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

AGENDA ITEM No. 6

DATE: July 8, 2009

TO: Local Agency Formation Commission

FROM: Rick Ballantyne, Executive Officer
Darrel Schmidt, Deputy Executive Officer

SUBJECT: **Consider Approval** – Request for a One-Year Extension to Complete Proceedings for the City of Fresno “Whitesbridge-Valentine Southwest Reorganization”. A reorganization submitted by Landowner Petition to annex approximately 115.32 acres to the City of Fresno and detach from the North Central Fire Protection District and the Kings River Conservation District for territory generally located east of S. Brawley Avenue between W. Whitesbridge Road and W. Madison Avenue (LAFCo File No. RO-06-20).

Summary: 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. LAFCo Policies, Standards, and Procedures Section 315-03 allows extensions of time to be granted when the imminent need for the proposal still exists, the project is still viable, and progress is being made toward completion.

The City of Fresno’s “Whitesbridge-Valentine Southwest Reorganization” was approved by the Commission on August 16, 2006. The Chief Petitioner for this reorganization is requesting a one-year extension of time to complete proceedings. This is the third extension request for this proposal. As per the Commission’s adopted policies, this request has been placed on the Commission’s Agenda as a “public hearing” rather than the “consent agenda” item since it is the proponent’s third one-year extension request.

Parties of Interest:

Craig Nagler, Granite Bay Capital, LLC	Geryoung & Mai J. Yang
Eleazar & Yolanda Garcia	Craig Nagler Cencal Holdings LLC
Dirk Poeschel, Representative	Darryll & Gretchen Freedman
Fresno Unified School District	Martin Inchauspe

Project Description: An annexation of 115.32 acres to the City of Fresno and detachment from the North Central Fire Protection District and the Kings River Conservation District for territory generally located east of S. Brawley Avenue between W. Whitesbridge Road and W. Madison Avenue. The City of Fresno has approved two single-family residential subdivisions (Tentative Tract Map Nos. 5463 and 5574) containing 396 lots within the affected territory.

Reasons for Request and Actions Taken to Date: The proponent has stated that a great deal of time, effort, and money have been expended to complete the tract maps’ conditions of approval. He indicates that the City of Fresno has granted time extensions until 2010 for Tentative Tract Map Nos. 5463 and 5574, which cover a majority of the annexation area. He also states that the extension request is justified due to extensive time required to obtain necessary right-of-way bordering neighboring properties required for local road improvements as well as having to

contend with economic constraints and hardships caused by the depressed economy that has negatively impacted the local real estate market.

The proponents have previously shown progress towards completion of the requirements for their final maps. They have stated that since approval of the reorganization, a Sanitary Sewer Study for the area has been completed, and a substantial amount of work has been done towards completion of the final map.

Staff Analysis: The Commission recently adopted policies indicating its desire to allow for consideration of “economic hardships” beyond the control of the proponent as appropriate justification supporting an extension request. The new policies require that the proponent is to demonstrate that the imminent need for the proposal still exists, the project is viable, and progress is being made toward completion.

Section 315-03 (in part) states the following: *“If the proponent has been unable to satisfy a condition subsequent to the Commission’s approval due to adversarial market and/or economic conditions, such condition(s) shall be identified and supporting documentation provided. In addition, the applicant as a part of the extension request shall submit to LAFCo written confirmation from the city or district representative to which annexation is proposed supporting the extension request and validating the presence of the adversarial market or economic conditions justifying the extension.”*

While staff does maintain some concern that this is the third extension request for this proposal, it is evident that the slowdown in the housing market has impacted proposals at all stages of development and that such forces are beyond the control of the proponent. It does appear that the proponent continues to work toward completion of the proposal.

