

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 ("First Amendment"), executed on this 26th day of September, 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 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 development, annexations, sales taxes, property taxes, redevelopment and other matters, which is entitled "Amended and Restated Memorandum of Understanding Between the County of Fresno, the City of Reedley, and the Reedley Redevelopment Agency," dated October 03, 2006, (hereinafter "MOU"); and

WHEREAS, as of February 1, 2012, the Reedley Redevelopment Agency ("SRA") 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 is necessary and desirable to accommodate streamlining in the annexation process and changes in the patterns of new urban growth and development that the City is experiencing as 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 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

1 of Manning Avenue between Buttonwillow and Englehart Avenues (collectively, the “SOI  
2 Expansion”); and

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

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

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

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

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

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

17 **AMENDMENT I TO MOU**

18 The MOU is amended as follows:

- 19 1. Section 2.4 of the MOU is hereby amended to read in its entirety as follows:  
20 “For the purpose of promoting economic development and job creation, an  
21 Alternate Standard for Annexation for industrial or regional commercial uses is  
22 hereby created. In the place of the Standards for Annexation set forth in Exhibit  
23 1, the Alternate Standard for Annexation shall apply to and govern the review of  
24 annexation proposals for industrial or regional commercial uses. Annexation  
25 proposals for industrial/regional commercial uses shall include a conceptual  
26 development plan, as described herein. The conceptual development plan shall  
27 consist of the economic objectives to be achieved, the service and financing  
28 strategy and its schedule, and shall include a map of the proposed rezoning.

1 The conceptual development plan's schedule shall include milestones for major  
2 project components to measure the progress of the project. Due to the  
3 complexity of such projects the development schedule for planning and  
4 implementation may reasonably require a period of from five to ten years. The  
5 annexation proposal shall be submitted to and reviewed by the County pursuant  
6 to Section 2.2. Annexation proposals that comply with the criteria of this Section  
7 2.4 shall be deemed to comply with Section 2.1. The annexation application to be  
8 submitted to LAFCo shall be considered complete upon adoption of the  
9 rezoning by the City. County and City agree to meet annually to review the  
10 progress toward the achievement of the economic development objectives and to  
11 identify ways to promote mutual economic development objectives. The  
12 proposed annexation shall not create an island and shall minimize creation of  
13 peninsulas and corridors, or other distortion of boundaries.

- 14 2. "Revised Exhibit 1" attached hereto and incorporated herein by this reference,  
15 shall replace "Exhibit 1" to the MOU as of the Effective Date of this First  
16 Amendment.
- 17 3. The maps included as Revised Exhibit "3-A" and Revised Exhibit "3-B", attached  
18 hereto and incorporated herein by this reference, shall replace Exhibits "3-A" and  
19 "3-B" to the MOU as of the Effective Date of this First Amendment.
- 20 4. Unless expressly modified by the terms of this First Amendment, all other terms  
21 of the MOU remain in full force and effect.

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23 ///

24 ///

25 ///

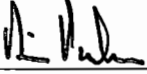
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1 IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment, on  
2 the date set forth above.

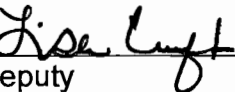
3 COUNTY OF FRESNO, a Political  
4 Subdivision of the State of California  
5 ("County")

6 By:   
Chairman, Board of Supervisors

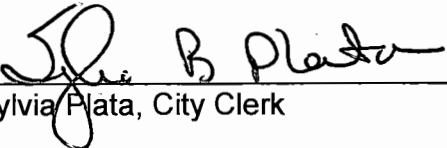
CITY OF REEDLEY, a Municipal  
Corporation of the State of California  
("City")

By:   
Mayor, City of Reedley

8 ATTEST:  
9 Bernice E. Seidel  
10 Clerk to the Board of Supervisors

11 By:   
12 Deputy

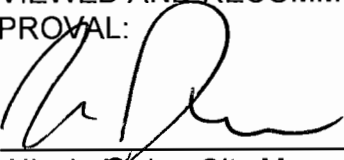
ATTEST:  
Sylvia Plata  
City Clerk, City of Selma

By:   
Sylvia Plata, City Clerk


13 REVIEWED AND RECOMMENDED  
14 FOR APPROVAL:

15 By:   
16 Jean M. Rousseau  
17 County Administrative Officer

REVIEWED AND RECOMMENDED FOR  
APPROVAL:

By:   
Nicole Dieba, City Manager

18 REVIEWED AND RECOMMENDED  
19 FOR APPROVAL

20 By:   
21 Steven E. White, Director  
22 Department of Public Works and Planning

APPROVED AS TO LEGAL FORM:  
Scott Cross, City Attorney, City of Reedley

By:   
Scott Cross, City Attorney

23 APPROVED AS TO LEGAL FORM:  
24 Daniel C. Cederborg, County Counsel

25 By:   
26 Deputy  
27

APPROVED AS TO ACCOUNTING FORM:  
Oscar J. Garcia, CPA  
Auditor-Controller/Treasurer-Tax Collector

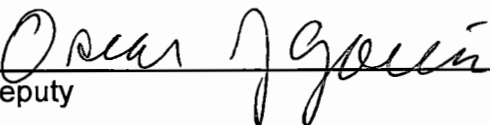
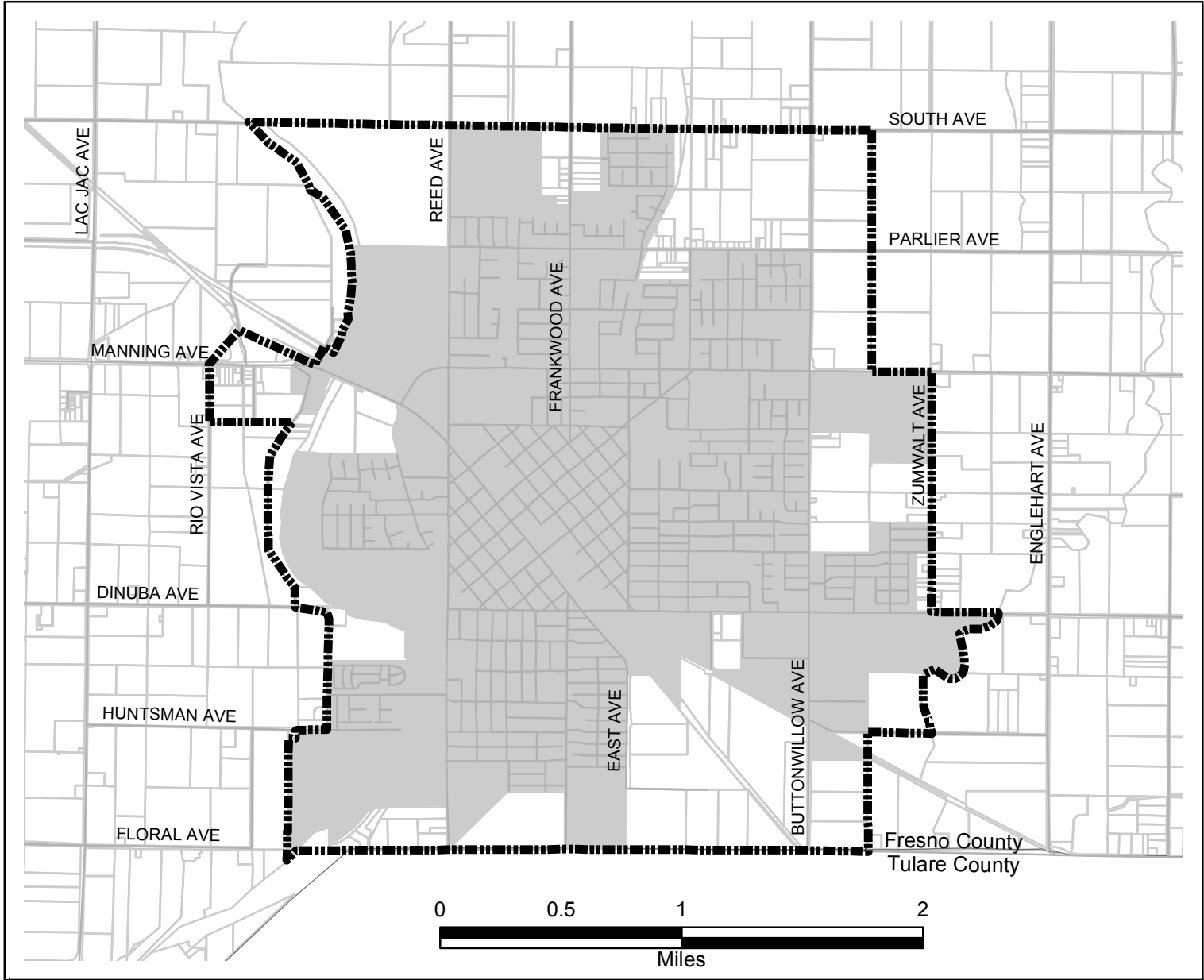
By:   
Deputy

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.

