

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

AGENDA ITEM NO. 6

DATE: July 13, 2016

TO: Fresno Local Agency Formation Commission

FROM: David E. Fey, AICP, Executive Officer 

SUBJECT: Consider Adoption: Municipal Service Review and Sphere of Influence Update Prepared for the City of Fresno; Commission Action to Conclude Activities of Ad Hoc Committee

RECOMMENDATION: Adopt the Municipal Service Review prepared for the City of Fresno and update the Fresno sphere of influence by taking the following actions:

- A. Approve a finding of Categorical Exemption from the provisions of the CEQA under Section 15306, "Information Collection," for the Fresno Municipal Service Review.
- B. Approve a finding of Categorical Exemption from the provisions of the CEQA under Section 15061(b)(3), "General Rule," for the Fresno sphere of influence update.
- C. Find that the Municipal Service Review prepared for the City of Fresno is complete, satisfactory, and satisfies State law and adopt the MSR.
- D. Find that the written determinations within the Municipal Service Review and Sphere of Influence update satisfy State Law.
- E. Pursuant to Government Code Sections 56425 and 56430 make the required determinations for the Municipal Service Review and Sphere of Influence Update, adopt the Municipal Service Review prepared for the City of Fresno and amend the Fresno sphere of influence by the following actions which are described in more detail in the MSR and this report:
 - 1. Conditionally reaffirm the southeast sphere of influence (Exhibit 1);
 - 2. Revise the sphere of influence by adding the Friant-Copper territory (Exhibit 2) and the Regional Wastewater Reclamation Facility (Exhibit 3); and
 - 3. Approve, but suspend further action on, the addition of territory to the Fresno sphere of influence for the High Speed Rail heavy maintenance facility until such time as the HSR Commission determines a location for the facility (Exhibit 4).
- F. Conclude the activities of the LAFCo Ad Hoc Committee.

Staff reports, addenda, and supporting material, including the draft Municipal Service Review are incorporated by reference into this report and are available on the LAFCo website at www.fresnolafco.org under the "Hearings and Workshops" tab under the dates below:

- September 9, 2015: hearing to consider the Municipal Service Review and Sphere of Influence (MSR/SOI) update prepared for the City of Fresno;
- November 4, 2015: Commission workshop on the MSR/SOI update prepared for the City of Fresno;
- December 9, 2015: Commission appointed an Ad Hoc Committee to examine options related to Commission action on the Fresno Sphere of Influence;
- February 10, 2016: Fresno MSR/SOI Committee Progress Report;
- April 13, 2016: Commission hearing on the Fresno MSR/SOI;
- May 11, 2016: Commission considered various action related to Fresno MSR/SOI update; and
- June 2, 2016 Fresno City Council Workshop regarding specific planning within Fresno's Southeast Sphere of Influence (<https://fresno.legistar.com/Calendar.aspx>).

Attachments

1. Fresno LAFCo policy excerpts
2. Summary of MSR/SOI determinations and recommendations
3. Correspondence received since the April 13, 2016 hearing
 - June 22, 2016 letter from Dave Herb;
 - June 15, letter from Fresno City Council President Paul Caprioglio (Resolution No. 2016-15 attached);
 - June 2, 2016 letter from Fresno City Councilmember Oliver Baines III;
 - June 1, 2016 letter from Edward Kashian and Thomas Richards, Fancher Creek Properties;
 - May 26, 2016 letter from Fresno City Council President Paul Caprioglio;
 - May 17, 2016 letter from Fresno City Councilmember Steve Brandau; and
 - May 6, 2016 letter from Fresno City Councilmember Sal Quintero.
4. Exhibits 1-4 (Recommended update/revisions of Fresno SOI)

Executive Summary

The Fresno Municipal Service Review (MSR) and Sphere of Influence (SOI) update were first presented to the Commission at its November 4, 2015 hearing. Notwithstanding the events that have occurred since that meeting, as described in this report, staff recommends the approval of the MSR determinations and recommendations as they were initially presented in November, 2015.

City Manager Rudd wrote in an October 27, 2015 letter to the executive officer,

Based on a cursory review of the Fresno MSR, and subject to further comments from Mayor Swearengin and the Fresno City Council, it appears that we concur with all the recommendations contained in the Fresno MSR. Of all the recommendations made, there appear to be two key policy areas related to when and where future growth will occur and the manner in which annexations are evaluated that warrant a broader discussion amongst various stakeholders. Again, the recommendations related to regional land use issues are welcomed as the City's ability to achieve many of the outcomes contained in our General Plan update are contingent upon what is allowed to occur outside Fresno's Sphere of influence.

This position was reiterated by DARM Director Jennifer Clark at the June 2, 2016 City Council workshop on the southeast development area, also known as SEDA.¹ Staff therefore recommends approval of the MSR as identified in its report as items "A," "C," and "D."

The remaining issues of concern to the Commission are 1) the probability of growth in the SE SOI and 2) the perception on the part of the public and public agencies about the certainty and timing of development in the SE SOI and how this perception has influenced public and private investment in the area. These issues are discussed in greater detail in this report.

Staff recommends conditional approval of the SOI update as identified in its report as items "B," and "E 1-3;" and conclusion of the LAFCo Ad Hoc Committee as item "F."

Issue 1: Probability of Growth in the SE SOI

GC sec. 56076 defines a "sphere of influence" as "a plan for the probable physical boundaries and service area of a local agency, as determined by the commission." The issue of concern to the Commission is to determine the "probability" of the City's plan for growth in the SE SOI relative to the 20-25 year planning horizon established by Fresno LAFCo policy (See attachment). If growth is less likely to happen within the 20-25 year planning horizon established by LAFCo policy, then the Commission could choose to proportionally reduce or remove the SE SOI. If growth in the SE SOI was determined to be probable within the planning horizon, then the Commission could consider leaving it as it is currently configured in anticipation of specific or community planning by the City.

The uncertain probability of growth in the SE SOI arose from the City's policy actions after the Commission adopted the SE SOI in 2006 and culminated with the December, 2014, adoption of the 2035 General Plan. The policies of this general plan update substantially changed the timing of the SE SOI growth that was originally anticipated by public and private stakeholders who participated in the City's extensive SEGA planning process in the early 2000's, and was relied on by the 2003 City/County MOU and the 2006 LAFCo resolution approving the SE SOI.

The policy events after 2006 resulted in a downgrading of SEGA's schedule for specific or community planning in favor of other planning efforts. Most significantly, on February 11, 2011, the Fresno City Council received a report prepared by the City's Finance & Audit Committee titled "Findings and Recommendations on the Southeast Growth Area" which provide recommendations to the City Council regarding this planning area. The report presented recommendations to the City Council to suspend further City work and investments in SEGA, to direct City growth in the area west of Highway 99 as a high priority, to direct staff to produce a list of planning, infrastructure, and land use policies for the City of Fresno, and to direct staff to report on options and the feasibility of increasing the infill percentage before work can commence on Phase II of SEGA. After discussion the City Council took action to suspend growth and investments in SEGA and focus growth west of Highway 99.

¹ Various terms to identify Fresno's southeast growth area refer to the same geographic area but differ according to the agency and at what time the reference was made. For purposes of this report, prior to December 2015, the 2025 Fresno General Plan identified the area as the Southeast Growth Area (SEGA); the current 2035 General Plan now designates the area as the Southeast Development Area (SEDA); LAFCo staff will identify this area as the Southeast Sphere of Influence (SE SOI).

This action placed planning for the West Area and, later, an emphasis on infill development, in a higher priority than a SEGA specific or community plan.

In December, 2014, the City Council's adoption of the 2035 General Plan moved SEDA specific planning to an indeterminate timeframe that could not be reconciled with the LAFCo planning horizon. This uncertain position was considered in the draft MSR and resulted in several recommendations:

- That the City evaluate whether its SEDA conditions—contained in both the City/County Memorandum of Understanding and Fresno LAFCo's conditional approval of the SEGA SOI—remain appropriate given the shift in the General Plan's development policy since 2006;
- That the SEDA SOI be retained at this time to allow for the opportunity to properly address the policy concerns identified in this report. Fresno LAFCo may define a period within which the City must report back and provide the status of its efforts at conducting specific planning or identifying a timeline for when specific planning will occur; and
- That LAFCo develop policies specific to SEDA that ensure the area is developed in an orderly fashion and consistent with the City's development priorities in other areas.

At its April 13, 2016 hearing on the Fresno MSR and SOI update, the Commission directed staff to contact the Council President to request that the City Council affirm its commitment to adopt a specific plan for the SE SOI and that it provide a detailed plan of action whose goal is City Council adoption of such a plan. On April 18, 2016, the executive officer sent a letter with this request to Council President Caprioglio.

On June 2, 2016, the City Council conducted a workshop regarding specific planning within Fresno's Southeast Sphere of Influence. The executive officer participated in this workshop. At the conclusion of this workshop the Council adopted resolution No. 2016-105, stating that it "anticipates consideration of the SEDA Specific Plan between 2018 and 2019, which is within the planning horizon set by LAFCo for the City's sphere of influence" and resolved to formally oppose removal of SEDA and retain the SE SOI without change. The Council also resolved to formally request local state legislators to sponsor legislation to establish permanent seats on LAFCo for the Cities of Fresno and Clovis.

