



Board Agenda Item 51

DATE: August 21, 2018

TO: Board of Supervisors

SUBMITTED BY: Steven E. White, Director
Department of Public Works and Planning

SUBJECT: Second Amendment to Amended and Restated Memorandum of Understanding between the County of Fresno and City of Huron

RECOMMENDED ACTION(S):

- 1. Approve and authorize the Chairman to execute the Second Amendment to the Amended and Restated Memorandum of Understanding between the County of Fresno and City of Huron regarding an approximate 186-acre addition to the City's Sphere of Influence.**
- 2. Determine that the City of Huron's proposed 268-acre annexation is consistent with the Standards for Annexation and Section 2.4 of the Amended and Restated Memorandum of Understanding.**
- 3. Determine that the approval and authorization of Chairman to execute Second Amendment to the Amended and Restated Memorandum of Understanding between the County of Fresno and City of Huron is exempt from the requirements of the California Environmental Quality Act, Public Resources Code, section 2100, et seq., and direct Department of Public Works and Planning staff to file a Notice of Exemption with the Office of the Fresno County Clerk.**

Approval of the recommended actions would facilitate future expansion of the City of Huron's (City) Sphere of Influence (SOI) and annexation to accommodate future public uses and regional commercial/industrial development within the City. This item pertains to a location in District 4.

ALTERNATIVE ACTION(S):

Your Board may determine not to approve the Second Amendment to the Memorandum of Understanding (MOU) between the County and City of Huron. By not approving the recommended actions, the City may determine to proceed to the Local Agency Formation Commission (LAFCo), who is responsible for considering and acting upon SOI adjustment requests. While LAFCo may approve a SOI adjustment request, annexation may not occur until there is a valid Property Tax Sharing Agreement in place between the City and County.

FISCAL IMPACT:

There is no Net County Cost associated with the recommended actions. The amended MOU does not modify existing property or sales tax sharing provisions contained in the MOU between the County and City of Huron.

DISCUSSION:

On January 31, 2006, the Board approved and executed an Amended and Restated MOU with the City of Huron (City) (Agt. No. 06-020) addressing land use and revenue sharing. On March 6, 2007, the Board approved the First Amendment to the MOU allowing the City of Huron to restructure its bond financing for the receipt of more favorable interest rates. On April 6, 2018, the City notified the County (See Exhibit A) of its intention to expand its SOI by approximately 186 acres comprised of three areas (See Exhibit B) as summarized below.

Growth Area 1:

40 acres located on the south side of Tornado Avenue between State Route 269 and the "O" Street alignment. This area, along with an additional 39.3 acres to the west, is intended to be developed as a new high school. The subject area is designated Agriculture in the Fresno County General Plan and zoned AE-20 (Exclusive Agriculture, 20-acre minimum parcel size).

Growth Area 2:

107.85 acres located on the north and south sides of Palmer Avenue at Madera Avenue. Staff notes that approximately 68 of the 107.85 acres is currently within the city limits of Huron and is developed with the City's existing wastewater treatment facility (WWTF), but not within its existing SOI. The additional 39.85 acres is intended to accommodate expansion of the WWTF. In addition, the subject area is designated Agriculture in the Fresno County General Plan and zoned AE-20 (Exclusive Agriculture, 20-acre minimum parcel size).

Growth Area 3:

38.2 acres located on the south side of Palmer Avenue along the western boundary of the City's existing SOI. This area, along with an additional 41.52 acres to the south, which is currently located within the City's SOI is intended to be developed with future regional commercial/industrial uses. In addition, the subject area is designated Agriculture in the Fresno County General Plan and zoned AE-20 (Exclusive Agriculture, 20-acre minimum parcel size).

MOU Annexation Standards:

As it relates to annexation of Growth Area 1, the proposed annexation is consistent with the MOU because it is intended to accommodate a public use (high school). In addition, the proposed annexation would not create an irregular boundary or unincorporated island.

Annexation of Growth Area 2 is consistent with the MOU because the request for annexation is by a city for annexation of its own publicly-owned property for public use.

The City has requested annexation of Growth Area 3 under Section 2.4 of the MOU in order to facilitate future industrial/regional commercial uses. For purposes of promoting economic development and job creation, Section 2.4 of the MOU was added in 2006, to provide flexibility to the process of annexation of areas proposed for industrial or regional commercial uses. For these types of annexations, the MOU requires the City to provide a conceptual development plan, including a list of economic objectives to be achieved, the service and financing strategy and a schedule identifying the timeframe for completion of major project components when proposing annexation of land for industrial and commercial development. Department of Public Works and Planning staff believe the City's submitted conceptual development plan (See Exhibit C) complies with the provisions of the MOU. Please see Exhibit D for the proposed annexation areas.

Annexation of Growth Area 3 implements the Fresno County General Plan. Its policies direct growth to cities as well as encourage the location of urban uses within cities. The development of the proposed use also furthers the County's regional economic strategy by creating new jobs and demand for local goods and services.

California Environmental Quality Act Determination

The proposed amendment to the MOU is exempt under the provisions of the California Environmental Quality Act (CEQA).

OTHER REVIEWING AGENCIES:

The Second Amendment to the MOU between the County of Fresno and City of Huron was prepared and coordinated between City and County staff. The Huron City Council discussed and approved the proposed Second Amendment on July 11, 2018.

