (Revised GHG Emissions and Climate Impacts Analysis) and Appendix V-B (Revised Climate Change Technical Report) in the RPDEIR, and Appendix VI-C (ENVIRON Technical Memorandum) in the Final RPEIR. That analysis is incorporated by reference herein.
- The greatest potential for TAC emissions would be related to diesel PM emissions associated with heavy equipment operations during grading and excavation activities. According to SCAQMD methodology, health effects from carcinogenic air toxics are usually described in terms of “individual cancer risk,” defined as the likelihood that a person exposed to concentrations of TACs over a 70-year lifetime outdoors will contract cancer, based on the use of standard risk-assessment methodology.

- An assessment of diesel PM emissions was conducted. The results of the construction analysis yielded a maximum incremental increase in off-site individual cancer risk of about 4.2 in one million ($\approx 4.2 \times 10^{-6}$) over the duration of construction, with the maximum impact occurring at the residential areas located to the south of the Project site. The Project will not emit carcinogenic or toxic air contaminants that individually or collectively exceed the maximum individual cancer risk of ten in one million ($< 10 \times 10^{-6}$).
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.7.2 Air Quality Impact 7-5: Increased traffic along Project area roadways has the potential to result in the creation of carbon monoxide (CO) “hot spots” at any intersections projected to operate at a LOS “D” or worse.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative air quality impacts are addressed in Section 4.7 (Air Quality) (with the exception of the GHG Emissions and Climate Impacts Analysis, which has been superseded in the RPDEIR), in Appendix III-F (Air Quality Analysis) and Appendix IV-I (Air Quality Assessment Technical Report: Localized Operational Analysis) of the original FEIR, Section 2.1 (Revised GHG Emissions and Climate Impacts Analysis) and Appendix V-B (Revised Climate Change Technical Report) in the RPDEIR, and Appendix VI-C (ENVIRON Technical Memorandum) in the Final RPEIR. That analysis is incorporated by reference herein.
- CO is produced in the greatest quantities from vehicle combustion and is usually concentrated at or near ground level because it does not readily disperse into the atmosphere. Areas of vehicle congestion have the potential to create pockets of CO. These CO “hot spots” typically occur at intersections where vehicle speeds are reduced and idle time is increased. The SCAQMD recommends a “hot-spot” evaluation of potential localized CO impacts when: (1) volume/capacity (V/C) ratios are increased by two percent at intersections with a LOS “D” or worse; and/or (2) an intersection decreases in service level by one level, beginning when the level of service changes from an LOS “C” to LOS “D.” Intersections were selected for analysis based on information provided in the traffic impact assessment.
- Local area CO concentrations were projected using the CALINE4 traffic pollutant dispersion model. The analysis of CO impacts followed the protocol recommended by Caltrans and is consistent with procedures identified through the SCAQMD’s CO modeling protocol.
- The Project would not have a significant impact upon 1-hour or 8-hour local CO concentrations due to mobile source emissions. Because significant impacts would not occur at the intersections with the highest traffic volumes that are located adjacent to sensitive receptors, no significant impacts are anticipated to occur at any other locations in the study area as the conditions yielding CO hot-spots would not be worse than those occurring at the analyzed intersections. Consequently, on-site

and off-site sensitive receptors would not be significantly affected by CO emissions generated by the net increase in traffic that would occur as a result of the Project.

- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.7.3 Air Quality Impact 7-6: The introduction of new retail commercial and other non-residential land uses in close proximity to existing and proposed residential areas could place odor-generating uses near odor-sensitive uses. Additionally, since new development will occur adjacent to existing land uses, new on-site receptors could be impacted by any off-site odors generated by those uses.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative air quality impacts are addressed in Section 4.7 (Air Quality) (with the exception of the GHG Emissions and Climate Impacts Analysis, which has been superseded in the RPDEIR), in Appendix III-F (Air Quality Analysis) and Appendix IV-I (Air Quality Assessment Technical Report: Localized Operational Analysis) of the original FEIR, Section 2.1 (Revised GHG Emissions and Climate Impacts Analysis) and Appendix V-B (Revised Climate Change Technical Report) in the RPDEIR, and Appendix VI-C (ENVIRON Technical Memorandum) in the Final RPEIR. That analysis is incorporated by reference herein.
- The Project's proposed residential and non-residential development will create opportunities for commercial and residential uses to co-exist. As such, odor-generating land uses, such as restaurants and coffee shops, may be located in close proximity to odor-sensitive land uses. Trash receptacles, as well as the parking and loading areas associated with those uses, present other potential sources of odors.
- The LCRSP includes provisions for a "Precise Plan of Design (Design Review)" which is designed "to promote an orderly and aesthetically pleasing environment within the City of Rialto and to ensure that development complies with all City ordinances and regulations." Through that process, issues of odor-intrusion and the selection of appropriate design techniques will be addressed on a site-specific basis rather than a general prohibition with regards to specific land uses that may be odor generators. Implementation of the proposed design-review process will help to ensure that potential odor nuisance impacts are reduced to the maximum extent feasible.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation are recommended or required.

5.7.4 Air Quality Impact 7-11: The Project will result in 256,432 tonnes of CO₂e from onetime sources (i.e., vegetation and construction activities) or 6,411 tonnes of CO₂e annualized over the 40-year development life of the Project. Annual greenhouse gas (GHG) emissions of 98,059 tonnes of CO₂e are expected to occur after build-out. The combined total of annual and annualized emissions from the Project would be

approximately 104,470 tonnes per year. The BAU scenario results in 155,338 tonnes per year. The overall reduction in GHG emissions for the Project relative to BAU is 32.7 percent.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative air quality impacts are addressed in Section 4.7 (Air Quality), in Appendix III-F (Air Quality Analysis), and Appendix IV-I (Air Quality Assessment Technical Report: Localized Operational Analysis) of the original FEIR, Section 2.1 (Revised GHG Emissions and Climate Impacts Analysis) and Appendix V-B (Revised Climate Change Technical Report) in the RPDEIR, and Responses to Comments and Appendix VI-C (ENVIRON Technical Memorandum) in the Final RPEIR. That analysis is incorporated by reference herein.
- Greenhouse gases (GHGs) include those gases that contribute to the natural greenhouse effect (such as carbon dioxide [CO₂], methane [CH₄], nitrous oxide [N₂O]), and water), as well as gases that are only man-made and that are emitted through the use of modern industrial products (such as hydrofluorocarbons [HFCs], perfluorocarbons [PFCs], and sulfur hexafluoride [SF₆]). The most important GHG in human-induced global warming is CO₂. While many gases have much higher global warming potential (GWP) than carbon monoxide, CO₂ is emitted in such vastly higher quantities that it accounts for about 85 percent of the GWP of all GHG emissions emitted by the United States.
- The City, as Lead Agency, has discretion to determine the significance threshold to evaluate GHG-related impacts. Pending the establishment of thresholds of significance for GHG emissions, the Lead Agency has elected to evaluate significance on a case-by-case basis. Assessing the significance of a single Project's contribution to cumulative global climate change is properly assessed on a cumulative basis. Assessment of the significance of a project's contribution to cumulative global climate change involves determining an inventory of the Project's GHG emissions against existing baseline conditions, and considering the Project's consistency with applicable emission reduction strategies and goals, such as those set forth by the California Global Warming Solutions Act of 2006 (AB 32). AB 32 mandates include a return to 1990 levels of GHG emissions by 2020.
- The California Air Resources Board's (CARB) "Climate Change Scoping Plan" quantified the Statewide 1990 GHG emission total to be 427 million metric tones (MMT) of CO₂e and forecast that the 2020 level would be 596 MMTCO₂e if the State continued to conduct "business-as-usual" (BAU) under the federal and State laws in effect as of the adoption of CARB's Scoping Plan. Achievement of AB 32 goals will thus require a reduction of 28.5 percent from forecasted BAU conditions.
- A project will be judged to have a significant or potentially significant impact on GHG emissions and global climate change if the project or project-related activities will impede the State's ability to achieve the reduction to 1990 levels in GHG emissions required by AB 32. An impediment to achievement of the GHG reduction goals of AB 32 would occur if Project-wide emissions do not achieve a 28.5 percent reduction of GHG emissions over 2020 forecasted BAU conditions. As confirmed by the Court

Ruling, this significance threshold of a 28.5 percent reduction compared to BAU is proper. As a CEQA Responsible Agency for LAFCO 3201, the Commission accepts these evaluation criteria.

- The physical environmental conditions evident at the time of publication of the “Notice of Preparation” (NOP) were used as the environmental baseline for the calculation of GHG emissions. At the time the of the NOP, the Project Site was undeveloped except for a golf course and one industrial source of emissions. The RPDEIR conservatively assumes that emissions from these sources were zero when the NOP was published.
- Two GHG inventories were developed in the Complete FEIR to assess the potential GHG and global climate change impacts of the Project compared to the environmental baseline: (1) an inventory of emissions resulting from the Project; and (2) an inventory of Project emissions under a BAU scenario. The GHG emissions inventories consider the following categories of GHG emissions:
 - Emissions due to land use (vegetation) changes
 - Emissions from construction activities (including demolition, site grading, and building construction)
 - Residential building operations emissions
 - Non-residential building operations emissions
 - Mobile source operations emissions
 - Municipal operations emissions
 - Area sources (fireplaces and lawn maintenance) emissions
- GHG emissions from residential buildings, non-residential buildings, mobile sources, municipal operation, and area sources will be emitted every year that the Project is inhabited. The GHG emissions inventories include estimates of annual GHG emissions from these ongoing operations. Emissions from land use/vegetation changes and construction are one-time events that will not be part of the Project’s ongoing activity. The GHG emissions inventories divide these one-time emissions by the estimated 40-year lifetime of the Project to annualize the GHG emissions to allow direct comparison of these two classes of emissions.
- Numerous “sustainable design features” are included in the Project. The Applicant will preserve a minimum of 829.2 acres and up to a total of 908.0 acres of land as natural (undisturbed) open space and has committed to planting up to 30,000 new trees. As designed, the Project’s homes and businesses will exceed 2008 Energy-Efficiency Standards by at least 15 percent. Vehicular emissions of CO₂e from the Project would be reduced by 43 percent over BAU through features of the Project design that reduce vehicle miles traveled. The Project will make good faith efforts to include sustainable design at a LEED-certifiable level for commercial and industrial uses and green building standards for residential construction.
- The BAU scenario consists of projected GHG emissions for the Project that would occur if the Project were to be built without the Project design features and energy reduction commitments made by the Applicant that reduce GHG emissions and without regulations that have been promulgated to comply with AB 32. Estimated GHG emissions generated by construction, municipal operations, and area sources are the same for the BAU inventory as for the Project inventory.
- The Project at build-out is expected to produce 98,059 tonnes of CO₂e per year. The Project will result in 256,432 tonnes of CO₂e from one-time sources, or 6,411 tonnes of CO₂e annualized over the 40 year development life of the Project. Combined annual and annualized one-time emissions of the Project would be approximately 104,470 tonnes per year.

- The BAU scenario is expected to produce 148,090 tonnes of CO₂e per year. BAU will result in 289,940 tonnes of CO₂e from one-time sources, or 7,248 tonnes of CO₂e annualized over a 40 year development life. Combined annual and annualized one-time emissions of BAU would be approximately 155,388 tonnes per year.
- Overall reduction in GHG emissions for the Project relative to BAU is 32.7 percent (projected 104,470 tonnes of CO₂e emitted by the Project per year is 32.7 less than projected annual BAU emissions of 155,388 tonnes of CO₂e). As a result of the various design elements incorporated into the Project, the LCRSP meets and exceeds the 28.5 percent improvement over BAU necessary to achieve AB 32's mandates.
- In addition, as part of a recent update to the Climate Change Scoping Plan, CARB also updated the State's BAU greenhouse gas inventory projected for 2020. When the "reduction measures already in place" (i.e., Pavley I and the 20% Renewables Portfolio Standard) are removed, which would ensure consistency with the Final RPEIR's climate change analysis, the BAU forecast for 2020 decreases to 545 MMTCO₂E due to the economic downturn alone.
- Considering the updated projection of 2020 emissions of 545 MMTCO₂E by 2020, a 21.7 percent reduction below the estimated BAU levels would be necessary to return to 1990 levels (i.e., 427 MMTCO₂E) by 2020: $545 - 427 = 118$; $118 / 545 = 21.65\%$; rounded up conservatively to 21.7%. Accordingly, if the Final RPEIR were to have gone beyond what the Court Ruling required and "recalculated and reanalyzed" the Project's impact on greenhouse gas emissions and global climate change, the Project would only have needed to demonstrate a 21.7% reduction from BAU to be deemed to have a less than significant impact.
- In response to comments on the RPDEIR, ENVIRON, the City's climate change expert for the Project, calculated the Project and BAU inventories using the California Emissions Estimator Model (CalEEMod), which was released after the original DEIR's GHG inventories were prepared. CalEEMod is a statewide land use emissions computer model designed to provide a uniform platform for government agencies, land use planners, and environmental professionals to quantify potential criteria pollutant and GHG emissions associated with both construction and operations from a variety of land use projects. CalEEMod was developed in collaboration with the air districts of California. Default data (e.g., emission factors, trip lengths, meteorology, source inventory, etc.) have been provided by the various California air districts to account for local requirements and conditions. The model is considered by the South Coast Air Quality Management District (SCAQMD) to be an accurate and comprehensive tool for quantifying air quality and GHG impacts from land use projects throughout California. ENVIRON's CalEEMod analysis indicates that the Project reduces GHG emissions 37% below BAU, which is far greater than the 21.7% required for compliance with AB 32. (See Appendix VI-C to the Final RPEIR.) As such, if the Project's impact on GHG emissions and global climate change were to be "recalculated and reanalyzed," the impact would be considered less than significant.
- Ultimately, since the recommended threshold of significance would not be exceeded, the identified impact of the LCRSP on GHG emissions and global climate change is considered less than significant and no mitigation measures are recommended or required.

5.8 Noise

- 5.8.1 Noise Impact 8-1:** Although all construction activities will fully comply with the City's Noise Ordinance, those activities (especially the use of heavy equipment) will result in short-term noise increases at individual construction sites and may be perceptible to near-site receptors.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative noise impacts are addressed in Section 4.8 (Noise) and in Appendix III-H (Acoustical Analysis) in the original FEIR and that analysis is incorporated by reference herein.
- Individual pieces of construction equipment used for Project construction produce maximum noise levels of 76 dBA to 90 dBA at a reference distance of 50 feet from the source. These maximum noise levels would occur when equipment is operating under "full-power" conditions or during "impact" activities. Equipment used on construction sites often operates under less than "full-power" condition. Actual measurements performed while equipment is performing work indicate that shift-long equivalent L_{eq} sound levels are typically 2 dBA to 15 dBA less than the referenced maximum noise levels.
- The construction phases include infrastructure, building construction, finish grading, and site cleanup. Primary noise sources include backhoes, loaders, hammering, diesel generators, compressors, forklifts, cranes, concrete mixers, and light truck traffic. Noise levels associated with these sources are temporary but would typically range from 78 to 89 dBA at a distance of 50 feet. Any location with an uninterrupted line-of-sight to the construction noise sources could periodically be exposed to temporary noise levels that would exceed 75 dBA at distance of less than 150 feet from the noise source.
- Because construction activities would be confined to daytime hours, compliance with the City's Noise Ordinance would result in a less-than-significant impact. In accordance therewith, construction activities shall be restricted to the following hours: (1) October 1 through April 30 – 7:00 AM and 5:30 PM on weekdays and 8:00 AM to 5:00 PM on Saturdays; and (2) May 1 through September 30 – 7:00 AM and 6:00 PM on weekdays and 8:00 AM to 5:00 PM on Saturdays. City code enforcement officers and peace officer are both authorized to respond to construction noise complaints.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

- 5.8.2 Noise Impact 8-3:** At Project build-out, traffic internal to the Project site could expose proximal receptors to noise levels in excess of City residential standards.

Finding: The Commission hereby makes Finding (1).

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative noise impacts are addressed in Section 4.8 (Noise) and in Appendix III-H (Acoustical Analysis) in the original FEIR and that analysis is incorporated by reference herein.
- Future Project residents would generate and would be exposed to typical urban on-site noise sources, including people, air conditioning units, lawn care equipment, domestic animals. These noise sources contribute to the ambient noise levels experienced in all similarly-developed areas and typically do not exceed the noise standards for the types of land uses proposed on the LCRSP site. These noise sources are consistent with adjacent uses in the Project vicinity and proximal off-site receptors would experience Project-related noise levels consistent with noise levels generated by those existing residences. Residential-related on-site noise impacts would, therefore, be less than significant.
- Public schools and parks are commonly located near residential areas and, in many cases, compatibility problems do not surface. Public schools and parks are often designed to incorporate features that make them compatible with adjoining land uses such that noise levels do not exceed the standards set forth in the City's Noise Ordinance. These design features can include, but are not necessarily limited to, constructing classroom buildings such that they serve as a buffer between athletic fields and adjoining residences, locating student pick-up and drop-off areas as far away from residences as feasible, and constructing noise barriers. As site-specific designs for public school and park uses are not available and the adjacencies of noise sensitive uses are not known, it is concluded that school and park uses could generate noise levels in excess of City standards for residential uses if proper design consideration and features are not put in place.
- Mitigation Measure 8-2 and Mitigation Measure 8-4 have been formulated to address these issues, ensure that the interior noise environments of residential, schools, and commercial office structures comply with applicable interior noise insulation requirements, and require that the planning and the design of on-site schools and parks strive to minimize noise impacts upon adjacent residential areas. The DEIR had also recommended a Mitigation Measure 8-3 which pertained to noise impacts resulting from implementation of the Village Center Overlay and General Warehouse Overlay; however, subsequent to circulation of the DEIR, the Applicant revised the LCRSP to remove these two Overlays from the LCRSP, and therefore, Mitigation Measure 8-3 is no longer required.

Mitigation Measure 8-2: The interior noise environment of residential structures (habitable rooms) and school classrooms shall not exceed 45 dBA CNEL. Prior to the issuance of building permits for those uses, an acoustical analysis shall be prepared by a qualified consultant and submitted to, and when deemed acceptable, accepted by the City Engineer for all new residential and school developments where exterior areas are projected to be 65 dBA CNEL or higher at the Project's build-out, documenting that an acceptable interior noise level of 45 dB L_{dn} (or CNEL) or below will be achieved with the windows and doors closed and identifying any design or development measures that would be required to achieve that standard.

Mitigation Measure 8-4: To the extent feasible, schools and parks shall be designed to: (1) locate and orient vehicle access points, including pick-up and drop-off areas, away from noise sensitive uses; (2) locate loading and shipping facilities

away from adjacent noise sensitive uses; (3) minimize the use of outdoor speakers and amplifiers oriented toward adjacent sensitive receptors; and (4) incorporate fences, walls, landscaping, and other noise buffers and barriers between the proposed use and other abutting noise sensitive uses.

- With the implementation of the mitigation measures set forth above, associated operational noise impacts would be reduced to a less-than-significant level.

5.8.3 Noise Impact 8-4: Residential and non-residential development would be exposed to noise levels that range from 65.2 dBA CNEL (at 25 feet distance) along Live Oak Avenue (new internal roadway) to 83.5 dBA CNEL along the I-15 Freeway, exceeding the City's exterior noise standard of 65 dBA CNEL for noise sensitive land uses.

Finding: The Commission hereby makes Finding (1).

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative noise impacts are addressed in Section 4.8 (Noise) and in Appendix III-H (Acoustical Analysis) in the original FEIR and that analysis is incorporated by reference herein.
- The existing and future traffic both surrounding and located within the Project site would affect proximal sensitive receptors. The Project site would be exposed to noise levels that range from 65.2 dBA CNEL (at 25 feet distance) along Live Oak Avenue (new internal roadway) to 83.5 dBA CNEL along the I-15 Freeway, exceeding the City's exterior noise standard of 65 dBA CNEL for noise sensitive land uses. Less noise sensitive uses would be compatible up to 75 dBA CNEL and 80 dBA CNEL.
- With regards to traffic noise, Mitigation Measure 8-1 and Mitigation Measure 8-5 have been formulated requiring that noise barriers be constructed along the residential lots adjacent to the I-15 Freeway, Lytle Creek Road, Glen Helen Parkway, Sierra Avenue and Riverside Avenue and recommending that the upper levels of residential lots adjacent to I-15 Freeway be constructed with no balconies facing the freeway or that such balconies include noise barriers. Except where otherwise noted, implementation of those measures will ensure that exterior noise levels will be reduced to meet the City's applicable noise standards.
- New residential constructions, typically includes the use of stucco walls, double-pane windows, solid entrance doors with seals. Assuming that the windows are closed and air ventilation is provided, those measures provide a minimum 20 dBA exterior/interior noise reduction. Where the exterior noise levels exceed 65 dBA CNEL, specially manufactured sound-rated windows and/or doors can be used to achieve the interior noise levels.
- With regards to the interior noise environment, Mitigation Measure 8-2 contains recommendations for reducing noise impacts to a less-than-significant level.

Mitigation Measure 8-1: Noise barrier shall be constructed along any residential lots and school sites adjacent to the I-15 Freeway, Lytle Creek Road, Glen Helen Parkway, Sierra Avenue, and Riverside Avenue. Depending on the final lot grade elevations relative to the roadway elevations, noise barrier height of ranging between 5-8 feet would reduce the traffic noise to 65 dBA CNEL at outdoor noise sensitive uses, including residential backyards and courtyards and school

playgrounds. A higher noise barrier will likely be required to mitigate I-15 Freeway noise. Overall height of noise barrier can be achieved by solid walls, earthen berms or combination of walls and earthen berms. Final noise barrier height shall be assessed when the final site and grading plans are completed. Prior to the issuance of grading permits for development projects located along I-15 Freeway, Lytle Creek Road, Glen Helen Parkway, Sierra Avenue, and Riverside Avenue, an acoustical analysis shall be prepared by a qualified acoustical consultant and submitted to, and when deemed acceptable, accepted by the City Engineer. The report shall determine the need for any noise barriers or other mitigation strategies and, if required, identify noise barrier heights, locations, and configurations capable of achieving compliance with applicable City standards.

Mitigation Measure 8-2: The interior noise environment of residential structures (habitable rooms) and school classrooms shall not exceed 45 dBA CNEL. Prior to the issuance of building permits for those uses, an acoustical analysis shall be prepared by a qualified consultant and submitted to, and when deemed acceptable, accepted by the City Engineer for all new residential and school developments where exterior areas are projected to be 65 dBA CNEL or higher at the Project's build-out, documenting that an acceptable interior noise level of 45 dB L_{dn} (or CNEL) or below will be achieved with the windows and doors closed and identifying any design or development measures that would be required to achieve that standard.

Mitigation Measure 8-5: Since the upper levels of residential units located adjacent to I-15 Freeway could be exposed to noise levels in excess of City standard, design plans for residential projects adjacent to the I-15 Freeway shall either exclude balconies facing the I-15 Freeway or incorporate noise barriers in the design of those balconies, such as transparent plexiglass, which would reduce freeway noise at those balconies to 65 dBA CNEL.

- With the implementation of those measures, associated operational noise impacts would be reduced to a less-than-significant level.

5.8.4 Noise Impact 8-5: Existing sand and gravel mining operations in the vicinity of Neighborhoods II and III will continue in accordance with the terms and conditions of an existing surface mining permit. Those operations have the potential to generate operational noise levels adversely affecting proximal sensitive receptors.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative noise impacts are addressed in Section 4.8 (Noise) and in Appendix III-H (Acoustical Analysis) in the original FEIR and that analysis is incorporated by reference herein.
- Ongoing sand and gravel extraction activities may be audible at the nearest residential receptors when the activity is loud and there is minimal grade separation between the two activities.

- The Cemex USA Lytle Creek Plant is located in an unincorporated County area not identified by the Applicant for annexation as part of the Project. The measured CNEL at noise measurement locations near the existing quarry (i.e., Noise Measurement Locations R2 and R3) were below the County's standards for residential development (i.e., less than 60 dBA CNEL).
- The most stringent County noise standard is 55 dB (L₅₀ level) during daytime and 45 dB at night. A reference L₅₀ noise level of 85 dB can occur at 50 feet from a quarry if the jaw crusher operates continuously for one hour. The L₅₀ level for Noise Measurement Locations SR-1 and SR-2 were 43.8 and 46.6 dB, respectively. Noise Measurement Location SR-1 would meet the daytime standard at a distance of 375 feet or greater and Noise Measurement Location SR-2 would meet the daytime standard at a distance of 490 feet or greater. Nighttime standards are exceeded at Locations SR-1 and SR-2, except at SR-1 at a distance of 1,500 feet.
- Unless otherwise exempted under the County Development Code or subject to use-specific permit authorization, for uses operating in County unincorporated areas, all land uses must fully comply with the County Noise Ordinance. Failures to comply could subject the violating party to specific penalties, including the possible cessation of operations pending the initiation of corrective actions to bring the offending activity into compliance. As such, subject to any provisions or exemptions contained in its SMARA permit, Cemex USA is required to operate in conformity with County standards.
- Jurisdictionally, compliance with the County Noise Ordinance and the City Noise Ordinance are mandatory within the jurisdiction within which those noise ordinances apply. With the mining operation's adherence to County standards and coordination between the City and the County in monitoring quarry noise and enforcement, quarry operational noise impacts will be less than significant.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.9 Public Services and Recreation

- 5.9.1 Public Services and Recreation Impact 9-1:** Police Protection. During construction, heavy equipment, construction materials, and other items of value will be brought to the Project site. As buildings are erected, prior to site occupancy, structures may remain unsecured and susceptible to unauthorized entry. The presence of an unsecured site and items of value could result in incidents of theft and vandalism that could increase demands upon the Rialto Police Department and other law enforcement agencies.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative public services and facilities impacts are addressed in Section 4.9 (Public Services and Recreation) and in Appendix III-I (Fire Agency Emergency Response Study) in the original FEIR and that analysis is incorporated by reference herein.

- Annexation of the Project site will increase the service patrol area of the Rialto Police Department (RPD) and require the provision of police services into an area presently served by the San Bernardino County Sheriff's Department (SBCSD). With the exception of Monier Lifetile, the Project site is now generally vacant. Since no public uses are presently authorized thereupon, the property presently places only minimal demand upon existing police protection services. An increased demand for police service will, however, occur during the Project's extended construction phase. Such services include consultation during plan check, routine surveillance of construction sites by regular patrol units, potential criminal investigations resulting from the theft or vandalism of construction equipment and materials, and enforcement of local speed limits and haul vehicle coverage requirements. Provision of such services would not require construction of any new RPD or CHP facilities or necessitate the physical alteration of any existing facilities.
- To ensure that police protection considerations are incorporated in Project-level plans, prior to the issuance of building permits for new major development projects, the RPD is routinely provided the opportunity to review and comment upon building plans in order to facilitate opportunities for improved emergency access and response, ensure the consideration of design strategies that facilitate public safety and police surveillance, and offer specific design recommendations to enhance public safety and reduce potential demands upon police protection services.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures or other CEQA-oriented conditions of approval are recommended or required.

5.9.2 Public Services and Recreation Impact 9-2: Fire Protection. Project implementation will result in the introduction of equipment, materials, and manpower into a designated fire hazard area prior to the provision of water system improvements designated to respond to on-site and near-site fire hazards (Public Services and Recreation Impact 9-2).

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative public services and facilities impacts are addressed in Section 4.9 (Public Services and Recreation) and in Appendix III-I (Fire Agency Emergency Response Study) in the original FEIR and that analysis is incorporated by reference herein.
- Grubbing, grading, and construction activities would introduce a number of elements and activities that represent potential fire hazards and that could increase the likelihood of wildland fires affecting on-site and other near-site areas.
- During certain stages of Project development, fire suppression infrastructure (e.g., fire mains and hydrants) and RFD and SBCFD emergency response capabilities will remain at pre-Project levels during the initial construction period. During that time period, available water resources could be limited to those that are brought to the Project site by the Applicant, brought to the Project site by RFD and/or SBCFD, or obtained from off-site fire hydrants.

- The Project site or portions thereof contain California Department of Forestry and Fire Prevention (CALFIRE) designated “wildland areas that may contain substantial forest fire risks and hazards” and “high fire hazard zones.” Those properties are subject to the maintenance requirements contained in Section 4291 of the PRC.
- Pending the development of a new fire station within the LCNPD, neither RFP nor SBCFD response times to the totality of the Project site fully conforms to the recommended National Fire Protection Association (NFPA) 1710 (Standards for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments) response time standards.
- Certain State and federal workplace safety standards apply to construction activities. As required, in part, by the United States Department of Labor Occupational Safety and Health Administration’s (OSHA) "Safety and Health Regulations for Construction" (29 CFR 1926.150[a]), the employer is responsible for the development of a fire protection program to be followed throughout all phases of the construction and demolition work and shall provide for the firefighting equipment as specified in that subpart. As further specified therein, a temporary or permanent water supply, of sufficient volume, duration, and pressure, required to properly operate the firefighting equipment shall be made available as soon as combustible materials accumulate on the Project site. Where underground water mains are to be provided, those water mains shall be installed, completed, and made available for use as soon as practicable (29 CFR 150[b]). Internal combustion engine powered equipment shall be so located so that the exhausts are well away from combustible materials. Smoking is prohibited at or in the vicinity of operations that constitute a fire hazard and prohibitions shall be conspicuously posted (29 CFR 1926.151[a]).
- The California Department of Industrial Relations, Division of Industrial Safety (Cal/OSHA) has established specific workplace standards for fire safety similar to those imposed by OSHA. As required (Title 8, Article 36, Section 1920, CCR), each employer shall be responsible for the development of a fire protection program to be followed throughout all phases of the construction work and shall provide for the fire fighting equipment as specified in under Article 36 in Title 8. As fire hazards occur, there shall be no delay in providing the necessary fire protection and/or prevention equipment.
- Individual development projects must fully comply with all applicable provisions of the Uniform Building Code, Uniform Fire Code, and other applicable provisions of the City Municipal Code and/or the County Development Code which have been established to address fire protection and public safety.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures or other CEQA-oriented conditions of approval are recommended or required.

5.9.3 Public Services and Recreation Impact 9-3: Public Schools. Based on the proposed dedication of a number of on-site school sites, Project-specific construction activities could occur in close proximity to an existing school facility and prove to be disruptive to school activities and operations.

Finding: The Commission hereby makes Finding (1).

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative public services and facilities impacts are addressed in Section 4.9 (Public Services and Recreation) and in Appendix III-I (Fire Agency Emergency Response Study) in the original FEIR and that analysis is incorporated by reference herein.
- One or more RUSD schools may be constructed within the LCRSP boundaries in the future. Those schools may become operational prior to or concurrent with the development of adjoining planning areas. Development activities occurring in close proximity to an existing school site could prove disruptive to educational endeavors and related pursuits, introduce public safety hazards associated with construction vehicles operating in close proximity to areas where children may be present, and result in closure of travel lanes and sidewalks near school zones. In addition, construction activities, including equipment staging and material stockpiling, may present an attractive nuisance, defined as any condition which is unsafe or unprotected and, thereby, dangerous to children and which may reasonably be expected to attract children to the property and to the risk of injury by playing with, in, or on it.
- Owners of property (including construction sites) have an existing obligation to exercise reasonable care with respect to those properties and the activities conducted thereupon and require persons to maintain land in their possession and control in a reasonably safe condition.
- Mitigation Measure 6-2 and Mitigation Measure 6-3, which have been previously identified and are repeated below, would also serve to address construction safety. As specified, prior to the issuance of the final grading plan, the Applicant would be required to submit and, when deemed acceptable, the City Engineer would approve a traffic control plan (TCP) and a construction traffic mitigation plan (CTMP).
- Although construction activities conducted near school sites and other locations where children may be present can constitute an attractive nuisance, existing requirements, regulations, and other provisions are already in place which provide reasonable assurance that any nuisance conditions created during construction would be avoided or substantively minimized.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no additional mitigation measures or other CEQA-oriented conditions of approval are recommended or required.

Mitigation Measure 6-2: Traffic Control Plan. Prior to the issuance of the final grading plan for new major development projects, defined herein as 50 or more new dwelling units and/or 50,000 or greater square feet of new non-residential use, the Applicant shall submit and, when deemed acceptable, the City Engineer shall approve a traffic control plan (TCP), consistent with Caltrans' "Manual of Traffic Controls for Construction and Maintenance Work Zones," or such alternative as may be deemed acceptable by the City Engineer, describing the Applicant's efforts to maintain vehicular and non-vehicular access throughout the construction period.

If temporary access restrictions are proposed or deemed to be required by the Applicant, the plan shall delineate the period and likely frequency of such restrictions and describe emergency access and safety measures that will be implemented during those closures and/or restrictions

Mitigation Measure 6-3: Construction Traffic Safety Plan. Prior to the issuance of the final grading permit for new major development projects, the Applicant shall

submit and, when deemed acceptable, the City shall approve a construction traffic mitigation plan (CTMP). The CTMP shall identify the travel and haul routes through residential neighborhoods, if any, to be used by construction vehicles; the points of ingress and egress of construction vehicles; temporary street or lane closures, temporary signage, and temporary striping; the location of materials and equipment staging areas; maintenance plans to remove spilled debris from neighborhood road surfaces; and the hours during which large construction equipment may be brought onto and off the Project site. The CTMP shall provide for the scheduling of construction and maintenance-related traffic so that it does not unduly create any safety hazards to children, to pedestrians, and to other parties.

5.9.4 Public Services and Recreation Impact 9-4: Public Recreational Facilities. Construction activities will occur adjacent to existing recreational areas, including Glen Helen Regional Park and the San Bernardino National Forest, and, during construction, could impede access to or temporarily detract from the enjoyment of those areas and facilities.

Finding: The Commission hereby makes Finding (1).

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative public services and facilities impacts are addressed in Section 4.9 (Public Services and Recreation) and in Appendix III-I (Fire Agency Emergency Response Study) in the original FEIR and that analysis is incorporated by reference herein.
- Construction activities conducted adjacent to NFS lands and/or public parks could potentially impede access to trails and other facilities and produce noise, air emissions, and other short-term impacts that could temporarily diminish recreational experiences now available on those public lands. Although no local or neighborhood parks presently abut the Project site, future construction activities may occur adjacent to or in close proximity to new neighborhood parks and other accessible open space areas. Park areas may contain pedestrians and bicyclists, inattentive children unaware of the presence of construction equipment and vehicles traveling along local access roads and/or operating adjacent to park areas. In order to further enhance public safety, mitigation measures have been previously formulated requiring the development of construction traffic mitigation plans (Mitigation Measure 6-2) and traffic control plans (Mitigation Measure 6-3).
- Construction activities undertaken directly adjacent to the National Forest or other open space areas could increase the risk of wildlife fires. Cal/OSHA requires employers to prepare a “fire safety plan” (General Industry Safety Order 3221) addressing the safe storage, handling, and disposal of hazardous materials, the identification of known fire hazards, potential ignition sources, fire alarm systems, inspection protocols designed to identify fire risks, and employee safety training information.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no additional mitigation measures or other CEQA-oriented conditions of approval are recommended or required.

5.9.5 Public Services and Recreation Impact 9-5: Police Protection. Based on the Rialto Police Department’s (RPD) existing staffing ratios, at full Project build-out, the projected population of approximately 32,720 persons would generate an additional staffing

demand for about 39.6 sworn offices and 17.2 full-time and 5.2 part-time civilian employees. Additional unquantified demands upon the RPD would also result from the operation of commercial and other non-residential uses and the congregation of people in public places. Those RPD employees would have corresponding equipment and spatial requirements that would not likely be met with existing RPD resources.

Finding: The Commission hereby makes Finding (1).

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative public services and facilities impacts are addressed in Section 4.9 (Public Services and Recreation) and in Appendix III-I (Fire Agency Emergency Response Study) in the original FEIR and that analysis is incorporated by reference herein.
- Additional residential development and new non-residential square footage will require additional police department services for a range of law enforcement activities. These incremental increases in traffic volumes, number of dwelling units, square footages of non-residential space, City population, and expansion of service area will add to the need for the RPD to hire new personnel, add additional facility space to accommodate added personnel, and purchase and maintain additional equipment. Absent an expansion of RPD personnel and/or other affirmative actions, implementation of the Project would result in a reduced level of service, increased response times, and potentially increased rates of criminality within the City.
- As specified under Resolution No. 4484 and as authorized under Sections 66000-66025 of the CGC, the City presently (2008) collects “development impact fees” for law enforcement. The current (2008) law enforcement development fee of approximately \$4.50 is less than the estimated recurring annual cost of about \$8.24 million (in 2008 dollars) for the provision of police services to the Project site at full build-out. Mitigation Measure 9-1 has been formulated to address potential Project-specific impacts upon the RPD.
- In addition to development impact fees, funding for law enforcement is typically derived through ad valorem taxation and based on yearly allocations that occur through the City’s annual budget process. Increased property valuation provides a mechanism whereby the City has the ability to augment existing RPD resources to accommodate reasonably anticipated Project-related demands.
- While retaining design and development options and individuality for each planning area and seeking to avoid needless regimentation within individual neighborhoods, the Applicant has sought to incorporate a number of “crime prevention through environmental design” (CPTED) principals into the LCRSP, including facing front yards, fronts of buildings, and main entries to dwelling on streets or driveways; providing lighting at walks, ramps, parking lots and entrances to dwelling units; avoiding placing plants which screen doors and windows of dwelling units; designing walls to be graffiti resistant; and providing sidewalks or walkways for safe convenient direct access to each dwelling unit and throughout a development.
- Notwithstanding the inclusion of these Applicant-proposed CPTED concepts, Mitigation Measures 9-2 and Mitigation Measure 9-3 have been formulated specifying the provision of clearly identifiable street addresses and building numbers to facilitate emergency response, providing the RPD the opportunity to review the Project’s individual design elements in order to reduce the potential demand upon police services through the incorporation of CPTED principals, obligating payment of

applicable fees, and imposing such additional requirements as may be reasonably imposed by the RPD.

Mitigation Measure 9-1: Police Protection. The Applicant shall take such actions and pay such fees as may be reasonably imposed by the Rialto Fire Department (RPD) to ensure the timely provision of adequate and appropriate police protection and emergency services to the LCRSP and the uses authorized therein. This measure neither precludes the Applicant from identifying alternative actions and/or fees which can be demonstrated to result in the attainment of those same or similar objectives nor obligates the RPD to accept those alternative measures and/or fees in lieu of those identified by the RPD. If consensus cannot be reached between the RPD and the Applicant, the City Council shall establish the actions and fees applicable to the Project. Should the City subsequently adopt an impact fee program for police protection services, unless a substitute measure(s) is imposed by the City, payment of applicable impact fees would effectively mitigate Project-related impacts upon police protection services and serve to fulfill the Applicant's obligations hereunder.

Mitigation Measure 9-2: Police Protection. As specified by the RPD and in accordance with Section 505.1 (Premise Identification) in Chapter 15.28 (Fire Code) in Title 15 (Building and Construction) of the City Municipal Code, final design plans for individual residential and non-residential development projects shall include clearly visible street address signs and/or building numbers to allow for ease of identification during both day and nighttime periods and facilitate emergency response.

Mitigation Measure 9-3: Police Protection. Prior to the issuance of building permits for new construction projects, the RPD shall be provided the opportunity to review and comment upon building plans in order to: (1) facilitate opportunities for improved emergency access and response; (2) ensure the consideration of design strategies that facilitate public safety and police surveillance; (3) offer specific design recommendations to enhance public safety; and (4) through the incorporation of "crime prevention through environmental design" (CPTED) strategies, reduce potential demands upon police services.

- With the implementation of those mitigation measures, associated operational police protection impacts would be reduced to a less-than-significant level.

5.9.6 Public Services and Recreation Impact 9-6: Police Protection. Construction and occupancy of 8,407 dwelling units and 849,420 square feet of non-residential uses and the traffic those units and uses generate on Interstate freeway system and along roadways in County unincorporated areas will increase existing demands upon California Highway Patrol (CHP) resource.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative public services and facilities impacts are addressed in Section 4.9 (Public Services and Recreation) and in Appendix III-I (Fire Agency Emergency Response Study) in the original FEIR and that analysis is incorporated by reference herein.
- The CHP responds to traffic accidents on State highways, components of the Interstate highway system, and traffic accidents on all streets located in unincorporated areas of the State. The primary source of funding for the CHP is through California's Motor Vehicle Registration Fee. The allocation of these fees to each service area is determined by CHP headquarters (Sacramento) based on its determination of each area's service needs. Each division determines its own staffing allocation relative to the geographic needs within its boundaries based on that service area's unique requirements and budget constraints.
- The CHP provides law enforcement assistance to the SBCSD, RPD, and to other municipal law enforcement agencies through an informal mutual aid agreement. Although annexation of unincorporated lands into the City would reduce the CHP service area, it can be assumed that the construction and occupancy of 8,407 dwelling units and 849,420 square feet of non-residential land uses and the traffic those units and uses will generate on the State and Interstate freeway system and other roadways in County unincorporated areas will increase existing demands upon CHP resources.
- The payment of motor vehicle registration and driver's license fees by on-site residents and businesses will increase revenue opportunities available to the CHP and provide funding for additional staffing and equipment to meet, either in whole or in part, future demands.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures or other CEQA-oriented conditions of approval are recommended or required.

5.9.7 Public Services and Recreation Impact 9-7: Fire Protection. Based on the Rialto Fire Department's (RFD) existing staffing ratios, at full Project build-out, the projected population of approximately 32,720 persons would generate an additional staffing demand for about 27.2 department personnel. Additional unquantified demands upon the RFD would also result from the operation of commercial and other non-residential uses and the congregation of people in public places. Those RFD employees would have corresponding equipment and spatial requirements that would not likely be met with existing RFD resources.

Finding: The Commission hereby makes Finding (1).

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative public services and facilities impacts are addressed in Section 4.9 (Public Services and Recreation) and in Appendix III-I (Fire Agency Emergency Response Study) in the original FEIR and that analysis is incorporated by reference herein.
- The RFD notes that the area comprising Neighborhoods I and IV are a concern with regards to emergency response time and coverage. A plan for fire protection and services has not been developed by the RFD and the RFD and the SBCFD have not met to formalize and finalize plans and/or agreements for fire service delivery to that area. In addition, the City has a contract in place with Rialto Firefighters Local 3688

that requires membership approval or voters' approval to contract fire services. Additionally, the RFD has rights granted through the Health and Safety Code (H&SC) allowing the City to provide advanced and basic life support ambulance transportation. Annexed areas must have RFD paramedic transport or the local emergency management service (EMS) agency could revoke the City's rights within the current City boundaries.

- Four options have been identified with regards to the provision of fire protection and paramedic services to the Project site. Each of those options is briefly described below.
 - (1) Option 1 (Full annexation and City provides fire protection services).
 - (2) Option 2 (Full annexation and City and County share fire protection services).
 - (3) Option 3 (Partial annexation and City and County provide fire protection service within their respective jurisdictions).
 - (4) Option 4 (Pay per call plan).
- The Applicant, SBCFD, and City have discussed how fire services would be provided to Neighborhoods I and IV and have determined that Option 2 is the preferred option for the delivery of fire services. A new fire station is proposed to be located between PAs 14 and 15 in Neighborhood I. The fire station will be owned and operated by SBCFPD as County Fire Station No. 81. The area, however, will be annexed to the City. The City and County would enter into an out-of-service-area agreement to address the provision of fire services by the County to areas under City jurisdiction.
- As specified under Chapter 3.60 of the City of Rialto Municipal Code and as authorized under Sections 66000-66025 of the CGC, the City presently collect "development impact fees" for fire facilities. The current (2008) one-time fire facilities development fee of approximately \$3.51 million is less than the estimated recurring annual cost of about \$4.51 million (in 2008 dollars) for the provision of fire protection services to the Project site at full build-out. The development impact fee has been independently determined from a Citywide perspective and is not intended to represent the estimated annual recurring cost to the RFD attributable to any single development project.
- In addition to development impact fees, funding for fire protection is typically derived through ad valorem taxation and based on yearly allocations that occur through the City's annual budget process. Increased property valuation provides a mechanism whereby the City has the ability to augment existing RFD resources to accommodate reasonably anticipated Project-related demands.
- With regards to existing RFD facilities, no portion of Neighborhood I and all or a substantial portion of Neighborhood IV fall within a four-minute response time. Within County unincorporated areas, fire protection and emergency services are presently provided to the LCNPD, GHSP, and Lower Lytle Creek areas by the SBCFD. The nearest SBCFD facilities to those areas are Station 2 (1511 Devore Avenue, Devore) and Station 75 (2156 Darby Street, Muscoy). Station 2 is the nearest to Neighborhoods I and IV, located more than 1½ miles to the northeast. As stipulated by the County Board of Supervisors, a new County fire station must be constructed prior to occupancy of the 1,000th dwelling unit in Rosena Ranch and, upon completion, will be staffed and operated by the SBCFD. As proposed SBCFD Station 81 will be sited within or adjacent to PAs 14 and 15. Once operational, with regards to the LCNPD and by extension the LCRSP, response time to emergencies within the community will be 4-6 minutes, well within NFPA guidelines.
- Pending the commencement of operation of SBCFD Station 81, adequate response times to Neighborhoods I and IV cannot be reasonably assured. Mitigation

Measures 9-4 and 9-5 to address this impact were included in the original FEIR. As discussed above, these mitigation measures were found to constitute improperly deferred mitigation. Mitigation Measure 9-4 has been revised to effectively serve to restrict development within Neighborhoods I and IV until such time as SBCFD Station 81 were to commence operation, alternative fire protection and emergency response facilities were to be provided, or other evidence of adequate and appropriate services and compensatory fire protection could be provided to the satisfaction of the RPD or the agency with fire protection and emergency services jurisdiction over that area that NFPA response standards can be met. Mitigation Measure 9-5 obligates payment of development fees at the time of building permit issuance to address fire protection.

Mitigation Measure 9-4: Fire Protection. Prior to the issuance of building permits for any habitable use in Neighborhoods I and IV, the Applicant shall demonstrate to the satisfaction of the Rialto Fire Department and/or to the agency with fire protection and emergency jurisdiction over that area that the National Fire Protection Association 1710 response standards can and will be satisfied prior to the issuance of any occupancy permits within those areas.

Mitigation Measure 9-5: Fire Protection. At the time of building permit issuance, the Applicant shall pay to the City of Rialto Development Impact Fees for fire protection, based on the number of residential units or square footage of non-residential development included in each permitted building. Such fees shall be paid in accordance with the fee schedules set forth in the proposed Pre-Annexation and Development Agreement (Development Agreement) between the City and the Applicant. If such a Development Agreement is not approved, such fees shall be paid pursuant to the City's Fire Protection Services Development Fee program under Chapter 3.60 of the City of Rialto Municipal Code.

- Implementation of those measures would reduce the Project's potential fire protection impacts to a less-than-significant level.

5.9.8 Public Services and Recreation Impact 9-8: Public Schools. Project implementation will increase enrollment within the Rialto Unified School District, Fontana Unified School District, and/or San Bernardino City Unified School Districts, thus placing additional personnel, resource, and spatial demands on existing facilities located in the general Project area, and/or predicated the need to construct, staff, and equip new elementary, middle, and/or high schools to serve increased attendance.

Finding: The Commission hereby makes Finding (1).

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative public services and facilities impacts are addressed in Section 4.9 (Public Services and Recreation) and in Appendix III-I (Fire Agency Emergency Response Study) in the original FEIR and that analysis is incorporated by reference herein.
- The Project site is located within the boundaries of three separate school districts. A portion of Neighborhood I and those areas within Neighborhoods II and III proposed for development are located within the boundaries of the Rialto Unified School District (RUSD). A portion of Neighborhood I and the undeveloped portions of

Neighborhoods II and III are located within the boundaries of the San Bernardino City Unified School District (SBCUSD). Neighborhood IV is located within the boundaries of the Fontana Unified School District (FUSD). New residential development within those neighborhoods will directly impact each district through the introduction of new school-age children. New non-residential development will introduce new workers within district boundaries who may elect to enroll children into schools within the district where they are employed.

- Within the RUSD, two future school sites and abutting joint-use facilities are proposed in Neighborhood III, including a 10-acre “elementary school” (PA 49) and 5-acre “open space/joint use” site (PA 48) and a 14-acre “elementary/middle school” (PA 69) and 12-acre “open space/joint use” site (PA 74).
- Collectively, the number of school-aged children residing in the Project’s 8,407 dwelling units is estimated to generate a total of 5,243 students, include 2,675 Grade K-5, 1,060 Grade 6-8, and 1,509 Grade 9-12 students.
- Mitigation Measure 9-6 has been formulated that stipulates that, prior to the issuance of any building permits, the Applicant shall deliver to the City evidence of compliance with applicable school impact fee requirements. The City’s receipt of that documentation constitutes evidence that impacts on each affected school district have been mitigated to a less-than-significant level. In addition, Mitigation Measure 9-7 has been formulated specifying that any school sites identified in the LCRSP be deemed acceptable to the benefitting school district.

Mitigation Measure 9-6: Schools. Prior to the issuance of any building permits for residential and/or non-residential uses within the boundaries of the Rialto Unified School District (RUSD), the Fontana Unified School District (FUSD), and/or the San Bernardino City Unified School District (SBCUSD), the Applicant shall present the City with a certificate of compliance or other documentation acceptable to the City demonstrating that the Applicant has complied with applicable school board resolutions governing the payment of school impact fees and/or has entered into an Assembly Bill 2926-authorized school facilities funding mitigation agreement with the applicable school district(s) or is exempt from the payment of school impact fee exactions.

Mitigation Measure 9-7: Schools. Prior to the recordation of any final “B” level subdivision map (excluding any “A” level subdivision map for financing purposes only) specifying the location for a new public school site(s), the Applicant shall present the City with documentation, acceptable to the City, evidencing that the location, configuration, and size of the proposed school site has been found acceptable or has been found conditionally acceptable by the public school district in whose jurisdiction the site is located. The City, at its discretion, may condition the approval of the final subdivision map and/or any subsequent entitlements therein upon the fulfillment of any conditions subsequent or the Applicant’s performance of such other actions as may be reasonably anticipated to produce compliance with conditions identified by that school district.

- Implementation of these measures would reduce Project-related impacts on school facilities to a less-than-significant level.

5.9.9 Public Services and Recreation Impact 9-9: Public Libraries. Project implementation will increase the resident population of the City or Rialto, including the number of school-

age children, incrementally increasing existing spatial and resource-related demands now being placed on the San Bernardino County Public Library, Rialto Branch.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative public services and facilities impacts are addressed in Section 4.9 (Public Services and Recreation) and in Appendix III-I (Fire Agency Emergency Response Study) in the original FEIR and that analysis is incorporated by reference herein.
- The City is served by the San Bernardino County Public Library (SBCPL), a county dedicated property tax library. The County Library receives 85 percent of its funding from property taxes. The closest SBCPL facility is the Rialto Branch Library (251 West First Street, Rialto 92376).
- The introduction of new residents will increase localized demands on existing SBCPL services and facilities. Absent library expansion (measured in terms of spatial, collection size, personnel, and operational budget), existing service levels will decrease, materials will show greater wear, new resources and systems will not be introduced at a comparable rate, and access to County library services will diminish.
- As specified under Resolution No. 4484 and as authorized under Sections 66000-66025 of the CGC, the City presently collects “development impact fees” for a new library building. New library building fees collected pursuant to Resolution No. 4484 exceed the projected recurring costs associated with the provision of expanded library services attributable to the Project. Payment of applicable developer impact fees will mitigate Project-related library impacts to less than significant.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.9.10 Public Services and Recreation Impact 9-10: Public Recreational Facilities. As indicated in the City General Plan, Rialto has adopted a standard of three acres of parkland for each one thousand residents. As further specified in Section 17.23.030 of the City Municipal Code, for qualifying projects, 3.0 acres of property for each one thousand persons residing within the City shall be devoted to neighborhood and community parks.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative public services and facilities impacts are addressed in Section 4.9 (Public Services and Recreation) and in Appendix III-I (Fire Agency

Emergency Response Study) in the original FEIR and that analysis is incorporated by reference herein.

- The introduction of new residents and new businesses into the City will increase existing demands on City-provided and City-maintained recreational facilities. The methodology for calculating actual park dedication and/or in-lieu fee requirements is presented in Chapter 17.23 (Park and Recreation Facilities Dedication) in the City Municipal Code.
- As described in the LCRSP, a total of about 345.7 acres of parklands (inclusive of golf course, SCE right-of-way, neighborhood park, joint-use parks, Grand Paseo, active adult recreation center, private recreation centers, passive recreational areas and trails) will be provided by the Project, including approximately 328.8 acres designated "Open Space/Recreation (OS/R)" and 17.0 acres designated "Open Space/Joint Use (OS/JU)."
- As specified under Resolution No. 4484 and as authorized under Sections 66000-66025 of the CGC, the City presently collects "development impact fees" for park facilities. Since the Project can reasonably satisfy Quimby Act requirements through the dedication of on-site lands and/or the payment of in-lieu fees, the LCRSP can be deemed to be in general compliance with applicable City General Plan and City Municipal Code requirements relating to parkland dedication.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.9.11 Public Services and Recreation Impact 9-11: Public Recreational Facilities. Numerous regional hiking, bicycling, and equestrian trails are identified in planning documents illustrating the Project site. Failure to identify, preserve, and construct specified trail segments in a manner and in a location consistent with regional trail plans could adversely affect the functionality of those trails.

Finding: The Commission hereby makes Finding (1).

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative public services and facilities impacts are addressed in Section 4.9 (Public Services and Recreation) and in Appendix III-I (Fire Agency Emergency Response Study) in the original FEIR and that analysis is incorporated by reference herein.
- Planned components to the County's regional trails that include segments potentially located on the Project site include, but may not be limited to, the Lytle Creek, Greenbelt, Frontline, and Frontline Connection Trails.
- An extensive trail system is proposed both on the Project site and those areas that were previously approved as part of the adjacent LCNPD (Rosena Ranch). Numerous on-site planning areas (PAs 19, 24, 29, 81, and 97) will include paved trails. Certain trails presented in the County General Plan or, more specifically, those segments thereof which are illustrated in the County General Plan as occurring or illustrated within the Project site, have not been specifically incorporated into the LCRSP. Those trail segments include the Lytle Creek, Greenbelt, and Frontline Connection Trails. Implementation of the LCRSP could, therefore, foreclose future opportunities for the development of a regional trail system and/or result in the

introduction of obstacles that prevent trail users from traversing the subject property and connecting to other off-site segments of those County trails.

- Mitigation Measure 9-8 has been formulated to ensure that opportunities are retained for the development of on-site segments of County-identified trails and that trail planning become integrated into other proposed elements of the Applicant's non-motorized transportation plans.

Mitigation Measure 9-8: Parks and Recreation. Prior to the recordation of any "B" level subdivision map (excluding any "A" level subdivision map for financing purposes only) affecting lands upon which a regional trail segment has been identified in the "County of San Bernardino General Plan" (e.g., "Open Space – A Plan for Open Space and Trails for the County of San Bernardino"), the Applicant shall submit and, when acceptable, the City shall approve a "regional trail component plan" addressing the Applicant's plans to implement any on-site segments of those identified trails, including preservation of rights-of-way, recordation of easements, and applicable design and development standards governing the construction, operation, and maintenance of those trail segments, if any.

- Implementation of the recommended mitigation measure will reduce Project-related impacts on regional trails to a less-than-significant level.

5.9.12 Public Services and Recreation Impact 9-12: Public Recreational Facilities. As proposed, a number of sites have been designated "Open Space/Joint Use" (OS/JU) and are intended for joint use by the Rialto Unified School District for recreational purposes associated with adjoining school sites and by the City of Rialto for general recreational use. Operational joint-use problems could be encountered based on the distinct needs of those two separate users groups.

Finding: The Commerce hereby makes Finding (1).

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative public services and facilities impacts are addressed in Section 4.9 (Public Services and Recreation) and in Appendix III-I (Fire Agency Emergency Response Study) in the original FEIR and that analysis is incorporated by reference herein.
- Joint-use facilities can prove beneficial to school districts and recreation and park agencies but introduce certain complexities as to the manner of their operation, the time periods when available to diverse user groups, costs and responsibilities for maintenance, and the types of amenities to be provided. These complexities suggest that joint-use arrangements are potentially problematic and that general public use of shared facilities may be limited based on school needs and priorities. Joint-use facilities, therefore, cannot be viewed in the same fashion as single-use facilities which are made available for general public use without those same restrictions.
- To the extent that the Applicant seeks City approval, against Quimby Act obligations, for the dedication of any real property designated in the LCRSP for "open space/joint use," the Lead Agency must retain discretion concerning the applicability of any such shared resources. Mitigation Measure 9-9 has been formulated which promotes the retention of that discretion with regards to Quimby Act credits applicable to "open

space/joint use” designated areas. In addition, because the Applicant’s provision of recreational facilities designed for joint school and broader public use could have land-use and other environmental implications, a mitigation measure (Mitigation Measure 9-10) has been formulated stipulating that a park-dedication agreement be executed with the City.

