

FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCO)
EXECUTIVE OFFICER'S REPORT

AGENDA ITEM No. 6

DATE: July 8, 2015

TO: Fresno Local Agency Formation Commission

FROM: David E. Fey, AICP, Executive Officer 

SUBJECT: Consider Application: City of Fresno "Locan-Fedora Northeast Reorganization." A reorganization submitted by landowner petition to annex 24.71 acres to the City of Fresno and detach from the Fresno County Fire Protection District and the Kings River Conservation District for territory located on the east side of Locan Avenue south of the East Dakota Avenue Alignment (LAFCo File No. RO-15-2).

Applicant: John Bonadelle, Bonadelle Homes, Inc.

Land Owners/Parties of Real Interest: Bonadelle Homes, Inc. (John Bonadelle),
Jeremy Doyel

RECOMMENDATION: Deny the Proposal based on non-conformance with LAFCo policies and the SEGA SOI conditions.

ALTERNATE ACTION: Approve By Taking the Following Actions:

- A. Acting as Responsible Agency pursuant to California Environmental Quality Act (CEQA) Guidelines, find that prior to approving the proposed annexation, the environmental effects of the project as shown in the CEQA documents prepared, adopted, and submitted by the Lead Agency, were reviewed and considered, and determine these documents to be adequate pursuant to CEQA Guidelines Section 15096.
- B. Find that the proposed reorganization is sufficiently consistent with LAFCo Policies, Standards and Procedures of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH).
- C. Find that the SEGA SOI conditions are specific to city-initiated annexations and not to property-owner petitions for annexation.
- D. Assign the distinctive short form designation "Locan-Fedora Northeast Reorganization" and approve the reorganization (annexation and detachments) subject to the following condition of approval:
 - 1. Fire transition agreement between the City of Fresno and the Fresno County Fire Protection District must be approved prior to the Executive Officer issuing a certificate of completion for this proposal.

2. Pursuant to Fresno LAFCo policy 103-05, the Executive Officer shall record the approved application if all conditions have been satisfied and once he or she has determined that the facts pertaining to the application during the time of recording are materially similar to those facts considered by the Commission when the application was approved. Facts, as used in the proceeding sentence, is defined to include, but is not limited to, whether or not the proposed project is materially similar to the project described in any application before the Commission.

E. Find pursuant to CKH that:

1. The territory is uninhabited; and
2. All landowners and affected agencies have consented to the reorganization.

F. Waive further Conducting Authority Proceedings and order the reorganization subject to the requirements of CKH and the 30-day reconsideration period.

Background / Discussion

This proposal is a request by landowner petition to annex 24.71 acres to the City of Fresno and detach from the Fresno County Fire Protection District and the Kings River Conservation District for territory located on the east side of Locan Avenue south of the East Dakota Avenue Alignment. Dirk Poeschel, on behalf of John Bonadelle, submitted an application to LAFCo, which was determined to be complete by the Executive Officer on June 11, 2015.

The City pre-zoned the territory from County AE-20 (Exclusive 20-acre Agriculture) to R-1/CZ (Single-Family Residential/conditions of zoning) zone district and approved Tentative Map No. 6067 which would develop the site into a 98-lot single-family residential subdivision.

The affected territory is within the existing Fresno sphere of influence (SOI) and is located within the City's Southeast Growth Area (SEGA). The County of Fresno stated that the proposal was consistent with the Standards for Annexation contained in Exhibit I of the Amended and Restated MOU between the City of Fresno and County of Fresno (see Correspondence at www.fresnolafco.org).

Proposal / Land Use

- The Proposal consists of the annexation of 24.71 acres to the City of Fresno and detachment from the Fresno County Fire Protection and the Kings River Conservation District.
- The affected territory is located on the east side of North Locan Avenue between the East Dakota Alignment and East Shields Avenue and is located within the Fresno SOI in an area initially branded as the Southeast Growth Area (SEGA)¹(see Exhibit A and Exhibit B).

¹ The city has since re-branded this area as the Southeast Development Area (SEDA). For continuity with the LAFCo record from 2004-2006, this report will use the original SEGA name.

- The affected territory is vacant land and surrounding land uses consist of urban uses to the west within Fresno City's limits, and rural home sites and agricultural uses to the north, south, and east within the unincorporated areas.

Staff Analysis

This proposed reorganization ("Proposal") has been consented by all of the landowners. This application has been noticed for a public hearing pursuant to GC §56664.

Consistency with the City-County Memorandum of Understanding)

In January 2003, the City of Fresno and Fresno County approved a Restated Memorandum of Understanding (the "MOU"). This is the property tax revenue sharing agreement required for each annexation by Revenue and Tax Code §99 et seq. and it also contains "Standards of Annexation" that promote orderly and logical annexation boundaries. In brief, the development conditions that must be met prior to annexation and development in SEGA were agreed to as:

- City shall prepare a Water Supply Plan for the Southeast Growth Area pursuant to Water Code Section 10910;
- City shall renew Central Valley Project water supply contract; and
- City shall complete a Specific Plan and environmental work for the entire Southeast Growth Area. The Plan and/or environmental work shall include a Water Supply Plan incorporating the requirements of Water Code Section 10910.

The MOU contains section 6.2.5 which reads,

"Exceptions to the provisions of this Section 6.2 (relating to the sequencing of development of the City's SEGA) may be granted on a case-by-case basis upon the consensus of both the City and County."

On April 22, 2014, the Fresno County Board of Supervisors determined that the proposed 24-acre annexation is exempt from Article VI, Section 6.2.1 and 6.2.2 of the City/County Restated Memorandum of Understanding (MOU) and determined that the proposed annexation is consistent with the Standards of Annexation contained in Exhibit I of the MOU (attached).

The parties' consistency with MOU is essential for the annexation to move forward because it represents agreement on the required property tax sharing should the annexation be approved by the LAFCo. However, the LAFCo is not a party to the MOU and is not otherwise bound by the actions of either the City of Fresno or Fresno County.

