



**PLAN FOR SERVICE AND FISCAL ANALYSIS
CANYON RANCH ANNEXATION AREA
LOMA LINDA, CA**

Prepared for:
Lilburn Corporation

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SUBMITTED BY:



T H E N A T E L S O N D A L E G R O U P , I N C .
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Executive Summary

This report presents the plan for service and fiscal impact analysis for the Canyon Ranch Annexation Area (Project) proposed for annexation into the City of Loma Linda. In keeping with the LAFCO guidelines for reports of this type, the cost and revenue categories included reflect those associated with municipal revenues and functions that would be absorbed by the City upon annexation of the Project. For the City’s budget, this includes the categories listed below.

General Fund, Annual Recurring Revenues

- Property Taxes
- VLF-Property Tax in Lieu
- Property Transfer Tax
- Off-Site Retail Sales and Use Tax
- Proposition 172 Half Cent Sales Tax
- Franchise Fees
- Charges for Services
- Fines and Forfeiture
- Transfers In: State Gas Tax
- Transfers In: From Other City Funds

General Fund, Annual Recurring Costs

- General Government
- Police Protection
- Senior Center
- Community Development
- Public Works: Street Maintenance
- Public Works: Parks Maintenance
- Public Works: Other Costs

A summation of the annexation area’s projected annual recurring revenues and costs, for the categories listed above, is shown on Table E-2. The table shows an annual recurring surplus of \$220,167.

TABLE E-1. SUMMARY OF ANNUAL FISCAL IMPACTS AT BUILDOUT

Annual, at Buildout	
Total Recurring Revenues	\$389,632
Total Recurring Costs	\$169,465
Annual Recurring Surplus/Deficit	\$220,167

Source: Table 5-2

Chapter 1: Introduction

This report presents the plan for service and fiscal analysis of the proposed annexation of the Canyon Ranch Annexation Area (Project) into the City of Loma Linda. The annexation area of approximately 141 acres is currently located in the County of San Bernardino unincorporated area, adjacent to the city of Loma Linda boundary and within the city's sphere of influence. Existing uses in the annexation area include an existing religious institution (along with another planned religious institution on an existing vacant parcel), a restaurant/bar, and single-family residences (see Figure 1). The Project developer (Developer) intends to construct 126 single-family homes in two subdivisions in the annexation area, Tentative Tract Maps (TTMs) 20403 and 20404.

Purpose of the study

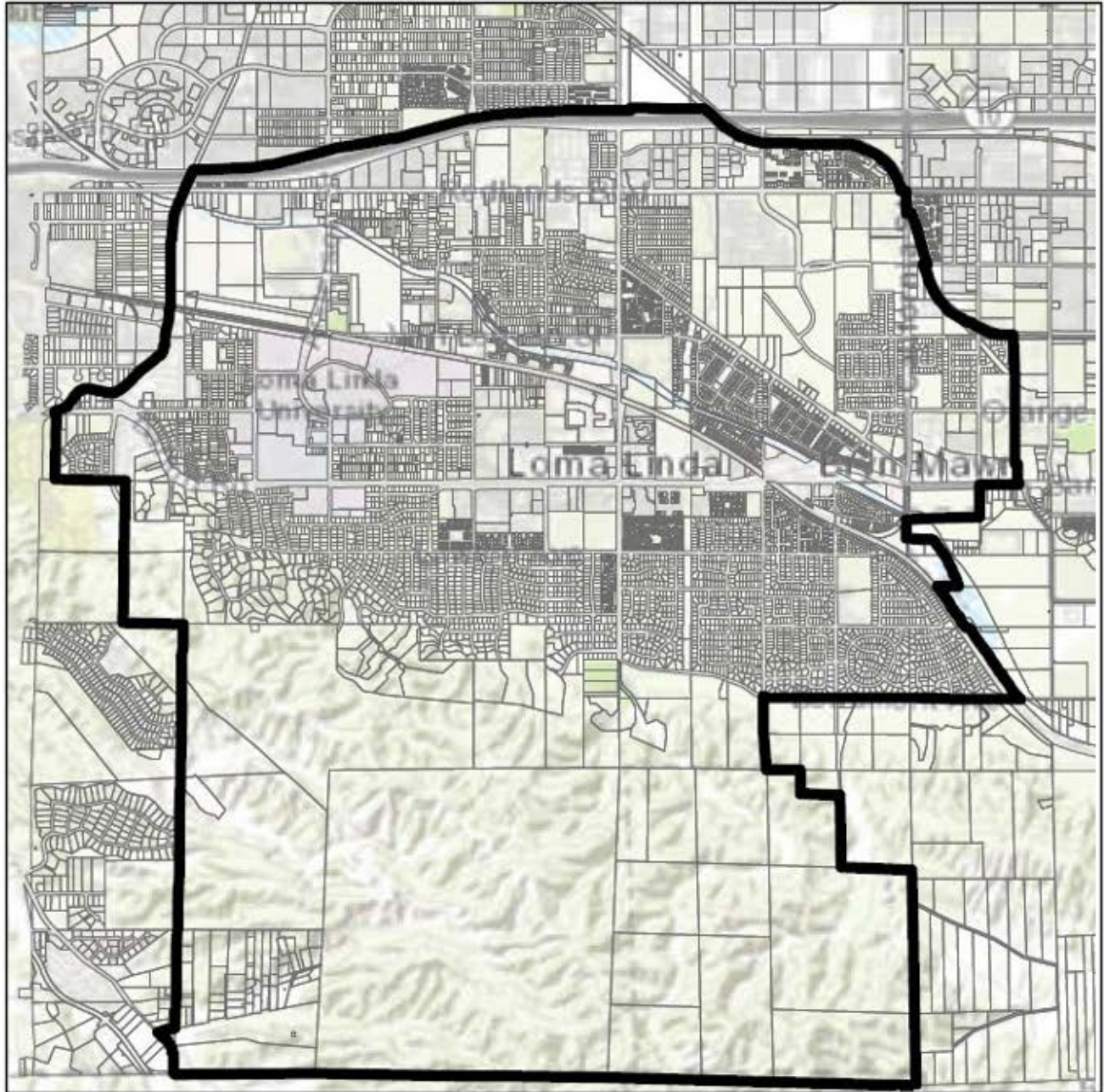
The Local Agency Formation Commission (LAFCO) for San Bernardino County requires that a Plan For Service and Fiscal Impact Analysis (Analysis) be prepared when a jurisdiction is affected by a proposed change such as the annexation proposed for this Project. According to the San Bernardino *LAFCO Policy and Procedure Manual*, the Analysis needs to address:

- A. A description of the level and range of each service to be provided to the affected territory.
- B. An indication of when the service can be feasibly 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.
- E. 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 [does not apply to this analysis].