Mitigation Measure 9-9: Parks and Recreation. To the extent that the Applicant seeks to apply the dedication and/or physical improvement of any lands designated “open space/joint use” in the LCRSP against City-imposed Quimby Act obligations, the City, at its sole discretion, shall determine to what extent, if any, such dedication and/or physical improvement constitutes an off-set against the Applicant’s obligations under Chapter 17.23 (Park and Recreation Facilities Dedication) in the City Municipal Code.

Mitigation Measure 9-10: Parks and Recreation. Prior to the recordation of the first “B” level subdivision map (excluding any “A” level subdivision map for financing purposes only), the Applicant shall execute a park-dedication agreement, in a form acceptable to the City, stipulating: (1) the type, quantity, location, and timing of any real property to be dedicated to the City; (2) any improvements thereupon which will be undertaken by the Applicant; and (3) identifying the party or parties that will be responsible for the maintenance of those lands. The land to be dedicated shall be suitable for public use as parks, trails, and/or active open space, as shall be determined in the sole discretion of the City and the City shall not be required to accept land which, in the sole discretion of the City, is not useable for parks, trails, and/or active open space or which would require extensive expenditures on the park of the City to make usable or which possess environmental conditions or constraints that would preclude their use for public park and recreational purposes. If deemed applicable, the City may require that the Applicant provide a bond or other instrument acceptable to the City ensuring the Applicant’s performance under that agreement.

- Implementation of the recommended mitigation measures would reduce potential joint-use impacts to a less-than-significant level.

5.9.13 Public Services and Recreation Impact 9-13: The approval of other reasonably foreseeable future development projects within the general Project area will increase existing demands on the San Bernardino County Sheriff’s Department and Rialto Police Department law enforcement activities, San Bernardino County Fire Department and Rialto Fire Department fire protection and emergency services, increase the number of school-aged children served by the Rialto Unified School District, Fontana Unified School District, and San Bernardino City Unified School District, and increase the demand for park and recreational facilities within the County and throughout the City.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative public services and facilities impacts are addressed in Section 4.9 (Public Services and Recreation) and in Appendix III-I (Fire Agency

Emergency Response Study) in the original FEIR and that analysis is incorporated by reference herein.

- Areawide development will increase the number of individuals residing in the general Project area, result in the conversion of vacant and underutilized lands to more intensive uses, introduce new businesses, increase the use of products and materials those businesses utilize, and increase the inventory of products, merchandise, and other material goods. As population levels increase, so too does the demand for public services and facilities.
- Based on a Statewide, regional, areawide, and/or local assessment of need, public agencies have the ability to construct new facilities, purchase new equipment, and add personnel in response to identified demands. Local agencies have the ability to deny or condition individual development applications based on each agency's independent assessment of potential Project-related impacts upon law enforcement and fire protection agencies, facilities, equipment, and personnel. Public agencies have the ability to respond to those changes through increases or decreases in annual budgetary allocations provided to law enforcement and fire protection agencies.
- All affected school districts (e.g., RUSD, FUSD, and SBCUSD) are authorized to impose school impact fees upon those residential and non-residential development projects within each school district's jurisdiction. The imposition and collection of those statutory fees or the execution of an AB 2926 mitigation agreements is deemed presumptive that Project-related impacts on school districts and their facilities are effectively mitigated to a less-than-significant level.
- Local agencies are authorized to impose Quimby Act fees and/or require the dedication of real property for park and recreational purposes. Since local agencies can independently set and collect those fees, each agency has the ability to increase parkland within their jurisdictions in a manner consistent with population growth. Similarly, as with the SBCPL, the decision-making bodies of affected municipalities can set local priorities and allocate resources in a manner designed to allow for the attainment of locally established goals and objectives.
- To the same extent those Project-level impacts upon public services and facilities identified herein have been effectively mitigated to a less-than-significant level through the imposition of mitigation measures, each agency is empowered to impose conditions on related Project activities to ensure that the impacts attributable to those Project are reduced to the maximum extent feasible.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.10 Utilities and Service Systems

5.10.1 Utilities and Service Systems Impact 10-1: Water Supply. During construction, water is required for a variety of purposes (e.g., dust palliation, fire suppression, human consumption). The on-site need for water may predate its availability and the provision of infrastructure systems necessary to supply those location-specific water needs.

Finding: The Commission hereby makes Finding (1).

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative utilities and service systems impacts are addressed in Section 4.10 (Utilities and Service Systems), in Appendix III-J (Water Supply Assessment), and in Appendix III-K (Wastewater Collection and Treatment) in the original FEIR and that analysis is incorporated by reference herein.
- During construction, substantial quantities of water are required both to control fugitive dust and to facilitate the compaction of soil materials to obtain adequate load-bearing capacity. In addition, construction water is often required for removing dirt from the wheel wells of construction vehicles departing the Project site and for the clearing of streets of the dirt and debris that may be deposited by exiting construction vehicles, and potentially for fire suppression activities.
- As required by OSHA standards, “temporary or permanent water supply, of sufficient volume, duration, and pressure, required to properly operate the firefighting equipment shall be made available as soon as combustible materials accumulate” (29 CFR 1926.150[b][1]). Cal/OSHA has similar fire safety standards (Section 1920, CCR).
- Based on the need to ensure appropriate on-site or near-site water resources during Project construction, Mitigation Measure 10-1 has been formulated requiring the review and approval of final water improvement plans by the RFD. In addition, Mitigation Measure 10-2 has been formulated specifying that fire hydrants be installed in compliance with applicable code requirements (e.g., Section 10.301 of the Uniform Fire Code) or that alternative measures acceptable to the Chief Officer of the Fire Department serving the jurisdiction be submitted prior to the issuance of grading permits.
- Although the West Valley Water District (WVWD) had demonstrated the availability of sufficient of potable water resources to serve the proposed development, a mitigation measure, Mitigation Measure 1-9, previously discussed in the Land Use Section, but repeated below, has been formulated to ensure that the sequencing of authorized land uses occurs in a manner and in a time period integrally linked to those infrastructure improvements and municipal services required to adequately support the proposed land uses. Also, Mitigation Measure 10-3 has been formulated stipulating that, prior to the issuance of any building permits, the Applicant shall deliver to the City a will-serve letter or similar documentation, as may be acceptable to the City Engineer, from the Project’s water purveyor documenting the availability and sufficiency of water supplies to serve the proposed development.

Mitigation Measure 10-1: Water Supply. Prior to the issuance of any grading permits, the Rialto Fire Department shall review and, when deemed acceptable, approve final water improvement plans including, but not limited to, the location, sizing, design, and capacity of any proposed water storage tanks, water mains, and fire hydrants to ensure the sufficiency of fire storage and delivery capacity and compliance with applicable City requirements.

Mitigation Measure 10-2: Water Supply. Prior to the issuance of grading permits, fire hydrants shall be installed in compliance with applicable code requirements (e.g., Section 10.301 of the Uniform Fire Code) or, if fire flow requirements cannot be fully satisfied from existing on-site fire hydrants and mains, alternative fire flow delivery measures acceptable to the Chief Officer of the Fire Department (Fire Chief) serving the jurisdiction shall be formulated and make conditions of grading permit approval. Prior to permit issuance, a letter of

compliance or similar documentation shall be submitted to the City Engineer by the Fire Chief or designee.

Mitigation Measure 10-3: Water Supply. Prior to the issuance of any building permits, the Applicant shall deliver to the City a will-serve letter or similar documentation from the Project's water purveyor, as may be acceptable to the City Engineer, documenting the availability and sufficiency of water supplies to serve the proposed development.

- As mitigated, construction-term water supply impacts can be mitigated to a less-than-significant level.

5.10.2 Utilities and Service Systems Impact 10-2: Sewerage Disposal. During construction, the Project's wastewater collection system may not be operational or accessible to workers. Temporary facilities may be required to ensure that construction sites are operated and maintained in a sanitary fashion.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative utilities and service systems impacts are addressed in Section 4.10 (Utilities and Service Systems), in Appendix III-J (Water Supply Assessment), and in Appendix III-K (Wastewater Collection and Treatment) in the original FEIR and that analysis is incorporated by reference herein.
- The provision of potable water and toilet facilities is required under OSHA (29 CFR 1926.51) and Cal/OSHA (Section 1524-1526, CCR) standards. Typically, "port-a-potties" are brought onto the Project site and are maintained by the firm providing those temporary facilities. Using a vacuum truck, waste materials are then disposed of off the Project site in accordance with the permits held by those vendors. As such, throughout the construction period, Project-related impacts on existing sewerage disposal facilities are considered to be de minimis.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.10.3 Utilities and Service Systems Impact 10-3: Solid Waste. Construction wastes will be generated during site clearing and grading, through the development of required infrastructure, during building construction, and through the installation of landscaping. These wastes can consume inordinate amounts of landfill capacity unless efforts are taken to reduce the quantity and volume of materials being landfilled.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative utilities and service systems impacts are addressed in Section 4.10 (Utilities and Service Systems), in Appendix III-J (Water Supply Assessment), and in Appendix III-K (Wastewater Collection and Treatment) in the original FEIR and that analysis is incorporated by reference herein.
- C&D wastes will be generated during site clearance, grading, street and utilities installation, building construction, and installation of landscaping and irrigation systems and can include vegetation, earth materials, wood, metal, plastic, cardboard and paper products, miscellaneous wastes, and food wastes.
- Many of the materials contained in the construction waste stream, such as wood, sheetrock, cardboard, and metals, are economically recyclable. As such, in order to reduce costs, builders and other construction contractors typically promote efforts to salvage these materials during construction. Recycling of C&D wastes at construction sites is typically undertaken either directly by each builder or under contract to other parties. If no effort is made to promote the recycling of construction wastes, such as through job site segregation, a greater tonnage and volume of wastes will require off-site disposal. Since the Applicant and other building contractors have an economic interest to reduce construction costs, maximum feasible recycling efforts will occur absent governmental intervention.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.10.4 Utilities and Service Systems Impact 10-4: Water Supply. At build-out, residential and non-residential uses will generate a peak daily demand of about 18.17 million gallons of potable water, thus placing a long-term demand on available water resources.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative utilities and service systems impacts are addressed in Section 4.10 (Utilities and Service Systems), in Appendix III-J (Water Supply Assessment), and in Appendix III-K (Wastewater Collection and Treatment) in the original FEIR and that analysis is incorporated by reference herein.
- As required under the Urban Water Management Planning Act (UWMPA), codified in Sections 10610-10656 of the California Water Code, “[e]very urban water supplier shall prepare and adopt an urban water management plan in the manner set forth in Article 3 (commencing with Section 10640)” (Section 10620[a], CWC).
- Senate Bills 610 and 221, which became effective on January 1, 2002, amended State law to improve the link between information on water supply availability and certain land-use decisions in California. These two statutes require that detailed information regarding water availability be provided to decision makers prior to approval of specific large development projects and that information be included in the administrative record that serves as the evidentiary basis for an approval action on such projects. Under SB 221, city or county approval of certain residential

subdivisions require an affirmative written verification of sufficient water supply. Under SB 610, water supply assessments (WSAs) must be furnished to local governments for inclusion in any CEQA documentation for certain large projects.

- Sections 10910, 10911 and 10912 (Water Supply Planning to Support Existing and Planned Future Uses) of the California Water Code requires cities and counties to include in their environmental impact reports a “water supply assessment,” “identification of water supplies,” and “projected demand” for Projects, as defined in Section 10912. As defined in Section 10912(a)(1) of the CWC, a proposed residential development of more than 500 dwelling units, must have a water supply assessment included in their EIR. In accordance therewith and as requested by the City, the WVWD prepared a WSA for the Project.
- The average daily water demand for the Project was estimated to be about 9.08 million gallons per day (mgd). According to the District’s 2004 Water Master Plan, peak-day demand within the District’s service area for the years 2002-2008 was twice the average day demand (18.17 mgd). The 18.17 mgd peak-day demand added to the existing (2006-2007) peak-day demand of 42.4 mgd plus the demands projected in the WSAs and previously issued “will-serve” letters of 15.0 mgd, totals 75.57 mgd for peak-day demand.
- Based on those capital improvement projects planned by the District for 2007-2011, that demand is within the District’s projected production capacity. These future projects include drilling new groundwater wells, the rehabilitation and equipping of existing wells, the Phase III expansion of the Oliver P. Roemer Wastewater Filtration Facility (WFF), and the construction of a new water filtration facility.
- Water demand projections used in the District’s 2006 “West Valley Water District Urban Water Management Plan” (WVWD-UWMP) were generated from information within the District’s 2004 “Water Master Plan” and from known developments. Demands within the Water Master Plan were based on those lands within the District’s service area and their anticipated land uses.
- The Project site is located, in part, in the District’s service area and, in part, within its adopted sphere of influence. When the Water Master Plan’s projections were prepared, it was calculated that about 961 acres (39 percent of the Project) was located within the District’s service area and about 1,486 acres (61 percent) was located within its sphere of influence. The future demands projected in the WVWD-UWMP include demands for that portion of the Project located within the District’s service area but not for those areas located within its sphere of influence. An analysis of the area revealed that the 961 acres now in the District’s service area boundary contained various land uses and was assigned a demand of 2,202 acre-feet per year (AF/Y) in the Water Master Plan. Based upon the proposed land uses included in the LCRSP, that same 961 acres will be developed with uses requiring additional water supply beyond the amount included in the District’s 2004 projections. The demand associated with the 1,486 acres of land in the District’s Sphere of Influence was not included in the WVWD-UWMP and will also require additional supply.
- The projected total water demand projected for the LCRSP is estimated to be 10,174 AF/Y. Approximately 7,972 AF/Y of additional water, above those projected in the WVWD-UWMP, is required to supply the proposed development. The 7,972 AF/Y of additional water could be obtained by a combination of wells constructed in the Bunker Hill and Chino Groundwater Basins
- The District purchases State Water Project (SWP) water to augment its supplies to the Oliver P. Roemer WFF and for groundwater recharge when it is available. The

use of SWP water has been used as a supplemental source for the District due to the SWP water quality, cost, and availability. The estimates of future SWP water deliveries for the District have been based on the estimates given in the “Draft State Water Project Delivery Reliability Report 2007” (SWPDRR).

- During a drought that reduces the available SWP allotment, all of the water agencies receiving SWP water will share in the deficit of the water budget on a percentage basis. In the event of reductions in SWP allotment, water agencies have discussed prioritizing the delivery of water with direct delivery having a higher priority than groundwater replenishment and recharge. In addition to the potential for drought which could reduce the available SWP allotment, the impact of the recent court decision (Natural Resources Defense Council v. Kempthorne) could also result in a reduction of SWP exports from the Sacramento Delta, although the exact amount of such reduction is not known at this time and depends upon if the year is considered an average water year or a dry water year. Should imported SWP water be reduced, the District would turn to and place greater reliance on the groundwater basins as a source for its future supplies of water until SWP allotments are increased.
- Projections for SWP are based on the District’s ability to utilize the supply at the District’s water filtration facilities (WFF). Phase III of the Oliver P. Roemer WFF expansion, projected to be on line in 2010, will add 6.0 mgd of capacity to that facility for a total of 20.4 mgd. The District is projected to use their full allotment of surface water to treat at the WFF, allowing the District to utilize about 15,000 AF of SWP water, if available. By 2015, the 6.0 mgd Lytle Creek North Water Filtration Facility (Lytle Creek North WFF) is anticipated to be in operation, which would increase the District’s ability to use up to 23,000 AF/Y of SWP water, if available. The proposed expansion of the Oliver P. Roemer WFF, in combination with the Lytle Creek North WFF, would enable the District to utilize additional SWP water, when available, and will allow the District to reduce groundwater pumping or replenish groundwater basins. The Oliver P. Roemer WFF and Lytle Creek North WFF will provide water to this Project and to others and allows the District flexibility in operating their water supply options.
- The availability of SWP water is based upon the projected deliveries of SWP waters from the Sacramento Delta under current and future conditions and the District’s ability to utilize this source at their WFFs. Under all scenarios, projected water supply exceeds anticipated demand for 2010, 2015, 2020, and 2028.
- The demands projected in the WVWD-UWMP, along with the demand required for the Project, have been identified in the District’s Project-specific WSA. For the purpose of this environmental compliance and in satisfaction of its requirements under SB 610 and SB 221, the District has demonstrated its plans to implement the additional supply projects which may be needed for the Project. The District has verified that it has the water supplies available during normal, single-dry, and multiple-dry years, within a 20-year projection, that will meet the projected demand associated with the Project, in addition to existing and planned future uses including, but not limited to, agricultural and industrial uses. The District has shown, through its WSA, written verification of water rights and contracts, agreements, and its capital improvements program of a sufficient water supply that has been adopted by its governing board of directors. The District has determined that there will be no foreseeable impacts of the Project on the availability of water resources for agricultural and industrial uses within the District’s public water system service area that are not currently receiving water from the District’s water system but are utilizing

the same sources of water. The LCRSP is, therefore, consistent with the District's latest approved WMP (2004) and WVWD-UWMP (2006).

- While no significant environmental effects have been identified with regards to this impact, since the LCRSP does not explicitly delineate the timing of certain infrastructure improvements, a mitigation measure (Mitigation Measure 1-9) has been formulated to ensure that the sequencing of authorized land uses occurs in a manner and in a time period integrally linked to those infrastructure improvements and municipal services required to adequately support the proposed land uses.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no additional mitigation measures are recommended or required.

5.10.5 Utilities and Service Systems Impact 10-5: Sewerage Disposal. At build-out, residential and non-residential uses will generate an estimated 5.016 million gallons of wastewater per day (mgd), thus placing a long-term demand on available wastewater treatment facilities. Of that, an estimated 4.295 mgd (from Neighborhoods II, III, and IV) of average daily flow will be conveyed to the City of Rialto Wastewater Treatment Plant and an estimated 0.721 mgd (from Neighborhood I) of average daily flow will be conveyed to the Lytle Creek North Wastewater Recycling Facility for treatment. Insufficient sewerage treatment capacity presently exists at the City of Rialto Wastewater Treatment Plant to accommodate anticipated future year flows.

Finding: The Commission hereby makes Finding (1).

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative utilities and service systems impacts are addressed in Section 4.10 (Utilities and Service Systems), in Appendix III-J (Water Supply Assessment), and in Appendix III-K (Wastewater Collection and Treatment) in the original FEIR and that analysis is incorporated by reference herein.
- Projected neighborhood-specific average daily flow (ADF) and peaked flow was described in the DEIR. Wastewater generated Neighborhood IV will be conveyed to the Rialto WTP. Neighborhood III. Neighborhood III is comprised of two tributary areas (i.e., upstream and downstream of the point of connection in Locust Avenue). The expected flows from Neighborhood III will be directed to the City's identified collection point approximately 250 feet south of the Locust Avenue/Riverside Avenue intersection and conveyed to the Rialto WTP. A remainder of the Neighborhood III tributary area lying downstream of the point of connection in Locust Avenue will convey its flows into the Cactus Avenue sewer in Neighborhood II and then to the Rialto WTP. Neighborhood II. Neighborhood II is comprised of two tributary areas (i.e., tributary to the Cactus Avenue sewer and tributary to the Oakdale Avenue sewer). Wastewater generated in Neighborhood II will be conveyed to the Rialto WTP. Neighborhood I is comprised of three tributary areas, all tributary to and will be treated at the Lytle Creek North WRP.
- At build-out, an estimated 4.295 mgd average daily flow from Neighborhoods II, III, and IV will be conveyed to the Rialto WTP. By directing that flow to multiple existing lift stations (Ayala, Cactus, Lilac, and Sycamore Avenues) located south of the I-210 Freeway, the City has determined that, with certain upgrades, sufficient sewerage treatment capacity exists to accommodate expected flows from the proposed

development. Those improvements and modifications have been included in the Project description and constitute components of the Project.

- Although sufficient capacity exists in the LCNWRP to accommodate projected Neighborhood I sewer flows, with regards to Neighborhoods II, III, and IV, the Applicant assumes that planned master plan upgrades to the Rialto WTP will be implemented by the City in advance of any future flows that might exceed that facility's capacity; however, improvement plans have not been finalized and funding for requisite improvements is not currently in place.
- The wastewater collection system analysis has also identified transmission line deficiencies requiring upgrades to serve the proposed development. To facilitate expected flows, approximately 9,135 linear feet of existing 12-inch to 30-inch diameter transmission main line would need to be upgraded downstream of the four identified lift stations.
- In recognition of these deficiencies and needed upgrades, since the LCRSP does not explicitly delineate the timing of certain infrastructure improvements, a mitigation measure (Mitigation Measure 1-9) has been formulated to ensure that the sequencing of authorized land uses occurs in a manner and in a time period integrally linked to those infrastructure improvements and municipal services required to adequately support the proposed land uses. In addition, the Lead Agency has formulated a mitigation measure (Mitigation Measure 10-4) stipulating that no building permits shall be issued for any use generating additional sewer flows unless the City Engineer first verifies that adequate sewer capacity is in place to accommodate that development.

Mitigation Measure 10-4: Wastewater. Prior to the issuance of building permits for any use that generates additional sewer flows, the City Engineer shall verify that adequate sewer capacity is in place to accommodate that development. This measure neither obligates the City to fund nor stipulates a performance schedule whereby any publicly funded improvements to the City's sewer collection and treatment system shall be implemented.

- As mitigated, operational wastewater impacts can be mitigated to a less-than-significant level.

5.10.6 Utilities and Service Systems Impact 10-6: Solid Waste. At build-out, an estimated 80,143 tons of solid waste will be generated per year (220 tons/day), inclusive of both residential and non-residential waste streams. Based on current estimated diversion rates (45 percent), an estimated 44,078 tons of waste will require landfilling per year (121 tons/day).

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative utilities and service systems impacts are addressed in Section 4.10 (Utilities and Service Systems), in Appendix III-J (Water Supply

Assessment), and in Appendix III-K (Wastewater Collection and Treatment) in the original FEIR and that analysis is incorporated by reference herein.

- Project implementation will result in the introduction of new residents and new businesses which will generate a variety of solid wastes. Wastes that are not recycled or otherwise utilized will require landfill disposal and will serve to incrementally reduce remaining landfill capacity.
- At build-out, the Project's residential and non-residential components would generate about 80,143 tons per year or about 220 tons per day. Nearly 80 percent of the Project's projected total waste stream is comprised of organics, paper, and plastic wastes. Assuming an estimated 45 percent diversion rate, a total of about 44,078 tons of waste per year or about 121 tons of waste per day would still require landfill disposal.
- Most of the municipal solid waste (MSW) generated within the City is transported to the Mid-Valley Sanitary Landfill/Fontana Refuse Disposal Site (MVSL). The MVSL has a permitted disposal capacity of 7,500 tons/day and a total estimated permitted capacity is 62 million cubic yards. In 2008, the total estimated consumed capacity of the MVSL is 26.73 million cubic yards (43.1 percent) and the estimated remaining capacity is 35.270 million cubic yards (56.9 percent). The landfill's estimated closure date is April 2033.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.10.7 Utilities and Service Systems Impact 10-7: Implementation of the Project and other related projects would impose cumulative impacts on water services and supplies, wastewater collection and treatment facilities, and solid waste collection and disposal within the general Project area.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative utilities and service systems impacts are addressed in Section 4.10 (Utilities and Service Systems), in Appendix III-J (Water Supply Assessment), and in Appendix III-K (Wastewater Collection and Treatment) in the original FEIR and that analysis is incorporated by reference herein.
- With regards to water supplies, the demands projected in the WVWD-UWMP, along with the demand required for the Project, have been identified in the District's Project-specific WSA. As required under SB 610 and SB 221, the District has demonstrated its plans to implement the additional supply projects which may be needed for the Project. The District has verified that it has sufficient water supplies available during normal, single-dry, and multiple-dry years, within a 20-year projection, to meet the projected demand associated with the Project, in addition to existing and planned future uses.
- With regards to wastewater facilities, at the project-specific level, local agencies require project proponents to assess the impacts of projects on existing sewer facilities on an as-needed basis. Those analyses are conducted to identify any site-

specific or project-specific improvements that may be required to the local and/or County sewer system that may be needed to handle increased sewage flows attributable to each project. As required, all related projects must construct any requisite local wastewater improvements needed to handle their respective flows. Based on those related project-specific obligations, cumulative impacts on areawide and localized wastewater collection and disposal facilities are not projected to manifest at a significant level.

- With regards to solid waste, related projects, in combination with continued regional growth, will place increased demand on available solid waste transfer and disposal facilities. Regional response to solid waste collection and disposal must include the permitting of additional landfills, the implementation of additional regulatory requirements mandating further waste reduction and diversion, and increased use of recycled materials. None of these actions can, however, be feasibly implemented at the project-level.
- New solid waste disposal and processing facilities and alternative disposal strategies, including out-of-County disposal, are being independently formulated and will ensure that cumulative solid waste impacts will remain at a less-than-significant level.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures or other CEQA-oriented conditions of approval are recommended or required.

5.11 Hazards and Hazardous Materials

5.11.1 Hazards and Hazardous Materials Impact 11-1: Construction activities involving the transport, storage, use, and consumption of small quantities of flammable, corrosive, and/or explosive materials, including petroleum products, will occur in close proximity to existing residential areas and other sensitive receptors.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative hazards and hazardous material impacts are addressed in Section 4.11 (Hazards and Hazardous Materials) and in Appendix III-L (Phase 1 Environmental Site Assessment) in the original FEIR and that analysis is incorporated by reference herein.
- Small quantities of hazardous materials may be transported, stored, used, and handled during construction activities, including small volumes of hydrocarbons and their derivatives (e.g., gasoline, hydraulic fluids) as may be required to operate the associated construction equipment. These materials could be potentially released into the environment as accidental spills. Although the types and quantities of hazardous materials used during construction are not considered acutely hazardous and would not pose a substantial risk to human health and/or safety, the release of such materials without substantial containment and cleanup could result in harm to the environment and to nearby receptors.

- All significant hazardous material spills or threatened releases, including petroleum products, regardless of quantity spilled, must be immediately reported if the spill has entered waters of the State, including streams and storm drains, or has caused an injury to a person or threatened injury to public health (Section 25507, H&SC). For non-petroleum products, additional reporting may be required if the release exceeds federal reportable quantity thresholds over a release period of twenty-four hours, as detailed in Section 25394.3 of the H&SC and 40 CFR 302.4. Spill notification guidance is summarized in the Governor's Office of Emergency Services - Hazardous Materials Unit's "California Hazardous Material Spill/Release Notification Guidance." Additional guidance concerning federal notification is also provided therein.
- Sufficient best management construction practices and regulatory controls are now in place to both minimize the potential discharge of hazardous materials into the environment during construction operations and, should discharge occur, to provide appropriate notification and institute appropriate cleanup and disposal actions.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.11.2 Hazards and Hazardous Materials Impact 11-2: Construction activities could result in damage to existing high priority subsurface installations and/or other facilities, resulting in the discharge of hazardous materials and petroleum products, creating a risk of fire, explosion, and electrocution, and disrupting the delivery of those products and commodities which are transported through those systems.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative hazards and hazardous material impacts are addressed in Section 4.11 (Hazards and Hazardous Materials) and in Appendix III-L (Phase 1 Environmental Site Assessment) in the original FEIR and that analysis is incorporated by reference herein.
- Liquid fuels and natural gas are potentially flammable, explosive, and/or toxic. Kinder Morgan Energy Partners' (KMEP) Calnev Interstate Pipeline and SoCalGas' natural gas transmission pipelines both transport liquid or gaseous fuels and traverse the Project site. KMEP's 14-inch diameter liquid fuel pipeline, which transports gasoline, jet fuel, and No. 2 diesel fuel, is located to the east of the Cemex USA's Lytle Creek. Separate environmental analysis is presently being conducted by the BLM and other agencies with regards to the proposed expansion of this facility, including the installation of a new 16-inch diameter pipeline within the same ROW. SoCalGas' two 36-inch diameter natural gas transmission pipelines (Lines 4000 and 4002), cross the Project site in generally a northeast-southwest direction.
- Construction activities could potentially disrupt services provided by underground and overhead utilities.
- As required under Section 4216-4216.9 (Protection of Underground Infrastructure) of the CGC, in order to avoid potential conflicts and hazards, the Applicant is required

to notify Underground Service Alert (also known as the Underground Service Alert “One Call” Law, USA, or Dig Alert) at least two days prior to any ground disturbance activities in order to verify specific locations of existing underground utilities within 1,000 feet of the area of such disturbance. Prior to initiating such actions, overhead lines in the general vicinity would also be identified for the purpose of avoidance. AB 463 and SB 1359, as adopted in 2006, specify additional notification and training obligations. As evidenced by these statutory requirements, sufficient controls are in place to ensure that excavation activities and work in proximity to underground pipelines has minimal potential to damage and/or disrupt high priority subsurface installations and/or other facilities.

- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.11.3 Hazards and Hazardous Materials Impact 11-3: Excluding those exempt facilities that handle hazardous materials contained solely in a consumer product and pre-packaged for direct distribution to and for use by the general public (household hazardous wastes), certain permitted non-residential land uses may transport, store, use, and/or consume hazardous materials as part of their routine operation. In addition, the routine operation of certain permitted land uses may result in the release or potential release of toxic air contaminants (TACs). Since the specific plan allows for the proximal siting of residential and non-residential development and allows for a variety of land uses to occur therein, non-residential uses that utilize hazardous materials above household levels or emit TACs could be located in close proximity to homes and other sensitive receptors.

Finding: The Commission hereby makes Finding (1).

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative hazards and hazardous material impacts are addressed in Section 4.11 (Hazards and Hazardous Materials) and in Appendix III-L (Phase 1 Environmental Site Assessment) in the original FEIR and that analysis is incorporated by reference herein.
- Other than through the exclusion of heavy-industrial uses and the presence of existing federal and State laws and regulations relating to the transport, storage, use, and consumption of hazardous materials, the specific plan contains no prohibitions or use restrictions regarding hazardous materials and/or the generation and disposal of hazardous, medical, universal, or mixed wastes. In addition, the specific plan contains no standards or specifications regarding the creation of physical or spatial separation distances between those permitted uses that may possess those materials (e.g., health service facilities) or may release TACs (e.g., dry cleaners) and both residences and other sensitive receptors.
- Potential hazard-related issues could exist when light industrial, general warehousing, distribution center, and heavy commercial uses are proposed adjacent to single-family residential, multi-family residential, and/or institutional uses or when any of those potential sensitive uses are proposed adjacent to any of those existing non-residential land uses.
- In recognition of the potential land-use compatibility impacts associated with both the placement of certain permitted or conditionally permit land uses adjacent to other existing uses within and adjacent to the specific plan area, a mitigation measure,

Mitigation Measure 1-1, described and set forth in the Land Use Section above, is recommended which, when implemented, will reduce potential land-use compatibility conflicts to a less-than-significant level. In addition, a mitigation measure, Mitigation Measure 7-16, described and set forth in the Air Quality Section above, has been formulated specifying certain disclosure requirements for properties within 500 feet of the I-15 Freeway, Cemex USA quarry, and/or Vulcan Materials Company plant. Also, a mitigation measure, Mitigation Measure 7-17 described and set forth in the Air Quality Section, has been formulated specifying the use of air filtration systems within 500 feet of the I-15 Freeway right-of-way, Cemex USA quarry, and/or Vulcan Materials Company plant.

- Implementation of the recommended mitigation measures would reduce potentially significant impacts to a less-than-significant level.

5.11.4 Hazards and Hazardous Materials Impact 11-4: An overhead lattice transmission tower, associated with SCE's Lugo-Mira Loma 500-kV Transmission Line, could fail or collapse as a result of wind, fatigue, liquefaction of the underlying materials, fire, or other causes.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative hazards and hazardous material impacts are addressed in Section 4.11 (Hazards and Hazardous Materials) and in Appendix III-L (Phase 1 Environmental Site Assessment) in the original FEIR and that analysis is incorporated by reference herein.
- Existing overhead steel lattice transmission towers, associated with SCE's Lugo-Mira Loma 500-kV transmission line, currently traverse the Project site. Industry experience has demonstrated that under earthquake conditions, structure and member vibrations generally do not occur or cause design problems.
- Brush clearance requirements must be maintained in accordance with Section 304.4.3.1 (Trimming Clearance) in Chapter 15.28 (Fire Code) in Title 15 (Building and Construction) of the City Municipal Code.
- CPUC design guidelines and other applicable requirements provide detailed engineering standards designed to prevent impacts to those towers from wind, earthquake, and fire. Transmission support structures are designed to withstand different combinations of loading conditions, including extreme winds. Overhead transmission lines are designed for dynamic loading under variable wind conditions that generally exceed earthquake loads. These design requirements include use of safety factors that consider the type of loading as well as the type of materials use and the tension of the wire between adjoining towers. As a result, the failure of transmission line support structures is extremely rare.
- Failure of the transmission tower at its base or of its anchorage to the foundation would create a hemispherical hazard zone with a radius approximately equal to the tower height. The resulting hazard zone (fall zone) associated with transmission towers can thus be defined as an area extending the height of the lattice tower, as measured outward from its centerline. Persons and property within that hazard zone

could be at risk of being struck by the falling tower or electrocuted by an active high-voltage line should it not de-energized upon the tower's failure.

- Typically, the width of the SCE right-of-way is, at minimum, equal to twice the height of the lattice tower, such that, in the event of a tower collapse, the arc of the tower's descent would be confined to the existing easement. As such, unless a joint use of the SCE right-of-way were to be authorized, neither the public nor privately owned structures would not be placed at risk in the event of a structural failure of the steel towers. Any joint use of the SCE easement would, however, be dependent upon formal CPUC authorization.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.11.5 Hazards and Hazardous Materials Impact 11-5: The failure of an existing natural gas transmission line or liquid petroleum pipeline could result in the discharge of hazardous and/or flammable materials that could prove hazardous to people and property located in proximity to a pipeline rupture or leak.

Finding: The Commission hereby makes Finding (1).

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative hazards and hazardous material impacts are addressed in Section 4.11 (Hazards and Hazardous Materials) and in Appendix III-L (Phase 1 Environmental Site Assessment) in the original FEIR and that analysis is incorporated by reference herein.
- The major hazards associated with products transported by pipelines are flammability and toxicity. Natural gas and liquid fuel products are flammable and can result in fire or explosions under certain conditions. A pipeline failure can result in a release with an un-ignited dispersion of gas or liquid vapors or a fire or an explosion that harms persons within an impact zone defined by harmful intensity levels of the physical effects. In general, the larger the pipeline, the higher the pressure, and the closer it is to people, the greater the potential severity of the consequences.
- With regards to liquid petroleum pipelines, a fire scenario could result from a pipeline spill and a nearby ignition source. The risk of petroleum product fire is substantial because components of refined products, such as gasoline, evaporate quickly and can form flammable vapor clouds. In the event that a pipeline accident was to result in a rupture or large leak, there is a likelihood that the product could ignite should there be a high concentration of flammable hydrocarbons released and should an ignition source be present.
- The failure of a high-pressure natural gas pipeline can lead to various outcomes, some of which can pose a significant threat to people and property in the immediate vicinity of the failure location. The dominant hazard is thermal radiation from a sustained jet or trench fire, which may be preceded by a short-lived fireball.
- Buried pipelines are vulnerable to permanent ground deformation and wave propagation (shaking). Ground deformation can include fault rupture, landslide, and liquefaction and associated lateral spreading and settlement. Pipe damage mechanisms include compression/ wrinkling, joint weld cracking/separation, bending/shear resulting from localized wrinkling, and tension. If a pipeline does fail,

the consequences are dependent on its contents, diameter, and pressure of its contents.

- Prevention measures are used to control risks by reducing the likelihood of a risk event occurring. The Code of Federal Regulations (49 CFR Part 192) and other codes of practice broadly define prevention and mitigation measures for pipeline leaks. Most prevention measures are the responsibility of the pipeline operator. Some are implemented during the design and construction of the pipeline while other prevention measures are incorporated into the day-to-day operations of the pipeline. An operator's own good practices, therefore, comprises reasonable prevention activities.
- A number of mitigation measures previously described and set forth in the Land Use Section and herein incorporated by reference (Mitigation Measure 1-2 through Mitigation Measure 1-4) have been formulated which will ensure that the siting of specific land uses occurs in recognition of the presence of those facilities and the potential hazards associated therewith. In accordance with the recommended mitigation, with the exception of open space, prior to approving any land use within the "high consequence area" the Applicant shall provide the City a copy of the pipeline integrity management plan (as prepared by the pipeline operator pursuant to 49 CFR 192.907), if available. With regards to potential school sites and multi-use areas, a mitigation measure (Mitigation Measure 1-5) has been formulated to ensure that an appropriate "school site pipeline risk analysis" is conducted in accordance with CDE requirements and methodologies.
- Implementation of the above cited measures would reduce potential hazard-related impacts to a less-than-significant level.

5.11.6 Hazards and Hazardous Materials Impact 11-6: Implementation of the Project, in combination with other related projects, will result in the exposure of an increasing number of individuals and property improvements to existing hazards, including increased health and safety risks associated with exposure to hazardous materials.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative hazards and hazardous material impacts are addressed in Section 4.11 (Hazards and Hazardous Materials) and in Appendix III-L (Phase 1 Environmental Site Assessment) in the original FEIR and that analysis is incorporated by reference herein.
- Hazards and hazardous material impacts are generally localized (site-specific) to the area of each identified hazard and/or material. Compliance with regulatory requirements will substantially ensure that known and related Project-specific hazards are avoided or reduced to the maximum extent feasible, that workers and the general public operate in a relatively safe environment, and that hazardous materials are properly handling, transported, used, consumed, and storage during the construction and operation of the Project in combination with other related projects.

- To the same extent that the potential hazards and hazardous materials impacts attributable to the Project can be effectively mitigated to a less-than-significant level, related Project-specific actions can be formulated and instituted.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.12 Cultural Resources

5.12.1 **Cultural Resources Impact 12-1:** All site disturbance activities have the potential to adversely affect cultural resources located within the area of disturbance.

Finding: The Commission hereby makes Finding (1).

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative cultural resources impacts are addressed in Section 4.11 (Cultural Resources) and in Appendix III-M (Phase I Cultural and Paleontological Resources) in the original FEIR and that analysis is incorporated by reference herein.
- With regards to prehistoric resources, the records search failed to indicate the presence of any recorded prehistoric resources within the study area boundaries. The results of the field assessment were also negative. Since a thorough investigation has failed to reveal the presence of any prehistoric resources within the study area, no Project-related impacts on prehistoric resources are anticipated during either Project construction or throughout the Project's operational life. In the absence of any identified resources, no mitigation is required or recommended.
- With regards to historic resources, the cultural resource assessment resulted in the identification of 22 cultural resources within or adjacent to the Project site. Of these resources, 13 were also identified on the ground during survey (i.e., four previously recorded sites and five pending resources were not relocated during survey). All of the sites identified or relocated during the field survey date to the late nineteenth to mid- twentieth centuries. Most of the sites are the remains of water control features, including ditches, weirs, and other diversion-type features. Two adjacent sites are related to electric power distribution.
- One site (SBR-6700H) has recently been removed due to safety concerns. Applying the criteria of significance for the National Register of Historic Places (NRHP), the California Register of Historic Resources (CRHR), and the State CEQA Guidelines to the remaining twelve sites, nine are recommended to be not significant. Three sites, including remains of the Fontana Union Water Company Spreading Ground (SBR-6698H and SBR-6705H) and the Fontana Power Plant (SBR-6699H), are recommended to be significant under one or more significance criteria.
- The Fontana Power Plant (SBR-6699H) has been previously recommended as eligible for NHRP listing. The site is currently outside of the Project boundaries. Development of the surrounding specific plan area will not adversely affect the potential for the building to convey its significance. With regards to SBR-6699H, no further work or mitigation is required or recommended.
- A mitigation measure (Mitigation Measure 12-1) has been formulated specifying the preparation and submittal of a NRHP nomination form for the Fontana Union Water Company Spreading Ground, incorporating SBR-6698H and SBR-6705H. It is

further recommended that, prior to the issuance of any grading permits, the Applicant develop a preservation plan allowing for the retention of intact portions of the Fontana Union Water Company Spreading Ground (Mitigation Measure 12-2). In the event that preservation is infeasible, such as through modification of open space areas to allow for in-situ preservation, intact portions of the Fontana Union Water Company Spreading Ground may be impacted during development following the preparation and recordation of a Historic American Landscape Survey (HALS), Level II (Mitigation Measure 12-3).

Mitigation Measure 12-1: Prior to the issuance of any grading permits in Neighborhoods II, III, and IV, the Applicant shall retain a qualified cultural resources consultant, meeting the United States Secretary of the Interior's Professional Qualification Standards for Archaeology or Architectural History, to prepare and submit to the City of Rialto and the California Historical Resources Information System San Bernardino Archaeological Information Center (CHRIS-SBAIC) a National Register nomination form for the Fontana Union Water Company Spreading Ground, incorporating SBR-6698H and SBR-6705H.

Mitigation Measure 12-2: The Applicant shall develop and incorporate into the Project planning a preservation plan for a representative portion(s) of the southern intact sections of SBR-6698H. The preservation plan shall be developed by a qualified archaeologist or architectural historian meeting the United States Secretary of the Interior's Professional Qualification Standards for Archaeology or Architectural History. The preservation plan shall include a detailed map of the intact portions of SBR-6698H, place those portions in perpetual open space, and present interpretive information about the site and its history accessible to the public. Interpretive information shall include, but may not be limited to, appropriate informative signage and public access. The preservation plan shall be submitted to the City and the California Office of Historic Preservation and, when deemed acceptable, shall be accepted by the Development Services Director (Director) prior to issuance of grading permits in Neighborhoods II, III, and IV.

Mitigation Measure 12-3: In the event that in-situ preservation of the Fontana Union Water Company Spreading Ground is infeasible, as an alternate to and in lieu of Mitigation Measure 12-2, intact portions of the Fontana Union Water Company Spreading Ground (as identified during preparation of the National Register nomination form) that will be directly or indirectly impacted by the Project's development shall be documented by means of a Historic American Landscape Survey (HALS) recordation, Level II. This level of documentation includes large-format archival-quality black-and-white photographs linked to a detailed site plan and a written narrative. Completion of the HALS recordation, including acceptance by the Director, shall be implemented prior to the issuance of any grading permits in Neighborhoods II, III, and IV. This documentation shall be prepared by a qualified architectural historian or historic landscape architect and a photographer experienced in Historic American Building Survey/Historic American Landscape Survey (HABS/HALS) photography. The overall landscape layout, structural elements, and features, as well as the property setting and contextual views shall be documented. Original archival prints and negatives of the photographs shall be submitted to the Library of Congress. Original archival prints shall also be submitted to the California State Archives. Archival copies of the documentation shall be distributed to the CHRIS-SBAIC and the Rialto Public Library.

- Implementation of the mitigation measures set forth above will reduce the Project's impact to less than significant.

5.12.2 Cultural Resources Impact 12-2: Ground disturbance activities could result in impacts to on-site paleontological resources that may potential exist in Pleistocene-age sediments.

Finding: The Commission hereby makes Finding (1).

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative cultural resources impacts are addressed in Section 4.11 (Cultural Resources) and in Appendix III-M (Phase I Cultural and Paleontological Resources) in the original FEIR and that analysis is incorporated by reference herein.
- Earth-moving activities associated with the Project's development could, however, result in the loss of paleontological resources from older fan deposits (Qof) of Pleistocene age located along the northeast bank of Lytle Creek, west of the I-15 Freeway. These resources include fossil remains, associated specimen data and corresponding geologic and geographic site data, and an undetermined number of fossil sites.
- Paleontological monitoring is recommended for all excavation and disturbance of Pleistocene-age sediments along the northeast bank of Lytle Creek in the southwestern portion of the Project site (Neighborhood IV). These sandy sediments have an undetermined sensitivity for paleontological resources. No paleontological work is recommended for other portions of the Project site.
- Given the potential for on-site paleontological resources, a mitigation measure (Mitigation Measure 12-4) has been formulated to identify, evaluate, and recover paleontological resources, if any, from the Project site.

Mitigation Measure 12-4: Prior to the issuance of any grading permit in Neighborhood IV, a qualified paleontologist meeting the qualifications established by the Society of Vertebrate Paleontologists shall be retained by the Applicant and approved by the City to develop and implement a paleontological monitoring plan. The monitoring plan shall be submitted to and, when deemed acceptable, accepted by the Director. Where deemed applicable in the judgment of the Director, the monitoring plan shall be imposed as a condition to the issuance of grading permits in Neighborhood IV.

- Implementation of that measure would reduce the Project's potential impacts on paleontological resources to a less-than-significant level.

5.12.3 Cultural Resources Impact 12-3: Project development could impede the implementation of that segment of the Old Spanish National Historic Trail that traverses the Project site.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative cultural resources impacts are addressed in Section 4.11 (Cultural Resources) and in Appendix III-M (Phase I Cultural and Paleontological Resources) in the original FEIR and that analysis is incorporated by reference herein.
- The Old Spanish Trail, located in proximity to the Project site, is designated as a national historic trail under the National Trails System Act (Public Law 90-543) (16 U.S.C. 1241-1251).
- Sycamore Grove (State Historic Landmark No. 573, also County Historic Site 573) was the location of the first encampment of Mormon pioneers from Salt Lake City as they made their way into the San Bernardino Valley following the Old Spanish Trail. Sycamore Grove is located approximately 1/2-mile northeast of Sycamore Flat within Glen Helen Regional Park. The names “Sycamore Grove” and “Sycamore Flat” are sometimes used synonymously but incorrectly. In actuality, they represent two distinctly different locations physically separated by a small, unnamed pass (sometimes referred to as Sycamore Pass) situated at the southwest end of the Cajon Pass. The site of Sycamore Grove is recognized as a California Historic Landmark (CHL-573). Today, the area is part of the GHRP and a plaque marking the location stands near the park entrance on Glen Helen Parkway.
- In 2006, the United States Department of the Interior, Bureau of Land Management (BLM) published the “National Scenic and Historic Trails Strategy and Work Plan,” providing guidance to establish a coordinated and consistent trail-focused administrative infrastructure, develop national policies to protect and sustain trail resources within BLM’s multiple-use mandate, manage trail resources to enhance visitor experiences and promote “appropriate public access” and maintain and advance BLM’s partnerships with trail organizations and other agencies. Neither the National Trails System Act nor the BLM work plan mandate any conservation or preservation efforts on private lands. As such, based on existing public policies, no federal, State, or local requirements now exist with regards to the National Trail System. Absent those regulations, guidelines, and standards, the Lead Agency has no prudent basis to mandate specific action by the Applicant.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.12.4 Cultural Resources Impact 12-4: Grading activities conducted on other sites located within the general Project area could result in impacts to any prehistoric, historic, and paleontological resources that may be located thereupon.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative cultural resources impacts are addressed in Section 4.11 (Cultural Resources) and in Appendix III-M (Phase I Cultural and Paleon-

tological Resources) in the original FEIR and that analysis is incorporated by reference herein.

- No significant cumulative impacts to localized or areawide cultural resources are anticipated. All related projects will themselves be subject to site-specific environmental reviews and must conform to all applicable local, State, and federal requirements relating to the identification and preservation of cultural resources. Compliance with those requirements will ensure that all Project-related and cumulative impacts upon prehistoric and historic archaeological resources and paleontological resources are mitigated to below a level of significance.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.13 Aesthetics

5.13.1 Aesthetics Impact 13-1: Construction activities, including grubbing, grading, and the construction of authorized facilities and improvements, will alter the site's existing visual character and will transform the site's visual character from that which might be generally characterized as a natural environment to that of a built environment, producing changes in landform, vegetation, water, color, lighting, adjacent scenery and through the introduction of hardscape and other cultural modifications to the existing landscape.

Finding: The Commission hereby makes Finding (1).

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative aesthetics impacts are addressed in Section 4.13 (Aesthetics) in the original FEIR and that analysis is incorporated by reference herein.
- The construction process is typically short-term in duration and dynamic in nature. For many projects, a distinct construction phase will precede the subsequent operation, use, and/or habitation of the facilities constructed. Once a facility reaches its life expectancy, a site may undergo redevelopment and reuse. In the context of the LCRSP, because the Project build-out will extend through 2030, the three phases (construction, operation, and redevelopment) of a site's lifecycle may all occur concurrently on the Project site and abutting properties.
- The attributes of landform, vegetation, water, color and hardscape, lighting, adjacent scenery, and cultural modification can be individually examined to establish the overall visual impression of a landscape. During construction, with regards to those attributes, the physical changes to the site's landscape character are individually addressed below.
- Landform. With the exception of Sycamore Canyon, the Project site lacks unique landform features that would provide the property with a distinct visual character. The generally flat extension of the gradually descending floodplain will remain and grading activities will not produce any substantial alterations to the site's existing landform. The site will continue to reflect a relatively uniform grade as each neighborhood gently descends into the San Bernardino Valley. No substantial change to the landform would occur and impacts would be less than significant.

- **Vegetation.** From a visual quality perspective, the removal of existing on-site vegetation associated with grading operations and the change in the site's plant palette will result in a substantial change in the scenic value of those disturbed areas. During the short-term, the elimination of existing ground cover over relatively large areas of the Project site will produce a sharp visual contrast that would be perceived as disharmonious with the general undeveloped landscape character of the Project's general surroundings. Since the elimination of native vegetation would constitute a substantial visual change to the character of the Project site, the resulting visual impact would be deemed a significant, albeit short-term, impact during the construction (grubbing and grading) process.
- **Water.** Since the Project design results in the retention of Lytle Creek and Sycamore Creek as natural drainage courses and since a substantial portion of the Project site in proximity to those drainage features will be retained as natural open space, no substantial changes will occur to the presence and perception of on-site waters. Project construction will, therefore, not result in a significant visual impact affecting any on-site or near-site water resources.
- **Color and hardscape.** During construction, the presence of workers, equipment, and introduced materials will produce a substantial visual change in color and hardscape. With the paving of new streets and the erection of new buildings, impervious surfaces will begin to replace areas of natural infiltration. As such, the site's natural color palette will first diminish before flourishing with the broader palette. The transition will continue as introduced landscaping matures and residents and other site users occupy the property. These elements will enhance color and soften the hardscape.
- **Lighting.** During construction, since only limited sources of lighting will be added to the Project site and since that lighting will be confined to only those areas where active construction is underway, introduced construction lighting would not produce a significant visual impact.
- **Adjacent scenery.** As the site develops, construction activities may appear disharmonious with the visual perception of the general Project area. As development progresses and a greater proportion of the site is developed and occupied, perceptions of the site will change. At that time, the site, as well as the uses and open space areas thereupon and the general Project area itself, will be perceived as part of a more unifying and not an assemblage of disharmonious visual elements in the larger landscape. Once the community becomes established, the site will take on an urban form and character. That character is familiar to all southern California residents and the developed site will become part of the larger urban fabric.
- **Cultural modifications.** Project implementation will result in a significant visual change to the Project site. With the exclusion of the areas of natural open space, cultural modifications will become both the principal and the dominant visual element upon the property. Although a variety of open space areas will remain on the Project site, the property will take on a distinctively urban character. During the construction period, the resulting cultural modifications will be perceived as disharmonious with the natural environment and will result in a significant visual change.
- In recognition of the potential aesthetic impacts attributable to the Project's construction, Mitigation Measure 13-1 through 13-5 shall be implemented.

Mitigation Measure 13-1: The Project design shall include a detailed "freeway edge treatment" which incorporates both extensive landscaping and a 15-foot wide

landscape easement adjacent to the freeway in the developed portions of Neighborhoods I and IV. Although no landscaping is proposed within the Caltrans' right-of-way, trees and shrubs selected for their height and visual appearance shall be utilized to create a landscaped edge that will serve as a visual screen separating the freeway from on-site land uses, will serve to demarcate the Project site, and will frame the development that will occur beyond. A landscape plan shall be submitted to the City and approval by the City prior to the recordation of the final "B" level subdivision map.

Mitigation Measure 13-2: Development projects proposed in all neighborhoods shall incorporate landscape buffer areas along those major arterial highways within and abutting those neighborhoods and shall incorporate decorative wall and fence treatments and architectural details designed to enhance the visual appearance of those neighborhoods, allowing for individual identity while including unifying design elements consistent with the development standards and design guidelines set forth in the LCRSP. A landscape plan shall be submitted to the City and approved by the City prior to the recordation of each final "B" level subdivision map within all neighborhoods.

Mitigation Measure 13-3: Where feasible, because of projected long-term water demands, landscape vegetation shall be comprised of drought tolerant and low-water consuming species that provide color and a visual softening to the hardscape structures that comprise the built environment. The landscape plan shall include a mix of such species and shall be approved by the City prior to recordation of the final "B" level subdivision map.

Mitigation Measure 13-4: Areas that have been mass graded to accommodate later development upon which no project is immediately imminent shall be hydro-seeded or otherwise landscaped with a plant palette incorporating native vegetation and shall be routinely watered to retain a landscape cover thereupon pending the area's subsequent development. The landscape plan shall include a mix of such species appropriate for hydro-seeding and shall be approved by the City and appropriate fire departments (City and/or County) prior to the issuance of grading permits.

Mitigation Measure 13-5: Grading within retained open space areas shall be minimized to the extent feasible. Graded open space areas within and adjacent to retained open space areas shall be revegetated with plants selected from a landscape palette emphasizing the use of native plant species.

- These mitigation measures will reduce potential visual resource compatibility conflicts to a less-than-significant level.

5.13.2 Aesthetics Impact 13-2: The Project site is visible from adjacent areas, including those views afforded from adjoining public roadways and from private residences. Alterations to the site's visual character during the construction process could produce changes to the available field of view from a limited number of public and private vantage points. Due to the wide field of view that is available from these areas, the Project's development would not result in substantial coverage of the existing visual environment from these vantage points.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative aesthetics impacts are addressed in Section 4.13 (Aesthetics) in the original FEIR and that analysis is incorporated by reference herein.
- In 1997, the Forest Service initiated the implementation of the scenery management system (SMS), as outlined in the Forest Service's "Landscape Aesthetics: A Handbook for Scenery Management." The SMS is a tool for integrating the benefits, values, desires, and preferences regarding aesthetics and scenery for all levels of land management planning. SMS is used to classify, plan, manage, and monitor visual changes either over time, whether as a result of planned change or due to catastrophic events such as a wildfire. Because of the Project's proximity to NFS lands, the SMS was selected as the methodology for assessing aesthetic impacts.
- Five sensitive public viewpoints were selected for analysis. Those viewpoints represent Project areas seen from linear (mobile) and single-point fixed (stationary) public vantage points. The selected public viewpoints were neither the "best" nor the "worst" views but were representative of the existing visual environment for the Project.
 - (1) Sensitive Viewpoint No. 1. Sensitive Viewpoint No. 1 (Neighborhood I from Clearwater Parkway) is selected as being representative of views from Clearwater Parkway which cuts across the eastern portion of Neighborhood I. During construction, with the exception of scenic integrity, all landscape elements will remain the same as those associated with pre-Project condition. Because the viewshed's scenic attractiveness is common, since the number of observers will remain relatively small, and since these represent mobile and not static views, the change in landscape character is considered adverse but does not constitute a significant visual impact.
 - (2) Sensitive Viewpoint No. 2. From Sensitive Viewpoint No. 2 (Neighborhood IV from the I-15 Freeway), a large percentage of the individuals who see the property are motorists traveling along the I-15 Freeway. With the exception of scenic integrity, all landscape elements remain the same as the existing condition. Given that the scenic attractiveness is common, since observers view the scene for only a short duration, and since these represent mobile and not static views, the change in landscape character is considered adverse but does not constitute a significant visual impact.
 - (3) Sensitive Viewpoint No. 3. Individuals traveling along Riverside Avenue are provided public views of the relatively flat terrain that is Neighborhoods III. Views are generally northwest to northeast depending on the viewer's precise vantage point. Sensitive Viewpoint No. 3 (Neighborhood III from Riverside Avenue) is considered typical of existing public views from Riverside Avenue looking north and northeasterly across Neighborhood III. The sensitivity/concern level, scenic class rating, and scenic integrity would generally remain unchanged. The resulting change in landscape character, therefore, constitutes a less-than-significant visual impact.
 - (4) Sensitive Viewpoint No. 4. Although privately owned and operated, the El Rancho Verde Golf Course is a public, non-member course. Since the golf

course is private property, existing viewsheds are not provided a protected status. However, if golf course users are assumed to have a quasi-public status, since the course is open to the public, Sensitive Viewpoint No. 4 (El Rancho Verde Golf Course) provides a view from the area of Neighborhood II of and across the golf course. As perceived from Sensitive Viewpoint No. 4, no identifiable scenic resources will be impacted during construction. Because the changes are subordinate to the dominant landscape character being observed and do not detract appreciably from views of the golf course and the perceptions of mobile and static viewers, these changes would not substantially degrade the existing visual character or quality of the site and its surroundings. The resulting change in scenic integrity is, therefore, considered adverse but constitutes a less-than-significant impact.