REFERENCE MATERIAL:

BAI #19, March 6, 2007
BAI #6, January 31, 2006

ATTACHMENTS INCLUDED AND/OR ON FILE:

Exhibits A - D
On file with Clerk - MOU Amendment with City of Huron

CAO ANALYST:

Sonia M. De La Rosa



City of Huron/P.O. Box 339/36311 Lassen Ave., Huron, CA. 93234-0339 • Phone (559) 945-2241 • Fax (559) 945-2609

April 6, 2018

County Administrative Officer
Attn: Jean M. Rousseau, CPA, County Administrative Officer
Hall of Records
2281 Tulare Street, Room 304
Fresno, California 93721

SUBJECT: City of Huron Sphere of Influence Amendment and Annexation

Dear Mr. Rousseau:

The City of Huron (City) hereby requests an amendment to the City/County of Fresno Memorandum of Understanding (MOU) in order to accommodate a minor sphere of influence expansion of approximately 200 acres to accommodate regional economic development opportunities, and to include existing and planned public facilities. In addition, pursuant to Article II, Section 2.4 of the MOU, the City is requesting annexation of approximately 160 acres for a regional commercial/industrial annexation. In addition, the City desires to annex approximately 40 acres to expand capacity of the City's existing Wastewater Treatment Plant in order to accommodate anticipated population growth. The City is notifying the County of its intention to file an annexation proposal with the Local Agency Formation Commission (LAFCo). It is the City's intent to file such proposal in the near future. A copy of the project material is attached.

The details of the project discussed are as follows:

Location

The project site is located in unincorporated Fresno County, California adjacent to the Huron City limits. The project site consists of 5 parcels within three separate areas located south of Tornado Avenue and south of Palmer Avenue (See attached aerial map).

Overview

The proposed project consists of the development of 200 acres of land in three different locations. Development and land use activities are summarized as follows:

- Area 1 (South of Tornado Avenue): The City desires to annex approximately 40 acres of APN 075-050-24S and 39.3 acres of APN 075-050-23S to expand the new high school and assist with providing open space for recreation in connection with existing residential development in the area. The City of Huron General Plan states that approximately 60 to 80 acres should be set aside for the high school, which currently lies on 20 acres. The only way the school can expand is to the south, across from Tornado Avenue, as the other three sides are developed. The other accomplishment brought from this annexation is regarding open space. In the City's mutual agreement with the local school district, it states that the City is to utilize the school facility when the school is not in session. The General Plan states that



City of Huron/P.O. Box 339/36311 Lassen Ave., Huron, CA. 93234-0339 • Phone (559) 945-2241 • Fax (559) 945-2609

residential development should not be over ¼ mile for recreational open space to nearby residential. This area has no parks close enough to fill this standard. Due to the City's agreement with the local school district, this expansion will also facilitate this effort.

- Area 2 (South of Palmer Avenue-East Side): The City desires to annex approximately 40 acres of APN 075-031-71ST to expand capacity of the City's existing Wastewater Treatment Plant in order to accommodate anticipated population growth.
- Area 3 (South of Palmer Avenue-West Side): The City desires to annex approximately 38.2 acres of APN 075-032-85S and 41.52 acres of APN 075-032-86 to expand industrial development. The City acquired property adjacent to the northern most location of the current City limits along the Palmer Avenue alignment. The proposed area is adjacent to City's planned industrial park expansion. The City is planning more development of the industrial park in this area, as well as additional open space.

Please contact Alfonso Manrique at (559) 473-1371 if you have any questions or concerns.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jack Castro", with a long horizontal flourish extending to the right.

Jack Castro

CITY OF HURON
 SPHERE OF INFLUENCE AMENDMENT
 AND ANNEXATION



LEGEND

- CURRENT CITY LIMITS ---
- CURRENT SOI ---
- PROPOSED SOI ---
- PROPOSED ANNEXATION AREAS

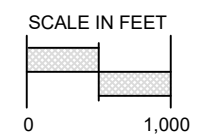
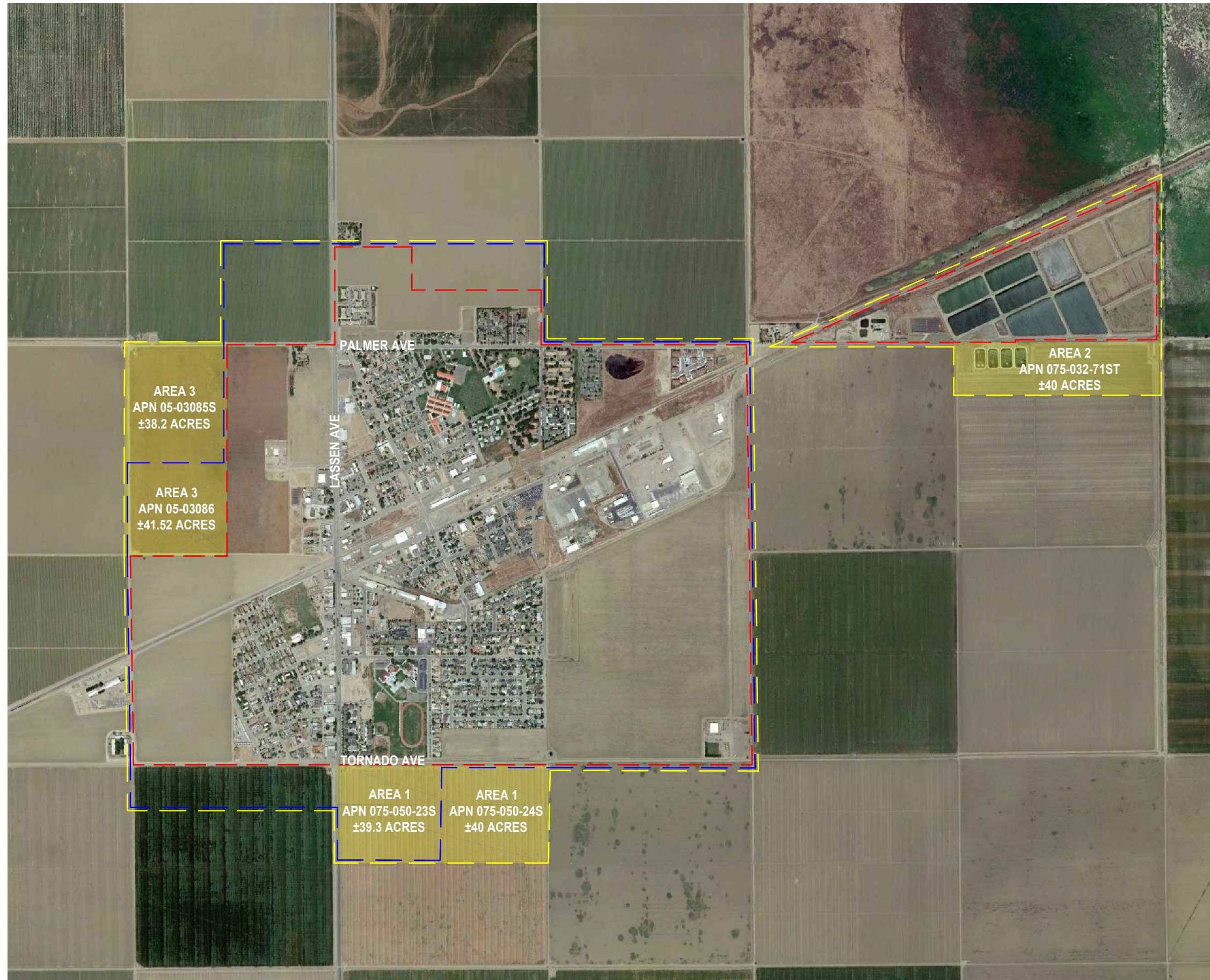


