

REPORT TO THE CITY COUNCIL



DATE: April 17, 2018

TITLE: Discussion on the Upcoming LAFCO (Local Area Formation Commission) Hearing Regarding a Potential Annexation of a 33+ Acre Site Into the City's Jurisdiction

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RECOMMENDATION:

Receive Staff Report, City Council discussion and questions to Staff.

BACKGROUND / DISCUSSION

The Riverside County Local Area Formation Commission (LAFCO) has an upcoming hearing on a proposed 33+ acre annexation of vacant land - into the City's jurisdictional boundaries (see Exhibit No 1 – Area Map). The property owner and planning consulting firm have prepared a Plan for Services which includes an assessment of the needs for future services such as Police, Fire, and Emergency services, as well as the infrastructural needs (water, sewer, gas, electric, cable, etc.). The Plan is attached as Exhibit No. 4. Staff has reviewed the Plan for Services for compliance with LAFCO requirements and to ensure the Plan for the area meets with the City's goals and objectives.

The subject property was pre-zoned Light Industrial (I-L) as part of the 2000 General Plan and as part of the evaluation of the City's Sphere of Influence. The developer and property owner have indicated to City staff that they would like to develop the site with a) a commercial corner with gas station, restaurant(s), cannabis supply/support businesses, b) land for a possible fire station, c) land for a possible electric substation, and d) industrial lots for Cannabis cultivation. In addition, the developer claims that because of the size of the property, it can be effectively master planned for all these activities and its proximity to utilities means there are no costly offsite utility extensions that would delay development.

Disadvantaged Unincorporated Communities

The 33-acre proposed annexation site is located within the Desert Hot Springs Disadvantaged Unincorporated Community 1 (DUC1). See attached Exhibit No 5. Presently, State law (AB 244), prohibits approval of City annexations greater than 10 acres that are contiguous to disadvantaged unincorporated communities, unless the application for annexation includes the adjacent disadvantaged unincorporated communities. However, this is not applicable if a majority of the residents in that community are opposed to the annexation. A LAFCO approved poll was conducted by a professional polling firm showing that more than 50% of registered voters within DUC-1 opposed annexation into the City (see Exhibit No 11). Therefore, the 33-acre site is permitted to annex without including additional property within DUC 1.

Potential Conditions of Approval

The County has sent LAFCO a response to the proposed annexation (see Exhibit No 6) and is requesting a condition requiring annexation of the Cholla Gardens island. LAFCO staff has also indicated that the Commission may potentially require the annexation of DUC-1 as a condition of approval (in addition to Cholla Gardens). The property owner is aware of these potential conditions and is somewhat agreeable to the requirement of the Cholla Gardens area, but is going to request that DUC-1 not be made a condition of approval of their request for annexation of the 33-acre site.

City staff has also conveyed to LAFCO staff (see attached letter to LAFCO, dated March 13) that the following conditions be added to any approval of the 33-acre annexation:

1. That under no circumstances shall the City be required, or otherwise cause, to petition the LAFCO Commission to annex the land commonly referred to as Cholla Gardens;
2. If the City does decide to petition LAFCO to annex the land commonly referred to as Cholla Gardens, that any and all costs of any annexation whatsoever (including but not limited to costs associated with CEQA, to do studies, pre-zoning, etc.) including attorney fees, shall be borne by Haro-KD DHS, or any successor in interest.

Cholla Gardens / Improvements

As part of the evaluation of a potential annexation of the Cholla Gardens residential neighborhood, staff conducted a site inspection to assess the current conditions of the roads, street signs and other infrastructure.