- (5) Sensitive Viewpoint No. 5. The El Rancho Verde Golf Course is a public course located within Neighborhood I. Sensitive Viewpoint No. 5 (Neighborhood II from El Rancho Verde Royal Vista Golf Course), looking northward from the golf course boundary, is considered typical of views from the eastern border of the golf course. As perceived from Sensitive Viewpoint No. 5, no identifiable scenic resources are impacted during construction. From near the perimeter of the El Rancho Verde Golf Course, based on a northerly and easterly orientation, because the Project area is presently undeveloped, observed construction would replace the current perspective of relatively undeveloped open space with foreground views of a developed environment. From that viewpoint, although the landscape character will be altered, for most observers, those deviations will remain subordinate to the golf course itself. Because these changes do not detract appreciably from views of the golf course and the functional use or perceptions of mobile and static golf course users, the resulting changes would not substantially degrade the existing visual character or quality of the site and its surroundings. Because the viewshed already contains elements of human alteration, the resulting change in the viewshed's scenic integrity constitutes a less-than-significant impact.
- The site's scenic quality will be adversely affected during construction though such events as vegetation clearance and the temporary introduction of disharmonious cultural modifications (e.g., construction activities). Although adverse, from a construction perspective, construction-term landscape character changes will not result in a significant visual impact for any of the five sensitive viewpoints.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.13.3 Aesthetics Impact 13-3: Following the construction of individual planning areas and the Project's build-out, those areas will continue to undergo physical changes affecting the site's evolving scenic qualities.

Finding: The Commission hereby makes Finding (1).

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative aesthetics impacts are addressed in Section 4.13 (Aesthetics) in the original FEIR and that analysis is incorporated by reference herein.

- Once operational, changes will continue to occur within individual planning areas and throughout the Project site as homes are occupied and the human element is brought into individual neighborhoods. Once the Project starts to become functional, except through the incremental contributions associated with the build-out of individual planning areas, these ongoing operational changes will occur at a substantially slower (and less apparent) rate than evident during construction period. Changes will not be readily apparent to the casual observer.
- The attributes of landform, vegetation, water, color and hardscape, lighting, adjacent scenery, and cultural modification can be individually examined to establish the overall visual impression of a landscape. From an operational perspective, with regards to those attributes, the additional physical changes to the site's landscape character are individually addressed below.
 - (1) Landform. No additional landform changes are anticipated to occur following the completion of all construction operations.
 - (2) Vegetation. With regards to the Project, those retained open space areas which are located throughout the four neighborhoods serve to preserve some of the site's pre-Project visual qualities, visually and functionally link retained on-site open space areas with the natural environment beyond the Project boundaries, and provide, promote, and/or facilitate the transition between the natural and built environments. In addition, introduced landscaping can create a sense of identity to a community and can create a visual and spatial buffer between uses. Landscaped parkways and streetscapes provide the purpose of separating vehicles from receptors, creating a separate area for non-motorized mobility, and adding open space and landscape character to an urban setting.
 - (3) Water. Since the Project design will not substantially disturb existing surface flows within Lytle Creek and Sycamore Creek or adversely affect groundwater recharge opportunities along Lytle Creek, no substantial changes will occur to existing water features. Project operations will not result in significant visual impacts affecting any on-site or near-site water resources.
 - (4) Color and Hardscape. With completion of construction, the site's color palette will be expanded as flowers and other ornamental landscaping is added to the neighborhood entries, along major thoroughfares, within individual development projects, and in the yards and patios of those homes that will occupy the Project site. The retention of open space areas, both undisturbed and introduced, will add color and provide a softening effect of the hard surfaces constituting the built environment. Similarly, with the introduction of new cultural modifications, the architectural elements that comprise those improvements will add color and diversity to the site. While areas that were once open space will be replaced by those hardscape structures comprising the built environment, following the completion of construction operations, the site will possess a greater diversity of color, pattern, and texture than evident in either the pre-Project or construction-term environments.
- Lighting. All new urban light sources contribute incrementally to "light pollution." The term is used to describe the overall impacts associated not only with localized but also regional sources of light and the incremental contribution that each light source has to the overall "sky-glow" effect. From an astronomical observation perspective, urban light sources reduce the ability of ground-based astronomers, as well as the general public, to observe the stars and other heavenly bodies. Each new light source adds to those impacts.
 - (a) Most lighting in urban settings is of relatively low intensity. One primary exception is pole-mounting, high-intensity, outdoor sports field lighting installed

in recreational areas to facilitate organized recreational activities during evening hours. Different sports and different levels of competition call for different levels of ground and aerial illumination. Lighting technology, including orientation and shielding, can ensure that no substantial levels of illumination extend beyond the boundaries of those recreational areas which the sports lighting are intended to illuminate.

- (b) Since no sports lighting is presently identified in the LCRSP, rather than examining all potential lighting options and settings, a mitigation measure (Mitigation Measure 13-6) has been formulated to minimize the intrusion of spilled lighting beyond the source of origination.
- **Adjacent Scenery.** As the landscaping and land uses installed and constructed on the Project site mature, any dissimilarities between the uses found on the Project site and those that exist in the general Project area will become increasingly less apparent.
 - (a) With the approval by the County of the LCNPDP, urban uses now encircle the Cemex USA Lytle Creek Plant. Implementation of the Project will bring those uses into even closer proximity. If off-site quarry operations continue past the commencement of operations for authorized on-site land uses within Neighborhoods II and III, based on the operational differences between those uses, mining activities would be increasingly perceived as disharmonious with site-specific activities. Screening and other mitigating actions have been identified under other topical assessments in the original FEIR.
 - (b) Adjacent scenery includes Lytle Creek. Those portions of the Project site located in proximity to active channel areas have been retained as open space. From an operational perspective, the presence and proximity of Lytle Creek does not raise additional visual impacts.
 - (c) Much of the on-site areas abutting the SBNF are retained as open space. The retained on-site open space presents a transitional area between the natural environment of the SBNF and the built environment within the Project site.
 - (d) Adjacent scenery further includes the I-15 Freeway and SCE's existing Lugo-Mira Loma 500-kV transmission line. Based on the elevated and/or vertical design features of those uses, screening opportunities are limited. From a visual impact perspective, the proximity of the I-15 Freeway and overhead transmission towers is adverse but less than significant. Prospective purchasers will be provided with disclosure documents indicating the presence of those facilities. Buyers can make an informed independent determination concerning the potential visual effects associated with proximity and elect to purchase or not purchase property based on their own independent assessment and application of their own aesthetic values.
- **Cultural Modifications.** The most apparent transformation will occur during the construction process. Visual impacts associated with the construction of those cultural modifications and associated physical changes will diminish during the maturation of the Project.
- In recognition of the potential aesthetic impacts attributable to the Project's operation, Mitigation Measure 13-6 has been formulated and, when implemented, will reduce potential operational aesthetic impacts to a less-than-significant level.

Mitigation Measure 13-6: Prior to the installation of any high-intensity, outdoor sports lighting within a park site and/or school facility, a detailed lighting plan shall be prepared for the illumination of active recreational areas, including a photometric analysis indicating horizontal illuminance, and submitted to and, when deemed

acceptable, approved by the Development Services Director. Plans shall indicate that high-intensity, pole-mounted luminaries installed for the purpose of illuminating field and hardcourt areas include shielding louvers or baffles or contain other design features or specification, such as selecting luminaries with cut-off features, to minimize light intrusion to not more than 0.5 horizontal foot candle, as measured at the property boundary. Compliance with these standards shall not be required for adjoining public streets, school or recreational facilities, and other non-light-sensitive land uses.

5.13.4 Aesthetics Impact 13-4: Following the completion of construction, the Project site will remain visible from adjacent and proximal publicly-accessible areas located off the site. As site improvements are completed and occupancy, use, and habitation occurs, further physical changes could alter the site's scenic qualities as perceived from those public vantage points.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative aesthetics impacts are addressed in Section 4.13 (Aesthetics) in the original FEIR and that analysis is incorporated by reference herein.
- To the extent that additional visual impacts would be produced during the operational life of the Project, those additional environmental effects, as perceived from each of the identified sensitive viewpoints, are discussed below.
 - (1) Sensitive Viewpoint No. 1. While the changes to the landscape character that occurs between the pre-Project and construction-term environment would be deemed adverse but less than significant, the changes to the landscape character that occurs following the completion of construction would be deemed beneficial.
 - (2) Sensitive Viewpoint No. 2. Following occupancy and use, all landscape elements will generally retain the viewshed's visual character established during the construction period. Because the scenic attractiveness is common and since mobile viewers will observe the scene for only a short duration, any further change to the visual character of this viewshed that may occur following Project construction would be less than significant.
 - (3) Sensitive Viewpoint No. 3. Following occupancy, all landscape elements will generally retain the viewshed's visual character established during the construction period. Because the scenic attractiveness is common and since mobile viewers will observe the scene for only a short duration, any further change to the visual character of this viewshed that may occur following Project construction would be less than significant.
 - (4) Sensitive Viewpoint No. 4. With the exception of scenic integrity, following occupancy and use, all landscape elements will generally retain the viewshed's visual character established during the construction period. As introduced landscaping matures, the viewshed's scenic integrity would improve, indicating that the visual impacts from this vantage point produced during construction

would be of relatively short-term duration and that the visual character of this viewshed would generally retain its scenic integrity over time.

- (5) Sensitive Viewpoint No. 5. With the exception of scenic integrity, following occupancy and use, all landscape elements will generally retain the viewshed's visual character established during the construction period. As introduced landscaping matures, the viewshed's scenic integrity would improve, indicating that the visual impacts from this vantage point produced during construction would be of relatively short-term duration and that the visual character of this viewshed would generally retain its scenic integrity.
- Following the completion of construction and following commencement of occupancy, the Project's visual character will continue to evolve. The anticipated visual changes that may occur following construction will not result in the introduction of significant adverse aesthetic impacts.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.13.5 Aesthetics Impact 13-5: A number of residential and institutionally-designated areas within Neighborhoods II, III, and IV will abut operating industrial-types uses, including the Cemex USA quarry, SCE transmission lines, and Monier Lifetile. The occupants of those properties may perceive those uses as visually incompatible with the aesthetic character of those residential and institutional uses.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative aesthetics impacts are addressed in Section 4.13 (Aesthetics) in the original FEIR and that analysis is incorporated by reference herein.
- A portion of Neighborhoods II and III abut the Cemex USA quarry. Abutting properties will or may have unimpeded views of active mining areas and equipment staging areas.
 - (1) The two neighborhoods abutting the Cemex USA Lytle Creek Plant are designed to have perimeter fencing and walls of at least six feet in height to provide visual separation from those uses. The Project also proposes construction of a levee along the banks of Lytle Creek which lines the northeastern edge of both Neighborhoods II and III. The proposed levee provides a physical and visual buffer of certain Cemex USA operations.
 - (2) A mitigation measure (Mitigation Measure 1-6) has been formulated which specifies that prior to the approval of any tentative "B" level tentative subdivision map (excluding any "A" level subdivision map for financing purposes only) allowing for residential development or other sensitive land uses on lands abutting active mining areas, the Applicant shall delineate on the plan or map a buffer zone from the edge of those active mining areas and shall incorporate within that buffer zone solid fencing, with a minimum height of not less than six feet above finish grade, and landscaping acceptable to the City.

- SCE operates the overhead Lugo-Mira Loma 500-kV transmission line within an approximately 150-foot to 355-foot wide right-of-way extending across Neighborhoods III and IV. Occupants of the residential parcels abutting that easement will have views of the transmission towers, transmission lines, and SCE easement.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.13.6 Aesthetics Impact 13-6: The southern California area is rapidly undergoing change. As development continues to occur both within the County and throughout the region, the visual character of the general Project area and the region itself will increasingly become more urbanized.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative aesthetics impacts are addressed in Section 4.13 (Aesthetics) in the original FEIR and that analysis is incorporated by reference herein.
- Since cumulative impacts must be examined in a broader context than otherwise available at a site-specific level, the visual impacts of those activities must be viewed in that same regional context. As a result, the diminution in the regional inventory of available vacant and natural lands constitutes the continuation of historic development patterns and not a substantial departure therefrom.
- Municipalities formulate long-range planning documents with the intent of directing development activities to those areas deemed by those municipalities to be most conducive to growth based on a variety of factors (e.g., infrastructure available, minimization of environmental effects), including locally-established environmental values. Formal planning and environmental review processes are already in place to address individual development proposal seeking to either implement or modify some aspect of those long-range plans. When new development and redevelopment has the potential to impact identified scenic areas, those planning and environmental review processes incorporate locally-determined assessment of the impacts of those activities on those visual resources.
- No development is authorized to occur in the absence of compliance with agency plans and policies. Demonstrated compliance with and conformity to the plans and policies outlined in the long-range planning documents of those agencies serves to mitigate the potential Project-related impacts produced by the visual changes to existing landscapes associated with those development activities.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.14 Energy Resources

5.14.1 Energy Resources Impact 14-1: Construction activities will result in the consumption of petroleum products by gasoline and diesel-powered equipment and electricity for the operation of electric-powered equipment.

Finding: The Commission hereby makes Finding (1).

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative aesthetics impacts are addressed in Section 4.14 (Energy Resources) in the original FEIR and that analysis is incorporated by reference herein.
- Energy, primarily in the form of petroleum products and electricity, will be consumed during the construction of infrastructure systems and individual development projects associated with the LCRSP. Fuel, primarily gasoline and diesel fuel, would be needed for and consumed by vehicles and construction equipment, including electrical generators. Since construction is, by its nature, short-term in duration, these temporary activities will neither result in excessive consumption nor produce long-term energy demands.
- The CARB has imposed limitations requiring that commercial diesel-fueled vehicles restrict idling to five minutes or less (13 CCR 1956.8). While these requirements are designed to reduce emissions, restrictions on idling will also serve to reduce fuel consumption. In addition, Mitigation Measure 7-4, set forth in the Air Quality Section above and herein incorporated by reference, has been formulated stipulating that construction contactors use line power instead of diesel- or gas-powered generators at all construction sites where ever line power is reasonably available.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no additional mitigation measures are recommended or required.

5.14.2 Energy Resources Impact 14-2: At Project build-out, on-site land uses are projected to consume approximately 55.47 megawatt hours of electricity per year (mWh/year).

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative electricity impacts are addressed in Section 4.14 (Energy Resources) in the original FEIR and that analysis is incorporated by reference herein.
- Electrical service must be provided to the proposed land uses in accordance with SCE policies and extension rules on file with the CPUC at the time contractual agreements are made. Detailed information, including subdivision maps and plot plans, shall be made available to SCE as they become available in order to facilitate engineering, design, and construction of improvements necessary to provide utility services to the Project site.

- Implementation of the Project would result in an increase in demand for electricity. The Project is projected to increase the consumption of electricity, generated off the Project site at existing power plants, by approximately 55,465,145 kWh/year (55.47 mWh/year) of electricity.
- Although the Project will result in the off-site generation of electricity, Project-related electrical consumption would neither be expected to be wasteful nor inefficient. In order to reduce electrical demands, the LCRSP includes a number of energy-efficiency measures relating, either directly or indirectly, to electrical consumption. Those measures include passive design strategies, use of high-performance windows (such as “Low-E” or Energy Star windows), installation of high-efficiency lighting systems with advanced lighting controls, and use of high-solar reflective roofing materials in commercial applications. In addition, the Applicant shall comply with guidelines provided by the SCE with regards to the establishment of new utility easements, easement restrictions, construction guidelines, and potential amendments to rights-of-way in the areas of any existing easement.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.14.3 Energy Resources Impact 14-3: At Project build-out, on-site land uses are projected to consume about 228,736 million British thermal units (MBtu) of natural gas per year.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative natural gas impacts are addressed in Section 4.14 (Energy Resources) in the original FEIR and that analysis is incorporated by reference herein.
- Natural gas service must be provided to the proposed land uses in accordance with SoCalGas policies and extension rules on file with the CPUC at the time contractual agreements are made. Detailed information, including subdivision maps and plot plans, shall be made available to SoCalGas as they become available in order to facilitate engineering, design, and construction of improvements necessary to provide utility services to the Project site.
- Implementation of the Project would result in increased natural gas demand. The Project is projected to increase the consumption of natural gas, including off-site consumption associated with the generation of electricity and on-site consumption for space heating, by approximately 228,736 million British thermal units of natural gas per year.
- Although the Project will result in the on-site consumption of natural gas, Project-related natural gas consumption would neither be expected to be wasteful nor inefficient. In order to reduce natural gas demands, the LCRSP includes a number of energy-efficiency measures relating, either directly or indirectly, to natural gas consumption. Those measures include passive design strategies, use of energy-efficient heating and cooling system in conjunction with thermally efficient building shells, utilization of light colors for roofing and wall finish materials, installation of

high R-value wall and ceiling insulation. The Applicant shall comply with guidelines provided by the SCG with regards to the establishment of new utility easements, easement restrictions, construction guidelines, and potential amendments to rights-of-way in the areas of any existing easement.

- The projected additional demand on natural gas supplies and distribution infrastructure is within the service capabilities of SoCalGas.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.14.4 Energy Resources Impact 14-4: Although the Project will generate a total of 91,513 total trip ends, a number of those trips which stop at the Project site are already on the street network. Based on a production trip analysis, Project implementation will result in an estimated 47,545 new regional trips, adding 498,387 added vehicle miles traveled and resulting in the annual average estimated consumption of approximately 21,754 gallons of gasoline daily.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative fuel impacts are addressed in Section 4.14 (Energy Resources) in the original FEIR and that analysis is incorporated by reference herein.
- With regards to vehicle trips, two separate analyses have been performed. As part of the traffic impact analysis, the total number of vehicle trips (VT) assignable to all land uses was calculated. As part of the assessment of GHG impacts, the Lead Agency calculated the number of VT that would be added on a broader basis as a result of the Project's implementation. That latter number of VT was used to calculate VMT and calculate fuel consumption. The Project is projected to add about 47,545 VTs which would add about 498,387 VMT to the region and 181,911,255 annual VTM.
- Based on California Energy Commission (CEC) projections, since a number of variables can influence average annual fuel economy at the time of Project build-out, the lowest estimated on-road fuel economy was assumed (22.91 miles per gallon). Assuming a Project-related contribution of 498,387 daily VMT and 181,911,255 annual VTM, the Project's implementation will result in the consumption of about 21,754 gallons of gasoline per day and 7,940,256 gallons of gasoline per year. Of that, some portion of the projected demand would be for diesel fuel.
- The CEC has concluded that the "overall demand for transportation fuels will continue." The CEC "[s]taff expects that this growing demand will exceed likely infrastructure capacity expansions currently under construction or to which the industry is committed. Numerous uncertainties can affect these estimates of future import infrastructure needs, including changes in fuel prices, rates of adoption of new technologies and alternative fuels, demand for fuels in California and neighboring states, decline rates of oil production in California, refinery and other infrastructure capacity expansions, and greenhouse gas reduction rules and standards. However,

this potential capacity shortfall leads staff to conclude that certain specific kinds of infrastructure capacity expansions must occur to prevent substantial economic losses to State consumers.”

- Certain aspects of the project design (e.g., the inclusion of residential and non-residential development and non-motorized trail system) have the potential to reduce VMT. In addition, a number of mitigation measures have been formulated to promote further reductions in VMT, including enhanced bicycle and pedestrian linkages (Mitigation Measure 7-11) and park-and-ride/park-and-pool facilities (Mitigation Measure 7-13), and to eliminate potential impedance (Mitigation Measure 1-4) to the operation or expansion of existing on-site infrastructure allowing the importation of petroleum products (e.g., CalNev interstate pipeline) to regional markets. These mitigation measures were previously set forth in these Findings and are hereby incorporated by reference.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no additional mitigation measures are recommended or required.

5.14.5 Energy Resources Impact 14-5: Additional areawide development will increase existing demands for electricity, natural gas, and petroleum products.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative aesthetics impacts are addressed in Section 4.14 (Energy Resources) in the original FEIR and that analysis is incorporated by reference herein.
- The general Project area is located within the individual service areas of the SCE and SoCalGas. In accordance with CPUC regulations, SCE and SoCalGas are required to provide electrical and natural gas service to existing and proposed developments within their respective service areas. Both SCE and SoCalGas have the ability and capacity to meet the electric and natural gas service demands attributable to both the proposed and other related projects.
- Increased mandatory conservation efforts, including energy efficiency requirements under Title 24 of the CCR, will reduce cumulative energy demands to the maximum extent feasible.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

5.15 Growth Inducement

5.15.1 Growth Inducement Impact 15-2: Project implementation will increase the City's population and add new employment opportunities within the City. At build-out, an estimated 32,720 individuals may reside on the Project site. Excluding on-site schools, recreational facilities, and any indirect or induced jobs, proposed non-residential development may result in an estimated 3,398 permanent jobs. Localized increases in

population and employment, including the infrastructure proposed to support Project development, could contribute to growth beyond the Project boundaries.

Finding: The Commission hereby makes Finding (1) and determines that this potential impact is less than significant by implementation of project design features and/or compliance with existing laws and regulations, and therefore no mitigation measures are required or recommended.

Facts in Support of Finding: The following facts are presented in support of this finding:

- Project-related and cumulative growth impacts are addressed in Section 5.0 (Growth Inducement) in the original FEIR and that analysis is incorporated by reference herein.
- The evaluation of whether the Project has the potential to produce growth-inducing effects focuses on assessing whether the project will: (1) produce a potential for individuals to in-migrate to the project area in response to project-related employment and housing opportunities; (2) result in an increased localized demand for goods and services at levels sufficient to induce additional commercial development beyond that readily available in the general project area; (3) result in the removal of economic, physical, and political obstacles and constraints to development; and/or (4) facilitate other peripheral development through the extension of facilities, services, or infrastructure to areas presently absent or underserved by those services or systems. Each of those factors is separately addressed below.
- In-migration in response to employment and housing opportunities. The workforce required for the Project's construction can be drawn from the available local labor pool. As a result, no substantial in-migration of workers from outlying areas is expected. Commercial uses proposed on the Project site are intended primarily to be neighborhood serving, designed to accommodate the retail and service-oriented needs of the immediate service area. Since commercial development does not typically predate demand for commercial services but responds to an existing identified demand, proposed on-site employment opportunities (independent of the square footage) are not anticipated to produce a significant growth-inducing impact. In addition, the projected 20-year areawide demand for new housing exceeds the projected supply of new residential dwellings. As such, the proposed residential development serves to respond to an identified housing demand rather than creating a separate demand.
- Localized demand for goods and services. With regards to employment, construction workers over the course of the Project may impose demands on local businesses, such as nearby restaurants. Those localized demands will cease upon completion of construction activities. A wide range of businesses now exist and are expected to expand over the next 20 years near the Project site. Construction-term demands on those businesses are not anticipated to be so substantial as to warrant business expansion based solely on Project-related activities. Since construction jobs are short-term in duration, even though the Project's construction will be phased over 20 years, those jobs are generally not of the types that predicate substantial increases in the localized demand for goods and services. With regards to long-term employment, recent increases in unemployment statistics indicate that those direct and indirect (induced) jobs generated during the Project's construction can be adequately accommodated by the existing regional workforce. The incremental

contribution on localized, regional, and national employment opportunities associated with the proposed housing construction would not create additional significant secondary impacts.

- Removal of economic, physical, and political constraints. Since at least 1992, the City General Plan has assumed that the Project site would be the subject of a specific plan. Although the level of development now proposed would be inconsistent with the City General Plan and City Municipal Code, development would not be allowed to proceed absent a substantial modification to those policy documents. Since development could not occur absent those amendments, as subsequently modified, no conflicts with any applicable land use plan, policy, or regulation would be anticipated to occur.
- Facilitate other peripheral development. Each of the Project's four neighborhoods is separately addressed below.
 - (a) With regards to Neighborhood I, currently, the main infrastructure required to service Neighborhood I already exists within the neighborhood's boundaries. These facilities, constructed in 2006 as part of the LCNPD, include backbone street facilities, sewer and water facilities, storm drain systems, power, telephone, and cable television. In order to accommodate the proposed development, these existing facilities will need to be extended and tied together, looping the services from the west side to the east side of the I-15 Freeway within the improved street section of Glen Helen Parkway. Additionally, the WVWD needs to complete the off-site construction of Reservoir 8-3 in order to provide the appropriate water pressure to service this neighborhood. Since all infrastructure improvements are designed to be Project specific, the construction of those improvements is not anticipated to facilitate other peripheral development.
 - (b) Within Neighborhood II, PAs 95-103 currently have existing 100-year flood protection and would be allowed to develop upon completion of off-site infrastructure improvements by the WVWD and the City. Additional improvements include the widening of Country Club Drive at the proposed main access to the Project and upgrading the existing Sycamore Ave access at the southeasterly corner of Neighborhood II. The development of the remainder of Neighborhood II (PAs 80-94) will require that the proposed Lytle Creek levee be constructed through and along PAs 80-85, including a off-site portion extending northwesterly from PA 82 to the existing Cemex USA levee. Prior to occupancy of PAs 80-94, improvements to Riverside Avenue will be constructed between PA 89 and PA 91. Since all infrastructure improvements are designed to be Project specific, the construction of those improvements in the area of Neighborhood II are not anticipated to facilitate other peripheral development.
 - (c) The development of Neighborhood III is expected to be done in multiple phases moving from the southerly boundary northerly to the I-15 Freeway. It is expected that the main infrastructure will be constructed in phases to service each phase as development moves northerly. There are, however, two exceptions to the phased development of infrastructure for this neighborhood.
 - (i) The first exception is that the Lytle Creek levee, extending from the Cemex USA levee at the easterly corner of PA 62, needs to be constructed northwesterly to the point of intersection with Glen Helen Parkway north of the I-15 Freeway prior to occupancy of PAs 29-41, 44-46, 50-58, and 60-63. Portions of PAs 59, 62, and 64, and all of PAs 42,

- 43, 47-49, and 65-78 fall behind the existing USACE groins (offering 100-year flood protection and allowing for phased development).
- (ii) The second exception is the realignment of Riverside Avenue along PAs 33 and 34. With the exception of improvements to Riverside Avenue, since all infrastructure improvements are designed to be Project specific, the construction of those improvements in the area of Neighborhood III are not anticipated to facilitate other peripheral development.
 - (d) The development of Neighborhood IV requires the extension of the proposed Lytle Creek levee from its Neighborhood III termination point (at Glen Helen Parkway) to the intersection of the northwesterly boundary of Neighborhood IV with Lytle Creek Road and the extension of the sewer main from its termination point within Neighborhood III. All other infrastructure required for development currently exists adjacent to the neighborhood boundary. Since all infrastructure improvements are designed to be Project specific, the construction of those improvements in the area of Neighborhood IV are not anticipated to facilitate other peripheral development.
- Since none of the recommended threshold criteria would be exceeded, the identified impact would be less than significant and no mitigation measures are recommended or required.

6.0 FINDINGS REGARDING PROJECT ALTERNATIVES NOT SELECTED FOR IMPLEMENTATION

As required by CEQA Guidelines Section 15126.6, the Complete FEIR described a range of reasonable and potentially feasible alternatives to the Project which would feasibly attain most of the basic objectives of the Project but would avoid or substantially lessen any of the significant effects of the Project, and evaluated the comparative merits of the alternatives in the EIR.

The Complete FEIR considered six alternatives to the Project as follows:

- (1) **No Project/No Development:** This alternative is required to be considered under the State CEQA Guidelines for the purpose of allowing the decisionmakers to compare the impacts of approving the Project with the impacts of not approving the Project. The “no project/no development” alternative analyzes the environmental impacts of not building or implementing the Project and maintaining the existing environmental conditions.
- (2) **No Project/ Existing Zoning Designations:** A variant of the “no project” alternative required by the CEQA Guidelines is a consideration of what could reasonably be expected to occur in the foreseeable future if the Project were not approved, and if existing plans or policies that currently regulate or govern the Project site were to continue. This analysis compares the impacts of the Project with what could occur under existing land use regulations.
- (3) **Habitat Avoidance Alternative 1 (Avoidance of SBKR/LBV-Occupied Habitat or “HAA 1”):** The objective of this alternative is to avoid or substantially reduce significant Project-related impacts affecting on-site biological resources, specifically San Bernardino kangaroo rat (SBKR) and least Bell’s vireo (LBV) habitat. Both species are federally-listed endangered species.

- (4) **Habitat Avoidance Alternative 2 (Avoidance of RAFSS Areas or “HAA 2”):** This alternative considered the environmental impacts of avoiding or substantially reducing significant Project-related impacts affecting Riversidean alluvial fan sage scrub (RAFSS) areas located on the Project site. RAFSS is considered a sensitive natural community.
- (5) **Habitat Avoidance Alternative 3 (Avoidance of Jurisdictional Waters or “HAA 3”):** This alternative seeks to avoid or substantially reduce significant Project-related impacts affecting on-site waters of the United States under the jurisdiction of the U.S. Army Corps of Engineers and waters of the State under the jurisdiction of the California Department of Fish and Game.
- (6) **Reduced Residential/Increased Commercial Alternative:** The objective of this alternative is to analyze a development scenario under which the number of vehicle trips, vehicle miles traveled, and traffic congestion could be reduced through providing additional employment opportunities in the City. By consideration of an alternative that provides greater jobs-housing balance, this alternative seeks to avoid or substantially reduce significant or potentially-significant impacts associated with regional or subregional jobs-housing imbalance, including related traffic and air quality impacts.

In addition, the original DEIR also identified several other alternatives which were considered, but screened from detailed consideration in the original DEIR because they either did not meet most of the Project's stated objectives; were found to be infeasible; or failed to avoid or substantially lessen significant environmental effects of the Project. The alternatives screened from further consideration included development of the Project on an alternate site, development of the Project without annexation to the City, and alternative land uses including mining, a wind farm, outdoor recreational center, professional sports stadium, hotel and casino, theme park, resource conservation and aggregate mining.

The Commission recognizes that the LCRSP will result in significant unavoidable environmental impacts that cannot be feasibly reduced to below a level of significance, and in doing so, considered the alternatives identified in the original DEIR in light of the environmental impacts which cannot be avoided or substantially lessened, makes the following findings regarding each of the alternatives, and has rejected those alternatives as infeasible for the reasons hereinafter stated.

In making these findings, the Commission incorporates the following by reference: The analysis of the No Project/No Development Alternative presented in Section 7.0 (Alternatives Analysis) in the original FEIR; Section 2.5 of the RPDEIR (Revised Alternatives Analysis for Habitat Avoidance Alternative 1 and Habitat Avoidance Alternative 2); Appendix V-D to the RPDEIR (Air Quality and Noise Worksheets) and Appendix V-E to the RPDEIR (Financial Feasibility Analysis of the Lytle Creek Ranch Specific Plan Project and Alternatives to the Project Discussed in the Lytle Creek Ranch Specific Plan EIR); Section 3.0 (Responses to Comments) and Section 2.0 (Corrections and Additions) in the Final RPEIR; and the "Lytle Creek Specific Plan – Supplemental Alternatives Analysis" provided to the City in the June 8, 2012 Memorandum from Stephanie Eyestone-Jones of Matrix Environmental to Gina Gibson of the City of Rialto Development Services Department.

6.1 Alternative No. 1: No Project/No Development Alternative

Alternative Description: A “no project” alternative is required under CEQA. As specified in the State CEQA Guidelines, “the ‘no project’ alternative is the circumstance

under which the project does not proceed. Here the discussion would compare the environmental effects of the property remaining in its existing state against environmental effects which would occur if the project is approved” (14 CCR 15126.6[e][3][B]).

Under this alternative, no physical changes to the Project site would occur, no improvements to the site would be authorized, and no change in organization (e.g., annexation) would be pursued. Those uses now being conducted (e.g., Monier Lifetile and El Rancho Verde Golf Course), those utility rights-of-way now being utilized (e.g., SCE, SoCalGas, and CalNev), and those functions now being performed (e.g., groundwater recharge and biological resource conservation) would continue at their existing levels. For the purpose of this analysis, it is assumed that those land-use entitlements governing portions of the Project site, including those existing entitlements associated with the adopted County-approved GHSP and LCNPD (Neighborhood I) and City-approved ERVSP (Neighborhood II), would not be acted upon in any fashion that would produce a physical change to the subject property. No landform alterations would occur and no on-site vegetation would be impacted, except in the course of reasonable and routine maintenance (weed abatement) activities conducted in compliance with City and County fire department directives. Those portions of the Project site not presently located within the City’s corporate boundaries would not be annexed. Under this alternative, no new land uses, additional areas of physical disturbance, Applicant-funded infrastructure improvements, new residential dwellings, additional non-residential square footage, and/or additional vehicle trips would predictably occur within and from the Project site. Operational activities associated with existing land uses could, however, expand or contract based on market demands for and the successful continued operation of those uses.

Comparison of the Effects of the Alternative to the Significant Effects of the Project: This alternative would result in the avoidance of those significant Project-related and cumulative air quality, noise, and growth-inducing impacts associated with the adoption and implementation of the Project.

Under this alternative, no construction activities would occur on the Project site and no further intensification of the subject property would be authorized. As a result, there would be no increase in either construction-term or operational air emissions above existing baseline levels. Under this alternative, traffic volumes along Country Club Drive (north of Riverside Avenue) would not be expected to substantially increase since the El Rancho Verde Golf Course would not undergo improvement and the residential development in Neighborhood II would not occur. Because traffic along Country Club Drive would not materially increase, traffic noise affecting abutting residential properties would generally remain at current levels. Similarly, although traffic volumes along Riverside Avenue (between Alder Avenue and Locust Avenue) would increase as a result of related Project traffic and ambient growth, that increase would be substantially less than would be expected to occur should the LCRSP be approved. Under this alternative, no jurisdictional changes and no changes to those existing land-use policies that regulate the development of the Project site would occur. Similarly, no new infrastructure systems would be constructed and no existing infrastructure systems would be improved which would serve the Project site or have the potential to serve other outlying areas. As a result, under the “no project/no development” alternative, growth-inducing impacts would be avoided.

Effectiveness in Meeting Project Objectives: Because the Project site would generally remain in its current condition, the “no project/no development” alternative generally fails to meet the Lead Agency’s broad-based objectives of promoting the annexation of those lands located within the City’s adopted SOI, encouraging development that is responsive to and addresses identifiable local and regional needs, creating economic opportunities for City residents, and furthering the advancement of the City General Plan. A limited number of City General Plan-based and other objectives may still be satisfied, such as reducing adverse impacts to public services (LA-7).

The “no project/no development” alternative would not meet any of the Applicant’s objectives as it would not provide for development of any uses and would therefore not implement the objectives associated with development of a new northern gateway to the City and establishment of a new master-planned community in the City that provides a mix of residential, commercial, recreation and open space uses. The “no project/no development” alternative would also not implement any of the habitat conservation or protection objectives of the Project.

Based on these factors, the Commission finds that this alternative would not meet most of the Lead Agency’s key objectives, and that this alternative is undesirable from a policy standpoint as it would not sufficiently support the City’s interest in promoting several important objectives and policies.

Additional Environmental Impacts Resulting from the Selection of this Alternative: Should the “no project/no development” alternative be selected, no additional housing units would be provided and no new job opportunities would be created on the Project site. If an incremental contribution toward the fulfillment of those identified regional and localized housing and employment demands cannot be provided on the subject property, it is reasonable to assume that additional development pressures for the provision of that housing and the creation of those new jobs would be placed on other properties located throughout the City and within proximal unincorporated County areas. In addition, this alternative would not contribute toward the efforts to fulfill the City General Plan (Housing Element) obligations to provide its “fair share” of housing and would shift the provision of housing elsewhere within the region and would produce corresponding impacts on population and employment. This alternative would also have land-use impacts in that it would conflict with the City General Plan (Land Use Element) which designates the Project site for development pursuant to a specific plan. While this alternative would not result in any direct impacts to existing biological resources on the Project site, it could have greater indirect impacts as the proposed conservation measures that would be implemented to protect sensitive habitat areas and resources would not occur and the introduction of additional residents in the general vicinity could result in additional human intrusion into those on-site areas proposed for resource conservation. No additional flood protection measures would be provided which could lead to continued erosion and flood hazards and less protection to existing development from these hazards.

Conclusion: While for the short-term this alternative is technically “feasible” in that the property could remain in its current condition, it is unrealistic to assume that privately-owned property would remain permanently undeveloped. This is even more so given the designation in the City’s General Plan that this area is considered appropriate for annexation and development under a comprehensive specific plan. Therefore, it is

reasonable to assume that some level of development and economic use of the Project site would be pursued over the long-term. Therefore, the “no project/no development” alternative would ultimately be infeasible in that it could not be accomplished over time because it is logical from an economic perspective that a private landowner would seek some economic use of the property, and from a political and social perspective that the City would seek some form of implementation of its General Plan land use objectives for this property. For these reasons, the City Council finds that this alternative is infeasible and rejects it in favor of the Project.

6.2 Alternative No. 2: No Project/Existing Zoning Designations Alternative

Alternative Description: As specified in the State CEQA Guidelines: “When the project is the revision of an existing land use or regulatory plan, policy or ongoing operation, the ‘no project’ alternative will be the continuation of the existing plan, policy or operation into the future” (14 CCR 15126.6[e][3][A]). This “no project/existing zoning designations” alternative constitutes a variation of the “no project” scenario and examines the potential changes to the Project site that would be anticipated to occur in the event that the Lead Agency were to either deny or take no action with regards to the LCRSP but development were to nonetheless occur in accordance with those existing City and County zoning designations, as applicable, including those land use entitlements previously approved within portions of the Project under the Glen Helen Specific Plan (GHSP), Lytle Creek North Planned Development (LCNPD), and El Rancho Verde Specific Plan (ERVSP). Although existing zoning ordinances do not constitute actual entitlements allowing the underlying property owner to proceed with development in accordance therewith, zoning policies can be interpreted as indicative of the nature of the land uses and development intensities that the municipality with jurisdiction over those lands seeks to promote. Development consistent with those land-use designations and intensities could likely proceed merely through the approval of subdivision maps. Approval of a tentative subdivision map constitutes a discretionary action subject to CEQA.

With regard to the subject property, other than those uses now operating thereupon and with the possible exception of that portion of the LCNPD (Tract 15900) which will be carved out of Rosena Ranch and be included in the proposed LCRSP, no vested rights to any definitive use(s) have been established since no development agreements have been executed, no vesting maps have been recorded, no building permits have been issued, and no construction activities are underway. As used herein, “existing zoning designations” are not intended to describe established vested development rights but serve to present a general description of those land uses that might predictably occur on the subject property based on the existing designations and current development standards outlined in applicable City and County zoning ordinance provisions.

Independent of the LCRSP, the City and the County have previously adopted “general,” “specific,” and/or “planned development” plans governing the future development of portions of the subject property. Those entitlements include, but are not limited to, the County-approved Glen Helen Specific Plan (GHSP) and Lytle Creek North Planned Development (LCNPD) (Tract 15900) (governing portions of Neighborhood I) and the City-approved ERVSP (governing portions of Neighborhood II). Additionally, those portions of the Project site located outside the boundaries of the GHSP, LCNPD, and El Rancho Verde Specific Plan (ERVSP) contain general plan and zoning designations promoting the development of residential and non-residential uses thereupon. Although

constituting a variation of a “no project” alternative, those municipal land-use policies provide the basis for determining an alternative development-related use of the Project site.

Under the proposed LCRSP, an approximately 278-acre portion of the GHSP has been included within Neighborhood I. In accordance with the policies contained therein, 17 dwelling units and a maximum of 182,952 square feet of non-residential uses could be constructed within that area. In addition, an approximately 46.0-acre portion of the LCNPD has been included within the boundaries of Neighborhood I. As indicated in the LCNPD, north of the I-15 Freeway, excluding that area comprising the west entry to the Lytle Creek North development and the landscaped buffer located to the west of that public right-of-way, planned development activities include approximately 44.5 acres of “Commercial (C)” use and 4.2 acres of “Open Space (OS).” As stipulated in the Lytle Creek North FEIR, 678,450 square feet of retail commercial use (e.g., community commercial, general/highway commercial, and/or service-oriented commercial uses) could be developed within that planned development area. In addition, a total of 147 dwelling units can be developed in lands to be withdrawn from the LCNPD located south of the I-15 Freeway. The entirety of the 221.0-acre ERVSP has been included within Neighborhood II. Pursuant to the City-approved ERVSP, subject to the approval of a tentative subdivision map, a total of 300 dwelling units can be constructed therein, the existing clubhouse could be enlarged to 19,339 square feet (3,878 square feet larger than the existing clubhouse), and certain street improvements would be authorized (e.g., widening of Peach Street at North Riverside Avenue). Under this alternative, in addition to those actions now allowable under the GHSP, LCNPD, and ERVSP, other on-site development would be anticipated to occur in such manner and at such density as may now be authorized in accordance with the City General Plan and City Municipal Code and the County General Plan and County Development Code.

Separate and apart from those organization and reorganization changes that would be required to provide needed public services, no annexation activities would occur but development would nonetheless proceed under the authority of the applicable land-use entity. Development activities (inclusive of residential and non-residential uses and new internal roadways) would be confined to an approximately 1,215.5-acre portion of the Project site. An approximately 1,231.8-acre portion of the subject property would be retained as natural or improved open space (including floodway, parklands, open space, and the existing Southern California Edison (SCE) right-of-way). Under this alternative, a total of 2,215 dwelling units and 1,097,418 square feet of commercial, office, and light industrial development would be constructed, primarily in Neighborhoods II and III.

Comparison of the Effects of the Alternative to the Effects of the Project:

Substantial evidence demonstrates that this alternative would not result in the avoidance or substantial reduction of the significant Project-related and cumulative air quality and noise impacts associated with the adoption and implementation of the Project.

Air Quality Impacts of the No Project/Existing Zoning Designations Alternative

- In comparison to the Project, this alternative would represent a reduction of approximately 6,192 dwelling units and an increase of 247,998 square feet of commercial, office, light industrial, and general manufacturing uses. As with the Project, construction of this alternative would generate pollutant emissions through the use of heavy-duty construction equipment and through haul/delivery truck and construction worker trips. The overall amount of building construction would be less under this

alternative compared to the Project. However, fugitive dust and pollutant emissions from grading operations would be similar on a daily basis, as the duration and not the intensity of these activities could decrease compared to the Project. Maximum daily site grading operations would still require the same amount of heavy-duty construction equipment and would result in 50 acres of disturbed area per day. However, with the reduction in overall square footage, a decrease in the use of on-site equipment and vehicular trips proportional to the decrease in square footage would be anticipated during building construction.

- The construction emissions generated by this alternative would be incrementally less than those of the Project over the construction duration and for the unmitigated maximum daily overlapping period. As with the Project, Mitigation Measure 7-1 through Mitigation Measure 7-9 would be implemented for this alternative to ensure that construction-related emissions are reduced to the maximum extent feasible. With implementation of the recommended mitigation measures and consistent with the Project, unmitigated daily emissions of CO, NO_x, PM₁₀, PM_{2.5}, and VOC from heavy-duty construction equipment would be reduced by a minimum of 5 percent. Although such impacts would be reduced, similar to the Project, this alternative would exceed the significance thresholds established by the Southern California Air Quality Management District (SCAQMD) for regional CO, NO_x, PM₁₀, PM_{2.5}, and VOC. Thus, like the Project, such impacts under this alternative would be significant and unavoidable even with incorporation of mitigation measures.
- The footprint of development proposed under this alternative would largely be similar to that proposed by the Project in Neighborhood I. In Neighborhood II, III, and IV, the footprint of the development would be moved further south as compared to the Project. Proposed construction under this alternative would not change the proximity of proposed construction activities from off-site sensitive receptors (i.e., the distance from the closest sensitive receptors to proposed construction activities would not change). In addition, maximum daily site grading operations would still require the same amount of heavy-duty construction equipment and would result in 50 acres of disturbed area per day at a similar distance to sensitive receptors. As discussed above, the reduction in overall square footage under this alternative would result in proportional decrease in the use of on-site equipment during building construction in comparison the Project. Nonetheless, the dominant source of emissions is from site grading activities and the intensity of these grading activities would be similar on a daily basis.
- As with the Project, Mitigation Measure 7-1 through Mitigation Measure 7-9 would be implemented for this alternative to ensure that construction-related emissions are reduced to the maximum extent feasible. Implementation of these measures would further reduce localized PM₁₀ emissions by about 15 percent (from 72.7 to 61.8 µg/m³ for southern receptors and from 26.6 to 22.6 µg/m³ for eastern receptors) and PM_{2.5} emissions by about 14 percent (from 16.3 to 14.0 µg/m³ at southern receptors), still exceeding the SCAQMD threshold of 10.4 µg/m³. Thus, like the Project, impacts associated with these localized impacts under this alternative would be significant and unavoidable even with incorporation of mitigation measures. This alternative would result in similar CO and NO₂ concentrations as the Project, and impacts from such concentrations would be less than significant.
- Compared to the Project, this alternative would reduce maximum daily operational emissions by 66 percent for VOC (587 pounds per day), 63 percent for NO_x (488 pounds per day), 63 percent for CO (2,515 pounds per day), 64 percent for SO_x (21 pounds per day), 65 percent for PM₁₀ (208 pounds per day), and 49 percent for PM_{2.5} (155 pounds per day). However, the total contributions to regional emissions under this alternative

would remain significant for CO, NOX, PM₁₀, PM_{2.5}, and VOC, as is the case with the Project.

- From an Air Quality Management Plan (AQMP) consistency standpoint, this alternative, like the Project, would be generally consistent with the current AQMP. However, localized modeling shows that site construction under this alternative would result in a substantial increase, defined as $\geq 10.4 \mu\text{g}/\text{m}^3$ of PM₁₀ and PM_{2.5} averaged over a 24-hour period, in construction-related particulate emissions. As such, as with the Project, this alternative would add cumulatively to an exceedance of particulate standards. Since the goal of the AQMP is to protect receptors from exceedance conditions, with regard to projected short-term particulate emissions, as with the Project, this alternative would not appear to comply with that provision of the AQMP. Thus, as with the Project, a significant and unavoidable impact would result.

Noise Impacts of the No Project/Existing Zoning Designations Alternative

- This alternative would not result in materially different construction noise impacts than those forecasted for the Project, as the construction parameters that determine noise impacts (e.g., type of equipment, number of pieces of equipment, and distance between noise source and closest sensitive receptor) would be similar. As with the Project, the nearest existing residential uses under this alternative are located along the south boundary of Neighborhood II. Other existing residential uses are located along the south side of Neighborhoods III and IV, along the south side of Riverside Avenue and Lytle Creek Road, respectively.
As with the Project, this alternative would include individual pieces of construction equipment that would produce maximum noise levels of 76 dBA to 90 dBA at a reference distance of 50 feet from the noise source. Any location with an uninterrupted line-of-sight to the construction noise sources could periodically be exposed to temporary noise levels that would exceed 75 dBA at distance of less than 150 feet from the noise source. Consistent with the Project, construction activities associated with this alternative would be conducted in compliance with the City's Noise Ordinance and as such would result in a less than significant impact.
- Similar to the Project, vehicular traffic upon build-out would introduce new mobile noise sources and may create a higher noise exposure to residents and other sensitive receptors beyond the noise levels currently experienced or otherwise predicted in the absence of this alternative. Daily traffic volumes would be approximately 50 percent less under this alternative than forecasted to occur under the Project due to the reduction of dwelling units, even with the increase in total square footage of non-residential land uses. This reduction in traffic would occur across the local roadway network and beyond. As such, operational traffic noise impacts under this alternative would be incrementally less than under the Project.
- Increases in project-related traffic noise levels would exceed the significance threshold of 3.0 dBA CNEL at two intersections, resulting in an increase of 3.1 dBA CNEL on Riverside Avenue (between Alder Avenue and Locust Avenue) and 4.4 dBA CNEL on Country Club Drive (north of Riverside Avenue). With the 50 percent reduction in traffic, the increase in noise levels along Riverside Avenue (between Alder Avenue and Locust Avenue) would be reduced to 1.5 dBA CNEL and the increase in noise levels along Country Club Drive (north of Riverside Avenue) would be reduced to 2.9 dBA CNEL. The noise levels along Riverside Avenue (between Alder Avenue and Locust Avenue) and County Club Drive (north of Riverside Avenue) would not be considered significant under Criterion 2 (cause ambient noise levels to increase by 3 dBA CNEL or more at a sensitive receptor location and the resulting noise exceeds 65 dBA CNEL). Thus, this

alternative would avoid the Project-related operational noise impacts, and impacts would be less than significant.

Growth Inducing Impacts of the No Project/Existing Zoning Designations Alternative

- This alternative assumes the development of 2,215 dwelling units and 1,097,418 square feet of commercial, office, and light industrial uses, located within approximately 1,215.5 acres of the Project site. Approximately 1,231.8 acres would be retained as natural or improved open space (including floodway, parklands, open space, and the existing SCE right-of-way). Under this alternative, no jurisdictional changes would occur (i.e., annexation of portions of the Project site into the City would not occur), and no changes to the existing land use policies that currently regulate development of the Project site would occur. Similarly, no new infrastructure systems beyond those already authorized by the applicable permitting agencies would be constructed.
- Assuming an average household size of 3.89 persons per household and a jobs rate of one new primary job for each 250 square feet of non-residential development, this alternative would generate an estimated population of 8,616 residents and employment of 4,390 primary jobs. As City, County, and regional growth forecasts are based on the land uses and densities planned in accordance with currently adopted plans and policies, this level of growth is inherently accounted for in the most recent forecasts. As such, under the No Project/Existing Zoning Designations Alternative, growth inducing impacts would be less than significant.

Financial Infeasibility: In response to the Court Ruling, an updated Financial Feasibility Analysis of the Lytle Creek Ranch Specific Plan Project and Alternatives to the Project Discussed in the Lytle Creek Ranch Specific Plan EIR was prepared by CBRE Consulting, a real estate and urban economics consulting firm, and included in the RPDEIR. This includes a detailed analysis of the financial feasibility of the Project and the No Project/Existing Zoning Designations Alternative.

- To assess the financial feasibility of the Project and the alternatives to the Project, CBRE developed a model that calculated the total development costs, estimated the lot sales revenues over the expected 20-year life of the Project, and calculated the return on investment of the Project and the Alternatives, including the No Project/Existing Zoning Designations Alternative. As discussed in detail in the Updated Financial Feasibility Analysis, land development costs were calculated based on estimates of major cost categories and indirect costs, and finished lot prices were based on a detailed appraisal report.
- To determine whether the Project and the Habitat Avoidance Alternatives would be financially feasible, CBRE calculated the Internal Rate of Return (IRR) for each. IRR is the industry standard measurement used to evaluate long-term capital real estate investments. Capital investment in real estate development is a high-risk venture, and in order to obtain financing commitments, developers must be able to demonstrate sufficient returns to offset the risks related to development and construction costs. As detailed in the analysis, CBRE determined that an IRR of 15 to 25 percent would be the threshold at which the Project or the alternatives would be considered financially feasible. This IRR range represents typical industry standards for rate of return thresholds.
- Based on the detailed analysis in the Updated Financial Feasibility Analysis included in the RPDEIR, the Project would yield a return of approximately 15.2 percent, which falls

within the industry standard rate of return thresholds of 15 to 25 percent. The Project would thus be financially feasible.

- As discussed above, this alternative would include a total of 2,215 dwelling units and 1,097,418 square feet of commercial, office, and light industrial uses, a reduction of approximately 6,192 dwelling units and an increase of 247,998 square feet of non-residential uses compared to the Project. This alternative represents an almost 75 percent reduction in residential uses compared to the Project, and many of the Project amenities would not be included in this alternative.
- Based on the detailed analysis provided in the Updated Financial Feasibility Analysis, this alternative would result in an IRR of approximately 0.3 percent, 14.9 percent less than the Project's IRR. Under current market conditions, this alternative would not yield a return adequate to attract the necessary equity capital. As described above, an IRR of 15 to 25 percent is considered the industry standard threshold that reflects an acceptable level of risk for long-term capital investments. Thus, the substantial reduction in the IRR under this alternative when compared with the Project is sufficiently severe as to render it not financially feasible.
- The Commission finds that the reduction of units and other changes in development required under the No Project/Existing Zoning Designations Alternative would make it financially infeasible, based on the detailed analysis in the Updated Financial Feasibility Analysis, the RPDEIR, and the Final RPEIR.

Effectiveness in Meeting Project Objectives: The No Project/Existing Zoning Designations Alternative would achieve some, but not all, of the Project objectives, including those defined by the Lead Agency and the Applicant, and many of those would be met to a lesser degree as compared to the Project.

Failure to Satisfy Key Goals and Policies of the General Plan

- In December 2010, several months after the City approved the project and certified the original FEIR, the City adopted an updated General Plan. The Project is fully consistent with the applicable goals and policies of the updated General Plan. Although the No Project/Existing Zoning Designation Alternative would be consistent with many of these goals and policies, either to the same extent as or to a lesser extent than the Project, it would be inconsistent with key goals of the General Plan. With respect to the City's General Plan objectives identified for the Project, this alternative would not attain GP-1 ("encourage annexation which will demonstrate net benefit to the City") since it would not involve the annexation of land into the City. The City finds that this alternative would not be consistent with a key objective of the General Plan.

Failure to Meet Key Project Objectives

- The No Project/Existing Zoning Designations Alternative would meet most, but not all, of the Lead Agency objectives (LA-1 through LA 10) identified for the Project, and not to the same degree as the Project for many of these objectives. This alternative would not achieve LA-4, since the provision of 2,215 residential units under this alternative would not be sufficient to meet the City's projected housing need of 4,323 units (as identified in the Southern California Association of Governments' (SCAG) Final Regional Housing Needs Allocation Plan for the planning period of January 1, 2006, to June 30, 2014). The alternative would not attain LA-10 since, as discussed above, the alternative was determined not to be financially feasible and therefore cannot be considered fiscally prudent. Attainment of LA-1 would not be achieved under the alternative, as annexation

into the City would not occur and land use compatibility and resource protection would be reduced as compared to the Project.

- The No Project/Existing Zoning Designations Alternative would also fail to meet Applicant Objective A-9 (“address the City’s current and projected housing needs for all segments of the community by providing a range of family-oriented single- and multi-family residences, as well as an active-adult golf course community”). As concluded above, this alternative would not meet the City’s housing needs. This alternative would not provide the variety of housing types and housing opportunities that the Project would achieve. Nearly all of the residential units provided by this alternative would be single family, resulting in a less diverse mix of housing with an emphasis on single-family housing and a reduction in total multi-family housing options. This reduction in the range of residential types would also narrow the range of available prices/rents on the property for future residents. As a result, this alternative would not meet the Project’s objective of providing a range of residence types. Importantly, because of the emphasis on single-family homes, rather than the diverse mix of unit types as proposed under the Project, the City finds that this alternative also does not sufficiently support the City’s important interest in promoting a wide range of housing types in new projects in order to create a diversity in scale, size, and cost for potential residents. As such, the alternative would not meet Objective A-9. Due to this alternative’s economic infeasibility, discussed above, this alternative also does not meet the Project Objective A-16 of “[u]ndertak[ing] development of the Project site in a manner that is economically feasible and balanced to address both the Applicant’s and the city’s economic concerns.”
- In summary, the No Project/Existing Zoning Designations Alternative would not attain six of the Project Objectives: GP-1, LA-4, LA-10, A-9, A-11 and A-16, and would fail to achieve the objectives of the Project. Overall, the alternative fails to meet several key Project objectives and would meet a number of the Project objectives to a lesser degree than the Project.

Additional Environmental Impacts Resulting from the Selection of this Alternative:

This alternative may have greater land-use impacts than the Project in that it would be developed in accordance with existing zoning which includes several different specific plans and planned developments under different jurisdictions. The Project site would not be developed under one comprehensive development plan and would conflict with the City of Rialto General Plan, which envisions the area developed pursuant to a comprehensive specific plan. Absent one comprehensive development plan, the commitment to set aside open space and the protection of certain biological resources may not occur in as organized a manner as under the Project. As described in the June 8, 2012 Memorandum from Stephanie Eyestone-Jones to Gina Gibson, “Lytle Creek Ranch Specific Plan – Supplemental Alternatives Analysis,” the No Project/Existing Zoning Designations Alternative would be inconsistent with Goal 2-2, Goal 2-6, Policy 2-6.1, Goal 2-7, Policy 2-7.1, Policy 2-7.4, Policy 2-8.1, Goal 2-10, Policy 2-10.1, Policy 2-10.2, Policy 2-10.3, Policy 2-11.3, Policy 2-12.5, Policy 2-14.1, Goal 2-27, Policy 2-27.2, Policy 2-27.3, Goal 3-1, Policy 3-6.2, Policy 3-11.2, Policy 3-11.4, Goal 3-12, Policy 3-12.1, and Goal 3-16 of the City’s updated General Plan.

Conclusion: Under CEQA, where an EIR has identified significant environmental effects that have not been mitigated or avoided, the lead agency may nonetheless approve the Project if it finds that “[s]pecific economic, legal, social, technological, or other considerations... make infeasible the mitigation measures or alternatives identified in the

environmental impact report.”⁵ In such a situation, the lead agency’s task with respect to project approval must include an evaluation as to whether the identified alternatives are “actually feasible.”⁶ CEQA defines “feasible” as “capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors.”⁷ An agency “may reject [project] alternatives if it properly finds them to be infeasible for any of the statutorily specified reasons, including economic infeasibility.”⁸ In addition, an agency may reject project alternatives for being inconsistent with project objectives, or for conflicting with or inadequately accommodating agency planning goals and policies. Substantial evidence in the record demonstrates that the No Project/Existing Zoning Designations Alternative is infeasible.

