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

CONSENT AGENDA ITEM No. 5D

DATE: January 15, 2014
TO: Local Agency Formation Commission
FROM: David E. Fey, AICP, Executive Officer
SUBJECT: Consider Approval – Request for a One-Year Extension to Complete Proceedings for the City of Fresno “Shields-Locan No. 3 Reorganization” (LAFCo File No. RO-07-26) (Fifth Request)

Recommendation: Approve One-Year Extension

State law requires that all reorganization proceedings shall be completed within one year of approval unless the Commission grants an extension of time prior to the expiration date. Failure to grant an extension will terminate the proceedings.

In accordance with *Fresno LAFCo Policies, Standards, and Procedures* Section 315-03, extensions of time may be granted when the imminent need for the proposal still exists, the project is still viable, and progress is being made toward completion. The Commission’s Policies further state that the Commission may consider economic hardships beyond the control of the proponents as justification supporting the extension request.

Past experience has shown that it is not uncommon for reorganizations to take longer than the initial one-year approval to be completed, and that one or more extensions of time may be required to fulfill all conditions of approval.

Parties of Interest

John Herman & Lydia Brase, Trustees	Debra Begbie & Vicki L Delk
Ruben Lopez	Worth Bradley & Deborah Cain O’Neal
Jovel Burl Findley	Ahmed & Melinda Khaled
Damrong & Somluck Pattanumotana	Kenneth & Diane Dalby
Paul & Kjirsten Humphrey	Dennis M. Gaab, UCP Meadowood III
Thomas M True & Terrie Tipton	

Summary

This reorganization was approved by the Commission on February 6, 2008. The current property owner, Union Community Partners (UCP) has requested a one-year extension of time. This is the fifth request for an extension of time for this reorganization.

Project Description

The proposal consists of annexing 140.98 acres to the City of Fresno and detachment from the Fresno County Fire Protection District and the Kings River Conservation District. The affected territory is located south of E. Shields Avenue between N. Temperance and N. Locan Avenues

(see attached map). Tentative Tract Map 5341 provides for a 254-lot single-family residential subdivision on 63 acres at the southwest corner of E. Shields and N. Locan Avenues and a Tentative Tract Map 5592 provides for a 260-lot single-family residential subdivision on 54 acres located south of E. Clinton Avenue within the southerly portion of the affected territory.

Reasons for Request and Actions Taken to Date

In accordance with LAFCo policies and procedures, extensions of time shall only be granted when it can be shown that the imminent need for the proposal still exists, the project is still viable, and progress is being made toward completion. The Commission has included economic hardships beyond the control of the proponents as appropriate justification supporting the extension request.

UCP has provided responses to the data requests established by policy in a letter dated December 3, 2013 (attached). Staff has reviewed the responses and finds that they generally address the Commission's interests.

UCP indicated that it intends to install the public infrastructure improvements required by the conditions of approval of the revised Tentative Tract Map No. 5341/UGM; however, the conditions of the economy have delayed this. Tract Map No. 5341 has been extended to May 16, 2016, and is awaiting City Council approval. Tract Map No. 5592 has been extended to February 22, 2017.

The developer indicated that it has reached agreement with several landowners regarding acquisition of the rights-of-way required to accommodate the off-site infrastructure improvements and are actively engaged in negotiations with the remaining landowners. The developer also reported that it has negotiated with Clovis Unified School District to sell a portion of land from Tract Map No. 5341 to the District to accommodate an elementary school that would open in August, 2016. Circumstances in the vicinity have not changed and when the economy improves, it intends to move forward with the project.

Issues Associated With This Request

There are two issues associated with the request that your Executive officer believes affects the viability of this project. The extension of time is intended to address these issues.

1. Relationship to the Fire Transition Policy. This project lies in the Fresno County Fire Protection District's (District) boundary. The District and the City of Fresno do not currently have a fire transition agreement as required by the Commission's Transition Policy.

At its September, 2013 meeting, staff requested direction from the Commission in the case if a city's fire transition agreement expired prior to filing a certificate of completion. The Commission recommended that the fee that was in place when the project was approved be paid or renegotiated with the District. While the Commission's policy does not prohibit a private party from reaching an agreement with a fire district (rather than a city reaching agreement with a fire district for the subject territory), staff has learned that the District's leadership does not support direct agreements or conditions with developers. District Interim Chief Johnson's position is that the District operates in combination with other cities' fire departments and that any agreement should reflect—and strengthen—this relationship.