FIGURE 1
AERIAL MAP



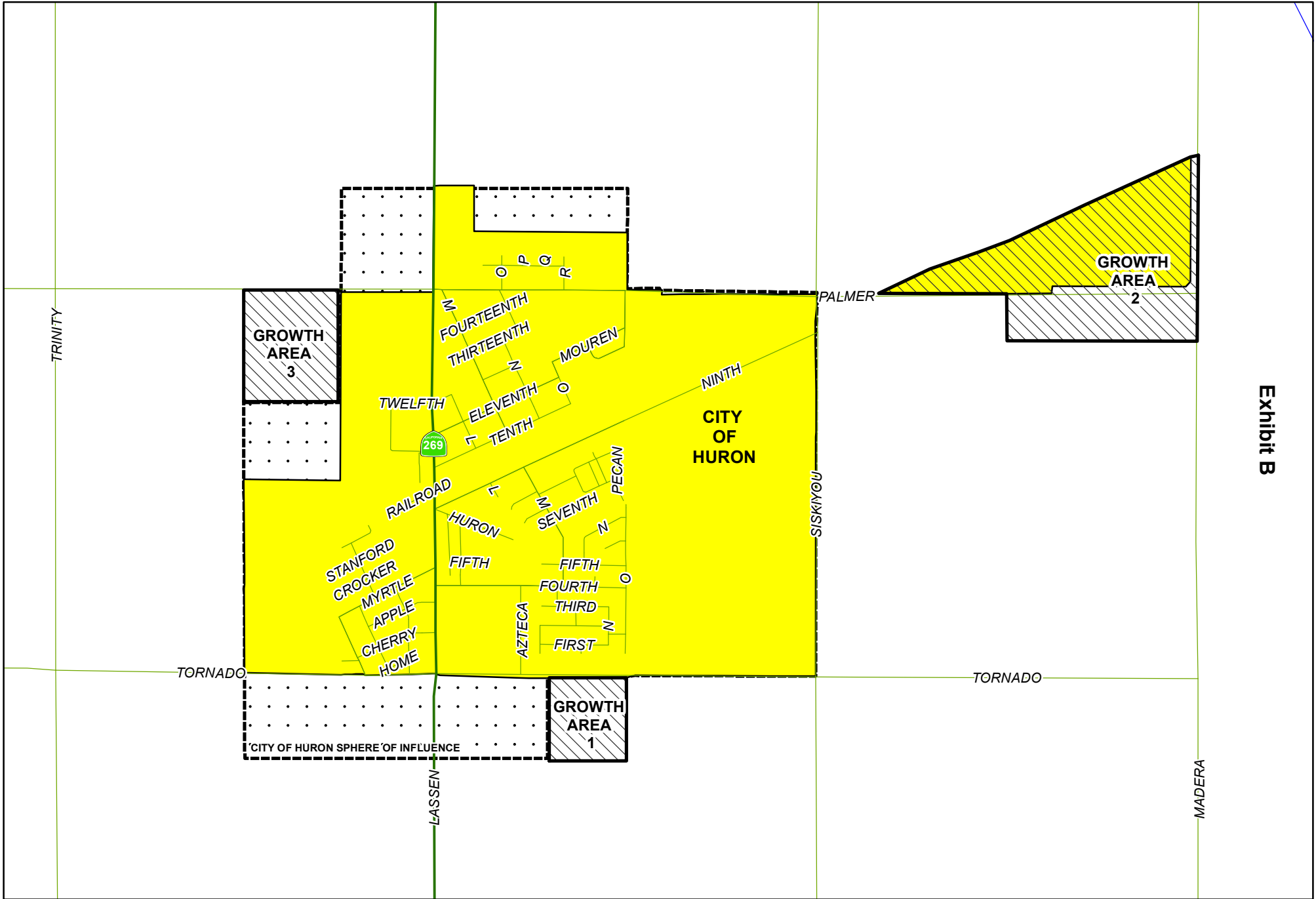


Exhibit B

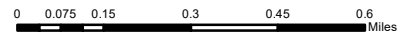


**City of Huron-
Sphere of Influence and Growth Areas**

-  Growth Area 1: 40 Acres
-  Growth Area 2: 107.85 Acres
-  Growth Area 3: 38.2 Acres



Department of Public Works and Planning
Development Services and Capital Projects Division



MAP PREPARED BY: GJIA
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Exhibit C

CITY OF HURON CONCEPTUAL DEVELOPMENT PLAN

April 2018

Project Overview

The proposed project consists of the development of approximately 160 acres into public and light industrial uses.

Project Developer

The project developer is the City of Huron.

Project Location

The project sites are located in unincorporated areas of Fresno County, California adjacent to the Huron city limits. The project site consists of 4 parcels within two separate areas located south of Tornado Avenue (Area 1) and southeast of Palmer and Lassen Avenues (Area 2). Figure 1 provided in Attachment 1 shows the location of the project areas.