- 1) An alternative may be found infeasible on economic grounds, so long as that finding is supported by substantial evidence. The feasibility question is “whether the marginal costs of the alternative as compared to the cost of the Project are so great that a reasonably prudent property owner would not proceed with the [alternative].”⁹ Here, the evidence demonstrates that the No Project/Existing Zoning Designations Alternative would be financially infeasible. CBRE Consulting’s Updated Financial Feasibility Analysis included in Appendix V-E of the RPDEIR, and the addendum to that report, included as Appendix B to the June 8, 2012 Memorandum from Stephanie Eyestone-Jones to Gina Gibson, Lytle Creek Ranch Specific Plan – Supplemental Alternatives Analysis,” indicates that an IRR of 15 to 25 percent would be the threshold at which the Project or any alternatives, including the No Project/Existing Zoning Designations Alternative would be considered financially feasible. As discussed above, the Project would yield a rate of return of approximately 15.2 percent and is therefore feasible. This alternative would result in an IRR of only approximately 0.3 percent. This alternative would not attract the necessary equity capital at that IRR, and is therefore financially infeasible.
- 2) An alternative may also be found infeasible if it is inconsistent with the Project Objectives. As discussed above, the evidence demonstrates that the No Project/Existing Zoning Designations Alternative would not meet several key Project Objectives.
- 3) The City may also reject “an alternative that ‘is impractical or undesirable from a policy standpoint’ as infeasible, so long as that finding is supported by substantial evidence.”¹⁰ As discussed in detail in the June 8, 2012 Memorandum from Stephanie Eyestone-Jones to Gina Gibson, Lytle Creek Ranch Specific Plan – Supplemental Alternatives Analysis,” the No Project/Existing Zoning Designations Alternative would be inconsistent with key City economic goals in the General Plan, including Goal 2-7 (“encourage all annexations that will provide a benefit to the City”) and Goal 3-1 (“strengthen and diversify the economic base and employment opportunities, and maintain a positive business climate”).

⁵ Public Resources Code, § 21081, subdivision (a)(3); CEQA Guidelines, § 15091, subdivision (a)(3).

⁶ California Native Plant Society v. City of Santa Cruz (2009) 177 Cal.App.4th 957, 981.

⁷ Public Resources Code, § 21061.1; see also CEQA Guidelines, § 15364 (defining feasible as “capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, legal, social, and technological factors”).

⁸ The Flanders Foundation v. City of Carmel-by-the-Sea (2012) 202 Cal.App. 4th 603, 622.

⁹ Id.

¹⁰ California Native Plant Society v. City of Santa Cruz (2009) 177 Cal.App.4th 957, 1001.

For the foregoing reasons, based on substantial evidence in the record, the Commission also finds the No Project/Existing Zoning Designations Alternative is infeasible and rejects it in favor of the Project.

6.3 Alternative No. 3: Habitat Avoidance Alternative 1 (Avoidance of San Bernadino Kangaroo Rat/Least Bell's Vireo Occupied Habitat, or "HAA 1")

Alternative Description: The Complete FEIR identified various potentially significant impacts that the Project could cause to biological resources in the Project study area. Although the Complete FEIR determined that all biological resource impacts could be mitigated to a less than significant level, in light of those potential project-related impacts, several "habitat avoidance" alternatives to the Project were developed for assessment under CEQA. Each alternative was defined so as to minimize the direct disturbance of sensitive habitats and the corresponding sensitive species that occupy those habitats.

The first of these habitat avoidance alternatives, referred to as Habitat Avoidance Alternative 1 (HAA 1) would avoid development in habitats occupied by SBKR and LBV. The objective of this alternative is to avoid or substantially reduce significant Project-related impacts affecting on-site biological resources prior to mitigation, specifically potential impacts upon listed wildlife species including, but not limited to, the SBKR and the LBV. Both the SBKR and LBV are federally-listed species under the Federal Endangered Species Act (FESA) and have been observed in the LCRSP study area. For those areas not avoided (i.e., those areas to be developed), this alternative assumes development consistent with the LCRSP. Accordingly, a total of 7,484 dwelling units and 820,540 square feet of commercial, office, and light industrial uses would be developed on the Project site under this alternative. Each neighborhood is briefly described below.

In Neighborhood I, the main species of concern is the LBV which utilizes the riparian habitat area adjacent to the I-15 Freeway. It is assumed that the remainder of Neighborhood I would be developed in accordance with those land uses and at the corresponding densities as presented in the LCRSP. Under HAA 1, direct impacts to the riparian areas have been avoided.

In Neighborhood II, a portion of the proposed development area, specifically the area where the revetment is proposed, provides habitat for listed species, including the SBKR. Although this area currently provides habitat for the SBKR, the biological assessment concluded that long-term viability of this area to serve as SBKR habitat is, at best, problematic (i.e., even if the area surrounding this habitat area were not developed, this area lacks long-term viability as suitable SBKR habitat); therefore, this alternative contemplates impacts to this small area of listed-species habitat for the revetment. There is a pocket of riparian habitat in the northwest area of Neighborhood II which is considered jurisdictional waters, but because the area does not provide nesting habitat for either the LBV or the southwestern willow flycatcher, under this alternative, development within this area was not avoided because the focus of this alternative is the avoidance of areas which are occupied by listed species.

In Neighborhood III, the footprint of the revetment was moved further south as compared to the Project; however, a small area of currently-occupied SBKR habitat is impacted. Impacts to this area could not be avoided taking into consideration the alignment of the revetment. The biological resource analysis concludes that this area will not remain as

suitable habitat for the SBKR in the long-term (even in the absence of development) because the vegetation will re-establish itself and it is anticipated to succeed into a dense, mature chaparral/shrub cover unsuitable for occupation by the species.

In Neighborhood IV, the alignment of the revetment was altered to minimize impacts to listed species and the area proposed for development reduced. A small area of listed species habitat would still be affected by placement of the revetment.

HAA 1 further serves to promote the preservation of the largest concentration of Plummer's mariposa lily and Parry's spineflower. The largest concentrations of these two plant species are found in the preserved species habitat areas. Although neither of these plant species are State or federally-listed, both are identified by the California Native Plant Society (CNPS) as either sensitive species or species to be more closely monitored.

Comparison of the Effects of the Alternative to the Effects of the Project:

Substantial evidence demonstrates that this alternative would not result in the avoidance or substantial lessening of the significant Project-related and cumulative air quality, noise, and growth-inducing impacts associated with the adoption and implementation of the Project.

Air Quality Impacts of HAA 1

- In comparison to the Project, HAA 1 would represent a reduction of approximately 923 dwelling units and 28,880 square feet of commercial, office, and light industrial uses. As a result, construction activities would be only incrementally less than under the Project. As with the Project, construction of HAA 1 would generate pollutant emissions through the use of heavy-duty construction equipment and haul/delivery truck and construction worker trips. Although the overall amount of construction would be slightly less under HAA 1 compared to the Project, fugitive dust and pollutant emissions would be similar on a daily basis. The footprint of development proposed by HAA 1 would be largely similar to the Project in Neighborhoods I, II, and IV. The Project and HAA 1 would require a similar intensity of site grading activities, the dominant source of emissions for both. Proposed construction under this alternative would not change the proximity of construction activities from off-site sensitive receptors.
- Although construction impacts to air quality would be reduced under HAA 1 in comparison to the Project, construction emissions under HAA 1 would result in regional and localized air quality impacts. Those impacts would be significant and unavoidable for regional CO, VOC, PM₁₀, PM_{2.5}, and NO_x and localized PM₁₀ and PM_{2.5}.
- Compared to the Project, HAA 1 would reduce unmitigated maximum daily overlapping construction emissions by 19 percent for CO, 7 percent for VOC, 6 percent for PM₁₀, 5 percent for PM_{2.5}, and produce similar amounts of NO_x and SO_x. After implementation of Mitigation Measures 7-1 through 7-9, daily emissions of CO, VOC, PM₁₀, PM_{2.5} and NO_x would be reduced by a minimum of 5 percent. Although these impacts would be reduced, as with the Project, HAA 1 emissions would exceed the significance thresholds established by SCAQMD for regional CO, VOC, PM₁₀, PM_{2.5} and NO_x.
- As with the Project, HAA 1 would exceed SCAQMD thresholds for localized PM₁₀ and PM_{2.5}. After mitigation, HAA 1 would produce PM₁₀ emissions of 61.8 µg/m³ and PM_{2.5} emissions of 14.0 µg/m³, which exceed the SCAQMD threshold of 10.4 µg/m³. The Project and HAA 1 would result in similar CO and NO₂ concentrations and impacts associated with these concentrations would be less than significant for both.

- Maximum daily operational emissions for HAA 1 would result in significant and unavoidable impacts for regional VOC, NO_x, CO, PM₁₀ and PM_{2.5}, similar to the Project. The number of daily trips generated by HAA 1 would decrease by 9 percent in comparison with the Project. However, in comparison to the SCAQMD thresholds, HAA 1 regional emissions would represent 14.4 times the VOC threshold, 12.5 times the NO_x threshold, 6.6 times the CO threshold, 9.7 times the PM₁₀ threshold, and 5.3 times the PM_{2.5} threshold. Accordingly, the total contributions to regional emissions under HAA 1 would exceed the SCAQMD significance thresholds for VOC, NO_x, CO, PM₁₀ and PM_{2.5}, similar to the Project. Neither the Project nor HAA 1 operations would result in significant localized air quality impacts.
- Similar to the Project, HAA 1 would generally comply with SCAQMD's 2007 Air Quality Management Plan (AQMP), with the possible exception of construction-related particulate emissions. However, localized modeling shows that site construction under HAA 1 would result in a substantial increase of PM₁₀ and PM_{2.5} averaged over a 24-hour period and would add cumulatively to an exceedance of particulate standards. As with the Project, HAA 1 would thus not appear to comply with the AQMP's goal of protecting sensitive receptors from exceedance conditions. This impact will be significant and unavoidable for both the Project and HAA 1.
- With respect to Toxic Air Contaminants, HAA 1 would result in new sensitive land uses within the CARB recommended general buffer zone of no less than 400 feet from a freeway averaging more than 100,000 vehicles per day. While HAA 1 would result in fewer dwellings than the Project, proposed dwelling units would be located a similar distance from the 1-15 freeway. As with the Project, the cancer risk under HAA 1 would exceed the 10 in one million threshold. In comparison to the SCAQMD threshold, HAA 1 would represent 20 times the threshold for the maximum on-site residence over a 70-year exposure duration, with 199 estimated excess cancer risks per one million people over a 70-year duration. Even with incorporation of mitigation measures, HAA 1 would result in potential impacts to on-site sensitive receptors from off-site sources of toxic air contaminants.

Noise Impacts of HAA 1

- As with the Project, HAA 1 would still result in significant and unavoidable operational noise impacts. Daily traffic volumes associated with HAA 1 would be approximately 9 percent less than the project, and operations noise impacts of HAA 1 would thus be incrementally less than the Project. Project-related traffic from HAA 1 would still cause an increase in 4.1 dBA CNEL for portions of Country Club Drive, which exceeds the threshold of significance for noise increases. As a result, noise impacts along Country Club Drive (north of Riverside Avenue) would remain significant and unavoidable.
- The changes in building massing and configuration associated with HAA 1 would not result in materially different construction noise impacts than those forecasted for the Project. As with the Project, HAA 1 would use construction equipment that would produce maximum noise levels of 76 dBA to 90 dBA at a distance of 50 feet, and any location with an uninterrupted line-of-sight could be exposed to temporary noise levels above 75 dBA at a distance of less than 150 feet from the noise source. However, as with the Project, HAA 1 would be conducted in compliance with the City's noise ordinance and any impact would thus be less than significant.

Growth Inducement Impacts of HAA 1

- As with the Project, HAA 1 would result in a significant growth-inducing impact. A project will have a significant growth-inducing impact if the project conflicts with any applicable

land use plan, policy or regulation of an agency with jurisdiction over the project, or induces substantial population growth in an area either directly or indirectly.

- HAA 1 would result in a total of 7,484 residential units and 820,540 square feet of office within a 2,447.3-acre site. Under the existing City and County zoning designations applicable to the site, development activities would be confined to an approximately 1,215.5-acre portion of the total project site. Based on existing zoning, 2,215 single-family dwelling units and 1,097,418 square feet of commercial and light industrial development could be constructed. Thus, when compared to what might otherwise be allowable under existing zoning, HAA 1 would result in an increase of 5,269 residential units and approximately 276,878 less square feet of non-residential uses. Assuming an average household size of 3.896 persons per household, and a jobs rate of one job per each 250 square feet of non-residential development, HAA 1 would foster a population increase of 20,528 persons and a reduction of 1,108 primary jobs.
- Similar to the Project, HAA 1 would require the adoption of a specific plan, a General Plan Amendment, a pre-annexation and development agreement, and other discretionary actions to complete. These changes in jurisdictional authority and land-use regulations and HAA 1 would result in an intensification of uses and substantial growth beyond what is allowable under existing City and County zoning.

Financial Infeasibility: In response to the Court Ruling, an updated Financial Feasibility Analysis of the Lytle Creek Ranch Specific Plan Project and Alternatives to the Project Discussed in the Lytle Creek Ranch Specific Plan EIR was prepared by CBRE Consulting, a real estate and urban economics consulting firm, and included as Appendix V-E to the RPDEIR. This includes a detailed analysis of the financial feasibility of the Project and HAA 1.

- To assess the financial feasibility of the Project and the alternatives to the Project, CBRE developed a model that calculated the total development costs, estimated the lot sales revenues over the expected 20-year life of the Project, and calculated the return on investment of the Project and the Alternatives, including HAA 1. As discussed in detail in the Updated Financial Feasibility Analysis, land development costs were calculated based on estimates of major cost categories and indirect costs, and finished lot prices were based on a detailed appraisal report.
- To determine whether the Project and the Habitat Avoidance Alternatives would be financially feasible, CBRE calculated the Internal Rate of Return (IRR) for each. IRR is the industry standard measurement used to evaluate long-term capital real estate investments. Capital investment in real estate development is a high-risk venture, and in order to obtain financing commitments, developers must be able to demonstrate sufficient returns to offset the risks related to development and construction costs. As detailed in the analysis, CBRE determined that an IRR of 15 to 25 percent would be the threshold at which the Project or the alternatives would be considered financially feasible. This IRR range represents typical industry standards for rate of return thresholds.
- Based on the detailed analysis in the Updated Financial Feasibility Analysis included in the RPDEIR, the Project would yield a return of approximately 15.2 percent, which falls within the industry standard rate of return thresholds of 15 to 25 percent. The Project would thus be financially feasible
- As discussed above, HAA 1 would include a total of 7,484 dwelling units and 820,540 square feet of commercial, office, and light industrial uses, a reduction of approximately 923 dwelling units and 28,880 square feet of non-residential uses compared to the

Project. Like the Project, the alternative would include a modernized public golf course and 12-acre park adjacent to a new K–8 school, but it would not provide any formal active recreational parks dedicated to the community (including the Grand Paseo Park). In addition, this alternative would not be gated, would not have any monumentation/definition or neighborhood entry definition, and would not be developed as a master planned community. Although development costs associated with HAA 1 would be reduced in comparison to the Project, the total value of the Project would be substantially reduced.

- Based on the detailed analysis provided in the Updated Financial Feasibility Analysis, HAA 1 would result in an IRR of approximately 3.8 percent, 11.4 percent less than the Project's IRR. While HAA 1 would generate positive cash flow before financing costs, under current market conditions this alternative would not yield a return adequate to attract the necessary equity capital. As described above, an IRR of 15 to 25 percent is considered the industry standard threshold that reflects an acceptable level of risk for long-term capital investments. Thus, the substantial reduction in the IRR under this alternative when compared with the Project is sufficiently severe as to render it not financially feasible.
- The Commission finds that the reduction of units and other changes in development required under HAA 1 would make it financially infeasible, based on the detailed analysis in the Updated Financial Feasibility Analysis, the RPDEIR, and the Final RPEIR.

Failure to Meet Project Objectives and Key General Plan Policies: HAA 1 contemplates development for generally the same types and densities of uses as associated with the Project. However, by reducing the development footprint, the overall number of dwelling units and non-residential square footage would be reduced compared to the Project. The Commission finds that HAA 1 would not achieve a number of the key Project objectives or would achieve them to a lesser degree than the Project, and that HAA 1 is undesirable from a policy standpoint as it would not sufficiently support the City's interest in promoting several important objectives and policies.

Failure to Meet Key Project Objectives

- As discussed in detail the RPDEIR, HAA 1 also does not sufficiently achieve many of the City's and the Applicant's key Project objectives, in addition to other important City policies. HAA 1 would attain most, but not all, of the Project objectives identified by the Lead Agency and the Applicant. However, HAA 1 would fail to achieve key Project objectives, and would not achieve many of the Project objectives to the same degree as the Project.
- Notably, key Project Objectives identified by both the Lead Agency and the Applicant involve fiscal and economic concerns. The City is currently facing one of its most challenging budget cycles in its history. Revenues have decreased while expenditures have significantly increased. The City cannot continue to operate long term with a structural deficit in the General Fund. Accordingly, it is key to the City that new development projects be financially feasible. Under CEQA, an agency may find an alternative to be infeasible for failing to meet a project objective that the development be economically feasible. As CBRE's Updated Financial Feasibility Analysis determined that HAA 1 would be financially infeasible, that alternative would not attain Project Objectives LA-10 ("private development activities should be deemed by the City to be fiscally prudent") and A-16 ("undertake development of the Project site in a manner that is economically feasible and balanced to address both the Applicant's and the City's economic concerns").

- Under HAA 1, other Project objectives would be met to a lesser degree than that of the Project. Objective LA-6 (“Provide for and/or facilitate the introduction and expansion of economic opportunities and benefits for the City and its residents”) would be met to a lesser extent than the Project. HAA 1 would not expand economic opportunities to the same degree, nor would it generate as much tax revenue, because of the reduced amount of development associated with HAA 1. Consequently, the economic benefits to the City would be reduced compared to the Project.
- Attainment of Project objective A-11 (“Implement the City General Plan’s Land Use Element goal to facilitate annexation of large areas of land that are governed by a specific plan, which provides for compatibility of land uses, fiscal balance, recreation, and resource protection”) would be mixed under HAA 1, as portions of the Project site would be annexed into the City similar to the Project, but fiscal benefits would be reduced while biological resource protection would be attained.
- The objectives relating to project amenities would be achieved to a lesser extent by HAA 1. Specifically, A-1, A-6 through A-8, and A-12 all involve the provision of amenities such as parks, recreation and open space areas including a golf course, pedestrian trails, and bike lanes. Although HAA 1 would include a golf course and 12-acre park adjacent to the new K–8 school, it would not provide any formal active recreational parks dedicated to the community. This contrasts with the Project, which would involve an enhanced Grand Paseo Park with active recreation, four recreation centers, a golf course, a 35-acre sports park, a 5.1-acre joint-use park adjacent to a new elementary school, and a 12.1-acre joint-use park adjacent to a new K–8 school. Unlike the Project, HAA 1 would not be a master planned community and would not feature the same degree of interconnection, including via trails and bike lanes, between the various project areas, nor would it offer the same accessibility to recreational opportunities since fewer recreational amenities would be provided. Consequently, objectives A-1, A-6 through A-8, and A-12 would be partially attained/not attained to the same extent as under the Project.
- Objective A-5 (“Develop freeway-oriented commercial areas to serve regional needs and stimulate job and revenue growth in the City”) also involves economic issues. HAA 1 would not expand economic opportunities to the same degree as the Project nor would it generate as much tax revenue for the City because of reduced development. Job growth would also not be as extensive, as HAA 1 would generate an estimated 3,282 jobs in comparison to the 3,398 jobs generated by Project. Furthermore, HAA 1 was determined not to be financially feasible. Therefore, under HAA 1, A-5 would be partially attained, to a lesser extent than the Project.
- With respect to objective A-9, regarding the City’s housing needs (“Address the City’s current and projected housing needs for all segments of the community by providing a range of family-oriented single- and multi-family residences, as well as an active-adult golf course community”), this objective would also not be achieved to the same degree by HAA 1 as the Project. In addition, HAA 1’s reduced number of units may result in a narrower range of available prices/rents on the Project site, which would not be able to meet the needs of all segments of the community.
- The Commission concurs with the finding that HAA 1 would fail to attain key Project objectives LA-10 and A-16, and would not achieve many important Project objectives to the same degree as the Project.

Failure to Satisfy Key Goals and Policies of the General Plan:

- In December 2010, several months after the City approved the Project and certified the original FEIR, the City adopted an updated General Plan, which was only in draft form at

the time of project approval. The Project is fully consistent with the applicable goals and policies of the updated General Plan. Although HAA 1 would be consistent with many of these goals and policies, either to the same extent as or to a lesser extent than the Project, it would be inconsistent with several key goals and policies. The RPDEIR contains a detailed analysis the consistency of HAA 1 with the goals and policies of the General Plan and identifies those goals and policies that would not be met.

- Specifically, HAA 1 would be inconsistent with Goal 2-7 (“encourage all annexations that will provide a benefit to the City”) and Goal 3-1 (“strengthen and diversify the economic base and employment opportunities, and maintain a positive business climate”) because, as discussed above, HAA 1 is not financially feasible.
- HAA 1 would be a nonmaster planned community with no formal active recreation parks dedicated to the community and no neighborhood monumentation or definition. HAA 1 would thus be inconsistent with key goals and policies regarding the provision of community parks and public facilities, and neighborhood character or identification, including Policy 2-7.4 (“require that land be set aside for community parks and other public facilities as appropriate for any large planned development”) and Goal 2-27 (“provide a variety of park facilities that meet the diverse needs and interest of the community”), as well as Policy 2-8.1 (“promote neighborhood identity and preservation of individual neighborhood character by preserving or creating neighborhood gateway features”), Goal 2-10 (“create distinctive gateways at all entry points into Rialto and for individual districts or neighborhoods”) and Policies 2-10.1 to 2-10.3 (“continue the use of monument signs at focal points within the community and at major and minor gateways. Establish unified entry treatments at major entries into the City;” “design and implement themed landscape treatments near freeway off- and on- ramps to announce entry into Rialto;” and “encourage new and established neighborhoods to provide ground signs and landscaping at a major street entrance to reinforce their identity,” respectively), Policy 2-12.5 (“Maximize potential pedestrian connections through the use of highly visible gateways”), and Policy 2-27.2 (“plan for and designate adequate funding to maintain new and existing parks and facilities”).
- The Commission concurs with the City’s finding that HAA 1 would not be consistent with several key objectives of the General Plan.

Additional Environmental Impacts Resulting from the Selection of this Alternative:

No additional significant environmental impacts would be predicted to occur under this alternative. Although this alternative would result in a substantial reduction in impacts to listed wildlife species, including the SBKR and the LBV, adoption and implementation would not result in that impact’s avoidance. Additionally, selection of this alternative would not reduce any of the Project’s significant or potentially significant unmitigated impacts to a less-than-significant level.

Conclusion:

Under CEQA, where an EIR has identified significant environmental effects that have not been mitigated or avoided for a Project, the lead agency may nonetheless approve the Project if it finds that specific economic, legal, social, technological, or other considerations make the alternatives identified in the EIR infeasible. The City, as Lead Agency, may reject alternatives if they are infeasible for economic, environmental, social, or technological reasons, or if the alternative is inconsistent with the project objectives, or conflicts with or inadequately accommodates the City’s planning goals and policies. Indeed, the City “may reject [project] alternatives if it properly finds them to be infeasible

for **any** of the statutorily specified reasons, including economic infeasibility.”¹¹ Substantial evidence in the record demonstrates that HAA 1 is infeasible. The Commission concurs with this finding.

- 1) An alternative may be found infeasible if it fails to avoid or substantially lessen the significant and unavoidable impacts of the Project. The evidence demonstrates that HAA 1 would fail to avoid or substantially lessen any of the significant and unavoidable impacts air quality, noise, and growth inducing impacts of the Project.
- 2) The evidence also demonstrates that HAA 1 would be financially infeasible. CBRE Consulting’s Updated Financial Feasibility Analysis included in the RPDEIR indicates that an IRR of 15 to 25 percent would be the threshold at which the Project or any alternatives, including HAA 1, would be considered financially feasible. As discussed above, the Project would yield a rate of return of approximately 15.2 percent and is therefore feasible. HAA 1 would result in an IRR of approximately 3.8 percent. HAA 1 would not attract the necessary equity capital at that IRR, and is therefore financially infeasible.
- 3) An alternative may also be found infeasible if it is inconsistent with the Project objectives. As discussed above, the evidence demonstrates that HAA 1 would not meet all Project Objectives.
- 4) The City may also reject an alternative that is impractical or undesirable from a policy standpoint as infeasible. As discussed above, substantial evidence demonstrates that HAA 1 would not meet key goals and policies of the City’s updated General Plan

For the foregoing reasons, supported by substantial evidence in the record, the Commission concurs with the City Council finding that Habitat Avoidance Alternative 1 infeasible and rejects it in favor of the Project.

6.4 Alternative No. 4: Habitat Avoidance Alternative 2 (Avoidance of Riversidian Alluvial Fan Sage Scrub Areas, or “HAA 2”).

Alternative Description: The Complete FEIR identified various potentially significant impacts that the Project could cause to biological resources in the Project study area. Although the Complete FEIR determined that all biological resource impacts could be mitigated to a less than significant level, in light of those potential project-related impacts, several “habitat avoidance” alternatives to the Project were developed for assessment under CEQA. Each alternative was defined so as to minimize the direct disturbance of sensitive habitats and the corresponding sensitive species that occupy those habitats.

The second of these habitat avoidance alternatives is referred to as Habitat Avoidance Alternative 2 (HAA 2). Under HAA 2, a total of 4,873 dwelling units and 602,827 square feet of commercial, office, and light industrial uses could be developed on the Project site. The objective of HAA 2 is to avoid or substantially reduce significant Project-related impacts affecting Riversidian alluvial fan sage scrub (RAFSS) areas located on the Project Site. As proposed, implementation of the LCRSP would result in potentially significant impacts to RAFSS, considered a sensitive natural community and a high

¹¹ The Flanders Foundation v. City of Carmel-by-the-Sea (2012) 202 Cal.App. 4th 603, 622.

priority for inventory in the California Natural Diversity Database (CNDDDB). In order to achieve this, although HAA 2 involves the construction of a revetment, it does not involve the extension of the revetment to the existing Cemex USA levee. In addition, the location of this alternative's revetment in Neighborhood IV would not affect the hydrological conditions needed to sustain RAFSS on the site.

The major concentration of RAFSS on the Project site lies within the Lytle Creek Wash area. The areas designated as Preserved RAFSS Community include both RAFSS as well as RAFSS-dominated vegetation. Under this alternative, the areas proposed for development may contain some components of RAFSS vegetation but those areas are not considered RAFSS-dominated communities and, therefore, the developed areas would not be considered habitat.

Although not a RAFSS community, riparian habitat is also considered a sensitive habitat. HAA 2 also provides protection for riparian habitat in areas of Neighborhood I and a small area within Neighborhood II. Furthermore, HAA 2 would place all development behind the FEMA 100-year floodplain line.

Comparison of the Effects of the Alternative to the Effects of the Project

Substantial evidence demonstrates that HAA 2 would not result in the avoidance or substantial lessening of the significant Project-related and cumulative air quality, noise, and growth-inducing impacts associated with the adoption and implementation of the Project.

Air Quality Impacts of HAA 2.

- In comparison to the Project, HAA 2 would represent a reduction of approximately 3,534 dwelling units and 246,593 square feet of commercial, office, and light industrial uses. As a result, construction activities would be less than under the Project. As with the Project, construction of HAA 2 would generate pollutant emissions through the use of heavy-duty construction equipment and haul/delivery truck and construction worker trips. Although the overall amount of construction would be less under HAA 2 compared to the Project, fugitive dust and pollutant emissions would be similar on a daily basis. The footprint of development proposed by HAA 2 would be largely similar to the Project in Neighborhood I, though Neighborhoods II, III, and IV would be moved further south. The Project and this alternative would require a similar intensity of site grading activities, the dominant source of emissions for both. Proposed construction under this HAA 2 would not change the proximity of construction activities from off-site sensitive receptors.
- Although construction impacts to air quality would be reduced under HAA 2 in comparison to the Project, construction emissions under HAA 2 would result in regional and localized air quality impacts. Those impacts would be significant and unavoidable for regional CO, VOC, PM₁₀, PM_{2.5} and NO_x and localized PM₁₀ and PM_{2.5}.
- Compared to the Project, HAA 1 would reduce unmitigated maximum daily overlapping construction emissions by 47 percent for CO, 24 percent for VOC, 6 percent for PM₁₀, 6 percent for PM_{2.5} and 9 percent for NO_x and produce a similar amount of SO_x. After implementation of Mitigation Measures 7-1 through 7-9, daily emissions of CO, VOC, PM₁₀, PM_{2.5} and NO_x would be reduced by a minimum of 5 percent. Although these impacts would be reduced, as with the Project, HAA 2 emissions would exceed the significance thresholds established by SCAQMD for regional CO, VOC, PM₁₀, PM_{2.5} and NO_x.

- As with the Project, HAA 2 would exceed SCAQMD thresholds for localized PM₁₀ and PM_{2.5}. After mitigation, HAA 2 would produce PM₁₀ emissions of 61.7 µg/m³ and PM_{2.5} emissions of 13.9 µg/m³, which exceed the SCAQMD threshold of 10.4 µg/m³. The Project and HAA 1 would result in similar CO and NO₂ concentrations and impacts associated with these concentrations would be less than significant for both.
- Maximum daily operational emissions for HAA 2 would result in significant and unavoidable impacts for regional VOC, NO_x, CO, PM₁₀ and PM_{2.5}, similar to the Project. The number of daily trips generated by HAA 2 would decrease by 39 percent in comparison with the Project. However, in comparison to the SCAQMD thresholds, HAA 2 regional emissions would represent 9.1 times the VOC threshold, 7.4 times the NO_x threshold, 3.6 times the CO threshold, 5.1 times the PM₁₀ threshold, and 2.8 times the PM_{2.5} threshold. Accordingly, the total contributions to regional emissions under HAA 2 would exceed the SCAQMD significance thresholds for VOC, NO_x, CO, PM₁₀ and PM_{2.5}, similar to the Project. Neither the Project nor HAA 2 operations would result in significant localized air quality impacts.
- Similar to the Project, HAA 2 would generally comply with SCAQMD's 2007 Air Quality Management Plan (AQMP), with the possible exception of construction-related particulate emissions. However, localized modeling shows that site construction under HAA 2 would result in a substantial increase of PM₁₀ and PM_{2.5} averaged over a 24-hour period and would add cumulatively to an exceedance of particulate standards. As with the Project, HAA 2 would thus not appear to comply with the AQMP's goal of protecting sensitive receptors from exceedance conditions. This impact will be significant and unavoidable for both the Project and HAA 2.
- HAA 2 would result in new sensitive land uses within the CARB recommended general buffer zone of no less than 400 feet from a freeway averaging more than 100,000 vehicles per day. While HAA 2 would result in fewer dwellings than the Project, proposed dwelling units would be located a similar distance from the 1-15 freeway. As with the Project, the cancer risk under HAA 2 would exceed the 10 in one million threshold. In comparison to the SCAQMD threshold, HAA 1 would represent 13 times the threshold for the maximum on-site residence over a 70-year exposure duration, with 130 estimated excess cancer risks per one million people over a 70-year duration. Even with incorporation of mitigation measures, HAA 2 would result in potential impacts to on-site sensitive receptors from off-site sources of toxic air contaminants.

Noise Impacts of HAA 2

- As with the Project, HAA 2 would still result in significant and unavoidable operational noise impacts. Daily traffic volumes associated with HAA 2 would be approximately 39 percent less than the project, and operations noise impacts of HAA 2 would thus be incrementally less than the Project. Project-related traffic from HAA 2 would still cause an increase of 3.4 dBA CNEL for portions of Country Club Drive, which exceed the threshold of significance for noise increases. As a result, noise impacts along Country Club Drive (north of Riverside Avenue) would remain significant and unavoidable.
- The changes in building massing and configuration associated with HAA 2 would not result in materially different construction noise impacts than those forecasted for the Project. As with the Project, HAA 2 would use construction equipment that would produce maximum noise levels of 76 dBA to 90 dBA at a distance of 50 feet, and any location with an uninterrupted line-of-sight could be exposed to temporary noise levels above 75 dBA at a distance of less than 150 feet from the noise source. However, as with the Project, HAA 2 would be conducted in compliance with the City's noise ordinance and any impact would thus be less than significant.

Growth Inducing Impacts of HAA 2

- As with the Project, HAA 2 would result in a significant growth-inducing impact. A significant growth-inducing impact will occur if a project conflicts with any applicable land use plan, policy or regulation of an agency with jurisdiction over the project, or induces substantial population growth in an area either directly or indirectly.
- HAA 2 would result in a total of 4,873 residential units and 602,827 square feet of office within a 2,447.3-acre site. Under the existing City and County zoning designations applicable to the site, development activities would be confined to an approximately 1,215.5-acre portion of the total project site. Based on existing zoning, 2,215 single-family dwelling units and 1,097,418 square feet of commercial and light industrial development could be constructed. Thus, when compared to what might otherwise be allowable under existing zoning, HAA 2 would result in an increase of 2,658 residential units and approximately 494,591 less square feet of non-residential uses. Assuming an average household size of 3.896 persons per household, and a jobs rate of one job per each 250 square feet of non-residential development, HAA 2 would foster a population increase of 10,366 persons and a reduction of 1,978 primary jobs.
- Similar to the Project, HAA 2 would require the adoption of a specific plan, a General Plan Amendment, a pre-annexation and development agreement, and other discretionary actions to complete. These changes in jurisdictional authority and land-use regulations and HAA 2 would result in an intensification of uses and substantial growth beyond what is allowable under existing City and County zoning.

Financial Infeasibility: In response to the Court Ruling, an updated Financial Feasibility Analysis of the Lytle Creek Ranch Specific Plan Project and Alternatives to the Project Discussed in the Lytle Creek Ranch Specific Plan EIR was prepared by CBRE Consulting, a real estate and urban economics consulting firm, and included in the RPDEIR. This includes a detailed analysis of the financial feasibility of the Project and HAA 2.

- To assess the financial feasibility of the Project and the alternatives to the Project, CBRE developed a model that calculated the total development costs, estimated the lot sales revenues over the expected 20-year life of the Project, and calculated the return on investment of the Project and the Alternatives, including HAA 2. As discussed in detail in the Updated Financial Feasibility Analysis, land development costs were calculated based on estimates of major cost categories and indirect costs, and finished lot prices were based on a detailed appraisal report.
- To determine whether the Project and the Habitat Avoidance Alternatives would be financially feasible, CBRE calculated the Internal Rate of Return (IRR) for each. IRR is the industry standard measurement used to evaluate long-term capital real estate investments. Capital investment in real estate development is a high-risk venture, and in order to obtain financing commitments, developers must be able to demonstrate sufficient returns to offset the risks related to development and construction costs. As detailed in the analysis, CBRE determined that an IRR of 15 to 25 percent would be the threshold at which the Project or the alternatives would be considered financially feasible. This IRR range represents typical industry standards for rate of return thresholds.
- Based on the detailed analysis in the Updated Financial Feasibility Analysis included in the RPDEIR, the Project would yield a return of approximately 15.2 percent, which falls within the industry standard rate of return thresholds of 15 to 25 percent. The Project would thus be financially feasible.

- As discussed above, HAA 2 would include a total of 4,873 dwelling units and 602,827 square feet of commercial, office, and light industrial uses, a reduction of approximately 3,534 dwelling units and 246,593 square feet of non-residential uses compared to the Project. Similar to the Project, the alternative would include three recreation centers, a Paseo Park, and a 5.1-acre park adjacent to a new elementary school, but it would not include a golf course, an associated clubhouse, or a sports park. In addition, while this alternative would be developed as a master planned community, it would not be gated, would have only modest monumentation/definition, and would not have any neighborhood entry definition. Although development costs associated with HAA 2 would be reduced in comparison to the Project, the total value of the Project would be substantially reduced.
- Based on the detailed analysis provided in the Updated Financial Feasibility Analysis, HAA 2 would result in an IRR of approximately 5.3 percent, 9.9 percent less than the Project's IRR. While HAA 2 would generate positive cash flow before financing costs, under current market conditions this alternative would not yield a return adequate to attract the necessary equity capital. As described above, an IRR of 15 to 25 percent is considered the industry standard threshold that reflects an acceptable level of risk for long-term capital investments. Thus, the substantial reduction in the IRR under this alternative when compared with the Project is sufficiently severe as to render it not financially feasible.
- The Commission concurs with the City finding that the reduction of units and other changes in development required under HAA 2 would make it financially infeasible, based on the detailed analysis in the Updated Financial Feasibility Analysis, the RPDEIR, and the Final RPEIR.

Failure to Meet Project Objectives and Key General Plan Policies: HAA 2 would result in development for generally the same types and densities of uses as associated with the Project, but would reduce the development footprint. As a result, the overall number of dwelling units and non-residential square footage would be reduced compared to the Project. The Commission concurs with the City finding that HAA 2 would not achieve a number of the key Project objectives, or would achieve them to a lesser degree than the Project. HAA 2 is undesirable from a policy standpoint as it would not sufficiently support the City's interest in promoting several important objectives and policies.

Failure to Meet Key Project Objectives

- As discussed in detail the RPDEIR, HAA 2 also does not sufficiently achieve many of the City's and the Applicant's key Project objectives, in addition to other important City policies. HAA 2 would attain most, but not all, of the Project objectives identified by the Lead Agency and the Applicant. However, HAA 1 would fail to achieve key Project objectives, and would not achieve many of the Project objectives to the same degree as the Project.
- Notably, key Project Objectives identified by both the Lead Agency and the Applicant involve fiscal and economic concerns. The City is currently facing one of its most challenging budget cycles in its history. Revenues have decreased while expenditures have significantly increased. The City cannot continue to operate long term with a structural deficit in the General Fund. Accordingly, it is key to the City that new development projects be financially feasible. Under CEQA, an agency may find an alternative to be infeasible for failing to meet a Project Objective that the development be economically feasible. As CBRE's Updated Financial Feasibility Analysis determined

that HAA 2 would be financially infeasible, that alternative would not attain Project Objectives LA-10 (“private development activities should be deemed by the City to be fiscally prudent”) and A-16 (“undertake development of the Project site in a manner that is economically feasible and balanced to address both the Applicant’s and the City’s economic concerns”).

- The Applicant also identified two Project objectives related to the redesign of the El Rancho Verde Golf Course. These objectives have become key to the City over the past year. Under the Project, the El Rancho Verde Golf Course would be redesigned and upgraded with new clubhouse facilities. Unfortunately, the El Rancho Verde Golf Course, a public golf course in the City, was forced to close in 2011 due to steep financial losses. The golf course was a place of community congregation for over 50 years in the City. Having the golf course eventually reopen is a key objective not only of the community but of the City as well. Under HAA 2 (Avoidance of RAFSS Areas), however, the golf course would never have the opportunity to be redesigned and reopened. As such, HAA 2 would not attain key Project objectives A-7 (“respond to the unmet need for active-adult communities in the Rialto area by providing residents with a golf course-oriented community and a variety of conveniently located on-site amenities”) and A-8 (“provide the City and surrounding community with a redesigned public golf course and clubhouse, recreation and open space areas, parks, and trails to meet the City General Plan goals to provide such facilities to maintain and enhance the City’s quality of life”).
- Under HAA 2, other Project objectives would be met to a lesser degree than that of the Project. Objective LA-6 (“Provide for and/or facilitate the introduction and expansion of economic opportunities and benefits for the City and its residents”) would be met to a lesser extent than the Project. HAA 2 would not expand economic opportunities to the same degree as the Project, nor would it generate as much tax revenue as the Project, because of the reduced amount of development. Consequently, the economic benefits to the City would be reduced compared to the Project.
- Attainment of Project objective A-11 (“Implement the City General Plan’s Land Use Element goal to facilitate annexation of large areas of land that are governed by a specific plan, which provides for compatibility of land uses, fiscal balance, recreation, and resource protection”) would be mixed under HAA 2, as portions of the Project site would be annexed into the City similar to the Project, but fiscal benefits would be reduced while biological resource protection would be attained.
- Other objectives relating to project amenities and economic benefits would be achieved to a lesser extent by HAA 2. Specifically, objectives A-1, A-6 and A-12 all involve the provision of amenities such as parks, recreation and open space areas including a golf course, pedestrian trails, and bike lanes. Although HAA 2 would include three recreation centers, a Paseo Park, and a 5.1-acre park adjacent to a new elementary school, it would not include a golf course, an associated clubhouse, or a sports park. This contrasts with the Project, which would involve an enhanced Grand Paseo Park with active recreation, four recreation centers, a golf course, a 35-acre sports park, a 5.1-acre joint-use park adjacent to a new elementary school, and a 12.1-acre joint-use park adjacent to a new K–8 school. Consequently, objectives A-1, A-6 and A-12 would be partially attained/not attained to the same extent as under the Project.
- Objectives A-5 (“Develop freeway-oriented commercial areas to serve regional needs and stimulate job and revenue growth in the City”) also involves economic issues. HAA 2 would not expand economic opportunities to the same degree as the Project nor would it generate as much tax revenue for the City because of reduced development. Job growth would also not be as extensive, as HAA 2 would generate an estimated 2,411

jobs in comparison to the 3,398 jobs generated by Project. Furthermore, HAA 2 was determined not to be financially feasible. Therefore, while A-5 would be partially attained to a lesser extent than the Project, A-16 would not be attained by HAA 2.

- With respect to objective A-9, regarding the City's housing needs ("Address the City's current and projected housing needs for all segments of the community by providing a range of family-oriented single- and multi-family residences, as well as an active-adult golf course community"), this objective would also not be achieved to the same degree by HAA 2 as the Project. In addition, the reduced number of units associated with HAA 2 may result in a narrower range of available prices/rents on the Project site, which would not be able to meet the needs of all segments of the community.
- The Commission concurs with the City finding that HAA 2 would fail to attain key Project objectives LA-10, A-7, A-8, and A-16, and would not achieve many important Project Objectives to the same degree as the Project.

Failure to Satisfy Key Goals and Policies of the General Plan

- In December 2010, several months after the City approved the Project and certified the original FEIR, the City adopted an updated General Plan, which was only in draft form at the time of project approval. The Project is fully consistent with the applicable goals and policies of the updated General Plan. Although HAA 2 would be consistent with many of these goals and policies, either to the same extent as or to a lesser extent than the Project, it would be inconsistent with several key goals and policies. The RPDEIR contains a detailed analysis of HAA 2's consistency with the goals and policies of the General Plan and those that would not be met by HAA 2.
- Specifically, HAA 2 would be inconsistent with Goal 2-7 ("encourage all annexations that will provide a benefit to the City") and Goal 3-1 ("strengthen and diversify the economic base and employment opportunities, and maintain a positive business climate") because, as discussed above, HAA 2 is not financially feasible.
- In addition, HAA 2 would eliminate the active adult community in proposed Neighborhood II of the Project as well as the redesigned El Rancho Verde Golf Course. This would be inconsistent with General Plan Goal 3-16 ("ensure integration and participation of seniors in mainstream community life through accessible social services"). Further, HAA 2 proposes a wide swath of residential development, with densities of 8 to 14 dwelling units per acre, in the proposed Neighborhood II area adjacent to an existing single-family community, resulting in additional land use compatibility and aesthetic impacts on established residential areas, which would not otherwise occur under the Project if the golf course were to remain. Accordingly, HAA 2 would be inconsistent with Policy 2-14.1 ("protect views of the San Gabriel and San Bernardino Mountains by ensuring that building heights are consistent with the scale of surrounding, existing development") and partially inconsistent with Policies 2-19.1 ("require that new construction, additions, renovations and infill developments be sensitive to neighborhood context and building form and scale") and 2-19.5 ("integrate residential developments with their built surroundings").
- The Commission concurs with the City finding that HAA 2 would not be consistent with several key objectives of the General Plan.

Additional Environmental Impacts Resulting from the Selection of this Alternative:

No additional significant environmental impacts would be predicted to occur under this alternative. Although this alternative would result in a substantial reduction of potential impacts upon RAFSS-dominated vegetation, adoption and implementation would not result in that impact's complete avoidance. Additionally, selection of this alternative

would not reduce the Project's significant or potentially significant unmitigated air quality, noise, and growth-inducing impacts to a less-than-significant level.

Conclusion: Under CEQA, if an EIR has identified significant environmental effects that have not been mitigated or avoided for a project, the lead agency may nonetheless approve the project if it finds that specific economic, legal, social, technological, or other considerations make the alternatives identified in the EIR infeasible. The City, as Lead Agency, may reject alternatives if they are infeasible for economic, environmental, social, or technological reasons, or if the alternative is inconsistent with the project objectives, or conflicts with or inadequately accommodates the City's planning goals and policies. Indeed, the City "may reject [project] alternatives if it properly finds them to be infeasible for any of the statutorily specified reasons, including economic infeasibility."¹² Substantial evidence in the record demonstrates that HAA 2 is infeasible and the Commission concurs with this finding.

- 1) An alternative may be found infeasible if it fails to avoid or substantially lessen the significant and unavoidable impacts of the Project. The evidence demonstrates that HAA 2 would fail to avoid or substantially lessen the significant and unavoidable impacts air quality, noise, and growth inducing impacts of the Project.
- 2) The evidence also demonstrates that HAA 2 would be financially infeasible. CBRE Consulting's Updated Financial Feasibility Analysis included in the RPDEIR indicates that an IRR of 15 to 25 percent would be the threshold at which the Project or any alternatives, including HAA 2, would be considered financially feasible. As discussed above, the Project would yield a rate of return of approximately 15.2 percent and is therefore feasible. HAA 2 would yield an IRR of approximately 5.3 percent. HAA 2 would not attract the necessary equity capital at that IRR, and is therefore financially infeasible.
- 3) An alternative may also be found infeasible if it is inconsistent with the Project objectives. As discussed above, the evidence demonstrates that HAA 2 would not meet several key Project Objectives.
- 4) The City may also reject an alternative that is impractical or undesirable from a policy standpoint as infeasible. As discussed above, substantial evidence demonstrates that HAA 2 would not be consistent with goals and policies of the City's updated General Plan.

For the foregoing reasons, based on substantial evidence in the record, the Commission concurs with the City finding that the Habitat Avoidance Alternative 2 is infeasible and rejects it in favor of the Project.

¹² The Flanders Foundation v. City of Carmel-by-the-Sea (2012) 202 Cal.App. 4th 603, 622.

6.5 Alternative No. 5: Habitat Avoidance Alternative 3 (Avoidance of Jurisdictional Waters Alternative or “HAA 3”)

Alternative Description: Although determined not to be significant, after mitigation, based on the Project’s environmental analysis, biological resource impacts are considered herein because this alternative has been formulated, as an alternative to mitigation, to potentially avoid or substantially lessen the Project’s potentially significant biological resource impacts. The objective of Habitat Avoidance Alternative 3 (Avoidance of Jurisdictional Waters or “HAA 3”) is to avoid or substantially reduce significant Project-related impacts affecting on-site waters of the United States (WoUS) under the jurisdiction of the Army Corps of Engineers (ACOE) and waters of the State (WoS) under the jurisdiction of the California Department of Fish and Game (CDFG). For those areas not avoided, this alternative assumes development in accordance with the LCRSP.

Due to the topography in Neighborhood I, much of this area contains jurisdictional waters (many of which are ephemeral). Because it would be impossible to develop those areas and avoid disturbance, much of Neighborhood I has been identified as a “preserved area.” In that section of Neighborhood I located to the west of the I-15 Freeway, this alternative would reroute a portion of Sycamore Creek to its historical alignment. As a result of that proposed re-alignment, the area immediately adjacent to the I-15 Freeway has been identified as a “developable area.” With respect to the area located further to the east, although the jurisdictional waters in that area would be avoided, the quality of the habitat surrounding those drainages is not high. Although impacts to those drainages would be avoided, the resulting habitat benefit would not be substantial.

The only areas in which jurisdictional waters are present in Neighborhood II are near portions of the proposed revetment and along the northwest section of the site. In the northwest section, waters subject to regulation by the CDFG are present. Impacts to WoS would be avoided in Neighborhood II, and even though there are pockets of land that do not exhibit jurisdictional characteristics in the northwest corner, development is considered infeasible due to the inability to access it given the adjacent jurisdictional area.

In Neighborhood III, with the exception of a small area impacted by revetment construction, the jurisdictional waters would be avoided for the most part through the realignment of this alternative’s revetment placement. Due to the alignment of the existing levee, this alternative’s proposed revetment line in this area cannot be sited in a manner to both completely avoid impacts to jurisdictional waters and connect to the existing facilities. Similarly, in Neighborhood IV, with the exception of a small area impacted by revetment construction, the jurisdictional waters would be avoided for the most part. Due to the alignment of the existing levee, this alternative’s proposed revetment line cannot be sited in such a way to both avoid impacts and connect to the existing facilities and structures.

Under this alternative, a total of 5,846 new dwelling units and 730,893 square feet of non-residential use could be developed on the Project site. Assuming one new primary job for every 250 square feet on non-residential use, a total of 2,924 jobs would be created, producing a jobs-housing ratio of about 0.50.

Comparison of the Effects of the Alternative to the Effects of the Project:

Substantial evidence demonstrates that HAA 3 would not result in the avoidance or substantial reduction of those significant Project-related and cumulative air quality, noise, and growth-inducing impacts associated with the adoption and implementation of the Project.

Air Quality Impacts of the Reduced Residential/Increased Commercial Alternative

- In comparison to the Project, HAA 3 would represent a reduction of 2,561 dwelling units and 118,527 square feet of commercial, office, and light industrial uses. As with the Project, construction of this alternative would generate pollutant emissions through the use of heavy-duty construction equipment and through haul/delivery truck and construction worker trips. The overall amount of building construction would be more under this alternative compared to the Project. However, fugitive dust and pollutant emissions from grading operations would be similar on a daily basis, as the duration and not the intensity of these activities could increase compared to the Project. Maximum daily site grading operations would still require the same amount of heavy-duty construction equipment and would result in 50 acres of disturbed area per day. However, with the reduction in overall square footage, a decrease in the use of on-site equipment and vehicular trips proportional to the decrease in square footage would be anticipated during building construction.
- The construction emissions generated by HAA 3 would be incrementally less than those of the Project over the construction phase, but would still result in regional and localized air quality impacts. Those impacts would be significant and unavoidable for regional CO, NO_x, PM₁₀, PM_{2.5}, and VOC, and localized PM₁₀ and PM_{2.5}.
- In comparison to the Project, HAA 3 would reduce unmitigated maximum daily overlapping construction emissions by 21 percent for CO (456 pounds per day), 11 percent for VOC (26 pounds per day), 6 percent for PM₁₀ (116 pounds per day), 5 percent for PM_{2.5} (25 pounds per day), and similar amounts of NO_x and SO_x. After implementation of Mitigation Measures 7-1 through 7-9, daily emissions would be reduced, but HAA 3 emissions would cause significant and unavoidable for regional CO, NO_x, PM₁₀, PM_{2.5}, and VOC, and localized PM₁₀ and PM_{2.5}.
- After mitigation, localized construction phase PM₁₀ emissions would be approximately 72.7 µg/m³ and PM_{2.5} emissions would be approximately 16.3 µg/m³, which would still exceed the SCAQMD threshold of 10.4 µg/m³. Thus, like the Project, impacts associated with these localized impacts under this Alternative would be significant and unavoidable even with incorporation of mitigation measures
- Maximum daily operational emissions for HAA 3 would result in 609 pounds per day of VOC, 512 pounds per day of NO_x, 2,431 pounds per day of CO, 24 pounds per day of SO_x, 933 pounds per day of PM₁₀, and 187 pounds per day of PM_{2.5}. In comparison to the Project, this alternative would reduce maximum daily operational emissions by 32 percent for VOC (281 pounds per day), 34 percent for NO_x (262 pounds per day), 39 percent for CO (1,573 pounds per day), 28 percent for SO_x (9 pounds per day), 42 percent for PM₁₀ (671 pounds per day), and 41 percent for PM_{2.5} (132 pounds per day). However, the total contributions to regional emissions under this alternative would remain significant for CO, NO_x, PM₁₀, PM_{2.5}, and VOC, as is the case with the Project.
- This alternative, like the Project, would be generally consistent with the SCAQMD's current Air Quality Management Plan (AQMP). However, localized modeling shows that site construction under HAA 3 would result in a substantial increase, defined as ≥10.4 µg/m³ of PM₁₀ and PM_{2.5} averaged over a 24-hour period, in construction-related particulate emissions. As such, as with the Project, HAA 3 would add cumulatively to an

exceedance of particulate standards. Since the goal of the AQMP is to protect receptors from exceedance conditions, with regard to projected short-term particulate emissions, this alternative would not appear to comply with that provision of the AQMP. Thus, similar to the Project, a significant and unavoidable impact would result.

Noise Impacts of the Reduced Residential/Increased Commercial Alternative

- As with the Project, HAA 3 would result in significant and unavoidable operational noise impacts. Daily traffic volumes would be approximately 25 percent less under this alternative than forecasted to occur under the Project due to the reduction of dwelling units and total square footage of non-residential land uses. This reduction in traffic would occur across the local roadway network and beyond. As such, operational traffic noise impacts under this alternative would be incrementally less than the Project. However, noise levels generated by HAA 3 would exceed the significance threshold of 3.0 dBA CNEL at two intersections, resulting in an increase of 3.1 dBA CNEL on Riverside Avenue (between Alder Avenue and Locust Avenue) and 4.4 dBA CNEL on Country Club Drive (north of Riverside Avenue). With the 25 percent reduction in traffic, the increase in noise levels along Riverside Avenue (between Alder Avenue and Locust Avenue) would be reduced to 3.0 dBA CNEL and 3.5 dBA CNEL for Country Club Drive (north of Riverside Avenue). While the noise levels along these roadway segments would be reduced under HAA 3, noise impacts along Country Club Drive (north of Riverside Avenue) and along the south (west) side of Riverside Avenue (between Alder Avenue and Locust Avenue) would be considered significant under Criterion 2 (cause ambient noise levels to increase by 3 dBA CNEL or more at a sensitive receptor location and the resulting noise exceeds 65 dBA CNEL). Thus, as with the Project, these operational noise impacts would be significant and unavoidable.
- The changes in building massing and configuration that occur under this alternative reflect changes to on-site development that would not result in materially different construction noise impacts than those forecasted for the Project. As with the Project, HAA 3 would include individual pieces of construction equipment that would produce maximum noise levels of 76 dBA to 90 dBA at a reference distance of 50 feet from the noise source. Any location with an uninterrupted line-of-sight to the construction noise sources could periodically be exposed to temporary noise levels that would exceed 75 dBA at distance of less than 150 feet from the noise source. Consistent with the Project, construction activities associated with HAA 3 would be conducted in compliance with the City's Noise Ordinance and as such would result in a less than significant impact.

Growth Inducing Impacts of the Reduced Residential/Increased Commercial Alternative

- As with the Project, HAA 3 would result in a significant growth-inducing impact. A significant growth-inducing impact will occur if a project conflicts with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project, or includes substantial population growth in an area either directly or indirectly. In total, HAA 3 would result in the development of approximately 5,846 new dwelling units and 730,893 square feet of non-residential uses on the Project site.
- When compared with the amount of development that might otherwise be constructed on-site under existing City and County zoning, HAA 3 would result in approximately 3,613 additional residential units and approximately 366,525 less square feet of non-residential uses. Assuming an average household size of 3.89 persons per household and one new primary job for every 250 square feet on non-residential use, a total estimated population of 22,741 persons and 2,924 jobs would be created. Accordingly,

when compared with the existing zoning scenario, this alternative would foster a population increase of 14,125 individuals and would result in a reduction of 1,466 primary jobs. While HAA 3 would result in a reduction in primary jobs, it would result in a substantial increase in population growth in the general Project area when compared to the population growth that would occur with development under existing zoning.

- Based on the above, with the adoption of a specific plan and other discretionary actions under HAA 3, the changes in jurisdictional authority and land use regulations would result in an intensification of uses and substantial growth beyond what is allowable under the existing City and County zoning. As such, like the Project, HAA 3 would result in a significant growth-inducing impact.

Financial Infeasibility: In response to the Court Ruling, an updated Financial Feasibility Analysis of the Lytle Creek Ranch Specific Plan Project and Alternatives to the Project Discussed in the Lytle Creek Ranch Specific Plan EIR was prepared by CBRE Consulting, a real estate and urban economics consulting firm, and included in the RPDEIR. This includes a detailed analysis of the financial feasibility of the Project and HAA 3.