In keeping with the LAFCO guidelines, the cost and revenue categories included in this report reflect costs and revenues associated with municipal functions that would be absorbed by the City upon annexation of the Project. Within the City's budget, this includes amounts for a broad range of General Fund-related activities. The intent is to align cost categories with corresponding revenue sources, tabulating the effects on each due to the annexation. Additional discussion pertaining to the conceptual basis for the figures used in the analysis is provided in table footnotes.

Figures 1-1 and 1-2 below show Loma Linda and the annexation area, respectively.

FIGURE 1-1. REGIONAL LOCATION – CITY OF LOMA LINDA BOUNDARIES



Source: City of Loma Linda, GIS Dept.

FIGURE 1-2. ANNEXATION AREA



Source: Lilburn Corporation

----- Proposed Annexation to the City of Loma Linda

Organization of the Report

Chapter 2 includes a description of the Project's planned improvements and information pertaining to property taxes and off-site sales and use taxes associated with the Project. Chapter 3 addresses conditions pertaining to public facilities/services before and after the proposed annexation. Chapter 5 summarizes the fiscal impacts related to the proposed annexation area. Chapter 6 presents the one-time fees and charges paid to the City by the Project. Supporting fiscal documentation is shown in Appendix A.

Chapter 2: Project Description

Components of Annexation Area

The overall annexation area includes two subdivisions with residential development summarized in Table 2-1A below. In addition, the area includes additional parcels with agricultural uses, some residences, restaurant/bar, and a religious institution. It is assumed that these uses will be annexed in as part of the overall project area, and that no other future development will occur in the five-year period evaluated in this analysis.

Planned Improvements (New Development Area)

The Developer plans to construct 126 single family homes on two separate sites totaling approximately 68 acres. The two sites include two TTMs: TTM 20403 (11 acres) and TTM 20404 (57 acres). (See Table 2-1. For purposes of this study, the site and homes are expected to be developed over an approximately 5-year period. At the City's average household size of 2.59 persons per unit, 326 residents will be accommodated at the Project. See Table 2-1a.

TABLE 2-1A. PROJECT RESIDENTIAL UNITS
CANYON RANCH ANNEXATION AREA ANNEXATION

	Year 1	Year 2	Year 3	Year 4	Year 5
New Residential Units - Project Site ¹					
TTM 20403	8	8	7	7	7
TTM 20404	18	18	18	18	17
Project Site Total New Units	26	26	25	25	24
Cumulative new units	26	52	77	102	126
Average persons per unit =	2.59				
New Population - Project Site ²	67	67	65	65	62
Cumulative Total Population	67	134	199	264	326
Notes:					
1. Project site residential product information provided by Developer.					
2. Total population is projected at the Citywide average of 2.59 persons per unit, and rounded to the nearest whole number.					
TTM = Tentative Tract Map					
Sources: The Natelson Dale Group, Inc.; Developer					

Currently, information on new street infrastructure or improvements is not available from the applicant. As a preliminary analysis, new maintenance costs related to street improvements and other City of Loma Linda Public Works activities are calculated as shown in Chapter 4, Table 4-3.

TNDG assumes that costs and revenues (derived from user fees) associated with water and wastewater infrastructure developed at the Project, and for recycling and refuse collection, will be essentially equal (which charges set on a breakeven/cost recovery basis) and are therefore not quantified in this report.

Existing Land Uses in other Portion of Annexation Area

Population and employee assumptions related to existing development are summarized in Table 2-1b below.

TABLE 2-1B. EXISTING POPULATION AND EMPLOYEE ESTIMATES
CANYON RANCH ANNEXATION AREA ANNEXATION

Variable	Amount
<u>Residents</u>	
Estimated Existing Single Family Dwelling Units ¹	10
Average persons per unit =	2.59
Estimated Existing Population	26
<u>Employees</u>	
Approx. Sq. Ft. of Existing Food Service & Drinking Place	6,000
Square Feet / Employee	300
Estimated Existing Employees	20

Notes:

1. Based on parcels with SFR (Single Family Residential) use code and associated structures.

Sources: The Natelson Dale Group, Inc.; San Bernardino County Assessor-Recorder-Clerk.

Assessed Valuation and Property Tax

Table 2-2 shows the projected assessed valuation of the Project, and various property tax implications. The assessed valuation is based on estimated sales prices of new homes, which will, together with related improvements, constitute the total use of the site when development is complete. In addition, the table includes existing valuation (excluding exempt properties) from other properties in the annexation area.

TABLE 2-2. PROJECTED ASSESSED VALUATION AND PROPERTY TAX
(IN CONSTANT 2021 DOLLARS EXCEPT AS NOTED)
CANYON RANCH ANNEXATION AREA ANNEXATION

Use Category		Year 1	Year 2	Year 3	Year 4	Year 5
Project Site New Residential Units						
Plan 1		8	8	7	7	7
Plan 2		18	18	18	18	17
Annual New Units		26	26	25	25	24
Cumulative new units		26	52	77	102	126
Assessed Valuation						
Current Valuation, Project Site ¹		\$1,441,545	\$1,441,545	\$1,441,545	\$1,441,545	\$1,441,545
New Valuation (Project Site)	Unit Prices ²					
Plan 1	\$835,000	\$6,680,000	\$6,680,000	\$5,845,000	\$5,845,000	\$5,845,000
Plan 2	\$942,000	\$16,956,000	\$16,956,000	\$16,956,000	\$16,956,000	\$16,014,000
Total Incremental New Valuation - Project Site		\$23,636,000	\$23,636,000	\$22,801,000	\$22,801,000	\$21,859,000
Cumulative Total New Valuation		\$23,636,000	\$47,272,000	\$70,073,000	\$92,874,000	\$114,733,000
Total Increased Valuation from Project		\$22,194,455	\$45,830,455	\$68,631,455	\$91,432,455	\$113,291,455
Other Existing Valuation - Annexation Area		\$3,274,352	\$3,274,352	\$3,274,352	\$3,274,352	\$3,274,352
Projected Property Tax						
Annual 1 Percent Property Tax Levy		\$269,104	\$269,104	\$260,754	\$260,754	\$251,334
Cumulative 1 Percent Tax Levy		\$269,104	\$505,464	\$733,474	\$961,484	\$1,180,074
Annual General Fund Property Tax, at City's share of 1 Percent Levy, according to LAFCo, of 13.58%		\$36,544	\$68,642	\$99,606	\$130,569	\$160,254
Projected VLF-Property Tax In Lieu						
Total Valuation for Purposes of VLF-Property Tax In Lieu ³		\$26,910,352	\$50,546,352	\$73,347,352	\$96,148,352	\$118,007,352
Total Annual VLF-Property Tax In Lieu ⁴		\$27,825	\$52,264	\$75,840	\$99,416	\$122,018

Notes:

1. Current valuation is based on the 2021 tax roll, shown in Table 2-4.
2. Average home prices based on comparable sales data provided by the applicant.
3. Valuation of new development and other existing properties in annexation area.
4. \$1,054 per \$1,000,000 of Assessed Valuation.