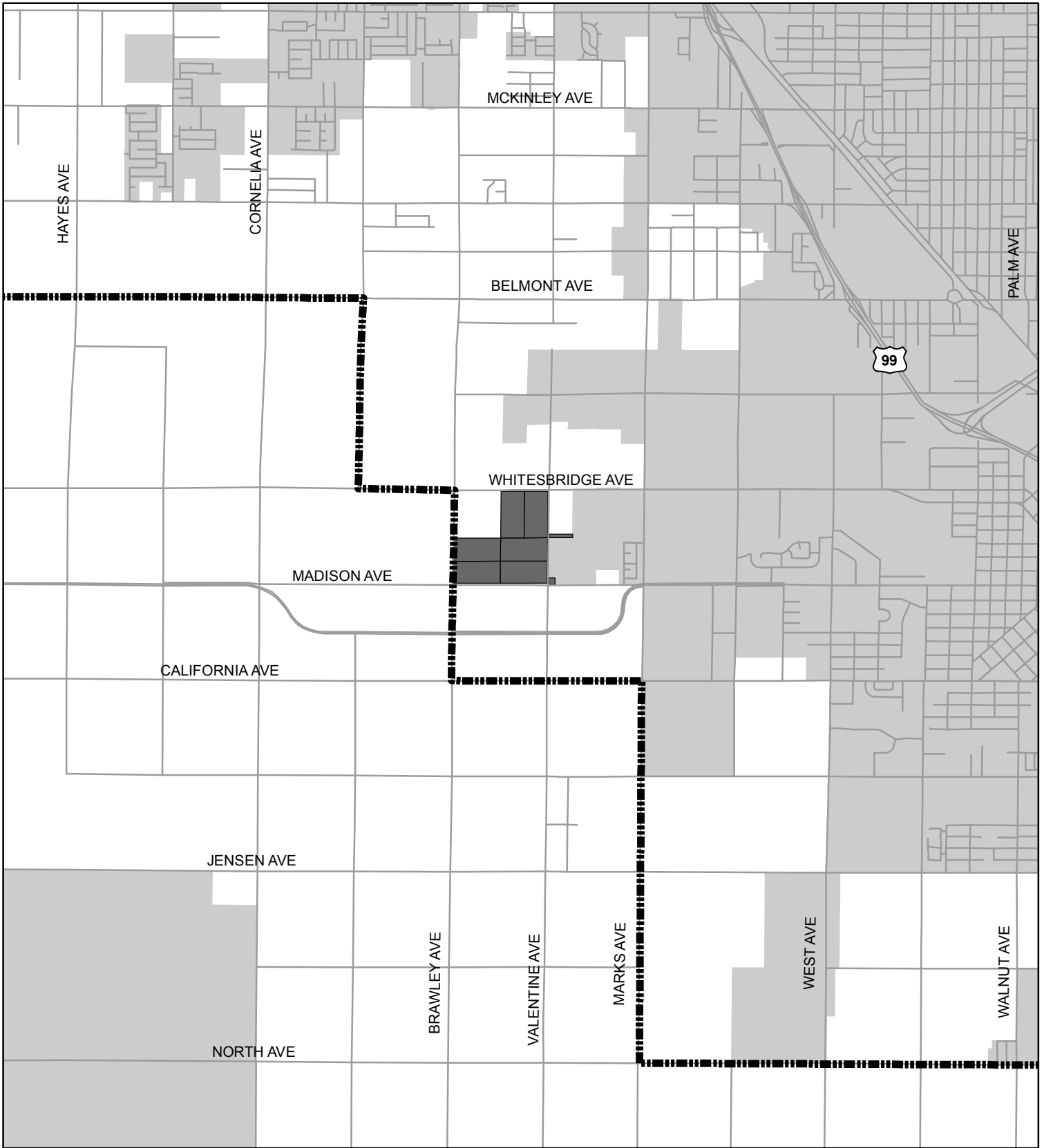
The City of Fresno supports the extension request and has concurred that slow real estate market conditions have negatively impacted the ability for homebuilders to move forward timely. Additionally, the City of Fresno has shown its support of the development by approving tentative tract map extensions until 2010.