In regard to recent extension requests, the City of Fresno has advised LAFCo staff that it intends to deal with its annexations on a case-by-case basis and there are no immediate plans to negotiate a comprehensive transition agreement with the District though the City recognizes that it will

eventually participate in the negotiation/mediation process as described in the policy. As of the time this report was prepared, the City had provided general support of the subject extension.

2. Viability of Prezoning. The Fresno City Council's ordinance approving the prezoning of the subject property expressly states that the Shields-Locan No. 3 Reorganization's prezoning is not effective until the required fire transition fees are paid. If they are not paid, the territory is not properly prezoned. Resolution of this would be to pay the fee or action taken by the City Council to satisfy this condition.

By state law, prezoning must be complete before the Executive Officer issues a Certificate of Completion and LAFCo approves the application to allow the Commission to make the finding of consistency between the prezoning and the general plan designation.¹ In this instance, the City had represented to staff that the territory was prezoned and only after project approval was it found that this was not the case because the City's condition that the fire transition fees be paid has not been satisfied. Nonetheless, payment of the fire transition fee is a condition of the prezoning and to date has not been completed.

Neighborhood Concerns

Paul Humphrey, a project area resident, has provided staff with his correspondence to City of Fresno Assistant Planning Director Keith Bergthold, a copy of which is attached to this report at Mr. Humphrey's request. His concerns relate to fulfilling commitments for certain improvements made to neighbors by the original two developers and his understanding that the city would apply its ANX overlay zoning to the rural properties in the project area to permit them to continue to enjoy a rural lifestyle after annexation.

The issues raised by Mr. Humphrey are not directly relevant to the Commission's consideration of the extension request inasmuch as conditions of the tentative maps are the jurisdiction of the city and the zoning (notwithstanding the condition related to the fire transition fee) is otherwise consistent with the general plan designation; status of the overlay zoning is superfluous as plan consistency is determined through the underlying prezoning and the Commission is prohibited from imposing conditions that would directly regulate land use characteristics.²

Conclusion

The Act permits the Commission to authorize extensions "for any period deemed reasonable to the commission for completion of necessary prerequisite actions by any party." Fresno's intent to comply with Commission policy, on at least a case-by-case basis, would resolve both the transition agreement and the prezoning condition. Staff supports an additional one-year extension to address these issues.

¹ CGC Section 56375(a)(7). The decision of the commission with regard to a proposal to annex territory to a city shall be based upon the general plan and prezoning of the city. When the development purposes are not made known to the annexing city, the annexation shall be reviewed on the basis of the adopted plans and policies of the annexing city or county. A commission shall require, as a condition to annexation, that a city prezoned the territory to be annexed or present evidence satisfactory to the commission that the existing development entitlements on the territory are vested or are already at build-out, and are consistent with the city's general plan. However, the commission shall not specify how, or in what manner, the territory shall be prezoned.

² CGC Section 56375(a)(6) A commission shall not impose any conditions that would directly regulate land use density or intensity, property development, or subdivision requirements.

The Following Have Received Copies of This Report

- LAFCo Commissioners and Alternates
- Ken Price, LAFCo Counsel, Baker, Manock, and Jensen
- Bernard Jimenez, Deputy Director, Fresno County Planning Department
- Will Kettler, Fresno County Public Works and Planning Department
- David Orth, Kings River Conservation District
- Chief Mark Johnson, Fresno County Fire Protection District
- Ray Franklin, Fresno County Fire Protection District
- Andy Cosentino, Fresno County Fire Protection District
- Dennis Gaab, Union Community Partners
- Bruce Rudd, City Manager, City of Fresno
- Jennifer Clark, Development and Resource Management Department, City of Fresno
- Keith Bergthold, Assistant Director, DARM
- Mike Sanchez, DARM, City of Fresno
- Trai Her, DARM, City of Fresno
- Craig Agabashian, DARM, City of Fresno

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EXHIBIT "A"



Legend

-  City Limits
-  Affected Territory

City of Fresno "Shields-Locan
No. 3 Reorganization"
LAFCo File No. RO-07-26





UCP | Acquisitions, Investments, and Development

Union Community Partners
548 W. Cromwell Ave., Suite 104
Fresno, California 93711
Tel 559-439-4464
Fax 559-439-4477



TRANSMITTED VIA E-MAIL AND FIRST CLASS MAIL

December 3, 2013

David E. Fey, Executive Officer
Fresno Local Agency Formation Commission
2607 Fresno Street, Suite B
Fresno, CA 93721

Subject: Request for One-Year Extension
Shields-Locan No. 3 Reorganization (LAFCo File No. RO-07-26)

Dear Mr. Fey:

This is to request a one-year extension (from February 6, 2014 through February 6, 2015) of the Shields-Locan No. 3 Reorganization. Our company's check in the amount of \$750.00, in satisfaction of the fee required to process our request for extension, is being transmitted to you under separate cover.