Consistency with LAFCo Policies, Standards, and Procedures and Conditions of SOI Revision

On April 12, 2006, the Commission adopted resolution USOI-144 "Request for Revision to the City of Fresno Sphere of Influence, adopted findings and approved with conditions." This resolution included similar references to City applications. The conditions of approval included:

- preparation and adoption of a community or specific plan for SEGA;
- a master Service Delivery Plan;
- preparation of a program for annexing the designated open space areas in the approach corridor of the Fresno Air Terminal; and
- a rural residential neighborhood annexation program.

Because none of these activities have been performed, staff recommends that the Commission find that the proposal is not consistent with the conditions of approval for the SEGA SOI.

Please refer to Attachment "A," for analysis in support of staff's recommendation.

Alternative Actions

A set of alternative actions are available for the Commission should it conclude that the SOI SEGA conditions were exclusively intended to restrict applications by City resolution rather than property-owner petitions.

Fire Transition Agreement

When a proposed reorganization includes annexation of territory to a city and detachment from a fire protection district (hereinafter, a "City/Fire Protection District Reorganization"), it is commission policy that a transition agreement shall be required to provide for the orderly transition of services from the district to the city.

The Commission is not a party to these agreements and other than the terms specified in the policy will not dictate the terms of the transition agreement. The intent of the transition agreement is to provide for the orderly transition of services.

Staff understands that the City and District are currently negotiating the terms of a transition agreement. For this reason, though the Commission is permitted by policy to "impose its own conditions of approval to ensure an orderly transition of services" staff recommends that the Commission condition its approval that a transition agreement between the City of Fresno and the Fresno County Fire Protection District must be approved prior to the Executive Officer issuing a certificate of completion for this proposal.

Fresno LAFCo Policy 103-05

Adopted in January, 2015, Fresno LAFCo policy 103-05 is the basis for recommended Condition No. 3 and authorizes the Executive Officer to record—that is, issue a certificate of completion for an approved application—once he has determined that the facts pertaining to the application during the time of recording are materially similar to those facts considered by the Commission when the application was approved.

Environmental Determination

The City of Fresno prepared an Initial Study to evaluate the potential environmental effects of the reorganization. The City made findings that no potential significant impacts to the environment would occur with implementation of the project. The Fresno City Council adopted a Mitigated Negative Declaration on November 20, 2014 (see Environmental Documents at www.fresnolafco.org).

As Responsible Agency, the Commission is required to review and consider the City's Initial Study and Mitigated Negative Declaration prior to taking its action. If the Commission

determines that these documents are adequate, pursuant to CEQA, it may make the required findings provided under "Recommendations" above.

Consistency with LAFCo Policy, Standard and Procedures

- The Proposal is not consistent with LAFCo's conditional approval of the SEGA.
- The City of Fresno and Fresno County have found the Proposal to be exempt from the SEGA development conditions and is consistent with the City of Fresno's General Plan and Memorandum of Understanding (Tax Sharing Agreement) Standards for Annexation with the County of Fresno; however, the LAFCo is not a party to the MOU.
- The City of Fresno does not have a current fire transition agreement in place with the Fresno County Fire Protection District. However, approval of the proposal includes a condition that such an agreement must be in place prior to completion by the executive officer.
- The affected territory is located within the City of Fresno's Southeast Growth Area Sphere of Influence (SOI) and adjacent to the existing city limits along its western boundary (see Maps and Figures).
- The majority of the affected territory is subject to an approved tentative map and a service plan submitted for this Proposal indicates that all necessary urban services (water, sewer, police, fire, etc.) are available to serve the affected territory.

Accordingly, the Executive Officer has determined that the proposed reorganization is not consistent with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (the "Act," Government Code 56000 et seq.), and LAFCo Policies, Standards, and Procedures, including, but not limited to, Sections 100 and 200.

APPLICATION INFORMATION

1. Affected Territory

Acreage:	24.6 acres
Current Land Use:	Vacant
Number of Residences/ Population:	Residences: 2/ Population: 2
Landowners/ Registered Voters:	Landowners: 2/ Voters: 0
Previous County Zoning:	AE-20
City Zoning Upon Annexation:	R-1/CZ
Ag. Preserves/Contracts:	None
Assessor Parcel Numbers:	310-270-09, -10, -11, -12

2. **Proposed Development:** Bonadelle Homes, Inc. proposes to develop Tentative Tract Map No. 6067 for 98 single-family residences.
3. **Surrounding Territory:** The surrounding land uses consist of urban uses to the west within Fresno City's limits, and rural home sites and agricultural uses to the north, south, and east within the unincorporated areas.

4. **Consistency with Adopted Sphere of Influence (SOI):** The affected territory is within the City of Fresno's adopted Sphere of Influence; the Commission's SOI conditions have not been satisfied.
5. **Consistency with City and County General and Specific Plans:** The Proposal is consistent with the City of Fresno's General Plan as amended and the Roosevelt Community Plan though the City does not have a Specific Plan, nor master service plan for the area as specified in the LAFCo's SEGA SOI conditions.
6. **Existing Service Agencies and Proposed Service Changes**

Service	Existing Service	Change
Water	Well	City of Fresno
Sewer	Septic	City of Fresno
Fire Protection	Fresno County Fire Protect. District	City of Fresno

Please Note: A service plan for this Proposal is available at www.fresnolafco.org.

7. **Cities and Districts Included Wholly or Partially within the Affected Territory.**

County of Fresno	Fresno County Library District
Kings River Conservation District	Fresno County Fire Protection District
Fresno County Fire, Zone 10	Clovis Cemetery District
State Center Community College District	Clovis Unified School District
Fresno Metropolitan Flood Control District	County Service Area No. 35
Fresno Irrigation District	West Fresno Red Scale Protective District
Consolidated Mosquito Abatement District	Fresno County Service Area No. 35

8. **Costs and Other Changes Affecting Residents or Landowners**

No costs are anticipated that will affect residents or landowners, however, the City's pension override may increase property tax assessment above its current (unincorporated) level.

