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FIRST AMENDMENT TO THE AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING BETWEEN

THE COUNTY OF FRESNO AND THE CITY OF REEDLEY

This First Amendment to the Amended and Restated Memorandum of Understanding September ("First Amendment"), executed on this 26th day of , 2017, (the "Effective Date"), by and between the County of Fresno, a political subdivision of the State of California (hereinafter referred to as "County") and the City of Reedley, a municipal corporation of the State of California (hereinafter referred to as "City"). County and City are each a "Party" to this 10 First Amendment and are sometimes collectively referred to as "the Parties" to this First Amendment.

RECITALS:

WHEREAS, the Parties previously entered into a comprehensive agreement covering 14 development, annexations, sales taxes, property taxes, redevelopment and other matters, 15 which is entitled "Amended and Restated Memorandum of Understanding Between the County 16 of Fresno, the City of Reedley, and the Reedley Redevelopment Agency," dated October 03, 17 2006, (hereinafter "MOU"); and

WHEREAS, as of February 1, 2012, the Reedley Redevelopment Agency ("SRA") 19 automatically dissolved pursuant to ABx1 26, any remaining functions of the SRA were assumed by the City of Reedley acting as the Successor Agency, and the SRA is no longer a party to the MOU;

WHEREAS, it has become apparent to the Parties that a First Amendment to the MOU 23 is necessary and desirable to accommodate streamlining in the annexation process and 24 changes in the patterns of new urban growth and development that the City is experiencing as 25 it regulates and facilitates the build-out of its Sphere of Influence (SOI); and

WHEREAS, the City has notified the County of its desire to expand its SOI to include 27 approximately 120 acres of unincorporated areas generally located at the northwest and northeast corners of the intersection of South and Frankwood Avenues, and on the north side

of Manning Avenue between Buttonwillow and Englehart Avenues (collectively, the "SOI Expansion"); and

WHEREAS, the City has further notified the County of its desire to modify Exhibit 1 of the MOU in an effort to streamline annexations by the City;

WHEREAS, the City has determined that the area proposed for expansion includes critical land uses that would provide for orderly growth that ensures services are available and a high quality of life for both current County residents and future City residents; and

WHEREAS, the County concurs that the proposed SOI Expansion would positively contribute to the unification of logical urban growth and efficient delivery of urban services within the City and the City's SOI; and

WHEREAS, the County has evaluated proposed text amendments to Exhibit 1 of the MOU and agrees to the proposed amendments; and

WHEREAS, the parties recognize that this First Amendment to the MOU is necessary to accommodate the proposed expansion of the City's SOI.

NOW, THEREFORE, County and City hereby agrees to amend the MOU as follows:

AMENDMENT I TO MOU

The MOU is amended as follows:

1. Section 2.4 of the MOU is hereby amended to read in its entirety as follows:

"For the purpose of promoting economic development and job creation, an
Alternate Standard for Annexation for industrial or regional commercial uses is
hereby created. In the place of the Standards for Annexation set forth in Exhibit
1, the Alternate Standard for Annexation shall apply to and govern the review of
annexation proposals for industrial or regional commercial uses. Annexation
proposals for industrial/regional commercial uses shall include a conceptual
development plan, as described herein. The conceptual development plan shall
consist of the economic objectives to be achieved, the service and financing
strategy and its schedule, and shall include a map of the proposed prezoning.

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The conceptual development plan's schedule shall include milestones for major project components to measure the progress of the project. Due to the complexity of such projects the development schedule for planning and implementation may reasonably require a period of from five to ten years. The annexation proposal shall be submitted to and reviewed by the County pursuant to Section 2.2. Annexation proposals that comply with the criteria of this Section 2.4 shall be deemed to comply with Section 2.1. The annexation application to be submitted to LAFCo shall be considered complete upon adoption of the prezoning by the City. County and City agree to meet annually to review the progress toward the achievement of the economic development objectives and to identify ways to promote mutual economic development objectives. The proposed annexation shall not create an island and shall minimize creation of peninsulas and corridors, or other distortion of boundaries.

- 2. "Revised Exhibit 1" attached hereto and incorporated herein by this reference, shall replace "Exhibit 1" to the MOU as of the Effective Date of this First Amendment.
- 3. The maps included as Revised Exhibit "3-A" and Revised Exhibit "3-B", attached hereto and incorporated herein by this reference, shall replace Exhibits "3-A" and "3-B" to the MOU as of the Effective Date of this First Amendment.
- 4. Unless expressly modified by the terms of this First Amendment, all other terms of the MOU remain in full force and effect.