Issue 2: Public Perception about the Certainty and Timing of Development in the SE SOI

An ancillary issue of concern has emerged from the extensive outreach by LAFCo on the SE SOI since November, 2015, namely, the perception on the part of the public and public agencies about the certainty and timing of development in the SE SOI and how that perception has influenced public and private investment in the SE SOI. The February, 2016, listening session revealed a near-unanimous expression on the part of the speakers to not change the SE SOI largely to avoid risking the public and private capital investments made in anticipation of a City specific or community plan.

For example, public and private parties either anticipate future growth (as demonstrated by Fancher Creek Market Area information provided by Lance-Kashian Inc., and by growth estimates by the Sanger Unified School District) or have made substantial capital investment in public facilities (Clovis Unified School District revenue bond sale for improvement of school sites).

These public and private investments were made in good faith that the City would follow through on its commitment to adopt a specific or community plan in the SE SOI. Staff now concludes that the 2035 General Plan effectively culminated a course of policy actions that clearly reduced the priority for such a plan, contrary to the expectations of southeast Fresno stakeholders. From one perspective, city staff appear to believe that the plan is complete: during the June, 2016 City Council workshop, City staff made several comments that the specific plan had been “completed” relying on a record of an extensive public participation process, adoption of a preferred land use scenario by the Council, and incorporation of many of the SEGA goals and policies into the 2035 General Plan. This perception was reinforced by Ms. Clark during the workshop by her statement that the City had “completed an extensive specific plan” in the southeast

In fact, a specific plan has not been adopted. The City Council’s December, 2014, resolution adopting the 2035 General Plan cited GC sections 65300 and 65302 which govern the preparation, adoption, and amendment of the general plan.² In contrast, GC sec. 65450 governs preparation of specific plans for the systematic implementation of the general plan for all or part of the area covered by the general plan.

From another perspective, at least one councilmember believes that the 2035 General Plan supplanted the need for a specific plan because it provides the normal and customary land use policies that facilitate planned growth of the City, including the SE SOI. Though those conditions would normally permit development, the 2006 LAFCo resolution and the City/County MOU both continue to include conditions that require a specific plan for the entire SE SOI, as well as other policies and plans.

These statements by City leadership indicate that there was no process in the works to fulfill the commitment to adopt a specific plan for the SE SOI. The logic of the stakeholders’ investments in this area is sound as it was based on actions by the City that a SEDA plan was to be developed in the near-term. There is, however, a disorder resulting from this incomplete communication of civic goals between the City and the southeast stakeholders, and this is of interest to LAFCo.

At its June 2016, workshop, the City Council agreed to a schedule of major planning projects that included performing the specific plan for the SE SOI in 2018-19. This action is an appropriate response to this situation. However, City Manager Rudd commented that future city councils may alter that schedule.

It appears now that if the Commission determines to retain the SE SOI, policies will be necessary to ensure that a specific or community plan is indeed developed and adopted. Under state law, the Commission is responsible to “enact policies designed to promote the logical and orderly development of areas within the sphere.”³ Given the actions taken by many of the SE SOI stakeholders, the ad hoc committee recommends that the City of Fresno give specific/community planning priority to orderly development of the SE SOI north of McKinley Avenue, an area most impacted by the delay in specific/community planning.

² Fresno City Council Resolution No. 2014-226.

³ GC sec. 56425.

Conclusion and Recommendation

By the City Council's committing to specific or community planning of the entire SE SOI by 2018-2019 (within the planning horizon), the primary issue of concern to the Commission is addressed. The ancillary issue of concern (the order and logic of good faith investments and growth in the SE SOI and assurance of the timing of the planning therein) can be addressed by Commission policy action to request the City to take action by August, 2016, to identify funding and a schedule to commence the specific or community planning anticipated by the 2006 resolution for the portion of the SE SOI north of McKinley Avenue. Failure to perform these actions in the time specified will be cause to reconsider the SE SOI.

The Ad Hoc Committee recommends no change to the SE SOI subject to the following conditions to be completed by the Fresno City Council:

- That it take action in August, 2016, to identify funding and schedule to commence the specific or community planning anticipated by the 2006 resolution for the portion of the SE SOI north of McKinley Avenue; and
- That it perform specific or community planning for the balance of the SE SOI by 2018-19, consistent with Fresno City Council Resolution No. 2016-105.

Staff further recommends additional policy action to clarify that any application for annexation be subject to the specific or community plan requirement of the 2006 LAFCo resolution.

Individuals and Agencies Receiving this Report

- Bernard Jimenez, Deputy Director of Fresno Co. Public Works and Planning
- Will Kettler, Development Services Div. Mgr., Fresno Co. Public Works and Planning
- Bruce Rudd, Fresno City Manager
- Jennifer Clark, Director, City of Fresno DARM
- Mike Sanchez, Assistant Director, City of Fresno DARM

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Attachment 1:

Fresno LAFCo policy excerpts

Fresno LAFCo policies have been used to analyze the SE SOI issues in light of the Commission's planning horizon:

Fresno LAFCo policy 107-02: (Municipal Service Review Policy) SOI Planning Horizon
The Commission will determine the probable physical boundaries of the agency using a 20-year planning horizon, meaning the probable expansion of the agency's service area within 20 years of the SOI approval. The Commission will evaluate proposed SOI amendments in light of many of the local agency's own adopted plans and policies including, but not limited to, its general or master plan and related CEQA documents, service plans, annual budgets, fee structure, and capital improvement plans.

Fresno LAFCo policy 107-02: MSR Policies

The SOI of Municipal Local Agencies should reflect a 20-year planning horizon and may include additional areas that may relate to the agency's planning. This boundary shall be reviewed and either affirmed or, if necessary, updated on average of every five years thereafter.

Fresno LAFCo policy 330-08: (Sphere of Influence Updates & Revisions)

The Commission requests that a sphere of influence update be comprehensive and based on historical growth patterns, using a twenty to twenty-five year projection, prepared with a city and county general plan update for the community.

Attachment 2:

Summary of MSR/SOI determinations and recommendations

MSR DETERMINATIONS AND RECOMMENDATIONS (GC §56430)

Growth And Population Projections for the Affected Area

1. As of January 1, 2014, the City had a population of approximately 515,609, based on California Department of Finance (DOF) estimates, which indicates approximately four percent growth since the 2010 Census.
2. The City's General Plan projects that the area within the City's SOI will accommodate an additional population of approximately 226,000 new residents by 2035, resulting in a total population of 771,000, which equates to an average annual growth rate of 1.24 percent.
3. The City anticipates that surrounding areas will continue experiencing high rates of population growth over the planning horizon of the General Plan, although growth is expected to be approximately half the rate as that of the past 30 years.
4. The City continues to have applications for new structures and larger multi-unit developments; however, new development has significantly slowed in recent years.
5. While the City does track, to some degree, proposed and approved developments, this information is limited and not readily available in a usable format. The system also fails to track the stages or progress of development.

Recommendation: that the City institute a centralized system to document and track all developments under construction, approved, and/or proposed in a manner that is accessible by city staff and members of the public.

6. The California High Speed Rail project is anticipated to promote economic and job growth with the construction of the proposed heavy maintenance facility just south of the Fresno SOI and development of the downtown station. The City plans to capitalize on the project by creating a plan to revitalize the Downtown area surrounding the proposed station. Additionally, should the heavy maintenance facility be approved south of the City, the City has expressed interest in services to the facility. This may necessitate an expansion of the Fresno SOI.
7. Due to a balance of investment in established neighborhoods and new growth areas, the General Plan allows an overall increase in residential density and development intensity as compared to the 2025 General Plan.
8. Specific planning for the Southeast Development Area (SEDA) has been deferred as a result of the City's subsequent plans to focus on enhanced infill in its existing city limits and direct new development to the west and southwest development areas. The City

has, to some degree, incorporated SEDA into its General Plan Update; however, policies that deal with how this area fits into the greater infill and west area policy structure are broad in nature. Further, the City Council and Board of Supervisors have already approved one 20-acre development in SEDA that, though permitted by exception, may indicate market pressure to develop this area prior to the completion of the major planning tasks that had earlier been deemed necessary by the City and County and now are unfunded and unscheduled.

Recommendation: that the City evaluate whether its SEDA conditions—contained in both the City/County Memorandum of Understanding and Fresno LAFCo’s conditional approval of the SEGA SOI—remain appropriate given the shift in the General Plan’s development policy since 2006.

9. The City plans to adopt a method to ensure strategic sequencing of development, in order to promote infill development within city limits prior to areas requiring annexation.

Recommendation: that the City implement an objective and transparent measurement to track its development benchmarks to determine the appropriate timing of planned growth.

10. The City of Fresno has partnered with 13 of the other 15 federally-defined Urbanized Areas in the San Joaquin Valley as part of the Smart Valley Places network, to plan and implement smart growth, livability, and sustainability through revised land use and transportation systems in the respective cities within all the Urbanized Areas in the eight-county Valley region.
11. The City has adopted several policies in its General Plan to ensure coordinated development of certain infrastructure common between the City of Fresno and the City of Clovis.

Recommendation: that the City, the City of Clovis, Fresno County, Madera County, and other neighboring cities, and Fresno LAFCo continue to participate in regionally collaborative planning efforts.

12. Fresno LAFCo adopted a policy encouraging annexation of unincorporated islands within city limits and requiring cities in Fresno County to develop plans to annex these areas. To date, the City of Fresno does not have a plan in place for annexation of these islands.