Sources: The Natelson Dale Group, Inc.; Developer; San Bernardino County Assessor, Property Information Management System (PIMS), Year 2021 TaxRoll

The City of Loma Linda and San Bernardino County do not currently have master property tax sharing agreement. On a preliminary basis, this fiscal impact analysis assumes the City would receive 13.58% of the basic one percent property tax levy on assessed valuation. This factor is based on the previous tax sharing agreement between the City and County for the Orchard Heights Development Annexation¹.

Table 2-4 shows the assessed valuation of the annexation area as it currently exists (as of Fiscal Year 2021 Tax Roll).

TABLE 2-4. ESTIMATED EXISTING ASSESSED VALUATION
CANYON RANCH ANNEXATION AREA ANNEXATION

Parcel Information Category	Values			
	TTM 20403	TTM 20404	Other Area	Total Annexation Area
2021 Assessed Valuation:				Total
Land	\$246,970	\$1,156,015	\$3,479,668	\$1,734,000
Improvement	4,933	33,627	10,950,237	\$86,700
Exemptions ¹	0	0	11,155,553	
Net Value	\$251,903	\$1,189,642	\$3,274,352	\$1,820,700
Approximate Acreage	11	57	73	141

Notes:

1. Analysis assumes religious-based institutions are exempt from general property tax assessments.

Sources: The Natelson Dale Group, Inc.; Liburn Corporation; San Bernardino County Assessor, Property Information Management System (PIMS), Year 2021 Tax Roll. Appendix A, Table A-4.

¹ Stanley R. Hoffman Associates, Inc. Orchard Heights Development Annexation: Plan for Service and Fiscal Impact Analysis, City of Loma Linda, December 9 ,2016.

Off-Site and Existing Sales and Use Tax

Table 2-5 summarizes the derivation of an estimate of the off-site sales and use taxes generated by Project residents that would accrue to the City of Loma Linda.

TABLE 2-5. ESTIMATED OFF-SITE SALES AND USE TAX (IN CONSTANT 2022 DOLLARS)
CANYON RANCH ANNEXATION AREA ANNEXATION

Variable	Year 1	Year 2	Year 3	Year 4	Year 5
New Residential Valuation	\$23,636,000	\$47,272,000	\$70,073,000	\$92,874,000	\$114,733,000
Household Income, at: 25% of house valuation ¹	\$5,909,000	\$11,818,000	\$17,518,250	\$23,218,500	\$28,683,250
Retail Taxable Sales, at: 32% of household income	\$1,890,880	\$3,781,760	\$5,605,840	\$7,429,920	\$9,178,640
Projected Off-Site Retail Taxable Sales	\$1,890,880	\$3,781,760	\$5,605,840	\$7,429,920	\$9,178,640
Portion captured within City of Loma Linda (50%)	\$945,440	\$1,890,880	\$2,802,920	\$3,714,960	\$4,589,320
Projected Sales and Use Tax to Loma Linda					
Sales Tax, at: 1% of taxable sales	\$9,454	\$18,909	\$28,029	\$37,150	\$45,893
Use Tax, at: 14.0% of sales tax ²	\$1,320	\$2,640	\$3,914	\$5,188	\$6,409
Total Projected Sales and Use Tax	\$10,775	\$21,549	\$31,943	\$42,337	\$52,302

Notes:

1. Average household income is estimated at 25 percent of average housing value, based on commonly accepted industry standards.

2. Source is HdL Companies, Sales Tax Allocation Totals - Calendar Year Comparison (2019).

Source: The Natelson Dale Group, Inc.; Developer.

Table 2-6 summarizes derivation of an estimate of the existing sales and use taxes generated by the existing Food Service and Drinking Place establishment operating in the existing annexation area. The existing sales and use tax revenue that would accrue to the City of Loma Linda after annexation.

TABLE 2-5. ESTIMATED EXISTING SALES AND USE TAX (IN CONSTANT 2022 DOLLARS)
CANYON RANCH ANNEXATION AREA ANNEXATION

Category	Amount
Existing Food Services and Drinking Place¹	
Taxable Sales per Establishment - San Bernardino County ²	\$840,000
Number of businesses in Annexation Area	1
Projected Taxable Sales	\$840,000
Projected Sales and Use Tax to Loma Linda	
Sales Tax, at: 1% of taxable sales	\$8,400
Use Tax, at: 14.0% of sales tax ³	\$1,173
Total Projected Sales and Use Tax	\$9,573

Notes:

1. Existing Food Service and Drinking place is included in the annexation area. APNs: 0293-081-05, -06, -07

2. Total taxable sales divided by number of establishments in the Food Services and Drinking Places category in San Bernardino County.

3. Source is HdL Companies, Sales Tax Allocation Totals - Calendar Year Comparison (2019).

Source: The Natelson Dale Group, Inc.; California Department of Tax and Fee Administration (CDTFA)

Chapter 3: Public Facilities/Services Before and After Annexation

This chapter describes the existing and anticipated future service providers for the proposed Canyon Ranch Annexation Area. The following service categories are addressed:

- General Government
- Community Development
- Fire and Paramedic
- Police Protection
- Library
- Parks and Recreation
- Animal Control
- Street Lighting and Traffic Signals
- Landscape Maintenance
- Water
- Sewer
- Transportation
- Flood Control and Drainage
- Utilities
- Schools
- Solid Waste Management
- Health and Welfare

As presented in Table 3-1, San Bernardino County and local special districts provide many services to the annexation area, located in Loma Linda's Sphere of Influence (SOI), including general government, fire and paramedic, sheriff services, library, animal control, street lighting, road maintenance, flood control, solid waste management and health and welfare. Also, the Redlands Unified School District (RUSD) provides educational services and a number of private utilities serve the annexation area.

