



Chairman

Andrew Vanderlaan
Public Member

May 5, 2014

Vice Chairman

John Ingalls
Santa Fe
Irrigation District

TO: Local Agency Formation Commission

FROM: Executive Officer
Local Governmental Analyst III

Members

Bill Horn
County Board of
Supervisors

SUBJECT: Five-Year Sphere of Influence and Service Review

City of Coronado MSR13-102; SR13-102

City of Imperial Beach MSR13-107; SR13-107

City of National City MSR13-110; SR13-110

Dianne Jacob
County Board of
Supervisors

Bud Pocklington
South Bay
Irrigation District

EXECUTIVE SUMMARY

The attached report and recommendations cover spheres of influence for three incorporated cities in southern San Diego County: the City of Coronado; the City of Imperial Beach; and the City of National City. The city spheres are being evaluated as part of a comprehensive *Sphere of Influence and Service Review* that is required by State Law and San Diego LAFCO Policy; the *Review* will sequentially address all local agency spheres in San Diego County. The report concludes with recommendations to: (1) affirm a *larger-than-city* sphere for the City of Coronado; (2) affirm a *coterminous* sphere for the City of Imperial Beach; and (3) affirm a *large-than-city* sphere for the City of National City.

Lorie Zapf
Councilmember
City of San Diego

Jim Janney
Mayor
City of Imperial Beach

Sam Abed
Mayor
City of Escondido

Alternate Members

Greg Cox
County Board of
Supervisors

The following service and sphere review discussion includes updated financial and service information for the three incorporated cities as well as population projections and overviews on governance. The municipal service review determinations reflect that municipal services are being adequately provided by the subject cities or special districts within the cities' respective incorporated boundaries. Each of the three cities has indicated that no changes to their adopted sphere of influence are anticipated; therefore, the sphere for each respective city is recommended to be affirmed.

Sherrri Lightner
Councilmember
City of San Diego

Jo MacKenzie
Vista Irrigation District

Lorraine Wood
Councilmember
City of Carlsbad

Harry Mathis
Public Member

Executive Officer

Michael D. Ott

Your Commission is also requested to direct the Executive Officer to implement minor technical changes to the subject cities' spheres to better coordinate with GIS information regarding incorporated boundaries, submerged incorporated territory, parcel lines, roadways, as well as natural boundaries such as San Diego Bay and the Pacific Ocean.

Counsel

Thomas Bosworth

7

These non-substantive, technical corrections to spheres will be conducted in coordination with the cities and will provide clarity to the public and affected agencies when referencing city sphere boundaries.

2013 FIVE-YEAR SPHERE of INFLUENCE and SERVICE REVIEW

The Sphere of Influence and Municipal Service Review (MSR) cover spheres of influence for three incorporated cities in southern San Diego County: the City of Coronado; the City of Imperial Beach; and the City of National City. Each of the three cities is bordered by water: the City of Coronado and the City Imperial Beach with both Pacific Ocean and San Diego Bay; and the City of National City with San Diego Bay. The three cities are also bordered by other incorporated cities and have limited to no room for expansion beyond their present incorporated boundaries.

SPHERE of INFLUENCE BACKGROUND

Over thirty years ago, the California State Legislature directed LAFCOs to establish a sphere of influence for each local governmental agency under LAFCO jurisdiction. Spheres—which are defined in State Law as...*a plan for the probable physical boundaries and service areas of a local agency*—are intended to promote logical and orderly development and coordination of local agencies; inhibit duplication of services; and support efficient public service delivery. Inclusion of territory within an agency’s sphere of influence is a prerequisite of annexation; however, spheres are only one of several factors that must be considered by the Commission when reviewing proposed jurisdictional changes. LAFCO decisions on proposals are required to be consistent with adopted spheres.

Accordingly, San Diego LAFCO maintains spheres of long standing for each special district and city in San Diego County. To remain an effective planning tool, each agency’s adopted sphere must be periodically reevaluated to ensure that it reflects current local conditions and circumstances. In 1990, San Diego LAFCO adopted Policy L-109, which combined with implementing procedures, requires spheres to be revisited at five-year intervals. And commencing in 2008 and every five years thereafter, State Law requires that LAFCOs shall, as necessary, review and update each sphere of influence [Government Code 56425(g)]. San Diego LAFCO Policy L-102 discourages major amendments to a agency’s sphere that has been adopted, affirmed, or updated unless one of the following is demonstrated by the proponent: (1) a documented public health or safety risk such as a septic system failure; (2) a proposal involving property split by a sphere boundary; (3) a reorganization between two consenting districts; and (4) situations where the sphere review did not anticipate a need for public services—and local conditions or circumstances have significantly changed.

Since your Commission initiated its first sphere review and MSR program in 2001, all local agency spheres have been included in at least one cycle of review and affirmation or update. Selected categories of local agencies, such as Fire Protection Districts, or County Sanitation Districts have been addressed in multiple reviews. MSRs have been prepared

for numerous complex projects and, when warranted, sphere updates have been approved. The chronology of sphere review and MSR activity is annually updated and made available in the Commission's *Summary of Sphere of Influence Actions and Municipal Service Reviews*.

The current *Five-Year Sphere of Influence and Service Review Program* was initiated by sending a service-specific questionnaire to the 100 local agencies under San Diego LAFCO's jurisdiction. All agencies responded to the questionnaire with detailed information regarding their current provision of services and any anticipated need for changes to service areas or adopted spheres of influence. The agency responses have been analyzed and LAFCO databases have been updated where necessary. All local agency spheres will be reviewed and recommendations for affirmation, minor adjustment, or comprehensive update will be presented to the Commission as groups of agencies are reviewed.

In determining a sphere, LAFCO is required to consider and prepare a written statement of determinations with respect to each of the following:

- (1) The present and planned land uses in the area, including agricultural and open space lands.
- (2) The present and probable need for public facilities and services in the area.
- (3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
- (4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.
- (5) For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

When determining a sphere of influence, the Commission may assess the feasibility of governmental reorganization of particular agencies and recommend reorganization of those agencies when reorganization is found to be feasible and if reorganization will further the goals of orderly development and efficient and affordable service delivery.

MUNICIPAL SERVICE REVIEW

As LAFCO establishes or updates spheres of influence, a Municipal Service Review (MSR) is required to be produced that analyzes and evaluates the provision of services within the subject geographic area. The MSR evaluation requirements are codified in Government Code Section 56430 and involve a broad spectrum of service delivery, operational, and jurisdictional issues. In conducting a MSR, LAFCO must prepare a written statement of determinations with respect to the following categories:

- (1) Growth and population projections for the affected area.
- (2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence
- (3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
- (4) Financial ability of agencies to provide services.
- (5) Status of, and opportunities for, shared facilities.
- (6) Accountability for community service needs, including governmental structure and operational efficiencies.
- (7) Any other matter related to effective or efficient service delivery, as required by commission policy.

INCORPORATED CITIES

California cities are formed under the incorporation provisions in the Cortese—Knox—Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.) and are governed under Title 4 of the Government Code. Cities are organized under the general law of the State or under a charter adopted by a majority of the local voters. Cities may establish a city manager or an elective mayor form of government. City councilmembers may be elected by district or at large. A mayor may be directly elected by the voters or selected by the elected councilmembers.

A county or incorporated city may make and enforce within its jurisdictional limits all local, police, sanitary and other ordinances and regulations not in conflict with general laws. Cities may establish, purchase and operate municipal utilities to provide their residents with light, water, power, heat, transportation and means of communications. Unlike special districts, the provision of new services or functions by an incorporated city does not require LAFCO preapproval (Latent Powers Authorization).

Disadvantaged Unincorporated Communities

Enactment of Senate Bill 244 (Wolk) in 2012 resulted in changes to Government Code Sections 56425 and 56430 that require LAFCO to evaluate the present and probable need for public facilities and services within *disadvantaged unincorporated communities* (DUC) that are located within or contiguous to the sphere of influence of cities or special districts that provide wastewater, municipal or industrial water, or structural fire protection services. LAFCOs must make additional determinations relative to DUCs when conducting MSRs and updating spheres of influence.

On March 4, 2013, San Diego LAFCO accepted provisions to comply with SB 244; therefore, MSR/SR13-102: City of Coronado; MSR/SR13-107: City of Imperial Beach; and MSR/SR13-110: City of National City will not need to address SB 244 requirements.