Recommendation: that the City develop a General Plan implementation program that conforms with the Fresno LAFCo annexation program. This implementation program can address annexation of the unincorporated islands within the city limit; annexation of the urban edge that is impacted by irregular boundaries, and conflicting County land and comprehensive service transition planning for affected agencies.

13. The Fresno City Manager has stated that the City will be the applicant for all new annexations. According to LAFCo Policy 318, Fresno LAFCo may not disapprove an annexation within an urban service area that is initiated by a city resolution and is contiguous territory, which is not prime agricultural land and is designated for urban growth on the City's General Plan.
14. In previous SOI updates, the non-contiguous land where the Regional Wastewater Reclamation Facility is located has not been discussed for inclusion in the City's SOI, although the territory is within the incorporated city limits as an island as permitted by CKH. By excluding the wastewater facility lands from the SOI, it could appear that LAFCo is signifying the eventual detachment of this land from the City; however, this is not the case. The practice of not including a city's non-contiguous public facility within an SOI is common for LAFCOs, given that growth of public facilities is relatively slow when compared with the market influences of the city itself, and occurs generally in response to the territory needed to expand the public facility.

Recommendation: That Fresno LAFCo determine a SOI for the City's Regional Wastewater Reclamation Facility.

Location And Characteristics Of Any Disadvantaged Unincorporated Communities Within Or Contiguous to the Sphere of Influence

15. Identifying and including disadvantaged unincorporated communities (DUCs) in the long range planning of a city or special district is required by SB 244.
16. For any request for a new or SOI update with regards to a city or special district, the city or special district will be required to identify any disadvantaged unincorporated communities within and contiguous to their boundaries and identify any legacy communities within one mile of the existing or proposed SOI. Pursuant to Fresno LAFCo Policy 106, LAFCo will verify all information and make independent attempts to identify DUCs using various means of information sources.
17. LAFCo staff considered various sources of information available and included local community-based organizations input in order to determine the locations where DUCs may exist within the City's SOI boundaries and greater unincorporated areas.

18. LAFCo staff has identified 20 potential DUCs within Fresno's SOI and six potential DUCs within a one-mile distance outside the adopted SOI boundaries.
19. Locations identified as DUCs display characteristics of a DUC pursuant to Fresno LAFCo's Policy 106 and consistent with the CKH Act of 2000. Each identified DUC area is designated with a number in Figure 7-3 and the corresponding community description identifies: the location, number of properties within the DUC, its U.S. Census Tract-Block Group number, and the MHI levels for the time period between 2006 and 2010.
20. The City's General Plan indicated the City plans to comply with SB 244 in developing a city strategy to identify all DUCs within the City's SOI. The General Plan states that the City of Fresno will perform the required infrastructure analysis to coincide with its next scheduled Housing Element Update in Compliance with State law.
21. The information presented in Chapter 7 provides the City with data needed to meet SB 244 requirement pursuant to GC §65302.10.(a) which requires that each city review and update the land use element of its general plan, based on available data, including, but not limited to, the data and analysis developed pursuant to GC §56430.

Present and Planned Capacity of Public Facilities and Adequacy of Public Services in any Disadvantaged, Unincorporated Communities Within or Contiguous to the Sphere of Influence.

Subcategory: Present Capacity

22. Certain departments face more significant challenges to capacity than others. The public safety departments have more readily identifiable capacity concerns, compared to other departments, as defined by longer emergency response times.
23. The City of Fresno Police Department had to implement significant organizational changes to meet community needs with fewer resources, including priority modification, staff reassignment, and restructuring of the operations. These economic constraints, combined with other issues, such as parole reform and the early release of prisoners, have required the Department to focus its resources on the highest priority duties, resulting in longer response times.
24. The Fire Department has been unable to meet target response times, due to cuts in the number of units available to respond. Additionally, due in part to the duplication of services provide by American Ambulance, the Department has stopped responding to serious medical emergency calls, and reduced availability for all public education outreach.

25. The Parks, After School, Recreation and Community Services Department (PARCS) has experienced deferred maintenance of infrastructure which is costly to maintain and relies heavily on volunteers for maintenance work.

Subcategory: Planned Capacity

26. There is a general need to update master planning documents to ensure adequate capacity of city infrastructure, facilities, staffing, and other resources to address planned land use density changes between the 2025 General Plan and General Plan Update.

Recommendation: that the City program regular updates of its master service plans to ensure that they are kept up-to-date.

Recommendation: that LAFCo initiate a multi-agency assessment of the efficiencies of annexation of county islands and multiple special districts in the Fresno SOI.

Recommendation: that the County amend its General Plan to conform to the City's designated land uses in areas within the Fresno SOI.

27. Substantial design of essential infrastructure will be necessary before any new development can take place in the Southeast Development Area. Based on current MOU and LAFCo conditions, adoption of a specific plan that includes comprehensive provision of public infrastructure is necessary.
28. According to the General Plan, portions of SEDA are anticipated to develop by 2035, with General Plan buildout not occurring until 2050 or beyond.
29. The City will require additional sworn law enforcement officer personnel and firefighting personnel in order to meet its targeted staffing level as identified in the General Plan
30. The City will need substantially more park acreage to meet the new General Plan goal of five acres per 1,000 residents.
31. As reported in the General Plan, the City's existing waste disposal facilities are considered adequate to maintain a sufficient level of service for future population growth in the City through the planning period of the document.
32. According to the City's General Plan, Fresno's existing street system has excess capacity in several key areas due to the recent construction of the freeway system. The City aims to take advantage of this situation by promoting denser development on these streets.
33. In order to support the projected increase in population, the City recognized that its wastewater collection and treatment system must be expanded to handle the resulting increase in flow and to provide service to new developments. The City plans to continuously monitor, and update as necessary, the master planning documents

prepared for the wastewater management division to ensure that wastewater capacity is available to accommodate new planned growth and development.

34. Where infill development substantially increases density or building height, the existing public water main infrastructure may require upgrading due to increased domestic water demand reducing available water volume and pressure for firefighting and potential damage to aging water pipes during firefighting incidents.

Subcategory: Service Adequacy

35. The City appears to provide adequate services based on the performance measures assessed in this document. No significant deficiencies were identified that greatly affect the overall level of services offered.
36. Typical of any public service provider, there is room for improvement in the level of services offered by the City. Specifically, during the course of this review the following highlighted recommended enhancements to service were identified to address chronic/repetitive issues or public safety concerns:

Recommendation: that the City ensure that contract Fresno Convention & Entertainment Center provider benchmarks are attained and subsidizing of operations by general fund minimized to the greatest extent possible.

Recommendation: that the City plan as necessary to ensure sufficient capacity at the Regional Wastewater Reclamation Facility appropriately address population growth from development.

Recommendation: that the City continue to strive for lower response times by public safety departments to meet goals and standards.

Recommendation: that the City continue to work to ensure an equal distribution of park and recreation facilities throughout the City.

Subcategory: Infrastructure Needs and Deficiencies

37. Airports: A majority of the airports' major infrastructure needs were addressed in FY 14 with smaller projects planned over the next five-year period.
38. Fresno Convention & Entertainment Center: Three of the halls/theaters associated with the Fresno Convention & Entertainment Center are aging and in need of improvements that were deferred until sufficient funding could be identified. Funding has reportedly now been identified and a facility assessment will be conducted later this year to identify ongoing lifecycle costs.

- 39. Fire and EMS: The Fire Department has plans for a new fire station to replace its existing temporary structure where Station 18 is presently housed. Other infrastructure needs include a new Fire Apparatus Repair Facility as well as upgrades to the Fire Training Facility; however, these capital improvements have been deferred until funding can be identified.
- 40. Homeless: There is opportunity for community leaders to develop plans for the creation of an appropriate emergency shelter. There is a continued need to develop plans for permanent housing opportunities. While the City might be able to help fund the cost of an emergency homeless shelter, the underlying responsibility of operating such a facility resides with the County and/or other social service agencies.
- 41. Law Enforcement: Reportedly, there are multiple law enforcement infrastructure needs that have not yet been recorded because facilities have not been thoroughly assessed.

Recommendation: that the City conduct a comprehensive assessment of its law enforcement facilities to identify and prioritize capital needs.

- 42. Parks and Recreation: The City continues to develop new parks as funding allows, but it has had to make certain cuts to cover budget shortfalls and ensure adequate funding for continued maintenance upon construction. As a result of budget cuts, there is substantial deferred maintenance at existing park facilities. In addition, the level of funding from park impact fees, combined with developers applying fee credits to their projects, have resulted in General Fund dollars that could have been used for deferred maintenance now being used to cover the debt service for new parks built over the last 10 years.
- 43. Solid Waste: The City continues to monitor the inactive Fresno Sanitary Landfill site, and provide all required post-closure care and maintenance in accordance with the EPA consent decree.
- 44. Streets: Fresno has transportation facilities that meet all modes of circulation, but the systems for pedestrians and bicycles are largely incomplete. Completing these citywide networks would encourage faster and simpler travel routes for work, errands, and recreation by means other than private automobile. Correspondingly, the City envisions in its General Plan a Level of Service (LOS) system that includes all modes of transportation, including pedestrians, bicycles and public transit users. A multi-modal LOS system is expected to help support the development of more intense land uses where desired by permitting localized automobile congestion, if walking, biking, and transit systems operate at high levels.
- 45. Transportation: The City is proposing significant capital improvements to its public transit system over the next five years, projecting to cost \$189.2 million. Capital

expenditures will have a particular emphasis on the bus rapid transit system and improving service levels along other key transit corridors (e.g., Shaw Avenue).

