



MSR/SOI Report

City of Brea

November 9, 2005



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EXECUTIVE SUMMARY

The purpose of this report is to provide a comprehensive review of municipal services provided by the City of Brea and to update the City's sphere of influence. Municipal Service Reviews (MSRs) are required by the Cortese-Knox-Hertzberg Act of 2000 to be completed before (or concurrently with) an agency's spheres of influence update. Spheres of influence for all agencies (cities and special districts) are required to be updated every five years.

MUNICIPAL SERVICE SUMMARY

No significant issues were noted. The City is projected to have modest growth over the next 15 years (approximately 6,000 new residents), and no infrastructure needs or deficiencies were noted. While Brea will experience substantial revenue reductions over the next two fiscal years due to shifts in local revenues to the State, the City has taken adequate budget measures to ensure that services will remain at current levels. No rate restructuring opportunities were noted. The City uses private contracts wherever possible to reduce costs and increase management efficiencies. Brea currently provides police protection service, by contract, to the City of Yorba Linda – the only city in Orange County to provide police services to another city. No governmental structure options were noted. The City uses a variety of means to increase local accountability and governance.

SPHERE OF INFLUENCE SUMMARY

The City's sphere of influence includes approximately 5,000 acres in an area located between the City's northern boundary and the Los Angeles County border. The area is primarily uninhabited territory used primarily for oil production purposes. The demand and profitability of new home production in Orange County has persuaded some landowners in this area to consider converting from oil production to residential development.

The City's existing SOI was determined through three separate public hearings in March 1973, June 1973 and September 1974. In 1979, 1982 and 1989, the City's sphere was reaffirmed by LAFCO. The approximately 5,000-acre SOI has been in Brea's SOI for over 30 years. Spheres generally identify territory that will likely receive municipal services from a city in the next 15 years. If annexation of Brea's sphere does not occur in the near future, LAFCO should consider reducing the Brea SOI to more accurately reflect the territory that the City will likely serve in the foreseeable future. At the present time, staff supports reaffirmation of the City's existing sphere.



INTRODUCTION

Pursuant to a 2000 legislative requirement, LAFCO must conduct a comprehensive review of municipal service delivery and update, as necessary, the spheres of influence of agencies under LAFCO's jurisdiction not less than every five years. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires that LAFCO review municipal services before updating the spheres of influence and to prepare a written statement of determination with respect to each of the following:

- 1) Infrastructure needs or deficiencies;
- 2) Growth and population projections for the affected area;
- 3) Financing constraints and opportunities;
- 4) Cost avoidance opportunities;
- 5) Opportunities for rate restructuring;
- 6) Opportunities for shared facilities;
- 7) Government structure options, including advantages and disadvantages of consolidation or reorganization of service providers;
- 8) Evaluation of management efficiencies; and
- 9) Local accountability and governance.

The MSR process does not require LAFCO to initiate changes of organization based on service review findings; it only requires that LAFCO make determinations regarding the provision of public services per Government Code Section 56430. MSRs are not subject to the provisions of the California Environmental Quality Act (CEQA) because they are only feasibility or planning studies for *possible* future action that LAFCO has not approved (Cal. Pub. Res. Code § 21150). The ultimate outcome of conducting a service review, however, may result in LAFCO taking discretionary action on a change of organization or a reorganization.

SPHERE OF INFLUENCE UPDATES

LAFCO is also charged with adopting a sphere of influence for each city and special district within the county. A sphere of influence is a planning boundary that designates the agency's probable future boundary and service area. Spheres are planning tools used to provide guidance for individual proposals involving jurisdictional changes. Spheres ensure the provision of efficient services while discouraging urban sprawl and the premature conversion of agricultural and open space lands. The Cortese-Knox-Hertzberg (CKH) Act requires LAFCO to develop and determine the sphere of influence of each local governmental agency within the county, and to review and



update the SOI every five years. In determining the SOI, LAFCO must address the following:

- 1) Present and planned land uses in the area, including agricultural and open-space lands;
- 2) Present and probable need for public facilities and services in the area;
- 3) Present capacity of public facilities and adequacy of public service that the agency provides or is authorized to provide; and
- 4) Existence of any social or economic communities of interest in the area if LAFCO determines that they are relevant to the agency.

HISTORY OF MSR AREA¹

The City of Brea lies at the base of the Puente and Chino Hills and is located at the crossroads of Orange, Los Angeles and San Bernardino counties. (See attached location map - Exhibit 1). The City of Yorba Linda and San Bernardino County border the City of Brea to east. To the west is the City of La Habra, to the south are the Cities of Fullerton and Placentia, and to the north is unincorporated Los Angeles County.



