



Board Agenda Item 51

DATE: May 23, 2023

TO: Board of Supervisors

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

SUBJECT: Standalone Tax Sharing Agreement between the City of Fresno and County of Fresno for the California-Willow No. 4 Reorganization

RECOMMENDED ACTION(S):

- 1. Approve and authorize Chairman to execute Standalone Tax Sharing Agreement with the City of Fresno for the California-Willow No. 4 Reorganization proposal in the area located on the southeast and southwest corners of the East California Avenue alignment (railroad right-of-way) and S. Willow Avenue consisting of approximately 79.75 acres in the unincorporated area proposed to be developed with a 199-lot urban residential subdivision (the "California-Willow No. 4 Reorganization"), subject to certain conditions, including but not limited to the City of Fresno accepting conveyances from the County for or otherwise acquire all road rights-of-way along S. Willow Avenue north of the proposed California-Willow No. 4 Reorganization to the existing city limit boundary prior to LAFCO's completion of California-Willow No. 4 Reorganization.**
- 2. Determine that the approval and authorization of Chairman to execute the Standalone Tax Sharing Agreement and conveyance of the S. Willow 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 79.75 acres, of which 36.75 acres (See Exhibit A) would be developed with a 199-lot urban residential subdivision, conditioned upon the City accepting the County's conveyances or otherwise acquire all road rights-of-way along S. Willow Avenue prior to LAFCO's completion of California-Willow No. 4 Reorganization. This item pertains to areas located in District 3.

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 California-Willow No. 4 Reorganization consists of approximately 79.75 acres, of which 36.75 acres would be developed with a 199-lot urban residential subdivision. The areas outside of the subdivision but within the proposed annexation area consists of lands designated and zoned for limited agricultural uses. Land uses in this area consists of urban residential lots, Fresno Pacific University, rural homesites, and agricultural land.

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

Prior to LAFCo's completion of the California-Willow No. 4 Reorganization, the City shall accept conveyance from the County for or otherwise acquire all road rights-of-way along S. Willow Avenue north of the proposed California-Willow No. 4 Reorganization to the existing city limit boundary (See Exhibit B).

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, inclusive of the covenant to convey the S. Willow Avenue right-of-way segment to the 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. For the larger annexation and subdivision in the City of Fresno's Annexation Application No. P22-00411, Pre-zone Application No. P22-00442, and Vesting Tentative Tract Map No. 6345, the City of Fresno has prepared a mitigated negative declaration under CEQA, disclosing and mitigating the potential impacts of that larger project.

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 April 20, 2023

REFERENCE MATERIAL:

BAI #2, January 6, 2023

ATTACHMENTS INCLUDED AND/OR ON FILE:

Exhibit A - Proposed California-Willow No. 4 Reorganization

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

On file with Clerk - California-Willow No. 4 Reorganization Standalone Tax Sharing Agreement

CAO ANALYST:

Salvador Espino