- To assess the financial feasibility of the Project and the alternatives to the Project, CBRE developed a model that calculated the total development costs, estimated the lot sales revenues over the expected 20-year life of the Project, and calculated the return on investment of the Project and the Alternatives, including HAA 3. As discussed in detail in the Updated Financial Feasibility Analysis, land development costs were calculated based on estimates of major cost categories and indirect costs, and finished lot prices were based on a detailed appraisal report.
- To determine whether the Project and the Habitat Avoidance Alternatives would be financially feasible, CBRE calculated the Internal Rate of Return (IRR) for each. IRR is the industry standard measurement used to evaluate long-term capital real estate investments. Capital investment in real estate development is a high-risk venture, and in order to obtain financing commitments, developers must be able to demonstrate sufficient returns to offset the risks related to development and construction costs. As detailed in the analysis, CBRE determined that an IRR of 15 to 25 percent would be the threshold at which the Project or the alternatives would be considered financially feasible. This IRR range represents typical industry standards for rate of return thresholds.
- Based on the detailed analysis in the Updated Financial Feasibility Analysis included in the RPDEIR, the Project would yield a return of approximately 15.2 percent, which falls within the industry standard rate of return thresholds of 15 to 25 percent. The Project would thus be financially feasible.
- As discussed above, HAA 3 would include a total of 5,846 dwelling units and 730,893 square feet of commercial, office, and light industrial uses, a reduction of approximately 2,561 dwelling units and 118,527 square feet of non-residential uses compared to the Project. Among the other amenities included in the Project but eliminated in HAA 3, the enhanced Grand Paseo Park would not be part of HAA 3. Although development costs associated with HAA 3 would be reduced in comparison to the Project, the total value of the Project would also be substantially reduced.
- Based on the detailed analysis provided in the Updated Financial Feasibility Analysis, HAA 3 would result in an IRR of approximately 7.1 percent, 8.1 percent less than the Project's IRR. While HAA 3 would generate positive cash flow before financing costs, under current market conditions this alternative would not yield a return adequate to

attract the necessary equity capital. As described above, an IRR of 15 to 25 percent is considered the industry standard threshold that reflects an acceptable level of risk for long-term capital investments. Thus, the substantial reduction in the IRR under this alternative when compared with the Project is sufficiently severe as to render it not financially feasible.

- The Commission concurs with the City finding that the reduction of units and other changes in development required under HAA 3 would make it financially infeasible, based on the detailed analysis in the Updated Financial Feasibility Analysis, included as Appendix V-E to the RPDEIR, and the Final RPEIR.

Failure to Meet Project Objectives and Key General Plan Policies: HAA 3 would result in development of generally the same types of uses as associated with the Project, and at similar densities. However, the Commission concurs with the City finding that this alternative would not achieve a number of the key Project Objectives, or would achieve them to a lesser degree than the Project. HAA 3 is undesirable from a policy standpoint as it would not sufficiently support the City's interest in promoting several important goals and policies.

Failure to Meet Key Project Objectives

As discussed in detail in the June 8, 2012 Memorandum from Stephanie Eyestone Jones to Gina Gibson, "Lytle Creek Ranch Specific Plan – Supplemental Alternatives Analysis," HAA 3 would not sufficiently achieve many of the City's and the Applicant's key Project Objectives, in addition to the City General Plan policies and goals. This alternative would achieve most, but not all, of the key Project Objectives, but would not achieve many of the Project Objectives to the same degree as the Project.

- HAA 3 would meet most of the Lead Agency objectives (LA-1 through LA-10) identified for the Project, although to varying degrees. Specifically, LA-1 through LA-3 and LA-5 would be attained to largely the same degree as the Project. However, the alternative would not achieve LA-4 to the same extent as the Project. Although the provision of 5,846 residential units under this alternative would be more than sufficient to meet the City's projected housing need of 4,323 units (as identified in SCAG's Final Regional Housing Needs Allocation Plan for the planning period of January 1, 2006, to June 30, 2014), this alternative would not provide as many dwelling units as the Project (i.e., 8,407 units). While HAA 3 would generally meet objective LA-4, it would not do so to the same degree as the Project due to the relative reduction in the number of residential units provided.
- Objective LA-6 also would be met to a lesser extent than the Project. Due to the reduced amount of both residential and non-residential development associated with HAA 3 as compared to the Project, the alternative would not expand economic opportunities to the same degree nor would it generate as much tax revenue. Consequently, the economic benefits to the City would be reduced as compared to those associated with the Project. For similar reasons, the alternative would not attain LA-10. As discussed above, the alternative was determined not to be financially feasible and thus cannot be considered fiscally prudent.
- This alternative would also attain LA-7 and LA-9. By providing a reduced amount of both residential and non-residential development as compared to the Project, HAA 3 would generate a smaller residential and employment population, thus resulting in a lesser demand for City and County services, including the demand for sewer capacity. Objective LA-8 would be met due to the extent of preservation of jurisdictional waters and the associated natural habitat.

- The Applicant's Project-specific objectives (A-1 through A-16) would also be met to varying degrees in comparison to the Project. Objectives A-4, A-10, and A-13 through A-15 would generally be attained based on development elements similar to those of the Project, including the provision of landscaping with native plants, the development of a compatible mix of local-serving uses that exhibit positive community character, the protection of groundwater resources, the incorporation of "green" and sustainable practices, and the implementation of design safety features and revetment improvements. Attainment of A-11 would be mixed under the alternative, as portions of the Project site would be annexed into the City similar to the Project, but fiscal benefits would be reduced while biological resource protection would be comparable to that of the Project.
- The objectives relating to amenities and economic benefits would be achieved to a somewhat lesser extent than the Project. Objectives A-1, A-6, and A-12 involve the provision of amenities such as parks, recreation and open space areas, pedestrian trails, and bike lanes, while A-7 and A-8 specifically refer to the provision of a golf course. The alternative would provide three recreation centers including a fitness center/spa and club house, a modernized public golf course, a Paseo Park of approximately 10.2 acres in size with active recreation, a new elementary school with a 5.1-acre park, and a new K-8 school with a 12.1-acre park, but would not include a sports park like the Project. In addition, the alternative would not offer the same accessibility to recreational opportunities since fewer amenities would be provided. Consequently, objectives A-1, A-6 through A-8, and A-12 would be partially attained/not attained to the same extent as under the Project.
- HAA 3 would not expand economic opportunities to the same degree as the Project nor would it generate as much tax revenue for the City. Job growth would also not be as extensive, as the alternative would generate an estimated 2,924 jobs in comparison to the Project's 3,398 jobs. Furthermore, the alternative was determined not to be financially feasible. While Objective A-5 would be partially attained/attained to a lesser extent than the Project, A-16 would not be attained by HAA 3.
- Objective A-9 relates to the City's housing needs, which are addressed in detail above with respect to LA-4. In addition, the alternative's reduced number of units may result in a narrower range of available prices/rents on the Project site, which would not be able to meet the needs of all segments of the community. As previously concluded, the alternative would not meet the City's housing needs to the same extent as the Project due to the provision of fewer residential units. As such, the alternative would only partially attain A-9.
- Objectives A-2 and A-3 involve the protection of natural habitat. These objectives would be met due to the preservation of jurisdictional waters and the associated natural habitat under the alternative, as previously discussed.
- In summary, HAA 3 would achieve most of the Project objectives but would not attain two of them: LA-10 and A-16. Ten objectives (LA-4, LA-6, A-1, A-5 through A-9, A-11, and A-12) would be met to a lesser degree than the Project. Overall, the alternative would not meet the Project objectives as well as the Project.

Failure to Satisfy Key Goals and Policies of the General Plan

- In December 2010, the City adopted an updated General Plan, which was only in draft form at the time the City first approved the Project and certified the original FEIR. As with the Project objectives, the City's General Plan contains goals and policies regarding financial impacts and economic development. Those policies are key to the City, especially considering the financial strains it is currently undergoing. The Project is fully

consistent with the applicable goals and policies of the updated General Plan. Although HAA 3 would be consistent with many of these City goals and policies, it not meet two key economic goals. The June 8, 2012 Memorandum from Stephanie Eyestone Jones to Gina Gibson, "Lytle Creek Ranch Specific Plan – Supplemental Alternatives Analysis" contains a detailed analysis of this alternative's consistency with the goals and policies of the General Plan.

- HAA 3 would be inconsistent with two key City economic goals identified in the General Plan, Goals 2-7 ("encourage all annexations that will provide a benefit to the City") and 3-1 ("strengthen and diversify the economic base and employment opportunities, and maintain a positive business climate").

Additional Environmental Impacts Resulting from the Selection of this Alternative:

Although HAA 3 would result in a substantial reduction in impacts to jurisdictional water, it would not avoid those impacts altogether. Additionally, selection of this alternative would not, in and of itself, reduce any of the Project's significant or potentially significant impacts to a less-than-significant level.

Conclusion: Under CEQA, where an EIR has identified significant environmental effects that have not been mitigated or avoided, the lead agency may nonetheless approve the Project if it finds that "[s]pecific economic, legal, social, technological, or other considerations... make infeasible the mitigation measures or alternatives identified in the environmental impact report."¹³ In such a situation, the lead agency's task with respect to project approval must include an evaluation as to whether the identified alternatives are "actually feasible."¹⁴ CEQA defines "feasible" as "capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors."¹⁵ An agency "may reject [project] alternatives if it properly finds them to be infeasible for any of the statutorily specified reasons, including economic infeasibility."¹⁶ In addition, an agency may reject project alternatives for being inconsistent with project objectives, or for conflicting with or inadequately accommodating agency planning goals and policies. Substantial evidence in the record demonstrates that the Reduced Residential/Increased Commercial Alternative is infeasible.

- 1) Under CEQA, alternatives should avoid or substantially lessen any of the significant and unavoidable impacts of the Project under evaluation. Substantial evidence demonstrates that HAA 3 would fail to do so. It would not avoid or substantially lessen the Project's significant and unavoidable air quality, noise, and growth inducing impacts.
- 2) An alternative may be found infeasible on economic grounds, so long as that finding is supported by substantial evidence. The feasibility question is "whether the marginal costs of the alternative as compared to the cost of the Project are so great that a reasonably prudent property owner would not proceed with the [alternative]."¹⁷ Here, the evidence demonstrates that HAA 3 would be financial

¹³ Public Resources Code, § 21081, subdivision (a)(3); CEQA Guidelines, § 15091, subdivision (a)(3).

¹⁴ California Native Plant Society v. City of Santa Cruz (2009) 177 Cal.App.4th 957, 981.

¹⁵ Public Resources Code, § 21061.1; see also CEQA Guidelines, § 15364 (defining feasible as "capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, legal, social, and technological factors").

¹⁶ The Flanders Foundation v. City of Carmel-by-the-Sea (2012) 202 Cal.App. 4th 603, 622.

¹⁷ Id.

infeasible. CBRE Consulting's Updated Financial Feasibility Analysis included in Appendix V-E of the RPDEIR indicates that an IRR of 15 to 25 percent would be the threshold at which the Project or any alternatives, including HAA 3, would be considered financially feasible. As discussed above, the Project would yield a rate of return of approximately 15.2 percent and is therefore feasible. This alternative would result in an IRR of only approximately 7.1 percent. This alternative would not attract the necessary equity capital at that IRR, and is therefore financially infeasible.

- 3) An alternative may also be found infeasible if it is inconsistent with the Project Objectives. Key Project Objectives identified by both the Lead Agency and the Applicant involve fiscal and economic concerns. The City is currently facing one of its most challenging budget cycles in its history. Revenues have decreased while expenditures have significantly increased. The City cannot continue to operate long term with a structural deficit in the General Fund. Accordingly, it is key to the City that new development projects be financially feasible. Under CEQA, an agency may find an alternative to be infeasible for failing to meet a Project Objective that the development be economically feasible.¹⁸ As the Updated Financial Feasibility Analysis demonstrates, HAA 3 would be financially infeasible and would not attain Project Objectives LA-10 ("private development activities should be deemed by the City to be fiscally prudent") and A-16 ("undertake development of the Project site in a manner that is economically feasible and balanced to address both the Applicant's and the City's economic concerns").
- 4) The City may also reject "an alternative that 'is impractical or undesirable from a policy standpoint' as infeasible, so long as that finding is supported by substantial evidence."¹⁹ As summarized above and discussed in detail in the June 8, 2012 Memorandum from Stephanie Eyestone-Jones to Gina Gibson, Lytle Creek Ranch Specific Plan – Supplemental Alternatives Analysis," the Reduced Residential/Increased Commercial Alternative would be inconsistent with key City goals in the General Plan.

For the foregoing reasons, based on substantial evidence in the record, the Commission concurs with the finding that HAA 3 is infeasible and rejects it in favor of the Project.

6.6 Alternative No. 6: Reduced Residential/Increased Commercial Alternative

Alternative Description: Although the possible regional benefits of this alternative may not be perceptible based on a Project level, the objective of the Reduced Residential/Increased Commercial Alternative is to promote a reduction in the number of vehicle trips, vehicle miles traveled (VMT), and traffic congestion through the promotion of additional employment opportunities within the City. By promoting a jobs-housing balance, this alternative seeks to avoid or substantially reduce significant or potentially significant impacts associated with a regional or subregional jobs-housing imbalance, including associated potential traffic and air quality impacts. Accordingly, this alternative would increase the on-site acreage allocated to employment-generating land uses, decrease the acreage of residential uses and, in so doing, shift the balance between those two variables in favor of jobs over housing. Except where new industrial uses are proposed, this alternative assumes development in accordance with the proposed LCRSP.

¹⁸ Association of Irrigated Residents v. County of Madera (2003) 107 Cal.App.4th 1383, 1399-1401.

¹⁹ California Native Plant Society v. City of Santa Cruz (2009) 177 Cal.App.4th 957, 1001.

The Southern California Association of Governments' (SCAG's) Compass Blueprint states that balancing the location of jobs and housing is an important strategy in meeting regional goals of relieving congestion, reducing commute times and vehicle trips, encouraging alternative modes of transportation, and improving air quality. Similarly, the 1996 Regional Comprehensive Plan and Guide (RCPG) states that it is SCAG's policy to "encourage employment development in job-poor localities" (1996 RCPG, Policy, 3-26). In addition, it is the City's policy to "improve the balance between jobs and housing in order to create a more efficient urban form and/or reduce the vehicle miles traveled" (Conservation Element, Goal 5.2) and "improve the jobs-housing balance through new development and redevelopment project review and actions" (Conservation Element, Policy 5.2.6). The San Bernardino County Housing Element states that the County seeks to "[f]acilitate a job/housing balance with the objective of a ratio of 1.2 jobs to 1 dwelling unit."²⁰

As indicated in Table 3-5 of the original DEIR (Population, Household, and Employment Forecasts for the City of Rialto—2008 Regional Transportation Plan), between 2010 and 2030, based on SCAG's growth projections, the LCRSP will consume 83.1 percent of all the housing growth but only 24.2 percent of the employment growth over that time period. Although the City is projected to remain "balanced" during that time period, the proposed Project does not, in and of itself, promote the attainment of those goals. During that same time period, unincorporated San Bernardino County areas, which are now categorized as "jobs poor" will continue to move further away from a jobs-housing balance.

Under this alternative, a total of 6,090 dwelling units and 7,037,118 square feet of commercial and light industrial uses could be developed on the Project site. Assuming one new primary job for every 250 square feet on commercial use and one new primary job for every 500 square feet of light industrial use, a total of 15,773 jobs would be created, producing a jobs-housing ratio of about 2.59. Because that figure may over-estimate the actual number of new jobs that would likely be created under this alternative, a more precise estimate can be derived based on recent SCAG data and the land use assumptions presented herein.

Based on the employee-per-square-foot generation rates presented in Table 4.2-19 of the original DEIR (Derivation of Square Feet per Employee based on Average Employees per Acre and Average Floor-Area-Ratio for San Bernardino County) and the alternative-based land use assumptions presented in Table 7-7 of the original DEIR (Reduced Residential/Increased Commercial Alternative), a more precise estimation of new permanent jobs can be produced for this alternative. Assuming that the Village Center Commercial (VC) district were to be equally divided between low-rise offices and other retail services and that "light manufacturing" is synonymous with "light industrial," as indicated in Table 7-8 of the original DEIR (Estimated Number of New Primary Job Opportunities Associated with the Reduced Residential/Increased Commercial Alternative), a total of between 3,598 and 12,811 new primary jobs would be generated under this alternative. Applying the lower of the two job estimates, a jobs-housing ratio of 0.91 can be calculated. Applying the higher of the two job estimates, a jobs-housing ratio of 2.10 can be calculated.

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County of San Bernardino Housing Element, Housing Program 13-d, p. 171.

If general warehousing and distribution center facilities were to be developed on the Project site as the primary non-residential land uses, those facilities would be developed in general accordance with the Western Riverside Council of Governments' "Good Neighbor Guidelines for Siting New and/or Modified Warehouse/Distribution Facilities." Those guidelines include the following goals: (1) Minimize exposure to diesel emissions to neighbors that are situated in close proximity to the warehouse/distribution center; (2) Eliminate diesel trucks from unnecessarily traversing through residential neighborhoods; (3) Eliminate trucks from using residential areas and repairing vehicles on the streets; (4) Reduce and/or eliminate diesel idling within the warehouse/distribution center; (5) Establish a diesel minimization plan for on- and off-street diesel mobile sources to be implemented with new projects; (6) Establish an education program to inform truck drivers of the health effects of diesel particulate and the importance of reducing their idling time; and (7) Establish a public outreach program and conduct periodic community meetings to address issues from neighbors.²¹

Comparison of the Effects of the Alternative to the Effects of the Project:

Substantial evidence demonstrates that the Reduced Residential/Increased Commercial Alternative would not result in the avoidance or substantial reduction of those significant Project-related and cumulative air quality, noise, and growth-inducing impacts associated with the adoption and implementation of the Project.

Air Quality Impacts of the Reduced Residential/Increased Commercial Alternative

- In comparison to the Project, this would represent a reduction of approximately 2,317 dwelling units and an increase of 6,187,700 square feet of commercial, office, and light industrial uses. As with the Project, construction of this alternative would generate pollutant emissions through the use of heavy-duty construction equipment and through haul/delivery truck and construction worker trips. The overall amount of building construction would be more under this alternative compared to the Project. However, fugitive dust and pollutant emissions from grading operations would be similar on a daily basis, as the duration and not the intensity of these activities could increase compared to the Project. Maximum daily site grading operations would still require the same amount of heavy-duty construction equipment and would result in 50 acres of disturbed area per day. However, with the increase in overall square footage, an increase in the use of on-site equipment and vehicular trips proportional to the increase in square footage would be anticipated during building construction. Proposed construction under this alternative would not change the proximity of proposed construction activities from off-site sensitive receptors.
- The construction emissions generated by this alternative would be incrementally more than those of the Project over the construction phase and would result in regional and localized air quality impacts. Those impacts would be significant and unavoidable for regional CO, NO_x, PM₁₀, PM_{2.5}, and VOC, and localized PM₁₀ and PM_{2.5}.
- In comparison to the Project, this alternative would increase unmitigated maximum daily overlapping construction emissions by 15 percent for CO (328 pounds per day), 37 percent for VOC, (87 pounds per day) 1 percent for PM₁₀ (17 pounds per day), 3 percent for PM_{2.5} (12 pounds per day), 34 percent for NO_x (415 pounds per day), and a similar amount of SO_x. After implementation of Mitigation Measures 7-1 through 7-9, daily emissions would be reduced, but Reduced Residential/Increased Commercial

²¹

Western Riverside Council of Governments, Good Neighbor Guidelines for Siting New and/or Modified Warehouse/Distribution Facilities, Final, September 12, 2005.

Alternative emissions would cause significant and unavoidable for regional CO, NO_x, PM₁₀, PM_{2.5}, and VOC, and localized PM₁₀ and PM_{2.5}.

- After mitigation, localized construction phase PM₁₀ emissions would be approximately 68.2 µg/m³ and PM_{2.5} emissions would be approximately 15.4 µg/m³, which would still exceed the SCAQMD threshold of 10.4 µg/m³. Thus, like the Project, impacts associated with these localized impacts under this Alternative would be significant and unavoidable even with incorporation of mitigation measures
- Maximum daily operational emissions for this alternative would result in 863 pounds per day of VOC, 936 pounds per day of NO_x, 4,258 pounds per day of CO, 51 pounds per day of SOX, 1,684 pounds per day of PM₁₀, and 340 pounds per day of PM_{2.5}. In comparison to the Project, this alternative would reduce maximum daily operational emissions by three percent for VOC (28 pounds per day) and increase maximum daily operational emissions by 21 percent for NO_x (163 pounds per day), 6 percent for CO (254 pounds per day), 54 percent for SOX (18 pounds per day), 5 percent for PM₁₀ (79 pounds per day), and 6 percent for PM_{2.5} (20 pounds per day). However, the total contributions to regional emissions under this alternative would remain significant for CO, NO_x, PM₁₀, PM_{2.5}, and VOC, as is the case with the Project.
- This alternative, like the Project, would be generally consistent with the SCAQMD's current Air Quality Management Plan (AQMP). However, localized modeling shows that site construction under this alternative would result in a substantial increase, defined as ≥10.4 µg/m³ of PM₁₀ and PM_{2.5} averaged over a 24-hour period, in construction-related particulate emissions. As such, as with the Project, this alternative would add cumulatively to an exceedance of particulate standards. Since the goal of the AQMP is to protect receptors from exceedance conditions, with regard to projected short-term particulate emissions, this alternative would not appear to comply with that provision of the AQMP. Thus, similar to the Project, a significant and unavoidable impact would result.

Noise Impacts of the Reduced Residential/Increased Commercial Alternative

- As with the Project, the Reduced Residential/Increased Commercial Alternative would result in significant and unavoidable operational noise impacts. Daily traffic volumes would be approximately 27 percent more under this alternative than forecasted to occur under the Project, due to the increase in total square footage of non-residential land uses even with the reduction of dwelling units. Increases in project-related traffic noise levels under this alternative would exceed the significance threshold of 3.0 dBA CNEL at two intersections, resulting in an increase of 3.1 dBA CNEL on Riverside Avenue (between Alder Avenue and Locust Avenue) and 4.4 dBA CNEL on Country Club Drive (north of Riverside Avenue). With the 27 percent increase in traffic, the increase in noise levels along Riverside Avenue (between Alder Avenue and Locust Avenue) would increase to 3.5 dBA CNEL and 4.9 dBA CNEL for Country Club Drive (north of Riverside Avenue). The noise levels along these roadway segments would increase compared with the Project and would be considered significant under Criterion 2 (cause ambient noise levels to increase by 3 dBA CNEL or more at a sensitive receptor location and the resulting noise exceeds 65 dBA CNEL). Thus, as with the Project, these operational noise impacts would be significant and unavoidable. In fact, this alternative would also result in a significant impact to an additional roadway segment on Riverside Avenue (between Sierra Avenue and Alder Avenue), with an increase from 2.9 dBA CNEL to 3.3 dBA CNEL.
- The changes in building massing and configuration that occur under this alternative reflect changes to on-site development that would not result in materially different

construction noise impacts than those forecasted for the Project. As with the Project, this alternative would include individual pieces of construction equipment that would produce maximum noise levels of 76 dBA to 90 dBA at a reference distance of 50 feet from the noise source. Any location with an uninterrupted line-of-sight to the construction noise sources could periodically be exposed to temporary noise levels that would exceed 75 dBA at distance of less than 150 feet from the noise source. Consistent with the Project, construction activities associated with this alternative would be conducted in compliance with the City's Noise Ordinance and as such would result in a less than significant impact.

Growth Inducing Impacts of the Reduced Residential/Increased Commercial Alternative

- As with the Project, the Reduced Residential/Increased Commercial Alternative would result in a significant growth-inducing impact. A significant growth-inducing impact will occur if a project conflicts with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project, or includes substantial population growth in an area either directly or indirectly. Under this alternative, a total of 6,090 dwelling units and 7,037,118 square feet of commercial and light industrial uses could be developed on the project site.
- When compared with the amount of development that might otherwise be constructed on-site under existing City and County zoning, this alternative would result in approximately 3,875 additional residential units and approximately 5,939,700 more square feet of non-residential uses. Assuming an average household size of 3.89 persons per household, one new primary job for every 250 square feet of commercial uses, and one new primary job for every 500 square feet of light industrial uses, an estimated total of 23,690 residents and up to 15,773 jobs would be generated. Accordingly, when compared with the existing zoning scenario, this alternative would foster an increased population of 15,074 individuals and 11,383 additional primary jobs. As such, this alternative would result in a substantial increase in population and job growth in the general Project area when compared to the population growth that would occur with development under existing zoning.
- As the types of uses proposed under this alternative would be similar to those proposed under the Project, this alternative would require similar discretionary actions as the Project, including, but not limited to, a Pre-Annexation and Development Agreement, a General Plan Amendment and approval of a specific plan. These changes in jurisdictional authority and land use regulations under this alternative would result in an intensification of uses and substantial growth beyond what is allowable under the existing City and County zoning. As such, like the Project, this alternative would result in a significant growth inducing impact.

Financial Infeasibility: In response to the Court Ruling, an Updated Financial Feasibility Analysis of the Lytle Creek Ranch Plan Project and Alternatives to the Project Discussed in the Lytle Creek Ranch Specific Plan EIR was prepared by CBRE Consulting and included as Appendix V-E of the RPDEIR. An addendum to that analysis prepared by Thomas Jirvosky that analyzes the financial feasibility of the Reduced Residential/Increased Commercial Alternative was included as Appendix B to the June 8, 2012 Memorandum from Stephanie Eyestone Jones to Gina Gibson, "Lytle Creek Ranch Specific Plan – Supplemental Alternatives Analysis."

- To assess the financial feasibility of the Project and the alternatives to the Project, CBRE developed a model that calculated the total development costs, estimated the lot sales revenues over the expected 20-year life of the Project, and calculated the return on

investment of the Project and the alternatives, including the Reduced Residential/Increased Commercial Alternative. Land development costs were calculated based on estimates of major cost categories and indirect costs, and finished lot prices were based on a detailed appraisal report. As discussed in detail in Appendix B to the June 8, 2012 Memorandum from Stephanie Eyestone Jones to Gina Gibson, "Lytle Creek Ranch Specific Plan – Supplemental Alternatives Analysis," the addendum to that analysis used the same methodology.

- To determine whether the Project and the project alternatives would be financially feasible, CBRE calculated the Internal Rate of Return (IRR) for the Project. IRR is the industry standard measurement used to evaluate long-term capital real estate investments. Capital investment in real estate development is a high-risk venture, and in order to obtain financing commitments, developers must be able to demonstrate sufficient returns to offset the risks related to development and construction costs. As detailed in the analysis, CBRE determined that an IRR of 15 to 25 percent would be the threshold at which the Project or the alternatives would be considered financially feasible. This IRR range represents typical industry standards for rate of return thresholds.
- Based on the detailed analysis in the Updated Financial Feasibility Analysis included in the RPDEIR, the Project would yield a return of approximately 15.2 percent, which falls within the industry standard rate of return thresholds of 15 to 25 percent. The Project would thus be financially feasible.
- As discussed above, this alternative would include a total of 6,090 dwelling units and 7,037,118 square feet of commercial and light industrial uses, which represents a reduction of approximately 2,317 dwelling units and an increase of 6,187,698 square feet of non-residential uses compared to the Project. In terms of amenities, this alternative would include all of the amenities of the Project with the exception of the 35-acre sports park, a portion of the Grand Paseo Park, and one of the recreation centers planned under the Project. This alternative would include a modernized golf course, a 5.1-acre park adjacent to a new elementary school, a 12.1-acre park adjacent to a new K–8 school, a Grand Paseo Park envisioned with active uses, and three recreation centers. However, due to the large quantity of industrial uses scattered throughout this alternative's proposed planning areas, this alternative would not be developed as a master planned community. As such, this alternative would not be gated, would not have any monumentation/definition, and would not have neighborhood entry definition.
- Based on the detailed analysis provided in the addendum Updated Financial Feasibility Analysis prepared by Thomas Jirovsky, this alternative would result in an IRR of approximately 8.6 percent, 6.6 percent less than the Project's IRR. Under current market conditions, this alternative would not yield a return adequate to attract the necessary equity capital. As described above, an IRR of 15 to 25 percent is considered the industry standard threshold that reflects an acceptable level of risk for long-term capital investments. Thus, the substantial reduction in the IRR under this alternative when compared with the Project is sufficiently severe as to render it not financially feasible.
- The Commission concurs with the City finding that the reduction of units and other changes in development required under the Reduced Residential/Increased Commercial Alternative would make it financially infeasible, based on the detailed analysis in the Updated Financial Feasibility Analysis included in Appendix B to the June 8, 2012 Memorandum from Stephanie Eyestone Jones to Gina Gibson, "Lytle Creek Ranch Specific Plan – Supplemental Alternatives Analysis" and the Updated Financial Feasibility Analysis included in Appendix V-E to the RPDEIR.

Failure to Meet Project Objectives and Key General Plan Policies: The Reduced Residential/Increased Commercial Alternative would result in development of generally the same types of uses as associated with the Project, but would change the mix of residential and commercial and light industrial uses to be built. The Commission concurs with the City finding that this alternative would not achieve a number of the key Project Objectives, or would achieve them to a lesser degree than the Project. The Reduced Residential/Increased Commercial Alternative is undesirable from a policy standpoint as it would not sufficiently support the City's interest in promoting several important objectives and policies.

Failure to Meet Key Project Objectives

As discussed in detail in the June 8, 2012 Memorandum from Stephanie Eyestone Jones to Gina Gibson, "Lytle Creek Ranch Specific Plan – Supplemental Alternatives Analysis," the Reduced Residential/Increased Commercial Alternative would not sufficiently achieve many of the City's and the Applicant's key Project Objectives, in addition to the City policies and goals. This alternative would achieve most, but not all, of the key Project Objectives, and would not achieve many of the Project Objectives to the same degree as the Project.

- The Reduced Residential/Increased Commercial Alternative would generally meet the City's General Plan objectives (GP-1 through GP-4) identified for the Project. However, the substantial amount of non-residential development, potentially including extensive industrial development, that would occur under this alternative would not promote land use compatibility to the same degree as the Project. Further, this alternative would not focus on the preservation of natural habitat to the same extent. As such GP-2 and GP-3 would not be achieved to the same degree under this alternative as under the Project.
- The alternative would also meet most of the Lead Agency objectives (LA-1 through LA-10) identified for the Project, although to varying degrees. Specifically, LA-2 and LA-3 would only be partially attained since the alternative would not promote land use compatibility to the same degree as the Project. Additionally, the alternative would not achieve LA-4 to the same extent as the Project. Although the provision of 6,090 residential units under this alternative would be more than sufficient to meet the City's projected housing need of 4,323 units (as identified in SCAG's Final Regional Housing Needs Allocation Plan for the planning period of January 1, 2006, to June 30, 2014), this alternative would not provide as many dwelling units as the Project (i.e., 8,407 units). While the Reduced Residential/Increased Commercial Alternative would generally meet objective LA-4, it would not do so to the same degree as the Project due to the relative reduction in the number of residential units provided.
- Objective LA-8 would be met to a lesser extent than the Project since this alternative would not focus on the preservation of natural habitat to the same extent.
- The Applicant's Project-specific objectives (A-1 through A-16) would also be met to varying degrees in comparison to the Project. Objectives A-4 and A-13 through A-15 would generally be attained based on development elements similar to those of the Project, including the provision of landscaping with native plants, the protection of groundwater resources, the incorporation of "green" and sustainable practices, and the implementation of design safety features and revetment improvements. Objective A-10 would be partially attained/attained to a lesser extent than the Project due to the proliferation of non-residential development, in particular light industrial development, that may not reflect the same degree of community character and pedestrian-friendly design as the Project. Attainment of A-11 would be mixed under the alternative, as portions of the Project site would be annexed into the City similar to the Project, but as

discussed herein with respect to other objectives, land use compatibility would be reduced while biological resource protection would be reduced compared to the Project.

- The objectives relating to project amenities and economic benefits would be achieved to a lesser extent than the Project. Objectives A-1, A-6, and A-12 involve the provision of amenities such as parks, recreation and open space areas, pedestrian trails, and bike lanes, while A-7 and A-8 specifically refer to the provision of a golf course. The alternative would provide most, but not all, of the amenities that would be provided under the Project. Since fewer amenities would be provided, the alternative would not offer the same accessibility to recreational opportunities. Consequently, objectives A-1, A-6 through A-8, and A-12 would be partially attained/not attained to the same extent as under the Project.
- Objectives A-5 and A-16 involve economic issues. As previously discussed, the alternative would result in a substantially increased amount of non-residential floor area compared to the Project and accordingly would generate more primary jobs, thus generating tax revenue and economic benefits. However, the alternative was determined not to be financially feasible. Therefore, while A-5 would be attained, A-16 would not be attained by the Reduced Residential/Increased Commercial Alternative.
- Objective A-9 relates to the City's housing needs, which are addressed in detail above with respect to LA-4. As previously concluded, the alternative would not meet the City's housing needs to the same extent as the Project due to the provision of comparatively fewer residential units. In addition, the alternative's reduced number of units may result in a narrower range of available prices/rents on the Project site, which would not be able to meet the needs of all segments of the community. As such, the alternative would only partially attain A-9.
- Objectives A-2 and A-3 involve the protection of natural habitat. These objectives would only be partially attained or attained to a lesser extent than the Project, since this alternative would not focus on the preservation of natural habitat to the same extent.
- In summary, the Reduced Residential/Increased Commercial Alternative would achieve most of the Project objectives but would not attain two of them: LA-10 and A-16. Sixteen objectives (GP-2, GP-3, LA-2 through LA-4, LA-8, A-1 through A-3, A-6 through A-12) would be met to a lesser degree than the Project. Overall, the alternative would not meet the Project objectives as well as the Project.

Failure to Satisfy Key Goals and Policies of the General Plan

- In December 2010, the City adopted an updated General Plan, which was only in draft form at the time the City first approved the Project and certified the original FEIR. As with the Project objectives, the City's General Plan contains goals and policies regarding financial impacts and economic development. Those policies are key to the City, especially considering the financial strains it is currently undergoing. The Project is fully consistent with the applicable goals and policies of the updated General Plan. Although the Reduced Residential/Increased Commercial Alternative would be consistent with many of these City goals and policies, it does not meet several key goals and policies. The June 8, 2012 Memorandum from Stephanie Eyestone Jones to Gina Gibson, "Lytle Creek Ranch Specific Plan – Supplemental Alternatives Analysis" contains a detailed analysis of this alternative's consistency with the goals and policies of the General Plan.
- The Reduced Residential/Increased Commercial Alternative would be inconsistent a key City economic goal identified in the General Plan, Goal 2-7, to "encourage all annexations that will provide a benefit to the City" because this alternative would not be financially feasible.

- This alternative also would be inconsistent with Policy 2-8.1 (“promote neighborhood identity and preservation of individual neighborhood character by preserving or creating neighborhood gateway features”), Goal 2-10 (“create distinctive gateways at all entry points into Rialto and for individual districts or neighborhoods”), Policies 2-10.1 to 2-10.3 (“continue the use of monument signs at focal points within the community and at major and minor gateways. Establish unified entry treatments at major entries into the City;” “design and implement themed landscape treatments near freeway off- and on- ramps to announce entry into Rialto;” and “encourage new and established neighborhoods to provide ground signs and landscaping at a major street entrance to reinforce their identity,” respectively), and Policy 2-12.5 (“maximize potential pedestrian connections through the use of highly visible gateways, walkways, and directional signs and the installation of traffic-calming devices where appropriate”) due to the lack of neighborhood monumentation or definition and related features under this alternative. Policy 2-14.1 (“protect views of the San Gabriel and San Bernardino Mountains by ensuring that building heights are consistent with the scale of surrounding, existing development”) also would not be met by the Reduced Residential/Increased Commercial Alternative.
- The Reduced Residential/Increased Commercial Alternative would be inconsistent with Policy 2-2.1 (“prevent strip commercial development and other inappropriate land uses such as industrial or logistics on Riverside Avenue.”) and Goal 2-35 (“reduce air pollution emissions from both mobile and stationary sources in the City”) due to the increased amount of non-residential, and particularly light industrial uses, that would be developed in the Project area under this alternative. To summarize, the Residential/Increased Commercial Alternative would be inconsistent with Policy 2-2.1, Goal 2-7, Policy 2-8.1, Goal 2-10, Policy 2-10.1, Policy 2-10.2, Policy 2-10.3, Policy 2-12.5, Policy 2-14.1, and Goal 2-35.

Additional Environmental Impacts Resulting from the Selection of this Alternative:

Under the Reduced Residential/Increased Commercial Alternative, the introduction of 6,187,698 additional square feet of light industrial uses beyond that allowed under the Project would result in the increased transport, storage, use, consumption, and disposal of hazardous materials and wastes in proximity to existing and proposed residential areas. Although existing laws and protocols govern the use, storage, transport, and disposal of those materials, based on the substantial increase in the industrial square footage and the presence of sensitive receptors, hazardous material impacts would likely be elevated to a level of significance.

The additional industrial development would likely also result in increased emissions of greenhouse gasses (GHGs). Thus, this alternative may be less able to meet the objectives of AB 32 as compared to the Project. This alternative would also site industrial uses adjacent to residential communities and would include the placement of industrial uses in Neighborhoods I and III, which could result in land use compatibility concerns as well as increased noise and air quality impacts that may affect the proposed on-site residential uses in those Neighborhoods. The light industrial uses would introduce additional parking, requiring additional night lighting due to extended hours of operation; therefore, greater impacts would be anticipated with regard to aesthetics. Because light industrial uses would generally require increased impermeable areas as compared to the Project, the volume of stormwater runoff would be expected to increase as well.

Conclusion: Under CEQA, where an EIR has identified significant environmental effects that have not been mitigated or avoided, the lead agency may nonetheless approve the

Project if it finds that “[s]pecific economic, legal, social, technological, or other considerations... make infeasible the mitigation measures or alternatives identified in the environmental impact report.”²² In such a situation, the lead agency’s task with respect to project approval must include an evaluation as to whether the identified alternatives are “actually feasible.”²³ CEQA defines “feasible” as “capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors.”²⁴ An agency “may reject [project] alternatives if it properly finds them to be infeasible for any of the statutorily specified reasons, including economic infeasibility.”²⁵ In addition, an agency may reject project alternatives for being inconsistent with project objectives, or for conflicting with or inadequately accommodating agency planning goals and policies. Substantial evidence in the record demonstrates that the Reduced Residential/Increased Commercial Alternative is infeasible.

- 1) Under CEQA, alternatives should avoid or substantially lessen any of the significant and unavoidable impacts of the Project under evaluation. Substantial evidence demonstrates that the Reduced Residential/Increased Commercial Alternative would fail to do so. It would not avoid or substantially lessen the Project’s significant and unavoidable air quality, noise, and growth inducing impacts. Furthermore, the Reduced Residential/Increased Commercial Alternative would actually result in additional significant impacts beyond those identified for the Project, including a significant noise impact to an additional roadway segment on Riverside Avenue (between Sierra Avenue and Alder Avenue), as well as potentially significant hazardous materials and GHG impacts.
- 2) An alternative may be found infeasible on economic grounds, so long as that finding is supported by substantial evidence. The feasibility question is “whether the marginal costs of the alternative as compared to the cost of the Project are so great that a reasonably prudent property owner would not proceed with the [alternative].”²⁶ Here, the evidence demonstrates that the Reduced Residential/Increased Commercial Alternative would be financially infeasible. CBRE Consulting’s Updated Financial Feasibility Analysis included in Appendix V-E of the RPDEIR, and the addendum to that report, included as Appendix B to the June 8, 2012 Memorandum from Stephanie Eyestone-Jones to Gina Gibson, Lytle Creek Ranch Specific Plan – Supplemental Alternatives Analysis,” indicates that an IRR of 15 to 25 percent would be the threshold at which the Project or any alternatives, including the No Project/Existing Zoning Designations Alternative would be considered financially feasible. As discussed above, the Project would yield a rate of return of approximately 15.2 percent and is therefore feasible. This alternative would result in an IRR of only approximately 8.6 percent. This alternative would not attract the necessary equity capital at that IRR, and is therefore financially infeasible.
- 3) An alternative may also be found infeasible if it is inconsistent with the Project Objectives. Key Project Objectives identified by both the Lead Agency and the

²² Public Resources Code, § 21081, subdivision (a)(3); CEQA Guidelines, § 15091, subdivision (a)(3).

²³ California Native Plant Society v. City of Santa Cruz (2009) 177 Cal.App.4th 957, 981.

²⁴ Public Resources Code, § 21061.1; see also CEQA Guidelines, § 15364 (defining feasible as “capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, legal, social, and technological factors”).

²⁵ The Flanders Foundation v. City of Carmel-by-the-Sea (2012) 202 Cal.App. 4th 603, 622.

²⁶ Id.

Applicant involve fiscal and economic concerns. The City is currently facing one of its most challenging budget cycles in its history. Revenues have decreased while expenditures have significantly increased. The City cannot continue to operate long term with a structural deficit in the General Fund. Accordingly, it is key to the City that new development projects be financially feasible. Under CEQA, an agency may find an alternative to be infeasible for failing to meet a Project Objective that the development be economically feasible.²⁷ As the Updated Financial Feasibility Analysis and associated addendum demonstrate, the Reduced Residential/Increased Commercial Alternative would be financially infeasible and would not attain Project Objectives LA-10 (“private development activities should be deemed by the City to be fiscally prudent”) and A-16 (“undertake development of the Project site in a manner that is economically feasible and balanced to address both the Applicant’s and the City’s economic concerns”).

- 4) The City may also reject “an alternative that ‘is impractical or undesirable from a policy standpoint’ as infeasible, so long as that finding is supported by substantial evidence.”²⁸ As summarized above and discussed in detail in the June 8, 2012 Memorandum from Stephanie Eyestone-Jones to Gina Gibson, Lytle Creek Ranch Specific Plan – Supplemental Alternatives Analysis,” the Reduced Residential/Increased Commercial Alternative would be inconsistent with several key City goals and policies in the General Plan.

For the foregoing reasons, based on substantial evidence in the record, the Commission concurs with the finding that the Reduced Residential/Increased Commercial Alternative is infeasible and rejects it in favor of the Project.

7.0 STATEMENT OF OVERRIDING CONSIDERATIONS

7.1 Introduction

The City was the Lead Agency under CEQA for preparation, review and certification of the Complete FEIR for the Lytle Creek Ranch Specific Plan Project. The Commission functions as a CEQA Responsible Agency in its role as decisionmaker regarding LAFCO 3201. The City was also responsible for determining the potential environmental impacts of the Project and which of those impacts are significant, and which can be mitigated through imposition of mitigation measures to avoid or minimize those impacts to a level of less than significant. The Commission is responsible for considering the content and findings in the Complete FEIR and reaching its own conclusions on whether and how to approve the project involved, in this case LAFCO 3201. CEQA then requires the Responsible Agency to balance the benefits of a proposed action against its significant unavoidable adverse environmental impacts in determining whether or not to approve LAFCO 3201. In making this determination the Commission is guided by CEQA Guidelines Section 15093 which provides as follows:

(a) CEQA requires the decision-making agency to balance, as applicable, the economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of a proposed project against its unavoidable environmental risks in determining whether to approve the project. If the specific economic, legal, social, technological, or other benefits, including region-wide or statewide environmental

²⁷ Association of Irrigated Residents v. County of Madera (2003) 107 Cal.App.4th 1383, 1399-1401.

²⁸ California Native Plant Society v. City of Santa Cruz (2009) 177 Cal.App.4th 957, 1001.

benefits, of a proposed project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered “acceptable”.

(b) When the lead agency approves a project which will result in the occurrence of significant effects which are identified in the final EIR but are not avoided or substantially lessened, the agency shall state in writing the specific reasons to support its action based on the final EIR and/or other information in the record. The statement of overriding considerations shall be supported by substantial evidence in the record.

(c) If an agency makes a statement of overriding considerations, the statement should be included in the record of the project approval and should be mentioned in the notice of determination. This statement does not substitute for, and shall be in addition to, findings required pursuant to Section 15091.

In addition, Public Resources Code Section 21081(b) requires that where a public agency finds that specific economic, legal, social, technological, or other considerations, including considerations for the provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or alternatives identified in an EIR and thereby leave significant unavoidable effects, the public agency must also find that overriding economic, legal, social, technological, or other benefits of the project outweigh the significant effects of the project.

Pursuant to Public Resources Code Section 21081(b) and the State CEQA Guidelines Section 15093, the Commission has balanced the benefits of the Project against the following unavoidable adverse impacts associated with the Project and concurs that the City has adopted all feasible mitigation measures with respect to these impacts. The Commission has also examined alternatives to the Project and concurs with the City finding, none of which attains most of the Project objectives, would be feasible or would be environmentally preferable to the Project for the reasons discussed in Section 6.0 of these Findings and Facts in Support of Findings.

The Commission having reviewed the Complete FEIR for the Lytle Creek Ranch Specific Plan Project, and reviewed all written materials within the City's public record and heard all oral testimony presented at public hearings, adopts this Statement of Overriding Considerations, which has balanced the benefits of the Project against its significant unavoidable adverse environmental impacts in reaching its decision to approve LAFCO 3201.

7.2 Significant Unavoidable Adverse Environmental Impacts

Although most potential Project impacts have been substantially avoided or mitigated, as described in Section 5.0 of these Findings and Facts in Support of Findings, there remain some Project and cumulative environmental impacts for which mitigation to a less than significant level is not feasible. For some impacts, mitigation measures were identified and adopted by the Lead Agency, however, even with implementation of the measures, the Commission finds that the impact cannot be reduced to a level of less than significant. For other impacts, no feasible mitigation measures were identified and no feasible alternatives were identified that would avoid or minimize these impacts. The impacts and alternatives are described below and were also addressed in the Findings.

The Complete FEIR identified the following unavoidable adverse impacts of the Project, and adopted findings for these impacts in Section 4.0 of these Findings and Facts in Support of Findings:

- **Air quality** (Impacts 7-1, 7-2, 7-4, and 7-7 through 7-10). Based on the size of the Project, and the current practices used in the building industry to grade and construct homes, no feasible mitigation measures exist to reduce construction term air emissions to below a level of significance. While measures such as requiring a substantial reduction in the size of the Project, imposing severe constraints on the number of acres to be graded during any single daily period, limiting the number of dwelling units and non-residential space to be painted each day, or restricting the square footage of areas that could be paved on a daily basis, might reduce construction air emissions, they are not feasible given the amount of acreage required to be graded, the amount of time it would take to build out the Project, and being able to construct in an efficient manner. Similarly, during the Project's operations, based on the number of vehicle trips generated by each of the proposed on-site residential and non-residential land uses, mobile source emissions will remain significant.

With respect to potential impacts to on-site residential uses from off-site sources of toxic air contaminants, although mitigation is recommended which would substantially reduce exposure by on-site receptors to carcinogens, air quality impacts would, however, remain significant and unavoidable. The Project's recommended mitigation measures will not adequately mitigate for the Project's projected exceedance of the SCAQMD's suggested threshold of significance standards for construction-term carbon monoxide (CO), oxides of nitrogen (NOX), particulate matter less than 10 microns (PM10), particulate matter less than 2.5 microns (PM2.5), and volatile organic compound (VOC) emissions. Any Project that would individually have a significant air quality impact would also be considered to have a significant cumulative air quality impact. In addition, the Project's recommended mitigation measures will not adequately mitigate for the Project's projected exceedance of the SCAQMD's suggested threshold of significance standards for operational VOC, CO, PM10, PM2.5, and NOX emissions. Because the South Coast Air Basin is currently classified as non-attainment for ozone (O3) PM10, and PM2.5, the Project, in combination with other related projects, could contribute to an existing or projected air quality exceedance within the air basin.

Localized modeling shows that site construction would result in a substantial increase in certain criteria pollutants (≥ 10.4 micrograms per cubic meter [$\mu\text{g}/\text{m}^3$] of PM10 and PM2.5 averaged over a 24-hour period). In accordance with the SCAQMD's "Final Localized Significance Threshold Methodology" (SCAQMD, June 2003), emission levels attributable to the Project's construction would not appear to comply with the "Final 2007 Air Quality Management Plan" (SCAQMD, June 2007) (2007 AQMP). Based on the identified threshold of significance criteria, non-compliance with the 2007 AQMP would be deemed a significant environmental effect.

- **Noise** (Impacts 8-2 and 8-6). With respect to off-site traffic, the Project would contribute a maximum noise level increase of 4.4 dBA along roadway segments adjacent to the Project Site. Mitigation is recommended to reduce the off-site traffic noise to new developments along most roadway segments adjacent to the Project site to a less-than significant level. Because of driveway configuration and orientation of existing residences, in combination with existing legal constraints (such as reducing speed limits, constructing traffic calming devices such as speed bumps or traffic circles), there are no

feasible mitigation measures for sensitive receptors located along Riverside Avenue (between Alder Avenue and Locust Avenue) and along Country Club Drive (north of Riverside Avenue). Off-site traffic noise levels would, therefore, result in a significant and unavoidable impact for the existing residents located along those roadway segments. In addition, because the Project's contribution exceeds 3.0 dBA community noise equivalency level (CNEL), off-site traffic noise levels would result in significant and unavoidable cumulative impacts for sensitive receptors located along Riverside Avenue (between Alder Avenue and Locust Avenue) and along Country Club Drive (north of Riverside Drive).

- **Growth inducement** (Impact 15-1). Growth in an area may result from the removal of physical impediments or restrictions to growth, as well as the removal of planning impediments resulting from land-use plans and policies. Planning impediments may include restrictive zoning or general plan designations. The land-use policy changes described herein would contribute, either directly or indirectly, to substantial population growth in the general Project area. As a result, this growth-inducing impact is deemed to be significant; however, CEQA notes that "[i]t must not be assumed that growth in any area is necessarily beneficial, detrimental, or of little significance to the environment" (14 CCR 15126.2[d]). As set forth below, the Commission concurs with the City's determination that, in this case and based upon its policy objectives as to development of its sphere of influence, that the growth attributed to this Project would be desirable and a benefit to the City.

7.3 Overriding Considerations

The Commission, after balancing the specific economic, legal, social, technological, and other benefits of the Project, has determined that the unavoidable adverse environmental impacts identified above may be considered acceptable due to the following specific considerations, each of which separately and independently outweigh the unavoidable, adverse environmental impacts of the Project, each of which standing alone is sufficient to support approval of the Project, in accordance with CEQA Section 21081(b) and CEQA Guideline Section 15093.

1. **New Master-planned Community Consisting of 51% Open Space and Housing Diversity.** The Project provides a master-planned community that incorporates "green" building techniques designed to conserve energy and water, and promote conservation of both materials and natural resources. The mix of uses proposed under the LCRSP includes the El Rancho Verde public golf course that will be surrounded by a new active adult community for those 55 years and older. The Project will set aside approximately 51% or 1,253.8 acres as open space. A minimum of 829.2 acres of the 1,253.8 acres will be preserved in its existing natural habitat as part of the Project's Open Space and Conservation Plan. The Project also provides flood control improvements along Lytle Creek which will provide flood control protection for both new as well as existing development.
2. **New Northern Gateway to the City.** The Project development provides a new northern gateway to the City which will identify Rialto and serve as a community landmark. The gateway design will include an iconic representation of the Rialto Bridge near the Sierra Avenue/Riverside Avenue intersection to help increase the visibility of the City to the public and residents. In addition, to this new gateway, the Project will improve and enhance road and landscaping along Glen Helen Parkway, Riverside Avenue, Sierra Avenue/Lytle Creek Road, and Country Club Drive.

3. **Park and Recreation Facilities.** The Project will provide the following park and recreation improvements:

- 21 acres of neighborhood parks;
- 23.5 acres that will be developed as a “Grand Paseo,” a publicly-accessible greenbelt that will vary in width from between 70 feet and 100 feet and contain picnic areas, seating, and landscaping;
- A more than \$27 million, 35.7-acre Sports Park Facility containing soccer field and baseball diamonds, playgrounds and picnic areas that will be dedicated to the City;
- 10.0 acres devoted to private recreation centers (two 3-acre recreation centers with swimming pools and one 5-acre recreation center with swimming pool and water play area for children);
- 3 acre Active Adult recreation center (this will be a private facility for the Neighborhood II Active Adult community homeowners); and
- 27.2 acres of linear open space/recreation land, trails and walkways.

In addition the Project also provides for a redesigned El Rancho Verde golf course.

Under State law, the Quimby Act, Cal. Gov’t Code Section 66477 and Rialto Municipal Code Section 17.23, new residential development projects are required to provide neighborhood and community recreational facilities at the rate of 3.0 acres for each one thousand persons residing within the Project. Based upon application of its population factor of 3.153 persons/household for this Project, the City determined that the required parkland for the Project is approximately 80 acres. In reviewing the park and recreational amenities provided by the Project, the City determined that the Project should be credited with 113 acres of park and recreation facilities thereby resulting in a surplus of park and recreation facilities of 33 acres over that which is required by State and local park requirements and which provide considerable public benefits to the City and its residents. Even though some facilities will be association-owned and managed for the benefit of the residents of the LCRSP, the provision of private recreation centers helps to reduce the usage of City facilities by new residents. The Sports Park will provide active sports opportunities that will serve the Project and the Rialto community, and will include lighted baseball/softball and soccer/football fields along with parking, restroom and concession facilities. The Sports Park will be improved to City specifications and dedicated to the City at no cost.

In addition to the benefits of providing more park and recreation facilities than what would be required pursuant to the Quimby Act and Section 17.23 of the Rialto Municipal Code, the Project has agreed to provide parks so that they are phased with residential development. The major park and recreation facilities will be provided as follows:

- By the 782nd Certificate of Occupancy in Neighborhood III, the Project will provide one neighborhood park of approximately 3 acres; approximately 7.7 acres of the Grand Paseo; and one of three private recreation areas of approximately 3-4 acres.
- By the 2,347th Certificate of Occupancy in Neighborhood III, the Project will provide one neighborhood park of approximately 3 acres; approximately 7.7 acres of the Grand Paseo; and the second of three private recreation areas of approximately 3-4 acres.

- By the 3,229th Certificate of Occupancy in Neighborhood III, the Project will provide one neighborhood park of approximately 3 acres; approximately 7.7 acres of the Grand Paseo; the third of three private recreation areas of approximately 3-4 acres; and all other park facilities other than the Sports Park.
 - By the 4,203rd Certificate of Occupancy in Neighborhoods II and/or III, the Project must provide the Sports Park of approximately 35.7 acres (which may be reduced in acreage if the number of approved units are reduced).
4. **Development Impact Fees.** The Project will pay the applicable City-levied Development Impact Fees for services such as police and fire services, library, and wastewater collection. The fees that will be paid by the Project exceed the amount of current fees than would be levied by the City. The Project will pay fixed fees of \$4,040 for each single-family and multi-family residential unit, and fixed fees of \$3,040 for each senior housing unit in the active adult community. In addition, the Project will pay per-unit impact fees associated with wastewater treatment and traffic mitigation, as set forth in a Pre-Annexation Development Agreement with the City and Mitigation Measure 6-4(b).
 5. **Development Agreement Fee.** The Applicant is entering into a Pre-Annexation Development Agreement with the City and pursuant to that agreement will pay per-unit fees of \$1,030 for each single- and multi-family residential unit and \$830 for each senior housing unit that is part of the active adult community. These fees will provide \$8,073,010 (based upon a 5,476 single- and multi-family residential units and 2,931 senior units, for a total of 8,407 units), which will be paid into the City's General Fund upon approval of the Certificate of Occupancy for each residential unit. The fee may be used by the City for any lawful purpose of the City.
 6. **Increased Walkability and Reduced Vehicle Miles Traveled.** In consideration of assisting the City, region and State to meet the goals of AB 32 to reduce greenhouse gas emissions, the Project will assist in reducing vehicle trips by implementing a transportation demand management program as a condition of approval for commercial/industrial development that takes advantage of alternative modes of mass transit within the City, and will encourage pedestrian mobility through the provision of walking paths, signage guiding pedestrians to nearby destinations and through preservation of significant open space to create pleasant environments that encourage walking. The Project also provides improvements on Riverside Avenue that will enhance the pedestrian environment, including bus turnouts, enhanced landscaping and other pedestrian amenities. In addition, the Project provides opportunities for retail and commercial/industrial development which will provide new employment and shopping opportunities close to existing and new residential development.
 7. **Sustainable Design.** The Project will make good faith efforts to include sustainable design at a LEED-certifiable level for commercial and industrial uses, and green building standards for residential construction, as provided in the Pre-Annexation Development Agreement. The Project will provide physical linkages between land uses that promote walking and bicycling and provide alternatives to automobile use, and encourage compact development that concentrates residential areas close to public amenities such as schools, parks, retail, golf, recreation centers, and other uses.
 8. **Public Schools.** The Project will contribute fees to the school districts for construction of an elementary school and a K-8 school which will benefit both residents within the

Project as well as existing residents in the City and in the school districts which cover the Project site and their current school population.

8. **Construction of Traffic Improvements and Payment of Fair Share Fees.** The Project will provide a benefit to the City by constructing a series of identified traffic improvements as set forth in Mitigation Measure 6-4(a) to mitigate the impacts of the Project on various roadways and intersections. In addition, the Project will pay its Fair Share Fees for certain traffic improvements to the City and other jurisdictions to mitigate the impacts of the Project on various roadways and intersections as set forth in Mitigation Measure 6-4(b).
9. **Increased Tax Revenues.** Based upon the Fiscal Impact Analysis prepared for the Project, the development of the LCRSP will result in increased ad valorem real property and sales tax revenues to the City over time.
10. **Implementation of the City's General Plan.** Adoption of the LCRSP will serve to define the types of permitted and conditionally permitted land uses that the City Council believes to be appropriate for the Project site and for the Project setting, define reasonable limits to the type, intensity, and density of those uses, and establish the design and development standards for those uses. Adoption of the LCRSP will serve as a valuable regulatory tool for the systematic implementation of the City's General Plan and will provide for the imposition of reasonable development controls and standards designed to ensure the integrated development of the Project site.