The properties comprising current day Brea were once part of the large land holdings of the San Gabriel Mission established in 1771 by the Franciscan Padres. Vast herds of Mexican cattle pastured on all the land surrounding Brea during the Mission period and the subsequent Rancho era. In 1863, thousands of acres of Rancho lands, including Brea, were acquired by Abel Stearns, a Los Angeles businessman who later leased much of his land to sheep ranchers.

Sheep ranching and oil production represented the two predominant business activities during the latter half of the 1800s. Beneath the hills in Brea lie what was once one of the world's richest deposits of oil. The Puente Hills and Brea Canyon supported substantial petroleum production. By 1895, the Puente Hills Oil Company had approximately 30 oil wells in the Puente Hills producing 700 barrels of oil a day. Union Oil Company was also lured by the riches of Brea and began purchasing land in Brea for oil production and leasing to other oil companies. Wooden oil derricks and oil production machinery

¹ The City of Brea General Plan, August 2003



covered the hills and canyons. In Spanish, *brea* means tar. The City's name reflects its history as an oil community.

The City incorporated in 1917 with a population of 732. With the oil boom, land in an around the City began converting from sheep ranches to orange groves. Union Oil Company also realized the potential of turning over underutilized properties to citrus production. The post-World War II years, for Brea and most of Southern California, was a period of substantial growth. Citrus groves were plowed under and the land subdivided for greater profits. In 1972, with the completion of the 57 Freeway, agricultural and oil lands surrounding Brea became even more accessible. In 1977, the Brea Mall opened, providing economic growth for the City while supplying retail opportunities for Breans and the region.

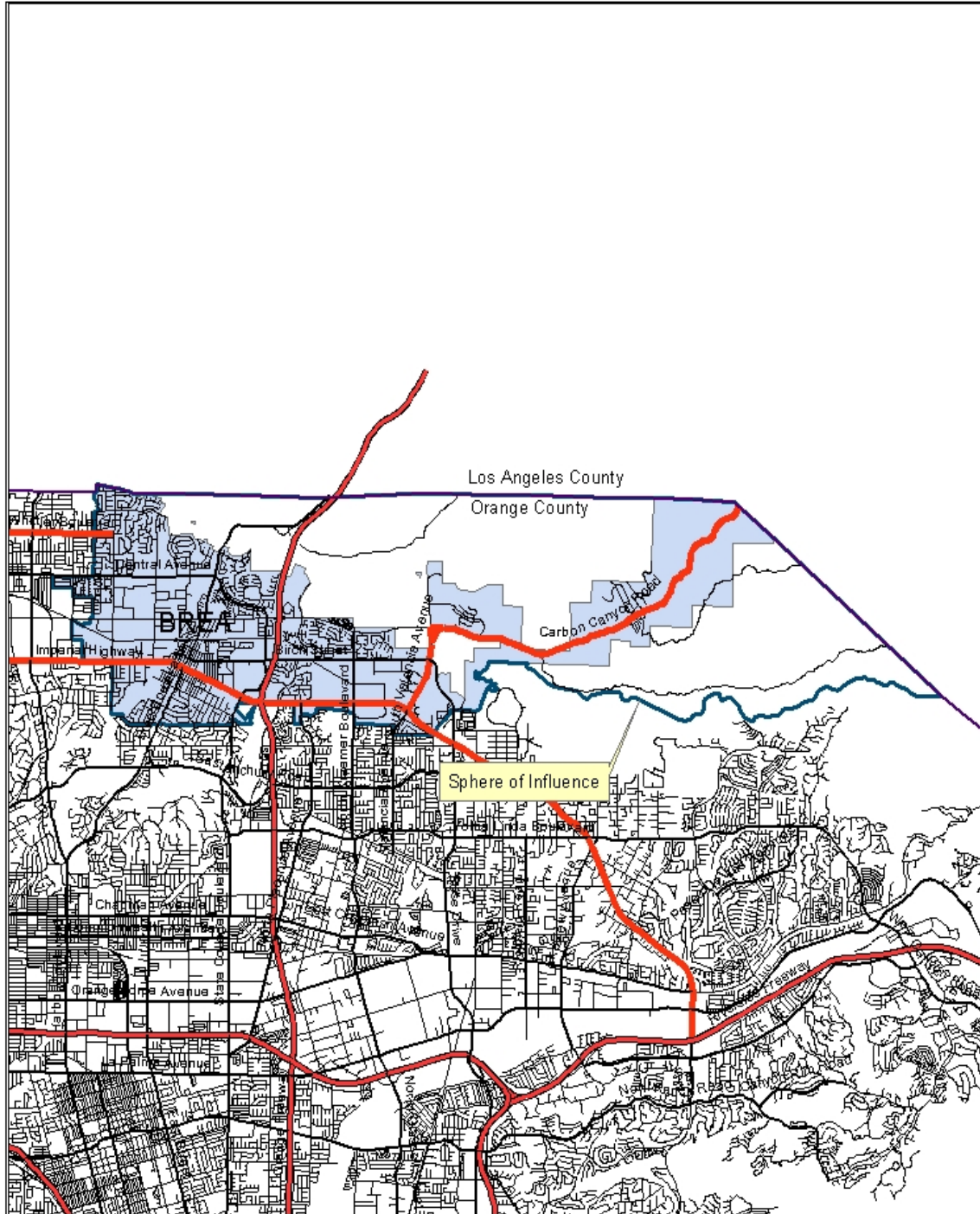
During the 1970s and 1980s, the flatter lands below the base of the hills built out and development started to occur along the lower hillsides. Also, properties once in active oil production transitioned to urban development as the economics of the energy industry changed. The Olinda Ranch development at Lambert Road and Valencia Avenue transformed 277 acres of oil fields into a residential community with substantial open space features.