46. Wastewater: The City's aging infrastructure (collection and treatment), together with the need to pursue more advanced levels of reclamation and reuse are of significance, especially when planning for full buildout under the City of Fresno General Plan Update. The City is in need of and is planning to construct the East Central Recycled Water Facility to provide recycled water for non-potable purposes and redirect sewer flow from a portion of the sewer trunk system that lacks adequate capacity.

Recommendation: The City will need to assess options for addressing potential future increased demand at the Regional Wastewater Reclamation Facility, as it is nearing 75 percent capacity—the threshold at which initial planning efforts are required by State statute and are considered a best management practice. Additionally, corrective measures to address significant infiltration and inflow in Downtown Fresno are recommended.

47. Water: Due to declining groundwater levels, contamination concerns, and new legal requirements regarding groundwater management, the City just approved a significant water capital improvement plan, to be implemented through FY 19, to diversify its water supply portfolio with surface and recycled water, prevent groundwater overdrafting, offset current demands, and meet future demands from anticipated growth.
48. Economic Development: Given the City's chronic high level of unemployment that is nearly 50 percent higher than the statewide unemployment rate, economic development is crucial to the City. The City is working with the private sector to retain, expand and attract new businesses to Fresno and the Central Valley. It is extremely important the City foster through public-private partnerships business parks and industrial land development ready. Failure to plan for and foster industrial land makes the City uncompetitive for business development.

Financial Ability of Agencies to Provide Services

49. The City of Fresno, like all other cities in the State of California, has suffered the devastating impacts that the prolonged recession has had on its economy and City revenues. Loss of significant amounts of sales tax, property tax, and service charge revenue specific to the General Fund during the recession heavily impacted the financial condition of the City.

50. Due to the City's size, municipal service responsibilities, bargaining unit agreements, debt service obligations, and capital expenditure requirements, revenue recovery did not matched expenditure growth proportionately.
51. In general, the City's former financial condition would be considered unstable in some respects due to depleting emergency reserves, negative fund balances, declining revenues, and increasing employment costs. However, the City has made great strides in implementing cost saving measures to manage the slow revenue recovery, including an overall reduction of approximately 1,200 employees, reduction or elimination of some maintenance and replacement of equipment, and increased utilization of volunteers where feasible in the parks and recreation type activities.
52. The City has implemented a five-year budget plan to manage the fiscal condition of the City and grow itself back to sustainable levels. Due to the instability of revenues, the City previously experienced significant short term cash flow problems, incurred negative fund balances requiring repayment, and had no opportunity to rebuild emergency cash reserves. The five-year plan adopted by the City is working to address these issues.
53. Capital replacement programs throughout the City had been suspended until the City began to recover sufficiently from the recent economic downturn. Over the last two years, the City has begun to fund regular maintenance, funded the ongoing cost of police cars and fire apparatus, taken the steps to address decades of deferred repairs and improvements to its facilities, built two new parks, and improved several existing park and recreation facilities.
54. Most departments identified lack of funding as a significant challenge to services. Most of the "enterprise" (business type activities) such as water, wastewater and solid waste services, are now financially stable.
55. Despite recent difficulties, the Solid Waste Division has a healthy financial reserve. The division's reserve has been used on occasion to cover the deficit of other city departments, but always with repayment dates in place.
56. The Fresno Convention & Entertainment Center complex does not generate sufficient profit to fully finance operations, which is not uncommon among convention centers. The shortfall is subsidized by the City's General Fund.
57. The City has previously established facilities fees to implement the goals and objectives of the City's 2025 General Plan, and to mitigate the impacts caused by future development in the City through acquisition and construction of additional facilities. However, a development impact fee update is underway to address the needs of the General Plan.
58. In 2015, the City Council approved a five-year rate plan to finance significant capital improvements to the water system.

Status of, and Opportunities for, Shared Facilities

59. The City takes advantage of opportunities for shared facilities where it can and is open to additional sharing opportunities as they arise. Fire, police, water, and wastewater services are the predominant city services that presently practice facility sharing with other agencies.
60. The Fire Department rents two of North Central Fire Protection District's vacated fire stations—one to house an antique fire apparatus and other equipment, and the other as a supply facility. FFD's Station 10 is shared with reserve aircraft firefighting personnel. Station 21 is also used as a post for American Ambulance, which includes two ambulance personnel. The City also has an automatic aid agreement with the City of Clovis whereby the nearest fire station responds to an emergency regardless of the jurisdiction within which it is located
61. The police training facility is used by Fresno Police Department staff and by law enforcement personnel from around the Central Valley, as well as agencies from around the State. Fresno PD enters into for-fee training programs with other agencies, reducing overall operation and maintenance costs of the facility. Additionally, the Multi-Agency Gang Consortium shares a building with the Fresno County Sheriff's Department. The location also serves as a processing location for convicted sex offenders.
62. Recycled water produced by the City is shared with Fresno Irrigation District via a water sharing agreement in exchange for surface water.
63. The City shares the Regional Wastewater Reclamation Facility with the City of Clovis, at which it treats effluent from some unincorporated areas of Fresno, the City of Clovis, Pinedale Public Utility District, and Pinedale County Water District.
64. The FAX fixed route conventional bus transportation system integrates with the City of Clovis' fixed route system.
65. The Police Department continues to explore a joint dispatch center with Fresno County Sheriff's Department.
66. The City is reportedly identifying opportunities to add park space to established neighborhoods through mechanisms such as co-location with other facilities and joint use agreements.
67. In addition to regional planning activities, the City's General Plan identifies opportunities for significant sharing of services amongst adjacent providers, including the County of Fresno, the County of Madera, and the City of Clovis, in the form of a regional justice system, a regional public health program, and regional library, recreational, and social services.
68. There appears to be an opportunity for enhanced communication between the city and other neighboring/overlapping utility providers. Malaga County Water District, Pinedale

Public Utility District, and Pinedale County Water District provide services adjacent to or overlapping the City's boundaries; however, it is often unclear where these overlaps occur. For example, it is unclear whether solid waste services are provided by the City to the portions of MCWD within the city limits, as neither the City nor MCWD were able to provide clarification.

Recommendation: that the City coordinate with these special districts to the greatest extent possible to ensure clarity on service areas and proper regional planning of water and wastewater infrastructure.

Accountability for Community Service Needs, Including Governmental Structure and Operational Efficiencies.

69. The City of Fresno demonstrated accountability and transparency in its various aspects of operations. The governing body updates constituents, solicits constituent input, and posts public documents on its website.
70. The City Council recently created the Enterprise Capital Management and Citizen Oversight Committee to review capital improvement plans with regard to the enterprise functions of the City to ensure efficient use of public funds.
71. As the population grows and changes, increased attention to service efficiencies will be necessary, especially given fiscal constraints affecting local governments in California. Intergovernmental cooperation, regionalization of services and joint efforts for efficiency warrant continued attention.
72. Several governance structure options were identified in previous MSRs and over the course of this MSR. There are many special districts, including Pinedale County Water District, Pinedale Public Utility District, Malaga County Water District, 10 county service areas, Calwa Recreation and Park District, and Bluffs Community Services District, which provide similar services as the City and overlap the incorporated city territory and areas in the City's SOI. Potential district modifications could enhance the efficiency of service delivery.

Recommendation: that the City work with Fresno LAFCo, Fresno County, and the special districts in the Fresno SOI to assess metropolitan area service delivery and determine if efficiencies may be gained if the City assumed responsibilities for services in these areas.

73. The Fresno Metropolitan Flood Control District (FMFCD) encompasses almost the entirety of the Fresno-Clovis Metropolitan Area, with the exception of 6.5 square miles

of SEDA, which has yet to be annexed to the District. Once all of SEDA is annexed, FMFCD will develop and adopt storm water master plans for SEDA.

Any Other Matter Related to Effective or Efficient Service Delivery, as Required by Commission Policy.

74. None.

SPHERE OF INFLUENCE DETERMINATIONS AND RECOMMENDATIONS (GC §56425)

Present and Planned Land Uses, Including Agricultural and Open-Space Lands

1. Of parceled land within city limits, the largest land use is residential at 35 percent (residential and rural residential uses). Other significant land uses within the City are for streets and vacant or agricultural purposes. Within the SOI outside of the City limits, 29 percent of land use is residential and 16 percent is vacant or agricultural.
2. While agricultural uses continue to dominate much of the regional landscape, only moderate amounts of agricultural land remains in production within the City's planned urban boundary (primarily in the eastern, southeastern and southwestern areas). In 2011, there was approximately 16,805 acres of agricultural or vacant land within the City and its sphere of influence. A majority of vacant land along the urban edge was actively cultivated agricultural land at one time, although portions may have been purchased in anticipation of future urban expansion. In some instances, agricultural use was discontinued along the fringes of the City in anticipation of urban use.
3. Policies in the General Plan were designed to preserve farmland by incentivizing new development within and adjacent to already-urbanized land, only extending public utilities to new development that adheres to the Plan, and not expanding the City's SOI.
4. The California High Speed Rail project is anticipated to promote economic and job growth with the construction of the maintenance facility and downtown station. The City plans to capitalize on the project by creating a plan to revitalize the Downtown area surrounding the proposed station.
5. The City has expressed an interest in providing services to this facility but is not otherwise requesting adding the territory to the Fresno SOI. Authorization for the city to extend services to the proposed facility outside of the Fresno SOI must be granted by LAFCo and by statute must be supported by evidence of an existing or pending threat to human health and safety. In contrast, it may be more practical for the Fresno SOI to be amended to permit annexation and service to this facility.