The current improvements that would need to be made upon annexation are:

- 8th Street (from Cholla Dr to West Dr) 1300 feet - needs to be re-surfaced
- Cholla Dr. (from 8th Street to 12th Street) 1300 feet -needs to be paved
- 14th Street (600' extension west to Cholla) – needs to be paved
- Cholla Dr. – installation of 3 stop signs

The long-term improvements that should be made at some future date would likely include:

- 8th street - curbs, gutters, sidewalks
- 10th street - curbs, gutters, sidewalks
- 12th street - curbs, gutters, sidewalks
- 14th street - curbs, gutters, sidewalks
- Mission Lakes Blvd - curbs, gutters, sidewalks, street lighting
- West Dr. – curbs, gutters, sidewalks, street lighting
- Cholla Dr. – curbs, gutters, sidewalks

Hearing

The LAFO hearing has been set for April 26th, 2018. However, the applicant & City Staff met the week of April 3 and agreed that the applicant/property owner should request a continuance to the May hearing, so that both the City and the applicant could be on the same page at the hearing.

City staff will be attending the LAFCO hearing to evaluate the potential conditions that may be imposed on the project, and which could potentially include a requirement for the City to submit an annexation application for the Cholla Gardens and north western residential community (DUC-1) on the west side of Little Morongo Road and north of the project site.

CALLS FOR SERVICE (FIRE)

DUC 1-A

In 2017, there were 28 calls for service for the residential area located from Pierson Blvd South to Two Bunch Palms along the West Side of Little Morongo to Indian Canyon. The calls were serviced by two stations (37 and 36) and posed very little demand, considering both Stations ran a total of 5,596 calls in 2017. The types of calls for the 28 calls for service were as follows:

- 22 - Medical Emergencies
- 4 - Fires
- 2 - Hazard Calls

Cholla Gardens

In 2017, there were 24 calls for service for the residential area between 8th and Mission Lakes (north/south) and Cholla Drive and West Drive (east/west). The types of calls were as follows:

- 18 - Medical emergencies
- 5 - Fires
- 1 - Hazard Call

CALLS FOR SERVICE (POLICE)

Police will be providing the specifics for each location, but this gives an indication of how busy they are in each area.

DUC 1-A

(Little Morongo / Pierson) had 46 calls for service within the last 24 months. They will be providing the specifics for each call later but this should at least give you how busy each location is. Once I am provided further details I will provide them too you

Cholla Gardens

Cholla Gardens (Cholla / 14th) had four calls for service within the last 24 months.

Street Improvement Cost Estimates

- \$216,666.67 – 8th Street (1300' re-surfacing, 3" over existing ag base)
- \$433,332.32 - Cholla Dr (1300' of new street, 3" over 6" ag base)
- \$200,000.00 - 14th Street (600' of new street, 3" over 6" ag base)
- \$1,050 (3 stop signs along Cholla Dr.)
- \$851,048.99

FISCAL IMPACTS

No application and/or fees have been submitted to the city. The application and fees have been filed directly with LAFCO only - for entitlement of the annexation. Should the City's requested conditions of approval be added and approved to the annexation, the property owner of the subject site would be responsible for incurring the costs of all required studies, environmental documents, application fees, etc. for the Cholla Gardens annexation, and/or for DUC 1, or any other required annexations as part of their action.

If the annexation is approved, the City would have to incur the costs of providing additional public safety services for serving the proposed annexation area. Although the total impact costs of those services is currently unknown, there are no funds available to incur any additional costs for public safety services in the budgets for next two fiscal years.

If the annexation is approved, the total estimated cost necessary to complete the street improvements in the proposed annexation area is \$900,000. This estimate is based on the existing conditions and the required improvements to bring the streets up to current City Standards. There are currently no funds available to incur these street improvement costs in the budgets for next two fiscal years.

EXHIBITS:

- 1) Area Map with Pre-Zoning Designations in Sphere of Influence
- 2) Current County Zoning
- 3) Plan for Services
- 4) LAFCO – Letter of Explanation / Revisions to DUC's
- 5) County Response (Request for Condition, Cholla Gardens)

- 6) Letter from City staff to LAFCO staff (our conditions)
- 7) Map of Cholla Gardens Residential Neighborhood
- 8) Map of DUC's
- 9) Cholla Gardens Aerial Image
- 10) AB 244, Excerpt (see bottom of page 4)
- 11) Polling Results of Residents in the DUC's