7.4 Conclusion

In conclusion, the Commission concurs that the Rialto City Council has identified economic and social benefits and important public policy objectives that will result from implementation of the Project. These Project characteristics will provide benefits to not only the City and its residents, but members of the public from surrounding cities and the region. The Commission has balanced these substantial economic and social benefits against the significant unavoidable adverse environmental effects of the Project. Given the substantial social and economic benefits that will accrue to the City and to the region from the implementation of the Project, the Commission finds that each of the Project's identified benefits separately and independently override the Project's identified significant environmental impacts.

THE ENVIRONMENTAL DOCUMENTS FOR LAFCO 3201 ARE AVAILABLE ON THE CD WITHIN THE FOLDER IDENTIFIED AS:

ENVIRONMENTAL DOCUMENTS RELATED TO THE CITY OF RIALTO'S APPROVAL OF THE LYTLE CREEK RANCH SPECIFIC PLAN

- City's Notice of Determination Dated August 20, 2012
- City's Resolution 6132 Certifying the Environmental Impact Report (EIR)
- Findings and Statement of Overriding Considerations
- Mitigation Monitoring and Reporting Program
- Draft EIR Executive Summary
- Volume I – Draft EIR
- Volume II – Traffic Impact Analysis
- Volume III (1 of 2) – Technical Appendix
- Volume III (2 of 2) – Technical Appendix
- Volume IV – Response to Comments on the Draft EIR
- Volume V (Part 1) – Recirculated Portions of the Draft EIR
 - Appendix V-A – San Bernardino County Superior Court Judgment & Ruling Case No. CIVDS 1011874
- Volume V (Part 2) Appendix V-B – Revised Climate Change Technical Report for Lytle Creek Ranch
 - Appendix V-C-A – Addendum Traffic Impact
 - Appendix V-C-B – Phasing of Lytle Creek Ranch Roadway Improvement Mitigation Measures
 - Appendix V-D-A – Construction Emissions
 - Appendix V-D-B – Operation Emissions
 - Appendix V-D-C – Noise Output Sheets
 - Appendix V-E – Financial Feasibility Analysis of the Lytle Creek Ranch Specific Plan Project and Alternatives to the Project Discussed in the Lytle Creek Ranch Specific Plan EIR
- Volume VI – Final Recirculated Portions of the EIR

THESE ARE ALSO AVAILABLE ON THE LAFCO WEBSITE AT

www.sbclafco.org

Draft Resolution No. 3222 for LAFCO 3201

Attachment 7

PROPOSAL NO.: LAFCO 3201

HEARING DATE: MAY 18, 2016

RESOLUTION NO. 3222

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY MAKING DETERMINATIONS ON LAFCO 3201 AND APPROVING THE REORGANIZATION TO INCLUDE ANNEXATIONS TO THE CITY OF RIALTO AND THE WEST VALLEY WATER DISTRICT AND DETACHMENTS FROM THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT AND ITS VALLEY SERVICE ZONE, THE FONTANA FIRE PROTECTION DISTRICT, COUNTY SERVICE AREA SL-1 AND COUNTY SERVICE AREA 70 (LYTLE CREEK RANCH), AS MODIFIED. (The reorganization area includes seven separate areas generally located along the Lytle Creek Wash area, northerly of the 210 Freeway, easterly of Riverside Avenue, and southerly of the I-15 Freeway, within the City of Rialto's northern sphere of influence.)

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

WHEREAS, an application for the proposed reorganization in the County of San Bernardino was filed with the Executive Officer of this Local Agency Formation Commission (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 the Executive Officer has examined the application and executed her certificate in accordance with law, determining and certifying that the filings are sufficient; 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 the 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 called for May 18, 2016 at the time and place specified in the notice of public hearing; and,

RESOLUTION NO. 3222

WHEREAS, at the hearing, this Commission heard and received all oral and written support and/or opposition; the Commission considered all plans and proposed changes of organization and all evidence which were made, presented, or filed; it received evidence as to whether the territory is inhabited or uninhabited, improved or unimproved; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the application, in evidence presented at the hearing;

WHEREAS, the Commission determines to modify this proposal to include the detachment from Fontana Fire Protection District as a function of the reorganization;

NOW, THEREFORE, BE IT RESOLVED, by the Local Agency Formation Commission for San Bernardino County, State of California, that the Commission does hereby determine, find, resolve, and order, as follows:

DETERMINATIONS:

SECTION 1. The proposal is approved subject to the terms and conditions hereinafter specified:

CONDITIONS:

Condition No. 1. The boundaries are approved as set forth in Exhibits "A", "A-1", "B", "B-1", "C", "C-1", "D", "D-1", "E", "E-1", "F", and "F-1" attached.

Condition No. 2. The following distinctive short-form designation shall be used throughout this proceeding: LAFCO 3201.

Condition No. 3. All previously authorized charges, fees and/or assessments currently in effect by the City of Rialto and the West Valley Water District (annexing agencies) shall be assumed by the annexing territory in the same manner as provided in the original authorization pursuant to Government Code Section 56886(t).

Condition No. 4. Prior to the issuance of the Certificate of Completion for the reorganization to include annexations and detachments, the City of Rialto shall initiate the annexation of the five North Rialto Islands identified on the map included as Exhibit "G". Compliance with this condition of approval shall be deemed completed upon the issuance of the Certificate(s) of Filing for the five North Rialto Islands either individually or as a reorganization;

Condition No. 5. The City of Rialto shall indemnify, defend, and hold harmless the Local Agency Formation Commission for San Bernardino County from any legal expense, legal action, or judgment arising out of the Commission's approval of this proposal, including any reimbursement of legal fees and costs incurred by the Commission.

Condition No. 6. Pursuant to Government Code Section 56886.1, public utilities, as defined in Section 216 of the Public Utilities Code, have ninety (90) days following the

RESOLUTION NO. 3222

recording of the Certificate of Completion to make the necessary changes to impacted utility customer accounts.

Condition No. 7. The date of issuance of the Certificate of Completion shall be the effective date of this reorganization.

SECTION 3. The Commission determines that approval of LAFCO 3201 will make the existing unincorporated “El Rancho Verde” community completely surrounded by the City of Rialto. Since the entire reorganization area of LAFCO 3201 is a master planned community that cannot be developed unless the area is annexed, the Commission determines, pursuant to the provision of Government Code Section 56375(m), to waive the restrictions on the creation of a totally surrounded island contained within Government Code Section 56744 because it would be detrimental to the orderly development of the community and it further determines that the area to be surrounded cannot reasonably be annexed to another city or incorporated as a new city.

SECTION 4. DETERMINATIONS. The following determinations are required to be provided by Commission policy and Government Code Section 56668:

1. The reorganization area is legally uninhabited, containing zero (0) registered voter as of October 14, 2015, as certified by the County Registrar of Voters Office.
2. The County Assessor’s Office has determined that the total assessed value of land and improvements within the reorganization area is \$10,294,424 (land--\$9,187,660; improvements--\$1,106,764) as of November 5, 2015.
3. The reorganization area is within the spheres of influence assigned the City of Rialto and the West Valley Water District.
4. Notice of this hearing has been advertised as required by Law through publication in *The Sun*, a newspaper of general circulation within the area. As required by State law, individual notification was provided to affected and interested agencies, County departments, and those agencies and individuals requesting mailed notice. Comments from any affected local agency have been received by the Commission.
5. In compliance with the requirements of Government Code Section 56157 and Commission policy, individual notice was mailed to landowners (totaling 6 notices) within the reorganization area. Individual notice was also mailed to surrounding landowners and registered voters (3,144) within approximately 1,350 feet of the exterior boundaries of the reorganization area. Comments from landowners and any affected local agency have been reviewed and considered by the Commission in making its determination.
6. The City of Rialto pre-zoned the reorganization area through its approval process as the “Lytle Creek Ranch Specific Plan” with the following underlying specific plan zone designations: Single-Family Residential One (SFR-1), Single-Family Residential Two (SFR-2), Single-Family Residential Three (SFR-3), Multi-Family Residential (MFR),

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High Density Residential (HDR), Elementary/Middle School (ES/MS), Open Space/Recreation, and Open Space (undisturbed). These pre-zone/specific plan zone designations are consistent with the City's General Plan and surrounding land uses within the City and in the County. Pursuant to the provisions of Government Code Section 56375(e), these pre-zone designations shall remain in effect for two years following annexation unless specific actions are taken by the City Council.

7. A Complete Final Environmental Impact Report (EIR) was prepared and certified as adequate by the City of Rialto for its approval of Annexation No.170, General Plan Amendment No. 29, Specific Plan No. 12, and the Pre-Annexation and Development Agreement for the Lytle Creek Ranch Specific Plan (SCH No. 2009061113). Copies of the applicable environmental review documents were previously provided to the Commission. The Commission, its staff, and its Environmental Consultant have independently reviewed the City's Complete Final EIR and found it to be adequate for the reorganization decision.

The Commission certifies that it has reviewed and considered the City's Complete Final EIR and the effects outlined therein, and as referenced in the Facts, Findings and Statement of Overriding Considerations, prior to reaching a decision on the project and finds the information substantiating the Complete Final EIR adequate for its use in making a decision as a CEQA responsible agency. The Commission hereby acknowledges the mitigation measures and mitigation monitoring and reporting program contained in the City's Complete Final EIR and finds that no additional feasible alternatives or mitigation measures will be adopted by the Commission. The Commission finds that all changes, alterations, and mitigation measures are within the responsibility and jurisdiction of the City and other agencies, and not the Commission. The Commission finds that it is the responsibility of the City to oversee and implement these measures and the mitigation monitoring and reporting program.

The Commission hereby adopts the Facts, Findings and Statement of Overriding Considerations regarding the environmental effects of the reorganization (a copy of which is attached). The Commission finds that all feasible changes or alterations have been incorporated into the project; that these changes are the responsibility of the City and other agencies identified in the Facts, Findings and Statement of Overriding Considerations and the Complete Final EIR; and that specific economic, social or other considerations make infeasible adoption of the alternatives identified in the Complete Final EIR.

The Commission directs its Executive Officer to file a Notice of Determination within five (5) days within the San Bernardino County Clerk of the Board of Supervisors. The Commission, as a responsible agency, also notes that this proposal is exempt from the California Department of Fish and Wildlife fees because the fees were the responsibility of the City of Rialto as the CEQA lead agency.

8. The Southern California Associated Governments (SCAG) adopted its 2016-2040 Regional Transportation Plan and Sustainable Communities Strategy (RTP-SCS) pursuant to Government Code Section 65080. LAFCO 3201 includes the southern

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portion of the I-15 Freeway, which is part of the RTP-SCS's State highway improvement (expansion/rehabilitation) program adding two express lanes in each direction for completion by 2030 and adding high-occupancy vehicle (HOV) lane in each direction for completion by 2039. The Sustainable Communities Strategy also include, among others, determinations related to the need for residential densities and housing for all segments of the population, which approval of LAFCO 3201 will support.

9. The local agencies currently serving the area are: County of San Bernardino, Inland Empire Resource Conservation District, San Bernardino Valley Municipal Water District, San Bernardino County Fire Protection District and its Valley Service Zone, Fontana Fire Protection District (portion), West Valley Water District (portion), County Service Area SL-1 (streetlights)(portion), and County Service Area 70 (multi-function unincorporated area Countywide).

The proposal area will be detached from the San Bernardino County Fire Protection District, its Valley Service Zone, Fontana Fire Protection District, County Service Area SL-1 and County Service Area 70 as a function of the reorganization. None of the other agencies are affected by this proposal as they are regional in nature.

10. The City of Rialto and the West Valley Water District have submitted plans for the provision of services as required by Government Code Section 56653, which indicate that the City of Rialto and the West Valley Water District can improve the level and range of services currently available in the area. The financial information presented within the City's Plan for Service indicates that the extension of services can be maintained and operated within the existing revenue resources available through the transfer of property tax revenues and existing fees for service. These Plans for Service have been reviewed and compared with the standards established by the Commission and the factors contained within Government Code Section 56668. The Commission determines that these plans conform to those adopted standards and requirements.
11. The reorganization area will benefit from the availability of services from the City of Rialto and the West Valley Water District and has benefitted from the delivery of fire protection and emergency medical response services from the City (through its contract with the San Bernardino County Fire Protection District to provide the service) as evidenced by the Plans for Service.
12. This proposal complies with State directives and Commission policies that indicate the preference for areas proposed for future development at an urban-level land use to be included within a City so that the full range of municipals services can be planned, funded, extended and maintained.
13. This proposal will assist in the City's ability to achieve its fair share of the regional housing needs as it proposes the addition of 619 single-family units, 563 multi-family units, and 2,005 senior single-family units, for a total of 3,187 residential units.

RESOLUTION NO. 3222

14. With respect to environmental justice, the following profile was generated using ESRI's Community Analyst with regard to race and income within the City of Rialto and within areas adjacent to the reorganization area (2015 population data):

The City of Rialto has a citywide population of 70.7 percent that is of Hispanic origin. Based on information taken from the adjacent unincorporated El Rancho Verde and Rosena Ranch communities, said areas have an Hispanic origin population of 50.1 percent and 48 percent, respectively, which are lower than the City's overall data. With regard to income, the City of Rialto has a citywide median household income of \$49,205. Again, based on information taken from the two adjacent unincorporated communities, said areas reflects a higher median household income of \$75,499 and \$76,024, respectively.

Therefore, LAFCO staff believes that the reorganization area would benefit from the extension of services and facilities from the City of Rialto and the West Valley Water District and, at the same time, would not result in unfair treatment of any person based on race, culture or income.

15. The County of San Bernardino and the City of Rialto have successfully negotiated a transfer of property tax revenues that will be implemented upon completion of this reorganization. This negotiated agreement fulfills the requirements of Section 99 of the Revenue and Taxation Code. Renegotiation of the property tax transfer may be requested due to the Commission's modification to include the detachment from the Fontana Fire Protection District, which receives a share of the ad valorem tax. This process is outlined in Revenue and Taxation Code Section 99(b)(7).
16. The maps and legal descriptions, as revised, are in substantial compliance with LAFCO and state standards through certification by the County Surveyor's Office.

SECTION 5. Approval by the Local Agency Formation Commission indicates that completion of this proposal would accomplish the proposed change of organization in a reasonable manner with a maximum chance of success and a minimum disruption of service to the functions of other local agencies in the area.

SECTION 6. The Executive Officer is hereby authorized and directed to mail certified copies of this resolution in the manner provided by Section 56882 of the Government Code.

SECTION 7. The Commission hereby directs that, following completion of the reconsideration period specified by Government Code Section 56895(b), the Executive Officer is hereby directed to initiate protest proceedings in compliance with this resolution and State law (Part 4, commencing with Government Code Section 57000) and set the matter for consideration of the protest proceedings, providing notice of hearing pursuant to Government Code Sections 57025 and 57026.

SECTION 8. Upon conclusion of the protest proceedings, the Executive Officer shall adopt a resolution setting forth her determination on the levels of protest filed and not withdrawn and setting forth the action on the proposal considered.

RESOLUTION NO. 3222

SECTION 9. Upon adoption of the final resolution by the Executive Officer, either a Certificate of Completion or a Certificate of Termination, as required by Government Code Sections 57176 through 57203, and a Statement of Boundary Change, as required by Government Code Section 57204, shall be prepared and filed for the proposal.

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

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

* * * * *

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

I, KATHLEEN ROLLINGS-MCDONALD, Executive Officer of the Local Agency Formation Commission for San Bernardino County, 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 regular meeting of May 18, 2016.

DATED:

KATHLEEN ROLLINGS-McDONALD
Executive Officer

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: MAY 11, 2016

FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
MICHAEL TUERPE, Project Manager

TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #10a – REVIEW AND ADOPTION OF REVISION OF
SCHEDULE OF FEES, DEPOSITS AND CHARGES

RECOMMENDATION:

Staff recommends that the Commission take the following actions:

1. For Environmental review:
 - a. Make the findings required by Section 15273(c) of the CEQA Guidelines as follows:
 - i. Filing and processing fees are authorized by Government Code Section 56383 to cover the estimated reasonable cost of providing the service; and,
 - ii. The rates and charges identified in the Schedule are for the purpose of: (1) meeting operating expenses, including employee wage rates and fringe benefits; (2) purchasing or leasing supplies, equipment, or materials; and (3) meeting financial reserve needs and requirements.
 - b. Certify that the proposed revisions to the Schedule of Fees, Deposits, and Charges (herein after shown as "Schedule") are statutorily exempt from the provisions of the California Environmental Quality Act and direct the Executive Officer to file a Notice of Exemption within five (5) days of this action.
2. Adopt the Schedule, as revised, to be effective June 1, 2016.
3. Adopt LAFCO Resolution #3221 reflecting the Commission's determinations related to the Schedule.

BACKGROUND:

At the April 20, 2016 hearing, LAFCO staff presented the Commission with its recommended changes to the existing Schedule of Fees, Deposits and Charges

("Schedule"), and the Commission adopted the proposed Schedule (Attachment #1). The amendments proposed consist of four categories: (1) increase of processing fees, (2) increase of processing deposits, (3) addition of categories for out-of-agency service contracts due to change in statute, and (4) clarification of language and reformatting.

On April 26, a copy of the revised Schedule was forwarded to the County, the cities/towns, and the independent special districts for review and comment with a response requested by May 5. As of the date of this report, no comments have been received. However, if staff receives comments prior to the hearing they will be provided to the Commission along with staff's response at the hearing.

ENVIRONMENTAL REVIEW:

As for environmental review, the California Environmental Quality Act (CEQA) and the State CEQA Guidelines provide a statutory exemption for the review and modification of fee and rate schedules. Section 15273(c) of the CEQA Guidelines requires that the Commission make findings regarding such an exemption indicating specifically the basis for the claim of exemption. Staff recommends that the Commission make the findings required by Section 15273(c) of the CEQA Guidelines as follows:

- a) Filing and processing fees are authorized by Government Code Section 56383 to cover the estimated reasonable cost of providing the service; and,
- b) The rates and charges identified in the Schedule are for the purpose of: (1) meeting operating expenses, including employee wage rates and fringe benefits; (2) purchasing or leasing supplies, equipment, or materials; and (3) meeting financial reserve needs and requirements.

Staff recommends that the Commission determine this action is statutorily exempt from CEQA for the reasons outlined in the State CEQA Guideline Section cited above. The Commission is required to file a Notice of Exemption with the Clerk to the Board within five working days of its action to approve the Schedule modifications. The environmental determination is included as Attachment #2.

CONCLUSION:

Staff recommends that the Commission adopt the revised Schedule, as presented, with an effective date of June 1, 2016, by taking the actions outlined on page 1.

KRM/MT

Attachments:

- 1. Revised Schedule of Fees, Deposits, and Charges
- 2. Environmental Determination
- 3. Draft Resolution #3221

Revised Schedule of Fees, Deposits, and Charges

Attachment 1

LOCAL AGENCY FORMATION COMMISSION
FOR SAN BERNARDINO COUNTY

SCHEDULE OF FEES, DEPOSITS AND CHARGES
EFFECTIVE JUNE 1, 2016

The submission of a proposal to the Local Agency Formation Commission (hereinafter LAFCO) is not officially accepted for processing until the filing fees and deposits have been received (Gov't. Code Section 56383). These fees and deposits ordinarily involve the appropriate LAFCO filing fee and deposits for the recovery of the Commission's direct costs for such items as LAFCO Legal Counsel, environmental review, individual notification costs, and protest proceedings, etc. In addition, certain fees and charges are required at the conclusion of the application process and must be received prior to its official completion. Refer to [Policy and Procedure Manual, Section II, Chapter 2](#) for the Commission's policy related to waivers and reductions of processing fees.

PROCESSING FEES

A. Processing Fees:

1. Annexation, Detachment, Reorganization – involving solely annexations and/or detachments:

Valley and Mountain Region

	Under 20 acres	20 – 150 acres	151 – 275 acres	Over 275 acres
City	\$5,500	\$7,000	\$9,000	\$9,000 plus \$1 per acre over 275 acres
District	\$5,000	\$6,000	\$7,500	\$7,500 plus \$1 per acre over 275 acres

Desert Region (North and South Desert)

	Under 100 acres	100 – 640 acres	641 – 1,920 acres	Over 1,920 acres
City	\$5,500	\$7,000	\$9,000	\$9,000 plus \$1 per acre over 1,920 acres
District	\$5,000	\$6,000	\$7,500	\$7,500 plus \$1 per acre over 1,920 acres

2. Reorganization

(For a reorganization that involves changes other than annexations and detachments, the fee will be based upon the components of the reorganization.)

Sum of
Component
Fees

San Bernardino LAFCO
Schedule of Fess, Deposits, and Charges
June 1, 2016

- | | | |
|----|-------------------------------|---------|
| 3. | Sphere of Influence Amendment | \$5,000 |
|----|-------------------------------|---------|

The fees identified above for Items A-1 through A-3 shall be assessed for each area of consideration within the proposal. A single area means any separate geographical area requiring a legal description. A "single area" does not include two areas that are contiguous only at a point, or two or more areas that are contiguous to an existing boundary of a city or district but not to each other.

- | | | |
|----|---|---------|
| 4. | Dissolution, Merger, or Establishment of Subsidiary District(s) | \$5,000 |
|----|---|---------|

- | | | |
|----|---|----------|
| 5. | Formation or Consolidation of Special District(s) | \$15,000 |
|----|---|----------|

- | | | |
|----|--|--|
| 6. | Incorporation or Disincorporation of a City or Consolidation of Cities | |
|----|--|--|

- | | | |
|--|-------------------|----------|
| | a. Processing Fee | \$20,000 |
|--|-------------------|----------|

- | | | |
|--|---|-------------|
| | b. Comprehensive Fiscal Analysis for Incorporation or Disincorporation Proposal | Actual Cost |
|--|---|-------------|

(A \$50,000 deposit is required at the time the application is submitted. Applicants shall be required to reimburse the Commission for all costs associated with the preparation of the Comprehensive Fiscal Analysis in excess of the deposit prior to the scheduling of the Commission hearing. If the charges billed to LAFCO for the preparation of the required document are less than the amount of the deposit, the balance will be refunded to the applicant or applied to other categories where excess charges have been incurred.)

- | | | |
|--|--|-------------|
| | c. State Controller's Fiscal Review for Incorporations | Actual Cost |
|--|--|-------------|

(A \$25,000 deposit is required at the time a Request for State Controller Review is submitted. All costs in excess of this amount will be the responsibility of the Requestor for payment. Any balance remaining after payments are made to the State will be refunded to the Requestor of Review.)

- | | | |
|----|---|--------------|
| 7. | Activation/Divestiture of Functions and/or Services for Special Districts | \$7,500 each |
|----|---|--------------|

(The fee shall be assessed for each function or service proposed for change.)

- | | | |
|----|---|-------------|
| 8. | Verification of Petition Signatures by Registrar of Voters Office | Actual Cost |
|----|---|-------------|

(A \$200 deposit from the applicants is required at the time of petition submission. This amount will be refunded upon certification of the petition and determination of billable charges. The charges assessed by the Registrar of Voters Office to verify petition signatures shall be payable by the affected entity in the same manner as the verification of initiative petition signatures is billed.)

- | | | |
|----|---|---------|
| 9. | Request for Reconsideration of LAFCO Decision/
Environmental Determination | \$1,100 |
|----|---|---------|

(Should a reconsideration request require individual notice due to the extension of a special tax, then the proponent will be required to submit a deposit for the direct costs to produce and mail the individual notices.)

- | | | |
|-----|--|---------|
| 10. | Request for Extension of Time to Complete Change of Organization Proceedings (Gov't. Code Section 57001) | \$1,100 |
|-----|--|---------|

11. Workshop Fees Actual Cost

(Proponents of actions pending Commission review may request that a Commission workshop be held in their area. If the Commission agrees to conduct such a workshop session, the Commission may require reimbursement of all costs associated with that session by the proponents, subject to a \$1,000 deposit.)

**B. Processing Fee for Out-of-Agency Service Contract Review
(City or District):**

The following service contracts require a noticed Commission hearing and environmental review:

- | | | |
|----|--|---------------------------|
| 1. | Contracts involving developments such as: subdivisions/tracts as defined by the Subdivision Map Act (five or more units), Specific Plans | \$5,000 |
| 2. | Contracts involving the development of units requiring only a parcel map as defined by the Subdivision Map Act (up to four units) | \$1,000
per connection |
| 3. | Any contract for fire protection services outside a public agency's jurisdictional boundaries pursuant to Govt. Code Section 56134 | \$5,000 |
| 4. | Contracts to provide services outside a sphere of influence pursuant to Govt. Code Section 56133.5 | \$1,000 |
| 5. | Service Contract Requiring Approval Pursuant to Govt. Code Section 56133, Subsection (c) | \$750 |

The following service contracts request an exemption by the Commission or Administrative Review:

- | | | |
|----|--|---------|
| 6. | Development Related Request for Exemption from Govt. Code Section 56133, requires noticed Commission hearing | \$2,250 |
| 7. | Administrative Review of Non-development-related Out-of-Agency Service Contract (City or District) or Non-development Related Exemption from Govt. Code Section 56133 as Authorized by Commission Policy | \$500 |

PROCESSING DEPOSITS

Applicants shall be required to reimburse the Commission for all charges and costs in excess of the deposits outlined below. Reimbursement to LAFCO shall be required prior to issuance of the Certificate of Completion for jurisdictional changes or issuance of the Commission's resolution for service contracts or sphere of influence amendments/updates. If charges billed to LAFCO are less than the amount of deposit, the balance of the fee will be refunded to the applicant or applied to other categories where excess charges have been incurred.

A. Legal Counsel:

1. Legal Counsel Deposit

- a. Jurisdictional Change or Sphere of Influence Change (applicable to actions listed under Item A, #1 through #7)

\$200 non-refundable LAFCO fee	\$1,000 Deposit for LAFCO Legal Counsel costs	\$1,200 Total Deposit required upon application submission
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- b. Service Contracts Item B #1 through #5

\$200 non-refundable LAFCO fee	\$450 Deposit for LAFCO Legal Counsel costs	\$650 Total Deposit required upon application submission
--------------------------------	---	--

(It is the policy of this Commission that the costs for Special Counsel due to a representation conflict shall be the responsibility of the applicant. Refer to [Policy and Procedure Manual, Section II, Chapter 2.](#))

2. Legal Defense

Actual Cost

(As a condition of approval of any action taken by LAFCO, the proponents shall be required to defend, indemnify and hold harmless LAFCO or its agents, officers, and employees from any claim, action, or proceeding against LAFCO or its agents, officers, and employees to attack, set aside, void, or annul the approval of LAFCO concerning the proposal or any action relating to, or arising out of, such approval when such action is brought within the applicable statute of limitations. Refer to [Policy and Procedure Manual, Section II, Chapter 2.](#)

B. Environmental Review:

1. Environmental Review Deposit

- a. Jurisdictional Change or Sphere of Influence Change (applicable to actions listed under Item A, #1 through #7)

\$200 non-refundable LAFCO fee	\$550 Deposit for LAFCO Environmental Consultant costs	\$750 Total Deposit required upon application submission
--------------------------------	--	--

San Bernardino LAFCO
Schedule of Fess, Deposits, and Charges
June 1, 2016

b. Service Contracts (Item B, #1 through #5)

\$200 non-refundable LAFCO fee	\$250 Deposit for LAFCO Environmental Consultant costs	\$450 Total Deposit required upon application submission
--------------------------------	--	--

(All applicants shall be required to pay the full costs of the Commission's Environmental Consultant's review regardless whether the Commission is the lead or responsible agency as defined under CEQA.)

2. Appeal of Environmental Recommendation \$750

3. Preparation of Environmental Impact Report Actual Cost

(A \$20,000 deposit with LAFCO shall be required before proceeding toward preparation of the required environmental documents.)

4. If the proposal requires that LAFCO prepare a Negative Declaration or Environmental Impact Report as CEQA lead agency, the California Department of Fish and Wildlife CEQA Environmental Document Filing Fees are required to be paid at the time LAFCO files the Notice of Determination with the Clerk of the Board of the affected County. The fees listed below (which include the County's \$50 processing fee) are current as of January 1, 2016. The applicant will be notified of the appropriate fees, which must be received by LAFCO prior to the Commission hearing:

a.	Negative Declaration (LAFCO as lead agency)	\$2,260.25
b.	Environmental Impact Report (LAFCO as lead agency)	\$3,120.00

C. Individual Notice:

1. Deposit for Individual Notice (Registrar of Voters Review, and Registered Voter and Landowner Notification Requirements)

a. Proposals listed under Items A1, A2, A3, B1-B5

\$250 non-refundable LAFCO fee	\$450 Deposit for Individual Notification costs	\$700 Total Deposit required upon application submission
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(Pursuant to Policy and Procedure Manual, Section IV, Chapter 1, Policy 9: Individual Notice of Commission Hearings to Landowners and Registered Voters, the individual notice of Commission proceedings shall be provided for all changes of organization, sphere of influence changes, or development-related service contracts, except as identified in item C2 below. Please contact the LAFCO office if the proposal would require individual notice or is eligible for a waiver.)

b. Deposit for Publication of Display Ad in lieu of Individual Notice \$1,000
 Proposals listed under Items A4 – A7, and those actions where individual notice has been waived by the Commission.
 (Policy and Procedure Manual, Section IV, Chapter 1, Policy 9: Individual Notice of Commission Hearings to Landowners and Registered Voters)

San Bernardino LAFCO
Schedule of Fess, Deposits, and Charges
June 1, 2016

(In cases where the change would involve mailing more than 1,000 notices, the Commission may waive the individual notice requirement and direct its staff to publish a 1/8th page display ad in a newspaper of general circulation within the area. By policy, individual notice to landowners and registered voters shall not be waived for city island annexations filed pursuant to Government Code Section 56375.3, even if it includes more than 1,000 notices.)

2. **Additional Deposit for Proposals Extending an Existing Special Tax** **Actual Cost**

(Should a proposal require individual notice due to the extension of an existing special tax, the proponent will be required to submit a deposit for the direct costs such as: (1) the County Assessor to compile the mailing list, (2) outside printing to produce the printed notices, (3) and County Mail for shipping and handling, to include a \$250 non-refundable LAFCO fee. Please contact the LAFCO office for the estimated deposit cost.)

D. **Protest Proceeding:**

(Deposit required within 30 days of Commission approval of action. The Protest Hearing will not be set until deposit has been paid. Applicants shall be required to reimburse the Commission for any protest proceeding costs in excess of the deposit. Reimbursement to LAFCO shall be required prior to issuance of the Certificate of Completion. If charges billed to LAFCO are less than the amount of the deposit, the balance of the fee will be refunded to the applicant or applied to other categories where excess charges have been incurred.)

1. **All Proposals Subject to a Protest Proceeding**

\$200 non-refundable LAFCO fee	\$1,300 Deposit for LAFCO Protest Proceeding costs	\$1,500 Total Deposit required for Protest Proceeding
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2. **Additional Deposit for Proposals Extending an Existing Special Tax** **Actual Cost**

(Should a proposal require individual notice due to the extension of an existing special tax, the proponent will be required to submit a deposit for the direct costs such as: (1) the County Assessor to compile the mailing list, (2) outside printing to produce the printed notices, (3) and County Mail for shipping and handling, to include a \$250 non-refundable LAFCO fee.)

COMPLETION FEES AND CHARGES

Following Commission approval of an action, the following fees or charges may be required. LAFCO staff will notify the applicant at the time the Commission's resolution is forwarded which of the following fees or charges is applicable to the proposal:

- A. County Geographic Information Management System (GIMS) Processing, required prior to issuance of the Certificate of Completion for jurisdictional changes or issuance of the Commission's resolution for sphere of influence amendments/updates:

1. Changes requiring an update to current sphere or boundaries of participating agencies

(Fees identified below will be assessed for each area of consideration. The definition of area is provided under Processing Fees on Page 1.)

<u>Acreage</u>	<u>Primary Charge</u>	<u>Additional Agency</u>
0 to 100 acres	\$400	\$ 85
101 to 640 acres	\$550	\$110
641 to 2,560 acres	\$825	\$150
over 2,560 acres	\$1,100	\$175

2. Incorporation, Formation, or placement of a new agency boundary or sphere into the LAFCO-maintained GIMS system \$3,000

(The fees for incorporations or formations can be deferred until the new City/Town or District receives its first revenues. A request for deferral shall be made to the Executive Officer.)

- B. At the time the Certificate of Completion is forwarded to the State Board of Equalization (SBE), application types listed under Item A - Processing Fees Subsections 1 through 7 (except for Spheres of Influence), are charged a processing fee pursuant to SBE's adopted Fee Schedule (Government Code Section 54902.5). The fees listed below, as identified by SBE, are current as of January 1, 2011. LAFCO staff will notify the applicant of the appropriate fees:

Single Area Charges:

Less than 1 acre	\$300
1-5 acres	\$350
6-10 acres	\$500
11-20 acres	\$800
21-50 acres	\$1,200
51-100 acres	\$1,500
101-500 acres	\$2,000
501-1,000 acres	\$2,500
1,001-2,000 acres	\$3,000
2,001 acres and above	\$3,500

(Additional types of charges are outlined in the State Board of Equalization Fee Schedule. LAFCO staff will notify the applicant of the appropriate fees.)

MISCELLANEOUS CHARGES

- | | | |
|----|---|--------------|
| A. | Charges for Purchase of Paper Copies, per page | |
| | (1) from paper materials (requests in excess of 10 pages) | 10 cents |
| | (2) from existing digital data (requests in excess of 20 pages) | 5 cents |
| B. | Charges for Purchase of Digital Data | |
| | (1) placement of materials on CD | \$10 per CD |
| | (2) scan copies of paper materials (if applicable), per page | 5 cents |
| C. | DVD Copy of Commission Hearing | |
| | (available if production services are utilized for hearings) | \$25 per DVD |
| D. | Preparation of Transcript of Hearing | Actual Cost |

(Those requesting a transcript of a Commission hearing will be notified of the estimated cost for preparation. The Requestor will be required to provide a deposit in the amount of the estimated cost. All costs in excess of the deposit amount will be the responsibility of the Requestor for payment. Any balance remaining after final charges are determined will be refunded to the Requestor.)

KRM/June 1, 2016

Environmental Determination

Attachment 2

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

215 North D Street, Suite 204, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 885-8170
E-MAIL: lafco@lafco.sbcounty.gov
www.sbclafco.org

DATE: MAY 11, 2016

FROM: MICHAEL TUERPE, Project Manager



TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Environmental Determination – Revisions of LAFCO Schedule of Fees, Deposits, and Charges

The Local Agency Formation Commission is currently considering the revision of its "Schedule of Fees, Deposits, and Charges" which help support the services it provides to the County, cities/towns, special districts, and citizens of San Bernardino County. The California Environmental Quality Act (CEQA) and the State CEQA Guidelines provide a statutory exemption for the review and modification of fee and rate schedules. Specifically, Section 21080(b)(8) of CEQA and Section 15273(a) of the CEQA Guidelines provide for such statutory exemptions if such rates or charges are for the purpose of: (1) meeting operating expenses, including employee wage rates and fringe benefits; (2) purchasing or leasing supplies, equipment, or materials; and (3) meeting financial reserve needs and requirements, etc.

Section 15273(c) of the CEQA Guidelines requires that the Commission make findings regarding such an exemption indicating specifically the basis for the claim of exemption. Staff recommends that the Commission make the findings required by Section 15273(c) of the CEQA Guidelines as follows:

- a) Filing and processing fees are authorized by Government Code Section 56383 to cover the estimated reasonable cost of providing the service; and,
- b) The rates and charges identified in the Schedule of Fees, Deposits, and Charges are for the purpose of: (1) meeting operating expenses, including employee wage rates and fringe benefits; (2) purchasing or leasing supplies, equipment, or materials; and (3) meeting financial reserve needs and requirements.

Staff recommends that the Commission determine this action is statutorily exempt from CEQA for the reasons outlined in the State CEQA Guideline Section cited above. The Commission is required to file a Notice of Exemption with the Clerk to the Board within five working days of its action to approve the Schedule modifications. A copy of this exemption shall be retained in the LAFCO file to serve as verification of this evaluation and as the CEQA environmental determination record.

Draft Resolution #3221

Attachment 3

HEARING DATE: MAY 18, 2016

RESOLUTION NO. 3221

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY MAKING DETERMINATIONS ON THE ADOPTION OF A REVISED SCHEDULE OF FEES, DEPOSITS, AND CHARGES FOR FISCAL YEAR 2016-17.

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

WHEREAS, Section 56383 of the California Government Code authorizes a Local Agency Formation Commission to establish a schedule of fees for the filing and processing of applications submitted to the Commission pursuant to the provisions of Government Code Sections 56000 et seq.; and,

WHEREAS, the Local Agency Formation Commission for San Bernardino County (hereinafter referred to as the "Commission") adopted the existing Schedule of Fees and Charges on January 15, 2014; 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 upon the proposed amendments to the Schedule of Fees, Deposits, and Charges; and

WHEREAS, the Executive Officer has prepared a report including her recommendations thereon, said 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 any order or orders continuing such hearing; and,

WHEREAS, at the hearing, this Commission heard and received all oral and written support and opposition; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the proposed amendments, in evidence presented at the hearing;

NOW, THEREFORE, BE IT RESOLVED, that the Local Agency Formation Commission for San Bernardino County does hereby determine, resolve, order, and find as follows:

RESOLUTION NO. 3221

DETERMINATIONS:

SECTION 1. The Executive Officer is hereby authorized and directed to mail certified copies of this resolution in the manner provided by Section 56882 of the Government Code.

SECTION 2. The Local Agency Formation Commission hereby approves the revised Schedule of Fees, Deposits, and Charges, attached hereto as Exhibit “A”, effective June 1, 2016.

SECTION 3. FINDINGS. The following findings are noted in conformance with Commission policy and the provisions of State law:

1. Notice of the Commission's consideration of the Schedule of Fees, Deposits, and Charges amendment has been provided pursuant to the provisions of Government Code Section 66016. To date, no expressions of either in support or opposition to the proposed revisions to the Schedule of Fees, Deposits, and Charges have been received.
2. The Commission determines that the proposed revisions to the Schedule of Fees, Deposits, and Charges are statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to Section 21080(b)(8) of CEQA and Section 15273(a), Subsections (1), (2), and (3), of the State CEQA Guidelines. The Commission makes the following findings required by Section 15273(c) of the State CEQA Guidelines:
 - a. Filing and processing fees are authorized by Government Code Section 56383 to cover the estimated reasonable cost of providing the service for which the fee is charged.
 - b. The fees identified in the Schedule of Fees, Deposits, and Charges, attached as Exhibit "A", are for the purpose of: (1) meeting operating expenses, including employee wage rates and fringe benefits; (2) purchasing or leasing supplies, equipment, or materials; and (3) meeting financial reserve needs and requirements.

The Commission hereby adopts the Statutory Exemption and directs its Clerk to file a Notice of Exemption within five (5) working days of adoption of the Commission's action with the San Bernardino Clerk to the Board of Supervisors.

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

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

* * * * *

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

I, KATHLEEN ROLLINGS-MCDONALD, Executive Officer of the Local Agency Formation Commission for San Bernardino County, California, do hereby certify this record

RESOLUTION NO. 3221

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 regular meeting of May 18, 2016.

DATED:

KATHLEEN ROLLINGS-MCDONALD
Executive Officer

DRAFT

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

215 North "D" Street, Suite 204, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 885-8170
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www.sbclafco.org

DATE: MAY 10, 2016

FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer

TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #10b – Review and Adoption of Final Budget for Fiscal Year 2016-17

RECOMMENDATION:

Staff recommends that the Commission take the following actions:

1. Adopt the Fiscal Year 2016-17 Final Budget as presented with the apportionment of net LAFCO costs based upon the Auditor's information attached to this report; and,
2. Direct the Executive Officer to submit to the County Auditor-Controller the adopted Final Budget and request the apportionment of the Commission's net costs to the County, Cities/Towns and Independent Special Districts pursuant to the provisions of Government Code Section 56381 as shown in the approved Final Budget.

BACKGROUND:

The Commission's annual budget process began at the April 20 hearing through adoption of the Proposed Budget for Fiscal Year 2016-17. The Proposed Budget included an outline of the anticipated appropriations, revenues, and policy items for Commission consideration such as negotiating a lease with tenant improvements to move to the Harvey House portion of the San Bernardino Depot.

On April 26th, the Proposed Budget was forwarded for review and comment, as required by Government Code Section 56381, to the County, each of the 24 Cities/Towns and independent Special Districts with the request to submit comments by May 5th for inclusion in the final report. As of the date of this report, no comments or concerns have been provided regarding the Proposed Budget as adopted at the April

hearing. If concerns are received following the publication of this report, staff will provide those to the Commission at the hearing along with an oral response.

At the April hearing, it was identified that negotiations were being conducted related to the employment contract for the Executive Officer. These negotiations are ongoing with no final determinations made for presentation to the Commission. Any such change and its potential financial effects would be required to be addressed in public session.

In conclusion, LAFCO staff has provided copies of the Final Budget Spreadsheet and Narrative recommended for adoption (Attachment #1 to this report). The apportionment for the County, Cities/Towns and Special Districts for Fiscal Year 2016-17 to be billed as of July 1, 2016 is included as Attachment #2.

The staff will be happy to answer any questions from the Commission prior to or at the hearing regarding any of the items within the budget documents or this report.

/krm

Attachments:

1. Final Fiscal Year 2016-17 Budget Spreadsheet and Narrative
2. Apportionment Schedules for FY 2016-17

**Final Fiscal Year 2016-17
Budget Spreadsheet and Narrative**

Attachment 1

FISCAL YEAR 2016-17

ACCT.	ACCOUNT NAME	ACTUAL	ACTUAL	ACTUAL	ACTUAL	AMENDED	PROJECTED	PROJECTED		FINAL	FORECAST	FORECAST	FORECAST
#		YEAR-END	YEAR-END	YEAR-END	YEAR-END	FY 15-16	YEAR-END	YEAR-END		FY 16-17	FY 17-18	FY 18-19	FY 19-20
		FY 11-12	FY 12-13	FY 13-14	FY 14-15	BUDGET				Office Move	EO Recruit	New EO & Kathy	No Kathy
												27 Pay Periods	
	SALARIES AND BENEFITS												
1010	Regular Salary and Bilingual	\$ 372,803	\$ 379,028	\$ 408,248	\$ 434,318	\$ 459,396	\$ 435,826	95%		\$ 473,877	\$ 488,762	\$ 587,344	\$ 556,105
1030	Auto and Cell Phone Allowances	14,600	14,600	15,062	17,000	17,327	17,000	98%		17,327	17,327	21,577	17,327
1035	Overtime	802	1,028	361	201	-	395						
1045	Termination Payment					2,604	2,506	96%					
1050	Special Compensation				8,750								
1110	General Member Retirement	59,328	70,512	81,993	104,122	115,531	108,302	94%		119,726	123,367	179,557	178,210
1130	Survivors Benefits	93	81	160	238	245	210	86%		228	228	279	273
1135	Indemnification - General	14,397	15,538	16,641	20,634	20,163	16,739	83%		16,130	16,130	22,817	22,395
1200	Employee Group Insurance (Health Subsidy)	29,005	35,599	41,141	45,620	63,950	45,754	72%		46,498	46,498	60,406	61,380
1205	Long-Term Disability	858	883	994	1,079	1,127	882	78%		962	996	1,469	1,459
1207	Vision Care Insurance	589	589	759	822	837	771	92%		837	837	1,024	1,005
1215	Dental Insurance & Health Subsidy	1,846	1,701	1,466	1,530	1,557	1,370	88%		1,253	1,253	1,533	1,504
1222	Short-Term Disability	1,044	2,728	3,312	3,590	3,744	3,404	91%		3,784	3,909	5,660	5,606
1225	Social Security Medicare	4,723	4,728	5,128	5,646	5,790	5,552	96%		6,072	6,264	7,384	6,901
1235	Workers' Compensation	2,091	2,644	1,573	1,983	4,911	3,480	71%		5,113	5,268	6,140	5,765
1240	Life Insurance & Medical Trust Fund	3,814	4,415	4,546	4,614	5,593	5,702	102%		6,429	7,685	12,367	12,235
1305	Medical Reimbursement Plan	2,585	2,600	2,600	2,140	6,920	3,310	48%		6,920	6,920	8,424	8,304
1314	457/401a Defined (LAFCO Contribution)	1,289	1,327	1,451	1,622	1,691	1,571	93%		1,781	1,844	3,477	3,458
1315	401k Contribution	19,671	21,037	22,983	25,951	27,063	25,136	93%		28,500	29,507	43,535	43,223
1000	Salary Reserve	-	-				\$ 29,294			64,587	\$ 64,587		
	TOTAL SALARIES & BENEFITS	\$ 529,536	\$ 559,037	\$ 608,417	\$ 679,860	\$ 738,449	\$ 707,207	96%		\$ 800,024	\$ 821,382	\$ 962,993	\$ 925,150
	Staffing (Full time equivalent units)	4.5	4.5	4.5	5.5	5.5	5.5			5.5	5.5	6.0	6.0
	SERVICES AND SUPPLIES												
	Services:												
2037	COMNET Charge (ISF)	\$ 2,872	\$ 2,590	\$ 2,532	\$ 2,432	\$ 2,828	\$ 2,547	90%		\$ 2,556	\$ 2,582	\$ 3,364	\$ 3,431
2038	Long Distance Charges	58	74	86	81	120	15	13%		-	-	-	-
2040	Relocation Charges - Phone Service	-	-	-	-	18,200	18,767	103%		-	-	-	-
2041	Phone Service/Outside Company	447	304	366	422	540	969	179%		12,543	12,668	12,922	13,180
2043	Electronic Equipment Maintenance	-	-	140	498	9,180	926	10%		-	-	-	-
2075	Membership Dues	7,870	8,089	8,324	8,509	8,447	8,733	103%		9,264	9,831	9,918	10,116
2076	Tuition Reimbursement	341	-	1,100	100	2,000	100	5%		2,000	2,020	2,060	2,102
2080	Publications	2,399	3,000	2,054	2,690	3,395	2,662	78%		3,125	3,156	3,219	3,284
2085	Legal Notices	14,648	5,193	9,223	12,936	21,000	17,655	84%		19,500	19,695	20,089	20,491
2090	Miscellaneous Expense (Costs related to move)									169,260	-	-	-
2110	Fleet Management Requisition Charges			304			5,777						
2115	Computer Software	3,222	2,825	6,427	4,234	8,435		0%		6,652	6,719	6,853	6,990
2125	Inventoriable Equipment	2,070	3,252	-	4,660	-	-			15,000	-	-	-
2245	Other Insurance	7,045	6,998	7,074	7,128	7,078		0%		7,085	7,156	7,299	7,445
	Supplies:						6,549						
2305	General Office Expense	5,842	8,710	11,621	12,844	9,232		0%		7,183	7,255	7,400	7,548
2308	Credit Card Clearing Account	1,126	(288)	(85)	(1,628)	-	47,574			-	-	-	-
2310	Postage - Direct Charge	8,972	5,373	12,352	19,869	71,437	645	1%		48,388	11,166	11,389	11,617
2315	Records Storage	661	940	581	620	570	-	0%		588	594	606	618
2323	Reproduction Services	730	102	870	2,601	8,355	-			16,000	0	0	0

FISCAL YEAR 2016-17

ACCT.	ACCOUNT NAME	ACTUAL	ACTUAL	ACTUAL	ACTUAL	AMENDED	PROJECTED	PROJECTED		FINAL	FORECAST	FORECAST	FORECAST
#		YEAR-END	YEAR-END	YEAR-END	YEAR-END	FY 15-16	YEAR-END	YEAR-END		FY 16-17	FY 17-18	FY 18-19	FY 19-20
		FY 11-12	FY 12-13	FY 13-14	FY 14-15	BUDGET				Office Move	EO Recruit	New EO & Kathy	No Kathy
												27 Pay Periods	
	Consultant & Special Services:												
2400	Prof & Special Service (Legal Counsel)	24,758	21,903	24,048	28,042	42,421	40,075	94%		34,300	34,643	35,336	36,043
2405	Auditing	6,932	8,372	7,527	8,000	11,868	14,258	120%		15,090	15,241	15,546	15,857
2410	Data Processing	6,212	6,630	7,142	6,848	7,565	7,525	99%		8,215	8,297	8,463	8,632
2415	COWCAP	18,772	9,219	6,053	6,308	-				13,236	13,368	13,636	13,908
2420	ISD Other IT Services	206	244	344	753	701	555	79%		175	177	180	184
2421	ISD Direct	1,690	739	1,772	10,157	9,180	9,473	103%		9,816	9,914	10,112	10,315
2424	Mgmt & Tech (Environmental Consultant)	8,078	8,853	15,339	11,288	9,300	9,226	99%		10,250	10,353	10,560	10,771
2444	Security Services	408	408	578	408	408	444	109%		408	412	420	429
2445	Other Prof (Commission, Surveyor, ROV)	41,878	44,593	32,275	42,133	161,897	109,559	68%		135,761	68,643	50,348	51,355
2449	Outside Legal (Litigation & Special Counsel)	-	5,050	2,909	3,956	-	4,319			-	-	-	-
2450	Application Development Support	-	10,499	19,709	216	1,500	345	23%		600	606	618	630
2460	GIMS Charges	10,524	10,500	11,877	10,608	14,180	13,836	98%		17,370	17,544	17,895	18,252
	Lease/Purchases:												
2895	Rent/Lease Equipment (copier)	7,678	4,235	2,610	4,912	6,180	5,754	93%		5,904	5,904	5,904	6,022
2905	Office/Hearing Chamber Rental	55,438	48,859	53,576	51,219	52,741	52,641	100%		54,308	101,488	102,289	103,106
	Travel Related Expenses:												
2940	Private Mileage	6,579	4,760	5,135	2,410	4,394	4,179	95%		5,403	5,457	5,566	5,677
2941	Conference/Training	4,215	5,363	4,225	6,817	6,850	3,974	58%		3,500	3,535	3,606	3,678
2942	Hotel	5,692	5,482	5,264	6,838	5,850	5,156	88%		8,800	8,888	9,066	9,247
2943	Meals	1,214	743	923	1,150	1,900	1,244	65%		2,575	2,601	2,653	2,706
2944	Car Rental	589	1,247	653	227	150	157	105%		150	152	155	158
2945	Air Travel	1,915	1,954	4,241	3,705	5,650	2,384	42%		2,000	808	824	841
2946	Other Travel	438	677	1,061	1,676	600	928	155%		500	505	515	525
	Other Charges:												
5012	Services Out (Staples)	1,098	1,480	4,146	4,742	3,600	1,852	51%		3,600	3,636	3,709	3,783
	TOTAL SERVICES & SUPPLIES	\$ 262,639	\$ 265,938	\$ 291,993	\$ 290,409	\$ 517,752	\$ 419,535	81%		\$ 651,105	\$ 395,013	\$ 382,520	\$ 388,941
TOTAL EXPENDITURES		\$ 792,176	\$ 824,975	\$ 900,410	\$ 970,269	\$ 1,256,201	\$ 1,126,742	90%		\$ 1,451,129	\$ 1,216,395	\$ 1,345,513	\$ 1,314,091
	RESERVES												
6000	Contingency					\$ 155,501		0%		\$ 155,501	\$ 155,501	\$ 134,551	\$ 131,409
6010	Net Pension Liability Reserve					82,750		0%		109,170	135,590	162,010	188,430
6025	General Reserve - Litigation					291,007		0%		284,917	328,039	252,169	200,057
6030	Compensated Absences Reserve					76,607		0%		87,222	91,583	96,162	100,970
TOTAL CONTINGENCIES & RESERVES						\$ 605,865	\$ -	0%		\$ 636,810	\$ 710,713	\$ 644,893	\$ 620,867
TOTAL APPROPRIATION		\$ 792,176	\$ 824,975	\$ 900,410	\$ 970,269	\$ 1,862,066	\$ 1,126,742	61%		\$ 2,087,939	\$ 1,927,107	\$ 1,990,405	\$ 1,934,958

ACCT #	ACCOUNT NAME	ACTUAL YEAR-END FY 11-12	ACTUAL YEAR-END FY 12-13	ACTUAL YEAR-END FY 13-14	ACTUAL YEAR-END FY 14-15	AMENDED FY 15-16 BUDGET	PROJECTED YEAR-END	PROJECTED YEAR-END		FINAL FY 16-17 Office Move	FORECAST FY 17-18 EO Recruit	FORECAST FY 18-19 New EO & Kathy 27 Pay Periods	FORECAST FY 19-20 No Kathy
	CONTRIBUTION REVENUES												
	Use of Money:												
8500	Interest	\$ 3,992	\$ 4,009	\$ 3,066	\$ 4,287	\$ 4,000	\$ 5,357.02	134%		\$ 5,250	\$ 5,750	\$ 6,250	\$ 6,750
	Mandatory Contribution from Governments:												
8842	Local Government -- For FY 2016-17 apportionment to County, Cities, and Independent Special Districts of approximately \$308,741 each	933,639	903,000	864,822	864,822	882,117	882,117	100%		926,223	944,747	963,642	993,515
		9.7% decrease	3.3% decrease	4.2% decrease	no increase	2.0% increase				5.0%	2.0%	2.0%	3.1%
	Fees and Deposits (Current Services):												
9545	Individual Notice	1,238	4,402	11,200	5,912	71,780	55,076	77%		37,366	7,700	7,700	7,700
9555	Legal Services	4,733	5,934	8,625	9,195	20,596	22,321	108%		15,150	12,100	12,100	12,100
9595	Protest Hearing						28,544			34,166	7,500	7,500	7,500
9655	GIMS Fees	2,710	1,255	3,235	7,580	2,400	9,430	393%		7,995	6,750	6,750	6,750
9660	Environmental	3,313	10,171	12,580	12,005	4,950	9,000	182%		9,600	12,000	12,000	12,000
9800	LAFCO Fees	20,758	33,004	99,656	95,619	165,614	262,895	159%		103,800	68,000	68,000	68,000
	Total Fees and Deposits	32,751	54,765	135,296	130,311	265,340	387,266	146%		208,077	114,050	114,050	114,050
	TOTAL CONTRIBUTION REVENUES	970,382	961,774	1,003,185	999,420	1,151,457	1,274,740	111%		1,139,550	1,064,547	1,083,942	1,114,315
	OTHER REVENUES												
9910	Refunds from Prior Year Revenue	\$ (2,027)	\$ 1,401	\$ 1,761	\$ (2,472)	\$ (2,000)	\$ (30.00)	2%		\$ (1,250)	\$ (1,250)	\$ (1,250)	\$ (1,250)
9930	Miscellaneous Revenues	517	1,652	3,578	2,211	8,964	11,643	130%		2,000	2,000	2,000	2,000
9970	Carryover of Open Proposals/Projects		33,056		16,510		55,114			64,806	75,000	60,000	50,000
9970	Carryover from Prior Year, Unassigned	145,730	108,937	223,425	250,087	186,960	186,960	100%		276,968	150,000	135,000	125,000
	TOTAL OTHER REVENUES	144,220	145,046	228,765	266,335	193,924	253,687	131%		342,524	225,750	195,750	175,750
TOTAL REVENUES		\$ 1,114,602	\$ 1,106,820	\$ 1,231,949	\$ 1,265,755	\$ 1,345,381	\$ 1,528,427	114%		\$ 1,482,074	\$ 1,290,297	\$ 1,279,692	\$ 1,290,065
	RESERVES FROM PRIOR YEAR, as of July 1												
9970	Contingency	\$ 35,197	\$ 41,507	\$ 84,730	\$ 99,872	\$ 87,356	\$ 87,356	100%		\$ 155,501	\$ 155,501	\$ 155,501	\$ 134,551
9970	COWCAP Reserve (not active)		56,000	46,780			-						
9970	Net Pension Liability Reserve				46,780	56,432	56,432	100%		82,750	109,170	135,590	162,010
9970	General Reserve - Litigation	124,108	180,000	200,000	250,000	300,000	300,000	100%		291,007	284,917	328,039	252,169
9970	Compensated Absences Reserve		62,003	66,620	66,620	72,897	72,897	100%		76,607	87,222	91,583	96,162
	TOTAL RESERVES FROM PRIOR YEAR	\$ 159,305	\$ 339,510	\$ 398,130	\$ 463,272	\$ 516,685	\$ 516,685	100%		\$ 605,865	\$ 636,810	\$ 710,713	\$ 644,893
	TOTAL REVENUE AND RESERVES	\$ 1,273,907	\$ 1,446,330	\$ 1,630,079	\$ 1,729,027	\$ 1,862,066	\$ 2,045,112	110%		\$ 2,087,939	\$ 1,927,107	\$ 1,990,405	\$ 1,934,958
	Note: Spreadsheet utilizes the cash basis of accounting and does not include accrual/reversal data which do not affect fund balance.												

NARRATIVE FOR FY 2016-17

FINAL BUDGET

SALARIES AND BENEFITS

1000 SERIES

FY 2015-16

Salaries and Benefits (1000 series) for FY 2015-16 was budgeted at \$738,449 for 5.5 positions: one Contract Executive Officer (limited to 960 paid hours per year), Assistant Executive Officer, Project Manager, LAFCO Analyst – GIS/Database Manager, Clerk to the Commission/Office Manager, and Administrative Assistant.