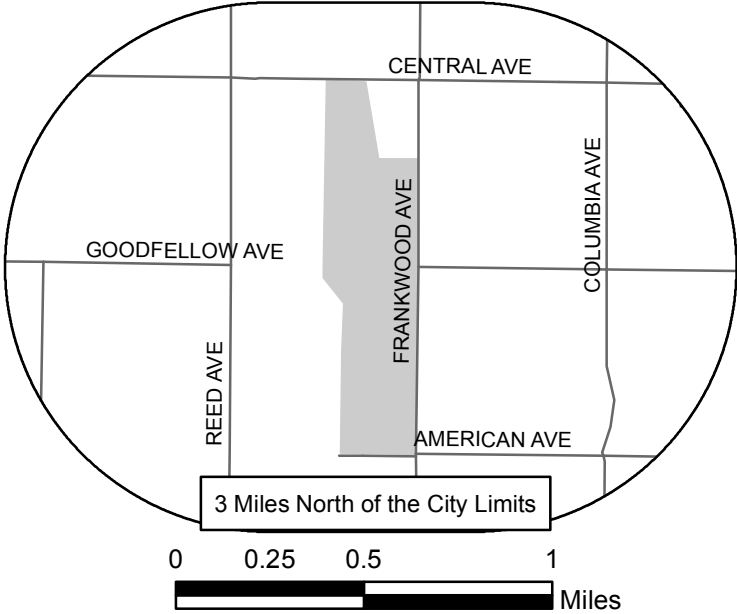
For any of the following circumstances listed below, a proposal for annexation is presumed to comply with all standards for annexation:

- 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**

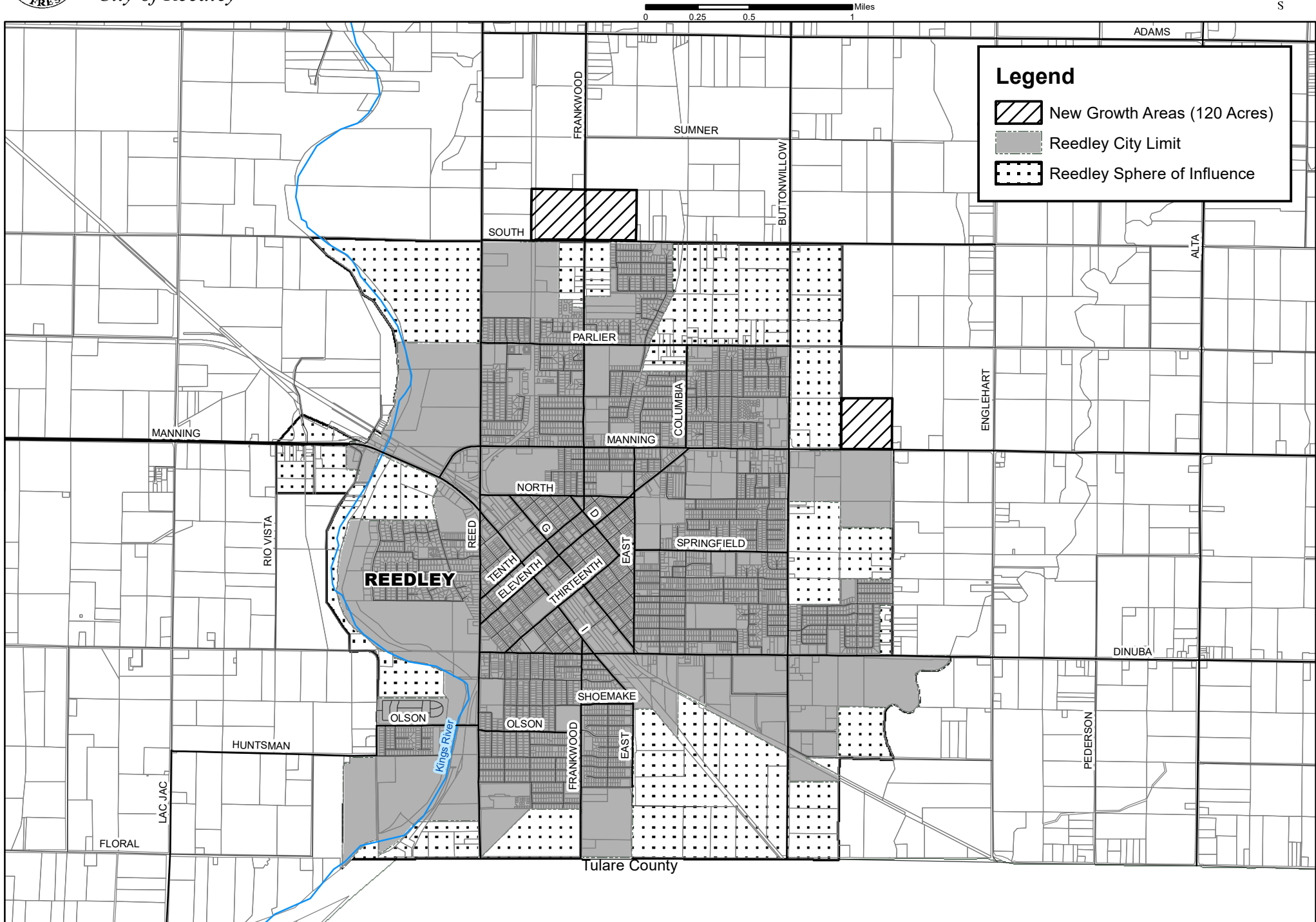
Sphere Area 4,760 Acres  
City Area 3,457 Acres