The Shields-Locan No. 3 Reorganization was initiated by the City of Fresno and approved by the Fresno Local Agency Formation Commission (LAFCo) on February 6, 2008 with the adoption, by Commissioners, of Resolution No. RO-07-26 approving the annexation of 140.98 acres to the City and detachment from the Fresno County Fire Protection District. As the successor in interest to the entity that entitled Vesting Tentative Tract Map No. 5341, which is located within the area to be annexed to the City, UCP Meadowood III, LLC, a Delaware limited liability company, is a real party in interest regarding the annexation proceedings. UCP, LLC (DBA Union Community Partners), itself a Delaware limited liability company, is the sole member of UCP Meadowood III, LLC. Vesting Tentative Tract Map No. 5341, in its present form, encompasses about 63 acres and provides for the development of 254 single-family dwelling units.

Enclosed is a copy of your November 4, 2013 letter to Fresno City Manager Bruce Rudd informing the City of the February 6, 2013 expiration of the Shields-Locan No. 3 Reorganization and requesting certain information in connection with our request for a

December 11, 2013

Mr. Keith Bergthold
City of Fresno
2600 Fresno Street
Fresno, California 93721

**RE: PROPOSED ANNEXATION &
DEVELOPMENT OF TRACT MAPS 5592 & 5431**

Dear Mr. Bergthold,

The purpose of this letter is to address my frustration and disappointment concerning commitments and promises made by two developers, the City of Fresno Planning Department, and Fresno City Council.

My name is Paul Humphrey and I live on the north side of Clinton Avenue approximately 0.40 miles east of Temperance Avenue at 7402 E. Clinton Avenue. My property and the rural residences along this north side of Clinton Avenue are improved with mini-ranch styled properties that range in use including orchards, horse corrals, livestock corrals, grazing pasture, light industrial, and fallow agricultural land. These properties range in size from 2.3 acres to 5 acres. There are 14 of these types of properties along the north side of Clinton Avenue and two on Locan Avenue.

In early 2006 it came to light that we were to be annexed into the City of Fresno along with a proposed tract of homes to the north of our properties and a proposed tract of homes to the south of our properties beyond Clinton Avenue. The north tract is identified as Tract 5592 and the south tract identified as Tract 5431. Because of Fresno County Local Agency Formation Commission (LAFCO) guidelines of squared-off boundaries upon annexation, we were placed into a large annexation with the two developments. After finding out that our properties were being pre-zoned as R-1, I began to look into the protection of agricultural rights of our properties. We are currently Fresno County zone Agriculture Exclusive. Because of little protection of the long-term agricultural rights, we requested to not be annexed at a Planning Commission meeting in February 2006.

Due to our resistance to annexation, a meeting was organized by the City of Fresno with the stated purpose *'to discuss residential subdivisions proposed in your neighborhood by Centex Homes and Bonadelle Homes, and the potential benefits to you of annexing your property to the City of Fresno.'* The meeting was held on my front lawn August 31, 2006 and attended by City of Fresno staff including Nick Yovino, Bruce Barns, Jeff Sorenson, Wilma Quan, Developers John Bonadelle and Dennis Gabe, and Fresno City Councilmember Larry Westerlund. Also in attendance were approximately 35 residences of the properties along Clinton and Locan Avenues. The following is an overview of the meeting:

- We were told by the north and south developers they would provide benefits if we annexed into the City of Fresno.

- Dennis Gabe (north Tract 5592) stated that his company wanted to be a “good neighbor” and would provide a block wall fence in place of the proposed wooden fence along the south boundary of the Tract and would pipe the FID ditch that provides water to 12 of the properties along Clinton Avenue. This commitment by Mr. Gabe was due to concerns voiced by us that an open ditch and wooden fences presented safety concerns for children and long-term construction issues. The ditch is a privately held ditch along the north boundaries of the Clinton Avenue properties and fed by FID. The ditch was established prior to 1937. Mr. Gabe understood this ditch needs to be active March through December.
- John Bonadelle stated he would provide: connection of sewer and water supply lines to each rural residence along Clinton Avenue; set back of two-story homes away from the parcels along Clinton Avenue; configure exiting streets from the development to line up with north/south parcel lines of the Clinton Avenue rural residences to prevent vehicle headlights shining into windows; and install Cat 5 cable accessible to the rural residences.
- City of Fresno personnel assured the protection of agricultural and rural activities of the rural residences.

