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

AGENDA ITEM No. 7

DATE: **October 7, 2009**

TO: **Local Agency Formation Commission**

FROM: **Rick Ballantyne, Executive Officer
Samantha Hendricks, LAFCo Technician**

SUBJECT: **Consider Approval – Request for One-Year Extension to Complete Proceedings
for the City of Fresno “Shields-Polk No. 4E Reorganization” (LAFCo File
No.RO-06-32).**

Summary: The subject reorganization was approved on October 11, 2006, but has not been completed. 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. This is the third request for extension. The City of Fresno and the project developer have requested an additional one-year extension of time.

In accordance with *Fresno LAFCo Policies, Standards and Procedures* Section 315-03, extensions of time may be granted when the imminent need for the proposal still exists, the project is still viable, and progress is being made toward completion. The Commission's policies further state that the Commission may consider economic hardships beyond the control of the proponents as justification supporting the extension request.

Project Description: The affected territory is located on the west side of N. Polk Avenue, approximately one-quarter mile south of its intersection with W. Dakota Avenue. The reorganization consists of the annexation of 9.61 acres to the City of Fresno and detachment from the North Central Fire Protection District and the Kings River Conservation District. The developer is planning to build a 40-lot single-family residential subdivision within the affected territory.

Reasons for Request and Actions Taken to Date: The applicant has indicated that they are unable to satisfy the remaining conditions this year due to the high costs of final map recordation and persistent adverse economic conditions. They have obtained a tentative tract map from the City of Fresno and approval of a conditional use permit and grading, storm drainage, sanitary sewer, water, gas and electric, street, streetlight, and landscape improvement plans.

Staff Analysis: Eric Zweig, Project Manager, has requested this time extension on behalf of Edenbridge, Inc. Pursuant to Commission policies, the City confirms that since this reorganization's approval in 2006, there have been no changes or circumstances within the vicinity of the affected territory that could affect its suitability for annexation.

Past experience has shown that it is not uncommon for reorganizations to take longer than the initial one-year approval to be completed, and that one or more extensions of time may be required to fulfill all conditions of approval. Additionally, the slowed economy has negatively affected the ability of proponents to timely complete projects. The Commission's policies do allow for economic hardships to be considered as a justification for time extension requests.

Based on this information, it does appear that circumstances beyond the control of the City and the developer (i.e. economic hardships due to the current economic conditions) have caused a delay in finalizing this reorganization. It also appears that the City still believes this to be a viable project. Based on these circumstances, staff supports an additional one-year extension.

Parties of Interest:

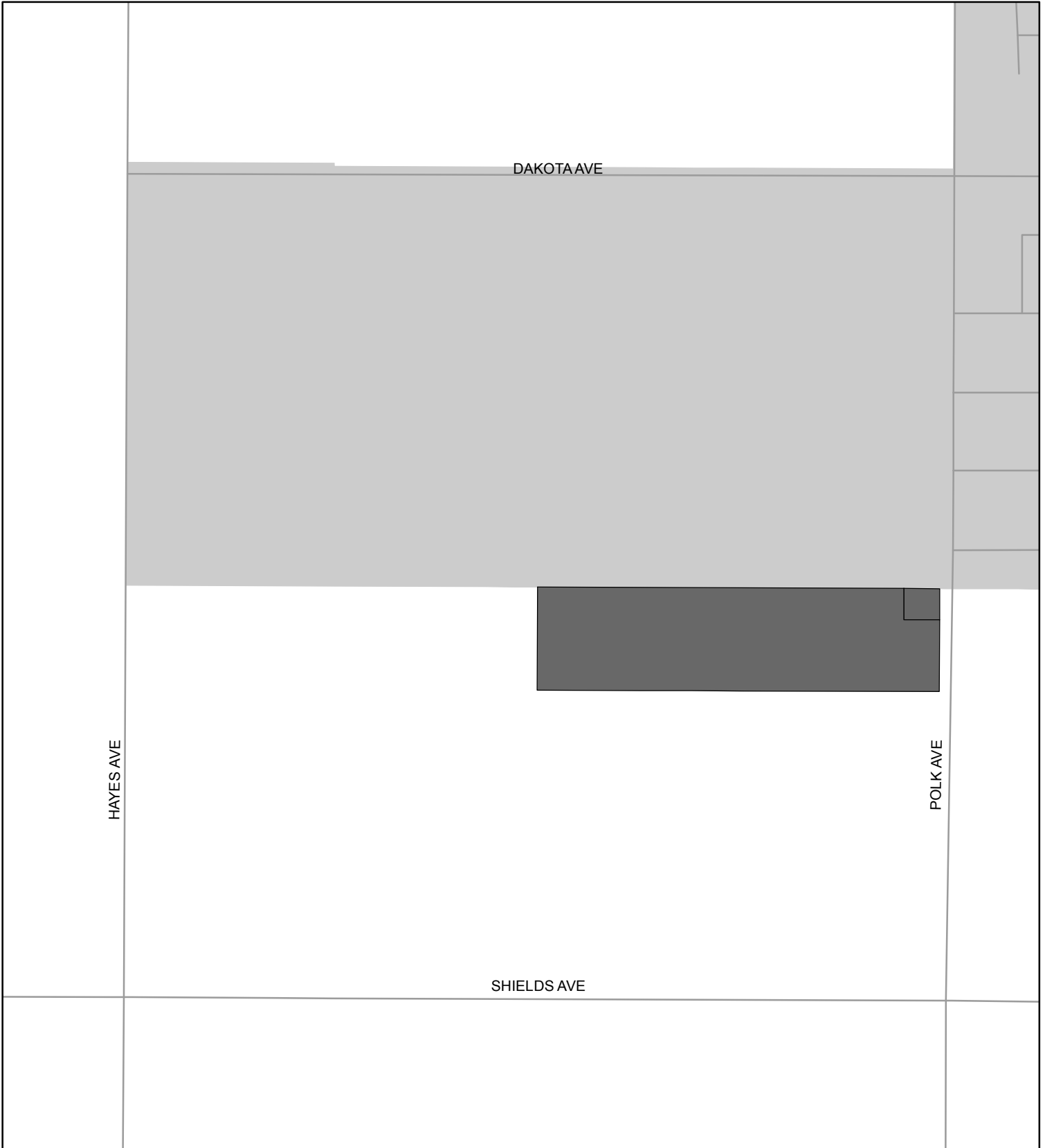
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| Hansen Edenbridge Fresno Venture | Alfredo & Corrine Flores |
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Recommendation: Approve a one-year extension