Shea Homes has secured entitlements for the development of 790 acres of unincorporated territory adjacent to the City of Brea, currently in oil production, for a 795-unit residential planned community. In addition, Aera Energy is also proposing development of a 3,600 – unit residential/commercial project on 3,000 acres of oil production lands in unincorporated northwest Brea and extending into Los Angeles County. Of the 3,000 acre project site, 300 acres are located in the Brea sphere of influence; the balance of the project is located in unincorporated Los Angeles County immediately north of Brea.





Exhibit 1 - City of Brea Sphere of Influence



Legend	
	Sphere Boundary
	City Boundary

City of Brea Sphere of Influence Map

9/27/05

SOI Originally Adopted: 03/28/73

Last Reviewed: 09/11/91

Fig & Table: W:\MSR\project\lks\bream.xd



THE NINE DETERMINATIONS

GROWTH AND POPULATION PROJECTIONS

Countywide Growth Trends

As of January 1, 2003, the official population estimate for Orange County from the California State Department of Finance for Orange County was 2,978,816. This population estimate ranks Orange County as the second most populous county in California and the fifth most populous in the nation. Population growth is expected to reach 3,340,282 people by the year 2020. The most significant factor contributing to Orange County's population growth is natural increase (births minus deaths). In terms of density, Orange County ranks second within California, just behind the County/City of San Francisco. *Table 1- County Population and Density Comparisons*, below, shows Orange County's size in comparison to other nearby counties.

Table 1 - County Population and Density Comparisons

County	Population	Unincorporated Percentage 2000	Unincorporated Percentage 2004	Land Area (acres)	Simple Density (persons/acre)
Alameda	1,466,900	9.3%	9.3%	472,060	3.11
Contra Costa	963,000	19.2%	15.7%	460,740	2.09
Los Angeles	9,716,000	10.5%	10.5%	2,598,980	3.74
Orange	2,978,816	7.7%	3.7%	505,220	5.73
Riverside	1,577,700	26.4%	26.8%	4,612,740	0.34
Sacramento	1,242,000	53.1%	45.7%	618,050	2.01
San Bernardino	1,742,300	17.3%	15.9%	12,833,600	0.14
Santa Clara	1,709,500	6.1%	5.7%	826,050	2.07
San Diego	2,856,300	16.1%	15.6%	2,687,940	1.06

Source: Center of Demographic Research, CSUF

Growth with the City of Brea

Brea's incorporated city limits encompass approximately 7,000 acres or 11 square miles. The City has mix of residential, local and regional commercial businesses and centers, industrial centers, schools and public parks. Of the 7,000 acres, 26 percent are developed



with residences, 20 percent with businesses, 5 percent with schools and public facilities, and 14 percent with parks and other open space uses (see *Table 2 – City of Brea Land Use Distribution*).

Table 2 – City of Brea Land Use Distribution

Land Use Distribution	Percent
Residential (single-family, multi-family, and mobile homes)	26%
Commercial and Office	5%
Industrial	12%
Parks and Open Space	14%
Public Facilities (schools, civic center, fire stations, etc.)	4%
Carbon Canyon Hillside Areas and Vacant Lands	21%
Agriculture	1%
Vacant	2%
Other (streets)	15%
Total	100%

Source: City of Brea General Plan

Starting out as a small oil town, Brea has grown to a community of approximately 39,204 residents.² Over the next 15 years, the Center for Demographic Research, California State University Fullerton, projects that Brea’s population will experience an increase of 6,053 residents for a total of population of 45,257 residents by year 2020. This represents a 15 percent growth in the City’s population over the next 15 years.