The project site are located on the Huron, California, United States Geological Survey 7.5-minute topographic quadrangle maps, Township 20 South, Range 17, East, Sections 1, 10, 12 and 14. A copy of the U.S. Geological Survey Map is provided in Attachment 2.

Regulatory Considerations

As a city, state law requires that the City of Huron prepare and adopt a General Plan as a tool to manage growth and development. The City of Huron 2025 General Plan was adopted by City Council on July 18, 2007. The Land Use Element included in the City's General Plan serves as a guide for future land use within the City and identifies the type and location of future land uses within the City. All proposed development will be consistent with the goals and policies of the General Plan and with the uses, density, and intensity standards of the General Plan land use categories that are applicable. Attachment 3 provides a copy of the City's amended 2025 General Plan Map.

The project sites would be annexed into the City of Huron. Because approximately 80 acres out of the total 160 acres of the proposed project are currently outside the Huron Sphere of Influence, the boundary would also be adjusted outward to be coterminous with the expanded city limits. This boundary adjustment requires approval of the Fresno Local Agency Formation Commission (LAFCO).

Project Details

Development and land use activities are summarized as follows:

- Area 1 (South of Tornado Avenue): Public/institutional uses on approximately 80 acres.
- Area 2 (South of Palmer Avenue-West Side): Light industrial uses on approximately 80 acres.

Project build out will occur over a 10-year period. The project sites will be annexed into the City of Huron. Associated with these annexation, one adjacent area (APN 075-032-22ST) would also be considered for inclusion in the Huron city limits.

Each area is described in further detail:

Area 1 – South of Tornado Avenue

The area south of Tornado Avenue totals 79.3 gross acres and contains fallow agricultural land. No residential structures or outbuildings are contained within this area. S. Lassen Avenue, a two-lane undivided road, forms the western boundary of the area.

The area south of Tornado Avenue will occupy 79.3 net acres. The City is proposing to annex this area for the development of a public high school and recreational area. The area lies completely within the Coalinga-Huron Unified School District (CHUSD). CHUSD provides K-12 services to this area. Currently, an elementary school and a middle school are located in Huron. Students attending high school are bussed to Coalinga since there is no high school in Huron.

Annexation of this area for the development of a public school will require an amendment of the City of Huron sphere of influence (SOI) to include an approximate 40-acre portion of APN 075-050-24S that is not currently within the Huron SOI. APN 075-050-23S, approximately 39.3 acres and the full right of way of the adjacent portion of Lassen Avenue, is currently within the Huron SOI and planned for the expansion of the public high school.

Vehicular Access and Internal Circulation

S Lassen Avenue, a two-lane undivided road that runs north to south, will provide vehicular access to the proposed high school. The City is currently improving Tornado Avenue East of Lassen to provide access to the new high school site.

Area 2 – South of Palmer Avenue– West Side

The area south of Palmer Avenue, east of the City of Huron, totals 79.72 gross acres and contains fallow agricultural land. No residential structures or outbuildings are contained within this area. S. Lassen Avenue, a two-lane undivided road, forms the eastern boundary of the area and is adjacent to the Palmer Avenue right of way to the north.

This area south of Palmer Avenue will occupy 79.72 net acres and features light industrial uses. The City is proposing to annex this area for the expansion of the City’s current industrial park to serve a wider variety of light industrial uses.

Annexation of this area for the expansion of the City’s industrial park will require an amendment of the Huron SOI to include approximately 38.2 acres of APN 075-032-85S. Approximately 41.52 acres of APN 075-032-86 are currently in the Huron SOI.

Vehicular Access and Internal Circulation

S. Lassen Avenue, a two-lane undivided road that runs north to south, will provide vehicular access to the proposed high school. Palmer Avenue would be extended in order to provide an east-west access point and link W. Palmer Avenue with S. Lassen Avenue.

Project Implementation and Phasing

Prior to construction, the project must conclude annexation into the City of Huron. After annexation has concluded, preparation of the project infrastructure plans, financing, and recordation of the project parcel map will occur. Due to complexity and coordination with various service and regulatory agencies, it is estimated that preparation and approval of these items will take between nine months to one year. It is also estimated that development of these areas would occur over a period of five years.

Each area will include extension of water, sewer, roadways, storm drainage, electricity, telephone, fiber optic cable, and natural gas. Because of uncertainty surrounding future economic conditions, it is assumed that development would take approximately ten years to buildout. The actual rate of development will depend on market conditions.

Economic Objectives

Employment

The proposed project would create full-time, part-time, and possibly seasonal employment positions. Employment opportunities associated with the Coalinga-Huron Unified School District and Huron wastewater treatment plant would be expected to be primarily career positions, while employment associated with the industrial park would be expected to provide a mix of entry-level and career opportunities. Employment opportunities would be created as each component builds out. Currently, four full-time employment positions are filled at the Huron wastewater treatment plant (Area 2).

None of the aforementioned economic benefits will occur unless the project is annexed into the City of Huron.

Estimated Project Costs

Estimated construction cost for buildings and related structures have not yet been determined. Project infrastructure costs are estimated to range between \$150,000 and \$180,000 per acre or between \$30,000,000 and \$36,000,000

Financing

Financing will be through a combination of private and public-sector funding sources. Further financing details cannot be provided due to a variety of unknown project variables and tenant identity. All infrastructure related improvements will be secured in a manner acceptable to the City of Huron.

