



# Board Agenda Item 3

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DATE: February 20, 2024

TO: Board of Supervisors

SUBMITTED BY: Steve Brandau, Supervisor, District 2

SUBJECT: Standalone Tax Sharing Agreement between the City of Fresno and County of Fresno for the Bullard-Maroa No. 3 Reorganization

RECOMMENDED ACTION(S):

- 1. Approve and authorize Chairman to execute Standalone Tax Sharing Agreement with the City of Fresno for the Bullard-Maroa No. 3 Reorganization proposal located on the south side of W. Bullard Avenue between N. Maroa and N. Winchester Avenues consisting of approximately 0.85 acres in the unincorporated area proposed to be developed with a four-lot urban residential subdivision (the "Bullard-Maroa Reorganization"), subject to certain conditions, including but not limited to the City of Fresno annexing and/or accepting conveyances from the County for or otherwise acquiring all road rights-of-way along W. Bullard and N. Winchester Avenues to the existing city limit boundary prior to LAFCO's completion of Bullard-Maroa No. 3 Reorganization.**
- 2. Determine that the approval and authorization of Chairman to execute the Standalone Tax Sharing Agreement and conveyance of the W. Bullard and N. Winchester Avenue Segments between the County of Fresno and City of Fresno is exempt from the requirements of the California Environmental Quality Act, Public Resources Code 2100, et seq., and direct staff to file a Notice of Exemption with the Office of the Fresno County Clerk.**

Approval of the recommended actions would facilitate the annexation to the City of Fresno (City) of approximately 0.85 acres, of which 0.68 acres (See Exhibit A) would be developed with a four-lot urban residential subdivision, conditioned upon the City annexing and/or accepting the County's conveyances or otherwise acquire all road rights-of-way along W. Bullard and N. Winchester Avenues prior to LAFCO's completion of Bullard-Maroa No. 4 Reorganization. This item pertains to an area located in District 2.

ALTERNATIVE ACTION(S):

Your Board may determine not to approve the proposed Standalone Tax Sharing Agreement between the City and the County. By not approving the recommended actions, the City may not proceed with the proposed annexation until there is a valid Property Tax Sharing Agreement in place between the City and County.

FISCAL IMPACT:

The fiscal provision of the Standalone Tax Sharing Agreement reflects the same property tax sharing percentage (62% to County and 38% to City) contained in the expired 2003 City/County Amended and Restated Memorandum of Understanding (MOU), Agreement No. 03-001.

DISCUSSION:

Until it expired in August of 2020, annexations to the City of Fresno were governed by the 2003 MOU. The MOU generally addressed land use issues and property and sales tax revenue sharing. The primary focus of the MOU provisions related to land use ensured that urban type development was directed to the City and that the City only annexed properties within its sphere of influence when development was approved in conformance with its adopted General Plan, that development was imminent and that the Standards for Annexation were met. The City and County are currently in the process of negotiating a long-term MOU.

The proposed Bullard-Maroa No. 3 Reorganization consists of approximately 0.86 acres, of which 0.68 acres would be developed with a four-lot urban residential subdivision. The proposed annexation is an infill development project bounded on two sides by the Fresno city limits. Existing land uses in the area consists of urban residential and commercial uses.

Under the proposed Standalone Tax Sharing Agreement, the City has agreed to the following condition:

Prior to LAFCo's completion of the Bullard-Maroa No. 3 Reorganization, the City shall accept conveyance from the County for or otherwise acquire all road rights-of-way along W. Bullard and N. Winchester Avenues to the existing city limit boundary (See Exhibit B). As an alternative to the acceptance by the City of conveyances or other acquisition means, the City may annex the territory comprising all road rights-of-way shown in Exhibit B.

The City has communicated their intent to include the identified rights-of-way within their annexation proposal. If this does not occur, the Department will bring an item to your Board to approve the conveyance to these segments of right-of-way to the City of Fresno. Staff anticipates that its recommendation will be to convey these segments of right of way to the City at no cost to the City. These segments of right of way will be conveyed pursuant to Government Code section 25365(a), which provides that the Board of Supervisors may, by a four-fifths vote, grant, convey, quitclaim, assign, or otherwise transfer to several certain types of public agencies, including a city, or exchange with those public agencies, any real or personal property, or interest therein belonging to the County, upon the terms and conditions as are agreed upon and without complying with any other provisions of the Government Code, if the property or interest therein to be granted and conveyed or quitclaimed is not required for County use.

#### **California Environmental Quality Act (CEQA)**

Approval and authorization of the Chairman to execute the Standalone Tax Sharing Agreement between the County and City fails to meet the definition of "project" under Title 14, Cal. Code of Regs., section 15378, subdivisions (b)(2), (b)(4), and (b)(5). Approval of the proposed Standalone Tax Sharing Agreement is an administrative activity and a government funding mechanism. The approval of the agreement does not, nor can it, constitute an approval of any project, nor does it commit to the approval of the annexation, or any other potentially specific physical impact to the environment, and is conditioned upon the City and the Local Agency Formation Commission (LAFCO) approving the annexation in compliance with all applicable laws, including CEQA.

#### **OTHER REVIEWING AGENCIES:**

Preparation of the proposed Standalone Tax Sharing Agreement was coordinated with City of Fresno staff, and the Fresno City Council approved the Standalone Tax Sharing Agreement at a public hearing on January 18, 2024.

#### **REFERENCE MATERIAL:**

BAI #2, January 6, 2023

#### **ATTACHMENTS INCLUDED AND/OR ON FILE:**

Exhibit A - Proposed Bullard-Maroa No. 3 Reorganization

Exhibit B - Right-of-Way to be Accepted or Acquired by City of Fresno

On file with Clerk - Bullard-Maroa No. 3 Reorganization Standalone Tax Sharing Agreement