SPHERE SERVICE REVIEWS: CITIES

1. City of Coronado MSR13-102; SR13-102

City Characteristics Summary

Incorporation Date: 1890

Population: 23,176 (SANDAG 2013 estimate)

Land Area: Approximately 14.0 square miles, including submerged lands totaling approximately 520 acres

Governance: General Law City; Mayor and 4-member Council elected at-large

Sphere of Influence: Larger than City

Sphere Adopted: March 2, 1987

Sphere Reaffirmed: March 3, 2008

General Plan Adoption Date: September 12, 2013

Primary Service Providers: City of Coronado (Fire, Police, Sewer), EDCO (Trash Collection/Disposal) and Cal-American Water Company (Water)

Board Meetings: 1st and 3rd Tuesday of each month at 4:00 p.m.

Planning Commission: 2nd and 4th Tuesday of each month at 3:00 p.m.

Contact Information

Address: 1825 Strand Way, Coronado, CA 92118

City Hall Phone: 619/522-7300

Police Department (Non Emergencies): 619/ 522-7350

Fire Department (Non Emergencies): 619/522-7374

Planning Department: 619/522-7326

Website: www.coronado.ca.us

Email: citymgr@coronado.ca.us

Abstract

The City of Coronado is located on the Pacific coast of southern San Diego County and includes approximately 14 square miles of incorporated territory, as well as approximately 6.1 square miles of submerged lands within San Diego Bay and the Pacific Ocean. Coronado lies on a peninsula bordered by the City of San Diego and the San Diego Bay to the north and east; the City of Imperial Beach to the south; and the Pacific Ocean on the

west. The City of Coronado is located directly west of the downtown area of the City of San Diego across San Diego Bay and is directly connected to the mainland on the east by the Coronado Bridge; and to the City of Imperial Beach on the south by a 10-mile isthmus of incorporated territory called the Silver Strand.

Land Use

The City of Coronado's General Plan was most recently updated in 2013. The City's General Plan establishes the locations and types of land uses and their corresponding development standards. The City of Coronado is considered built-out, with little vacant land available for development. Residential land uses are primarily single-family, with multi-family uses in the center city area. The ocean and bay waterfronts are designated as open space. The City's commercial area is generally located along Orange Avenue, and includes small retail shops and restaurants. The City has numerous hotels and motels, including the historic Hotel Del Coronado, and experiences a large summertime tourist population, as well as a large daytime workforce to support the North Island Naval Air Station and the Naval Amphibious Base that each border the City's central residential area.

Population and Growth Projections

Coronado's total population (2013) is estimated at 23,176. According to the SANDAG 2050 Regional Growth Forecast, Coronado's total population is projected to increase to 26,800 by 2030. This projected increase of 3,624 corresponds to an estimated growth rate of 15.6% for the City of Coronado during 2013-2030.

2010: 24,697 (2010 Census)

2013: 23,176 (2013 SANDAG Estimates)

2030: 26,800 (2050 Regional Growth Forecast) +15.6%

2050: 27,937 (2050 Regional Growth Forecast)

Governance

The City of Coronado is a general law city which is governed by a five-member City Council consisting of an elected Mayor and four elected council members. The City Council consists of a Mayor and four Councilmembers; each serving four year terms and elected from the city at-large. The position of the mayor is elected directly by the voters.

The City Council develops the policies of the City and is responsible for appointing a City Manager to oversee the daily operations of the City. The City Manager is directly responsible to the City Council for the administration and daily operations of all City functions.

Finance

The City of Coronado's adopted budget for Fiscal Year 2012-13 reflects total revenues of \$52.2 million. The City's major revenue sources include: property tax revenues of \$21.7 million (42%); service fees and charges of \$12.6 million (24%); and hotel taxes (TOT) of \$9.1 million (17%).

The Coronado FY2012-13 budget estimated total expenditures of \$52.2 million, with operating expenditures of \$49.6 million and capital expenditures of \$2.7 million; public safety at \$17.8 million (34%); construction, maintenance, and transportation at \$14.7 million (28%); and culture and leisure at \$9.6 million (19%) are the major categorical expenditures.

General Fund revenue for FY2012-13 is projected at \$38.8 million with budgeted expenditures of \$38.6 million, leaving a surplus of \$183,100. The City reports that human resources is the largest General Fund expenditure category (63%) as most municipal services are provided by City employees.

Municipal Services

Fire

The City of Coronado Fire Department provides fire suppression; emergency medical services, prevention, education, inspection, community service, weed abatement, and beach lifeguard services. The Coronado Fire Department has 34 full time employees and operates two fire stations: Fire Station 13 located in the central residential area at 1001 Sixth Street, and Fire Station 14, located on the Silver Strand at 101 Grand Caribe Causeway.

Police

The City of Coronado Police Department is located at 700 Orange Ave, Coronado, CA 92118. The Police Department provides law enforcement services to the public through its patrol, traffic, investigations and animal services divisions. The Coronado Police Department's Field Services Division includes 20 patrol officers and five sergeants that handle emergency and non-emergency calls for service. The Coronado Police Department employs 67 paid employees and utilizes civilian volunteers for the Senior Volunteer Patrol program, Reserve Officer and Explorer Programs.

Sewer

The Wastewater Division of the City of Coronado Public Works Department is responsible for the maintenance of the City's wastewater collection system, which consists of approximately 45 miles of gravity and pressurized pipelines, approximately 750 manholes, and 16 pump stations. The City adopted a Sewer System Management Plan (SSMP) in

2009 that complies with the waste discharge requirements of the State Water Resources Control Board.

On average, the City transfers approximately 3.2 million gallons per day (MGD) of sewage, including sewage flows from the two navy bases, the Naval Amphibious Base (NAB) and the Naval Air Station North Island (NASNI). Although the NAB and NASNI own and operate independent sewage facilities, they contract with the City to convey the flows through the City's system to the Transbay Pump Station from where it is pumped to the City of San Diego's Metropolitan wastewater collection system and conveyed to the Point Loma Wastewater Treatment Plant.

Water

The California-American Water Company (CAWC) provides water service to approximately 21,000 households and businesses, or a population of about 95,000 people within the City of Coronado, City of Imperial Beach, and southern portions of the City of San Diego and the City of Chula Vista. As a private investor-owned water company, CAWC is not a member of the San Diego County Water Authority. Instead, their water is purchased directly from the City of San Diego. CAWC's contract agreement with the City of San Diego assures CAWC the right to purchase as much water as is required to supply their customers for an indefinite period of time. In the event of drought-related water restrictions, the contract provides for San Diego's and CAWC's customers to be restricted proportionately.

Sphere of Influence and Recommendation

The City of Coronado is a full service city that provides most public services to its incorporated territory. The City's sphere area receives adequate levels of police, fire, paramedic, sewer, and water services. The City has planned for potential growth and has sufficient capacity and resources to adequately serve that growth; however the City's physical growth is geographically constrained because it is bordered by adjacent water bodies and is surrounded by other incorporated cities. No amendments to the City's sphere have occurred since its original adoption in 1987 and the City has indicated on its 2012 Sphere of Influence Questionnaire responses that no changes or amendments to the City's sphere are anticipated over the next 5 years. The City also stated that no Special Study Areas have been identified or are requested.

There have been recent discussions between Coronado and Imperial Beach staff to realign their spheres and incorporated boundaries at Carnation Avenue in Imperial Beach where the road segment is bisected between the cities' incorporated territory. This potential realignment would consolidate the segment of Carnation Avenue within the sphere and incorporated territory of the City of Imperial Beach; however, no action has been taken by either of the cities to initiate such a proposal. Accordingly, it is recommended that the City of Coronado's sphere of influence be affirmed as a larger-than-city sphere.

2. City of Imperial Beach MSR13-107; SR13-107

City Characteristics Summary

Incorporation Date: July 18, 1956

Population: 26,496 (2013 SANDAG estimates)

Land Area: Approximately 4.5 square miles

Governance: General Law City; 5-member City Council elected at large

Sphere of Influence: Coterminous

Sphere Adopted: July 12, 1999

Sphere Reaffirmed: March 3, 2008

General Plan Adoption Date: January 24, 2012

Primary Service Providers: City of Imperial Beach, San Diego Unified Port District,
County of San Diego Sheriff, CAL American Water

City Council Meetings: 1st and 3rd Wednesday at 6:00 p.m.

Planning Commission: Same as City Council

Contact Information

Address: 825 Imperial Beach Blvd. Imperial Beach, CA 91932

City Hall Phone: 619/423-8301

Police Department (Non Emergencies): 619/423-8223

Fire Department (Non Emergencies): 619/423-8223

Planning Department: 619/628-2381

Website: <http://www.imperialbeachca.gov>

Email: citymanager@imperialbeachca.gov

Abstract

The City of Imperial Beach is located on the Pacific coast of southern San Diego County and includes approximately 4.5 square miles of incorporated territory. The City of Imperial Beach is bordered by the City of Coronado and San Diego Bay to the north; the City of San Diego to the northeast, east and southeast; the US-Mexico international border to the south; and the Pacific Ocean to the west.