Brea serves as an important retail and industrial center for the north Orange County area. A diverse commercial and industrial sector offers employment opportunities and a strong tax base that allows Brea residents a comparatively high level of public



services. The business sector includes manufacturing, service industries, retail and distribution outlets, and professional corporations. The City is home to the Brea Mall, a 99-acre regional mall serving both Orange and Los Angeles Counties. Brea’s average household income is \$84,457 (second only to the City of Yorba Linda in north Orange County) and is projected to increase to \$96,936 over the next five years.



Brea's housing stock includes a diverse mixture of housing types ranging from 1920s bungalows to modern, single-family developments, planned apartment communities, lofts, condominiums, townhouses and five mobile home parks. Sales of existing homes start at approximately \$500,000. Rental rates begin at \$950 per month.

Table 3 – Brea Population, Housing and Employment Projections, below, illustrates estimated City growth between years 2005 and 2020.

Table 3 – City of Brea Population, Housing and Employment Projections

Year	Population	Dwelling Units	Employees
2005	39,204	13,909	42,836
2010	42,281	14,956	45,797
2015	43,597	15,698	46,757
2020	45,257	17,066	49,392

Source: Center of Demographic Research, CSUF

The City's General Plan, comprehensively updated in 2003, recognizes that future growth within and around Brea is inevitable. The General Plan incorporates an integrated framework of growth management, land use, circulation, infrastructure and urban design goals and policies which, when used together, manages growth and development and assists in maintaining the City's existing quality of life. In June 2004, the City approved a Seven-Year Capital Improvement Program (CIP) for FY 2004-FY 2011. The combined CIP budget for FYs 2004-05 and FY 2005-06 includes over \$30 million allocated to City capital improvement projects, including street resurfacing, traffic safety, sewer/storm drain improvements, intersection improvements, and park development.

The City has adequately planned for future growth and associated infrastructure through its General Plan and annual capital improvement program (CIP). No significant issues were noted.

INFRASTRUCTURE NEEDS & DEFICIENCIES

This determination addresses the adequacy of existing and planned infrastructure needed to accommodate future growth and the efficient delivery of public services. The



City or other agencies provide services to Brea residents as described in *Table 4 – Levels of Service for Community Services*, below.

Table 4 – Levels of Service for Community Services

Service	Current Provider	Community Service Standard	Proposed Change
Animal Control	County of Orange	N/A	None
City Attorney	Private Firm (by contract)	N/A	None
Community Development	City of Brea	N/A	None
Fire & Paramedic	City of Brea	Maintain a maximum 4 to 6 minute emergency response time for fire safety services.	None
Library	Orange County Library System	1 square foot of library space per five person population	None
Parks & Recreation	City of Brea	5 acres of park and recreation facilities per 1,000 residents	None
Police	City of Brea	Maintain a 3 to 5 minute response time for emergency police response services.	None
Solid Waste	Private Contractor	Implement all source reduction, recycling and conservation methods as required by the State	None
Water & Sewer	City of Brea	Provide sufficient levels of water, sewer and storm drain service throughout the community.	None

The City’s General Plan establishes levels of service for municipal level services to ensure orderly growth and development and that services and facilities will be provided concurrent with need. A key goal stated in the “Community Development” chapter of the General Plan states that the City will: “Promote balanced growth with supporting public services infrastructure.”

To implement the community service standards, the City adopts an annual budget, a seven-year capital improvement program (CIP) and work program to ensure that service levels are maintained or improved and that the CIP is adequately funded. In June 2004, the City adopted a biennial CIP budget for Fiscal Years 2004-2006.

For FY 2004-2006, the CIP budget allocates over \$30,000,000 to enhance existing infrastructure and provide new infrastructure to aid in service delivery to the City of Brea. Key projects funded for 2004-2006 include traffic signal upgrades and synchronization, intersection widening improvements, design work for a sports park



complex, \$2.3 million for street resurfacing and restoration, and \$871,000 for two sewer main replacement projects.

Police and Fire Services

The City of Brea Police Department provides police services to more than 94,000 residents and a daytime population of more than 150,000 in the cities of Brea and Yorba Linda. The City of Yorba Linda contacts with the City of Brea for police services. The department's central station is located in the Brea Civic Center. The department also maintains a substation in Downtown Brea and an administrative office in Yorba Linda. The department offers a number of community-oriented services, including a Bicycle Safety Program, Explorers Program, Citizen's Academy, Community Action Patrol, and several traffic safety programs.

In an October 2005 survey of 22 police agencies within Orange County, conducted by the *Orange County Register*, the Brea Police Department was among seven departments countywide receiving the highest overall rating. The *Register* survey measured effectiveness of police agencies in eight categories: response time, citizens per officer, homicide clearance, violent crime clearance, property crime clearance, burglary clearance, violent crime rate and property crime rate.