The Following Have Received Copies of This Report:

- LAFCo Commissioners and Alternates
- Ken Price, LAFCo Counsel, Baker, Manock, and Jensen
- Andrew Souza, City Manager, City of Fresno
- Mike Sanchez, Planning Manager, City of Fresno
- Randy R. Bruegman, North Central Fire Protection District
- David Orth, Kings River Conservation District
- Eric Zweig, Project Manager, Edenbridge, Inc.

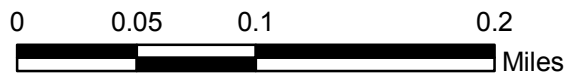
EXHIBIT "A"



Legend

-  City Limits
-  Affected Territory

City of Fresno "Shields-Polk
No. 4E Reorganization"
LAFCo File No. RO-06-32





153 Second Street, Suite 101
Los Altos, CA 94022-2825
Telephone: 650.917.1311 Fax: 650.917.1312
www.edenbridge.us



VIA FEDERAL EXPRESS

September 16, 2009

REFERENCE: **City of Fresno Shields-Polk No. 4E Reorganization Extension
Fresno LAFCo File No. RO-06-32
City of Fresno Tract 5537**

Mr. Richard Ballantyne, AICP
Executive Officer
Fresno Local Agency Formation Commission
2115 Kern Street, Suite 310
Fresno, CA 93721

Dear Mr. Ballantyne:

Edenbridge Homes is in receipt of your September 1, 2009 letter regarding the upcoming expiration of Fresno LAFCo's approval for the Shields-Polk No. 4E Reorganization. As the owner and developer of approximately 9 acres on the west side of N. Polk Avenue between W. Dakota and W. Shields within the annexation area, Edenbridge hereby requests that the approval be extended for one additional year to October 11, 2010.

The Commission approved the Shields-Polk No. 4E Reorganization on October 11, 2006 and extended it in October 2007 and 2008. Edenbridge has obtained a Vesting Tentative Tract Map No. 5537 from the City of Fresno for 40 single family home lots and approval of a Conditional Use Permit and Grading, Storm Drainage, Sanitary Sewer, Water, Gas & Electric, Street, Streetlight, and Landscape improvement plans. The City is currently processing the Final Map for the tract and a pre-zoning of adjacent properties.

Edenbridge has been unable to satisfy all remaining conditions for the annexation this year due to the high costs of Final Map recordation and persistent adverse conditions in the construction finance and new home sales markets. Edenbridge has incurred over \$1,000,000 to date in land acquisition, planning, and processing costs for the project. An additional \$200,000 in engineering and City fees will be triggered by Final Map recordation. These figures do not include the costs to secure subdivision improvement bonds and right-of-way from neighboring properties to widen and realign N. Polk Avenue across the project frontage (both requirements for map recordation). Further, Provost & Pritchard Engineering calculates that \$1,300,000 in site improvement work will be necessary to bring the lots to a buildable or "finished" condition following map recordation.

Edenbridge's internal resources were depleted this year by the continuing downturn in the Northern California new home sales market. Securing new debt for residential development projects like Tract 5537 that are not yet at a finished lot stage has become extraordinarily difficult in the broader context of the financial crisis. While Edenbridge remains confident that the land plan for Tract 5537 fits with adjacent development in the City of Fresno and will be well-received as the market recovers, we would be very grateful for an additional year to meet our obligations for Final Map recordation.

Thank you for your assistance with this extension request. Please don't hesitate to contact me or the City of Fresno Planning & Development Department to confirm any information about the status of the project.

Sincerely,



Eric Zweig
Project Manager
Edenbridge, Inc.

Encl. (3): Provost & Pritchard, Inc. Preliminary Opinion of Probable Construction Costs
Fresno LAFCo Letter to City re: Shields-Polk No. 4E Reorganization, 9-1-2009
Fresno LAFCo Extension Resolution RO-06-32B, 10-8-2008

CC: Darrel Schmidt, Fresno LAFCo (electronic)
David Braun, City of Fresno Planning & Development (electronic)
Jeff Beck, City of Fresno Public Works (electronic)
Jeff O'Neal, Provost & Pritchard Engineering Group (electronic)