Imperial Beach is the most southern beach city in Southern California and the West Coast of the United States. Imperial Beach is located approximately 14 miles south of downtown San Diego and 5 miles northwest of downtown Tijuana, Mexico. Imperial Beach encompasses nearly 4 miles of beaches along the Pacific Ocean. The City of Imperial Beach connects to the City of Coronado by a 10-mile strip of land called the Silver Strand that separates San Diego Bay from the Pacific Ocean.

Land Use

Present and planned land uses within the City of Imperial Beach consist of single and multi-family residential (38%); commercial (4%); urban reserve (18%); and open space/public facilities (41%). Approximately 928-acres of the Tijuana River Natural Estuary Reserve, including the Slough National Wildlife Refuge and Border Field State Park, are located within the City limits of Imperial Beach.

Population and Growth Projections

The City of Imperial Beach's total population (2013) is estimated as 26,496. According to the SANDAG 2050 Regional Growth Forecast, Imperial Beach's total population is projected to increase to 30,574 by 2030. This projected increase of 4,078 corresponds to an estimated growth rate of 15.4% for the City of Imperial Beach during 2013-2030.

2010: 24,324 (2010 Census)

2013: 26,496 (2013 SANDAG Estimates)

2030: 30,574 (2050 Regional Growth Forecast) +15.4% from 2013

2050: 36,198 (2050 Regional Growth Forecast)

Governance

The Imperial Beach City Council consists of a Mayor and four Councilmembers; each serving four year terms and elected from the city at-large. The position of the mayor is elected directly by the voters. The City Council also acts as the Planning Commission, Redevelopment Agency, Financing Authority and Personnel Board.

Finance

The City of Imperial Beach utilizes a two-year operating budget approval process. The General Fund is the primary operating fund of the City and accounts for most day-to-day activities. Revenue sources include property taxes, sales taxes, transient occupancy taxes, charges for services, and business license fees. The Enterprise Fund or Wastewater (Sewer) Fund is used to account for city operations that are financed and operated like private business enterprises. The Sewer Fund is used to account for sewage treatment, transmission, major replacements and improvements to the City's sewer system.

The City of Imperial Beach's adopted budget for Fiscal Year 2012-13 reflects total revenues of \$24.5 million, with General Fund revenues totaling 17.1 million (including property tax revenues of \$1.7 million); and Sewer Enterprise Fund revenues of \$4.6 million as the major revenue sources. FY2012-13 total operating expenditures are estimated as \$24.5 million and total capital expenditures estimated as \$869,500.

Total FY2012-13 General Fund expenditures are estimated as \$17.1 million, with police,

fire, and lifeguard expenditures comprising almost 60%. Sewer Fund expenditures are estimated as \$3.8 million. For FY2012-13, the General Fund reflects a beginning balance of \$6,225,010 and an ending balance of \$6,197,976. The net General Fund deficit of \$27,034 is attributed to declining property tax and sales tax revenues, and increased law enforcement and retirement costs. The FY2011-12 & FY 2012-13 budgets include a 1.19% increase in the sewer rate to address infrastructure improvements and increased treatment costs.

Municipal Services

Fire

The Imperial Beach Fire Department provides fire suppression; emergency medical services, prevention, education, inspection, community service, and weed abatement duties. The Imperial Beach Fire Department is an ISO Class 4 Department with one fire station, built in 1979, staffed with 12 suppression personnel, one secretary, one deputy chief and one fire chief/public safety director. The suppression staff works a 56-hour workweek consisting of 3 platoons (A, B, C). Suppression personnel include 3 captains, 1 engineer, 2 engineer/paramedics, 4 firefighter/paramedics and 1 firefighter. The department contracts with a private ambulance company for transport of patients to hospitals.

Police

The City of Imperial Beach contracts with the San Diego County Sheriff's Department for law enforcement. The Sheriff's Imperial Beach office is located in the Civic Center complex at 845 Imperial Beach Avenue. Approximately thirty officers operate from this facility and service the City of Imperial Beach and the unincorporated communities of Bonita, Sunnyside, Lincoln Acres and Otay Mesa. The City's contract is for two patrol units (24 hours a day). Eleven deputies are required for staffing of these units. In addition to the patrol units, the City also contracts for 2+ detectives, 3 community service officers (parking enforcement) and .5 special purpose officers (DARE program). The contract also provides for 2 four-wheel drive vehicles, 4 patrol cars, and 3 traffic vehicles (patrol cars with special features).

Sewer

The City of Imperial Beach is a member of the San Diego Metropolitan Sewerage System (Metro). The City's Sewer Division budget includes contract fees paid to Metro for treatment of raw wastewater generated by the Imperial Beach Community. The Sewer Division has the primary responsibility for the operation, maintenance and rehabilitation of the City's sewer collection system. The City adopted a Sewer System Management Plan (SSMP) in 2008 that complies with the waste discharge requirements of the State Water Resources Control Board.

The City of Imperial Beach operates its own wastewater collection system and transports wastewater to Metro's South Bay Interceptor which conveys it to the regional water treatment plant on Point Loma. The present collection system consists of 11 pump stations, 16,200 feet of force main, and approximately 36 miles of sewer lines ranging in diameter from 6 inches to 21 inches. The west side of the City's wastewater is transported to Pump Station No. 8, located at 9th Street and Imperial Beach Boulevard, prior to conveyance to Metro. The east side of the City and a portion of the west side of the City's wastewater is pumped by force main to Calla and Florida Streets prior to conveyance to the Palm City Pump Station by gravity sewer flow. Effluent from both pump stations enters Metro's South Bay Interceptor.

Water

The California-American Water Company (CAWC) provides water service to approximately 21,000 households and businesses, or a population of about 95,000 people within the City of Coronado, City of Imperial Beach, and southern portions of the City of San Diego and the City of Chula Vista. As a private investor-owned water company, CAWC is not a member of the San Diego County Water Authority. Instead, their water is purchased directly from the City of San Diego. CAWC's contract agreement with the City of San Diego assures CAWC the right to purchase as much water as is required to supply their customers for an indefinite period of time. In the event of drought-related water restrictions, the contract provides for San Diego's and CAWC's customers to be restricted proportionately.

Sphere of Influence and Recommendations

The Imperial Beach Sphere of Influence is coterminous with the City's boundary and was originally adopted in 1999. No amendments to the Imperial Beach sphere have occurred since it was established. The Imperial Beach sphere was most recently affirmed as coterminous in 2008 and the City has indicated on its 2012 Sphere of Influence Questionnaire responses that no changes or amendments to the City's sphere are anticipated over the next 5 years. The City also stated that no Special Study Areas have been identified or are requested. The City's sphere area receives adequate levels of police, fire, paramedic, sewer, and water services. The City has planned for potential growth and has sufficient capacity and resources to adequately serve that growth; however the City's physical growth is geographically constrained because it is bordered by adjacent water bodies and is surrounded by other incorporated cities.

There have been recent discussions between Coronado and Imperial Beach staff to realign their spheres and incorporated boundaries at Carnation Avenue in Imperial Beach where the road segment is bisected between the cities incorporated territory. This potential realignment would consolidate the segment of Carnation Avenue within the sphere and incorporated territory of the City of Imperial Beach; however, no action has been taken by either of the cities to initiate such a proposal. Accordingly, it is recommended that the City of Imperial Beach's sphere of influence be affirmed as a coterminous sphere.

3. City of National City MSR13-110; SR13-110

City Characteristics Summary

Incorporation Date: September 17, 1887

Population: 58,582 (2010 Census, SANDAG)

District Area: 9.2 square miles

Land Area: 5,915 Acres

Governance: General Law City; 5-member City Council elected at-large

Sphere of Influence: Larger than City

Sphere Adopted: February 4, 1985

Sphere Reaffirmed: March 3, 2008

General Plan Adoption Date: 2011

Primary Service Providers: City of National City, EDCO, Sweetwater Authority

City Council Meetings: 1st and 3rd Thursday at 6:00 p.m.

Planning Commission: 1st and 3rd Monday at 6:00 p.m.

Contact information

Address: 1243 National City Blvd

National City, California 91950

City Hall: 619/336-4241

Police Department (Non-Emergency) 619/336-4411

Fire Department (Non-Emergency) 619/336-4550

Planning Department 619/336-4310

Website: <http://www.nationalcityca.gov/>

Email: clerk@nationalcityca.gov

Abstract

The coastal City of National City is located in southern San Diego County and is bordered by the City of San Diego to the north and northeast; the unincorporated community of Bonita to the southeast; the City of Chula Vista to the south across the Sweetwater River; and the San Diego Bay to the west. An approximate 300-acre unincorporated island known as Lincoln Acres is located entirely within the southeastern portion of National City.