On September 19, 2006 the Fresno City Council voted to approve Tract 5592. Minutes of this meeting, prior to the vote, include statements by Councilmember Larry Westerlund, which clearly state that Dennis Gabe of Centex Homes committed to construction of a block wall and piping of the ditch to convey FID water to the rural residences. Councilmember Westerlund also stated that a rural lifestyle agreement between the City and rural residences was being worked on. After the Council meeting, Councilmember Westerlund and City Planner Arnoldo Rodriguez congratulated me. At the time of this meeting, I thought that construction of the block wall and piping of the ditch was a done deal.

On June 27, 2007, Mr. Bonadelle provided a commitment letter to me stating his commitment as part of development of Tract 5341 would include: sewer and water hook-ups to the residence and pay connection fees; pay the costs to construct a 6-foot high block wall on the northern property line of resident’s property; and pay the costs to underground the FID irrigation line.

Union Community Partners (UCP) purchased the south proposed Tract property in 2012 and recently purchased the north proposed Tract property. Mr. Dennis Gabe, formerly land agent with Centex Homes, is now the land agent with UCP. On June 5, 2013, I called Mr. Gabe concerning the timing of the development of the north proposed Tract. My intent was to identify timing to find out if the piping of the ditch might disrupt irrigation of my pomegranate orchard and grazing pasture from March to October. He stated that UCP had no intention of piping the ditch or building a block wall and that the agreement was with Centex and not UCP.

It should be noted that several times since 2006, the two Tracts have been granted extensions. Also please note that since 2006, variations of proposed annexation of this area have been sent through the channels of Planning and LAFCO. These variations have

whittled down the rural residences to be annexed into three separate annexations with the highest number of rural residences in an annexation block at only eight properties. These various rezones have resulted in not meeting LAFCO guidelines of squared off areas to prevent peninsulas and eliminated the voting block of 12 or more so that we no longer have a voice to oppose the broken promises. I have been told by City of Fresno staff that developers use this tactic regularly.

Between 2006 and 2008, the City of Fresno, a few developers, and concerned citizens organized and proposed a method by which rural and agricultural communities could be given a choice of zoning as the City extended into these areas. The zoning, I believe, is identified as ANX Overlay. The structure of this zoning allows for a rural residence to choose agricultural zoning within city limits as they are annexed as part of city expansion. The idea was three-fold; to ease the rural residence into city without forcing a city zone that limits their preferred rural use; simpler to conform to LAFCO guidelines of squared off areas; and easier for the developer to approach rural residences. I have been reassured by City of Fresno Planning staff that we could choose this ANX Overlay zoning when annexed. However, based on tentative tract map documentation of Tract 5592, we have been pre-zoned R-1. Protection of our rural lifestyle has been promised by the City of Fresno at the Commission meeting in February 2006, the meeting on my front lawn in August 2006, and at numerous subsequent meetings.

My neighbors and I have been verbally told on numerous occasions that if we would annex into the City of Fresno there would be benefits associated with City of Fresno services, protection of rural lifestyle, and that various incentives would be provided by the developers of the Tracts. We have been verbally assured on numerous occasions that these commitments were tied to annexation and the proposed Tracts. Records show that commitments to us from developers have been approved by Council, developer letter, and city staff. Therefore, we, the rural property owners, request that the City of Fresno not allow Tracts 5592 and 5341 to move forward until developers of the proposed Tracts abide by all the commitments made to the rural residences of Clinton and Locan Avenues. We also request the City of Fresno provide the zoning to protect the rural lifestyle.

Thank you,



Paul Humphrey
(559) 977-9813

Attachments

- Signed request of six rural residences dated March 2006
- Meeting Notice, City-organized Meeting August 31, 2006
- Draft letter, Sept. 2006, by Paul Humphrey concerning August 31, 2006 Meeting
- Partial Fresno City Council minutes from September 19, 2006
- Obligation Letter by Bonadelle Neighborhoods to Paul Humphrey, June 27, 2007
- Conversation log by Paul Humphrey with Dennis Gabe, June 5, 2013

The property owners of the south adjoining parcels request that the proposed development identified as Tract No. 5592, which includes Assessor's Parcel Numbers 310-260-17, 49, & 51, be required by the City of Fresno to construct a six foot tall block wall at the south boundary of the proposed development for the following reasons:

- Children's safety concerns. An open irrigation ditch is located near the south boundary of the proposed development. This irrigation ditch will continue to be utilized by the south adjoining property owners;
- Security and protection of the current agricultural and commercial activities. Land use of the south adjoining properties includes but is not limited to farming, livestock corrals, and construction and agricultural equipment yards;
- Promote a separation of the proposed development residences and the existing south adjoining agricultural and commercial use; and
- Longevity of block wall construction verses wooden fence construction.