6. Those decisions will be addressed at the time that the HSR Authority announces the location of the facility in 2016.

Recommendation: Should Fresno County be selected as the site for the heavy maintenance facility, the City should apply to LAFCo for an SOI amendment and annexation in order that services can be provided to the facility.

7. Due to plans for a greater emphasis on infill and higher density land uses, the General Plan allows an overall increase in residential density and development intensity as compared to the 2025 General Plan.
8. General Plan policies for SEDA have changed substantially since this SOI was determined. Though the City has incorporated SEDA land uses into its General Plan as a part of Growth Area 2, the timing for implementing this growth area may not correspond to LAFCo's SOI policy.

Recommendation: that the SEDA SOI be retained at this time to allow for the opportunity to properly address the policy concerns identified in this report. Fresno LAFCo may define a period within which the City must report back and provide the status of its efforts at conducting specific planning or identifying a timeline for when specific planning will occur.

Recommendation: that LAFCo develop policies specific to SEDA that ensure the area is developed in an orderly fashion and consistent with the City's development priorities in other areas.

9. The City of Fresno has partnered with 13 of the other 15 federally-defined Urbanized Areas in the San Joaquin Valley as part of the Smart Valley Places network, to plan and implement smart growth, livability, and sustainability through revised land use and transportation systems in the respective cities within all the Urbanized Areas in the eight-county Valley region.
10. The City has made efforts to meet with the City of Clovis regarding planning for growth in areas of mutual interest, and has made plans to continue this practice. The City has adopted several policies in its General Plan to ensure coordinated development of certain infrastructure common between the City of Fresno and the City of Clovis.
11. Fresno LAFCo has adopted a policy encouraging annexation of unincorporated islands within city limits and requiring cities in Fresno County to develop plans to annex these areas. To date, the City of Fresno does not have a plan in place to annex these islands.

Recommendation: that the City develop a General Plan implementation program that conforms with the Fresno LAFCo annexation program. This implementation program can address annexation of the unincorporated islands within the city limit; annexation of the urban edge that is impacted by irregular boundaries, and conflicting County land and comprehensive service transition planning for affected agencies.

Recommendation: It is recommended that the City develop a comprehensive plan for annexation of its urban fringe where rural residential parcelization has heretofore hampered orderly and efficient growth of the City.

Present and Probable Need for Public Facilities and Services

12. The type of public services and public facilities required in the proposed SOI boundary is not anticipated to change, although the level of demand will increase as a result of infill and greenfield development.

Recommendation: It is recommended the Friant-Copper SOI proposal be included in City's SOI if it is also supported by the City.

13. In previous SOI updates, the non-contiguous land where the Regional Wastewater Reclamation Facility is located has not been discussed for inclusion in the City's SOI, although the territory is within the incorporated city limits as an island as permitted by CKH. By excluding the wastewater facility lands from the SOI, it could appear that LAFCo is signifying the eventual detachment of this land from the City; however, this is not the case. The practice of not including a city's non-contiguous public facility within an SOI is common for LAFCOs, given that growth of public facilities is relatively slow when compared with the market influences of the city itself, and occurs generally in response to the territory needed to expand the public facility.

Recommendation: That Fresno LAFCo determine a SOI for the City's Regional Wastewater Reclamation Facility.

14. The development of the undeveloped areas of the City's SOI will require a full range of City services and community facilities, which could have an impact upon existing City service levels and infrastructure.

Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide.

Subcategory: Present Capacity

15. Capacity of city departments has been constrained due to financial limitations which have resulted in reorganization of several departments and a significant reduction in staffing, resulting in limited capacity of all departments to maintain service levels. Filling these managerial positions has had a positive effect on staff capacity.
16. Certain departments face more significant challenges to capacity than others. The public safety departments have more readily identifiable capacity concerns, compared to other departments, as defined by longer emergency response times.
17. The City of Fresno Police Department had to implement significant organizational changes to meet community needs with fewer resources, including priority modification, staff reassignment, and restructuring of the operations. These economic constraints, combined with other issues, such as parole reform and the early release of prisoners, have required the Department to focus its resources on the highest priority duties, resulting in longer response times.
18. The Fire Department has been unable to meet target response times, due to cuts in the number of units available to respond. Additionally, due in part to the duplication of services provide by American Ambulance, the Department has stopped responding to serious medical emergency calls, and reduced availability for all public education outreach.
19. The Parks, After School, Recreation and Community Services Department (PARCS) has experienced deferred maintenance of infrastructure which is costly to maintain and relies heavily on volunteers for maintenance work.

Subcategory: Service Adequacy

20. The City appears to provide adequate services based on the performance measures assessed in this document. No significant deficiencies were identified that greatly affect the overall level of services offered.
21. Typical of any public service provider, there is room for improvement in the level of services offered by the City. Specifically, during the course of this review the following highlighted recommended enhancements to service were identified to address chronic/repetitive issues or public safety concerns:

Recommendation: that the City ensure that contract Fresno Convention & Entertainment Center provider benchmarks are attained and subsidizing of operations by general fund minimized to the greatest extent possible.

Recommendation: that the City plan as necessary to ensure sufficient capacity at the Regional Wastewater Reclamation Facility appropriately address population growth from development.

Recommendation: that the City continue to strive for lower response times by public safety departments to meet goals and standards.

Recommendation: that the City continue to work to ensure an equal distribution of park and recreation facilities throughout the City.

Existence of any Social or Economic Communities of Interest

22. There exist social and economic conditions that cause interaction and interdependence between the City of Fresno and the areas within the City's SOI.
23. There are multiple unincorporated islands within the City of Fresno's boundaries, each of which is considered a community of interest. These land use patterns that developed over several decades challenge service delivery efficiencies and also create public confusion over jurisdictional boundaries and service responsibilities.
24. The City abuts and overlaps several special districts, which also lie within the City's SOI. The operations of the City and plans for future growth impact the operations of these agencies. There appears to be an opportunity for enhanced communication between the City and other neighboring/overlapping special districts.

Recommendation: that the City's annexation plan include outreach to these special districts to ensure proper subregional planning of infrastructure and coordinate the eventual transition of services as the City annexes the areas served by the special districts.

The Present and Probable Need for Public Facilities or Services Related to Sewers, Municipal and Industrial Water, or Structural Fire Protection, of any Disadvantaged Unincorporated Communities Within the Existing Sphere of Influence.

25. LAFCo staff has identified 20 DUCs within Fresno's SOI and six DUCs within a one mile distance outside the adopted SOI boundaries.
26. Locations identified as DUCs display characteristics of a DUC pursuant to Fresno LAFCo's Policy 106 and consistent with the CKH Act of 2000. Each identified DUC area is designated with a number in Figure 7-3 and the corresponding community description identifies: the location, number of properties within the DUC, its U.S. Census Tract-Block Group number, and the MHI levels for the time period between 2006 and 2010.

27. At present time, a majority of these communities receive water, wastewater and fire services through a combination of the City of Fresno and special district service providers. No particular water, wastewater, or fire service infrastructure needs were identified for these particular areas. The type of public services and public facilities required in these areas is not anticipated to change, although the level of demand will likely increase as a result of growth.

Attachment 3:

Correspondence received since the April 13, 2016 hearing

June 22, 2016 letter from Dave Herb;

June 15, letter from Fresno City Council President Paul Caprioglio (Resolution no. 2016-15 attached);

June 2, 2016 letter from Fresno City Councilmember Oliver Baines III;

June 1, 2016 letter from Edward Kashian and Thomas Richards, Fancher Creek Properties;

May 26, 2016 letter from Fresno City Council President Paul Caprioglio;

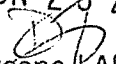
May 17, 2016 letter from Fresno City Councilmember Steve Brandau; and

May 6, 2016 letter from Fresno City Councilmember Sal Quintero.

June 22, 2016

Received

Mr. David Fey, Executive Officer
Fresno LAFCo
2607 Fresno Street
Fresno, CA 93721

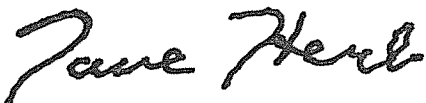
JUN 23 2016

Fresno LAFCo

Dear Mr. Fey,

As a retired Executive Officer of a Central Valley Local Agency Formation Commission and with forty years of experience in both City and County Planning, I am concerned about the proposal to remove the Southeast Development Area (SEDA) from the City of Fresno's Sphere of Influence. I am well aware of LAFCo's mandate to discourage urban sprawl and prevent premature conversion of ag land. However, in my years of service in both Fresno and Madera, I have never seen a LAFCo refuse to include an area which was formally designated by the city for urban development in a city's Sphere of Influence.

I would respectfully suggest this is not a good time to set a new precedent which could have an adverse effect on many local cities and the broad area of inter-agency relationships.