9. **Agencies and Individuals Submitting Comments** (see Correspondence and Comments)

- John Navarrette, Fresno County Administrative Officer
- Bruce Rudd, City Manager, City of Fresno
- Mike Sanchez, Assistant Director, Dev. and Resource Management, City of Fresno
- Will Kettler, Development Services Manager, County of Fresno
- Laurel Prysiazny, County Librarian
- Michael Navarro, Chief, Planning North, Caltrans
- Janet Gardner, Environmental Health Specialist III, Fresno County Department of Public Health
- Frances Devins, Lieutenant, Fresno County Sheriff-Coroner's Office
- Victoria Najera, Program Tech II, Fresno County Clerk's Office

10. **Territory Boundaries:** The boundaries of the proposed annexation **are** definite and certain, and there **are no** conflicts with lines of assessment ownership. The map and legal **are not** sufficient per Dave King (Fresno County Assessor's Office) for recordation or filing with the State Board of Equalization.

11. **Registered Voter Data**

The County of Fresno Elections Office reported that there were **zero** (0) registered voters in the affected territory.

12. **Compliance with the Requirements of CEQA**

Lead Agency: City of Fresno - **Level of Analysis:** Initial Study

Finding: Mitigated Negative Declaration (see Environmental Documents – www.fresnolaftco.org).

13. **Names of Landowners or Parties of Real Interest**

John Bonadelle, Bonadelle Homes, Inc.
Jeremy Doyel

Proponent: Dirk Poeschel on behalf of John Bonadelle, Bonadelle Homes, Inc.

14. **Public Notice of Hearing** – Public notice concerning this Proposal was issued by the Executive Officer pursuant to State law.

15. **Individuals and Agencies Receiving this Report**

- Commissioners and Alternates
- Ken Price, LAFCo Counsel
- Will Kettler, Division Manager, Development Services Division, Fresno County Public Works and Planning Department
- Bernard Jimenez, Deputy Director of Public Works and Planning
- Bruce Rudd, City Manager, City of Fresno
- Jennifer Clark, DARM, City of Fresno
- Randy Shilling, Assistant General Manager, Kings River Conservation District
- Mark Johnson, Chief, Fresno County Fire Protection District
- Dirk Poeschel, Dirk Poeschel Land Development Services
- John Bonadelle, Bonadelle Homes, Inc.