Land Use

National City is developed with a mix of residential neighborhoods and industrial/commercial uses. Residential land uses comprise approximately 41% of the incorporated territory, industrial/commercial uses total 25%, and only 6% is identified as

vacant. Transportation, communications, and utilities make up a large part of the City's territory because of the freeways that run through the city: I-5, I-805, and SR-54. The City consists of approximately 9.2 square miles; however, 7.3 square miles consists of land area and approximately 1.8 square miles of this total is submerged lands within San Diego Bay.

Population and Growth Projections

National City's total population (2013) is estimated as 58,838. According to the SANDAG 2050 Regional Growth Forecast, National City's total population is projected to increase to 69,306 by 2030. This projected increase of 10,468 corresponds to an estimated growth rate of 17.8% for the City of National City during 2013-2030.

2010 58,582 (2010 Census)

2013 58,838 (2013 Estimates)

2030 69,306 (2050 Regional Growth Forecast) +17.8%

2050 90,070 (2050 Regional Growth Forecast)

Governance

National City is a general law city and is governed by a five-member City Council that is elected at-large by City voters. The City Council consists of a Mayor and four Councilmembers; each serving four year terms and elected from the city at-large. The position of the mayor is elected directly by the voters. The City Council is responsible for setting policies, enacting ordinances, adopting the budget, reviewing the General Plan, appointing committees and appointing the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the City Council, appointing department heads and overseeing the daily operations of the City.

Finance

The City of National City's budget includes estimated revenues and appropriations for the City's five fund types: the General Fund, special revenue funds, debt service funds, capital project funds, and internal service funds. The General Fund is the primary operating fund for the City and accounts for all financial resources not required to be accounted for in a special purpose fund. National City's policy is to complete a budget that is balanced and has a minimum 25% contingency reserve in the General Fund. The City's Fiscal Year 2012-2013 budget includes a contingency reserve of 18.8%.

The City of National City's adopted budget for Fiscal Year 2012-13 reflects estimated total revenues of \$77.4 million, including General Fund revenues totaling \$39.5 million; Sewer Service Fund revenues of \$7.2 million; and Section 8 Fund (federal housing assistance program) revenues of \$9.4 million. Property tax revenues (secured) are estimated as \$2.7 million and are included in the General Fund totals.

National City reports its total FY 2012-13 General Fund expenditures are estimated as \$75.9 million, with \$34.9 million allocated for personnel services (46%); \$29.4 million for maintenance and operations (39%); \$8.4 million for internal charges (11%); and \$2.8 million for capital improvements (3.7%). Internal charges are those costs applied to specific City departments for categories such as facilities/vehicle maintenance, information systems, risk management, and general accounting. Total capital improvement expenditures are budgeted as \$16.8 million for FY 2012-13.

The City of National City has limited debt obligations and most capital improvements are completed on a pay-as-you-go basis. The City reports that current bonded debt obligations include payments on a \$6.0 million general obligation bond issued in 2003 for a new library, and payments on a \$3.1 million lease revenue refunding bond issued in 2010 in relation to the City's police facility. The City reports a bond rating of "A" from Standard & Poors.

Municipal Services

Fire

The National City Fire Department provides fire control, emergency medical service, rescue, fire prevention and education services from two fire stations: Station 34, located at 343 East 16th Street; and Station 31, located at 2333 Euclid Avenue. The National City Fire Department has a staff of 44 personnel that serves an area of approximately nine square miles and 63,000 residents, while also providing fire and rescue services to the Lower Sweetwater Fire Protection District within the unincorporated island of Lincoln Acres. In September 1997 the City's ISO classification of "Class Three (3)" was confirmed.

Police

The National City Police Department provides law enforcement services from its station located at 1234 National City Boulevard. The National City Police Department employs 92 police officers and 43 professional staff members serving approximately 59,000 residents in a nine square mile area.

Sewer

The City of National City provides sewer service to the area within its corporate limits, and receives inflows from the City of San Diego and the United States Navy in route to the regional South Metro Interceptor (SMI) that conveys flow to the Point Loma Wastewater Treatment Plant. The National City Public Works Department's Wastewater Division maintains approximately 97 miles of sanitary sewer mains, 45 miles of closed storm collection systems and 4 pump stations. National City adopted a Sewer System Master Plan in 2011 that projects flows to the year 2027 and recommends capital improvements to adequately meet the flow projections.

Water

The Sweetwater Authority provides potable water services to the incorporated territory of National City; the unincorporated communities of Bonita and Lincoln Acres; and to the western and central portions of the City of Chula Vista. The Sweetwater Authority was established when the South Bay Irrigation District and the City of National City amended and re-adopted a joint-powers agreement (JPA) in 1977.

Sweetwater Authority is a publicly-owned water agency with policies and procedures established by a seven-member Board of Directors. The Sweetwater Authority board of directors is composed of seven members: five directors are elected by division by the citizens of the South Bay Irrigation District. Two directors are appointed by the Mayor of National City, subject to City Council confirmation.

The Sweetwater Authority operates and maintains approximately 388 miles of pipeline. Water supply is obtained from four sources: (1) deep freshwater wells in National City; (2) capture of local runoff in the Sweetwater River with subsequent storage at Loveland Reservoir in Alpine, and Sweetwater Reservoir in Spring Valley; (3) San Diego Formation Wells in the lower Sweetwater River basin; and (4) purchase of imported water delivered by the San Diego County Water Authority and the Metropolitan Water District. District revenues are obtained entirely from water sales, fees for service, and returns on investments; the agency receives no tax revenues.

Sphere of Influence and Recommendations

The National City Sphere of Influence is larger than the City's boundary and was originally adopted in 1985. No amendments to the National City sphere have occurred since it was established. The National City sphere was most recently affirmed as larger-than-city in 2008 and the City has indicated on its 2012 Sphere of Influence Questionnaire responses that no changes or amendments to the City's sphere are anticipated over the next 5 years. The City also stated that no Special Study Areas have been identified or are requested.

The City's sphere area receives adequate levels of police, fire, paramedic, sewer, and water services. The City has planned for potential growth and has sufficient capacity and resources to adequately serve that growth; however the City's physical growth is geographically limited because it is adjacent to San Diego Bay and is bordered by other incorporated cities. The unincorporated island of Lincoln Acres is surrounded by National City incorporated territory and is located within the City's sphere; the unincorporated community of Bonita is contiguous to National City, however, most of Bonita is located in the City of Chula Vista sphere. Accordingly, it is recommended that the City of National City's sphere of influence be affirmed as a larger-than-city sphere.

CONCLUSION AND RECOMMENDATIONS

Sphere and service review determinations for each of the three subject cities reflect that municipal services are adequately provided within the municipal service review area. Statewide changes to redevelopment funding have produced financial impacts to the Cities of Imperial Beach and National City; however, the Cities have adequate reserves and bond ratings to allow for local policy makers to effectively address these issues. Each of the subject Cities is bordered by water bodies and other incorporated cities and have little available area for expansion. The subject cities have indicated on their 2012 Sphere of Influence Questionnaire responses that no changes or amendments to the spheres are anticipated over the next 5 years. Accordingly, your Commission is recommended to: (1) affirm a *larger-than-city* sphere for the City of Coronado; (2) affirm a *coterminous* sphere for the City of Imperial Beach; and, (3) affirm a *larger-than-city* sphere for the City of National City bringing these local agencies into compliance with State Law [Government Code § 56425(g)] and San Diego LAFCO Policy L-102, which require review of all spheres at five-year intervals. Therefore, it is,

RECOMMENDED: That your Commission

- (1) Find in accordance with the Executive Officer's determination that pursuant to Section 15061(b)(3) of the State CEQA Guidelines, sphere affirmations are not subject to the environmental impact evaluation process because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment and the activity is not subject to CEQA.
- (2) Find in accordance with the Executive Officer's determination that pursuant to Section 15306 of the State CEQA Guidelines, the service review is not subject to the environmental impact evaluation process because the service review consists of basic data collection, research, management, and resource evaluation activities that will not result in a serious or major disturbance to an environmental resource. This project is strictly for information gathering purposes as part of a study leading to an action which has not yet been approved, adopted, or funded.
- (3) For the reasons set forth in the *2012 Five-Year Sphere of Influence and Service Review*, (1) affirm a *larger-than-city* sphere for the City of Coronado; (2) affirm a *coterminous* sphere for the City of Imperial Beach; and, (3) affirm a *larger-than-city* sphere for the City of National City.
- (4) Adopt the written Statements of Determinations as shown in Exhibit A and direct the Executive Officer to implement minor technical changes to the subject cities' spheres to better coordinate GIS information regarding incorporated boundaries.