Sincerely,



Dave Herb
Neighborhood Advocate

cc: Honorable Ashley Swearengin, Mayor
Bruce Rudd, City Manager
Fresno City Council
Honorable Robert Silva, Chairman



PAUL E. CAPRIOGLIO
COUNCIL PRESIDENT

June 15, 2016

David Fey, AICP
Executive Officer
Fresno LAFCo
2607 Fresno Street, Suite B
Fresno, California 93721

Re: *Fresno City Council LAFCo Resolution*

Dear Mr. Fey:

Attached is a resolution adopted by the Fresno City Council on June 9, 2016. The resolution states that the City of Fresno is in opposition to the removal of the Southeast Development Area (SEDA) from the City's Sphere of Influence because it is in the best interests of the City of Fresno, and the region as a whole, for the City to retain planning authority over areas which will be annexed into City limits in the future. Surrendering SEDA and allowing its removal from the City of Fresno's Sphere of Influence will jeopardize the potential for orderly and thoughtful planning in the area and may lead to a patchwork of uncoordinated and inefficient development.

Additionally, the resolution requests that state legislatures give the City of Fresno and the City of Clovis each a permanent seat on LAFCo. This is necessary because despite its position as the most populated and geographically largest city in the region, the City of Fresno has not had a representative on LAFCo for approximately 20 years.

Please let me know if you have any questions.

Respectfully,

PAUL CAPRIOGLIO
Council President

Attachment: Resolution 2016-105

cc: Bruce Rudd, City Manager
Jennifer Clark, Director, Development and Resource Management

Received

JUN 22 2016

Fresno LAFCo



RESOLUTION NO. 2016-105

A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO, CALIFORNIA, OPPOSING REMOVAL OF THE SOUTHEAST DEVELOPMENT AREA (SEDA) FROM THE CITY OF FRESNO'S SPHERE OF INFLUENCE.

WHEREAS, the current Sphere of Influence for the City of Fresno includes an area at the Southeastern corner of the City generally located between east of Temperance Avenue, west of McCall Avenue, north of North Avenue, and south of Ashlan Avenue; and

WHEREAS, this area was previously identified as the Southeast Growth Area (SEGA) in the 2025 General Plan; and

WHEREAS, SEGA was not assigned specific land use designations in the 2025 General Plan; and

WHEREAS, on January 6, 2003, the City and County of Fresno entered into an Amended and Restated Memorandum of Understanding (MOU) regarding orderly development within the SOI, including SEGA; and

WHEREAS, the MOU required adoption of a specific or community plan for SEGA prior to any affected parcels being annexed into Fresno city limits; and

WHEREAS, the requirement for adoption of a specific or community plan for SEGA was a result of the absence of adopted land use designations for parcels within SEGA in the 2025 General Plan; and

WHEREAS, the MOU provided for the City and County of Fresno to agree to an exception to the specific plan requirements on a case by case basis; and



WHEREAS, the Local Agency Formation Commission (LAFCo) adopted Resolution No. USOI-144 on April 12, 2006; and

WHEREAS, Resolution No. USOI-144 also requires the City of Fresno adopt a specific or community plan for SEGA prior to annexing any affected parcels into Fresno city limits; and

WHEREAS, the Fresno General Plan, adopted by the City of Fresno on December 18, 2014, renamed SEGA as the Southeast Development Area (SEDA); and

WHEREAS, the Fresno General Plan included the adoption of land use designations for SEDA; and

WHEREAS, the land use designations in the Fresno General Plan eliminated the uncertainty of development patterns for SEDA that were present in the 2025 General Plan, and instead provided a pattern of orderly development; and

WHEREAS, the City of Fresno is committed to thoughtful and orderly development throughout its Sphere of Influence; and

WHEREAS, the City anticipates consideration of a number of specific plans through 2020 including the Southwest Specific Plan, the Roosevelt Specific Plan, the Urban Water Management Plan update, the West Area Market Study, the West Area Specific Plan (north of Clinton Avenue), the SEDA Specific Plan, and the West Area Specific Plan (south of Clinton Avenue); and

WHEREAS, the City of Fresno anticipates consideration of the SEDA Specific plan between 2018 and 2019, which is within the planning horizon set by LAFCo for the City's Sphere of Influence; and



WHEREAS, neither the MOU nor Resolution No. USOI-144 require adoption of a specific or community plan for SEDA during a specific year; and

WHEREAS, due to its commitment to orderly growth, and position as the largest City within Fresno County, it is in the best interests of the City of Fresno, and the region as a whole, for the City to retain planning authority over areas, which will be annexed into City limits in the future; and

WHEREAS, surrendering SEDA and allowing its removal from the City of Fresno's Sphere of Influence will jeopardize the potential for orderly and thoughtful planning in the area and may lead to a patchwork of uncoordinated and inefficient development; and

WHEREAS, uncoordinated and inefficient development is not in the best interests of the region as a whole; and

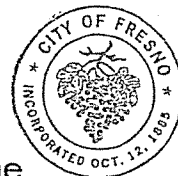
WHEREAS, despite its position as the most populated and geographically largest city in the region, the City of Fresno has not had a representative on LAFCo for approximately 20 years; and

WHEREAS, state legislators have the authority to adopt special legislation establishing a permanent seat on LAFCo for cities in California, and

WHEREAS, the absence of a City of Fresno representative on LAFCo impedes the City's ability to meaningfully participate in decisions related to regional development.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Fresno as follows:

1. The City of Fresno formally opposes removal of SEDA (formerly SEGA) from the City of Fresno's Sphere of Influence and recommends retaining the entire Sphere of Influence without changes.
2. The City of Fresno formally requests state legislators representing districts that encompass the City of Fresno formally sponsor legislation that will establish



permanent positions on LAFCo for the City of Fresno and City of Clovis as the sixth and seventh seats, respectively.

* * * * *

STATE OF CALIFORNIA)
COUNTY OF FRESNO) ss.
CITY OF FRESNO)

I, YVONNE SPENCE, City Clerk of the City of Fresno, certify that the foregoing resolution was adopted by the Council of the City of Fresno, at a regular meeting held on the 9th day of June, 2016.

AYES : Brand, Brandau, Olivier, Quintero, Soria, Caprioglio
NOES : None
ABSENT : Baines
ABSTAIN : None

YVONNE SPENCE, CMC
City Clerk

By: Marco Martinez-Velasquez
Deputy Marco Martinez-Velasquez

APPROVED AS TO FORM:
DOUGLAS T. SLOAN
City Attorney

By: [Signature]
TALIA KOLLURI Date 6/15/2016
Senior Deputy City Attorney



OLIVER L. BAINES III
Councilmember, District Three

Received
JUN 06 2016
Fresno LAFCo

June 2, 2016

Mr. David Fey,
Executive Director
Fresno Local Area Formation Commission (LAFCo)
2607 Fresno Street
Fresno, California 93721

**OPPOSITION TO THE REDUCTION OF SOUTHEAST ECONOMIC DEVELOPMENT AREA (SEDA), PROPOSED
IN THE MUNICIPAL SERVICE REVIEW (MSR) UPDATE**

Dear Mr. Fey:

I am writing to share my opposition to the issue proposed in the Municipal Service Review update being considered by the Fresno Local Area Formation Commission (LAFCo) that looks to reduce the City of Fresno's Sphere of Influence by 2,560 acres, within the Southeast Economic Development Area (SEDA).

Last year as President of the City Council my office was fortunate to work with you in setting up a workshop presentation to the Fresno City Council on the role and function of LAFCo. This is when I first became aware of the MSR and its numerous impacts on the City of Fresno, many that I viewed as not favorable or in some terms overreaching. Since that workshop, I have kept abreast of the progress toward the adoption of the City of Fresno MSR as well as spoken to key stakeholders such as my colleague Councilmember Sal Quintero.

We all truly believe that the work done leading up to the adoption of 2035 General Plan and now the planning efforts of the City of Fresno to implement the plan working in an orderly fashion. This work is being done to plan through a series of specific planning efforts in key growth areas emphasized in our General Plan will move us to planning the Southeast Development Area within the next several years.

Again, at this time, I remain opposed to the reduction of the Southeast Economic Development Area by LAFCo in order to allow us the City of Fresno, to do its proper public planning processes.

Sincerely,

A handwritten signature in dark ink, appearing to be "OLB", written over a large, stylized oval shape.

Oliver L. Baines III
Member of the Fresno City Council,
Representing District Three

FANCHER CREEK PROPERTIES
265 E. River Park Circle, Suite 150
Fresno, California 93720
Phone (559) 438-4800 Facsimile (559) 438-4802

June 1, 2016

Mr. David Fey, Executive Director
LAFCo
2607 Fresno Street, Suite B
Fresno, CA 93721

RE: Opposition to Reduction of the City of Fresno SOI considered by LAFCo

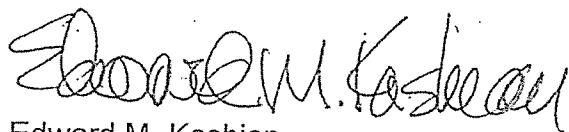
Dear Mr. Fey,

The purpose of this letter is to formally oppose any reduction in the City of Fresno Sphere of Influence in the SEGA area as proposed by LAFCo.