Address and Phone	Print Name	Signature	Date	Additional Notes*
7434 E. Clinton FRESNO CA 93727	William + Wendy Nelson JR.	William Nelson Wendy L. Nelson	3-5-06 3/5/06	✓
7402 E. Clinton Fresno CA 93727 977-7817	Paul Humphrey KIRSTEN HUMPHREY	Paul Humphrey Kirsten Humphrey	3/4/06	
7376 E. Clinton Fresno, CA 93727	Jovel B Findley	Jovel B Findley		
7344 E. CLINTON AVE FRESNO, CA. 93727	KENNETH A. DALBY	Kenneth A. Dalby		✓
7286 E Clinton Ave Fresno 93727	Ruben Lopez	Ruben Lopez		
7252 E. Clinton Ave Fresno, CA 93727 348-1284	Lydia T. Brase	Lydia T. Brase		

* Individual property owner notes, requests, and concerns are attached.

**William and Wendy Nelson Jr.
7434 E. Clinton Ave.
Fresno, CA 93727**

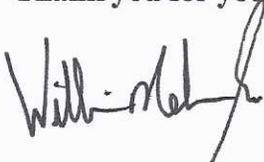
To Whom It May Concern:

We would like to express our concerns in the development behind our property. Due to the nature of the horses we keep on our property, we would like to see that a blocklite wall be erected to protect ourselves and the public moving into the area.

- 1. Horses are very unpredictable, especially around strangers. They are flight animals by nature and will kick, bite, strike or run when frightened. We raise young horses and they are less predicable than older horses.**
- 2. The general public find horses very fascinating, especially baby horse which we raise. The danger of this is most people want to feed them and they do not know the difference of a good weed and a poisonous one. We also keep a hot wire on at all times to keep the horses off the fence. Most city people do not know what a hot wire is and will get shocked if they lean on the fence.**
- 3. We are also very concerned of the safety of young children around our open ditch which is very swift when we irrigate our pasture.**

For these reasons we feel that in the best interests and liability of all concerned this is the least expensive way to handle the situation and make country living and city living exist together.

Thank you for your time and consideration.



Wendy L. Nelson

Dear Sir

I have concerns about the verification of the north boundary of my property. The plot map shows a straight line down the back of all of the properties from Locan to Temperance. But the footage shown on the map shows a ten foot difference in some properties. How will this be handled?

Another issue is the possibility of water run off from the north properties onto our property.

A handwritten signature in blue ink, reading "Paul J. Kelly". The signature is written in a cursive style with a large, looped initial "P".

MEETING NOTICE

Purpose

Meeting to discuss residential subdivisions proposed in your neighborhood by Centex Homes and Bonadelle Homes, and the potential benefits to you of annexing your property to the City of Fresno.

When

Thursday, August 31, 2006 at 7:00 p.m.

Where

Paul & Kjirsten Humphrey's residence
7402 E. Clinton
Fresno CA 93727

Attendees

The following people will be present to describe the proposed projects and annexation, and to answer any questions you may have:

Larry Westerlund, Fresno City Councilmember, District 4
Nick Yovino, City of Fresno Planning & Development Director
Bruce Barnes, City of Fresno Project Manager
Jeff Sorenson, Consultant to the City of Fresno
Wilma Quan, Consultant to the City of Fresno
John Bonadelle, Bonadelle Homes
Dennis Gaab, Centex Homes
Arakel Arisian, Centex Homes

Questions

If you have any questions, please feel free to contact Nicole DeMera in Councilmember Westerlund's office at 559-621-7844, or Arakel Arisian with Centex Homes at 559-320-1808.

LUNCH RECESS - 12:19 P.M. - 2:00 P.M.

(11:00 A.M.) PRESENTATION BY THE CITY MANAGER’S OFFICE ON THE “NEW NORMAL”

City Manager Souza presented the issue which included the background, vision, objectives, KRAs and implementation tools.