After annexation, it is anticipated that the City of Loma Linda will provide services including general government, community development, fire and paramedic, public safety under contract with the County Sheriff, library under contract with the County Library System, local parks and recreation, street lighting and traffic signals, landscape maintenance, water, sewer, transportation, and utilities.

**TABLE 3-1. CURRENT AND ANTICIPATED PROJECT SERVICE PROVIDERS
CANYON RANCH ANNEXATION AREA, CITY OF LOMA LINDA**

Service	Current Service Provider	Anticipated Service Provider
General Government Services:		
Finance Division	San Bernardino County	City of Loma Linda
Human Resources Division	San Bernardino County	City of Loma Linda
Business Registration	San Bernardino County	City of Loma Linda
Economic Development	San Bernardino County	City of Loma Linda
Community Development:		
Planning	San Bernardino County	City of Loma Linda
Building & safety	San Bernardino County	City of Loma Linda
Code compliance	San Bernardino County	City of Loma Linda
Fire and Paramedic	City of Loma Linda (contract with County)	City of Loma Linda
Sheriff/Police	San Bernardino County Sheriff	City of Loma Linda
Library	San Bernardino County Library	City contract with San Bernardino County Library
Parks and Recreation:		
Local facilities	City of Loma Linda	City of Loma Linda
Regional facilities	San Bernardino County	San Bernardino County
Animal Control	San Bernardino County Contract Animal Care & Control	City of Loma Linda Contract with City of Redlands (shelter)
Street Lighting and Traffic Signals	Southern California Edison and/or San Bernardino County	City of Loma Linda – Street Light Benefit Assessment District No. 1
Landscape Maintenance	N/A	City of Loma Linda – Landscape Maint. Dist. No. 1
Water:		
Domestic water	City of Loma Linda	City of Loma Linda
Recycled water	City of Loma Linda	City of Loma Linda
Irrigation water	Bear Valley Municipal Water Company	N/A
Water quality	City of Loma Linda	City of Loma Linda
Sewer	Septic service	City of Loma Linda
Transportation:		
Freeways and interchanges	Cal Trans	Cal Trans
Arterials and collectors	San Bernardino County Public Works	City of Loma Linda
Local roads	San Bernardino County Public Works	City of Loma Linda
Transit	Omnitrans	Omnitrans
Flood Control and Drainage:		
Local facilities	San Bernardino County Flood Control District	County Flood Control District
Regional facilities	San Bernardino County Flood Control District	County Flood Control District
Utilities:		
Cable/internet/telephone	Spectrum	Spectrum
Power	Southern California Edison	Southern California Edison
Natural gas	Southern California Gas Company	Southern California Gas Co.
Schools	(K-12) Redlands Unified School District	(K-12) Redlands Unified School District
Solid Waste Management	San Bernardino County Contract with Republic Services	Loma Linda Contract with CR&R Environmental Services
Health and Welfare	San Bernardino County Department of Public Health	San Bernardino County Department of Public Health

Sources: The Natelson Dale Group, Inc.; Various Websites

Chapter 4: City of Loma Linda Fiscal Analysis Assumptions

The general approach to conducting the fiscal impact assessment includes the following steps:

1. Establishing baseline population, employment, and similar conditions that apply to the annexing city, including a determination of appropriate city “service populations,” in this case a combination of residents and workers.
2. Compiling data on costs and revenues for relevant categories of city services from budget documents.
3. Determining and applying methods for projecting these costs and revenues within a process appropriate for the analysis of the Project-specific fiscal impacts.

The application of these three steps to this analysis is addressed in the rest of this chapter.

Baseline Population and Employment

Population and employment figures applied to this analysis are shown on Table 4-1. Notes accompanying the table describe the data sources and rationale applied to deriving the relevant figures.

**TABLE 4-1. CITY POPULATION, HOUSING AND EMPLOYMENT ASSUMPTIONS
CANYON RANCH ANNEXATION AREA**

Variable Description	Applied values
Population and Housing¹	
Total population	24,895
Household Population	24,195
Single Family Units	5,432
Multi-Family Units	3,929
Other Units	657
Total Housing Units	10,018
Occupied Housing Units	9,349
Average Citywide Household Size	2.59
Employment	
Total Employment in the City ²	22,089
Estimated Service Population³	
Total Population	24,895
Estimated Effective Employment (at 50 percent of workers)	11,045
Estimated Daily Total Service Population	35,940

Notes:

1. Source is California Department of Finance (DOF), Table 2: E-5 City/County Population and Housing Estimates, 1/1/2021.

2. The service population consists of the estimated resident population plus 50 percent of workers, to account for the estimated less frequent use of City services by this group.

Sources: The Natelson Dale Group, Inc.; State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State, January 1, 2011-2021, Sacramento, California, May 2021; U.S. Census Bureau. 2022. LEHD Origin-Destination Employment Statistics (2002-2019)

City Revenue and Cost Data

Tables 4-2 and 4-3 show revenues and costs, respectively, for relevant line items in the City of Loma Linda Budget, along with the factors that are derived for projecting the annexation population's theoretical effects on these revenues and costs, for use in a subsequent chapter.

**TABLE 4-2. LOMA LINDA CITY BUDGET REVENUES AND PROJECTION FACTORS
CANYON RANCH ANNEXATION AREA**

Revenue Source	Loma Linda Budget	Projection Basis ¹		Annual Projection Factors: Figures and Units	
Property Taxes ²	\$2,091,600	LAFCo		13.58%	of City share of 1% levy
VLF - Property Tax In Lieu ³	\$2,510,000	Case Study		\$730	per \$1,000,000 assessed valuation
Property Transfer Tax	\$50,000	Property Turnover and Valuation Assumptions		3.8%	X \$0.55 per \$1,000 assessed valuation
Sales and Use Tax	\$7,888,700	Taxable Sales		(Off-site sales only, see Table 2-5)	
Use Tax		Use Tax as Percent of Total		14.0%	of sales tax
Proposition 172 (Half-Cent Sales Tax) ⁴	\$80,000	Total City Sales and Use Tax =	\$7,888,700	\$10.14	per \$1,000 of City sales and use tax
Franchise Fees	\$985,000	Service Population =	35,940	\$27.41	per capita, service population
Business Licenses	\$268,300	Service Population =	22,089	\$12.15	per employee
Business Registration	\$56,000	Service Population =	22,089	\$2.54	per employee
Animal Licenses and Code Fines	\$29,500	Service Population =	24,895	\$1.18	per capita
Recycling and Refuse	\$1,220,600	Service Population =	35,940	\$33.96	per capita
Other Charges for Services ⁵	\$209,000	Service Population =	24,895	\$8.40	per capita, service population
Other Revenue	\$1,920,200	Service Population =	35,940	\$53.43	per capita, service population
Transfers In:					
Gas Tax Fund	\$527,200	Population =	24,895	\$21.18	per capita
General Fund: Transfers in from Other Funds	\$154,600	Service Population =	35,940	\$4.30	per capita, service population

Notes:

1. See Table 4-1 for explanation of service population.
2. General Fund share given assumed to be 13.58%, based on previous Orchard Heights Development Annexation project.
3. See table below for calculation of estimate.