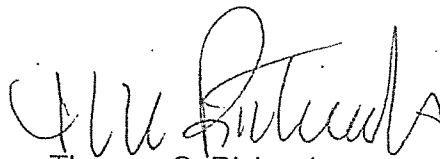
We have invested a significant amount of equity into the South East area of Fresno on multiple projects based on decisions of the leadership of our community. This type of change midstream is unwarranted, unacceptable and simply put bad public policy. As longtime members of this community and as investors of private capital in this great City we are strongly opposed to LAFCo's proposed reduction of the 2500 acres out of the Sphere of Influence. Reducing the Sphere of Influence brings about uncertainty and instability when what is needed is the certainty, stability and predictability.

Again, on behalf of Fancher Creek Properties, LLC we strongly urge your opposition to any reduction. If we can be of an assistance or answer any questions, please do not hesitate to contact us.

Very truly yours,



Edward M. Kashian
Managing Member



Thomas G. Richards
Managing Member

EMK/TGR/lc



PAUL E. CAPRIOGLIO
COUNCIL PRESIDENT

May 26, 2016

David E. Fey, AICP
Executive Officer
LAFCo
2607 Fresno Street, Suite B
Fresno, California 93721

RE: *Opposition to the reduction of the Southeast Development Area (SEDA) proposed in the Municipal Service Review (MSR) Update by LAFCo*

Dear Mr. Fey:

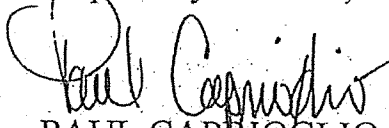
As the Fresno City Council President, I am writing to inform you of my opposition to the MSR update being considered by LAFCo which will reduce the sphere of influence by 2,560 acres.

As the representative for Fresno's District 4, I am always seeking ways to improve our city's quality of life, as well as making solid decisions for the overall good of Fresno. I am particularly interested in creating an environment where investment and job creation thrive, where unemployment decreases and where projects that will create jobs and generate funds for the community are undertaken.

I believe that the reduction of the sphere of influence as proposed, works against achieving opportunities for Southeast (SE) residents and, furthermore, for Fresno as a whole. In order to achieve a reduction in poverty rates in SE Fresno we must make every effort to work together to achieve stability, fiscal responsibility and good policy that works for the people of Fresno.

In short, tough choices must often be made. The removal of the 2,560 acres would exacerbate an already unsettled situation and would severely impact the SE neighborhoods, thereby hindering the ability to continue providing vital opportunities to our residents. I respectfully request your consideration to *not* approve the reduction of the Sphere of Influence contemplated in the MSR update.

Respectfully submitted,


PAUL CAPRIOGLIO
Council President



STEVE BRANDAU
COUNCILMEMBER

May 17, 2016

Mr. David Fey, Executive Director
LAFCo
2607 Fresno Street
Fresno, CA 93721

**Re: Opposition to the reduction of the Southeast Development Area (SEDA)
proposed in the MSR Update by LAFCo**

Dear Mr. Fey,

The purpose of this letter is to express my opposition to the proposed Municipal Service Review update being considered by LAFCo which will reduce the sphere of influence by 2,560 acres in the Southeast Development Area (SEDA).

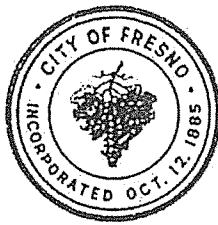
As a Councilmember for the City of Fresno, my focus has been to bring some common sense to the way government does business. Elected officials should be making decisions based on the will of the people and not the whim. This proposal is fiscally irresponsible and wasting time and money of those who have invested in the projects based on the current Sphere of Influence.

This type of "policy-making by reaction" needs to end. This is why there is a mistrust of government. We need stability, normalcy and common sense to govern. I strongly urge you to vote **NO** on this item.

Respectfully,

A handwritten signature in black ink, appearing to read "Steve Brandau".

Steve Brandau
Councilmember, City of Fresno
District 2



SAL QUINTERO
Councilmember, District Five

May 6, 2016

VIA ELECTRONIC MAIL

Mr. David Fey, Executive Director
LAFCo
2607 Fresno Street
Fresno, CA 93721

**RE: Opposition to the Reduction of SEDA proposed in the considered MSR
Update by LAFCo at the May 11, 2016 Meeting**

Dear Mr. Fey,

I write regarding the issue of the proposed Municipal Service Review update being considered by LAFCo that will reduce the Sphere of Influence by 2,560 acres. The South East Development Area affects Council District 5 more than any other in the County. And, I write to formally oppose this reduction and respectfully request that LAFCo leave the South East Development Area as it is. This reduction sets bad precedent, is unwarranted and I believe is not equitable for a segment of the community that I represent and which desperately needs the additional services that SEDA will provide.

In addition, after reviewing your letter dated April 18, 2016 to Council President Paul Caprioglio, I find it disingenuous for LAFCo to impose a standard on the City of Fresno by stating they have not acted in a timely fashion on a specific plan. Will every other local government in Fresno County be reviewed to determine whether they have fulfilled all of their agreements within the stated timelines after the worst recession since 1929? I would like to see the plan which lists each local government that LAFCo will be reviewing and its' schedule. Moreover, the City of Fresno General Plan and Development Code have made profound progress to give the development community the guidelines. Perhaps, what LAFCo should consider is dropping the condition of a Specific Plan given the recent General Plan Update and new Development Code.

City of Fresno

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SAL QUINTERO
Councilmember, District Five

Letter to Mr. David Fey
May 11, 2016
Page 2

Next, the City of Fresno has made its position very clear and given its sound arguments on multiple occasions including Mr. Bruce Rudd's letter dated April 11, 2016 (attached). Still, the commission is asking if there is still interest and intent. I think this letter is more than clear and I agree with all of his points stated. LAFCo is supposed to help local government with their land use plans not make them more difficult.

Furthermore, District 5 represents some of the most diverse neighborhoods in the San Joaquin Valley. The fabric of this district spans and includes some of the highest incomes to some of the most economically challenged in the Country. During the course of my over 20 year career, I have made it a fundamental objective to improve the lives of the constituents in South East Fresno. This act impairs and hinders the forward progress we have made. Not only is it disrupting, but is inequitable for the Southeast Growth Area to be reduced at a whim, after the will of the community has already been determined.

I completely oppose the reduction of the Sphere of Influence contemplated in the MSR update. If I can be of any assistance, please do not hesitate to contact me.

Sincerely,

Sal Quintero
Fresno City Councilmember
District 5

cc: Honorable Brian Pacheco
Honorable Daniel Parra
Honorable Henry Perea
Honorable Buddy Mendes
Mr. Mario Santoyo
Mr. Michael Lopez

Honorable Scott Robertson
Honorable Mayor Ashley Swearengin
Mr. Bruce Rudd
Ms. Jennifer Clark

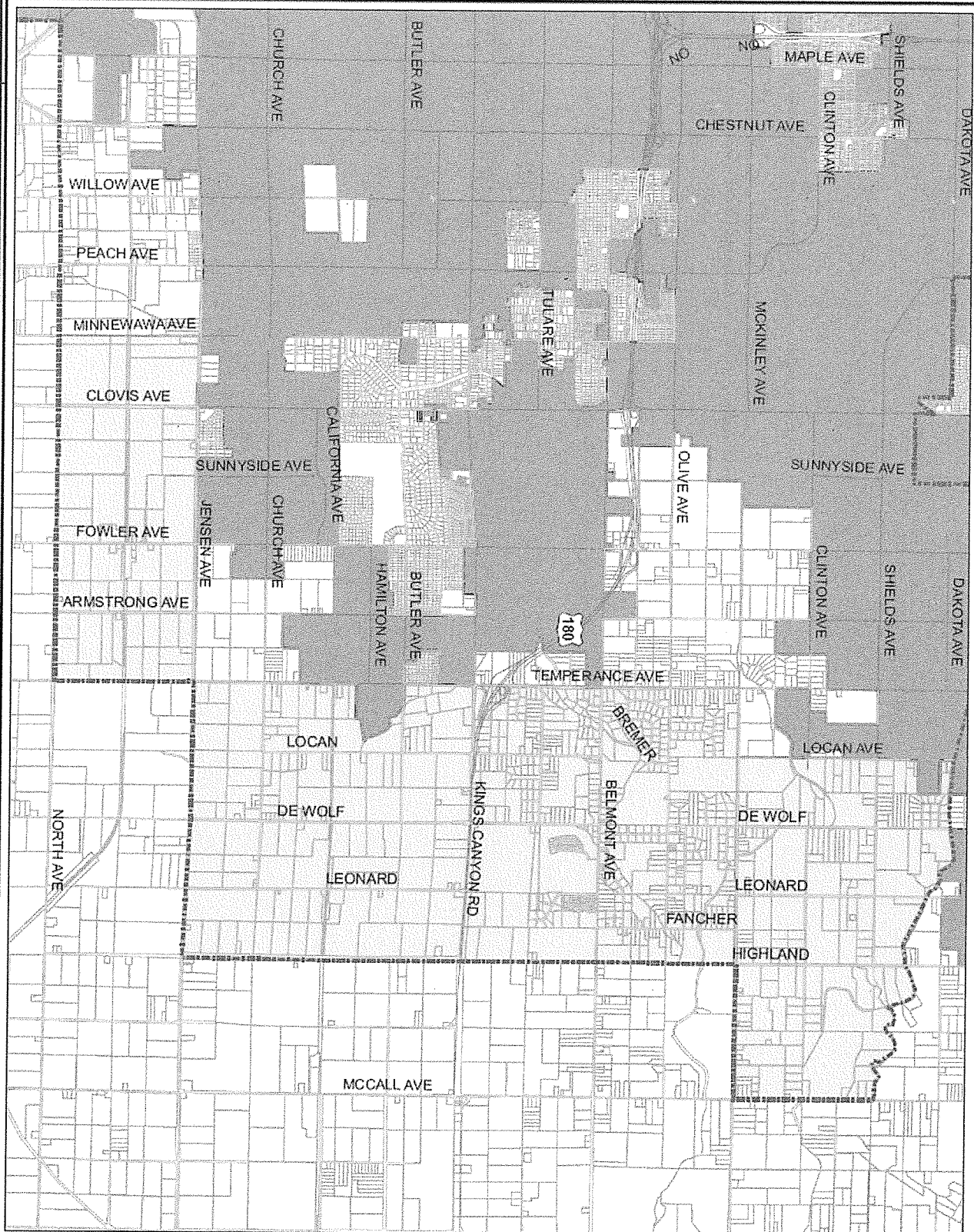
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Attachment 4:

Exhibits 1-4
(Recommended update/revisions of Fresno SOI)

Exhibit 1 Fresno LAFCo Municipal Service Review for the City of Fresno



Southwest Growth Area

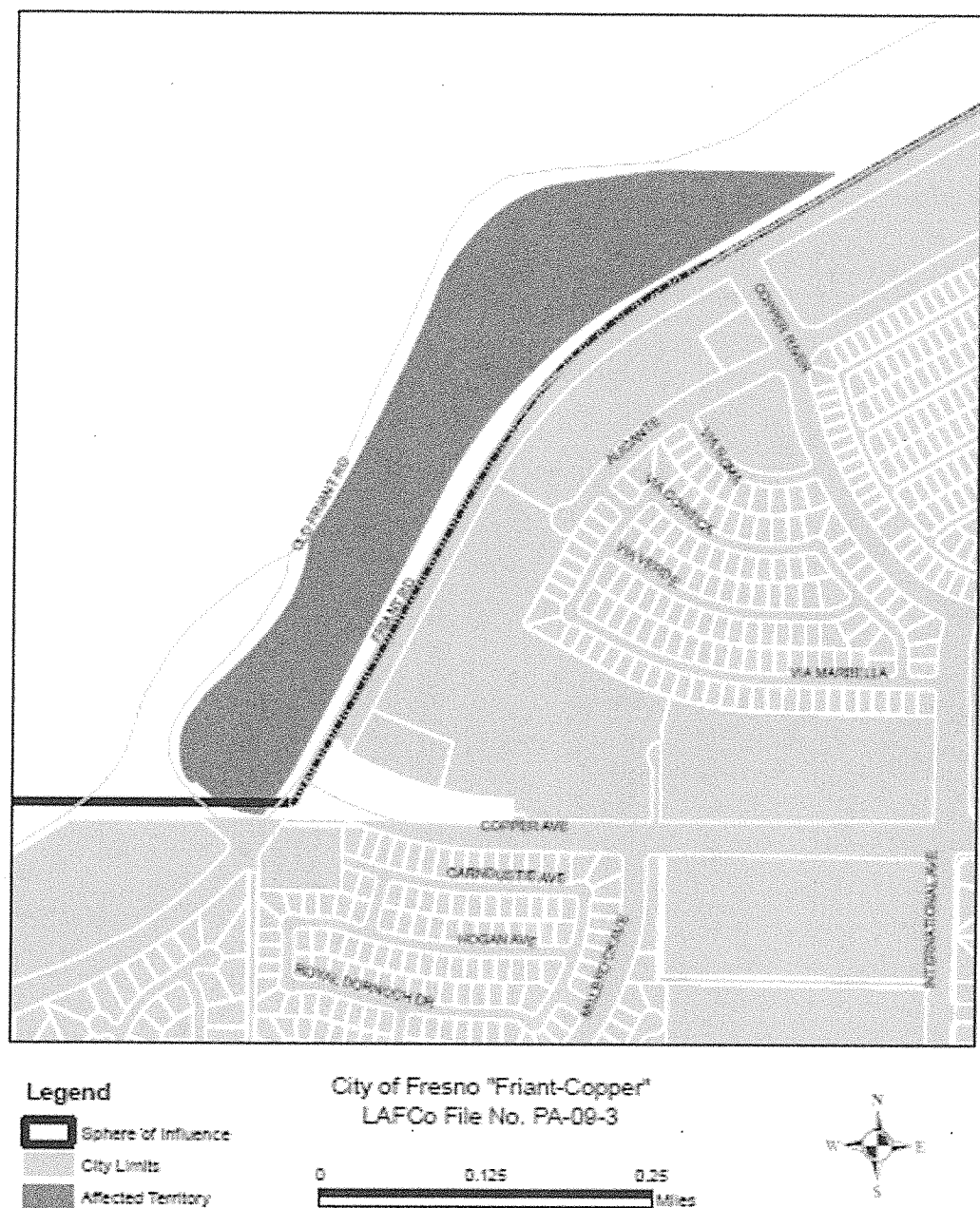
Legend

Sphere of Influence

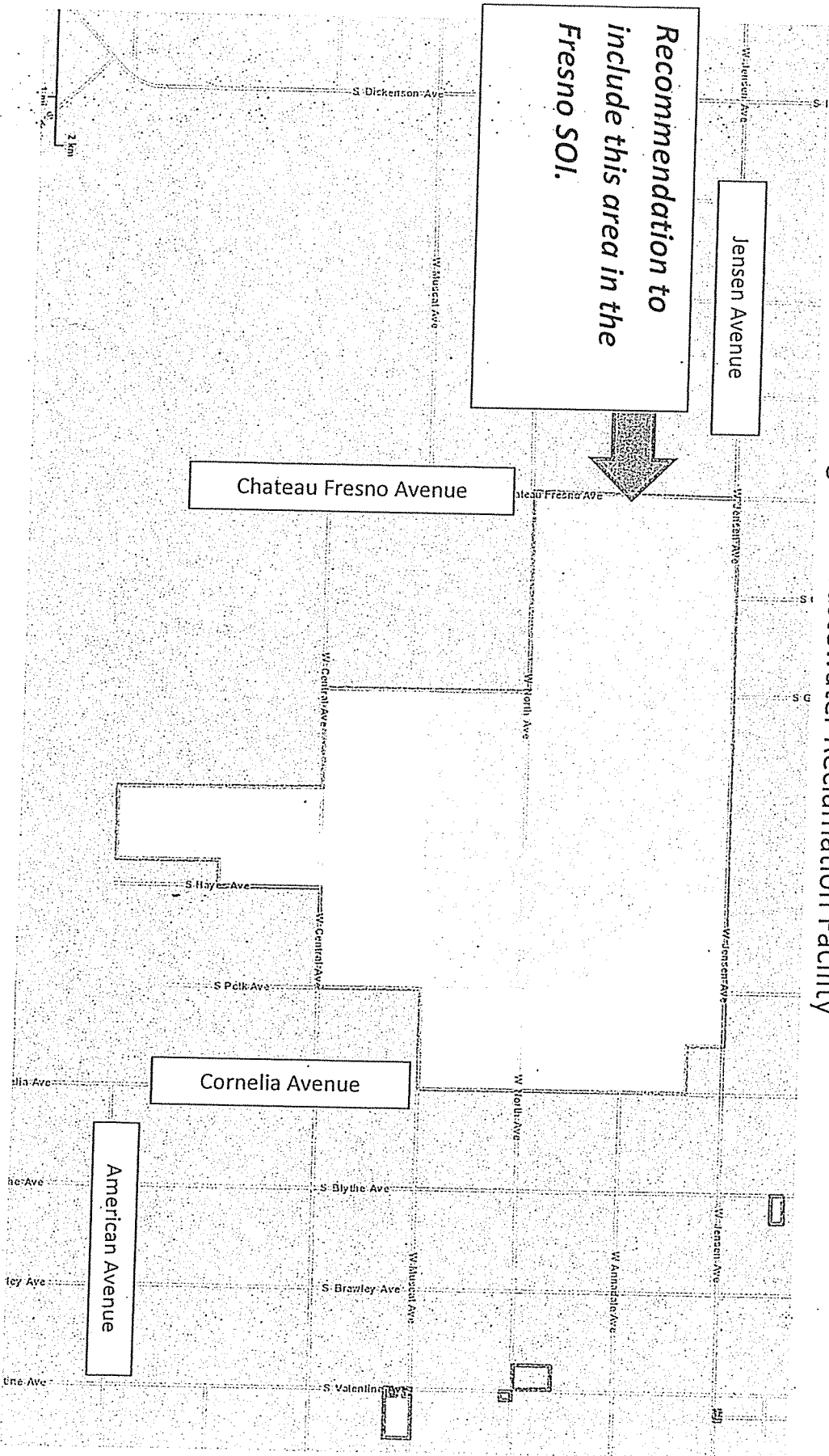
SEGA Boundary



MSR Figure 21-2: Potential Friant-Copper SOI Expansion Territory



Recommendation to include this area in the Fresno SOI.



MSR Figure 21-1: High Speed Rail Maintenance Facility Study Area