The City of Brea Fire Department provides 24-hour emergency response to a wide spectrum of community situations, including fires, explosions, hazardous material incidents, medical emergencies, accidents, and general assistance requests. The Fire Protection and Emergency Preparedness Programs provide fire inspections, hazardous process permitting, fire code enforcement, public education, and business emergency planning. The Department also leads community outreach and volunteer programs, including the Fire Explorer Program, Apprentice Firefighters and the C.A.R.E.S program, a citizen-based program that trains residents how to respond to emergency situations.

To combat fire, the Fire Department must have sufficient water pressure and storage throughout the City. The water system must be capable of providing at least 20 pounds per square inch residual pressure at one location in the entire system. The City has conducted computer simulations of fire-flow analysis and has recorded deficiencies only in Olinda Village, a residential area located in northeast Brea. The City has placed special requirements on landowners at higher elevations to mitigate pressure problems.



Parks and Recreation

The Brea park system consists of public neighborhood parks, community parks, and school grounds with joint-use agreements. Carbon Canyon and Craig Regional Parks, although located at least partially in Brea, are owned and maintained by Orange County and are popular with Brea residents. Brea has established a service standard of 5.0 acres of park and recreation facilities per 1,000 residents. Based on a 2005-estimated population of 39,204 and total park acreage totaling 331 acres, the current ratio is 8.5 acres of parks per 1,000 population. This ratio exceeds the current City park standard.



Water and Sewer

The City maintains the water distribution, sewage collection and local storm drain systems in Brea. Water supplies are purchased from wholesale providers and the City is responsible for storage and distribution. Sewage collected in laterals and City trunk lines flows in regional lines maintained by the Orange County Sanitation District.

The City of Brea purchases water from two suppliers: (1) the Metropolitan Water District which is surface water from the Colorado River and the California Water Project, and (2) Cal Domestic Water Company which is pumped from wells in the San Gabriel Valley. These two sources are blended for resident use. Each year the City publishes a *Consumer Confidence Report* which details the minerals found in City water. Each water customer receives a copy of the report.

In 2002, the City prepared a Water System Master Plan that analyzed the domestic water system to determine what improvements would be required over the long term to best serve established development, as well as requirements for new facilities based on the General Plan land use plan. According to the City's General Plan, projected water demands are expected to increase from a 2002 baseline use of 9.8 million gallons per day to 18.1 million gallons per day at build-out, an increase of 85 percent. The City has identified water system improvements that will be pursued over the long-term to ensure that established and future water needs are adequately met.

The City's local sewage collection system provides wastewater collection services to all of Brea, portions of unincorporated Orange County, and a small portion of Placentia. The gravity system consists of 121 miles of pipe. The City's sewer system serves a



population of approximately 38,000. The system has approximately 10,740 lateral connections and serves an estimated 175 food service establishments.³ In 2001, the City conducted an extensive analysis of the local sewer system to identify deficiencies in the existing system and to anticipate long-term needs as the City accommodates new residential and other uses. The City's Sewer Master Plan establishes priorities for capital improvements to ensure future sewer service will be available to meet demands of projected development within the City.

No significant issues regarding infrastructure needs and deficiencies were noted.

FINANCING CONSTRAINTS & OPPORTUNITIES

The City of Brea uses a biennial budget process, with the most recent budget adopted for the FY 2004-2006 period. At the mid-point of the budget process, the City Manager and Budget Team provide the City Council with a "mid-term" review of the budget. The mid-term review, completed in June 2005 and summarized below, reflects a cautiously optimistic financial picture for the City.

The City of Brea, like most cities in Orange County and throughout California, faces significant financing constraints due to the changes in the funding structure for cities. The State budget instituted a number of changes in how local revenues are allocated to help the state address the ongoing budget crisis. The four primary local tax revenue funds involved are sales and use taxes, Vehicle License Fees (VLF), property taxes, and Educational Revenue Augmentation Funds (ERAF). The largest impact on the City will come from reductions in property tax revenues over the next two years. With the state budget agreement reached in Sacramento this past summer, \$1.3 billion in local revenues will be shifted to the State for two years.