Respectfully Submitted,

MICHAEL D. OTT
Executive Officer

ROBERT BARRY
Local Governmental Analyst III

MDO:RB:trl

Attachments

Vicinity Map: City of Coronado

Vicinity Map: City of Imperial Beach

Vicinity Map: City of National City

Exhibit A: Municipal Service Review and Sphere Review Statements of Determinations

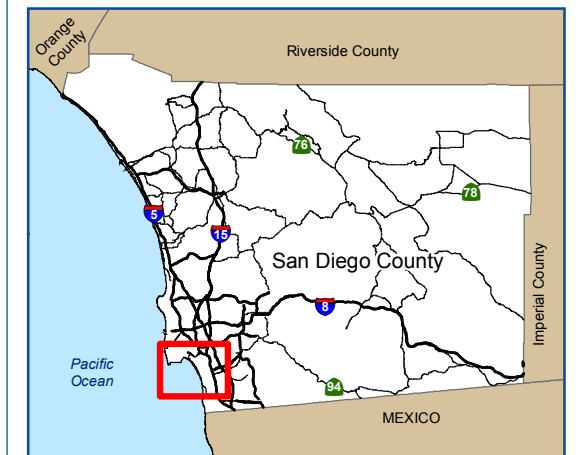
City of Coronado

MSR/SR 13-102

LEGEND

- City of Coronado
- Sphere of Influence (SOI)
- San Diego Bay Boundary

SOI Adopted: 3 / 2 / 87
SOI Affirmed: 8 / 1 / 05
SOI Affirmed: 3 / 3 / 08



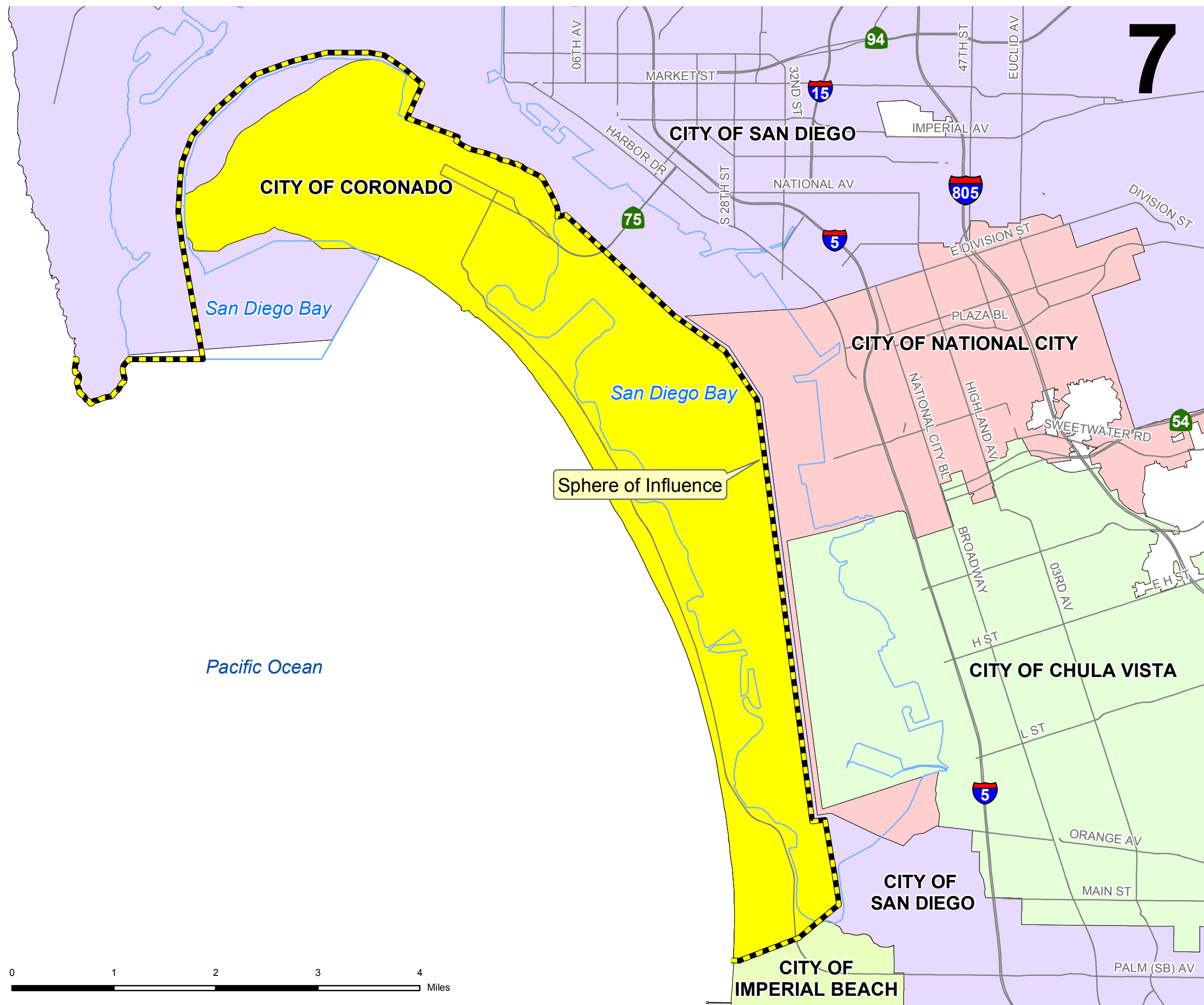
SAN DIEGO **LAFCO**



This map is provided without warranty of any kind, either express or implied, including but not limited to the implied warranties of merchantability and fitness for a particular purpose. Copyright SanGIS. All Rights Reserved. This product may contain information from the SANDAG Regional Information System which cannot be reproduced without the written permission of SANDAG. This product may contain information which has been reproduced with permission granted by Thomas Brothers Maps.

This map has been prepared for descriptive purposes only and is considered accurate according to the GIS and LAFCO data.

File: G:/GIS/Vicinity maps/agendamaps2013/13-102City_Coronado.mxd
 Printed April 2014.