Citywide A.V. FY 2020-2021	\$2,427,488,376
Proposed Projec A.V. at buildout	\$118,007,352
Proposed Project as % of Citywide A.V.	4.86%
VLF In-lieu FY 2020-2021	\$2,510,000
Increase in VLF attributable to project	\$122,018
VLF per \$1 million in new AV:	\$1,034

4. See table below for calculation of estimate.

Citywide Sales & Use Tax FY 2020-2021	\$7,888,700
Proposition 172 Tax	\$80,000
Proposition 172 Tax per \$1,000 Sales and Use Tax:	\$10.14

5. See table below for calculation of estimate.

Citywide Sales & Use Tax FY 2021	\$7,888,700
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6. See Appendix A for included Charges for Services items

Sources: The Natelson Dale Group, Inc.; City of Loma Linda Adopted Budget for Fiscal Year 2020-2021.

**TABLE 4-3. GENERAL FUND AND OTHER RELEVANT ACCOUNTS, RECURRING COST FACTORS AND PROJECTION FACTORS
CANYON RANCH ANNEXATION AREA**

Cost Category	Loma Linda Budget	Net Cost ¹	Projection Basis ²		Annual Projection Factors: Figures and Units	
General Government-Overhead ³	\$2,348,100	\$2,348,100	See Table 4-4		9.8%	of direct line costs
Police Protection	\$5,896,800	\$4,846,400	Service population =	35,940	\$134.85	per service population
Senior Center	\$67,000	\$67,000	Service population =	7,838	\$8.55	per service population
Community Development Dept.	\$1,068,700	\$375,700	Service population =	35,940	\$10.45	per service population
Fire Protection	\$7,453,400	\$6,643,700	Service population =	35,940	\$184.86	per service population
Public Works:						
Street Maintenance	\$632,500	\$632,500	Service population =	35,940	\$17.60	per service population
Parks Maintenance	\$912,300	\$912,300	Service population =	24,895	\$36.65	per service population
Other Public Works ⁴	\$725,600	\$685,300	Service population =	35,940	\$19.07	per service population

Notes:

1. Generally, assumed to be difference between general tax-based funds and funds from other sources.
2. Estimated service population is described in notes on Table 4-1
3. The general government overhead rate is estimated on Table 4-4.
4. Other Public Works includes Traffic Safety, Engineering, Facilities Maintenance, and Vehicle Maintenance

Sources: The Natelson Dale Group, Inc.; City of Loma Linda Adopted Budget for Fiscal Year 2020-2021.

Table 4-4 (on the next page) shows the derivation of the estimate of the general government overhead rate, used to calculate the estimate of the General Government cost factor on Table 5-2.

TABLE 4-4. CALCULATION OF CITY GENERAL GOVERNMENT OVERHEAD RATE
CANYON RANCH ANNEXATION AREA

General Fund	Adopted FY 2020-2021 Expenditures	General Government	Non-General Government
<i>Administration</i>			
CITY COUNCIL	\$164,900	\$164,900	
CITY CLERK	184,300	\$184,300	
CITY MANAGER	369,900	\$369,900	
FINANCE	639,300	\$639,300	
INFORMATION SYSTEMS	207,500	\$207,500	
GENERAL GOVERNMENT	782,200	\$782,200	
POLICE SERVICES	5,896,800		5,896,800
SENIOR CENTER	67,000		67,000
<i>Total</i>	<i>\$8,311,900</i>	<i>\$2,348,100</i>	<i>\$5,963,800</i>
<i>Community Development</i>			
PLANNING	\$345,200		\$345,200
BUILDING & SAFETY	441,700		441,700
CODE ENFORCEMENT	281,800		281,800
<i>Total</i>	<i>\$1,068,700</i>		<i>\$1,068,700</i>
<i>Fire Department</i>			
PARKING CONTROL	\$186,100		\$186,100
FIRE PREVENTION	335,100		335,100
FIRE & RESCUE SERVICES	6,638,800		6,638,800
DISASTER PREP.	293,400		293,400
<i>Total</i>	<i>\$7,453,400</i>		<i>\$7,453,400</i>
<i>Public Works</i>			
TRAFFIC SAFETY	\$178,900		\$178,900
ENGINEERING	252,500		252,500
STREET MAINTENANCE	632,500		632,500
FACILITIES MAINTENANCE	293,000		293,000
REFUSE	1,099,900		1,099,900
RECYCLING	24,400		24,400
PARKS MAINTENANCE	912,300		912,300
VEHICLE MAINTENANCE	1,200		1,200
<i>Total</i>	<i>\$3,394,700</i>		<i>\$3,394,700</i>
Total - General Fund	\$20,228,700	\$2,348,100	\$17,880,600
Current General Government Overhead Rate			
Gen Government Expenditures		\$2,348,100	
Direct Gen Government Expenditures		\$17,880,600	
Current General Government Overhead Rate			13.1%
Marginal Increase in General Government Costs @ 75%¹			9.8%

Notes:

1. General government costs for the project are not expected to increase on a one-to-one basis. Therefore, an overhead rate adjustment is used, set at 75 percent.

Sources: The Natelson Dale Group, Inc.; City of Loma Linda Adopted Budget for Fiscal Year 2020-2021.

Chapter 5: Fiscal Impacts of Annexation Area

A summation of the annexation area’s projected annual recurring revenues and costs is shown on Table 5-1. The table shows an annual recurring surplus of \$220,167

TABLE 5-1. SUMMARY OF ANNUAL FISCAL IMPACTS AT BUILDOUT
CANYON RANCH ANNEXATION AREA

Annual, at Buildout	
Total Recurring Revenues	\$389,632
Total Recurring Costs	\$169,465
Annual Recurring Surplus/Deficit	\$220,167
Revenue/Cost Ratio	2.30

Source: Table 5-2

Details of the comparison of costs and revenues are shown on Table 5-2 for cost and revenue categories that are relevant to the Project. Budget categories otherwise associated with analyses of this type that are not shown in the table include:

Revenues – Measure I

Measure I is a half-cent countywide sales tax that is allocated to the City on two bases: 1) arterial funds allocated by the San Bernardino County Transportation Authority (SBCTA) for transportation projects in the region, and 2) “local” funds distributed to cities on a per capita basis which must be expended on streets and roads based on a 20-year transportation plan and five-year capital improvement plan (CIP). Since this revenue is allocated to programs costs outside of the City’s annually-recurring General Fund expenditures, It is not projected in the fiscal analysis.