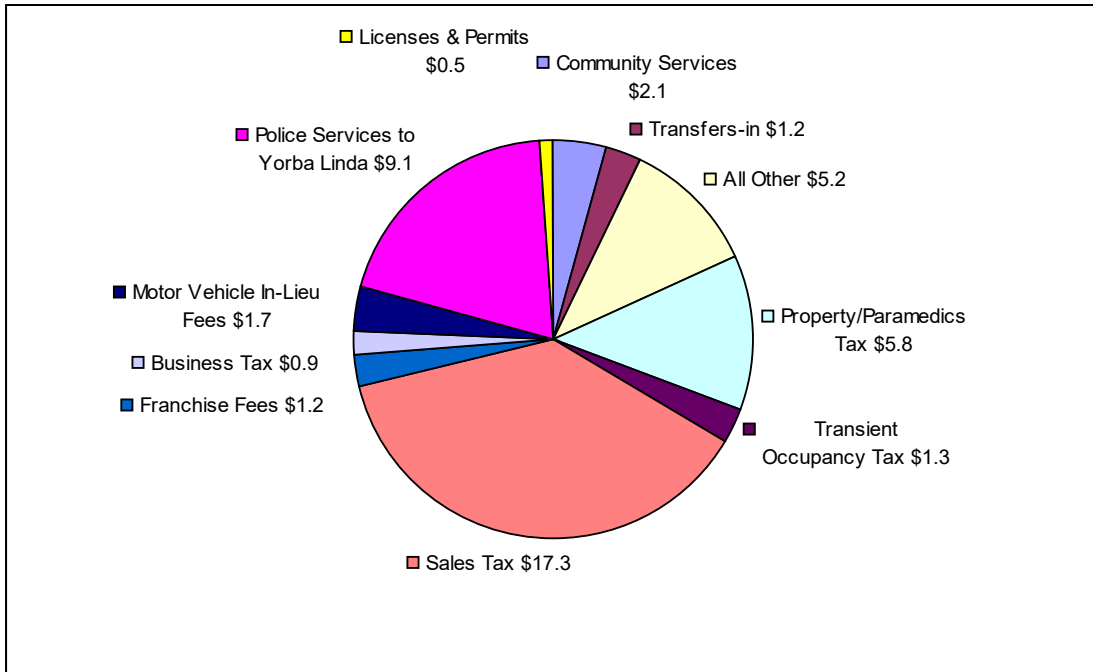
The City's proposed FY 2004-2005 budget is balanced, with estimated revenues for all funds totaling \$46,288,230 and projected expenditures for the same period totaling \$46,266,507 (see charts below). Revenues exceed expenditures by only \$21,723 – a very narrow margin on a \$45 million budget. In FY 2006-07, however, the State "takeaway" of \$659,000 will cease, creating an improved revenue over expenditure picture of \$413,937.⁴

³ OCSD City and Agency Collection Facilities O&M Survey, FY 03-04 Data, OCSD

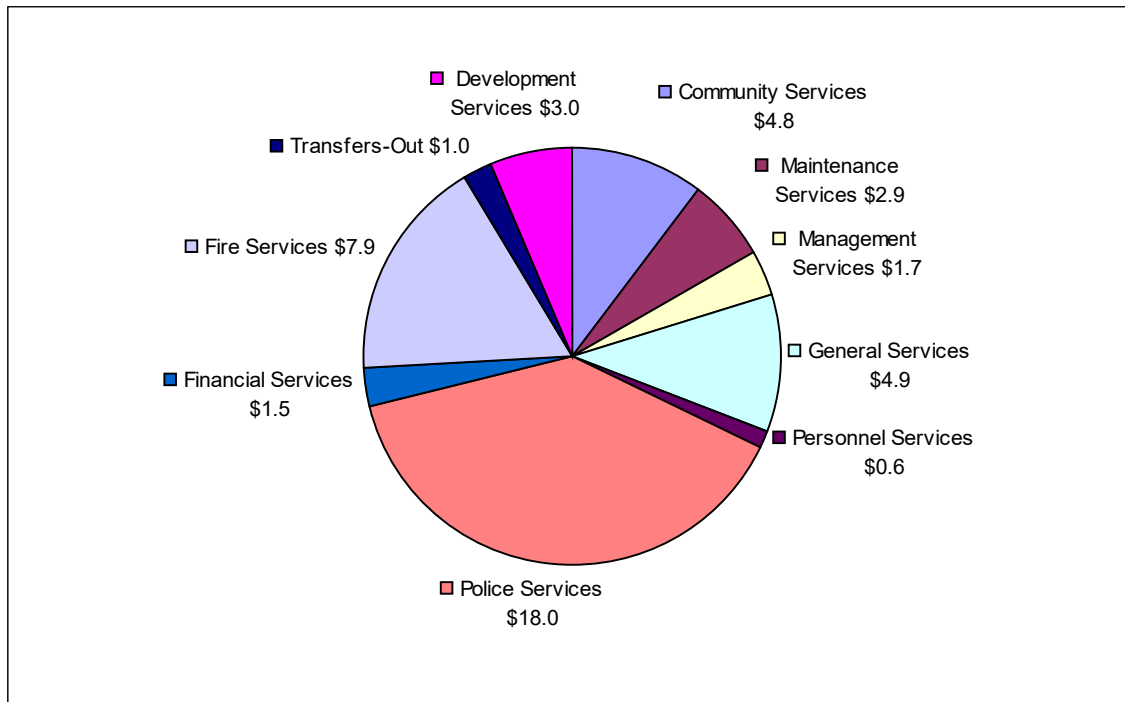
⁴ City of Brea Adopted Biennial Budget 2004-2006 Supplement