Estimated Construction Schedule

Design/Construction

Year	Task
1	Prepare and obtain approval of project infrastructure improvement plans.
2	Construct Project Areas 1 and 2
3	Construct Project Areas 1 and 2
4	Construct Project Areas 1 and 2
5	Construct Project Areas 1 and 2

Construction/Sales/Leasing

Year	Task
5	Construct/sell/lease/Project Area 2

ATTACHMENT 1
FIGURE 1 PROJECT LOCATION MAP

CITY OF HURON
 SPHERE OF INFLUENCE AMENDMENT
 AND ANNEXATION



LEGEND

CURRENT CITY LIMITS	
CURRENT SOI	
PROPOSED SOI	
PROPOSED AREA 1	
PROPOSED AREA 2	

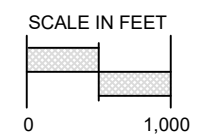
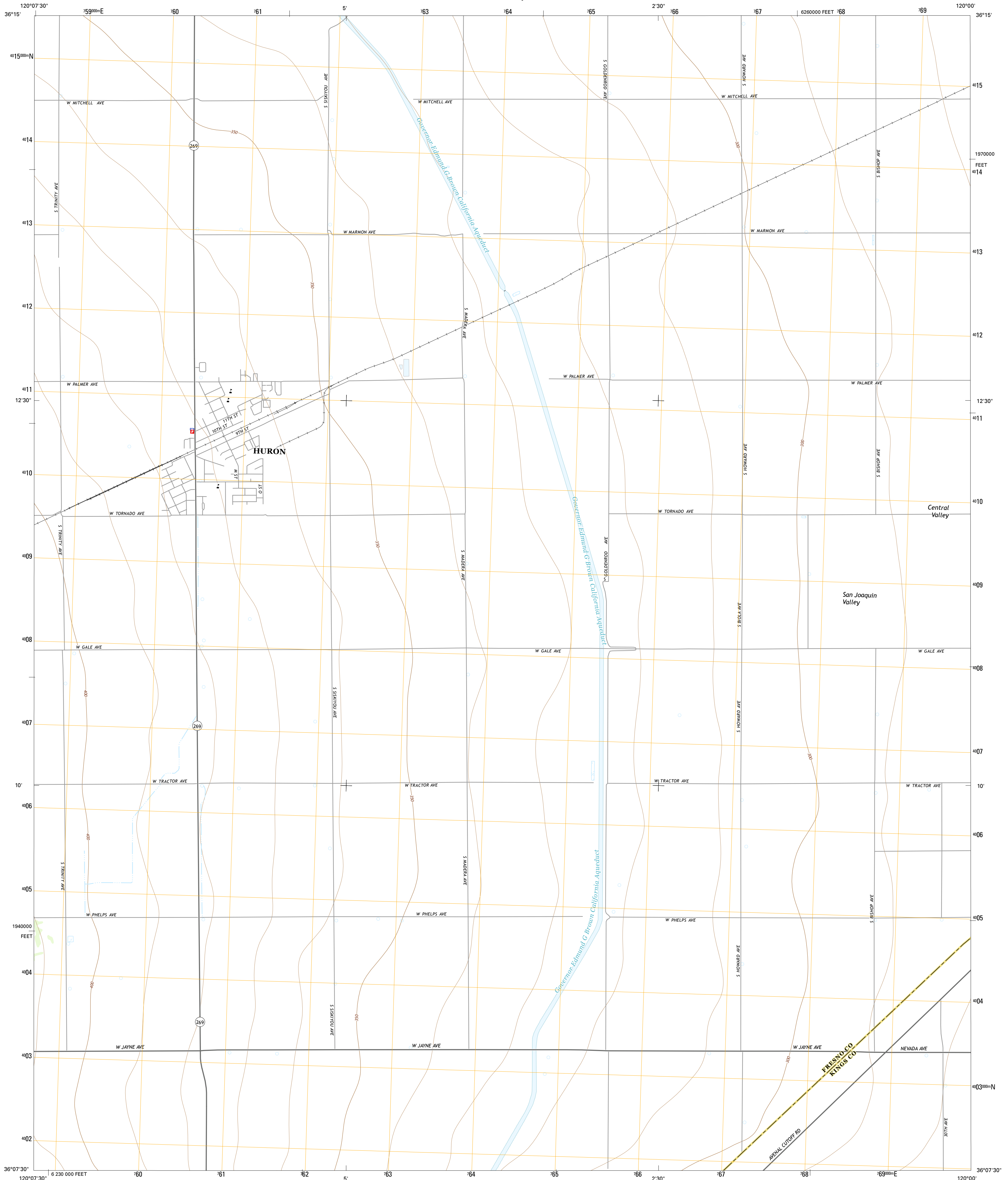


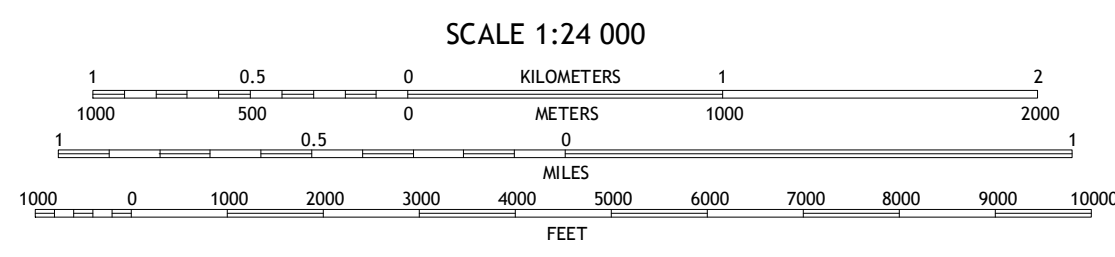
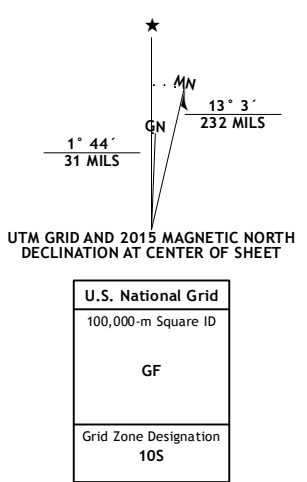
FIGURE 1
 PROJECT LOCATION MAP



ATTACHMENT 2
U.S. GEOLOGICAL SURVEY MAP



Produced by the United States Geological Survey
North American Datum of 1983 (NAD83)
World Geodetic System of 1984 (WGS84)
1 000-meter grid: Universal Transverse Mercator, Zone 10S
10 000-foot ticks: California Coordinate System of 1983 (zone 4)
This map is not a legal document. Boundaries may be generalized for this map scale. Private lands within government reservations may not be shown. Obtain permission before entering private lands.