Recommendation: Based upon the justification provided by the proponents, it does appear that market conditions have produced an economic hardship which has limited the ability of the proponent to complete this proposal and contributed to the need for this time extension request. Staff therefore recommends that an additional one-year time extension be granted.




The Following Have Received Copies of This Report:

LAFCo Commissioners and Alternates
Ken Price, LAFCo Counsel, Baker, Manock & Jensen
Craig Nagler, Cencal Holdings
Steve Miller, Cencal Holdings
Dirk Poeschel, Dirk Poeschel Land Development Services
Andrew Souza, City Manager, City of Fresno
Mike Sanchez, Planning Manager, City of Fresno
Bernard Jimenez, Planning Manager, Fresno County Development Services Department
Will Kettler, Fresno County Public Works and Planning
David Orth, Manager, Kings River Conservation District
Joel Aranaz, City of Fresno Fire Department (North Central Fire Protection District)

FIGURE 1 - GENERAL SITE LOCATION



Legend

-  Sphere of Influence
-  City Limits
-  Affected Territory

City of Fresno "Whitesbridge-Valentine
Southwest Reorganization"
LAFCo File No. RO-06-20

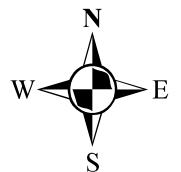
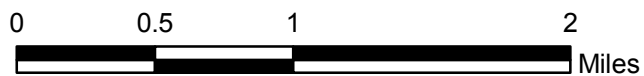
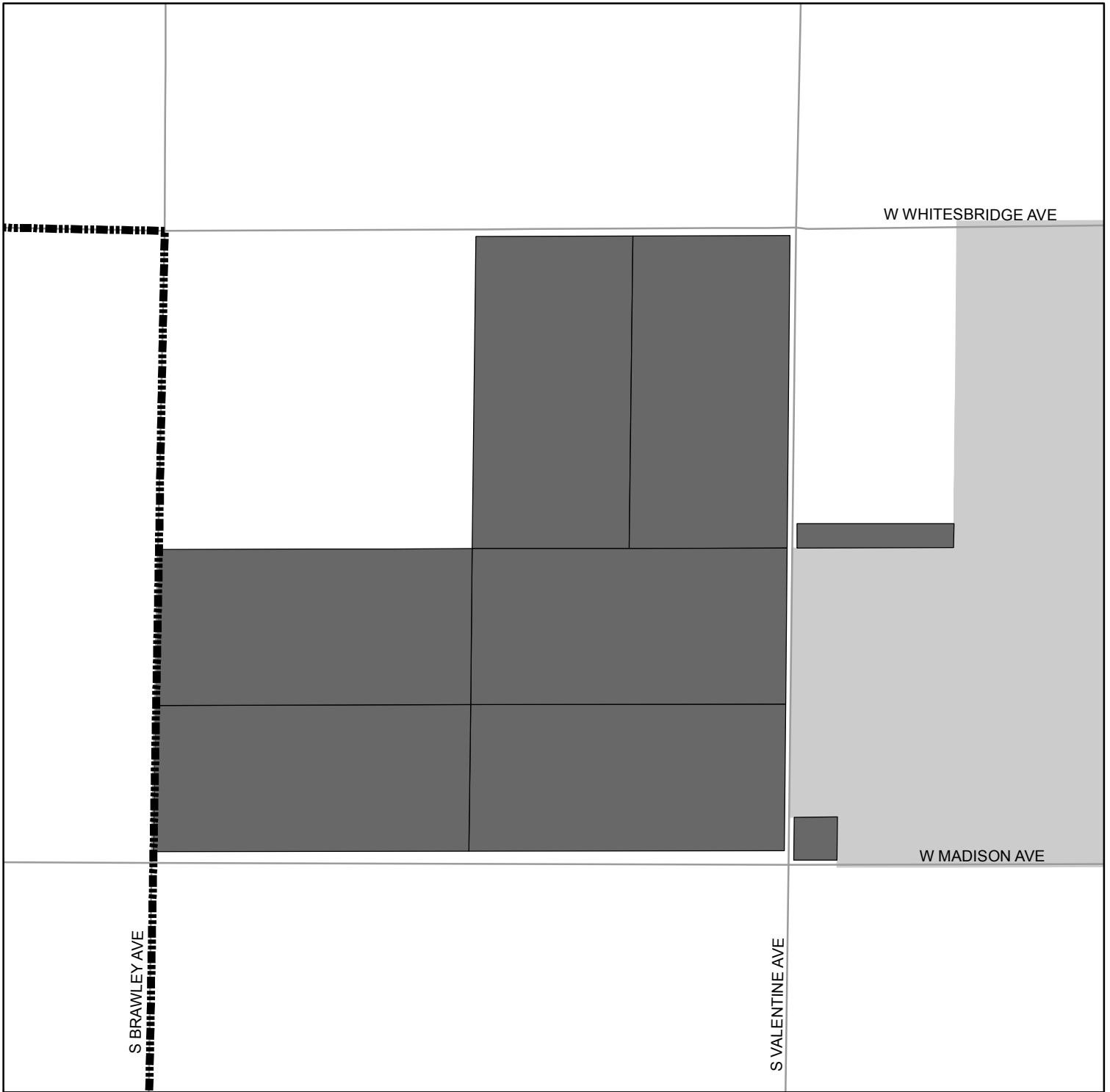