FY 04-05 Total Revenues: \$46,288,230



FY 04-05 Total Expenditures: \$46,266,507





COST AVOIDANCE OPPORTUNITIES/OPPORTUNITIES FOR SHARED FACILITIES

The City of Brea contracts for various services with regional service providers, private contractors and adjacent jurisdictions whenever possible. Brea is the only city in Orange County that provides police services outside its jurisdictional boundaries. Police services are provided, by contract, to the City of Yorba Linda by the Brea Police Department.

No significant issues were noted.

OPPORTUNITIES FOR RATE RESTRUCTURING

The City Council reviews its budget annually and establishes fees and charges for services to ensure that revenues are adequate to meet expected expenses. Fees charged by some service providers are beyond the purview of the City of Brea; however, the City works closely with service providers to ensure the most efficient and cost effective services.

No significant issues were noted.

GOVERNMENT STRUCTURE OPTIONS

Several public and private agencies provide services to the City, including the Orange County Library District, Orange County Animal Control Services, and trash pick-up through a private vendor. The City of Brea is the only city in Orange County that provides police service to another city by contract – the City of Yorba Linda. No other government structure options were noted.

The Carbon Canyon Annexation to the City of Brea was completed in 1960. The strip-like annexation extended the Brea's eastern boundaries from Rose Drive to the northeast corner of Orange County, immediately adjacent to Los Angeles and San Bernardino Counties. The resulting irregular boundary created a large land area of approximately 5,000 acres located between Brea and the Los Angeles County boundary. This area constitutes the Brea sphere of influence (SOI) that was determined through three separate public hearings in March 1973, June 1973 and September 1974. In 1979, 1982 and 1989, the City's sphere was reaffirmed by LAFCO.

Spheres of influence are planning tools used by LAFCO and cities to plan for the provision of municipal services. The time horizon for an SOI is typically 15 to 20 years at most. The 5,000 acres located between the Brea and Los Angeles County has been in Brea's sphere for over 30 years. Currently, an annexation application has been filed by



Shea Homes for 795 acres located within the City's sphere. Should annexation of this territory, and the remaining territory within the City's SOI, not occur in the near future, LAFCO should consider reducing the Brea SOI to more accurately reflect territory that the City will likely serve in the foreseeable future. An alternative service provider for the unincorporated territory currently in the City's SOI could include the City of Diamond Bar located in Los Angeles County, northerly of the City of Brea. Implementation of this alternative would require a county boundary adjustment between Orange and Los Angeles counties.

LOCAL ACCOUNTABILITY & GOVERNANCE

No significant issues regarding local accountability and governance were noted. The City of Brea has five (5) council members, elected from the city at-large, which serve four year staggered terms. The city council selects the Mayor and Mayor Pro Tem annually to serve one-year terms. The city council also sits as the governing board of the Brea Redevelopment Agency.

The city council meets on the first and third Tuesday of each month at 7:00 p.m. All council meetings are televised live (and rerun throughout the week) through the city's local cable television outlet, Adelphia. The City maintains a website to increase local accountability and distributes a bi-monthly newsletter, *Brea Line*, to keep residents informed of city activities as well as community recreation, educational and cultural opportunities. *Table 5*, below, lists the current city council members and their terms of office.

Table 5 - Brea City Council Members

City of Brea Council Members	Title	Term	Stipend*
Bill Lentini	Mayor	2002-2006	\$588 per month
Roy Moore	Mayor Pro Tem	2002-2006	\$588 per month
John Beauman	Council Member	2002-2006	\$588 per month
Don Schweitzer	Council Member	2004-2008	\$588 per month
Marty Siminoff	Council Member	2004-2008	\$588 per month

- Council members also receive a flexible benefit of \$850 per month which can be used for health, dental, vision or life insurance coverage. Council members may also elect to become members of the Public Employees Retirement System (PERS).



SERVICE REVIEW DETERMINATIONS

1) Growth & Population Projections

The City is projected to experience an increase of approximately 6,053 residents by the year 2020.

2) Infrastructure Needs & Deficiencies

The future growth projected for the City, while modest, will increase the demand for additional municipal level services. The City of Brea reviews infrastructure needs annually through its budget and capital improvement program to ensure that those city services will match projected growth. The City prides itself on providing a high level of municipal services for its residents, both through its own city departments and programs, and through contracted public and private agencies which serve Brea. The City continues to meet and exceed service level goals identified in the City's General Plan.