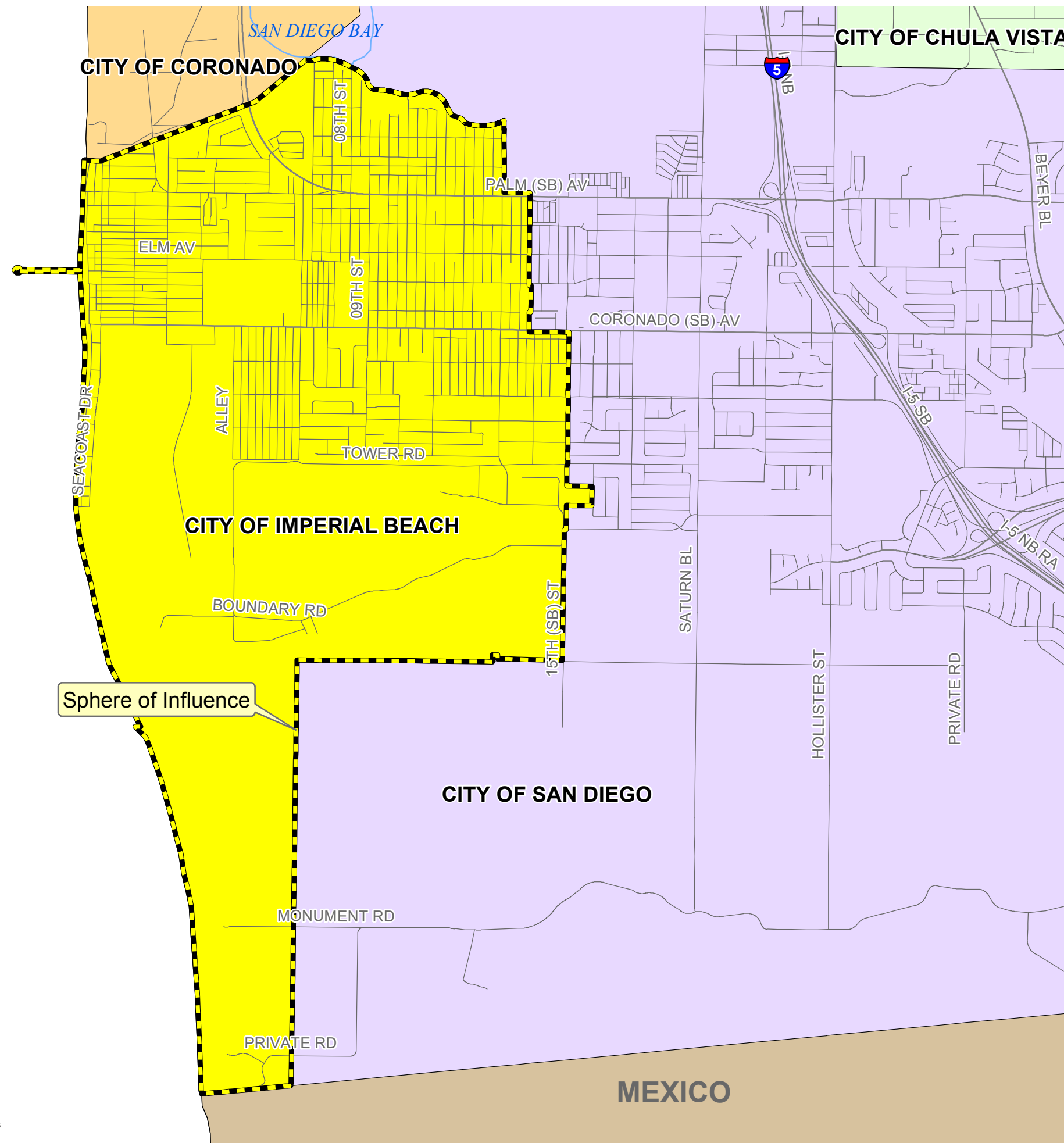
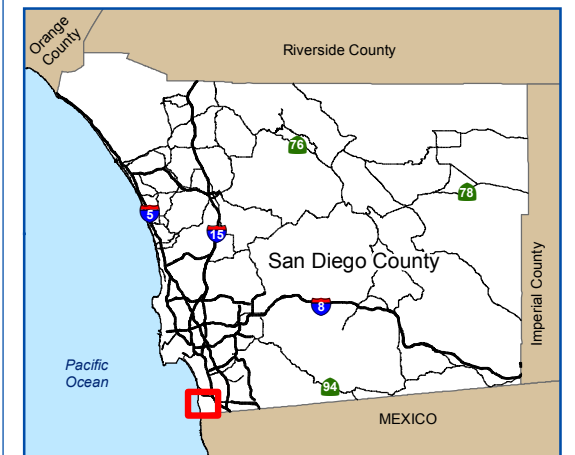
City of Imperial Beach

MSR/SR 13-107

LEGEND

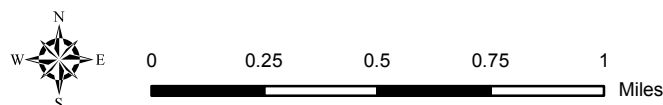
- City of Imperial Beach
- Sphere of Influence (SOI)

SOI Adopted: 7 / 12 / 99
SOI Affirmed: 8 / 1 / 05
SOI Affirmed: 3 / 3 / 08



Pacific Ocean

Sphere of Influence



SAN DIEGO **LAFCO**



This map is provided without warranty of any kind, either express or implied, including but not limited to the implied warranties of merchantability and fitness for a particular purpose. Copyright SanGIS. All Rights Reserved. This product may contain information from the SANDAG Regional Information System which cannot be reproduced without the written permission of SANDAG. This product may contain information which has been reproduced with permission granted by Thomas Brothers Maps.




This map has been prepared for descriptive purposes only and is considered accurate according to the GIS and LAFCO data.

File: G:\GIS\Vicinity maps\agendamaps2013\13-107 City_Imperial_Beach.mxd
 Printed April 2014.

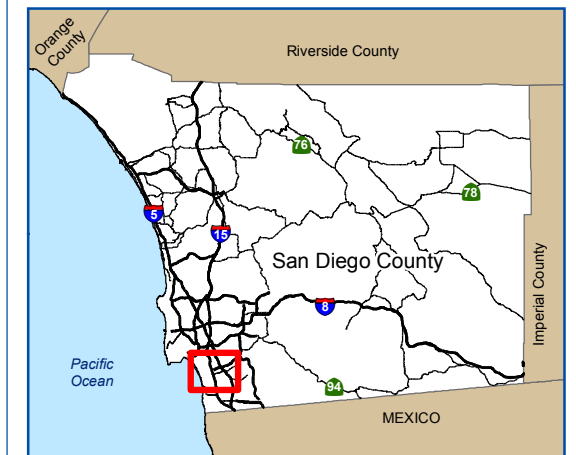
City of National City

MSR/SR 13-110

LEGEND

-  City of National City
-  Sphere of Influence (SOI)
-  San Diego Bay Boundary

SOI Adopted: 2 / 4 / 85
 SOI Affirmed: 2 / 5 / 96
 SOI Affirmed: 8 / 1 / 05
 SOI Affirmed: 3 / 3 / 08



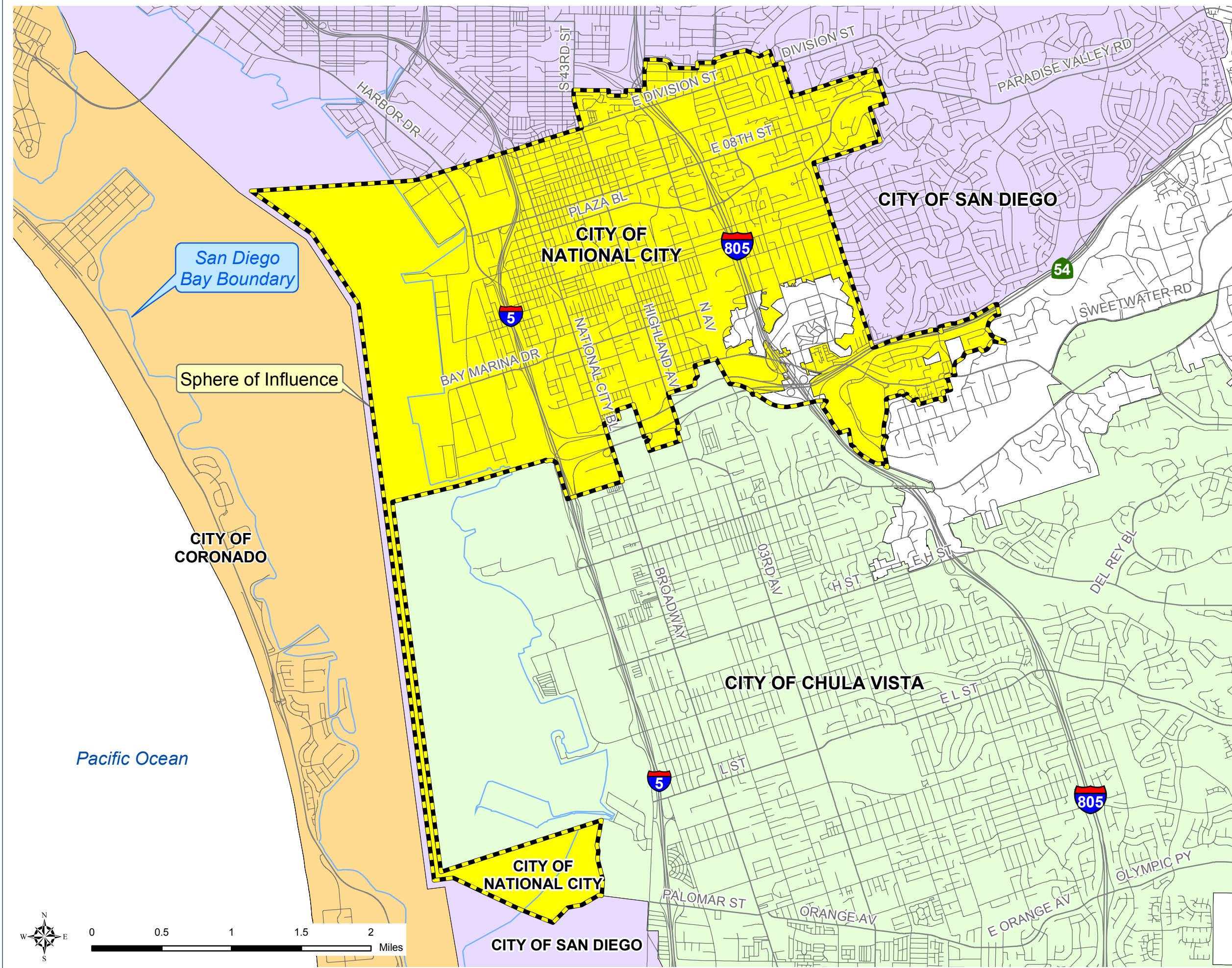
SAN DIEGO **LAFCO**



This map is provided without warranty of any kind, either express or implied, including but not limited to the implied warranties of merchantability and fitness for a particular purpose. Copyright SanGIS. All Rights Reserved. This product may contain information from the SANDAG Regional Information System which cannot be reproduced without the written permission of SANDAG. This product may contain information which has been reproduced with permission granted by Thomas Brothers Maps.

