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

AGENDA ITEM No. 9

DATE: September 8, 2010

TO: Local Agency Formation Commission

FROM: Jeff Witte, 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).

Recommendation: Approve One-Year Extension

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. The City of Fresno and the project developer have requested an additional one-year extension of time. This is the fourth request for extension.

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 developer (Edenbridge, Inc.) has indicated that they are currently processing the Final Map with the City but have been unable to satisfy all remaining conditions for annexation. The primary reason given are the high costs associated with Final Map recordation and the challenges in obtaining financing to start project construction. The developer states they have invested substantial monies to date in land acquisition, planning, and processing; additional engineering and City fees will be triggered by Final Map recordation. The developer has also cited other costs that will include securing subdivision improvement bonds and right-of-way from neighboring properties to widen N. Polk Avenue across the project frontage, which are requirements for map recordation, and site improvement work to bring the lots to a buildable or “finished” condition.,

Eric Zweig, the Project Manager says they remain confident that the project is viable, but will need additional time to put the construction financing together as the Fresno new homes sales market stabilizes.

Staff Analysis:

Eric Zweig 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 in 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, in many recent cases the slowed economy has negatively affected the ability of proponents to timely complete projects. The developer indicates that is also the case with this proposal. 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, including 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.

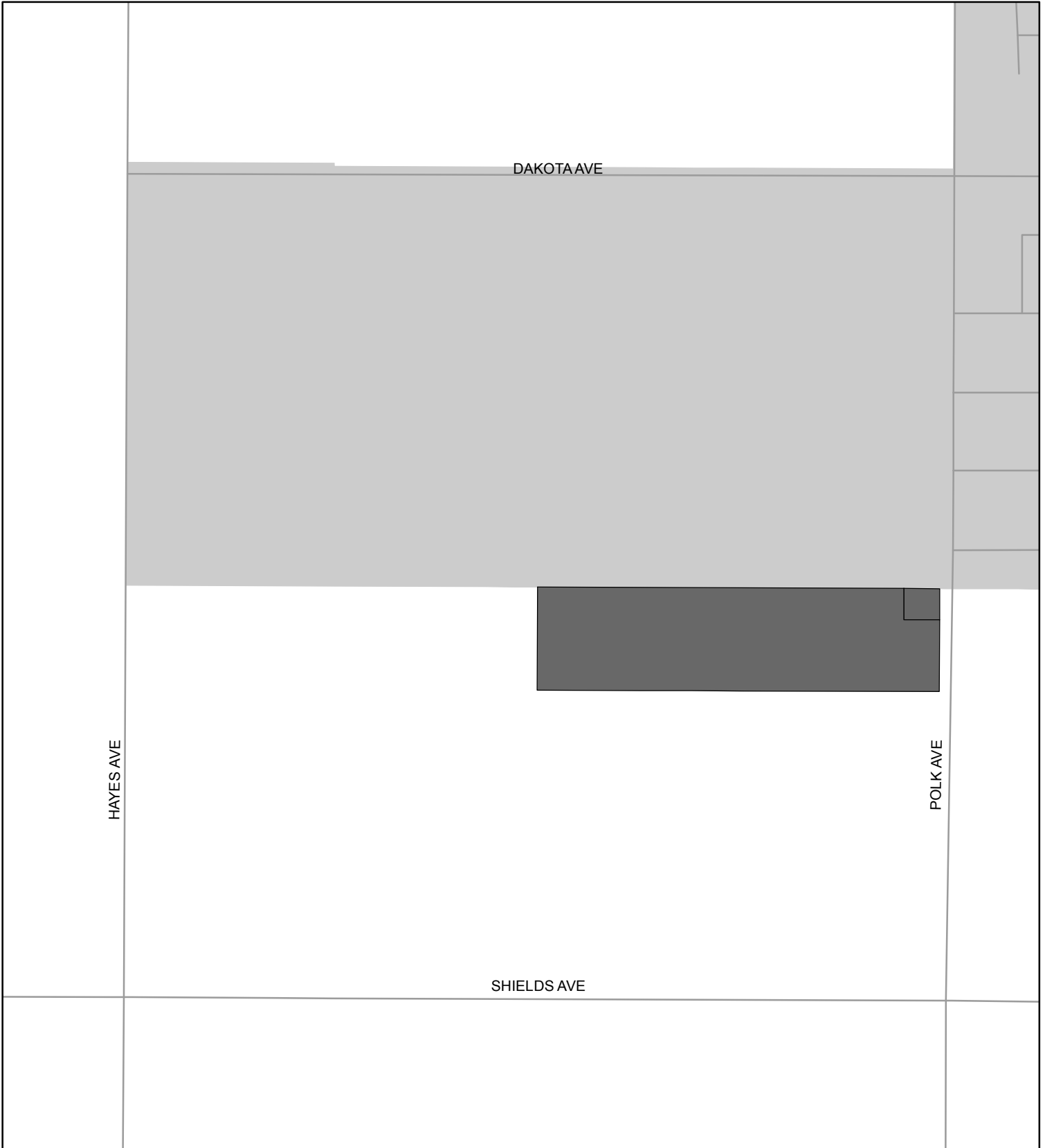
Parties of Interest:

Hansen Edenbridge Fresno Venture	Alfredo & Corrine Flores
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The Following Have Received Copies of This Report:

- LAFCo Commissioners and Alternates
- Ken Price, LAFCo Counsel, Baker, Manock, and Jensen
- Mark Scott, City Manager, City of Fresno
- Mike Sanchez, Planning Manager, City of Fresno
- Eric Zweig, Edenbridge, Inc.
- Bernard Jimenez, Planning Manager, Fresno County Development Services Department
- Will Kettler, Fresno County Public Works and Planning
- Joel Aranaz, North Central Fire Protection District
- David Orth, Kings River Conservation District

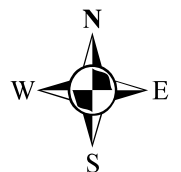
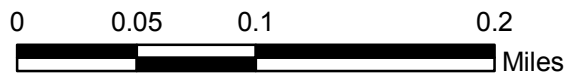
EXHIBIT "A"



Legend

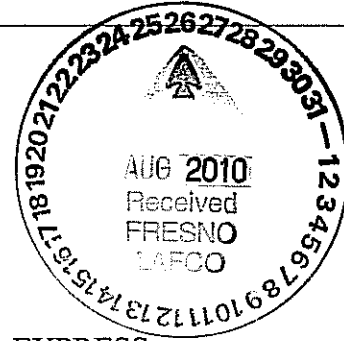
-  City Limits
-  Affected Territory

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

August 25, 2010

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

Mr. Jeff Witte
Executive Officer
Fresno Local Agency Formation Commission
2115 Kern Street, Suite 310
Fresno, CA 93721

Dear Mr. Witte:

Edenbridge Homes has received the August 12, 2010 notice from your office regarding the upcoming expiration of Fresno LAFCo's approval for the Shields-Polk No. 4E Reorganization. Edenbridge is 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. Please accept this letter as our formal request for a one-year extension on the approval to October 11, 2011.

Fresno LAFCo first approved the Shields-Polk No. 4E Reorganization on October 11, 2006 and extended it in October 2007, 2008, and 2009. Edenbridge has purchased the property, obtained a Vesting Tentative Tract Map No. 5537 from the City of Fresno for 40 single family home lots, and processed a Conditional Use Permit and Grading, Storm Drainage, Sanitary Sewer, Water, Gas & Electric, Street, Streetlight, and Landscape improvement plans. The Vesting Tentative Map is valid through March 29, 2013.

Edenbridge is currently processing the Final Map with the City but has been unable to satisfy all remaining conditions for the annexation. The primary reasons for this are the high costs associated with Final Map recordation and the challenges in obtaining financing to start project construction. Edenbridge has invested substantial monies to date in land acquisition, planning, and processing; additional engineering and City fees will be triggered by Final Map recordation. Other project costs will include securing subdivision improvement bonds and right-of-way from neighboring properties to widen N. Polk Avenue across the project frontage (both requirements for map recordation), and site improvement work to bring the lots to a buildable or "finished" condition.

While Edenbridge remains confident that the project is viable, we will need additional time to put the construction financing together as the Fresno new home sales market stabilizes. 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. Thank you for considering this extension request.

Sincerely,



Eric Zweig
Project Manager
Edenbridge, Inc.

Encl. (3): Application Processing Fee (\$200.00 per Candace Fleming email 8-25-2010)
Fresno LAFCo Letter to City re: Shields-Polk No. 4E Reorganization, 8-12-10
Fresno LAFCo Extension Resolution RO-06-32C, 10-7-2009

CC: Candace Fleming, Fresno LAFCo (electronic)
Mike Sanchez, City of Fresno Planning & Development (electronic)
Jeff O'Neal, Provost & Pritchard Engineering Group (electronic)

Fleming, Candace Lynn

From: Will Tackett [Will.Tackett@fresno.gov]
Sent: Thursday, August 26, 2010 10:55 AM
To: Fleming, Candace Lynn
Cc: Eric Zweig; Jeff O'Neal; Patrick Geary; Mike Sanchez
Subject: T-5537 Request for Extension
Attachments: Fresno LAFCo Extension Request 8-25-10.pdf

Candace,

Please allow this email to serve as formal notice of the City of Fresno's support for the Reorganization Extension with LAFCo requested by Edinbridge, Inc. respective to the above referenced tentative map annexation (please see attached).

The approved tentative map and associated entitlements are considered to be active and the City of Fresno supports an extension with LAFCo for the purpose or pursuing completion of the approved project.

If you have any questions or need anything further, please do not hesitate to contact me.

Thank you,

Will Tackett, Planner III
City of Fresno
Development & Resource Management Dept.
(559) 621-8063