Year-end expenditures for the 1000 series are estimated to be \$707,207, \$31,242 under budget. The variance is primarily explained by the LAFCO Analyst position being unfilled from August to December due to the separation of an employee. The position was filled in December, resulting in a savings of salary and benefits expenses for roughly four months. In October the Commission authorized the transfer of \$6,722 from Contingencies to accommodate for the mandatory leave payouts from the separation. Also during this period, the Assistant Executive Officer was on medical leave for which the short-term disability program paid a portion of his salary during that period.

During this fiscal year the Commission approved a consulting contract with Robert Aldrich in September 2015 not to exceed \$75,000 to provide for supplemental staffing during the absences noted above and due to the complexity of proposals submitted. It is anticipated that the full extent of this contract will be used and is accounted for in Account 2245 (Other Professional Services) in the Services and Supplies series of accounts.

Additionally, the Commission approved the County Exempt Compensation Plan amendments approved on December 15, 2015 to include a one percent (1.0%) across-the-board salary increase retroactive to January 9, 2016 along with other changes through July 1, 2018 (discussed below). Also the Executive Officer and Ad Hoc Personnel/Budget Committee have been in discussions related to the Executive Officer's compensation. It is anticipated that any changes in contract terms will also be retroactive to January 9, 2016. The effect on the current year's budget is not significant.

FY 2016-17

For Fiscal Year 2016-17 the staffing is anticipated to be maintained from the prior year – a contract Executive Officer, and regular employees of Assistant Executive Officer, Project Manager, LAFCO Analyst – GIS/Database Manager, Clerk to the Commission/Office Manager and Administrative Assistant.

A scheduled across-the-board salary increase of one percent effective July 23, 2016 and a two percent 15-year longevity pay effective December 10, 2016 was previously approved by the Commission, as identified above and have been calculated in the projections. The 15-year longevity pay will affect two employees, Assistant Executive Officer and Administrative Assistant.

As the Proposed Budget Spreadsheet identifies, FY 2016-17 budgets a total expenditure of \$800,024. This includes the step changes in salary appropriate for staff members, budgeting for all benefits for 26.5 pay periods, the retirement rate decrease of 0.8%, and salary reserve related to the Executive Officer contract. The projections for retirement rates stabilize beginning in 2016-17 as more fully discussed in the line item narrative below.

FY 2017-18 and FY 2018-19

The forecast for FY 2017-18 includes budgeting for the standard 26.5 pay periods under the same staffing structure as the prior year and step increases as appropriate for staff members. A scheduled across-the-board salary increase of two percent effective July 22, 2017 was previously approved the Commission, as identified above.

The forecast for FY 2018-19 includes the payment of an additional pay period (occurs once every ten years), the addition of a full-time executive officer at an estimated starting salary of \$150,000, continuing the contract with the current contract executive officer for three months as a transition period, the same remaining staffing structure as the prior year and step increases as appropriate for staff members. A scheduled across-the-board salary increase of three percent effective July 21, 2018 was previously approved as a part of the action to mirror the County's Exempt Compensation Plan as identified above. The Exempt Compensation Plan provision end in June 2019 extends only through the fiscal year.

LINE ITEM ACCOUNTS FOR SALARIES AND BENEFITS FOR FISCAL YEAR 2016-17

Regular Salary – Account 1010: \$473,877

Salaries are calculated at 26.5 pay periods for five positions and includes the contract for the Executive Officer, bilingual pay for the Clerk to the Commission, 1% salary cost of living increase, and 15-year longevity pay for the Assistant Executive Officer and Administrative Assistant. Cash out amounts included in this line item account for the annually declared vacation/holiday leave cash outs. The salaries by position are:

Executive Officer (contract, 960 hours)	\$105,600
Assistant Executive Officer	108,137
Project Manager	87,134
LAFCO Analyst	56,052
Clerk to the Commission	61,543
Administrative Assistant	55,410

BENEFITS

For employee benefits, LAFCO mirrors those as provided to the County's Exempt Employees as identified in the LAFCO Policy and Procedure Manual and contracts with the County to administer the benefits for its employees. Benefit allocations are calculated at 26.5 pay periods for the regular LAFCO positions, and only the car and cell phone allowance benefits for the Executive Officer, except where identified otherwise.

Merit Incentive (Car and Cellphone Allowance) – Account 1030: \$17,327

The LAFCO Benefit Plan allocates to the Executive Officer \$561.54 car allowance and cellphone allowance of \$92.31 per pay period. The contract with the Executive Officer provides for the payment of this benefit.

Termination Payment – Account 1045: \$0.00

The LAFCO Benefit Plan provides that at separation from LAFCO service, employees are required to contribute the cash value of their unused sick-leave to the Retirement Medical Trust Fund at the rate of 75% of the cash value of the employee's unused sick leave hours. Should such occur, revenues would transfer from the Compensated Absence Reserve for payment.

General Member Retirement – Account 1110: \$119,726

Calculation for the payment of the LAFCO (employer) retirement contribution is based upon the rate of 33.05% of salaries paid for Tier 1 employees and 29.50% for Tier 2 (one employee). The retirement rate decreases from the FY 2015-16 contribution rates of 33.31% and 29.77%, respectively. The chart below provides the rates from FY 2015-16 through FY 2021-22, as provided by SBCERA. As shown, the rates have stabilized.

Year	15-16	16-17	17-18	18-19	19-20	20-21	21-22
Tier 1	33.31	33.05	33.06	32.62	32.61	32.93	32.95
Tier 2	29.77	29.50	29.51	29.07	29.06	29.38	29.40

Survivor's Benefits – Account 1130: \$228

\$1.72 per employee per pay period; a decrease from \$1.85.

Indemnification General – Account 1135: \$16,130

This account allocates the funding necessary to cover additional employee retirement payments pursuant to the provisions of the LAFCO Benefits Plan. A retirement benefit for all Tier 1 employees of \$152.17 per pay period is included in this plan.

Employee Group Insurance (Health Insurance Subsidy) – Account 1200: \$46,498

This account allocates a Medical Premium Subsidy in an amount that has been augmented to include the dollars from the Flexible Benefit Plan. The subsidy is paid only toward coverage chosen by the employee as follows:

- Employee only at \$218.56 per pay period (two employees).
- Employee plus one dependent at \$352.23 per pay period (one employee).
- Employee plus two or more dependents at \$482.64 per pay period (two employees).

Long Term Disability – Account 1205: \$962

This cost is calculated at 27 cents per \$100 of base pay.

Vision Care Insurance – Account 1207: \$837

This cost is calculated at \$6.32 per employee per pay period.

Dental Insurance and Health Subsidy – Account 1215: \$1,253

This account allocates the Dental Premium Subsidy of \$9.46 per employee per pay period that, when combined with the Medical Subsidy, would offset the cost of out-of-pocket dental expenses charged to eligible employees.

Short Term Disability and Family Medical Leave Overhead – Account 1222: \$3,784

LAFCO employees are provided with short-term disability by contract with the County at a cost of 0.99% of salaries per pay period. In addition, the administrative cost for the Family Medical Leave is calculated at \$1.62 per pay period for each regular employee and the contract Executive Officer as required by law.

Social Security Medicare – Account 1225: \$6,072

For employees entering LAFCO service after 1985, contribution to the federal Social Security Medicare system is mandatory. The cost is calculated for four positions, and the contract Executive Officer at the rate of 1.41% of base compensation as required by law.

Worker's Compensation – Account 1235: \$5,113

This account is for worker's compensation insurance. LAFCO purchases this insurance through the Special District Risk Management Authority (SDRMA), a joint powers authority. The charge is not increasing from the prior year and is estimated to be \$1.07 per \$100 of salaries and Commissioner stipend payments.

Life Insurance and Medical Trust Fund– Account 1240: \$6,429

This account contains costs associated with term life insurance (\$1.80 per pay period per employee), variable life insurance (based upon employee elections, \$840), and contributions to the Retirement Medical Trust Fund (based upon years of service, \$5,351).

Other (Medical Reimbursement Plan) – Account 1305: \$6,920

This account is for the Commission's matching payment toward an Exempt Medical Reimbursement Plan for employees of up to \$40 per employee per pay period and the Healthy Lifestyles membership up to \$324. Staff estimates full utilization of this benefit by five employees.

Deferred Compensation – Account 1314: \$1,781

LAFCO matches employee contributions to the 457 savings plan of the County up to ½% of the employee's base salary. The appropriation anticipates full participation by five full-time employees in this plan.

401(k) Contribution – Account 1315: \$28,500

LAFCO matches employee contributions to the 401(k) savings plan of the County up to 8% of the employee's base salary. The appropriation anticipates full participation by the five full-time employees.

Salary Reserve – Account 1000 -- \$64,587

Since at the time of the proposed budget preparation contract negotiations with the Executive Officer were ongoing, a salary reserve has been allocated for use in concluding those negotiations. Should no change be provided, these funds would roll forward to the next year in fund balance.

SERVICES AND SUPPLIES
2000 AND 5000 SERIES

FY 2015-16

This year is shaping up to be a banner year for LAFCO - one not only with above normal activity, but also one with complex proposals which could directly impact the quality of life of hundreds of thousands of residents of our County. By action taken at the September hearing, the Commission directed staff to prioritize its activities to address the fire proposals submitted as the top priority, other jurisdictional changes next, and service reviews to follow. The approval of a consultant contract for supplemental staffing is helping with the processing burden.

For FY 2015-16, Services and Supplies had a final budgeted amount set through amendments and other actions of \$517,752 and are estimated to be 81% expended at the conclusion of the fiscal year for a total of \$419,535. Items of note during this Fiscal Year are:

- Due to the County Workforce Development Department vacating the building where the LAFCO office is located, LAFCO was required to install its own dedicated communications line, at a cost of roughly \$20,000. As a part of this change, the Commission pays its own charges to Verizon of \$926 monthly for access to the internet, County intranet, and telephone via a fiber line.
- Significant unanticipated individual notice costs of roughly \$67,000 for the proposals related to annexations to County Fire that include the extension of a special tax (San Bernardino, Twentynine Palms, and Needles). These costs are fully recovered from the proponents of the changes.
- Round 2 of the Fiscal Indicators program (now includes data for 2013 and 2014) was made available on the LAFCO website in January 2016.
- The consulting contract with Bob Aldrich for staffing services – the Commission approved this contract in September 2015 not to exceed \$75,000.

- The Commission has expressed its desire to provide continuing governance training for the special districts within the County. As a part of the FY 2015-16 budget, staff developed an education program with the California Special Districts Association (CSDA) and the Institute for Local Government (ILG) – see chart below. The sessions were well attended with positive survey results.

Educational Training Program Timeline		
Training Session	Collaboration	Date
Understanding the Brown Act – Beyond the Basics	California Special Districts Association	September 28, 2015
Partnering with Community-based Organizations for more Inclusive Public Engagement	Institute for Local Government	January 13, 2016
Positioning Your Agency for Successful Financing (webinar)	California Special Districts Association	February 24, 2016

FY 2016-17

The total budgeted amount for Services and Supplies for FY 2016-17 is \$651,105 which is an increase of roughly \$225,938 from the 2015-16 estimated year-end. The following work plan items are included:

- It is anticipated that processing activity for FY 2016-17 will continue at the same magnitude as FY 2015-16 with the receipt of at least two fire proposals that include the extension of a special tax. Therefore, staff has taken the direction of the Commission to prioritize the fire proposals as the top priority, other jurisdictional changes next, and service reviews to follow will continue during the upcoming year. To assist with the fire proposal processing, this budget recommends extending the contract with Robert Aldrich for supplemental staffing (\$86,400) for the full fiscal year.
- The budget includes the printing and postage and handling charges for the two fire proposals that include the extension of a special tax (\$53,332). These costs are recovered from the applicant and are accounted for in the Revenue budget in kind.
- Ongoing Projects include the continuation of the Fiscal Indicators program adding the data for 2015 for viewing on the LAFCO website by September 2016.
- The workload related to jurisdictional change applications is increasing from the recession years. Staff is estimating that the upcoming activity will continue as the

budget conservatively anticipates ten proposals for jurisdictional change. The recent uptick in activity consists of complex proposals which require increased analysis and processing time.

- The staff office lease terminates on June 30, 2017, and the direction from the Commission was to look for alternative office sites. The Executive Officer identified the interest in potentially moving to the Historic Santa Fe Depot, currently housing the SANBAG offices, into the eastern historic Harvey House area. However, this location, in staff's opinion, is contingent upon the successful completion of the San Bernardino City Fire reorganization. At this time, staff is negotiating with SANBAG for use of the office space which includes negotiations on improvements/renovations that would be necessary to occupy the area. Through those discussions, staff has identified that the move will cost roughly \$269,000 identified as follows:
 - ★ \$100,000 – Upfront construction costs with the remainder to be amortized for the first five years of the lease (\$100,000).
 - ★ \$50,000 – Purchase of new office furniture to address a totally modular approach to maintain the historic aspects of the space. Staff has used estimates from two other County departments who have recently moved. The current LAFCO furniture ranges from 10 to over 30 years old.
 - ★ \$4,000 – Moving company removal and disposal of current furniture, move of LAFCO files, office design and consultation, and installation of new furniture.
 - ★ \$15,000 – Work performed by Verizon and County Information Services Department (ISD) to install fiber optic lines in the office space.
- The current server will be seven years old and will have no asset value at the time of the move. Concurrent with the move, staff proposes to purchase a new server which would support the GIS and other computing needs required of staff. The estimated cost is \$15,000. In addition, updates to copying equipment and printers may need to be addressed prior to the move.
- The Commission's Governance Training program is budgeted to continue for the special districts within the County. For the coming year, the budget anticipates at least two courses by either the California Special Districts Association (CSDA) or the Institute for Local Government (ILG). The total program cost for the year is estimated at roughly \$5,000.

FY 2017-18 and FY 2018-19

Services and Supplies for FY 2017-18 are projected at \$395,013. It anticipates a conservative maintenance in activity to include the processing of nine proposals for the year, natural contract and inflationary increases, and maintenance of current activities. Additionally, the FY 2017-18 forecast includes \$20,000 for the recruitment process for a

permanent Executive Officer and an increase for those items sensitive to consumer price index increases.

Services and Supplies for FY 2018-19 are projected at \$382,520. The primary reason for the decrease in costs from prior year is the lack of Executive Officer recruitment costs. It anticipates maintenance of the proposal activity, and natural contract and inflationary increases.

LINE ITEM ACCOUNTS FOR SERVICES AND SUPPLIES FOR FISCAL YEAR 2016-17

SERVICES

Comnet Charge – Account 2037: \$2,556

Comnet is the County's telephone system and supports the new computer linked phone system. Charges for use of this system are \$30.43 per line per month. LAFCO utilizes seven phone lines, not including the answering/fax line which are a part of Account 2041.

Phone Service/Outside Company – Account 2041: \$12,543

The use of phone service outside the County system (Verizon) is required by the security alarm company to ensure proper monitoring for the LAFCO office as well the analog fax machine (which line is also used for the answering machine). The monthly phone charge is roughly \$120 per month. Additionally, monthly charges to Verizon of \$926 are required for the access to a fiber optic line, enabling access to the internet, County intranet, and telephone.

Membership Dues – Account 2075: \$9,264

This account is for membership in professional associations. Dues are estimated to be \$8,108 (seven percent increase) for CALAFCO and \$1,156 for California Special Districts Association.

Tuition Reimbursement – Account 2076: \$2,000

Pursuant to the LAFCO Benefits Plan, employees can be reimbursed for up to \$1,000 for approved tuition, course/seminar or degree related expenses, and membership dues in professional organizations. This appropriation provides for full participation by two employees.

Publications – Account 2080: \$3,125

This account anticipates costs for updates to the California Legislative Codes, California Environmental Law pamphlets, and other publications and/or updates utilized by either staff or the Commission and the monthly California Planning and Development Newsletter. As a cost savings measure, the Commission has participated in a contract with West's Publishing Customer Loyalty program to receive updated pocket parts to the California Annotated Code.

Legal Notices – Account 2085: \$19,500

The budget figure accommodates the advertising needs for maintenance of a ten hearing schedule and estimated five protest hearings. The processing of service reviews which are anticipated to move to a county-wide approach with a regional definition inside that review will require an eighth-page display ad in general newspapers throughout the County and when advertisement is authorized in-lieu of individual landowner and/or registered voter notice for changes of organization.

Miscellaneous Expense (Costs related to move) – Account 2090: \$169,260

Staff has identified a single account for costs related to the relocation of the LAFCO office. Costs include:

- Relocating data and communication lines. LAFCO will be responsible for its own internet infrastructure at the proposed relocation building (Santa Fe Train Depot). The desire is to use fiber optic lines and remain on the County system (\$15,000).
- Upfront construction costs with the remainder to be amortized for the first five years of the lease (\$230,000; \$100,000 paid up front with the remainder amortized over the first five years of the lease).
- Purchasing new office furniture. On a per unit basis, the costs are comparable to those recently incurred by two County departments. The current LAFCO furniture ranges from 10 to over 30 years old. Estimated cost is \$49,910.
- Moving company removal and disposal of current furniture, move of LAFCO files, office design and consultation, and installation of new furniture (\$4,000).

Computer Software – Account 2115: \$6,652

The account accommodates the charges for purchases of new software programs, access to online programs, and annual updates of existing programs. Access to online programs and annual updates of existing programs include ESRI's online mapping, digital archiving software for LAFCO to maintain its records in perpetuity per Government Code Section 56382, upgrade to the current Adobe Acrobat for all employees, and Microsoft annual licenses.

Inventoriable Equipment – Account 2125 -- \$15,000

The current server is six years old and will have no asset value next year. Concurrent with the office move, staff proposes to purchase a new server which would support the GIS and other computing needs required of staff. The life of the server is anticipated to be 7-10 years with an estimated cost of \$15,000.

Other Insurance – Account 2245: \$7,085

This account is for property liability insurance (liability and damage), general liability, public officials and employee errors and omissions, personal liability for board members, employment practices liability, employee benefits liability, employee dishonesty coverage, and auto liability. LAFCO purchases this insurance through the Special District Risk Management Authority (SDRMA), a joint powers authority. SDRMA has provided notification that it intends not to raise rates for the upcoming year.

SUPPLIES

General Office Expense – Account 2305: \$7,183

This account is utilized for expenses to run the office such as office supplies and non-inventoriable items. General expenses include ink for the color printer, paper, petty cash reimbursement, annual fire inspection fee, and office supplies. Additionally, LAFCO utilizes the County's contract with Staples, and these expenses are budgeted in Account 5012 (Staples) with only the administrative surcharge included in this line item.

Credit Card Clearing Account - Account 2308: \$0

This is a clearing account for use of the credit card issued to the Executive Officer. All charges on the card will be posted to this account temporarily with charges then transferred to the appropriate accounts. At year's end, this account will have no expenditures.

Postage – Direct Charge – Account 2310: \$48,388

The shift to have placement of the staff reports and attachments and notices on CD and the website has reduced overall postage costs. For the routine course of business, the estimated postage cost for the year is \$11,056 for 10 hearings. This cost includes postage and handling for 10 hearings and interoffice mail to include special pick-ups as outlined in the County's Internal Service Rates. Additionally, proposals regarding County Fire that include annexation to a special tax zone will include individual notice for the Commission and protest hearings. These costs would be covered by the applicant's deposit and are calculated at \$37,332.

Records Storage – Account 2315: \$588

Government Code Section 56382 mandates LAFCO to maintain its records in perpetuity. The cost for storage is estimated to be \$588 annually.

Reproduction Services – Account 2323: \$16,000

This account is for reproduction activity outside of the LAFCO office (County Printing Services, Kinkos, etc.). The shift to have the staff reports, attachments and notices on CD and available online have reduced printing costs. However, proposals regarding County Fire that include annexation to a special tax zone will include individual notice, a substantial expenditure. These costs would be covered by the applicant's deposit and are calculated at \$16,000.

CONSULTANT AND SPECIAL SERVICES

Professional and Special Service (Legal Counsel) – Account 2400: \$34,300

The existing contract for LAFCO legal counsel allows an annual rate based on the local consumer price index for the previous year for urban consumers not to exceed five percent and rounded up to nearest dollar; \$227 per hour is charge for Fiscal Year 2016-17. All legal counsel costs, with the exceptions of administrative charges and the CALAFCO Conference, are reimbursable under the Commission's existing fee policy. Payments made for costs recoverable are deposited into Revenue Account 9555. (Litigation and outside

legal counsel costs are charged under Account 2449 below.) LAFCO also participates in Best, Best, & Krieger's *Public Policy and Ethics Service* which has an annual charge of \$3,300.

Auditing – Account 2405: \$15,090

The Commission just concluded the fourth year of a four-year audit contract. Currently, a RFP for a joint audit proposal is being circulated by the Southern Region LAFCOs. The budget estimates the first year cost to be \$9,000.

Additionally, LAFCO Legal Counsel charges for the preparation of the response to the audit which is paid from this account (estimated at \$90). SBCERA is required to determine the unfunded liability for its participants and by legislative action can charge for fulfilling that requirement. The prior year SBCERA cost was \$5,757, which is budgeted at \$6,000 for the coming year.

Data Processing – Account 2410: \$8,215

LAFCO contracts with the County Information Services Department for technology related services. This account is for technology infrastructure (internet, email, security, etc.) and reporting from the County payroll system. The budget utilizes a monthly average of \$685.

COWCAP – Account 2415: \$13,236

FY 2015-16 was the first year that there were no costs identified in the County Wide Cost Allocation Plan (COWCAP). For FY 2016-17, the costs identified total \$13,236 – this would be for services performed in FY 2014-15 but charged in FY 2016-17. COWCAP costs include technology charges-emerging technologies, use of County Purchasing, and processing of payments and payroll through the County Auditor which are charged to LAFCO pursuant to existing agreements.

ISD Other IT Services – Account 2420: \$175

This account is for charges by the County Information Services Department for the Executive Officer's portable communication device (smart phone) connection to County e-mail servers - \$14.61 per month per device.

ISD Direct – Account 2421: \$9,816

LAFCO contracts with the County Information Services Department for technology related services. This account is for maintenance of the local area network of computers, printers, and servers. The County charges a flat monthly charge by device rather than by service call activity. The monthly charge is \$91 per device for nine devices.

Environmental Consultant – Account 2424: \$10,250

The Commission contracts with an independent consultant, Tom Dodson and Associates, for the environmental assessment associated with its proposals. Anticipated costs are for environmental analysis of out-of-agency service contracts, proposals, sphere of influence updates and service reviews, and for other environmental determinations. Most environmental consultant costs are billable under the Commission's existing fee schedule. Payments made for cost recovery are deposited into Revenue Account 9660.

Security Services – Account 2444: \$408

Costs for maintaining the security alarm system and monitoring are \$102 paid quarterly.

Other Professional Services – Account 2445: \$135,761

This account is for professional services to process proposals and items on the hearing agendas and includes the anticipated costs for the County Surveyor and Registrar of Voters. Commissioner stipend payments for attendance at hearings and annual conference, and the costs for the Commission's designated representative to Southern Region LAFCOs and the CALAFCO Board of Directors are provided in this account. The CALAFCO cost has been increased as Chairman Curatalo will become the President of the Board of Directors of CALAFCO in September 2016. This account also includes the costs anticipated for the County Auditor to bill for the apportionments for the Cities, Independent Special Districts and the County.

The Commission expressed its intent to continue to provide governance training for the special districts within the County. Staff has developed an education program for the coming year with the California Special Districts Association (CSDA) and the Institute for Local Government (ILG) and is proposing to provide three seminars during the fiscal year. CSDA and ILG have indicated that it would charge \$2,500 to conduct the training.

The contract with Bob Aldrich for staffing support is included at a rate of \$75 an hour, for a budgeted total of \$86,800.

Outside Legal – Account 2449: \$0

This account is for legal services conducted through special contract for either litigation or when a conflict of interest waiver is not granted. For proposals not initiated by the Commission, the applicant agrees to indemnify the Commission against legal costs.

System Development – Account 2450: \$600

LAFCO contracts with the County Information Services Department for technology related services. This account is for specialized support for the LAFCO website to include maintenance of the site, its mapping page, and Fiscal Indicators page.

GIMS Charges – Account 2460: \$17,370

LAFCO contracts with the County Information Services Department for technology related services. This account is for generation and maintenance of digitized maps. Costs for this account include paper maps generated (\$243), Aerial Imagery subscription (\$3,000), Street Network Subscription (\$10,500), and LAFCO's proportional use of the County's ESRI ArcMap license.

LEASE/PURCHASES

Rent/Lease Copier – Account 2895: \$5,904

This account accommodates the contract for the copier rental at an estimated \$492 per month, based upon activity.

Office/Hearing Chamber Rental – Account 2905: \$54,308

The monthly lease payment for the staff office for 2015-16 will be \$4,484, a contracted 3% increase over the prior year for a total expense of \$53,808. This account also includes the rental charge for the Commission's hearings at \$50 per hearing for ten hearings (\$500).

TRAVEL RELATED EXPENSES

Private Mileage – Account 2940: \$5,403

This account is currently dedicated for Commissioners and staff private auto mileage at the IRS rate, excluding the Executive Officer.

Conference/Training – Account 2941: \$3,500

This account is for attendance charges related to conferences and training courses for staff as directed by the Executive Officer. The costs include CALAFCO or Southern Region LAFCOs training, clerk and analyst training, attendance at the CALAFCO annual conference by Commissioners and staff (currently estimated at five Commissioners and two staff), and staff participation at the CALAFCO Staff workshop (estimated at two staff). The annual conference will be hosted by Santa Barbara LAFCO and staff workshop by Fresno LAFCO.

Hotel – Account 2942: \$8,800

This account is for hotel charges for Commissioners and staff at the CALAFCO annual conference, Southern Region LAFCOs meeting attendance, staff participation at the staff workshop, CALAFCO Legislative Committee participation, Chairman Curatalo's participation as the incoming President of the CALAFCO Board of Directors and any other overnight stays on LAFCO business.

Meals – Account 2943: \$2,575

This account is for Commissioner and staff meal charges related to the CALAFCO annual conference, CALAFCO Board hearings, Southern Region LAFCOs meeting attendance, staff workshop, CALAFCO Legislative Committee participation, and other travels.

Car Travel – Account 2944: \$150

This account is for car rental by Commissioners or staff.

Air Travel – Account 2945: \$2,000

This account is for air travel for Commissioners and staff. The costs identified are for the Executive Officer's travel due to membership on the CALAFCO Legislative Committee and Commissioners participating on CALAFCO Board of Directors.

Other Travel – Account 2946: \$500

This account is for miscellaneous travel charges such as parking and taxi charges. The estimated cost for taxi services for the CALAFCO annual conference, staff workshop, and other travels.

OTHER CHARGES

Staples – Account 5012: \$3,600

LAFCO utilizes the County's contract with Staples for general office supplies and these expenses are budgeted in Account 5012 (Staples).

CONTINGENCIES AND RESERVES

Contingency (General) – Account 6000: \$155,501

The amount for this account has been set at least 10% of total expenditures. The funds currently in this account will carry over into FY 2016-17, which are adequate to cover the minimum requirement. Although the funds in this account are not anticipated for use, funds could be used for unexpected activity. Any transaction affecting the contingency funds requires Commission action to transfer the funds to the appropriate line item for expenditure.

Reserves – Net Pension Liability -- Account 6010: \$109,170

In October 2014, the Commission created the Net Pension Liability Reserve to set aside funds to address its unfunded pension liabilities. The Net Pension Liability is calculated each year by SBCERA, and the amortization of this liability is annually evaluated by LAFCO as part of the budget. This budget includes the contribution for the second year of the 20-year amortization.

The most recent estimate (as of June 30, 2014) of the LAFCO share of the retirement pool's unfunded liability is \$584,731. Amortizing this out 20 years, minus the current reserve total of \$82,750, results in an annual contribution of \$26,420 for the next 19 years. It was the Commission's direction that this reserve plus Contingency would cover pension liability should the legislature decide to dissolve LAFCOs throughout the State.

Reserves – General – Litigation – Account 6025: \$284,917

The Commission indicated that it would set aside a fund designated for use for general purposes to include litigation. Commission policy is \$200,000 minimum for this reserve.

Reserves – Compensated Absences – Account 6030: \$87,222

The Commission has an established policy of setting aside reserves for the compensated absences payable as of the first pay period in April. The amount identified above represents five full-time staff positions, excluding the contracted Executive Officer.

REVENUES

FY 2015-16

The chart below shows the budgeted (as amended throughout the year) and the estimated year-end balances for the accounts that comprise the Fee categories, accounts that are sensitive to activity levels. By year's end, staff estimates fee revenue receipts \$111,938 above budget amounts. The chart below outlines the Revenue Categories:

Fee/Deposit Category	Budget	Estimated Year-End
Individual Notice	\$ 71,780	\$ 55,076
Legal Services	\$ 20,596	\$ 22,321
Protest Hearing	\$ 0	\$ 28,544
GIMS Fees	\$ 2,400	\$ 9,430
Environmental Deposits	\$ 4,950	\$ 9,000
<u>LAFCO Fees</u>	<u>\$ 165,614</u>	<u>\$ 262,895</u>
Total Fee Revenue	\$ 265,340	\$ 387,266

As shown in the chart below, activity for which LAFCO receives fees and deposits is projected to far exceed total expectations. The activity for the year includes the following:

Activity	Budget	Through March	
		No.	% of Budget
Proposals	6	15	250%
Service Contracts - Commission approval	1	3	300%
Service Contracts - Commission approval for exemption	0	2	
Service Contracts - Admin (E.O.) approval	4	3	75%
Protest Hearing Deposits	5	3	60%

FY 2016-17

As noted in other portions of this narrative, FY 2016-17 is anticipated to continue a normal submission count for proposal activity. This is based upon the increasing activity from the past two years as well as information conveyed that most sectors of the local economy have strong predictions for the upcoming year. However, even with this good news staff is retaining a conservative estimate for application filings for the upcoming year.

Activity	FY 2016-17 BUDGET
Proposals	10
Service Contracts - Development Related	4
Service Contracts - Admin approval	4
Protest Hearing Deposits	5

Revenues consisting of interest, mandatory apportionment contributions (5% increase from prior year), and fee revenue are estimated to be \$1,139,550. Refunds from Prior Years, Miscellaneous Charges, and Carryover increase revenues to a total of \$1,482,074. Including Reserves from Prior Year adds \$605,865, for a grand total of \$2,087,939.

REVENUE FORECAST FOR FISCAL YEAR 2017-18 AND FISCAL YEAR 2018-19

The forecast included for years two and three of the budget assumes a maintenance of proposal activity and an increase in apportionment of net costs by 2.0% each year. The following chart conservatively maintains proposal activity for the following two years.

Activity	17-18	18-19	19-20
Proposals	9	9	8
Service Contracts - Develop.	2	2	3
Service Contracts - Admin	6	5	6
Protest Hearing Deposits	5	5	5

LINE ITEM REVENUES FOR FISCAL YEAR 2016-17

Interest – Account 8500: \$5,250

LAFCO participates in the County's interest pool and is apportioned interest receipts quarterly. Interest earned will be similar to the prior year which remains low due to the lower interest percentage paid.

Mandatory Contribution from Governments (Local Government) – Account 8842: \$926,223

Government Code Section 56381 requires that the net costs for LAFCO be apportioned equally to the County, the Cities, and the Independent Special Districts within the County. The proposed apportionment to the County, Cities, and Independent Special Districts is \$926,223 each. The County Auditor will be required to apportion this amount on July 1, 2016 pursuant to the requirements of law and Commission policies.

The apportionment since FY 2011-12 is shown below:

11-12	12-13	13-14	14-15	15-16	16-17
\$933,639	\$903,000	\$864,822	\$864,822	\$882,117	\$926,223
9.7% decrease	3.3% decrease	4.2% decrease	No increase	2.0% increase	5.0% increase

Pursuant to Government Code Section 56381(a), the proposed and final budget at a minimum shall be equal to the budget adopted for the previous fiscal year unless the Commission makes certain determinations. As outlined in the Proposed Budget staff report, the continuation of the Contract Executive Officer helps with continuing maintenance of the

lower required apportionment payments. However, this budget includes the relocation of the staff office as well as continuing the contract for supplemental staffing with Robert Aldrich. The apportionment amount identified will be sufficient to cover the costs for the upcoming fiscal year including the maintenance of the Commission required reserves.

CURRENT SERVICES/FEEES

Fees and deposits ordinarily involve the appropriate LAFCO filing fee and deposits for the recovery of the Commission's direct costs, for such items as LAFCO Legal Counsel, environmental review, Registrar of Voters costs, individual notification costs, etc.

The LAFCO *Schedule of Fees, Deposits, and Charges* was last increased in 2010. For this budget cycle, staff is proposing increases to the deposit categories and fees for certain reorganization proposals that are complex in nature, such as incorporations and consolidations. There are no proposed changes to the fees for annexations and other routine proposals. Cost recovery for proposals and service contracts is not addressed in the budget due to its speculative nature.

The figures for the categories below are based upon the activity identified above.

Individual Notice – Account 9545: \$37,366

This account is for landowner and registered voter notification requirements. This \$700 deposit is applied proposals and development-related service contract less refunds. Should a proposal require individual notice due to the extension of a special tax, then the proponent will be required to submit a deposit for the direct costs to produce and mail the individual notices. An additional \$26,666 has been calculated for the additional individual notices for the Commission hearings.

Legal Services – Account 9555: \$15,150

This account is for deposits for legal services which are calculated at \$1,200 for proposals and \$650 for service contracts requiring a hearing.

Protest Hearing – Account 9595: \$34,166

The account is for deposits related to the processing of the protest hearing which are calculated at \$1,500 each. Should a proposal require individual notice due to the extension of a special tax, then the proponent will be required to submit a deposit for the direct costs to produce and mail the individual notices. An additional \$26,666 has been calculated for the additional individual notices for the protest hearings.

GIMS Fees – Account 9655: \$7,995

This account is for receipt of revenue to recover the costs associated with the County's digital maps for sphere or boundary changes, maintenance and updates. The charge is based upon the acreage of each consideration area.

Environmental Deposits – Account 9660: \$9,600

This account is for deposits for environmental review processing are calculated at \$750 for proposals and \$450 for service contracts requiring a hearing.

Other (LAFCO Fees) – Account 9800: \$103,800

Revenues in this account are based on anticipated activity and conservatively calculated at the median annexation filing fee for the activity identified above.

OTHER REVENUES

Refunds from Prior Year – Account 9910: (\$1,250)

This account refunds deposits submitted by applicants less costs incurred for activity which carry over from one year to another.

Miscellaneous Revenues – Account 9930: \$2,000

This account is for revenues received for duplication of CDs, DVDs, paper copies, and other miscellaneous receipts.

Carryover from Prior Year – Account 9970: \$335,761

A total of \$111,150 will carryover as funds tied to open proposals not yet complete. The remainder of \$224,611 is anticipated to carryover from FY 2015-16 to FY 2016-17 as unassigned funds. This amount will be used to balance the budget and lower the apportionment costs to the local governments.

RESERVES FROM PRIOR YEAR, as of July 1, 2016 (estimated)

All of the Commission's reserves are anticipated to carryover from FY 2015-16 to FY 2016-17 as follows:

• Contingencies	\$ 155,501
• Net Pension Liability Reserve	82,750
• General Reserve – Litigation	291,007
• Compensated Absences Reserve	76,607
• TOTAL	\$ 605,865

Apportionment Schedules for FY 2016-17

Attachment 2

**LAFCO Cost Allocation
County of San Bernardino Allocation
PY 2016-2017**

	<u>Amount</u>	<u>Percentage of Total Cost</u>
County of San Bernardino		
Total LAFCO Cost	\$ 926,223.00	100.00%
County of San Bernardino Allocation (1/3)*	\$ 308,741.00	33.33%
Total San Bernardino County Allocation	\$ 308,741.00	33.33%

Note:

* Per LAFCO Funding Election, County of San Bernardino pays third of total LAFCO cost.

* Total LAFCO Apportionment for FY 2016-17 is \$926,223 (by letter dated April 7, 2016)

**LAFCO Cost Allocation
Cities Allocation
PY 2016-2017**

City	Total Revenues FY 13-14	LAFCO Allocation	Allocation Percentage
Adelanto	\$ 13,047,272.00	\$ 1,803.32	0.58%
Apple Valley	\$ 51,780,078.00	\$ 7,156.74	2.32%
Barstow	\$ 42,074,463.00 *	\$ 5,815.29	1.88%
Big Bear Lake	\$ 41,023,704.00 *	\$ 5,670.06	1.84%
Chino	\$ 125,954,502.00	\$ 17,408.70	5.64%
Chino Hills	\$ 102,278,052.00	\$ 14,136.28	4.58%
Colton	\$ 129,634,830.00	\$ 17,917.37	5.80%
Fontana	\$ 182,748,315.00 *	\$ 25,258.41	8.18%
Grand Terrace	\$ 9,041,850.00	\$ 1,249.71	0.40%
Hesperia	\$ 81,828,393.00 *	\$ 11,309.85	3.66%
Highland	\$ 30,396,811.00	\$ 4,201.27	1.36%
Loma Linda	\$ 30,522,029.00	\$ 4,218.58	1.37%
Montclair	\$ 34,562,098.00	\$ 4,776.97	1.55%
Needles	\$ 5,498,846.00	\$ 760.02	0.25%
Ontario	\$ 402,537,092.00	\$ 55,636.35	18.02%
Rancho Cucamonga	\$ 165,252,302.00 *	\$ 22,840.21	7.40%
Redlands	\$ 132,656,323.00	\$ 18,334.99	5.94%
Rialto	\$ 117,126,425.00	\$ 16,188.54	5.24%
San Bernardino	\$ 256,171,977.00	\$ 35,406.60	11.47%
Twentynine Palms	\$ 10,417,262.00	\$ 1,439.81	0.47%
Upland	\$ 85,967,506.00	\$ 11,881.93	3.85%
Victorville	\$ 137,642,658.00 *	\$ 19,024.17	6.16%
Yucaipa	\$ 30,698,727.00	\$ 4,243.00	1.37%
Yucca Valley	\$ 14,924,885.00	\$ 2,062.83	0.67%
	\$ 2,233,786,400.00	\$ 308,741.00	100.00%

Allocation is based on Cities revenues extracted from Fiscal Year 2013-14 tables published on the State Controller's website (www.sco.ca.gov). Fiscal Year 2014-15 was not available as of March 23, 2016.

* Cities with subsidiary districts. Subsidiary districts are excluded from the special district distribution and revenue added to the City (confirmed for FY 2016-17 by email dated March 23, 2016)

Barstow Fire Protection District (City of Barstow)
Big Bear Lake Fire Protection District (City of Big Bear Lake)
Fontana Fire Protection District (City of Fontana)
Hesperia County Water District (City of Hesperia)
Hesperia Fire Protection District (City of Hesperia)
Rancho Cucamonga Fire Protection District (City of Rancho Cucamonga)
Victorville Water District (City of Victorville)

LAFCO Cost Allocation
Special Districts Allocation
PY 2016-2017

District Name	Total Revenues* FY 13-14	LAFCO Cost Allocation	Allocation Percentage
Apple Valley Fire Protection	\$ 7,107,825.00	\$ 9,885.54	3.20%
Apple Valley Foothill County Water	\$ 156,059.00	\$ -	0.00%
Apple Valley Heights County Water	\$ 263,014.00	\$ -	0.00%
Arrowbear Park County Water	\$ 1,053,155.00	\$ -	0.00%
Baker Community Services	\$ 686,188.00	\$ -	0.00%
Barstow Cemetery	\$ 378,924.00	\$ -	0.00%
Barstow Heights Community Services	\$ 104,540.00	\$ -	0.00%
Bear Valley Community Healthcare	\$ 19,400,180.00	\$ -	0.00%
Big Bear Airport	\$ 1,781,462.00	\$ -	0.00%
Big Bear City Community Services	\$ 12,255,294.00	\$ 9,885.54	3.20%
Big Bear Municipal Water	\$ 4,616,713.00	\$ -	0.00%
Big River Community Services	\$ 119,204.00	\$ -	0.00%
Bighorn-Desert View Water Agency	\$ 1,427,660.00	\$ -	0.00%
Chino Basin Water Conservation	\$ 1,486,039.00	\$ -	0.00%
Chino Valley Independent Fire	\$ 29,055,091.00	\$ 20,000.00	6.48%
Crestline Lake Arrowhead Water Agency	\$ 5,086,307.00	\$ 9,885.54	3.20%
Crestline Sanitation District	\$ 3,681,837.00	\$ -	0.00%
Crestline Village Water	\$ 2,831,405.00	\$ -	0.00%
Cucamonga Valley Water District	\$ 86,769,600.00	\$ 30,000.00	9.72%
Daggett Community Services	\$ 293,147.00	\$ -	0.00%
East Valley Water	\$ 32,847,455.00	\$ 20,000.00	6.48%
Helendale Community Services District	\$ 3,687,223.00	\$ -	0.00%
Hesperia Recreation and Park	\$ 6,361,421.00	\$ 9,885.54	3.20%
Hi-Desert Memorial Healthcare District	\$ 61,663,774.00	\$ -	0.00%
Hi-Desert Water District	\$ 10,777,168.00	\$ 9,885.54	3.20%
Inland Empire Resource Conservation	\$ 1,577,155.00	\$ -	0.00%
Inland Empire Utilities Agency	\$ 110,682,645.00	\$ 30,000.00	9.72%
Joshua Basin Water	\$ 5,006,484.00	\$ 9,885.54	3.20%
Juniper-Riviera County Water	\$ 274,921.00	\$ -	0.00%
Lake Arrowhead Community Services	\$ 16,116,573.00	\$ 9,885.54	3.20%
Mariana Ranchos County Water	\$ 446,043.00	\$ -	0.00%
Mojave Desert Resource Conservation	\$ 112,987.00	\$ -	0.00%
Mojave Water Agency	\$ 54,508,279.00	\$ 30,000.00	9.72%
Monte Vista Water	\$ 16,754,242.00	\$ 9,885.60	3.20%
Morongo Valley Community Services	\$ 710,145.00	\$ -	0.00%
Newberry Community Services	\$ 322,430.00	\$ -	0.00%
Phelan Pinon Hills Community Services District	\$ 5,608,875.00	\$ 9,885.54	3.20%
Rim of the World Recreation and Park	\$ 1,138,472.00	\$ -	0.00%
Running Springs Water	\$ 5,487,534.00	\$ 9,885.54	3.20%
San Bernardino Mountains Community Hospital	\$ 17,521,178.00	\$ -	0.00%
San Bernardino Valley Municipal Water	\$ 64,488,063.00	\$ 30,000.00	9.72%
San Bernardino Valley Water Conservation	\$ 2,211,251.00	\$ -	0.00%
Thunderbird County Water	\$ 201,434.00	\$ -	0.00%
Twentynine Palms Cemetery	\$ 225,681.00	\$ -	0.00%
Twentynine Palms Water District	\$ 6,132,170.00	\$ 9,885.54	3.20%
West Valley Mosquito and Vector Control	\$ 2,448,089.00	\$ -	0.00%
West Valley Water District	\$ 24,473,370.00	\$ 20,000.00	6.48%
Yermo Community Services	\$ 114,026.00	\$ -	0.00%
Yucaipa Valley Water	\$ 24,637,893.00	\$ 20,000.00	6.48%
Yucca Valley Airport	\$ 67,414.00	\$ -	0.00%
Totals	\$ 655,158,039.00	\$ 308,741.00	100.00%

All data in this worksheet are extracted from Fiscal Year 2013-14 Special Districts revenues tables published on the State Controller's website.

Fiscal Year 2014-15 was not available as of March 23, 2016.

- On March 28, 1995, Hi- Desert Memorial Hospital's name was changed to Hi-Desert Memorial Healthcare District.

- By the Resolution No. 2003 -10-8, Cucamonga County Water District name changed to Cucamonga Valley Water District.

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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DATE: MAY 10, 2016

FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer
ROBERT ALDRICH, Consultant

TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: AGENDA ITEM #11 – DISCUSSION OF IMPLEMENTATION ISSUES ON
CONDITIONS OF APPROVAL FOR LAFCO 3198 – CITY OF SAN
BERNARDINO ANNEXATION INTO SAN BERNARDINO COUNTY FIRE
PROTECTION DISTRICT ET AL AND LAFCO 3200 – TWENTYNINE
PALMS COMMUNITY ANNEXATION INTO SAN BERNARDINO COUNTY
FIRE PROTECTION DISTRICT ET AL

RECOMMENDATION:

Staff recommends that the Commission:

1. For LAFCO 3198 – City of San Bernardino LAFCO Resolution No. 3211 acknowledges that implementation of the conditions of approval for this proposal requires the following administrative changes:
 - a. Shall be amended to read: **Condition No. 5.** Upon the effective date of the reorganization including annexation, pursuant to the terms specified in the Plan for Service, attached as Exhibit "B", as amended May 4, 2016, and the updated Transition Action Plan, attached as Exhibit "C", all current City Fire Department employees, suppression, prevention, and administrative, shall transfer to the San Bernardino County Fire Protection District Valley Service Zone with comparable position classifications, rates of pay, accrued vacation and sick leave, vacation and sick leave accrual rates, seniority rights, and shall become subject to the terms and conditions set forth in said Plan for Service...
 - b. Shall be amended to read: **Condition No. 7.** Condition No. 7. Prior to the issuance of the Certificate of Completion, the City of San Bernardino shall provide to the Executive Officer of LAFCO, *and the San Bernardino County Fire Protection District documentation that funds meeting the 75% confidence level of the Worker's Compensation Claim*

Reserve for all City fire suppression personnel and non-fire suppression personnel transitioning to County Fire and/or CONFIRE have been allocated and isolated in a trust account for the benefit of County Fire and CONFIRE. The amount of the trust funds must be supported by the City of San Bernardino's current actuarial report. The trust funds will be transferred to the successor agency, the Valley Service Zone, by the effective date of LAFCO 3198 and shall be impressed with the public trust, use or purpose for the payment of Worker's Compensation claims for transition employees and said Successor District shall separately maintain such funds in accordance with the provisions of Government Code Section 57462.

No later than July 15 of each year, the Successor District shall certify to the City of San Bernardino the amount in the trust fund, and an actuarial assessment of what is required to maintain funding at the 75% confidence level established above, and that the trust funds remain available for the use or purpose of the payment of Worker's Compensation claims for transition employees. The Successor District shall make such certification to the City of San Bernardino until all such Worker's Compensation claims have been retired. To the extent that funding falls below the 75% threshold the City of San Bernardino must make a further payment to the trust fund to meet the threshold. To the extent the funding exceeds the 75% threshold along with any funds remaining following retirement of all claims shall become general funds of the Successor District for use within the boundaries of the City of San Bernardino.

- c. Authorize the creation of a sub-Service Zone of FP-5, identified as "FP-5 San Bernardino" as a function of LAFCO 3198 approval to provide for cost savings and implementation of the isolation of revenues and expenditures upon the effective date of the reorganization as a function of Condition No. 11.
2. For LAFCO 3200 – Twentynine Palms Water District LAFCO Resolution No. 3216 acknowledges that implementation of the approval of this proposal requires the following administrative changes:
 - a. Shall be amended to read: **Condition No. 7.** Prior to the issuance of the Certificate of Completion, the Twentynine Palms Water District shall provide to the Executive Officer of LAFCO, *and the San Bernardino County Fire Protection District* documentation *that funds meeting the anticipated payment cost of the single Worker's Compensation Claim proposed for settlement have been allocated and isolated in a trust account for the benefit of County Fire for the transferring employee. The amount of the trust funds must be supported by the District's current settlement claim. The trust funds will be transferred to the*

successor agency, the South Desert Service Zone, by the effective date of LAFCO 3200 and shall be impressed with the public trust, use or purpose for the payment of Worker's Compensation claim for the transitioning employee and said successor District shall separately maintain such funds in accordance with the provisions of Government Code Section 57462. Any funds remaining following retirement of all claims shall become general funds of the Successor District for use within the boundaries of the Twentynine Palms Community as identified by LAFCO 3200.

In the event that the Claim is settled prior to the issuance of the Certificate of Completion, the signed documentation closing the Claim being provided to County Fire and to the LAFCO Executive Officer will signify compliance with this condition.

- b. Authorize the creation of sub-Service Zone of FP-5, identified as "FP-5 29 Palms" as a function of LAFCO 3200 approval to provide for cost savings and implementation of the isolation of revenues and expenditures upon the effective date of the reorganization as a function of Condition No. 10.

BACKGROUND:

Since the Commission's approval of LAFCO 3198 (City of San Bernardino annexation into the San Bernardino County Fire Protection District (hereafter County Fire) and its affiliated service zones for service and funding) on January 27, 2016 and LAFCO 3200 (Twentynine Palms Water District annexation into County Fire and its affiliated service zones) on February 17, 2016, staff has been working with the affected parties to assure that the terms and conditions assigned to the proposals are met so that they can be completed prior to July 1, 2016. These terms and conditions address issues related to financing, operations, and transfer of employees, facilities and equipment. As these discussions have been ongoing, a few issues have arisen that require a review with the Commission to provide that the intent of the condition is met through a substitute compliance method. All of the issues were identified after the 30-day reconsideration period for the proposals. The issues that have arisen unless addressed today will imperil the ability to complete these changes of organization through issuance of the Certificates of Completion.

Government Code Section 56883 provides for a mechanism to address these issues which are a surprise or inadvertence. That section reads as follows:

56883. The executive officer may, before the completion of a proceeding, on good cause being shown, correct clerical errors or mistakes made through inadvertence, surprise, or excusable neglect that may be contained in the resolution adopted by the commission making determinations, upon written request by any member of the commission, by the executive officer, or by any affected agency. A correction made

pursuant to this section shall not be cause for filing a request pursuant to Section 56895.

As the Executive Officer, I am proposing that the Commission accept three specific changes to the terms and conditions for LAFCO 3198 – City of San Bernardino and two specific changes for LAFCO 3200 – Twentynine Palms Water District to address compliance with the conditions of approval through a substitute methodology to be reflected in the final resolutions of approval. Those changes are outlined as follows:

1. Condition No. 7 in the resolutions approving both proposed fire reorganizations outlines a mechanism to assure the ability to fund Workers' Compensation Claims by the transferring agencies. It was identified through discussions with County Fire that this obligation would be addressed through the acquisition of "tailing insurance" by each affected transferring entity. However, as both the City of San Bernardino and Twentynine Palms Water District looked into acquiring these policies, it became clear that they would be unable to acquire the insurance as outlined. LAFCO staff has worked with County Fire, the County's Risk Management Division, the City of San Bernardino and the Twentynine Palms Water District to provide for a means to address this requirement. The response is different based the unique circumstance of each entity.

For the City of San Bernardino Fire Department Personnel: On April 20, 2016 a joint letter from the City of San Bernardino and County Fire requested that a substitute condition be provided to address the financial obligation envisioned by Condition No. 7. A copy of this letter is included as Attachment #1 to this report. On May 3rd a meeting was held with all the affected agencies to review the language of a potential substitute condition. LAFCO staff outlined its position that additional information would need to be included in the proposed condition to address an annual "true up" of the funds to be held in trust, the requirement that the funds upon transfer are impressed with a public trust responsibility, and that upon retirement of all claims any funds remaining on account will go toward the delivery of service within the City of San Bernardino following closure of the claims. There was consensus among all the entities on the additions proposed by LAFCO staff.

One question that requires specific language for the City of San Bernardino is the requirement to annually review the trust account to assure its maintenance of the 75% confidence level. The proposed new language for Condition No. 7 for the City of San Bernardino to address the substitute mechanism for Workers' Compensation Claims is as follows (amendments in italics and underline):

Condition No. 7. Prior to the issuance of the Certificate of Completion, the City of San Bernardino shall provide to the Executive Officer of LAFCO, *and the San Bernardino County Fire Protection District documentation that funds meeting the 75% confidence level of the Worker's Compensation Claim Reserve for all City fire suppression*

personnel and non-fire suppression personnel transitioning to County Fire and/or CONFIRE have been allocated and isolated in a trust account for the benefit of County Fire and CONFIRE. The amount of the trust funds must be supported by the City of San Bernardino's current actuarial report. The trust funds will be transferred to the successor agency, the Valley Service Zone, by the effective date of LAFCO 3198 and shall be impressed with the public trust, use or purpose for the payment of Worker's Compensation claims for transition employees and said Successor District shall separately maintain such funds in accordance with the provisions of Government Code Section 57462.

No later than July 15 of each year, the Successor District shall certify to the City of San Bernardino the amount in the trust fund, and an actuarial assessment of what is required to maintain funding at the 75% confidence level established above, and that the trust funds remain available for the use or purpose of the payment of Worker's Compensation claims for transition employees. The Successor District shall make such certification to the City of San Bernardino until all such Worker's Compensation claims have been retired. To the extent that funding falls below the 75% threshold the City of San Bernardino must make a further payment to the trust fund to meet the threshold. To the extent the funding exceeds the 75% threshold along with any funds remaining following retirement of all claims shall become general funds of the Successor District for use within the boundaries of the City of San Bernardino.

For the Twentynine Palms Water District Fire Department Personnel:

There were two Worker's Compensation claims identified as being related to its Fire Department, one is closed and the other appears ready for settlement. The settlement requires a determination by the State Department of Worker's Compensation Appeals Board with no guarantee that it will be fully settled prior to the issuance of the Certificate of Completion. Therefore, either an insurance policy for tailings or other means is required to guarantee the payment. However, the Twentynine Palms Water District has identified by email and participation in meetings on this topic that it too is unable to acquire the required tailing insurance identified in Condition No. 7 to address the one claim not yet closed. In working with the County Fire, the County's Risk Management Division and the District it has been identified that a simplified requirement for a trust fund would be appropriate for LAFCO 3200. The proposed condition is as follows:

Condition No. 7. Prior to the issuance of the Certificate of Completion, the Twentynine Palms Water District shall provide to the Executive Officer of LAFCO, and the San Bernardino County Fire Protection District documentation that funds meeting the anticipated

payment cost of the single Worker's Compensation Claim proposed for settlement have been allocated and isolated in a trust account for the benefit of County Fire for the transferring employee. The amount of the trust funds must be supported by the District's current settlement claim. The trust funds will be transferred to the successor agency, the South Desert Service Zone, by the effective date of LAFCO 3200 and shall be impressed with the public trust, use or purpose for the payment of Worker's Compensation claim for the transitioning employee and said successor District shall separately maintain such funds in accordance with the provisions of Government Code Section 57462. Any funds remaining following retirement of all claims shall become general funds of the Successor District for use within the boundaries of the Twentynine Palms Community as identified by LAFCO 3200.

In the event that the Claim is settled prior to the issuance of the Certificate of Completion, the signed documentation closing the Claim being provided to County Fire and to the LAFCO Executive Officer will signify compliance with this condition.

These actions will assure that the employees of all agencies transitioning to County Fire and/or CONFIRE receive the benefits they are due, that County Fire is not held liable for payments of prior Workers' Compensation claims for employees transitioning to County service, and each entity can fund its obligations closing out its fire function.

2. In the presentations before the Commission regarding the proposals for annexation to County Fire, LAFCO staff has outlined its concerns that the revenues generated through the imposition of the special tax upon the properties within the City of San Bernardino and the Twentynine Palms community be accounted for and isolated for use only within the boundaries of the respective agencies. This question of transparency was of equal concern to the Commission during its deliberations, which is reflected in Condition No. 11 in the Resolution for the City of San Bernardino reorganization and Condition No. 10 for the Twentynine Palms community. These conditions outline the requirement that the San Bernardino County Fire Protection District undertake the process as outlined in Health and Safety Code 13950 to create sub-zones of FP-5 for San Bernardino and Twentynine Palms.

In the weeks following the approval of these proposals, County Fire began its analysis of complying with the conditions to isolate the revenues and expenditures. It was determined that the same process that was being conducted by LAFCO (individual notice to all landowners with a public hearing) would be replicated a third time for County Fire to provide for this division including the associated costs. In addition, since it would take place after LAFCO filed its Certificate of Completion with the State Board of Equalization, it would have to file with this State agency as well. The County has expressed its concern that these are financially impacted

agencies who have paid substantially to fulfill the notice requirements for consideration of the proposal by the Commission and through its required protest proceeding. They are requesting that the Commission consider amending the condition to create the new sub-zone of FP-5 at the same time as each reorganization proposal is completed. This would save the cost of notices -- \$16,700 for San Bernardino and \$6,200 for 29 Palms plus the filing cost for the State Board. This would also benefit the affected areas as there have been questions whether they could meet the August 8th deadline for filing the special tax to identify the new subzone. Staff has reviewed this question with Legal Counsel who has indicated that since the notification process identified in Health and Safety Code 13950 has been accomplished through the LAFCO process for both proposals and the questions on transparency of the revenues and expenditures were a focal point of the Commission's discussion, that the Commission can modify this condition to allow for the creation of the sub-zone as a function of the issuance of the Certificate of Completion. Staff recommends that the Commission:

For San Bernardino: Authorize the creation of a sub-Service Zone of FP-5, identified as "FP-5 San Bernardino" as a function of LAFCO 3198 approval to provide for cost savings and implementation of the isolation of revenues and expenditures upon the effective date of the reorganization as a function of Condition No. 11.