This map has been prepared for descriptive purposes only and is considered accurate according to the GIS and LAFCO data.

File: G:/GIS/Vicinity maps/agendamaps2013/13-110 National_City.mxd
 Printed April 2014.



**RECOMMENDED STATEMENT OF DETERMINATIONS
MUNICIPAL SERVICE REVIEW
CITY OF CORONADO
MSR13-102**

The following statement of determinations is prepared pursuant to section 56430 of the Government Code and fulfills LAFCO requirements regarding a sphere review and sphere affirmation for the City of Coronado.

(1) Growth and population projections for the affected area.

The City of Coronado's total population (2013) is estimated as 23,176. According to the San Diego Association of Governments (SANDAG) 2050 Regional Growth Forecast, Coronado's total population is projected to increase to 26,800 by 2030. This projected increase of 3,624 corresponds to an estimated growth rate of 15.6% for the City of Coronado during 2013-2030. Significant growth is not anticipated in the next five years.

(2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

Refer to the *SB244 Staff Report* approved by the San Diego Local Agency Formation Commission on March 4, 2013 for the status of disadvantaged unincorporated communities and the City of Coronado.

(3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

The City of Coronado provides a wide range of municipal services within its corporate boundary. The Coronado sphere area receives adequate levels of police, fire, paramedic, sewer, and water services. The City has planned for potential growth and has sufficient capacity and resources to adequately serve that growth. The City has ongoing facility improvement projects to improve existing facilities and construct new ones. Coronado uses part of its budget to fund Capital Improvement and Facility Plans. The City's capital improvements and plans anticipate and provide funding for the City's needs.

Refer to the *SB244 Staff Report* approved by the San Diego Local Agency Formation Commission on March 4, 2013 for the status of disadvantaged unincorporated communities and the City of Coronado.

(4) Financial ability of agencies to provide services.

The City of Coronado's adopted budget for Fiscal Year 2012-13 reflects total revenues of \$52.2 million. The City's major revenue sources include: property tax revenues of \$21.7 million (42%); service fees and charges of \$12.6 million (24%); and hotel taxes (TOT) of \$9.1 million (17%).

The Coronado FY2012-13 budget estimated total expenditures of \$52.2 million, with operating expenditures of \$49.6 million and capital expenditures of \$2.7 million; Public safety at \$17.8 million (34%); construction, maintenance, and transportation at \$14.7 million (28%); and culture and leisure at \$9.6 million (19%) are the major categorical expenditures.

General Fund revenue for FY2012-2013 is projected at \$38.8 million with budgeted expenditures of \$38.6 million, leaving a surplus of \$183,100. The City reports that human resources is the largest General Fund expenditure category (63%) as most municipal services are provided by City employees. The City of Coronado's budget supports and sustains the City's needs and residents.

(5) Status of, and opportunities for, shared facilities.

The City of Coronado participates in a number of shared facility programs and other agreements in order to provide cost-effective and efficient services and use of facilities. The City also has a number of arrangements with special districts and private companies for the provision of public services.

(6) Accountability for community service needs, including governmental structure and operational efficiencies.

Coronado is a General Law City that operates within the parameters of California municipal law. Coronado has a city manager and a 5-member city council consisting of an elected Mayor and four elected council members. The city administers a variety of boards, commissions, and committees as well as provides public outreach and information programs. The City Council conducts regularly scheduled public meetings on the first and third Tuesdays of each month. The City maintains a website with access to Board meeting notices, agendas, and minutes.

(7) Any other matter related to effective or efficient service delivery, as required by commission policy.

Additional matters related to effective or efficient service delivery as required by commission policy are not relevant in considering MSR13-102 for the City of Coronado.

**RECOMMENDED STATEMENT OF DETERMINATIONS
FOR AFFIRMATION OF A LARGER-THAN-CITY SPHERE OF INFLUENCE FOR
THE CITY OF CORONADO
SR13-102**

The following statement of determinations is prepared pursuant to section 56425 of the Government Code for affirmation of the areas shown on the attached map as the larger-than-city sphere of influence for the City of Coronado.

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

Present and planned land uses within the City of Coronado include single and multi-family residential, commercial, open space/parks, and military uses; there are no agricultural lands. The City of Coronado presently has a larger-than-city sphere that includes approximately 1,220 acres in addition to the City's incorporated territory: approximately 520 acres of submerged lands in San Diego Bay and approximately 700 acres of City of San Diego incorporated territory along the North Island Naval Air Station.

Since the last review in 2008, there have been no amendments to the sphere. Affirmation of Coronado's larger than city sphere of influence would have no effect on agricultural and open space land uses. The City of Coronado sphere of influence was originally adopted in 1987 and was previously reviewed and reaffirmed in 2005 and 2008.

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

The City of Coronado generally provides a full range of essential services to residents located within the City, except for solid waste removal and water service. The local military bases provide their own municipal services on site. Coronado contracts with the private firm, EDCO for garbage and refuse collection and the private Cal-American Water Company for water service.

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

The City of Coronado provides most municipal services to the developed territories within the corporate boundary except for the military bases. Coronado is not anticipated to be involved in any annexation proceedings or sphere changes in the near future. The Coronado sphere area receives adequate levels of police, fire, paramedic, sewer, and water services. The City has planned for potential growth and has sufficient capacity and resources to adequately serve that growth.

(4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

Social and economic communities of interest that exist in the City of Coronado would not be affected by this reaffirmation of a sphere of influence designation.

- (5) For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.**

Refer to the *SB244 Staff Report* approved by the San Diego Local Agency Formation Commission on March 4, 2013 for the status of disadvantaged unincorporated communities and the City of Coronado.

**RECOMMENDED STATEMENT OF DETERMINATIONS
MUNICIPAL SERVICE REVIEW
CITY OF IMPERIAL BEACH
MSR13-107**

The following statement of determinations is prepared pursuant to section 56430 of the Government Code and fulfills LAFCO requirements regarding a sphere review and sphere affirmation for the City of Imperial Beach.

(1) Growth and population projections for the affected area.

The City of Imperial Beach's total population (2013) is estimated as 26,496. According to the SANDAG 2050 Regional Growth Forecast, Imperial Beach's total population is projected to increase to 30,574 by 2030. This projected increase of 4,078 corresponds to an estimated growth rate of 15.4% for the City of Imperial Beach during 2013-2030.

(2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

Refer to the *SB244 Staff Report* approved by the San Diego Local Agency Formation Commission on March 4, 2013 for the status of disadvantaged unincorporated communities and the City of Imperial Beach.

(3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

The City of Imperial Beach provides many municipal services to city residents. Other services are provided through contracts with outside agencies. The Imperial Beach sphere area receives adequate levels of police, fire, paramedic, sewer, and water services. The City has planned for potential growth and has sufficient capacity and resources to adequately serve that growth. The City has ongoing facility improvement projects to improve existing facilities and construct new ones. The City of Imperial Beach uses part of its budget to fund Capital Improvement and Facility Plans. The City's capital improvements and plans effectively provide funding for the City's needs.

Refer to the *SB244 Staff Report* approved by the San Diego Local Agency Formation Commission on March 4, 2013 for the status of disadvantaged unincorporated communities and the City of Imperial Beach.

(4) Financial ability of agencies to provide services.

The City of Imperial Beach's adopted budget for Fiscal Year 2012-13 reflects total revenues of \$24.5 million, with General Fund revenues totaling 17.1 million (including property tax revenues of \$1.7 million); and Sewer Enterprise Fund revenues of \$4.6 million as the major revenue sources. FY2012-13 total operating expenditures are estimated as \$24.5 million and total capital expenditures estimated as \$869,500.

Total FY 2012-2013 General Fund expenditures are estimated as \$17.1 million, with police, fire, and lifeguard expenditures comprising almost 60%. Sewer Fund expenditures are estimated as \$3.8 million. For FY2012-13, the General Fund reflects a

beginning balance of \$6,225,010 and an ending balance of \$6,197,976. The net General Fund deficit of \$27,034 is attributed to declining property tax and sales tax revenues, and increased law enforcement and retirement costs. The FY2011-12 & FY2012-13 budgets include a 1.19% increase in the sewer rate to address infrastructure improvements and increased treatment costs.