EXHIBIT A

Figure 1: Proposed SOI Amendment to Include the Southeast Growth Area

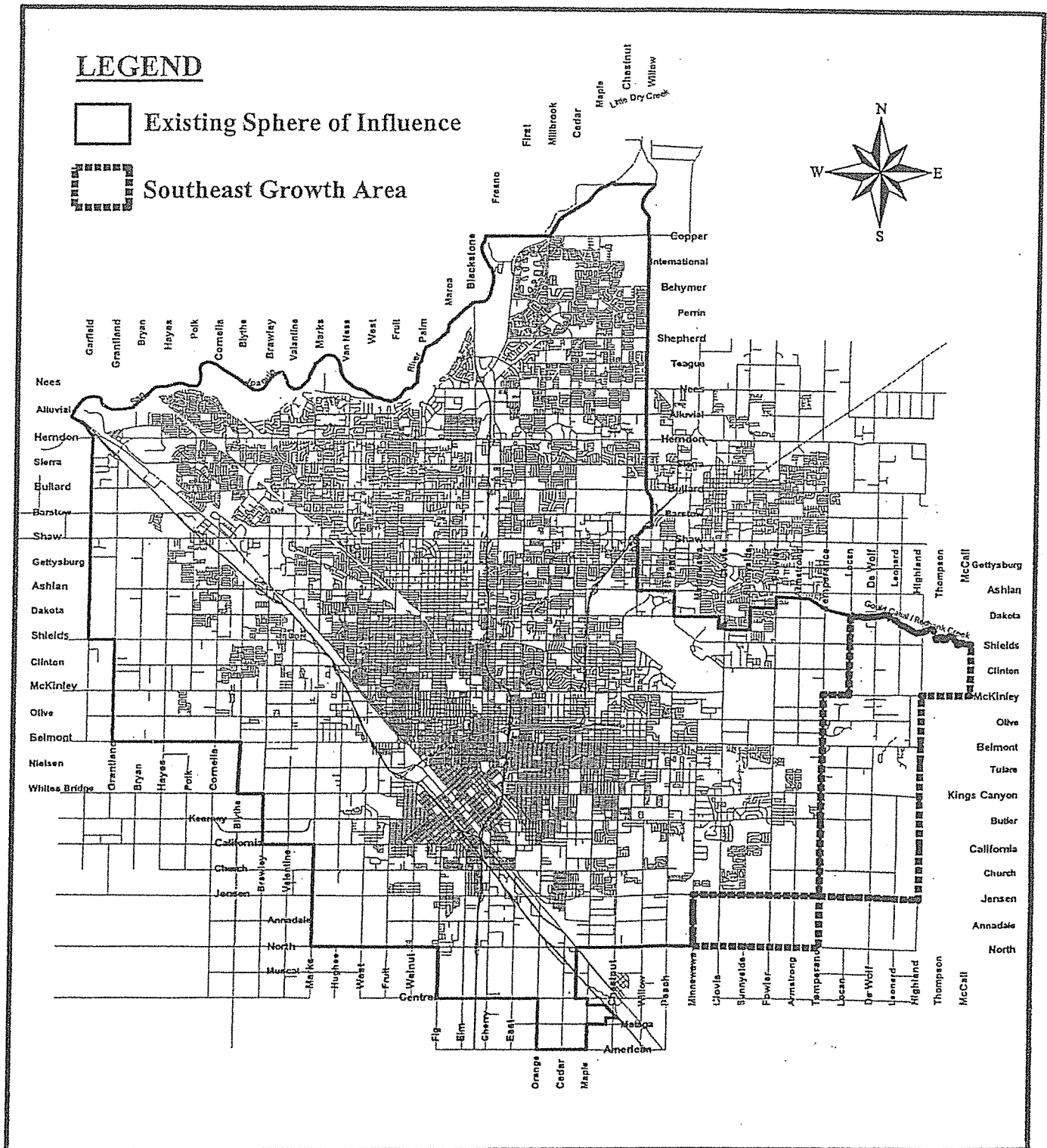
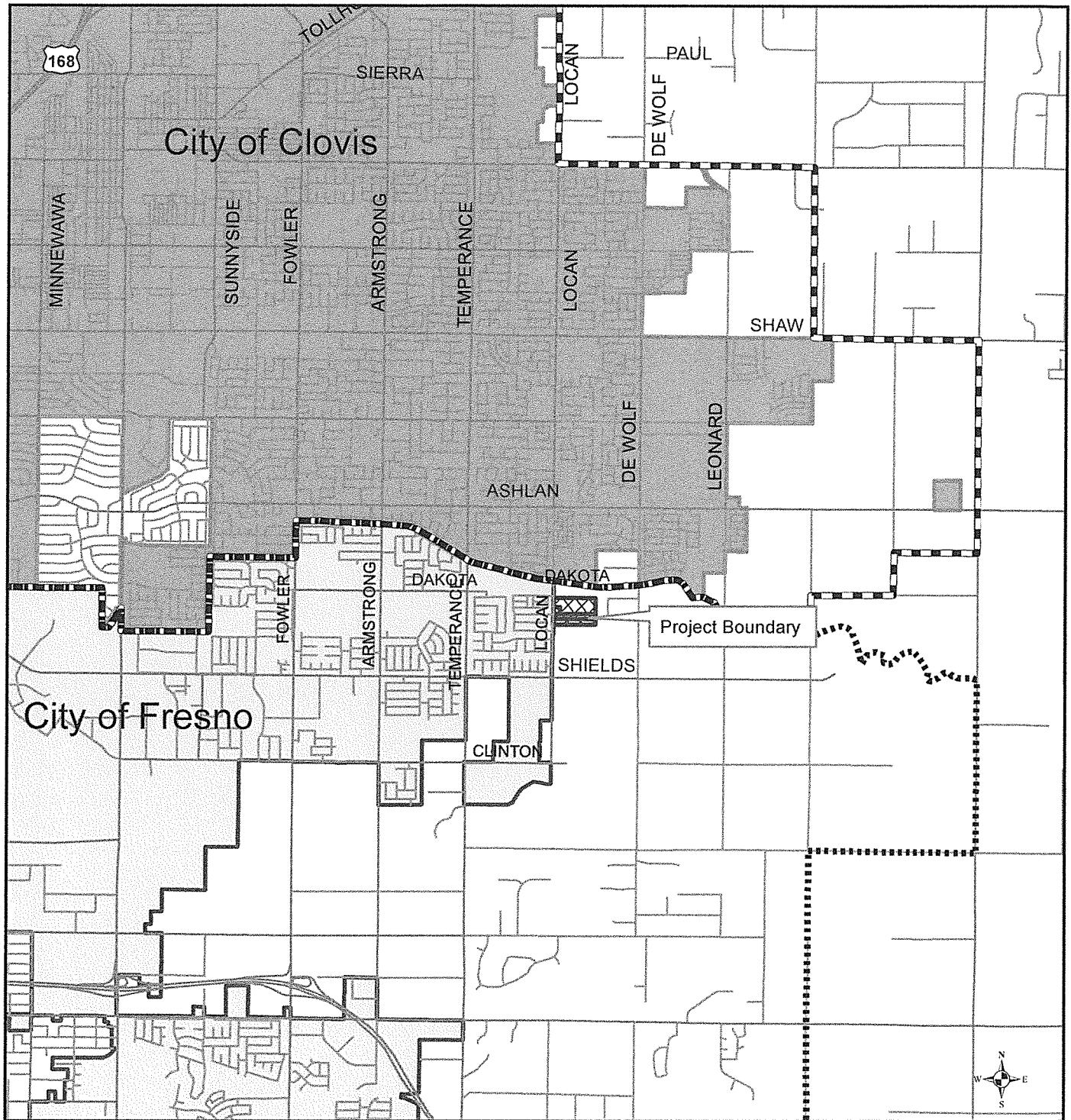







EXHIBIT B



-  Locan-Fedora NE Reorganization
-  Sphere of Influence, Fresno
-  City Limits, Fresno
-  Sphere of Influence, Clovis
-  City Limits, Clovis

**Locan-Fedora NE Reorganization
City of Fresno**

Attachment "A"
Analysis in Support of Staff Recommendation

With respect to the question whether the conditions were intended to address only City applications or should be interpreted broadly to include any and all annexation applications (by City resolution or property owner petition), staff supports the latter. The record supporting this interpretation is as follows.

LAFCo Resolution RSOI-136

On January 12, 2005, Fresno LAFCo adopted resolution RSOI-136, conditionally approving a SOI revision for the City of Fresno's 8,863-acre Southeast Growth Area (SEGA). The conditions were intended to preclude annexation and development in SEGA until comprehensive planning for the entire SEGA was completed.

Section #7 of the resolution speaks to the inclusive scope of the Commission's SOI revision:

This commission finds that the proposed SOI revision does not include *any* general plan land use changes, development proposals, or proposals for annexations or reorganizations, *and any* annexations, reorganizations, and development would be preceded by other necessary actions and approvals including the preparation of a community or specific plan, required environmental review pursuant to CEQA, conformance with the provisions of the city/county MOU, and LAFCo approval, and that approval of the Proposal would only result in the expansion of Fresno's SOI in the Southeast Growth Area. (*italics added*)

Section #8 of the resolution, speaks to the whole of the record used by the commission to approve the SOI revision. Such a record does not refer to any specific projects but to the LAFCo's purpose:

This commission's conditional approval of the proposed SOI revision is based on information provided to this Commission in the environmental documents prepared pursuant to State law submitted by the Lead Agency for the "project," the Executive Officer's report to this commission, and all other testimony and information provide by persons and interested agencies, and is in compliance with state law, and this commission's actions carry out LAFCo's purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the County and its communities.

