



Board Agenda Item 51

DATE: August 21, 2018

TO: Board of Supervisors

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

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

RECOMMENDED ACTION(S):

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

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

ALTERNATIVE ACTION(S):

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

FISCAL IMPACT:

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

DISCUSSION:

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

Growth Area 1:

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

Growth Area 2:

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

Growth Area 3:

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

MOU Annexation Standards:

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

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

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

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

California Environmental Quality Act Determination

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

OTHER REVIEWING AGENCIES:

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

REFERENCE MATERIAL:

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

ATTACHMENTS INCLUDED AND/OR ON FILE:

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

CAO ANALYST:

Sonia M. De La Rosa