Council discussion ensued. Mr. Souza responded to questions of Councilmembers Westerlund and Calhoun relative to the bonus plan, if funds budgeted for the plan could be moved to the compensation and classification study, if the bonus plan was not dead, if staff was retooling/drawing back on the plan on the negative side, and how performance is measured **(6 - 0)**. Councilmember Boyajian stated his problem has always been access, continuity, and being consistent and explained, spoke to the importance of giving department heads some authority to talk with Council and the media without someone else present, elaborated on the issues of communication, cooperation and respect in people’s beliefs, and stated he was seeing a lot of control and added the Administration had their way of doing things and explained. President Duncan stated outside of the strong disagreement on pay-for-performance he felt things were now getting taken care of as constituent calls had decreased, stated excellence in the public sector was very doable but it had to come with an attitude from upper management that innovation and risk-taking to a certain degree were ok and added he hoped the Administration would embrace that; spoke to the importance of encouraging debate, and stated he appreciated the overall direction, benefits were starting to be seen, and commended staff and the Mayor.

(10:45 A.M.) CONTINUED HEARING ON REZONE APPLICATION NO. R-05-61 AND ENVIRONMENTAL FINDINGS, FILED BY CENTEX HOMES ON BEHALF OF DAMRONG AND SOMLUCK PATTANUMOTANA AND AHMED KHALED, SOUTHWEST CORNER OF N. LOCAN AND E. SHIELDS AVENUES

1. CONSIDER AND ADOPT E.A. NO. R-05-61/T-5592/C-05-87, DATED FEBRUARY 2, 2006, FINDING OF CONFORMITY TO THE GENERAL PLAN MEIR
2. **BILL NO. B-144 - ORDINANCE NO. 2006-142** -AMENDING THE OFFICIAL ZONE MAP TO REZONE FROM AE-20/ TO R-1/UGM AND R-2/UGM

President Duncan announced the time had arrived to consider the issue, opened the hearing, and upon his question Planner Rodriguez stated the staff report as submitted was complete and there was no new information to add.

Upon call, no one wished to be heard and President Duncan closed the hearing.

Councilmember Westerlund stated this was a good project and he worked closely with Centex Homes on it, and upon his request developer representative Dennis Gaab confirmed Centex Homes committed to construct a block wall on the boundaries of the nine rural residential properties and install a pipeline in the private irrigation ditch to convey the irrigation water. Councilmember Westerlund stated this project would have higher densities, this was an extension on the city’s eastern edge and spoke to the rural lifestyle agreement being worked on, and made a motion to approve staff’s recommendation.

Councilmember Boyajian concurred this was a good project but he could not support it as there was no EIR, the costs to the City were unknown, impacts fees were unknown, this was piecemeal development, and cumulative impacts were unknown.

On motion of Councilmember Westerlund, seconded by Councilmember Calhoun, duly carried, RESOLVED, the above entitled environmental finding hereby approved, and the above entitled Bill No. B-144 adopted as Ordinance No. 2006-142, by the following vote:

Ayes	:	Calhoun, Dages, Perea, Sterling, Westerlund, Duncan
Noes	:	Boyajian
Absent	:	None

(2:00 P.M. #1) CONTESTED CONSENT CALENDAR:

(1-C) AUTHORIZE THE DIRECTOR OF AVIATION TO ENTER INTO A ONE-YEAR CONSULTING CONTRACT WITH TWO 1-YEAR EXTENSION OPTIONS TO SANDLER & TRAVIS TRADE ADVISORY SERVICES, INC., FOR ASSISTANCE IN ACHIEVING PORT OF ENTRY (POE) STATUS FOR THE FYI AIRPORT

1. RESOLUTION NO. 2006-427 - 13TH AMENDMENT TO THE AAR APPROPRIATING \$350,000 TO FINANCE THE FIRST YEAR COST OF THE CONTRACT, INCLUDING A POTENTIAL “SUCCESS FEE” OF \$300,000

**BONADELLE**
NEIGHBORHOODS

June 27, 2007

Paul & Kjirsten Humphrey
7402 E. Clinton
Fresno, CA 93727

Dear Mr. & Mrs. Humphrey: ("Residents")

Following are the obligations for the developer of tract 5341 which is currently owned by BN 5341 LP:

- 1) Hook up resident's sewer and water to the City of Fresno prior to construction of Clinton Avenue. Resident will be notified prior to construction of Clinton Avenue construction and given the opportunity to authorize these hook-ups; Resident must give authorization prior to commencement of construction. Developer will not be responsible for landscaping, fencing, and pets, etc. during construction. Developer will also pay residents City of Fresno connection fees.
- 2) Pay the costs to construct a 6-foot high block wall located on the northern property line of resident's property.
- 3) Pay the costs to underground and relocate the 18" Fresno Irrigation District line. The line will be relocated to resident's northern property line.