The City and County representatives spoke broadly to the question of the SEGA specific planning process and its pivotal relationship to the City's Central Valley Project contract renewal, inclusive of any future development proposal. In addition, public testimony reflected in the approved January 12, 2005, meeting minutes depict the following context (*italics added for emphasis*):

(County representative Carolina Jimenez-Hogg stated that) an added requirement for the sphere revision was a commitment by the city that *there would not be any development* until the city first completed a specific plan for the whole area....

Ms. Hogg said *no annexations could occur* because the annexation would not meet the standards for annexation....

The approved meeting minutes continue with testimony from then-City of Fresno Planning Director Nick Yovino testifying that,

the city would like to grow to the southeast but don't want to do it until they met the commitment they made to the County for the 60% build-out but needed the Bureau water secured and confidence the Commission would approve the sphere revision before they spent the money to do the planning effort.

(LAFCo) Commissioner Anderson said she wanted some assurance from the City and LAFCo staff *that the conditions placed on the sphere revision would be enforceable.*

Nick Yovino said the City agrees to the conditions and is committed to them.

Commissioner Anderson asked what would happen if a developer came in and wanted to develop.

Nick Yovino said *there is no way the City could pursue anything different unless both the County and LAFCo agreed to such a change.*

Finally, Section #9 of the resolution states that implementation of the SOI SEGA conditions was a commitment by the City of Fresno, and not one of two ways that SEGA could be developed:

This commission's conditional approval of the proposed SOI revision is based on the understanding and promise by the City that the preparation and adoption of a community or specific plan for the Southeast Growth Area will be completed before the City of Fresno applies for any change of organization in this area, the preparation,

LAFCo Resolution RSOI-136A

Pursuant to GC §56895 the Commission's determination was subsequently reconsidered at the following meeting based on the request of two commissioners who asserted that the information used by the Commission for the determination was not accurate. Staff's report to the Commission March 16, 2005, explains the context for staff's earlier support of the City's SOI amendment request.

Initially, the Executive Officer issued a "Notice of Incomplete Application" to the City of Fresno regarding its application requesting consideration of an SOI revision. The "Notice of Incomplete Application" requested that the City provide LAFCo with a community or specific plan for the Southeast Growth Area, environmental documents and findings pursuant to CEQA (FEIR) evaluating the land use designations for this area, a master service delivery plan for the area, and other documentation needed to process the application. In response to this notice, City staff closed for a meeting with the Executive Officer and at that meeting presented compelling arguments for accepting the application founded on the urgency and need to renew Fresno's CVP water contract. Considering the apparent crisis, the Executive Officer later accepted the City's application and determined to recommend conditions of approval requiring the above documentation that would prevent changes of organization (annexations) and/or development in the territory until these documents were prepared.

The City's Proposal consisted of a revision to Fresno's SOI only and did not include any general plan land use changes, development proposals, or proposals for annexations or reorganizations. *Any annexations, reorganizations, and development* (emphasis added)

would be required by both the County (under its MOU with the City) and LAFCo to be preceded by all necessary documentation, legislative actions and approvals including the preparation of a community or specific plan, required environmental review pursuant to CEQA, conformance with the provisions of the City/County MOU, and LAFCo approval. Absent the necessary planning policy documents, service delivery plan, and environmental assessment, the Executive Officer recommended that approval of the Proposal be made conditional upon the following:

1. The preparation and adoption of a community or specific plan for the Southeast Growth Area must be completed before the City of Fresno applies for any change of organization in this area.
2. The preparation, public review, and certification of environmental documents and findings pursuant to CEQA evaluating the community or specific plan for the Southeast Growth Area must be completed before the City of Fresno applies for any change of organization in this area.
3. The preparation, adoption, and LAFCo approval of a Master Service Delivery Plan for the Southeast Growth Area must be completed before the City of Fresno applies for any change of organization in this area.
4. LAFCo shall be consulted with respect to LAFCo Policies at the time any amendments to the "Amended and Restated Memorandum of Understanding ("MOU")" are discussed concerning changes of organization and/or the delivery of services in the Southeast Growth Area.

Note that the record indicates that the conditions were intended to apply to "any annexations, reorganizations, and development."

LAFCo Resolution RSOI-136A

The City of Fresno subsequently withdrew its application and stated that it would resubmit its SOI amendment request with additional documentation. On April 13, 2005, the Commission adopted RSOI-136A disapproving, in its entirety, the proposed SEGA SOI revision.

LAFCo Resolution USOI-144

On April 12, 2006, the Commission adopted resolution USOI-144 "Request for Revision to the City of Fresno Sphere of Influence, adopted findings and approved with conditions." This resolution included similar references to city applications. For example, Section #8 of this resolution reads,

"If and when the City submits an application for annexation for any affected parcels within the amended SOI, the City shall complete the following plans and programs prior to the Commission's approval of such an application."

The conditions included,

- preparation and adoption of a community or specific plan for SEGA;
- a Master Service Delivery Plan;
- preparation of a program for annexing the designated open space areas in the approach corridor of the Fresno Air Terminal; and
- a rural residential neighborhood annexation program.

Resolution USOI-144 is attached in its entirety to this report.

Finally, staff notes that, from a policy perspective, if these conditions simply apply to City applications (by resolution) and not to land owner petitions, this would encourage land owner petition without coordination from the applicable city. Rather, staff believes that these conditions were intended to apply to both types of applications.

No part of the record indicates that property-owner petitions for annexation were excluded from these conditions.