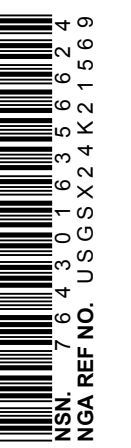
CONTOUR INTERVAL 10 FEET
NORTH AMERICAN VERTICAL DATUM OF 1988
This map was produced to conform with the National Geospatial Program US Topo Product Standard, 2011. A metadata file associated with this product is draft version 0.6.18



ROAD CLASSIFICATION
Expressway
Secondary Hwy
Ramp
Local Connector
Local Road
4WD
US Route
State Route

ADJOINING QUADRANGLES
1 Harris Ranch
2 Calfax
3 Vunguard
4 Guajarral Hills
5 Westhaven
6 Avenal
7 La Cima
8 Kettleman City

HURON, CA 2015



ATTACHMENT 3
CITY OF HURON AMENDED 2025 GENERAL PLAN MAP

City of Huron

Zoning Map

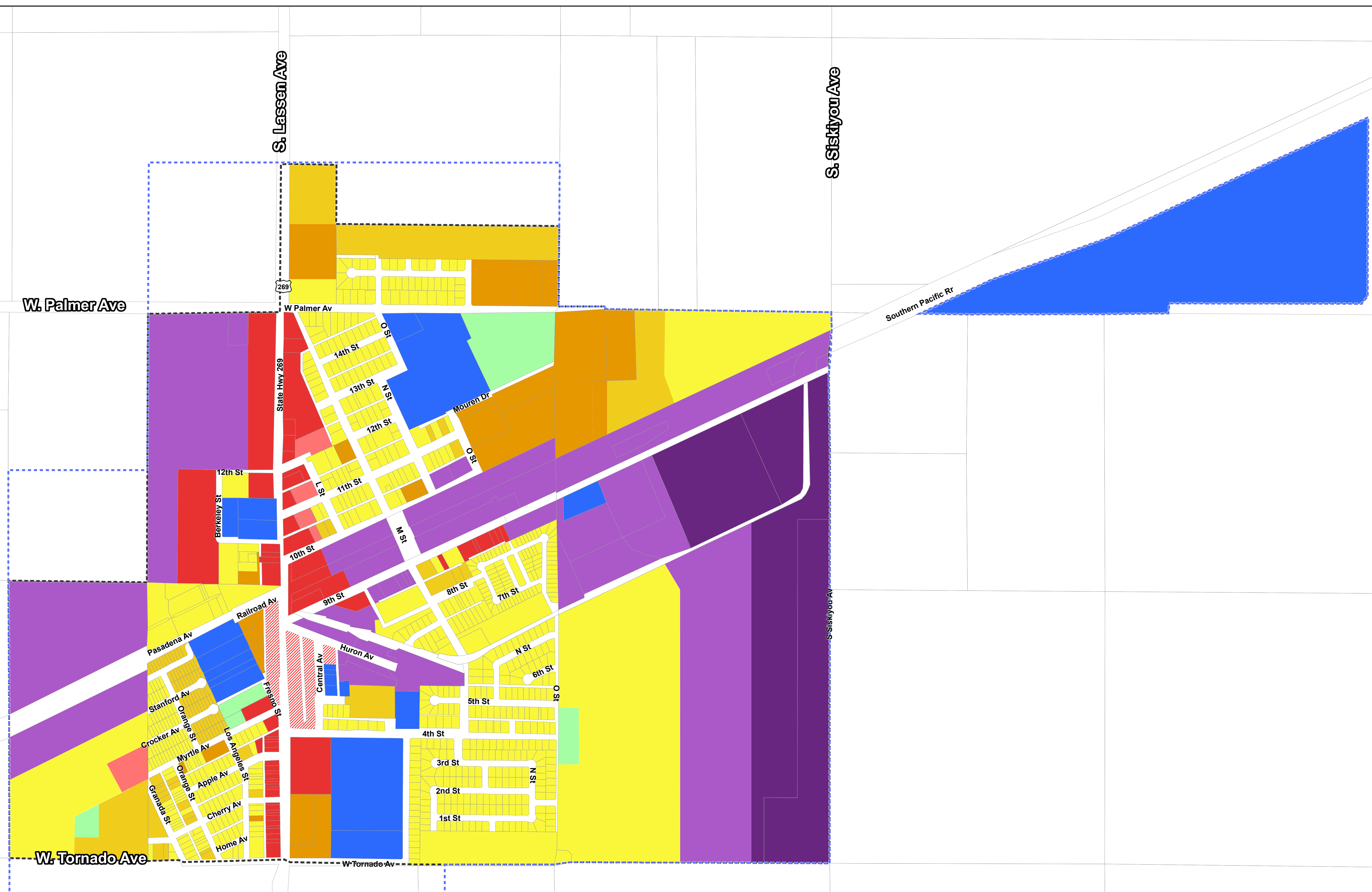


Legend

- Sphere of Influence
- City Limits

Zoning

- C-C - Community Commercial
- C-S - Service Commercial
- CBD - Central Business District
- M-H - Heavy Industrial
- M-L - Light Industrial
- O - Recreation, Parks & Open Space
- P-F - Public Facility
- R-1 - SF/Medium Density Residential
- R-2 - Medium/High Density Residential
- R-3 - High Density Residential