The obligations are contingent on the resident's support of the annexation of resident property and further contingent upon the recordation of a final tract map for tract 5341.

The obligations set forth in this letter replace those in our letter of May 15, 2007. If you have any questions please contact me at 435-9700



John A. Bonadelle
President/ Bonadelle Homes Inc.
BN5431 LP

Conversation Log with Dennis Gabe and myself, Paul Humphrey. June 5, 2013

Mr. Dennis Gabe returned my call today after I had left a voice-mail on his office phone a few days earlier.

I reintroduced myself as one of the south adjoining land owners. He recalled our meeting and inquired how I was doing.

I asked if his company had purchased the north adjoining two-parcel proposed residential Tract – 5592 (Tract). He stated that they were in escrow for purchase.

I asked if he recalled the agreements and conditions during development of the Tract and what the timing of development would be.

He first answered the timing of development – stated that there were two tracts north and south of Clinton Ave, between Temperance and Armstrong which should break ground very soon as part of Benchmark Homes. Based on his explanation of his company United Community Partners (UCP) and Benchmark, Benchmark is a sister company to UCP, the company he works for, and his company is in escrow to purchase the Tract. He stated the subject Tract would follow those two sites.

Mr. Gabe stated that written agreements, and depending on verbal commitments and understanding of verbal commitments, the south of Clinton tract would go forward with agreements/ commitments to the rural residences along Clinton Avenue. He stated that signed agreements/commitments by Bonidelli would be honored. I told him we, KJirsten and myself, had a letter from Bonidelli which committed to hooking up water and sewer clear to the house hook-ups at no cost to us and I was not sure of any other written agreements. He said my written agreement would stand with the south tract. He stated it would likely be easier and best for the street and sidewalk improvements to go ahead and provide hookups to all the existing homes along Clinton so that the street and sidewalks are not torn up at later dates.

Mr. Gabe stated that providing a block wall and piping of the Hergingroeder ditch along the south boundary of the Tract was something that Centex had agree to as part of development for Track – 5592, however, the new company – Union Community Partners (UCP) would not be installing a block wall or piping the ditch. I reminded him that it had gone through City channels and was approved by Fresno City Council. He stated it was not included in the final approval vote and he would provide proof of such. I stated that it was to go with the Tract map and not the company and since he was the person in charge at Centex and now in charge at UCP the agreement to provide a block wall and piping the ditch should be honored as a handshake type of transaction as well as what had been recorded with the City and County through all the discussion of why the ditch should be piped and a block wall should be installed. I also reminded him that the original thoughts of the rural residences was to have things safer by having the ditch and block wall due to the danger to children of an open ditch and nature of the properties –

horse corrals, other animals. I stated that the original reason that the rural residences agreed to annexation was because the developers, Dennis Gabe and John Bonidelli, stated that if we would annex without opposition Mr. Gabe was to provide a block wall and pipe the ditch and Bonidelli would provide city hookups. He stated that UCP has no intention of installing a block wall or piping the ditch.

At the end of the conversation Mr. Gabe stated he would like to stay in touch.

Paul Hyslop 6/5/13

David E. Fey, Executive Officer
December 3, 2013
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one-year extension of the Shields-Locan No. 3 Reorganization. It is our understanding that you will be receiving a letter from the City of Fresno in support of our request for a one year extension of the Shield-Locan No. 3 Reorganization.

The following is offered in support of our request for extension of the Shields-Locan No. 3 Reorganization:

1. UCP Meadowood III, LLC, which acquired Tract No. 5341 on December 10, 2010, intends to construct and install the public infrastructure improvements required by the conditions of approval associated with Vesting Tentative Tract Map No. 5341 and obtain Fresno City Council approval of a final tract map. Harbour & Associates Civil Engineers is actively engaged in the preparation of subdivision improvement plans. However, the timing of construction and installation of the public infrastructure improvements and final map approval are functions, in large measure, of conditions of the local economy in general and the housing sector in particular, both of which, although improving, continue to be weak and are likely to remain so until the local employment level improves and the jobless rate declines.
2. UCP Meadowood III, LLC is actively engaged in negotiations with landowners to acquire easement rights-of-way required to accommodate certain of the off-site public infrastructure improvements planned to serve Tract No. 5341. During calendar year 2013, our company reached agreement with several landowners regarding acquisition of required rights-of-way, and the City of Fresno accepted and recorded easement deeds to perfect the rights-of-way.
3. Over the past several months, UCP Meadowood III, LLC representatives and Clovis Unified School District (CUSD) officials have been engaged in negotiations that have resulted in a tentative agreement for UCP Meadowood III, LLC to sell a portion of the land described by Vesting Tentative Tract Map No. 5341 to CUSD to accommodate an elementary school that would open for classes in August 2016. Under the agreement, UCP Meadowood III, LLC is responsible for construction and installation of the off-site improvements required to serve the planned elementary school. Escrow to effect the land transfer is scheduled to close during the first quarter of calendar year 2014.
4. Vesting Tentative Tract Map No. 5341 was originally scheduled to expire on May 16, 2009. However, in recognition of the adverse impact weak economic conditions have had, and continue to impart, on the ability of developers and homebuilders to process subdivisions to conclusion, the California Legislature passed bills in 2008, 2009, 2011 and 2013, the collective effect of which is to extend Vesting Tentative Tract Map No. 5341 through May 16, 2016.