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RESOLUTION NO. USOI-144

**FRESNO LOCAL AGENCY FORMATION COMMISSION
FRESNO COUNTY, CALIFORNIA**

REQUEST FOR REVISION TO THE)	ADOPTED FINDINGS AND APPROVED
CITY OF FRESNO SPHERE OF)	WITH CONDITIONS
INFLUENCE)	

WHEREAS, in order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the County and its communities, this Commission has the authority under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (the "Act") to develop and determine the sphere of influence of each local governmental agency within the County and enact policies designed to promote the logical and orderly development of areas within the sphere (California Government Code Section 56425(a); and

WHEREAS, this Commission has the authority to establish spheres of influence, or to revise or amend adopted spheres of influence of local governmental agencies after a noticed public hearing called and held for that purpose (California Government Code Section 56427); and

WHEREAS, a proposal for a revision to a local government's adopted sphere of influence may be made by the adoption of a resolution of application by the legislative body of an affected local agency (California Government Code Section 56654(a); and

WHEREAS, the City Council of the City of Fresno, California, adopted a resolution of application (Resolution No. 2005-507) on the 6th day of December 2005, applying to the Fresno Local Agency Formation Commission (LAFCo) for consideration of an amendment (hereafter referred to as the "Proposal" or "proposed SOI revision") to the City's Sphere of Influence to include the "Southeast Growth Area", consisting of approximately 8,863 acres, as identified in the Fresno 2025 General Plan; and

WHEREAS, the City of Fresno filed a certified copy of said resolution of application with the Executive Officer pursuant to California Government Code Section 56756; and

WHEREAS, the affected territory is generally described as an area bounded on the north by the Gould Canal, to the east by McCall, Highland and Temperance Avenues, on the south by Jensen, and North Avenues, and on the west by the existing Fresno Sphere of Influence boundary along Minnewawa, Temperance, and Locan Avenues, as depicted in "Exhibit A" attached to this resolution and made a part hereof; and

WHEREAS, said resolution of application (Resolution No. 2005-507) stated that Article VI of the City / County Amended and Restated Memorandum of Understanding (hereafter referred to as the "MOU" or "tax sharing agreement") requires the City to meet various conditions before proceeding with development within the Southeast Growth Area; and

WHEREAS, said resolution of application states that the City has met all the conditions identified in Article VI of the MOU with the exception of the preparation and approval of the Southeast Industrial Growth Area Business Park Specific Plan and attainment of the 60% residential development build-out in selected Community Plan Areas, and that provided the SOI amendment is approved, the City will move forward with the preparation and adoption of various Community and Specific Plans; and

WHEREAS, at its March 16, 2005 hearing the Local Agency Formation Commission requested more detailed environmental analysis, especially with respect to issues related to the preservation of agricultural lands; and

WHEREAS, in response to the request for more detailed environmental information, the City caused to be prepared a more detailed initial study to support a new Environmental Assessment (No. SOI-05-01, Finding of Conformity to the 2025 Fresno General Plan Master Environmental Impact Report (MEIR 10130) dated September 29, 2005); and

WHEREAS, the City Council reviewed the more detailed environmental information and found that the information supports and reaffirms the original finding and made a new finding based on the new information that there is no substantial evidence in the record that the "Southeast Growth Area SOI Amendment" may have an adverse impact on the environment; and

WHEREAS, as commended by Section 56425 (b) of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, the City of Fresno presented the proposal to the Fresno County Board of Supervisors and requested them to support and concur with the City's request; and

WHEREAS, at its January 31, 2006 hearing, by a vote of three to two, the Board of Supervisors approved its support of a resolution of reapplication to LAFCo for an amendment to the City's SOI to include the Southeast Growth Area; and

WHEREAS, pursuant to Section 56425 (b), when there is an agreement between the County and a city seeking an SOI amendment the Commission shall give great weight to the agreement in its final determination of the city's SOI; and

WHEREAS, said application for an SOI revision was deemed complete and accepted for filing by the Interim Executive Officer and a Certificate of Filing was issued pursuant to California Government Code Sections 56651 and 56658(g), and accordingly Commission proceedings were deemed initiated; and

WHEREAS, the Executive Officer set this matter for hearing on April, 12, 2006, at the hour of 1:30 p.m., and caused notice of said hearing to be published in accordance with California Government Code Section 56153 in a newspaper of general circulation which is circulated within the territory affected by the sphere of influence proposed to be amended; and

WHEREAS, pursuant to Government Code Section 56665 the Executive Officer reviewed said application and all supporting materials and prepared a report to this Commission, including a recommendation for approval with specified conditions, said report having been mailed to the Commission, the officers or persons designated in the application, each local agency whose boundaries or sphere of influence would be changed by the Proposal, and each affected local

agency that has filed a request for a report with the executive officer, at least five days before said hearing; and

WHEREAS, this Commission reviewed the Executive Officer's report and recommendation and all supporting materials, including Initial Study No. SOI-05-01, Finding of Conformity to the 2025 Fresno General Plan Master Environmental Impact Report (MEIR 10130) dated September 29, 2005, the Master Environmental Impact Report, and all other documents that were incorporated by reference into said report, pursuant to Government Code Section 56665(d), which report was duly considered by this Commission pursuant to State law; and

WHEREAS, said Proposal was considered by this Commission at said hearing on the 12th day of April, 2006, at which the Executive Officer presented staff's report and recommended approval of the Proposal with specified conditions, and testimony was presented in favor and against the Proposal; and

WHEREAS, this Commission considered all relevant factors and evidence and heard all affected agencies and interested parties wishing to speak on said application; and

WHEREAS, as Responsible Agency, this Commission independently reviewed and considered the information in the Draft and Final MEIR for the Fresno 2025 General Plan and the City's subsequent "Environmental Assessment / Initial Study" and the City's "Finding of Conformity" issued pursuant to Section 21157.1 of the California Public Resources Code (California Environmental Quality Act "CEQA") prior to taking its action, and determined that the City's finding is appropriate, pursuant to State law, and that the Proposal is consistent with these documents and that these documents are sufficient on which to make a determination on the proposed sphere of influence revision.