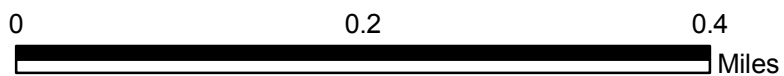
FIGURE 2 - ANNEXATION MAP



Legend

-  Sphere of Influence
-  City Limits
-  Affected Territory

City of Fresno "Whitesbridge-Valentine
Southwest Reorganization"
LAFCo File No. RO-06-20



June 5, 2009
Hand Delivered

Mr. Rick Ballantyne, Executive Director
Fresno County Local Agency Formation Commission
2115 Kern Street, Suite 310
Fresno, CA 93710



SUBJECT: Whitesbridge – Valentine Southwest Reorganization (R-06-20)

Dear Mr. Ballantyne:

As you know, the above annexation is scheduled to expire on August 16, 2009. On behalf of my client Granite Bay Capital, LLC, I am requesting an extension to the above annexation application. Per your direction Granite Bay Capital Group has provided the enclosed check No. 5365 dated June 1, 2009 in the amount of \$500.00 for the extension request.

Neighborhood outreach efforts to acquire a portion of their property for required right-of-way have encountered significant resistance. My client hosted a neighborhood meeting and sent two letters to the adjacent property owners. Individual meeting requests with the neighbors have been largely ignored. One neighbor agreed to meet but was not home for the prearranged meeting and did not reschedule.

The general real estate market has been severely impacted by the current global economic crisis. The failure of the Running Horse project to the east contributes to the economic depression of the immediate area.

As noted above, Granite Bay Capital, LLC has expended a great deal of effort and money to complete the entitlement process for the subject property. However, due to circumstances beyond the control of our client, the entitlement process has not been completed. Our client is committed to the timely completion of the entitlement process to allow recordation of the final tract map.

The validity, viability and need are confirmed by the fact that the City of Fresno provided an extension of Tentative Tract Map (TTM) 5463 and TTM 5574, which make up the bulk of the annexation area, to April 25, 2010 and March 15, 2010 respectively.

Mr. Rick Ballantyne

June 5, 2009

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We appreciate your consideration of this request and look forward to discussing with you and the members of LAFCo. In the meantime if you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Dirk Poeschel", with a long horizontal flourish extending to the right.

Dirk Poeschel, AICP

Enclosure

c: Mr. Craig Nagler

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