Adopted August 1, 2007



Quad Knopf

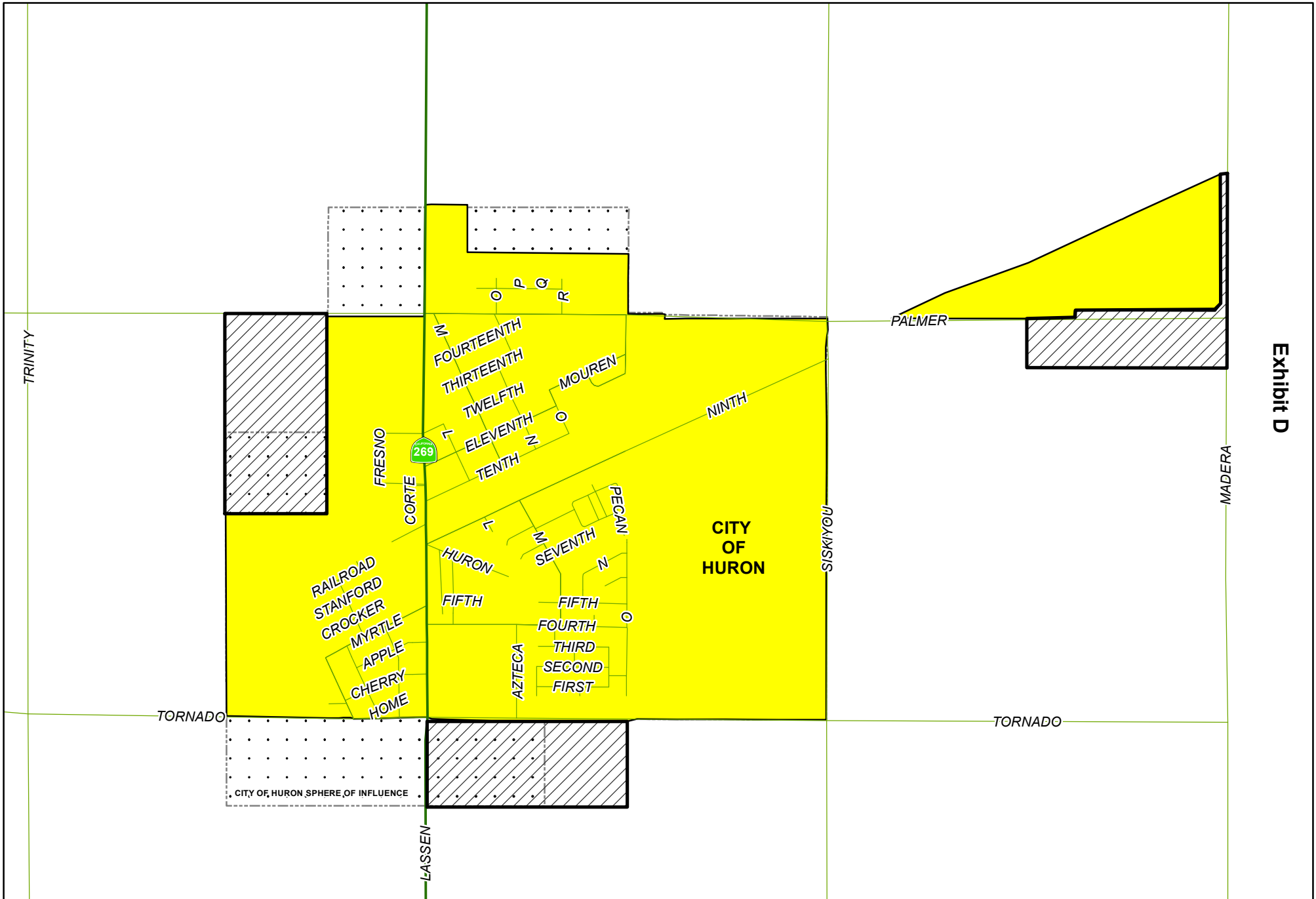


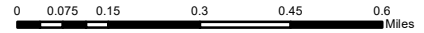
Exhibit D



**City of Huron-
Proposed Annexation Areas**
 268 Acres



Department of Public Works and Planning
 Development Services and Capital Projects Division



MAP PREPARED BY: GJIA
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1 SECOND AMENDMENT TO THE AMENDED AND RESTATED
2 MEMORANDUM OF UNDERSTANDING BETWEEN
3 THE COUNTY OF FRESNO AND THE CITY OF HURON
4

5 This Second Amendment to the Amended and Restated Memorandum of
6 Understanding ("Second Amendment"), executed on this 21st day of August,
7 2018, (the "Effective Date"), by and between the County of Fresno, a political subdivision of the
8 State of California (hereinafter referred to as "County") and the City of Huron, a municipal
9 corporation of the State of California (hereinafter referred to as "City"). County and City are
10 each a "Party" to this Second Amendment and are sometimes collectively referred to as "the
11 Parties" to this Second Amendment.

12 RECITALS:

13 WHEREAS, the Parties previously entered into a comprehensive agreement covering
14 development, annexations, sales taxes, property taxes, redevelopment and other matters,
15 which is entitled "Amended and Restated Memorandum of Understanding Between the County
16 of Fresno, the City of Huron, and the Huron Redevelopment Agency," dated January 31, 2006,
17 (hereinafter "MOU"); and

18 WHEREAS, as of February 1, 2012, the Huron Redevelopment Agency ("SRA")
19 automatically dissolved pursuant to ABX1 26, any remaining functions of the SRA were
20 assumed by the City of Huron acting as the Successor Agency, and the SRA is no longer a
21 party to the MOU;

22 WHEREAS, the City has notified the County of its desire to expand its sphere of
23 influence ("SOI") to include approximately 186 acres of unincorporated areas generally located
24 on the south side of Tornado Avenue between State Route 269 and "O" Street, the south side
25 of Palmer Avenue, and the City's existing wastewater treatment facility located on the north
26 and south sides of Palmer Avenue (collectively, the "SOI Expansion"); and

1 WHEREAS, the City has determined that the area proposed for expansion includes
2 critical land uses that would provide for orderly growth that ensures services are available and
3 a high quality of life for both current County residents and future City residents; and

4 WHEREAS, the County concurs that the proposed SOI Expansion would positively
5 contribute to the unification of logical urban growth and efficient delivery of urban services
6 within the City and the City's SOI; and

7 WHEREAS, the parties recognize that this Second Amendment to the MOU is
8 necessary to accommodate the proposed expansion of the City's SOI.