NOW, THEREFORE, BE IT RESOLVED that the Fresno Local Agency Formation Commission does HEREBY STATE, FIND, RESOLVE, DETERMINE, AND ORDER as follows:

SECTION #1 – This Commission hereby adopts the findings required by the California Environmental Quality Act (CEQA) listed below:

1. Acting as a Responsible Agency under CEQA Guidelines, the Final Master Environmental Impact Report prepared for the 2025 Fresno General Plan by the Lead Agency, the City of Fresno, has been prepared in accordance with the requirements of CEQA Guidelines (Public Resources Code, Section 21000 *et seq.*) and the Guidelines for Implementation of the California Environmental Quality Act (CEQA Guidelines – California Code of Regulations, Title 14, Section 15000 *et seq.*).
2. This Commission considered the information in the Final Master Environmental Impact Report and the Initial Study upon which the Lead Agency determined said project to be within the scope of the "Master Environmental Impact Report (MEIR) No. 10130" prepared and certified for the 2025 Fresno General Plan, prior to making a determination about the Proposal, together with any and all comments received during the public review process pursuant to the California Environmental Quality Act (CEQA), and finds on the basis of the whole public record before the Commission, including the Final Master Environmental Impact Report and the Initial Study and any comments received, that there is no substantial evidence that the project will have a significant effect on the environment, and that the Lead Agency's determination pursuant to Section 21151.1 of the California Public Resources

Code (California Environmental Quality Act "CEQA") reflects the Lead Agency's independent judgment and analysis pursuant to CEQA Section 15074, *et seq.* (Public Resources Code Sections 21083 and 21087).

3. Acting as Responsible Agency pursuant to California Environmental Quality Act (CEQA) Guidelines, the Commission hereby finds that the Lead Agency's determination is appropriate, pursuant to Section 21151.1 of the California Public Resources Code (California Environmental Quality Act "CEQA"), and finds that that Final Master Environmental Impact Report and the subsequent Initial Study are sufficient on which to make a determination on the proposed change of organization.

SECTION #2 – This Commission hereby finds that the proposed change of organization is consistent with LAFCo Policies, Standards and Procedures Section 330, "Sphere of Influence Updates and Revisions," and the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

SECTION #3 – This Commission hereby finds that the April 12, 2006 public hearing and consideration of the proposed SOI revision were legally noticed pursuant to California Government Code sections 56427 and 56153, and that all notices related to this matter were duly given in accordance with State law, including, but not limited to, the Act and CEQA Guidelines and governing laws.

SECTION #4 – This Commission finds that, pursuant to California Government Code section 56426.5(b)(1)(2) the proposed SOI revision will facilitate planned, orderly, and efficient patterns of land use and provision of services. The public interest in the change of organization substantially outweighs the public interest in the continuation of existing Williamson Act Contracts in the affected territory beyond the current expiration date of said Contracts. Additionally, the change of organization is not likely to adversely affect the continuation of said Contracts beyond their current expiration date. In making this determination, the Commission considered all relevant factors pursuant to California Government Code section 56426.5(b)(2)(A-C).

SECTION #5 - This Commission Determines that the MUNICIPAL SERVICE REVIEW AND SERVICES PLAN dated December 2005 prepared by the City of Fresno conforms to the requirements of Section 56430 of the California Government Code, and hereby adopts the proposed Written Determinations contained therein with the following addition:

Government Structure Options (Page 61) – Add: 4. *As the provider of a full range of urban services the City is the logical agency to provide these services in the subject area.*

SECTION #6 – This Commission hereby makes the following determinations pursuant to Government Code Section 56425(e):

1. The proposed Sphere of Influence expansion will accommodate anticipated growth needs of the City of Fresno in the affected area, and, with certain recommended conditions for future annexations therein, will provide for all existing and planned uses.
2. The present and probable needs for public facilities and services in the area will be provided for as identified in the MUNICIPAL SERVICE REVIEW AND SERVICES PLAN

prepared by the City of Fresno. The need for additional facilities will be identified and addressed during the preparation and adoption of the Community or Specific plan for the Southeast Growth Area as required in conditions 1 and 2 of Section 8, below.

3. The present capacity of public facilities and adequacy of public services that the City provides or is authorized to provide have been adequately identified in the MUNICIPAL SERVICE REVIEW AND SERVICES PLAN prepared by the City of Fresno, and additional facilities needs will be identified and addressed during the preparation and adoption of the Community or Specific Plan for the Southeast Growth Area as required in conditions 1 and 2 of Section 8, below.
4. No social or economic communities of interest have been identified in the subject area that are deemed relevant to the Commission.

SECTION #7 – This Commission hereby approves the proposed revision to the City of Fresno Sphere of Influence to include the “Southeast Growth Area” (approximately 8,863 acres) within the City’s adopted sphere of influence (LAFCo File No. USOI -144), as depicted in Exhibit “A”.

SECTION #8 – If and when the City submits an application for annexation for any affected parcels within the amended SOI, the City shall complete the following plans and programs prior to the Commission’s approval of such an application:

1. Prepare and adopt a Community or Specific Plan for the Southeast Growth Area, including the preparation, public review, and certification of environmental documents and findings pursuant to CEQA. This plan shall include, but not be limited to, policies to address the requirements of Section 56426.5 of the California Government Code for lands subject to Williamson Act contracts.
2. Prepare and adopt a Master Service Delivery Plan for the Southeast Growth Area.
3. Prepare, adopt and begin to implement a program for annexing the designated open space areas in the approach corridor of the Fresno Air Terminal (areas designated with an “R” on the 2025 General Plan map), and for rural residential neighborhoods within the City’s existing Sphere of Influence in the vicinity of the Southeast Growth Area. This program shall provide for logical and reasonable development, discourage urban sprawl, preserve open-space and prime agricultural lands, efficiently provide for government services, and encourage orderly development.