5. UCP, LLC is a party to a purchase and sale agreement intended to result in UCP, LLC's acquisition of the land described by Vesting Tentative Tract Map No. 5592, which is also located within the area to be annexed to the City, and which encompasses approximately 54 acres and provides for the development of 260 single-family dwelling units. Vesting Tentative Tract Map No. 5592 is valid through February 22, 2017. Escrow to effect UCP, LLC's purchase of the land described by Vesting Tentative Tract Map No. 5592 is scheduled to close during the first quarter of calendar year 2014. Despite the fact that escrow has yet to close, and with the goal of accelerating the development of Tract No. 5592, UCP, LLC recently engaged Harbour & Associates Civil Engineers to prepare subdivision improvement plans for Tract No. 5592.
6. Increasing the number of jobs in the community and enhancing the amount of tax revenues derived by City government are bedrock goals of the City of Fresno. Completion of the Shields-Locan No. 3 Reorganization is consistent with these goals. The National Association of Home Builders (NAHB) estimates that the construction of 100 single-family homes generates more than 300 full-time jobs and \$8.9 million in federal, state and local tax revenues. Home building increases the property tax base and generates property, sales and other taxes that support schools and various local agencies, including the City of Fresno, Fresno County, and CUSD. Vesting Tentative Tract Map No. 5341 will be reduced by about 99 lots with the planned acquisition of a portion of the subdivision site by CUSD. The net result of 164 dwelling units combined with the 260 dwelling units described by Vesting Tentative Tract Map No. 5592 results in 424 total dwelling units to be developed in the area to be annexed to the City. Using NAHB's estimates, the build out of Tracts No. 5341 and 5592 would create an estimated 1,272 full-time jobs, and generate approximately \$37.7 million in federal, state and local tax revenues.
7. Circumstances that could affect the suitability of Tract No. 5341 and Tract No. 5592 for annexation to the City of Fresno have not changed since LAFCo's adoption of Resolution No. RO-07-26 approving the Shields-Locan No. 3 Reorganization.

The statements above evidence that an eminent need for the Shields-Locan No. 3 Reorganization and Tracts No. 5341 and 5592 still exists, that the annexation and subdivisions remain viable, and that progress is being made toward completion of both the annexation and the subdivisions.

I was engaged in discussions with Fresno County Fire Protection District Fire Chief Keith Larkin prior to his recent departure from the District. In an email message I received from you on November 27, 2013, you offered to arrange a meeting among you, me and the District's interim fire chief to facilitate discussions with the goal of

David E. Fey, Executive Officer
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completing the Shields-Locan No. 3 reorganization. I accept your offer, and look forward to engaging the District's interim fire chief in good-faith discussions with the goal of reaching an accord that would permit the recording of the boundary change to perfect the Shields-Locan No. 3 Reorganization. Participation in the contemplated discussions by City of Fresno officials would likely prove helpful in reaching the stated goal. Therefore, I encourage you to extend a similar invitation to Fresno City Manager Bruce Rudd to participate in any meeting you are successful in arranging with District officials.

In the event you have questions or desire additional information regarding our request for a one-year extension of the Shields-Locan No. 3 Reorganization, please do not hesitate to contact me.

Please confirm receipt of the \$750.00 check when you receive it. Please also send me notice of the date and time of the scheduled LAFCo hearing regarding our request.

We appreciate LAFCo's consideration of our request, and look forward to receiving a favorable response.

Sincerely,

A handwritten signature in black ink, appearing to read "Dennis M. Gaab", with a long horizontal line extending to the right.

Dennis M. Gaab
Director of Forward Planning

Enclosure

c: Bruce Rudd
Jennifer Clark
Mike Sanchez
Craig Agabashian
James W. Fletcher
Adrienne Burns