1	IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment, on	
2	the date set forth above.	
3 4 5	COUNTY OF FRESNO, a Political Subdivision of the State of California ("County")	CITY OF REEDLEY, a Municipal Corporation of the State of California ("City") By: Aute Betereout
6	By: Chairman, Board of Supervisors	By: White Deleveout Mayor, City of Reedley
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8		ATTEOT
9	ATTEST: Bernice E. Seidel Clerk to the Board of Supervisors	ATTEST: Sylvia Plata City Clerk, City of Selma
10		(O 0 0) A-
11	By: Deputy	By: Sylvia Plata, City Clerk
12		Sylving Charles
13 14	REVIEWED AND RECOMMENDED FOR APPROVAL:	REVIEWED AND RECOMMENDED FOR APPROVAL:
15 <i>}</i>	8	
16(By James	By:
17	County Administrative Officer	Nicole Př eba, City Manager
18		
19	REVIEWED AND RECOMMENDED FOR APPROVAL	APPROVED AS TO LEGAL FORM: Scott Cross, City Attorney, City of Reedley
20		11-11
21	By:	By: Cattle Comments
22	Steven E. Whife, Director Department of Public Works and Planning	Scott Cross, City Attorney
23		
24	APPROVED AS TO LEGAL FORM: Daniel C. Cederborg, County Counsel	APPROVED AS TO ACCOUNTING FORM: Oscar J. Garcia, CPA
25	\(\text{\tincr{\text{\tin\text{\text{\texicl{\text{\text{\text{\text{\text{\text{\texicl{\text{\text{\text{\text{\text{\texicl{\texi{\texi{\text{\texi}\texict{\tin\texi{\texi{\texi{\texi{\texi{\texi{\texi{\tet	Auditor-Controller/Treasurer-Tax Collector
26	(+ X1) ll	- Oaka Abar
27	By : Deputy	Deputy Deputy

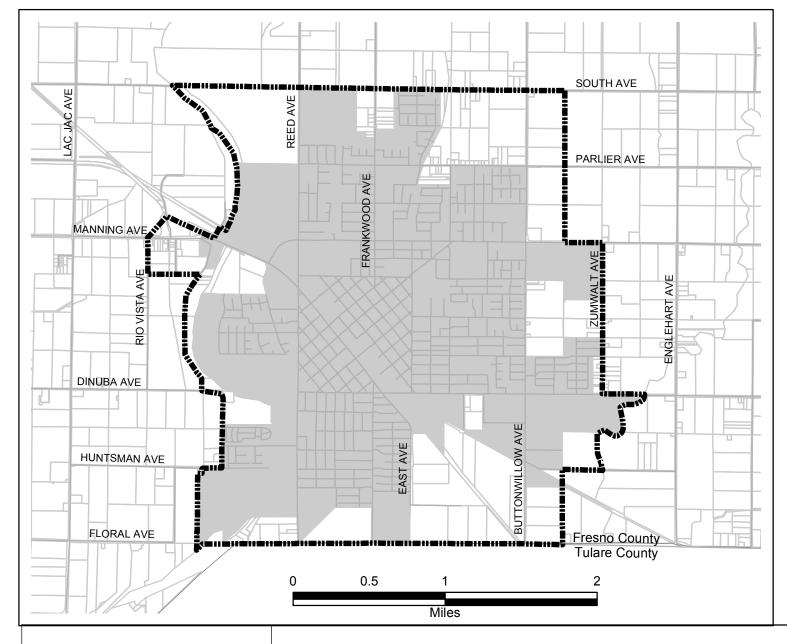
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EXHIBIT 1 STANDARDS FOR ANNEXATION

- The proposal must be consistent with the adopted sphere of Influence of the city and not conflict with the goals and policies of the Cortese-Knox-Hertzberg Act.
- The proposal must be consistent with city general and specific plans, including adopted goals and policies.
- Pursuant to CEQA, the proposal must mitigate any significant adverse effect on continuing agricultural operations on adjacent properties, to the extent reasonable and consistent with the applicable general and specific plan.
- A proposal for annexation is acceptable if one of the following conditions exist:
 - 1. There is existing substantial development provided the City confines its area requested to that area needed to include the substantial development and create logical boundaries.
 - 2. Development exists that requires urban services which can be provided by the City.
 - 3. If no development requiring urban services exists, at least 25% of the area proposed for annexation has:
 - a) Approved tentative subdivision map (single-family residential)
 - b) Approved site plan (for other uses including multi-family)
 - 4. The annexation is to fulfill the city's Regional Housing Needs Allocation (RHNA) obligation which otherwise cannot be accommodated on lands currently within the city's incorporated boundary.
- The proposal would not create islands. Boundaries must ultimately minimize creation of peninsulas and corridors, or other distortion of boundaries.

For any of the following circumstances listed below, a proposal for annexation is presumed to comply with all standards for annexation:

- The request for annexation is by a city for annexation of its own publicly-owned property for public use.
- The request for annexation is by a city in order to facilitate construction of public improvements or public facilities which otherwise could not be constructed.
- The request for annexation is to remove an unincorporated island, substantially surrounded area, or otherwise address existing peninsulas and/or irregular boundaries.
- The annexation is intended to mitigate or otherwise comply with standards/conditions required by another agency with respect to another development annexation.

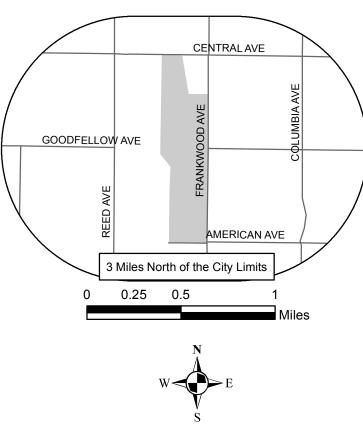


CITY OF REEDLEY

Incorporated: 1913

SOI Adopted: 8/27/1977 SOI Updated: 9/05/2012

Map Date: December 2015



Legend

Sphere of Influence

City Limits

FRESNO LOCAL AGENCY FORMATION COMMISSION CITY OF REEDLEY SPHERE OF INFLUENCE

Sphere Area 4,760 Acres City Area 3,457 Acres