The rural residential neighborhood annexation program should emphasize the retention of characteristics that make the neighborhoods desirable places to live, while making provisions for appropriate improvements needed to incorporate such characteristics into the urban landscape. The program should include an outreach effort demonstrating to residents that annexation into the City would provide for an enhanced living environment preferable to staying in an unincorporated enclave, surrounded or substantially surrounded by the City. This program shall also be applicable within the Southeast Growth Area, and shall be reflected in the Specific Plan prepared by the City as required by condition 1, above.

The annexation program for the designated Open Space areas in the Fresno Air Terminal approach corridor should be undertaken as a means to preserving open space lands that would otherwise not be proposed for annexation; thereby providing for the efficient extension of government services to areas beyond the approach corridor, and providing for orderly boundaries that will facilitate annexation of other properties proposed for urban development.

SECTION #9 - The Executive Officer is hereby authorized and directed to mail certified copies of this resolution as provided in Government Code Section 56882 and to file, as appropriate, in the office of the Fresno County Clerk all environmental documents, if any, pertaining to the approval of this Proposal, as required by state law.

* * * * *

ADOPTED THIS 12th DAY OF APRIL, 2006, BY THE FOLLOWING VOTE:

AYES: Commissioners Lopez, Rodriguez, Fortune, Alternate County Commissioner Larson, and Waterston.

NOES: None

ABSENT: Anderson

STATE OF CALIFORNIA)
COUNTY OF FRESNO)

CERTIFICATION OF CHAIRMAN



I, Bob Waterston, Chairman of the Fresno Local Agency Formation Commission, Fresno County, State of California, certify that the foregoing resolution was adopted by the Commission at a regular meeting held on the 12th day of April, 2006.

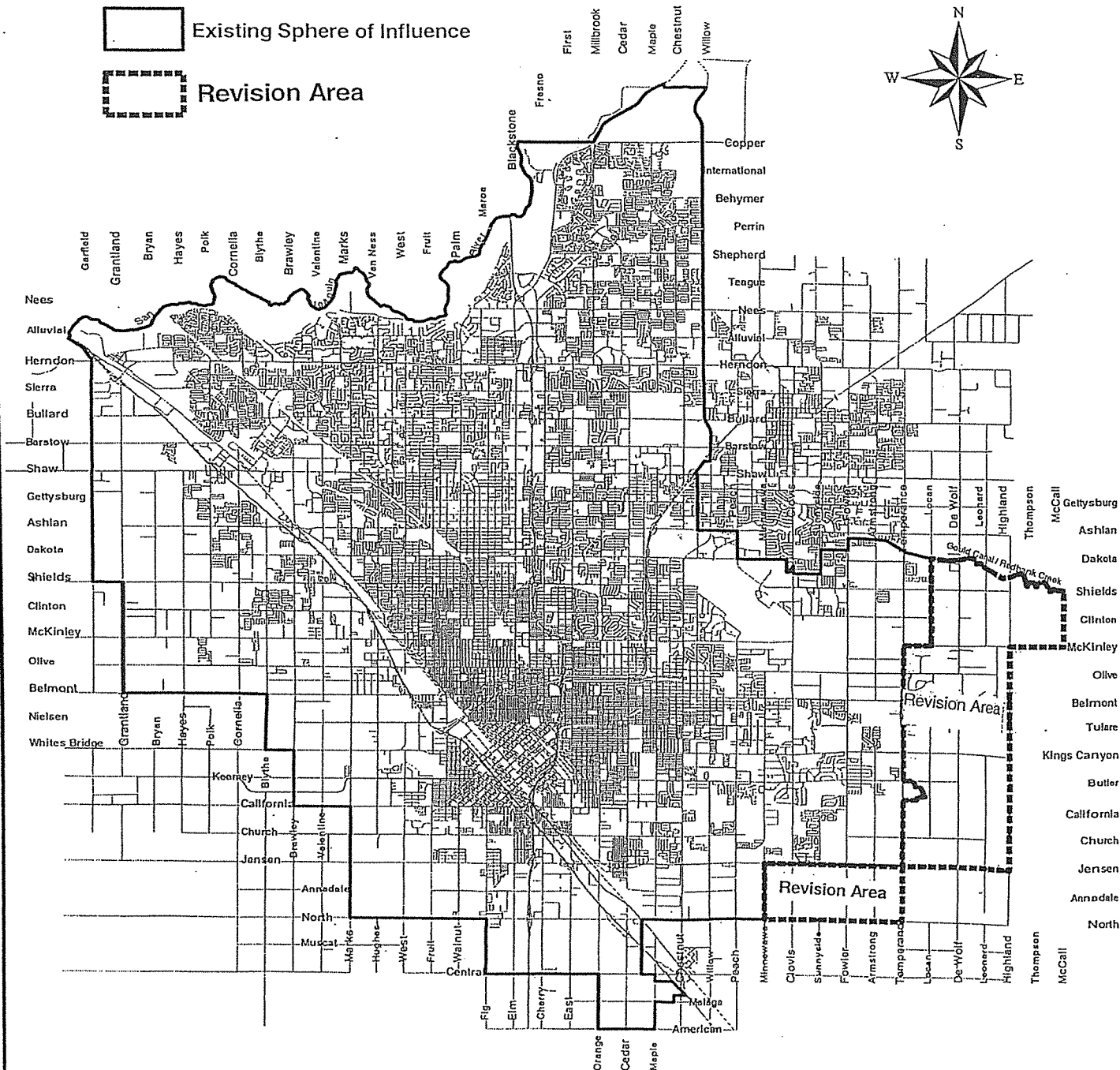


Bob Waterston, Chairman
Fresno Local Agency Formation Commission

EXHIBIT "A"
RESOLUTION NO. USOI-144

LEGEND

-  Existing Sphere of Influence
-  Revision Area



Revision To The City Of Fresno Sphere of Influence

LEGEND