TABLE 5-2. DETAILED PROJECTED RECURRING FISCAL IMPACTS
CANYON RANCH ANNEXATION AREA

Category	Annexation Area					% of Total (Yr 5)
	Year 1	Year 2	Year 3	Year 4	Year 5	
General Fund and Relevant Other Accounts, Annual Recurring Revenues						
Property Taxes	\$36,544	\$68,642	\$99,606	\$130,569	\$160,254	41.1%
VLF-Property Tax in Lieu	\$27,825	\$52,264	\$75,840	\$99,416	\$122,018	31.3%
Property Transfer Tax	\$498	\$996	\$1,476	\$1,956	\$2,416	0.6%
Sales and Use Tax	\$20,348	\$31,122	\$41,516	\$51,910	\$61,875	15.9%
Proposition 172 Half Cent Sales Tax	\$206	\$316	\$421	\$526	\$627	0.2%
Franchise Fees	\$2,823	\$4,659	\$6,441	\$8,222	\$9,921	2.5%
Business Licenses/Registration	\$294	\$294	\$294	\$294	\$294	0.1%
Animal Licenses/Code Fines	\$261	\$431	\$596	\$761	\$918	0.2%
Charges for Services	\$781	\$1,343	\$1,889	\$2,435	\$2,955	0.8%
Other Revenue	\$5,503	\$9,083	\$12,556	\$16,029	\$19,341	5.0%
Transfers In: State Gas Tax	\$1,969	\$3,388	\$4,765	\$6,141	\$7,454	1.9%
Transfers In: From Other City Funds	\$443	\$731	\$1,011	\$1,291	\$1,557	0.4%
Total Recurring Revenues	\$97,495	\$173,269	\$246,410	\$319,550	\$389,632	100.0%
General Fund and Relevant Other Accounts, Annual Recurring Costs						
General Government	\$6,401	\$10,605	\$14,684	\$18,762	\$22,653	13.4%
Police Protection	\$13,889	\$22,924	\$31,689	\$40,455	\$48,815	28.8%
Fire Protection	\$19,040	\$31,426	\$43,442	\$55,457	\$66,919	39.5%
Senior Center	\$795	\$1,368	\$1,923	\$2,479	\$3,009	1.8%
Community Development	\$1,077	\$1,777	\$2,457	\$3,136	\$3,784	2.2%
Public Works: Street Maintenance	\$1,813	\$2,992	\$4,136	\$5,280	\$6,371	3.8%
Public Works: Parks Maintenance	\$2,909	\$5,005	\$7,039	\$9,072	\$11,012	6.5%
Public Works: Other Costs	\$1,964	\$3,242	\$4,481	\$5,720	\$6,903	4.1%
Total Recurring Costs	\$47,889	\$79,339	\$109,850	\$140,362	\$169,465	100.0%
Annual Recurring Surplus/Deficit	\$49,606	\$93,930	\$136,559	\$179,188	\$220,167	
Revenue/Cost Ratio	2.04	2.18	2.24	2.28	2.30	
Annual Surplus/Deficit per Dwelling Unit	\$1,908	\$1,806	\$1,773	\$1,757	\$1,747	

Sources: Tables 4-2 and 4-3.

Chapter 6: Project One-Time Fees and Charges

This section presents the estimated one-time fees and charges associated with new development in the proposed annexation area. Development impact fees are one-time fees paid by the developer to offset the construction costs of new public infrastructure and capital facilities needed to serve the Project.

Development of the Project will entail payment of \$3,953,307 in City of Loma Linda development impact fees. In addition, impact fees paid to the Redlands Unified School District will total \$1,588,356. These payments are detailed in Table 6-1 below.

TABLE 6-1. ONE-TIME IMPACT AND OTHER DEVELOPMENT FEE PAYMENTS
CANYON RANCH ANNEXATION AREA

Item No.	Impact Fees	Unit Measure	Price	Quantity	Amount
City of Loma Linda					
1	General Government	DU	\$393	126	\$49,518
2	Parkland Acquisition and Development	DU	\$12,489	126	\$1,573,614
3	Open Space Acquisition (a)	N/A	N/A	N/A	N/A
4	Public Meeting Facilities	DU	\$1,575	126	\$198,450
5	Art in Public Places	Value	0.25%	N/A	\$286,833
6	Fire Suppression Facilities	DU	\$1,120	126	\$141,120
7	Engineering:				
	7a) Local Circulation Systems	DU	\$1,551	126	\$195,426
	7b) Regional Circulation Systems	DU	\$3,741	126	\$471,366
8	Storm Drainage Facilities	DU	\$1,331	126	\$167,706
9	Water Generation, Storage & Distribution	DU	\$5,826	126	\$734,076
10	Wastewater (Sewer) Collection System	DU	\$1,073	126	\$135,198
	Total, City of Loma Linda				\$3,953,307
	School Fee				
	Redlands Unified School District	SF	\$3.82	415,800	\$1,588,356
Total, Impact Fees					\$5,541,663
Calculation Factors/Inputs:					
	Total Dwelling Units (DU's)			126	
	Total Residential Valuation		\$114,733,000		
	Assumed Square Feet per DU (b)			3,300	

Note:

- Open Space Acquisition Fee applies only to non-residential development projects.
- Assumed square footage excludes garage area (per City's fee schedule).

Sources: City of Loma Linda Development Impact Fee Sheet (updated April 21, 2022); Redlands Unified School District Facility Fees Flyer (effective July 12, 2017); TNDG.