For Twentynine Palms: Authorize the creation of sub-Service Zone of FP-5, identified as "FP-5 29 Palms" as a function of LAFCO 3200 approval to provide for cost savings and implementation of the isolation of revenues and expenditures upon the effective date of the reorganization as a function of Condition No. 10.

3. The final element relates to the Plan for Service submitted and approved by the Commission as a part of Condition No. 5 for LAFCO 3198 (City of San Bernardino reorganization). During the ongoing efforts to put together the transition of employees, facilities, equipment and vehicles between the City of San Bernardino and County Fire it was determined that an update to the Plan was needed. The City of San Bernardino submitted a letter, dated April 20, 2016, outlining the revisions necessary to the Plan for Service and on May 4, 2016 County Fire submitted an updated Exhibit A to its Plan for Service outlining transferred Facilities and Vehicles. The primary changes are to outline that all CERT trailers will remain with the City Police Department, that one Fire Department vehicle has been salvaged, and one Fire Department vehicle was totaled in an accident and the insurance payoff would be provided to the Valley Service Zone of County Fire. Staff is recommending that the Commission accept these updates and include them as a part of the Plan for Service Exhibit to the final resolution by making the following amendment shown in italics:

Condition No. 5. Upon the effective date of the reorganization including annexation, pursuant to the terms specified in the Plan for Service, attached as Exhibit “B”, as amended May 4, 2016, and the updated Transition Action Plan, attached as Exhibit “C”, all current City Fire Department employees, suppression, prevention, and administrative, shall transfer to the San Bernardino County Fire Protection District Valley Service Zone with comparable position classifications, rates of pay, accrued vacation and sick leave, vacation and sick leave accrual rates, seniority rights, and shall become subject to the terms and conditions set forth in said Plan for Service...

CONCLUSION:

The approach identified in this report will allow for the completion of the proposals for transfer of fire operations from the City of San Bernardino and the Twentynine Palms Water District. The changes proposed maintain the positions taken by the Commission in approving the terms and conditions for the proposals while addressing the circumstances which affect the methodology for achieving the desired results. As has been reiterated time and time again through these processes, one of the most important functions to be provided to the citizens of this County and its cities and districts is to provide for emergency medical response and fire protection. Approval of staff's recommendation will allow for the process of maintaining these services to proceed.

KRM/

Attachments:

1. Letter Dated April 20, 2016 from City of San Bernardino and San Bernardino County Fire Protection District on Requested Amendment to Condition No. 7
2. Letter Dated April 20, 2016 from City of San Bernardino Related to Updated to Plan for Service and Updated Exhibit A to Plan for Service Signed May 4, 2016
3. LAFCO Resolution No. 3211 for LAFCO 3198 (San Bernardino)
4. LAFCO Resolution No. 3216 for LAFCO 3200 (Twentynine Palms)

Letter Dated April 20, 2016 from City of San Bernardino and San Bernardino County Fire Protection District on Requested Amendment to Condition No. 7

Attachment 1

April 20, 2016

RECEIVED
APR 20 2016

Kathleen Rollings-McDonald, Executive Officer
Local Agency Formation Commission for San Bernardino County
215 North D Street, Suite 204
San Bernardino, CA 92415-0490

LAFCO
San Bernardino County

Subject: **LAFCO 3198, Resolution 3211**

Dear Ms. Rollings-McDonald:

The purpose of this letter is to inform you of the City's inability to complete Condition No. 7 as currently presented in the terms and conditions to LAFCO 3198, Resolution 3211. Subsequent to the Commission hearing and expiration of the 30-days reconsideration period, the City was advised by its insurance broker that Tail Insurance is not available through the insurance market for Workers' Compensation claims insured on an occurrence-made basis. The City is self-insured and certified by the State with excess insurance in place through our Joint Powers Authority, BICEP, for claims on an occurrence-made basis. The City will fund sufficient reserves to satisfy any Tail Insurance requirements. In order to satisfy the County's concern for the funding of the reserves, it is requested that the Commission approve the substitute condition determination to allow for the issuance of the Certificate of Completion as provided below.

Condition No. 7 Prior to issuance of the Certificate of Completion, the City of San Bernardino shall provide the Executive Officer of LAFCO, and the County, documentation that funds meeting the 75% confidence level of the Workers' Compensation Claim Reserve for all City fire suppression personnel and non-fire suppression personnel transitioning to San Bernardino County Fire Protection District (County Fire) and/or CONFIRE have been allocated and isolated in a trust account for the benefit of County Fire and/or CONFIRE. The amount of the trust funds must be supported by the City of San Bernardino's current actuarial report. The trust funds will be provided to County Fire by July 1, 2016.

Please note that County and City staff have met and agreed to the above substitute condition.

Sincerely,



Mark Scott
City Manager

Sincerely,



Mark Hartwig, Fire Chief
San Bernardino County Fire District

Letter Dated April 20, 2016 from City of San Bernardino Related to Updated to Plan for Service and Updated Exhibit A to Plan for Service Signed May 4, 2016

Attachment 2



OFFICE OF THE CITY ATTORNEY
CITY OF SAN BERNARDINO

RECEIVED
APR 21 2016
LAFCO
San Bernardino County

GARY D. SAENZ
CITY ATTORNEY

VIA U.S. MAIL AND EMAIL

April 20, 2016

Ms. Kathleen Rollings-McDonald, Executive Officer
San Bernardino LAFCO
215 North "D" Street, Suite 204
San Bernardino, CA 92415

Re: Annexation of the City of San Bernardino into the County of San Bernardino Fire District

Dear Mrs. Rollings-McDonald:

With regard to the City of San Bernardino's application with LAFCO, we wish to make some minor changes to the application approved by the Commission and are hereby submitting these for the Commission's consideration. These issues have been discussed with the County Fire Protection District and the District and the City are in concurrence on the requested condition amendments.

Revisions to the Plan for Service:

1. Five Community Emergency Response Team (CERT) trailers listed on Exhibit A were purchased with Federal funds and the Police Department is currently managing the City's CERT program. The City plans to retain these trailers and to continue managing the program; these trailers should not have been included in the vehicles intended for transfer. **We are requesting that these five trailers be eliminated from the list of vehicles being transferred to the County Fire District.**

2. One of the City's vehicles (ID G-3) has been taken out of service since approval of the application. **We are requesting that this vehicle be removed from the list of vehicles being transferred to the County Fire District.**
3. Since approval of the application, one of the City's vehicles (ID SQ-2) was damaged in an accident and is a total loss. **We are requesting that this vehicle be removed from the list of vehicles being transferred to the County Fire District.**
4. There are some minor equipment and supplies that the City is planning to transfer to the CONFIRE JPA from the City's existing dispatch center. These were not originally listed in the Plan for Service. **We are requesting that the following listing of equipment/supplies be added to the equipment being transferred to CONFIRE:**
 1. 3 Complete Emergency Medical Dispatch (EMD) Protocol card sets in English
 2. 1 EMD Protocol card set in Spanish
 3. 1 Set of Version 13 update cards
 4. Variable amount of ink cartridges for printer
 5. Miscellaneous office supplies ie: pens, staples, post its, scissors, staplers, hole punch, etc.
 6. Please note Ink and office supply amounts will vary.
 7. 3 Laminated Thomas Brothers map books (39th edition)
 8. CD burner
 9. Various city maps including an overview map of fire first in districts, fire demand zones, and council ward map.
 10. Aqua dongle (required to run AQUA program for EMD)
 11. 3 Blue chairs (dispatch chairs)
 12. Headsets for dispatchers (various styles)
 13. Each dispatcher from city fire will bring their current headset as well. The number of working headsets varies.
 14. 2 dry erase boards
 15. 4 power strips
5. The Fleet Facility, located at 120 S. "D" Street is currently leased by the City. The final payment on the lease is due in 2020 and it is the City's intention to continue paying the lease and to sublease the Facility to County Fire for \$1.00 per year, until it is completely paid off. The reason for this is to maintain consistency with the City's bankruptcy plan as the owner is a creditor in the case. At the time the lease is paid

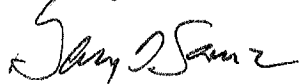
off, the property will be transferred by quit claim deed to the County. Originally the Plan of Service budget noted this action as a footnote. The Plan of Service itself (Section 6A) identifies that all listed buildings and property of the City Fire Department will become property of County Fire upon annexation. **We are requesting a change in the Plan for Service that identifies the Fleet Facility as an exception to that requirement and acknowledges a sublease between the City and the County for this facility until the lease is paid, at which time the property will be transferred to the County.**

6. Condition 7 of the original conditions of approval related to the acquisition of tailing insurance so active workers compensation claims and costs associated with employees transitioning to County Fire would continue to be paid by the City for injuries incurred while working for the City. An alternative arrangement has been worked out with County Fire, County Risk management and the City. The City Attorney's office is documenting this arrangement and will be providing coverage assurance to the County as contemplated by this condition. A copy of our recent letter on this topic is attached. The intent of the LAFCO condition will be fully complied with.
7. A letter acknowledging that the City is and will remain responsible for all accrued but unfunded pension liability will be provided by the City Attorney's office.

The City will also address other issues outstanding prior to the certificate of completion. These include pay-off of the California Infrastructure Bank loan, transfer of special revenues or receivables held on behalf of the fire department and records in existence related to CFD 1033.

Should you have any questions, please contact me at (909) 384-5355. Thank you for your assistance with this project.

Sincerely,



Gary D. Saenz
City Attorney

Attachments as noted (2)

City of San Bernardino Annexation into the San Bernardino County Fire Protection
District - Plan of Service

Exhibit A – UPDATED – MAY 4, 2016

RECEIVED
MAY 05 2016

LAFCO
San Bernardino County

Transferred Facilities and Vehicles

Facilities

- Station 221 - 200 E. 3rd Street (APN 0135-181-63-0000)
- Station 222 - 1201 W. 9th Street (APN 0139-241-07-0000)
- Station 224 - 2641 N. E Street (APN 0149-161-17-0000)
- Station 225 - 1640 W. Kendall Drive (APN 0266-601-03-0000)
- Station 226 - 1920 N. Del Rosa Avenue (APN 0273-011-22-0000)
- Station 227 - 282 W 40th Street (APN 0154-211-17-0000)
- Station 228 - 3398 E. Highland Avenue (APN 0285-191-05-0000)
- Station 229 - 202 N. Meridian Avenue APN 0142-051-13-0000)
- Station 231 - 450 E. Vanderbilt Drive (APN 0281-341-09-0000)
- Station 232 - 6065 Palm Avenue (APN 0261-191-06-0000)
- Fleet Facility – 120 S. D Street (APN 0136-122-89-0000 & 0136-122-90-0000)

Station 223 (2121 Medical Center Drive) and station 230 (502 S. Arrowhead) will not be transferred to County Fire.

VEHICLES

ID	YR	MAKE/MODEL	LICENSE	TITLE/CALL SIGN
AL-1	2002	PIERCE/SABER	1113897	AIR/LIGHT 221
BC-5	2002	CHEVY TAHOE	1113872	EMS Coord
BC-6	2002	CHEVY TAHOE	1136817	Res
BC-7	2007	CHEVY TAHOE	1245232	C-600
BC-8	2007	CHEVY TAHOE	1256945	DC-601
BC-9	2007	CHEVY TAHOE	1270315	BC-605
BC-10	2007	CHEVY TAHOE	1272826	BC-603
BC-11	2007	CHEVY TAHOE	1272827	BC-604
BC-12	2007	CHEVY TAHOE	1272828	BC-602
BE-1	2000	INTERNATIONAL	1041396	BE-225
BE-2	2000	INTERNATIONAL	1041397	BE-228
BE-3	2000	INTERNATIONAL	1041398	BE-232

City of San Bernardino Annexation into the San Bernardino County Fire Protection
District - Plan of Service

BE-4	2002	INTERNATIONAL	1113898	BE-226
BE-5	2002	INTERNATIONAL	1113896	BE-227
FL-2	1999	CAT	1351160	FORKLIFT
G-1	2009	WHITEMAN	1413441	SBIA
G-2	2012	WHITEMAN	948867	SHOP
G-3		DAYTON	N/A	Removed from service-salvaged
HM-2	2000	PIERCE/SABER	1041399	HM-231
HM-3	2004	SPORT TRAILER	1176878	HM-231 TRAILER
HR-1	2002	PIERCE/SABER	1113899	HR-221
HR-2	2005	WELLS TRAILER	1202588	HR-221 TRAILER
MC-1	2011	MOTOR HOME	1353921	DISASTER PREP
ME-9	1999	PIERCE/DASH	1012639	RESERVE
ME-10	1999	PIERCE/DASH	1031234	RESERVE
ME-11	1999	PIERCE/DASH	1012638	RESERVE
ME-12	1999	PIERCE/DASH	1012637	RESERVE
ME-13	1999	PIERCE/DASH	1012641	RESERVE
ME-14	1999	PIERCE/DASH	1012642	RESERVE
ME-15	1999	PIERCE/DASH	1012643	RESERVE
ME-16	2000	PIERCE/DASH	1057355	ME-225
ME-17	2000	PIERCE/DASH	1057356	ME-227
ME-18	2000	PIERCE/DASH	1057357	ME-229
ME-19	2000	PIERCE/DASH	1057358	RESERVE
ME-20	2004	PIERCE/DASH	1149085	ME-232
ME-21	2008	PEIRCE/ARROW	1202931	ME-221
ME-22	2008	PEIRCE/ARROW	1202887	ME-222
ME-23	2008	PEIRCE/ARROW	1202889	RESERVE
ME-24	2008	PEIRCE/ARROW	1202888	ME-224
ME-25	2008	PEIRCE/ARROW	1202938	ME-231
ME-26	2008	PEIRCE/ARROW	1202940	ME-226
ME-27	2008	PEIRCE/ARROW	1202939	ME-228
RS-3	2003	CHEVY/PU	1169593	REPAIR
SQ-1	2008	FORD/F-450	1302512	MS
SQ-2	2011	FORD/F-450	1358360	MS-Totaled in Accident *
SS-18	2000	FORD/RANGER	1063863	PARTS
SS-20	2001	FORD/CROWN VIC	1288188	EQUIP. SUPER
SS-22	2001	FORD/F-250	1081865	DELEVERY
SS-23	2001	FORD/CROWN VIC	1119818	POOL
SS-24	2001	FORD/CROWN VIC	1119819	POOL
SS-25	2001	FORD/CROWN VIC	1119820	POOL

City of San Bernardino Annexation into the San Bernardino County Fire Protection District - Plan of Service

SS-26	2001	FORD/CROWN VIC	1119821	ADMIN
SS-27	2001	FORD/TAURUS	116308	POOL
SS-28	2002	CHEVY/S-10	1120978	PREVENTION
SS-29	2002	CHEVY/S-10	120977	PREVENTION
SS-30	2002	FORD/TAURUS	1132592	PREVENTION
SS-32	2002	FORD/TAURUS	1147946	PREVENTION
SS-34	2005	CHEVY/EQUINOX	1209227	PREVENTION
SS-35	2005	CHEVY/EQUINOX	1209223	PREVENTION
SS-36	2005	CHEVY/EQUINOX	1209228	PREVENTION
SS-37	2005	CHEVY/EQUINOX	1209229	PREVENTION
SS-38	2005	CHEVY/EQUINOX	1209224	PREVENTION
SS-41	2002	CHEVY/TAHOE	5XSM564	INVESTIGATIONS
SS-42	2005	FORD/F-150	8M17730	INVESTIGATIONS
SS-43	2006	FORD/CROWN VIC	1225383	SWAT - MEDICS
SS-44	2001	DODGE/RAM 2500	1202944	ARSON
SS-46	2006	TOTOTA/4 RUNNER	6WGR290	INVESTIGATIONS
SS-47	1988	FORD/PU	J4409	ATF (LOAN)
T-2	1993	SEAGRAVE	374833	RESERVE
T-3	1999	PIERCE/DASH	1012640	RESERVE
T-4	2008	PIERCE/ARROW	1202891	T-224
T-5	2008	PIERCE/ARROW	1202892	T-221
UT-1	2007	AZTEX/TRAILER	1202924	TRAILER 225
UT-2	2007	AZTEX/TRAILER	1202925	TRAILER 231
UT-3	2007	SPORT TRAILER	1234354	EXPLORER TRAILER
UT-4	2007	SPORT TRAILER	1234355	HONOR GD TRAILER
UT-5	2007	SCOTTY SAFETY	1234362	PUB ED TRAILER
UT-6	2008	FORD/F-450	1312634	STAKE BED
UT-7	2011	SPORT TRAILER	1361387	CERT TRAILER-CERT
UT-8	2011	SPORT TRAILER	1361388	CERT TRAILER-Program
UT-9	2011	SPORT TRAILER	1361389	CERT TRAILER-will stay with
UT-10	2011	SPORT TRAILER	1361390	CERT TRAILER-City PD
UT-11	2011	SPORT TRAILER	1361391	CERT TRAILER
UV-1	2007	KAWASAKI/MULE	N/A	MULE 231
UV-2	2007	KAWASAKI/MULE	N/A	MULE 225

* City shall pay County Fire the amount of the insurance settlement for SQ-2 that was totaled.

- **P-2 1948 SEAGRAVE 126921 (parade vehicle) to remain as property of CITY.**

City of San Bernardino Annexation into the San Bernardino County Fire Protection
District - Plan of Service

Additional dispatch equipment has been identified that will transfer to County Fire. This equipment is in addition to the dispatch equipment listed on pages 8 and 9 of the Plan for Service and shown below:

1. 3 Complete Emergency Medical Dispatch (EMD) Protocol card sets in English
2. 1 EMD Protocol card set in Spanish
3. 1 set of Version 13 update cards
4. CD burner
5. Various city maps including an overview map of fire first in districts, fire demand zones, and council ward map
6. Aqua dongle (required to run AQUA program for EMD)
7. 3 Blue chairs (dispatch chairs)
8. Headsets for dispatchers (various styles)



Don Trapp
Assistant Chief
San Bernardino County Fire



Date

**LAFCO Resolution No. 3211 for
LAFCO 3198 (San Bernardino)**

Attachment 3

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

215 North "D" Street, Suite 204, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 885-8170
E-mail: lafco@lafco.sbcounty.gov
www.sbclafco.org

PROPOSAL NO.: LAFCO 3198

HEARING DATE: JANUARY 27, 2016

RESOLUTION NO. 3211

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY MAKING DETERMINATIONS ON LAFCO 3198; APPROVING THE REORGANIZATION TO INCLUDE ANNEXATIONS TO THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT, ITS VALLEY SERVICE ZONE AND SERVICE ZONE FP-5 OF SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT (generally representing the corporate limits of the City of San Bernardino encompassing approximately 38,144 acres (59.5 square miles)).

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

WHEREAS, an application for the proposed reorganization in the County of San Bernardino was filed with the Executive Officer of this Local Agency Formation Commission (hereinafter referred as the "Commission") in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.), and the Executive Officer has examined the application and executed her certificate in accordance with law, determining and certifying that the filings are sufficient; 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 upon the date and at the time and place specified in the notice of public hearing and in order or orders continuing the hearing; and,

WHEREAS, at this hearing, this Commission heard and received all oral and written protests; the Commission considered all plans and proposed changes of organization, objections and evidence which were made, presented, or filed; it received evidence as to whether the territory is inhabited or uninhabited, improved or unimproved; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the application in evidence presented at the hearing; and,

NOW, THEREFORE, BE IT RESOLVED, that the Commission does hereby determine, resolve, order and find as follows:

RESOLUTION NO. 3211

DETERMINATIONS:

SECTION 1. The proposal is approved subject to the terms and conditions hereinafter specified:

CONDITIONS:

Condition No. 1. The boundaries of this change of organization are approved as set forth in Exhibits "A" and "A-1" attached this resolution;

Condition No. 2. The following distinctive short form designation shall be used through this proceeding: LAFCO 3198.

Condition No. 3. The effective date of this reorganization shall be no earlier than July 1, 2016 subject to completion of the terms and conditions outlined in this resolution for approval as authorized by Government Code Sections 56886(p) and 57202;

Condition No. 4. Upon the effective date of the reorganization, the San Bernardino County Fire Protection District (SBCFPD) Valley Service Zone, as the Successor District to the fire and emergency medical response obligations of the City of San Bernardino, shall succeed and/or be assigned all rights, duties, responsibilities, properties (both real and personal), contracts, equipment, assets, liabilities, obligations, functions, executory provisions, entitlements, permit and approvals of the City of San Bernardino Fire Department (City Fire). All property tax revenues attributable to the City of San Bernardino not designated in Condition No. 13 below, prior to calculations required by Section 96.1 of the Revenue and Taxation Code, including delinquent taxes and any and all other collections or assets of City of San Bernardino, shall accrue and be transferred to the Successor Districts pursuant to 56886(i). Said Successor Districts shall be subject to the terms and conditions contained herein;

Condition No. 5. Upon the effective date of the reorganization including annexation, pursuant to the terms specified in the Plan for Service, attached as Exhibit "B" and the updated Transition Action Plan, attached as Exhibit "C", all current City Fire Department employees, suppression, prevention, and administrative, shall transfer to the San Bernardino County Fire Protection District Valley Service Zone with comparable position classifications, rates of pay, accrued vacation and sick leave, vacation and sick leave accrual rates, seniority rights, and shall become subject to the terms and conditions set forth in said Plan for Service. All transferred employees shall be subject to the terms and conditions of the respective San Bernardino County Fire Protection District Memorandum of Understanding in place as of the effective date of the reorganization including annexation for their successor classification.

Condition No. 6. Upon the effective date of the reorganization including annexation, pursuant to the terms specified in the Plan for Service and updated Transition Action Plan, all current City Fire Dispatch employees shall transfer to the joint powers authority known as Consolidated Fire Agencies (hereafter "CONFIRE") with comparable position classifications, rates of pay, accrued vacation and sick leave, vacation and sick leave accrual rates, seniority rights and shall become subject to the terms and conditions

RESOLUTION NO. 3211

set forth in said Plan for Service. All transferred employees shall be subject to the terms and conditions of the respective Memorandum of Understanding in place as of the effective date of the reorganization including annexation for their successor classification;

Condition No. 7. Prior to the issuance of the Certificate of Completion, the City of San Bernardino shall provide to the Executive Officer of LAFCO documentation that it has obtained a workers compensation tailing insurance policy covering all worker compensation claims of all City fire suppression personnel and other City employees transitioning to County Fire and/or CONFIRE.

Condition No. 8. Upon the effective date of the reorganization including annexation, the City of San Bernardino shall retain the obligations for unfunded retirement obligations, any contractual benefit following retirement such as health insurance maintenance or payment, or other contractual obligation approved by the City for all suppression, prevention, dispatch, and other City employees transitioning to County Fire and/or CONFIRE;

Condition No. 9. Upon the effective date of the reorganization including annexation, the Successor District shall accept all facilities transferred from the City of San Bernardino in "as is" condition (pursuant to Government Code Section 56886(h)). All assets including, but not limited to, equipment (vehicles, apparatus, supplies, etc.) rolling stock, tools, office furniture, fixtures and equipment, all lands, buildings, real and personal property and appurtenances held by the City of San Bernardino for the purpose of providing fire protection and emergency medical response shall be transferred to the Successor District, the Valley Service Zone of SBCFPD. All quitclaim deeds to effectuate the transfer of land and/or buildings and the title transfer documents for vehicles shall be prepared by the City of San Bernardino City Manager's office to be filed upon the effective date of the change with a copy provided to LAFCO.

Condition No. 10. All equipment and fixtures, office furniture, real and personal property held by the City of San Bernardino for the purpose of providing fire and emergency medical response dispatching shall be transferred to CONFIRE, a joint powers authority providing for a centralized public safety communications system and a cooperative program of fire-related functions such as emergency operations. Upon the effective date of the reorganization including annexation, CONFIRE shall accept all equipment transferred from the City of San Bernardino in "as is" condition (pursuant to Government Code Section 56886(h));

Condition No. 11. Pursuant to the provisions of Government Code Section 56886(e) the SBCFPD Board of Directors shall be required to create a new sub-service zone under FP-5 to reflect the City of San Bernardino territory. After conclusion of the protest hearing pursuant to Government Code Section 57000 et seq., but prior to the issuance of the Certificate of Completion, as authorized by Government Code Section 56886(o), the Board of Directors of the SBCFPD shall provide the LAFCO Executive Officer with documentation identifying how the provisions contained in Health and Safety Code Section 13950 to form the new Service Zone of FP-5 to isolate the special tax revenue contributed by the territory within the City of San Bernardino will be implemented by the District. All actions required by the SBCFPD to implement the special tax shall be

RESOLUTION NO. 3211

completed prior to the August 8, 2016 due date for placement of the special tax on the tax rolls by the San Bernardino County Treasurer/Tax Collector;

Condition No. 12. Upon the effective date of the reorganization including annexation, the Successor District shall accept the administration of Community Facilities District #1033 (hereafter CFD 1033) from the City of San Bernardino terminating in Fiscal Year commencing July 1, 2033. The special tax levy for this entity shall be limited to the commercial, retail, office and industrial properties currently assessed or which will be developed in the future pursuant to the terms specified in City of San Bernardino Resolution No. 2004-210. All residential properties previously assessed will be exempted from future assessments by Valley Service Zone administration of CFD 1033. All cash on hand or fund balance in the accounts of CFD 1033 within the City of San Bernardino upon the effective date of LAFCO 3198 shall transfer to the administration of this CFD under the Successor District. All delinquent taxes and any and all other collections or assets of CFD 1033 that may accrue shall be transferred to the Successor District pursuant to Government Code Section 56886(i). The revenues to be received by the Successor District administering CFD 1033 are impressed with the public trust, use or purpose as defined by City of San Bernardino Resolution No. 2004-210 and all transactions utilizing these funds shall be accounted for and described in the annual audit and/or comprehensive financial reports recognizing CFD 1033 by the Successor District.

The future administration of CFD 1033 under the Successor District shall require that the Valley Service Zone, Successor District, shall participate in the development review process of the City of San Bernardino for any properties within the defined Verdemonst Service Area, shown on Exhibit "D", for commercial, industrial retail or office uses. The City of San Bernardino shall be required to annex any commercial, industrial, retail or office parcels into CFD 1033 as a condition of development approval to be completed prior to the issuance of the certificate of occupancy for said projects.

Condition No. 13. Prior to the issuance of the Certificate of Completion for the reorganization to include annexation, pursuant to the provisions outlined in Government Code Section 56886 (i), (o) and (s), the Commission requires that the City of San Bernardino, County of San Bernardino, and San Bernardino County Fire Protection District enter into a contract which directs the Auditor/Controller/Treasurer/Tax Collector for San Bernardino County to provide for the calculation of property tax revenues to be transferred from the City's proceeds under the property tax in lieu of Motor Vehicle License Fees to the Valley Service Zone of SBCFPD, successor agency, as a replacement for the exclusion of the Inland Valley Development Authority (IVDA) territory within the City of San Bernardino from the property tax transfer process in the manner presented below, a signed copy of which is to be provided to the LAFCO Executive Officer. This term and condition shall assure that there is no impairment of the Inland Valley Development Agency Tax Allocation Refunding Bonds Series 2014A and Successor Agency to the Inland Valley Development Agency Tax Allocation Refunding Bonds Series 2014B bond obligations:

- a. The calculation shall use the following amounts to determine the transfer from proceeds of property tax swap in lieu of Motor Vehicle License Fees: (a) base property tax within the affected Tax Rate Areas (TRAs) within IVDA a part of the corporate limits of the City of San Bernardino, (b) pass through payments,

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negotiated or statutory within the defined TRAs; (c) residual distribution as a result of redevelopment dissolution within the defined TRAs; and (d) any other property tax proceeds that would have come to the Valley Service Zone except for the exclusion of the IVDA area of the City of San Bernardino; and,

- b. The methodology outlined above shall be permanent and may only be amended after the conclusion of the revenue bond pledge on or after June 30, 2035 or if said revenue bond pledges are refunded or refinanced by mutual agreement between the County of San Bernardino, the San Bernardino County Fire Protection District and the City of San Bernardino.

Condition No. 14. Prior to the issuance of the Certificate of Completion for the reorganization to include annexation, pursuant to the provisions outlined in Government Code Section 56886 (i) the Commission requires that the City of San Bernardino, County of San Bernardino, and San Bernardino County Fire Protection District enter into a contract which requires the Auditor/Controller/Treasurer/Tax Collector for San Bernardino County to direct that 35% of the City's total property taxes in lieu of Vehicle License Fees be transferred to the Valley Service Zone of SBCFPD, Successor District, to fund the provision of fire protection and emergency medical response services. This contract shall be perpetual and address the needs for allocation of funds to replace the property tax in-lieu of Motor Vehicle License fees should the State of California make changes to this revenue stream legislatively. This amount is in addition to the amounts determined pursuant to the provisions of Revenue and Taxation Code Section 99 for LAFCO 3198.;

Condition No. 15. The remaining payments, all rights and interests held or claimed by the City of San Bernardino Fire Department under all agreements and/or memoranda of understanding with any public agency or private entity, shall transfer to the Successor District, Valley Service Zone of the SBCFPD, excluding those contracts shown on Exhibit "E" for termination. The Successor District, Valley Service Zone, shall also assume all joint use, maintenance, automatic aid or mutual aid agreements held by the City of San Bernardino Fire Department [(Government Code Section 56886(r))]. Amendments of existing agreements required for successful transfer shall be completed and submitted to the Local Agency Formation Commission prior to the issuance of the Certificate of Completion to address any changes [Government Code Section 56886(r)(v)];

Condition No. 16. The debt obligations of the transferring City of San Bernardino Fire Department shall be either be paid in full prior to the issuance of the Certificate of Completion or assigned to the Successor District, the Valley Service Zone of SBCFPD. The debt obligations to be paid relate to the City's leaseback financing with the California Infrastructure and Economic Development Bank and the lease through WESTNET;

Condition No. 17. Upon the effective date of this reorganization, the appropriation limit of San Bernardino County Fire Protection District, Valley Service Zone, Successor District, shall be increased by \$21,596,954 for Fiscal Year 2016-17 to recognize the anticipated first year proceeds of taxes for the provision of fire protection

RESOLUTION NO. 3211

and emergency medical response;

Condition No. 18. Upon the effective date of this reorganization, any funds currently deposited for the benefit of the City of San Bernardino Fire Department which have been impressed with a public trust, use or purpose shall be transferred to the Successor District, and said District shall separately maintain such funds in accordance with the provisions of Government Code Section 57462;

Condition No. 19. Upon the effective date of this reorganization, any funds currently deposited for the benefit of the City of San Bernardino Fire Department Community Facilities District 1033 which have been impressed with a public trust, use or purpose shall be transferred to the Successor District for its administration of Community Facilities District 1033, and said Successor District shall separately maintain such funds in accordance with the provisions of Government Code Section 57462;

Condition No. 20. As of the date of approval of the reorganization by LAFCO through the effective date pursuant to the provisions of Government Code 56885.5(a) (4), the City Council of the City of San Bernardino shall be prohibited from taking the following actions unless it first finds an emergency situation exists as defined in Government Code Section 54956.5, and it is supported by the San Bernardino County Fire Protection District::

- a) **No Increase in Compensation or Benefits:** No increase in calculation for payment of benefits or compensation for employees of the City of San Bernardino Fire Department shall be allowed. Exceptions to this prohibition include planned and budgeted increases identified in the adopted budget for Fiscal Year 2015-16.
- b) **Bound by Current Budget:** Appropriating, encumbering, expending, or otherwise obligating any revenue of the City Fire Department beyond that provided in the current budget at the time of Commission approval, but to include any budgetary adjustment due to the circumstances surrounding the December 2, 2015 terrorist attack, unless agreed to by the Successor District.

Condition No. 21. The City of San Bernardino and the San Bernardino County Fire Protection District, applicants for this change of organization, shall indemnify, defend and hold harmless the Commission from any legal expense, legal action, or judgment arising out of the Commission's approval of this proposal, including any reimbursement of legal fees and costs incurred by the Commission.

SECTION 2. DETERMINATIONS. The following determinations are noted in conformance with Commission policy and Government Code Section 56668:

1. The County Registrar of Voters Office has determined that the study area is legally inhabited with 67,883 registered voters as of October 8, 2015.

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2. The reorganization area is within the sphere of influence assigned the San Bernardino County Fire Protection District through approval of the companion proposal identified as LAFCO 3197.
3. The County Assessor's Office has determined that the total assessed valuation of land and improvements for the area is \$11,363,748,189 as of November 2, 2015. This figure is broken down as \$2,976,373,339 for land and \$8,387,374,850 for improvements.
4. Notice of this hearing was published as required by law in The Sun, a newspaper of general circulation in the area. As required by State law and Commission policy a 1/8th page legal ad was provided in compliance with the provisions of Government Code Section 56157. Individual notices were provided to affected and interested agencies, County departments and those individuals and agencies requesting special notice. Comments from registered voters and any affected local agency have been reviewed and considered by the Commission in making its determination.
5. In compliance with the requirements of Government Code Section 56125, individual notice was mailed to landowners within the reorganization area (totaling 42,783) in response to the annexation of the territory into SBCFPD Service Zone FP-5 (a special tax zone). Comments from landowners have been considered by the Commission in making its determination.
6. The Southern California Association of Governments (SCAG) has adopted a Regional Transportation Plan and Sustainable Community Strategy pursuant to the provisions of Government Code Section 65352.5. Approval of LAFCO 3198 has no direct impact on these determinations. The Sustainable Community Strategy includes as a determination the need to assure the ongoing availability of health and safety services which approval of LAFCO 3198 will support.
7. The Commission's Environmental Consultant, Tom Dodson of Tom Dodson and Associates, has indicated his recommendation that the review of this reorganization proposal is statutorily exempt from the California Environmental Quality Act (CEQA). This recommendation is based on the finding that that the proposal will not change the area in which the service is provided; therefore, no physical affect upon the environment can be seen. The Commission certifies it has reviewed and considered the environmental recommendation and finds that a General Rule Statutory Exemption as authorized under Section 15061(b) (3) of the State CEQA Guidelines is appropriate. The Commission directs the Executive Officer to file a Notice of Exemption within five (5) working days.
8. The study area is presently served by the following public agencies: County of San Bernardino, City of San Bernardino, East Valley Water District, San Bernardino Valley Municipal Water District, San Bernardino Valley Water Conservation District, Inland Empire Resource Conservation District, Riverside Corona Resource Conservation District, and West Valley Water District. The City of San Bernardino is affected through the transfer of its fire protection and emergency medical response obligation to County Fire as a function of the

RESOLUTION NO. 3211

reorganization. In addition, the change anticipates that the San Bernardino County Fire Protection District, its Valley Service Zone and its Service Zone FP-5 will be expanded to include the territory of the City of San Bernardino as a function of the reorganization. None of the other agencies are affected by this reorganization proposal as they are regional in nature.

9. Upon reorganization, the primary successor district, the Valley Service Zone of the SBCFPD, will extend the defined range of services to residents, landowners and government within the corporate limits of the City of San Bernardino. The Plan for Service, jointly submitted by the City of San Bernardino and SBCFPD, provide a general outline of the delivery of services mandated by Government Code Section 56653. This Plan and Fiscal Impact analysis indicates that the transfer of service to the Valley Service Zone and SBCFPD can, at a minimum, maintain the level of service delivery currently received by the area. The Plan for Service and Fiscal Impact Analysis has been reviewed and compared with the standards established by the Commission and the factors contained within Government Code Section 56668. The Commission finds that such Plan for Service and the supplemental data submitted conform to those adopted standards and requirements.
10. The proposal complies with Commission policies and reflects a mechanism to address the long-term sustainability of the delivery of fire suppression, prevention and emergency medical response to the citizens and community of the City of San Bernardino. The reorganization area can benefit from the assumption of fire protection and emergency medical response through the Valley Service Zone of the San Bernardino County Fire Protection District as evidenced by the Plan for Service.
11. This proposal will not affect the fair share allocation of the regional housing needs assigned to the City of San Bernardino through the Southern California Association of Government's (SCAG) Regional Housing Needs Allocation (RHNA) process.
12. With respect to environmental justice, the reorganization provides for the continuation of existing fire protection and emergency medical response within the area and will not result in the unfair treatment of any person based upon race, culture or income.
13. The County Board of Supervisors has completed the process for the determination of the transfer of ad valorem property tax revenues upon successful completion of this reorganization to the successor agency, SBCFPD and its Valley Service Zone. An amendment to Resolution No. 2015-232 will be processed to address the transfer of property tax revenues only for those areas outside the Inland Valley Development Agency (IVDA).

Based upon the need to maintain the pledge to the Revenue Bonds of IVDA and its Successor Oversight Agency, the revenues generated by the tax rates levied in the Tax Rate Areas within IVDA shall be retained by the City of San Bernardino until the bonds or bond-related obligations are paid in full or refunded

RESOLUTION NO. 3211

under the IVDA's Bond Indenture (Inland Valley Development Agency Tax Allocation Refunding Bonds, Series 2014A and Successor Agency to the Inland Valley Development Agency Tax Allocation Refunding Bonds, Series 2014B (IVDA Bonds) pursuant to an Indenture of Trust, dated as of May 1, 2014 (Bond Indenture)) or longer if required. This fulfills the requirements of Section 99 of the Revenue and Taxation Code.

14. The maps and legal descriptions prepared by the County Surveyor are in substantial compliance with LAFCO and State standards.

SECTION 3. Approval by the Local Agency Formation Commission indicates that completion of this proposal would accomplish the proposed change or organization in a reasonable manner with a maximum chance of success and a minimum disruption of service to the functions of other local agencies in the area.

SECTION 4. The Executive Officer is hereby authorized and directed to mail certified copies of this resolution in the manner provided by Section 56882 of the Government Code.

SECTION 5. The Commission hereby directs that following completion of the reconsideration period specified by Government Code Section 56895(b), the Executive Officer is hereby directed to initiate protest proceedings in compliance with this resolution and State law (Part 4, commencing with Government Code Section 57000), provide for a 45-day protest proceeding, set the matter for consideration of the protest proceedings, and provide notice of the hearing pursuant to Government Code Section 57025 and 57026.

SECTION 6. Upon conclusion of the protest proceedings, the Executive Officer shall adopt a resolution setting forth her determination on the levels of protest filed and not withdrawn and setting forth the action on the proposal considered.

SECTION 7. Upon adoption of the final resolution by the Executive Officer, either a Certificate of Completion or a Certificate of Termination, as required by Government Code Sections 57176 through 57203, and a Statement of Boundary Change, as required by Government Code Section 57204, shall be prepared and filed for the proposal.

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

AYES: COMMISSIONERS: Bagley, Cox, Curatalo, McCallon, Williams

NOES: COMMISSIONERS: None

ABSENT: COMMISSIONERS: Lovingood, Ramos

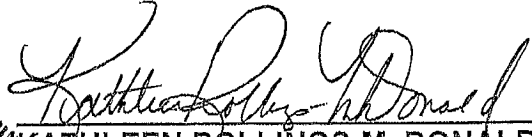
RESOLUTION NO. 3211

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

I, KATHLEEN ROLLINGS-McDONALD, Executive Officer of the Local Agency Formation Commission for San Bernardino County, 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 regular meeting of January 27, 2016.

DATED: January 28, 2016





KATHLEEN ROLLINGS-McDONALD
Executive Officer

**LAFCO Resolution No, 3216 for
LAFCO 3200 (Twentynine Palms)**

Attachment 4

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

215 North "D" Street, Suite 204, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 885-8170
E-mail: lafco@lafco.sbcounty.gov
www.sbclafco.org

PROPOSAL NO.: LAFCO 3200

HEARING DATE: FEBRUARY 17, 2016

RESOLUTION NO. 3216

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY MAKING DETERMINATIONS ON LAFCO 3200; APPROVING THE REORGANIZATION TO INCLUDE ANNEXATIONS TO THE SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT, ITS SOUTH DESERT SERVICE ZONE AND SERVICE ZONE FP-5 OF SAN BERNARDINO COUNTY FIRE PROTECTION DISTRICT AND DIVESTITURE OF THE FIRE FUNCTION FROM THE TWENTYNINE PALMS WATER DISTRICT (generally representing the boundaries of the Twentynine Palms Water District encompassing approximately 59,919 acres (93.6 square miles) for the annexation to County Fire and 63,899 acres (99.8 square miles) to Service Zone FP-5).

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

WHEREAS, an application for the proposed reorganization in the County of San Bernardino was filed with the Executive Officer of this Local Agency Formation Commission (hereinafter referred as the "Commission") in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.), and the Executive Officer has examined the application and executed her certificate in accordance with law, determining and certifying that the filings are sufficient; 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 upon the date and at the time and place specified in the notice of public hearing and in order or orders continuing the hearing; and,

WHEREAS, at this hearing, this Commission heard and received all oral and written protests; the Commission considered all plans and proposed changes of organization, objections and evidence which were made, presented, or filed; it received evidence as to whether the territory is inhabited or uninhabited, improved or unimproved; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the application in evidence presented at the hearing; and,

RESOLUTION NO. 3216

WHEREAS, the Commission determines to modify the proposal to expand the annexation to Service Zone FP-5 to include the area generally described as the peninsula of land between Morongo Road and the City of Twentynine Palms, south of the Marine Corps Air Ground Combat Center currently within the San Bernardino County Fire Protection District South Desert Service Zone but without a source of funding for fire protection and emergency medical response; and,

NOW, THEREFORE, BE IT RESOLVED, that the Commission does hereby determine, resolve, order and find as follows:

DETERMINATIONS:

SECTION 1. The proposal is approved subject to the terms and conditions hereinafter specified:

CONDITIONS:

Condition No. 1. The boundaries of this change of organization are approved as set forth in Exhibits "A", "A-1", "B", and "B-1" attached to this resolution;

Condition No. 2. The following distinctive short form designation shall be used through this proceeding: LAFCO 3200;

Condition No. 3. The effective date of this reorganization shall be no earlier than July 1, 2016 subject to completion of terms and conditions outlined in this resolution for approval as authorized by Government Code Sections 56886(p) and 57202;

Condition No. 4. Upon the effective date of the reorganization, the San Bernardino County Fire Protection District (hereafter "County Fire" or "SBCFPD") South Desert Service Zone, as the Successor District to the fire and emergency medical response obligations of the Twentynine Palms Water District through divestiture of its fire function, shall succeed and/or be assigned all rights, duties, responsibilities, properties (both real and personal except as further described in conditions below), contracts, equipment, assets, liabilities (excluding California Public Employees Retirement Fund as detailed in Condition 6 below), obligations, functions, executory provisions, entitlements, permits and approvals of the Twentynine Palms Fire Department (a division of the Water District hereafter identified as "29 Palms Fire"). All outstanding special parcel tax revenues attributable to the Twentynine Palms Water District Ordinance #89 for fire protection and emergency medical response including delinquent taxes and any and all other collections or assets of 29 Palms Fire, shall accrue and be transferred to the Successor District pursuant to 56886(i). Said Successor District shall be subject to the terms and conditions contained herein;

Condition No. 5. Upon the effective date of the reorganization including annexation and divestiture, pursuant to the terms specified in the Plan for Service, attached as Exhibit "C" and the updated Employee/Property Transition Plan, attached as Exhibit "D", all current 29 Palms Fire employees (excluding the Fire Chief) shall transfer to the San Bernardino County Fire Protection District South Desert Service Zone with

RESOLUTION NO. 3216

comparable position classifications, rates of pay, accrued vacation and sick leave, vacation and sick leave accrual rates, seniority rights. Said employees shall become subject to the terms and conditions set forth in said Plan for Service. All transferred employees shall be subject to the terms and conditions of the respective San Bernardino County Fire Protection District Memorandum of Understanding in place as of the effective date of the reorganization including annexation for their successor classification;

Condition No. 6 Upon the effective date of the reorganization including annexation and divestiture, the Twentynine Palms Water District shall retain the obligations for PERS unfunded retirement obligations attributed to the safety portion of the District's CalPERS plan, or other contractual obligations related to retirement approved by the District for all suppression and prevention District employees transitioning to County Fire. Prior to issuance of the Certificate of Completion a copy of the signed contractual agreement between the Twentynine Palms Water District and the City of Twentynine Palms shall be provided to the Local Agency Formation Commission. Such agreement shall address the full satisfaction of such unfunded liability, both during inactive status and upon termination of the safety portion of the District's CalPERS plan, minus a lump sum payment of the estimated ongoing unfunded liability as of June 30, 2016 by the District out of the Fire Department fund balance made prior to the effective date of the reorganization. The remaining unfunded liability, both during inactive status and upon termination of the safety portion of the District's CalPERS plan, shall be paid first from assets deposited in an irrevocable trust dedicated exclusively to the payment of such unfunded liability and consisting of, but not limited to:

- (i) Fire Department fund balance at June 30, 2016 less amounts for payment of severance, compensated sick leave transfer to County Fire, payment of vacation buyouts and annexation costs specified in the contractual agreement;
- (ii) Receipts for the sale of the Fire Station to the City of Twentynine Palms; and
- (iii) The payment of additional annual revenues as specified in the contractual agreement.

Any remaining unfunded liability not covered from assets in the irrevocable trust shall be provided for in full pursuant the terms of the contractual agreement;

Condition No. 7. Prior to the issuance of the Certificate of Completion, the Twentynine Palms Water District shall provide to the Executive Officer of LAFCO documentation that it has obtained a Workers' Compensation tailing insurance policy covering all worker compensation claims of all Twentynine Palms Water District fire suppression personnel transitioning to County Fire;

Condition No. 8. Upon the effective date of the reorganization including annexation and divestiture, the Successor District shall accept all facilities transferred from the Twentynine Palms Water District in "as is" condition [pursuant to Government Code Section 56886(h)]. All assets including, but not limited to, equipment (vehicles, apparatus, supplies, etc.) rolling stock, tools, office furniture, fixtures and equipment, lands, buildings, real and personal property and appurtenances held by the Twentynine Palms Water District, except for Fire Station #421 to be transferred to the City of Twentynine Palms, for the purpose of providing fire protection and emergency medical response, shall be transferred to the Successor District, the South Desert Service Zone of SBCFPD. All quitclaim deeds to effectuate the transfer of land and/or buildings and the

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title transfer documents for vehicles shall be prepared by the Twentynine Palms Water District to be filed upon the effective date of the change with copies provided to LAFCO;

Condition No. 9. Upon the effective date of the reorganization to include annexation and divestiture, Ordinance #89 for collections of a special tax upon the real property within the boundaries of the Twentynine Palms Water District for Fiscal Year 2016-17 and beyond shall be void;

Condition No. 10. Pursuant to the provisions of Government Code Section 56886(e) the SBCFPD Board of Directors shall be required to create a new sub-service zone under FP-5 to isolate the special tax revenue contributed by the territory within the Twentynine Palms community proposed for annexation into Service Zone FP-5 by LAFCO 3200. After conclusion of the protest hearing pursuant to Government Code Section 57000 et seq., but prior to the issuance of the Certificate of Completion, as authorized by Government Code Section 56886(o), the Board of Directors of the SBCFPD shall provide the LAFCO Executive Officer with documentation identifying how the provisions contained in Health and Safety Code Section 13950 to form the new Service Zone of FP-5 will be implemented by County Fire. All actions required by the SBCFPD to implement the special tax shall be completed prior to the August 8, 2016 due date for placement of the special tax on the tax rolls by the San Bernardino County Treasurer/Tax Collector;

Condition No. 11. Prior to the issuance of the Certificate of Completion for the reorganization to include annexation and divestiture, pursuant to the provisions outlined in Government Code Section 56886 (i), (o) and (s), the Commission requires that the successor district, the South Desert Service Zone of SBCFPD and the City of Twentynine Palms finalize a lease agreement for the continuing use of Fire Station #421. The lease payments are identified by the affected parties to provide for payment of the following:

- (1) Repayment of improvements at the station funded by the City of Twentynine Palms with a seven year payment schedule for a total of approximately \$210,000; and
- (2) Transfer of 50% of the proceeds of prior Twentynine Palms Water District Ordinance #89 special fire taxes and fines, forfeitures and penalties attributable to the operations of the Twentynine Palms Water District to be placed in the Irrevocable Trust for Unfunded Retirement payments annually outlined in Condition 6 above. These payments are scheduled to begin in Fiscal Year 2018-19;

Condition No. 12. The Successor District, South Desert Service Zone, shall also assume all joint use, maintenance, automatic aid or mutual aid agreements held by the Twentynine Palms Water District Fire Department [Government Code Section 56886(r)]. Amendments of existing agreements required for successful transfer shall be completed and submitted to the Local Agency Formation Commission prior to the issuance of the Certificate of Completion to address any changes [Government Code Section 56886(r)(v)];

Condition No. 13. Upon the effective date of this reorganization, any funds currently deposited for the benefit of the Twentynine Palms Water District fire operations which have been impressed with a public trust, use or purpose, shall be transferred to the Successor District and said District shall separately maintain such funds in accordance with the provisions of Government Code Section 57462;

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Condition No. 14. Upon the effective date of this reorganization, any funds currently deposited with the 29 Palms Fire for the benefit of its Explorer program shall be transferred to the successor district and said district shall maintain those funds impressed with a public trust, use or purposes separately in accordance with the provisions of Government Code Section 57462;

Condition No. 15. As of the date of approval of the reorganization by LAFCO through the effective date pursuant to the provisions of Government Code 56885.5(a) (4), the Board of Directors of the Twentynine Palms Water District shall be prohibited from taking the following actions unless it first finds an emergency situation exists as defined in Government Code Section 54956.5, and such action is supported by the San Bernardino County Fire Protection District:

a) **No Increase in Compensation or Benefits:** No increase in calculation for payment of benefits or compensation for employees of the Twentynine Palms Water District Fire Department shall be allowed. Exceptions to this prohibition include planned and budgeted increases identified in the adopted budget for Fiscal Year 2015-16.

b) **Bound by Current Budget:** No appropriating, encumbering, expending, or otherwise obligating any revenue of the Twentynine Palms Water District Fire Department beyond that provided in the current budget at the time of Commission approval, unless agreed to by the Successor District, shall be allowed.

Condition No.16. The Twentynine Palms Water District and the San Bernardino County Fire Protection District, applicants for this change of organization, shall indemnify, defend and hold harmless the Commission from any legal expense, legal action, or judgment arising out of the Commission's approval of this proposal, including any reimbursement of legal fees and costs incurred by the Commission;

SECTION 2. DETERMINATIONS. The following determinations are noted in conformance with Commission policy and Government Code Section 56668:

1. The County Registrar of Voters Office has determined that the study area is legally inhabited with 4,668 registered voters as of October 15, 2015.
2. The reorganization area is within the sphere of influence assigned the San Bernardino County Fire Protection District through approval of the companion proposal identified as LAFCO 3199.
3. The County Assessor's Office has determined that the total assessed valuation of land and improvements for the area is \$901,124,079 as of November 10, 2015. This figure is broken down as \$232,028,198 for land and \$669,095,881 for improvements.
4. Notice of this hearing was published as required by law in *The Sun* and *The Desert Trail*, newspapers of general circulation in the area. As required by State law and Commission policy a 1/8th page legal ad was provided in compliance

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with the provisions of Government Code Section 56157. Individual notices were provided to all affected and interested agencies, County departments and those individuals and agencies requesting special notice. Comments from registered voters and any affected local agency have been reviewed and considered by the Commission in making its determination.

5. In compliance with the requirements of Government Code Section 56125, individual notice was mailed to landowners within the reorganization area for Service Zone FP-5 as amended (totaling 12,011) due to the special tax being extended. Comments from landowners have been considered by the Commission in making its determination.
6. The proposed reorganization does not conflict with the established City's General Plan. The proposed reorganization has no direct impact on such land use designations.
7. The Southern California Association of Governments (SCAG) has adopted a Regional Transportation Plan and Sustainable Community Strategy pursuant to the provisions of Government Code Section 65352.5. Approval of LAFCO 3200 has no direct impact on these determinations. The Sustainable Community Strategy includes as a determination the need to assure the ongoing availability of health and safety services which approval of LAFCO 3200 will support.
8. The Commission's Environmental Consultant, Tom Dodson of Tom Dodson and Associates, has indicated his recommendation that the review of this reorganization proposal is statutorily exempt from the California Environmental Quality Act (CEQA). This recommendation is based on the finding that the proposal will not change the area in which the service is provided; therefore, no physical affect upon the environment can be foreseen. The Commission certifies it has reviewed and considered the environmental recommendation and finds that a General Rule Statutory Exemption as authorized under Section 15061(b) (3) of the State CEQA Guidelines is appropriate. The Commission directs the Executive Officer to file a Notice of Exemption within five (5) working days.
9. The study area is presently served by the following public agencies: County of San Bernardino, City of Twentynine Palms (portion of the area), Twentynine Palms Water District, Twentynine Palms Cemetery District, Mojave Desert Resource Conservation District, Morongo Basin Healthcare District (formerly Hi-Desert Memorial Healthcare), County Service Area 70 and its Zones TV-04 and TV-05 (portion of the area). The Twentynine Palms Water District is affected through the divestiture and transfer of its fire protection and emergency medical response obligation to County Fire as a function of the reorganization. In addition, the change anticipates that the San Bernardino County Fire Protection District, its South Desert Service Zone and its Service Zone FP-5 will be expanded to include the territory of the Twentynine Palms Water District and the "peninsula area" as a function of the reorganization. None of the other agencies are affected jurisdictionally by this reorganization proposal as they are regional in nature.

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10. Upon reorganization, the primary successor district, the South Desert Service Zone of County Fire, will extend the defined range of services to residents, landowners and governments within the boundaries of the jurisdictional change. The Plan for the Extension of Service, jointly submitted by the Water District and County Fire, provides a general outline of the delivery of services mandated by Government Code Section 56653. This Plan and the Fiscal Impact Analysis indicates that the transfer of service to the South Desert Service and County Fire, can, at a minimum, maintain the level of service delivery currently received by the area. The Plan for Service including Employee/Property Transition Plan and Fiscal Impact analysis have been reviewed and compared with the standards established by the Commission and the factors contained within Government Code Section 56668. The Commission finds that such Plan and Fiscal Impact Analysis conforms to those adopted standards and requirements.
11. The proposal complies with Commission policies and reflects a mechanism to address the long-term sustainability of the delivery of fire suppression, prevention and emergency medical response to the citizens and community of Twentynine Palms. The reorganization area can benefit from the assumption of fire protection and emergency medical response by the South Desert Service Zone of the San Bernardino County Fire Protection District as evidenced by the Plan for Service.
12. This proposal will not affect the fair share allocation of the regional housing needs assigned to the City of Twentynine Palms through the Southern California Association of Government's (SCAG) Regional Housing Needs Allocation (RHNA) process.
13. With respect to environmental justice, the reorganization provides for the continuation of existing fire protection, and emergency medical response services within the area and will not result in the unfair treatment of any person based upon race, culture or income.
14. The County Board of Supervisors has successfully completed the process for the determination of a transfer of ad valorem property tax revenues upon successful completion of this reorganization to the successor agencies, SBCFPD and its South Desert Service Zone noting there will be no exchange of property tax, general levy or tax increment, as the Twentynine Palms Water District receives no share currently. This fulfills the requirements of Section 99 of the Revenue and Taxation Code.
15. The maps and legal descriptions prepared by the County Surveyor are in substantial compliance with LAFCO and State standards.

SECTION 3. Approval by the Local Agency Formation Commission indicates that completion of this proposal would accomplish the proposed change or organization in a reasonable manner with a maximum chance of success and a minimum disruption of service to the functions of other local agencies in the area.

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SECTION 4. The Executive Officer is hereby authorized and directed to mail certified copies of this resolution in the manner provided by Section 56882 of the Government Code.

SECTION 5. The Commission hereby directs that following completion of the reconsideration period specified by Government Code Section 56895(b), the Executive Officer is hereby directed to initiate protest proceedings in compliance with this resolution and State law (Part 4, commencing with Government Code Section 57000), provide for a 30-day protest proceeding, set the matter for consideration of the protest proceedings, and provide notice of the hearing pursuant to Government Code Section 57025 and 57026.

SECTION 6. Upon conclusion of the protest proceedings, the Executive Officer shall adopt a resolution setting forth her determination on the levels of protest filed and not withdrawn and setting forth the action on the proposal considered.

SECTION 7. Upon adoption of the final resolution by the Executive Officer, either a Certificate of Completion or a Certificate of Termination, as required by Government Code Sections 57176 through 57203, and a Statement of Boundary Change, as required by Government Code Section 57204, shall be prepared and filed for the proposal.

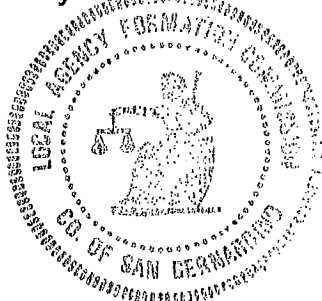
THIS ACTION APPROVED AND ADOPTED by the Local Agency Formation Commission for San Bernardino County by the following vote:


AYES:	COMMISSIONERS:	Bagley, Cox, Curatalo, Warren, Williams
NOES:	COMMISSIONERS:	None
ABSENT:	COMMISSIONERS:	Lovingood, McCallon (Ms. Warren voting in his stead), Ramos

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

I, KATHLEEN ROLLINGS-McDONALD, Executive Officer of the Local Agency Formation Commission for San Bernardino County, 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 regular meeting of February 17, 2016.

DATED: February 17, 2016




KATHLEEN ROLLINGS-McDONALD
Executive Officer