Imperial Beach's budget effectively supports and sustains the City's needs and residents.

(5) Status of, and opportunities for, shared facilities.

The City of Imperial Beach participates in a variety of shared facility programs and other agreements in order to provide cost-effective and efficient services and use of facilities. The City also has a number of arrangements with special districts for the provision of public services.

(6) Accountability for community service needs, including governmental structure and operational efficiencies.

Imperial Beach is a General Law City that operates within the parameters of California municipal law. Imperial Beach has a city manager and a 5-member city council. The city administers a variety of boards, commissions, and committees as well as provides public outreach and information programs. The City Council conducts regularly scheduled public meetings on the first and third Wednesdays of each month. The City maintains a website with access to Board meeting notices, agendas, and minutes.

(7) Any other matter related to effective or efficient service delivery, as required by commission policy.

Additional matters related to effective or efficient service delivery as required by commission policy are not relevant in considering MSR13-107 for the City of Imperial Beach.

**RECOMMENDED STATEMENT OF DETERMINATIONS
FOR AFFIRMATION OF A COTERMINOUS SPHERE OF INFLUENCE FOR THE
CITY OF IMPERIAL BEACH
SR13-107**

The following statement of determinations is prepared pursuant to section 56425 of the Government Code for affirmation of the areas shown on the attached map as the coterminous sphere of influence for the City of Imperial Beach.

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

Present and planned land uses within the City of Imperial Beach consist of a mixture of uses, including single and multi-family residential development, educational facilities, light industrial and commercial, parks, etc. The City of Imperial Beach presently has a coterminous sphere. Since the last review in 2005, there have been no amendments to the sphere. Affirmation of Imperial Beach's coterminous sphere of influence would have no effect on agricultural and open space land uses. The Imperial Beach sphere of influence was originally adopted in 1999 and previously reviewed and reaffirmed in 2004, 2005, and 2008.

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

Imperial Beach generally provides a full range of essential services to residents located within the City, except for wastewater and water services. Wastewater service is provided by Metro Wastewater JPA and water service is provided by Cal-American Water Company. In addition, the City participates in a number of cooperative arrangements to share facilities and infrastructure with other local agencies.

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

The City of Imperial Beach provides most municipal services to the developed territories within the corporate boundary, and has the ability to meet future service demand. Imperial Beach is not expected to be involved in any annexation proceedings or sphere changes in the near future. The Imperial Beach sphere area receives adequate levels of police, fire, paramedic, sewer, and water services. The City has planned for potential growth and has sufficient capacity and resources to adequately serve that growth.

(4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

Social and economic communities of interest are not relevant in considering affirmation of this sphere of influence.

- (5) For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.**

Refer to the *SB244 Staff Report* approved by the San Diego Local Agency Formation Commission on March 4, 2013 for the status of disadvantaged unincorporated communities and the City of Imperial Beach.

**RECOMMENDED STATEMENT OF DETERMINATIONS
MUNICIPAL SERVICE REVIEW
CITY OF NATIONAL CITY
MSR13-110**

The following statement of determinations is prepared pursuant to section 56430 of the Government Code and fulfills LAFCO requirements regarding a sphere review and sphere affirmation for the City of National City.

(1) Growth and population projections for the affected area.

The City of National City's total population (2013) is estimated as 58,838. According to the SANDAG 2050 Regional Growth Forecast, National City's total population is projected to increase to 69,306 by 2030. This projected increase of 10,468 corresponds to an estimated growth rate of 17.8% for the City of National City during 2013-2030.

(2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

Refer to the *SB244 Staff Report* approved by the San Diego Local Agency Formation Commission on March 4, 2013 for the status of disadvantaged unincorporated communities and the City of National City.

(3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

The City of National City provides a range of municipal services to city residents; other services are provided through contracts with outside agencies. The National City sphere area receives adequate levels of police, fire, paramedic, sewer, and water services. The City has planned for potential growth and has sufficient capacity and resources to adequately serve that growth. The City has ongoing facility improvement projects to improve existing facilities and construct new ones. National City uses part of its budget to fund Capital Improvement and Facility Plans. The City's capital improvements and plans effectively provide funding for the City's needs.

Refer to the *SB244 Staff Report* approved by the San Diego Local Agency Formation Commission on March 4, 2013 for the status of disadvantaged unincorporated communities and the City of National City.

(4) Financial ability of agencies to provide services.

The City of National City's budget includes estimated revenues and appropriations for the City's five fund types: the General Fund, special revenue funds, debt service funds, capital project funds, and internal service funds. The General Fund is the primary operating fund for the City and accounts for all financial resources not required to be accounted for in a special purpose fund. National City's budget effectively supports and sustains the City's needs and residents. National City's policy is to complete a budget

that is balanced and has a minimum 25% contingency reserve in the General Fund. The City's Fiscal Year 2012-13 budget includes a contingency reserve of 18.8%.

The City of National City's adopted budget for Fiscal Year 2012-13 reflects estimated total revenues of \$77.4 million, including General Fund revenues totaling \$39.5 million; Sewer Service Fund revenues of \$7.2 million; and Section 8 Fund (federal housing assistance program) revenues of \$9.4 million. Property tax revenues (secured) are estimated as \$2.7 million and are included in the General Fund totals.

National City reports its total FY2012-13 General Fund expenditures are estimated as \$75.9 million, with \$34.9 million allocated for personnel services (46%); \$29.4 million for maintenance and operations (39%); \$8.4 million for internal charges (11%); and \$2.8 million for capital improvements (3.7%). Internal charges are those costs applied to specific City departments for categories such as facilities/vehicle maintenance, information systems, risk management, and general accounting. Total capital improvement expenditures are budgeted as \$16.8 million for FY2012-13.

The City of National City has limited debt obligations and most capital improvements are completed on a pay-as-you-go basis. The City reports that current bonded debt obligations include payments on a \$6.0 million general obligation bond issued in 2003 for a new library, and payments on a \$3.1 million lease revenue refunding bond issued in 2010 in relation to the City's police facility. The City reports a bond rating of "A" from Standard & Poors.

(5) Status of, and opportunities for, shared facilities.

National City participates in a variety of JPAs, shared facility programs, and other agreements in order to provide cost-effective and efficient services and use of facilities. The City also has a number of arrangements with special districts for the provision of public services.

(6) Accountability for community service needs, including governmental structure and operational efficiencies.

National City is a General Law City that operates within the parameters of California municipal law. National City has a city manager and a 5-member city council. The City administers a variety of boards, commissions, and committees as well as provides public outreach and information programs. The City Council conducts regularly scheduled public meetings on the first and third Thursdays of each month. The City maintains a website with access to Board meeting notices, agendas, and minutes.

(7) Any other matter related to effective or efficient service delivery, as required by commission policy.

Additional matters related to effective or efficient service delivery as required by commission policy are not relevant in considering MSR13-110 for the City of National City.

**RECOMMENDED STATEMENT OF DETERMINATIONS
FOR AFFIRMATION OF A LARGER-THAN-CITY SPHERE OF INFLUENCE FOR
THE CITY OF NATIONAL CITY
SR13-110**

The following statement of determinations is prepared pursuant to section 56425 of the Government Code for affirmation of the areas shown on the attached map as the larger-than-city sphere of influence for the City of National City.

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

Present and planned land uses within the City of National City consist of a mixture of uses, including single and multi-family residential development, educational facilities, light industrial and commercial, parks, etc. The City of National City presently has a larger than city sphere. Since the last review in 2008, there have been no amendments to the sphere. Affirmation of National City's larger than city sphere of influence would have no effect on agricultural and open space land uses. The National City sphere of influence was originally adopted in 1985 and previously reviewed and reaffirmed in 1996, 2005, and 2008.

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

National City generally provides a full range of essential services to residents located within the City, except for water service which is provided by the Sweetwater Authority. In addition, the City participates in a number of cooperative arrangements to share facilities and infrastructure with other local agencies.

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

The City of National City provides most municipal services to the developed territory within the corporate boundary, and has the ability to meet future service demand. National City is not expected to be involved in any annexation proceedings or sphere changes in the near future with the exception of potential boundary realignment involving the City of Chula Vista to create a more logical corporate boundary between the two cities.

(4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

Social and economic communities of interest that exist in the City of National City would not be affected by this reaffirmation of a sphere of influence designation.

- (5) For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.**

Refer to the *SB244 Staff Report* approved by the San Diego Local Agency Formation Commission on March 4, 2013 for the status of disadvantaged unincorporated communities and the City of National City.