3) Financing Opportunities & Constraints

The impact of the local revenues shift to the State from the City of Brea, like all cities in Orange County and California, will result in reductions in city revenues. The City uses a biennial budget process, with a "mid-term" review of the budget provided to the City Council by the City Manager and City Budget Team. Despite the revenue shift at the State level, the City's proposed FY 2004-2005 budget is balanced. Following termination of the State revenue shift in FY 2006-2007, the budget is projected to have an enhanced revenue over expenditure picture of \$413,937.

4) Opportunities for Rate Restructuring

No issues regarding rate restructuring currently apply.

5) Government Structure Options

The Brea Sphere of Influence includes approximately 5,000 acres sandwiched between the City's northern corporate boundary and the Los Angeles County border. The City's SOI has essentially remained unchanged for the last 30 years. The City should consider pursuing annexation of their sphere in the near future, or LAFCO should reduce the City's SOI to more accurately reflect the probable need for Brea municipal services to this area.



6) *Local Accountability & Governance*

The City of Brea provides a strong resident outreach effort to its residents through its website, bi-monthly informational mailer, and televised City Council meetings. Historically, the City has also encouraged resident involvement in key land use decisions facing Brea - including, most recently, the Brea Downtown, the Brea Sports Park, the proposed Tonner Hills development in the Brea SOI, and the development of the 2003 General Plan Update.

7) *Opportunities for Cost Avoidance*

The City currently contracts with other public agencies and private agencies when cost/benefit studies have demonstrated a savings to the City by avoiding overhead, infrastructure, and associated management costs. The City has demonstrated an entrepreneurial spirit in providing police services to the City of Yorba Linda, the only city in Orange County to provide police services to another agency. For FY 2005-2006, the City of Yorba Linda pays the City of Brea \$9.1 million for police protection.

8) *Opportunities for Management Efficiencies*

No significant issues were noted.

9) *Opportunities for Shared Facilities*

No significant issues were noted.



CITY OF BREA SPHERE OF INFLUENCE UPDATE

Government Code Section 56425 identifies the following factors that should be considered by LAFCO when determining an agency's sphere of influence:

- The present and planned land uses in the area, including agricultural and open-space lands.
- The present and probable need for public facilities and services in the area.
- The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
- The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

The City of Brea encompasses approximately 7,000 acres (or 11 square miles) with an estimated population of approximately 39,204. The City has a mix of residential, local and commercial businesses and center, industrial parks, schools and public parks. The City is home to the Brea Mall, a 99-acre regional shopping hub that serves Orange and Los Angeles County residents. Of the City's 7,000 acres, 26 percent are developed with residences, 20 percent with businesses, 5 percent with schools and public facilities, and 14 percent with parks and opens space uses.

The City's sphere of influence includes approximately 5,000 acres in an area located between the City's northern boundary and the Los Angeles County border. The area is primarily uninhabited territory used primarily for oil production purposes. The demand and profitability of new home production in Orange County has persuaded some landowners in this area to consider converting from oil production to residential development.

The City's existing SOI was determined through three separate public hearings in March 1973, June 1973 and September 1974. In 1979, 1982 and 1989, the City's sphere was reaffirmed by LAFCO. The approximately 5,000-acre SOI has been in Brea's SOI for over 30 years. Should annexation of this territory, and the remaining territory within the City's SOI, not be annexed into the City in the near future, LAFCO should consider reducing the Brea SOI to more accurately reflect the territory the City will likely serve in



the foreseeable future. At the present time, staff supports reaffirmation of the City's existing sphere.

RECOMMENDATIONS

Staff recommends that the Orange County LAFCO Commission re-affirm the existing sphere of influence for the City of Brea.



STATEMENT OF DETERMINATIONS

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

Development within the City's existing boundaries is largely built-out. Redevelopment of outdated, existing uses and new in-fill development is occurring throughout the City. The City's 5,000-acre sphere of influence, located between the northern City limits and the Los Angeles County border, is largely undeveloped and devoted to oil production uses. High demand for residential development in northern Orange County has resulted in the proposed conversion of some oil-related land uses to new residential planned communities in the City's SOI area.

The present and probable need for public facilities and services.

The present and future need for services is addressed through the City's General Plan, budget, and seven-year capital improvement program to ensure that city services match projected growth.

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

The City and other service providers have adequate capacity and facilities to serve current and future land uses.

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

The Orange County LAFCO has not identified any social or economic communities of interest for the City of Brea and none were identified during the municipal service review and sphere review processes.