Appendix A: Supporting Fiscal Documentation

TABLE A-1. CURRENT TAX RATE AREA (TRA) ALLOCATIONS
CANYON RANCH ANNEXATION AREA

Agency Code	Agency ¹	TRA 104031
AB01 GA01	COUNTY GENERAL FUND	0.15505544
AB02 GA01	ERAF	0.23480374
BF03 GA01	FLOOD CONTROL ZONE 3	0.02714252
BF08 GA01	FLOOD CONTROL ADMIN 3-6	0.00093737
BL01 GA01	COUNTY FREE LIBRARY	0.01501555
BS01 GA01	SUPERINTENDENT OF SCHOOLS - COUNTYWIDE	0.00532077
BS01 GA05	SUPERINTENDENT OF SCHOOLS - DEV CENTER	0.00054860
BS01 GA03	SUPERINTENDENT OF SCHOOLS - PHYS HAND	0.00209292
SC54 GA01	SAN BERNARDINO COMMUNITY COLLEGE	0.05449836
SU48 GA01	REDLANDS UNIFIED SCHOOL DISTRICT	0.32034756
UD50 GA01	CSA 70	0.00000000
UF01 GA01	SAN BDNO CNTY FIRE PROTECT DISTRICT	0.12603442
UF01 GA05	SAN BDNO CNTY FIRE PROTECT DISTRICT - SBCFPD-ADMIN	0.02783986
WR04 GL01	INLAND EMPIRE JT RESOURCE CONS DIST	0.00123173
WT01 GL01	SAN BDNO VALLEY WATER CONS DIST	0.00108652
WU23 GA01	SAN BERNARDINO VALLEY MUNI WATER	0.02804464
	Total	1.00000000

Notes:

1. The property tax allocations affected by the annexation are shown in **bold** print.

TRA = Tax Rate Area

Sources: The Natelson Dale Group, Inc.; San Bernardino County Auditor-Controller, Property Tax Division

TABLE A-2. GENERAL FUND REVENUE CATEGORIES
CITY OF LOMA LINDA

General Fund Revenue Category	Adopted FY 2020/21 Revenue	One-time Processing Fees/Permits ¹	Not Projected ²	Projected Recurring Revenue ³
CURRENT SECURED	1,200,000			1,200,000
CURRENT UNSECURED	44,000			44,000
STATUTORY PASS THRU	127,000			127,000
PRIOR TAXES	40,000			40,000
SUPPLEMENTAL CURRENT	20,000			20,000
MISCELLANEOUS TAXES	10,600			10,600
NEGOTIATED PASS-THRU	150,000			150,000
RESIDUAL BALANCE RPTTF	500,000			500,000
PROPERTY TAXES TOTAL	2,091,600			2,091,600
FRANCHISES	835,000			835,000
PAVEMENT IMPROV. FEE	150,000			150,000
FRANCHISES TOTAL	985,000			985,000
SALES TAX - SBE	7,888,700			7,888,700
SALES TAX -PROP 172	80,000			80,000
SALES TAX ABATEMENT	(3,651,100)		(3,651,100)	
SALES AND USE TAX TOTAL	4,317,600		(3,651,100)	7,968,700
TRANSIENT OCC. TAX	599,000		599,000	
TRANSIENT OCC. TAX ABATEMENT	(84,800)		(84,800)	
PROPERTY TRANSFER	50,000			50,000
BUSINESS LICENSE	268,300			268,300
NEW BUSINESS REGISTRATION APP	8,000			8,000
BUSINESS REGISTRATION RENEWAL	48,000			48,000
OTHER TAXES TOTAL	888,500		514,200	374,300
ANIMAL LICENSE	25,500			25,500
PUBLIC WORKS- MISC. PERMITS	15,000	15,000		
BUILDING PERMITS	565,200	565,200		
FIRE PLAN CHECK	11,600	11,600		
FIRE PERMITS - ANNUAL	48,100	48,100		
MISCELLANEOUS PERMITS	1,000	1,000		
LICENSES AND PERMITS TOTAL	666,400	640,900		25,500
STATE MANDATE FEE	200		200	

General Fund Revenue Category	Adopted FY 2020/21 Revenue	One-time Processing Fees/Permits ¹	Not Projected ²	Projected Recurring Revenue ³
CODE VIOLATIONS	3,000	3,000		
ANIMAL CODE FINES	4,000			4,000
FINES AND FORFEITS TOTAL	7,200	3,000	200	4,000
INTEREST	190,000			190,000
LEASE INCOME	347,400		347,400	
FACILITIES RENTAL	23,000		23,000	
USE OF MONEY AND PROPERTY TOTAL	560,400		370,400	190,000
LIQUIDATION OF SUCCESSOR AGEN	0		0	
FEDERAL GRANTS	0		0	
VEHICLE LICENSE FEE - IN EXCESS	15,000		15,000	
VLF - PROPERTY TAX IN LIEU	2,510,000			2,510,000
HOPTR	12,500		12,500	
STATE GRANTS	6,200		6,200	
MISCELLANEOUS GRANT	0		0	
INTERGOVERNMENTAL TOTAL	2,543,700		33,700	2,510,000
GENERAL PLAN UPDATE	15,000		15,000	
VA FIRE SERVICES	240,000	240,000		
CSA 38 FIRE SERVICES	6,500		6,500	
LLUMC LAW ENFORCEMENT SVCS	1,050,400	1,050,400		
LLUMC FIRE SERVICES	569,700	569,700		
PLANNING FEES	46,600	46,600		
SALE MAPS & PUBLICATIONS	100		100	
PROJECT PLANS/SPECS	2,500	2,500		
ENGINEERING INSPECTIONS	25,300	25,300		
ENGINEERING PLAN CHECK	22,700	22,700		
TOWING FEES	5,000			5,000
WEED ABATEMENT	30,000			30,000
HOUSEHOLD HAZ WASTE	32,500			32,500
RECYCLING SERVICE CHARGE	62,300			62,300
REFUSE COLLECTION	813,300		813,300	
REFUSE-PASS THRU	195,000		195,000	
LL DISPOSAL DIRECT COLLECTIONS	150,000		150,000	
EMS - MEMBERSHIP	35,000			35,000

CANYON RANCH ANNEXATION AREA: PLAN FOR SERVICE AND FISCAL IMPACT ANALYSIS

The Natelson Dale Group Inc.