9 NOW, THEREFORE, County and City hereby agrees to amend the MOU as
10 follows:

11 **AMENDMENT TO MOU**

12 The MOU is amended as follows:

- 13 1. The maps included as Revised Exhibit "3" attached hereto and incorporated
14 herein by this reference, shall replace Exhibit "3" to the MOU as of the Effective
15 Date of this Second Amendment.
- 16 2. Unless expressly modified by the terms of this Second Amendment, all other
17 terms of the MOU remain in full force and effect.

18 IN WITNESS WHEREOF, the Parties hereto have executed this Second Amendment,
19 on the date set forth above.

20 COUNTY OF FRESNO, a Political
21 Subdivision of the State of California
("County")

22 By: Sal Quintero
23 Sal Quintero, Chairperson of the Board
24 of Supervisors of the County of Fresno

25 ATTEST:
26 Bernice E. Seidel
27 Clerk of the Board of Supervisors

28 By: Rubi Cuyag
Deputy

CITY OF HURON, a Municipal
Corporation of the State of California
("City")

By: Mayor
Mayor, City of Huron

ATTEST:
Juanita Veliz
City Clerk, City of Huron

By: Juanita M. Veliz
Juanita Veliz, City Clerk

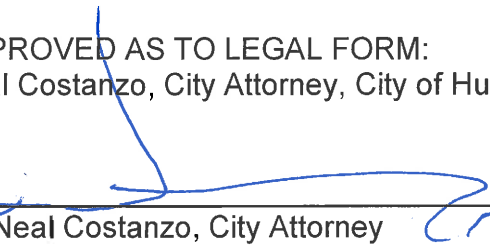
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REVIEWED AND RECOMMENDED FOR APPROVAL:

By: 

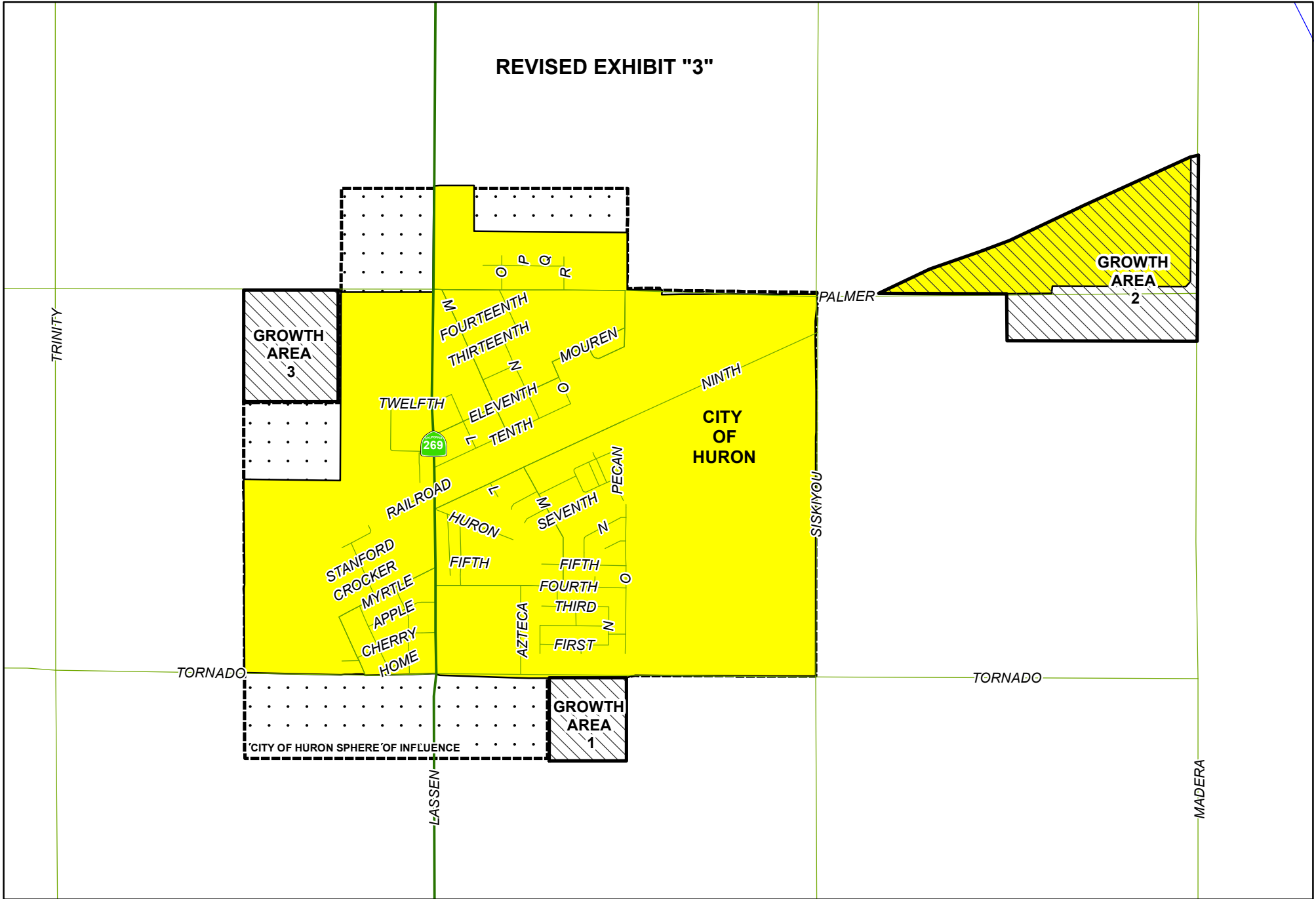
Jack Castro, City Manager

APPROVED AS TO LEGAL FORM:
Neal Costanzo, City Attorney, City of Huron

By: 

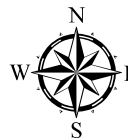
Neal Costanzo, City Attorney

REVISED EXHIBIT "3"

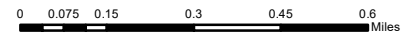


**City of Huron-
Sphere of Influence and Growth Areas**

-  Growth Area 1: 40 Acres
-  Growth Area 2: 107.85 Acres
-  Growth Area 3: 38.2 Acres



Department of Public Works and Planning
Development Services and Capital Projects Division



MAP PREPARED BY: GJIA
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