



DISCUSSION

City of San Bernardino Request for Council Action

Date: February 5, 2025

To: Honorable Mayor and City Council Members

From: Rochelle Clayton, Acting City Manager

Department: City Manager's Office

Subject: **Authorization to Initiate Reorganization Proceedings with the City of Highland for a .56-acre Parcel Located at the Southeast Corner of Victoria Avenue and 5th Street (APN: 1192-551-01) (Ward 1)**

Recommendation:

It is recommended that the Mayor and City Council of the City of San Bernardino, California, authorize staff to initiate reorganization proceedings with the City of Highland regarding APN: 1192-551-01, consisting of a .56-acre parcel, located at the southeast corner of Victoria Avenue and 5th Street, within the sphere of influence and boundary of the City of San Bernardino.

Executive Summary

The recommended action will initiate reorganization proceedings with the City of Highland consisting of a single parcel located at the southeast corner of Victoria Avenue and 5th Street in the City of San Bernardino. The reorganization would include detaching a .56-acre parcel from the City of San Bernardino's sphere of influence and boundary to the City of Highland. The City of Highland has submitted the request for reorganization to accommodate a 7.2-acre industrial development consisting of multiple parcels otherwise located within the City of Highland. The proposed project will include a 173,976 square-foot warehouse which will include 12,000 square-feet of office space at build out.

Background

The City of Highland had previously requested that the City of San Bernardino consider detaching a .56-acre parcel that is generally located at the southeast terminus of Victoria Avenue and 5th Street, also known as APN: 1192-551-01, for the purpose of annexing into the City of Highland, on behalf of the property owner, Patriot USICVI 5th Street, LLC. (Exhibit A) The proposed industrial development, including this property,

would combine with 10 other parcels, all located within the City of Highland and totaling 7.23-acres. The proposed reorganization will streamline the development of the project and adjust services and sphere of influence boundaries.

Discussion

Under the reorganization proposal, no parcels would be annexed into the City of San Bernardino, and one vacant parcel would be detached from the City of San Bernardino. The present land use for the parcel located in the City of San Bernardino is Commercial General – 1 (CG-1). The CG-1 zoning designation is intended to provide for the continued use, enhancement, and new development of retail, personal service, entertainment, office and related commercial uses along major transportation corridors and intersections.

The detachment of the property from the City of San Bernardino's sphere of influence would transfer the Property (APN 1192-551-01) and the corresponding services from the City of San Bernardino to the City of Highland. Should the reorganization be approved as proposed, the property tax revenue, which is estimated to be approximately \$17,603 per year, would be transferred from the County of San Bernardino to the City of Highland. Additionally, the southeastern boundary line for the City of San Bernardino would be adjusted to recognize the annexation.

Staff is recommending that the Mayor and City Council authorize the initiation of reorganizing proceedings with the City of Highland. The proposed reorganization will improve the symmetrical boundary line between the two cities, will defer future costs for services (Code Enforcement, Police Department, Public Works, etc.) to the City of Highland, and reduce the costs associated of maintaining the corresponding street improvements fronting Victoria Avenue (pavement, curb, gutter and sidewalk). The potential deferred costs for services and street maintenance will be further detailed throughout the reorganization process, once approved and initiated by Council.

The formal detachment proceedings would be coordinated through the City of Highland and conducted by LAFCO, which would include the City of Highland working directly with the Property Owner, Patriot USICVI 5th Street, LLC. These proceedings would include mailing notices to applicable property owners within the annexation area and coordinating a Public Hearing to allow for public comments. It is estimated that these proceedings would formally initiate during February or March of 2025 and conclude approximately 90 days thereafter.

2021-2025 Strategic Targets and Goals

This project is consistent with Key Target No 2b. Evaluate operations and performance, investment in resources, technology, and tools to continually improve organizational efficiency and effectiveness. The proposed reorganization will reduce the costs associated with maintenance of the public right-of-way fronting the parcel and improve the southeastern boundary line shared with the City of Highland.

Fiscal Impact

There is no fiscal impact to the City of San Bernardino. All costs associated with proposed reorganization from the City's sphere of influence and boundaries will be borne by the City of Highland and the Property Owner through the LAFCO application process.

Conclusion

It is recommended that the Mayor and City Council of the City of San Bernardino, California, authorize staff to initiate reorganization proceedings with the City of Highland regarding APN: 1192-551-01, consisting of a .56-acre parcel, located at the southeast corner of Victoria Avenue and 5th Street, within the sphere of influence and boundary of the City of San Bernardino.

Attachments

Attachment 1 – Exhibit A – Request for Reorganization
Attachment 2 – LAFCO Letter – Project Overview
Attachment 3 – Area City Border
Attachment 4 – Aerial View of Proposed Reorganization
Attachment 5 – Property Tax Revenue breakdown

Ward:

First Ward

Synopsis of Previous Council Actions:

None