General Fund Revenue Category	Adopted FY 2020/21 Revenue	One-time Processing Fees/Permits ¹	Not Projected ²	Projected Recurring Revenue ³
EMS RESPONSE FEE	100,100			100,100
MISCELLANEOUS SERVICES	6,400			6,400
HOTEL INCENTIVE ADMIN FEE	0		0	
CHARGES FOR SERVICES TOTAL	3,408,400	1,957,200	1,179,900	271,300
SALE OF HISTORY BOOKS	0		0	
ASSETS FORFEITURE	0		0	
REFUNDS/REIMBURSEMENTS	20,000			20,000
MISCELLANEOUS REVENUE	50,000			50,000
DONATIONS	1,000		1,000	
CASH OVER OR SHORT	100		100	
DAMAGE CLAIM RECOVERY	0			0
GAIN ON SALE OF ASSETS	0			0
OVERHEAD - M & O	1,850,200			1,850,200
OVERHEAD - CAPITAL	1,293,800		1,293,800	
OTHER REVENUES TOTAL	3,215,100		1,294,900	1,920,200
TRANSFERS IN-Gas Tax	527,200			527,200
TRANSFERS IN-Traffic Safety	55,000			55,000
TRANSFERS IN-CITIZENS' OPTION PUBLIC SAFETY	99,600			99,600
OPERATING TRANSFERS IN TOTAL	681,800			681,800
GENERAL FUND TOTAL	19,365,700	2,601,100	(257,800)	17,022,400

Notes:

1. One-time basis revenues or revenues that occur as a fixed amount payment from other agencies are not projected.
2. Not impacted by proposed annexation
3. Annually-recurring revenues impacted by proposed annexation project

Sources: The Natelson Dale Group, Inc.; City of Loma Linda Adopted Budget for Fiscal Year 2020-2021.

**TABLE A-3. POPULATION BY AGE
CITY OF LOMA LINDA**

Age	Estimate	Percent
Under 5 years	1,358	5.6%
5 to 9 years	1,215	5.0%
10 to 14 years	1,081	4.5%
15 to 19 years	1,087	4.5%
20 to 24 years	1,414	5.8%
25 to 29 years	2,953	12.2%
30 to 34 years	2,274	9.4%
35 to 39 years	1,683	6.9%
40 to 44 years	1,246	5.1%
45 to 49 years	926	3.8%
50 to 54 years	1,371	5.7%
55 to 59 years	1,946	8.0%
60 to 64 years	1,164	4.8%
65 to 69 years	1,585	6.5%
70 to 74 years	805	3.3%
75 to 79 years	712	2.9%
80 to 84 years	624	2.6%
85 years and over	795	3.3%
Total Population	24,239	100.0%
Total 55 and Over	7,631	31.5%

Sources: The Natelson Dale Group, Inc.; U.S. Census Bureau, 2020 American Community Survey, Table S0101.

Table A-4
Parcel Database
Canyon Ranch Annexation Annexation Area: Plan for Service and Fiscal Analysis

APN	TTM	City's Acreage	APN Acreage	Land Value (2021)	Improvement Value (2021)	Assessor Exemption Value	Net Taxable Value
0293-071-03		0.23	0.22	40,615			40,615
0293-071-04		0.22	0.22	77,012	1,134	7,000	71,146
0293-071-05		0.22	0.22	51,528	92,751		144,279
0293-071-06		0.61	0.57	101,051	267,947		368,998
0293-071-07		0.2	0.175	9,461			9,461
0293-071-08		0.21	0.21	9,499			9,499
0293-071-09		0.21	0.21	7,944			7,944
0293-071-10		0.22	0.21	75,777	202,072		277,849
0293-071-11		0.22	0.22	2,416			2,416
0293-071-12		0.22	0.22	40,000			40,000
0293-071-13		0.23	0.23	120,879	48,725		169,604
0293-071-16		0.72	1.12	85,000			85,000
0293-071-17		0.98	0.98	0			0
0293-071-18		4.41	4.42	0			0
0293-071-19		7.73	7.74	47,371	1,374		48,745
0293-081-02		0.62	0.62	13,558	39,665	7,000	46,223
0293-081-03		0.48	0.50	125,000			125,000
0293-081-04		0.50	0.58	101,036	176,813		277,849
0293-081-05		0.25	0.30	50,484			50,484
0293-081-06		0.25	0.30	50,484	469,097		519,581
0293-081-07		0.60	0.55	127,828			127,828
0293-081-09	TTM 20403	7.52	6.85	161,272	3,447		164,719
0293-081-11	TTM 20403	1.54	1.55	35,708	571		36,279
0293-081-12	TTM 20403	0.65	0.65	23,037	344		23,381
0293-081-13		0.49	0.50	12,390	24,776		37,166
0293-081-14		2.14	2.14	29,453	445		29,898
0293-081-16		0.08	0.08	1,208			1,208
0293-081-17		0.48	0.48	30,167	54,308	7,000	77,475
0293-081-19	TTM 20403	1.07	1.07	26,953	571		27,524
0293-091-04		2.69	2.55	56,222	1,123		57,345
0293-091-05		2.50	2.38	170,000	255,000		425,000
0293-091-08 ¹		8.01	8.01	1,661,147	9,151,435	10,812,582	0
0293-101-05		0.75	1.00	0			0
0293-101-08	TTM 20404	2.42	0.02	802	10,456		11,258
0293-101-11	TTM 20404	19.90	19.95	307,309			307,309
0293-101-12		10.20	10.29	0			0
0293-101-13	TTM 20404	20.80	20.86	641,342	10,025		651,367
0293-101-14		3.08	3.09	0			0
0293-111-15 ¹		5.54	5.14	314,971		314,971	0
0293-111-16		3.78	3.78	0			0
0293-111-17		3.60	3.60	0			0
0293-111-18	TTM 20404	6.31	6.15	94,357	6,462		100,819
0293-111-19	TTM 20404	0.32	0.32	4,873			4,873
0293-111-20		0.58	0.58	0			0
0293-111-21	TTM 20404	7.73	7.73	107,332	6,684		114,016
0293-111-22		3.67	3.68	0			0
0293-121-05		2.21	2.22	0			0
0293-121-15		0.53	0.53	4,988	19,230		24,218
0293-121-16		0.17	0.17	0			0
0293-121-17		0.41	0.41	62,179	144,342	7,000	199,521
0293-121-18		0.47	0.47	0			0

Notes: TTM = Tentative Tract Map

1. Religious-based institutions assumed to be exempt from general property tax assessments.

Sources: The Natelson Dale Group, Inc.; Liburn Corporation; San Bernardino County Assessor-Recorder-Clerk.

**TABLE A-5. DERIVATION OF USE TAX FACTOR
CANYON RANCH ANNEXATION AREA**

Variable	Amount
<u>Use Tax</u>	
County Pool	246,894
State Pool	758
Total Use Tax	247,652
Point of Sale	1,773,476
Use Tax Rate	14.0%

Sources: The Natelson Dale Group, Inc.; The HdL Companies,
Sales Tax Allocation Tables, Calendar Year 2019