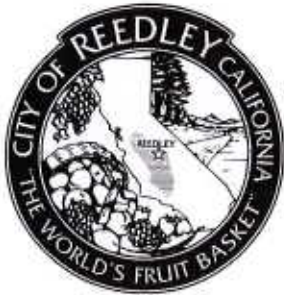


# County of Fresno

## City of Reedley

Revised Exhibit 3-B





## REEDLEY CITY COUNCIL

- ☐ Consent
- ☒ Regular Item
- ☐ Workshop
- ☐ Closed Session
- ☐ Public Hearing

ITEM NO: 12

**DATE:** August 22, 2017

**TITLE:** APPROVE AND AUTHORIZE THE SIGNING OF AMENDMENT 1 TO THE AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE COUNTY OF FRESNO AND THE CITY OF REEDLEY

**SUBMITTED:** Rob Terry *RT*  
Community Development Director

**APPROVED:** Nicole R. Zieba *NZ*  
City Manager

### **RECOMMENDATION**

Approve and authorize the signing of Amendment 1 to the Amended and Restated Memorandum of Understanding (MOU) between the County of Fresno and the City of Reedley.

### **EXECUTIVE SUMMARY**

The City of Reedley and Fresno County maintain a current Memorandum of Understanding (MOU) concerning items such as annexation activities, development within and adjacent to the City's Sphere of Influence, Reedley Redevelopment Agency (RDA) activities, tax collection and tax sharing. Amendment 1 to this MOU will apply to annexations in the current Sphere of Influence (SOI) boundary of the City as approved by the Fresno Local Agency Formation Commission (LAFCo), some minor expansion areas shown as future growth areas in the attached exhibit maps, and notation of RDA dissolution. Amendment 1 to the MOU does not change the previously-approved collection methodology or distribution of taxes as detailed in the Master Tax Sharing Agreement.

### **BACKGROUND**

The City of Reedley and Fresno County maintain a current Memorandum of Understanding (MOU) concerning items such as annexation activities, development within and adjacent to the City's Sphere of Influence, tax collection and tax sharing. The current MOU was entered into on October 20, 2006, with an effective period of 15 years. Amendment 1 to the amended and restated MOU does not change the previously-approved collection methodology or distribution of taxes as detailed in the Master Tax Sharing Agreement. The amendment applies to annexations in the current SOI boundary of the City as approved by the Fresno



LAFCo, some minor expansion areas shown as future growth areas in the attached exhibit maps, and notation of the Reedley Redevelopment Agency (RDA) dissolution. Amendments relating to annexation and growth areas were anticipated in the coming years by both City and County staff during the 2006 MOU discussions, following the completion of Reedley's General Plan Update. Amendment 1 details the adjustments made in MOU Exhibit 1 (Annexation Standards), and Exhibits 3A (Fresno LAFCo Sphere of Influence Map) and 3B (Growth Areas Map); as well as notation of the RDA dissolution, and its consequent removal from the MOU.

With the adoption of the General Plan Update in 2014, the City of Reedley introduced refined growth management policies and measures aimed at further strengthening the concepts of orderly and efficient growth, and enhancing municipal service delivery throughout the planning area. The placement of such policies allows for enhanced local control of growth, particularly along the edges of the developed community; supporting greater build out of the existing urbanized area before annexation of additional lands for development takes place. Placement of these standards also allows for greater comfort for County staff in regards to the scale and frequency of annexation activities, and allows for greater flexibility within the MOU to address such activities in-line with the adopted General Plan. In addition, amended language also allows for the City to address issues of irregular borders and/or county islands/peninsulas; as well as the placement of Regional Housing Needs Allocation (RHNA) units, at the appropriate times.

With the passage of ABx1 26, the RDA was automatically dissolved as of February 1, 2012. Any remaining functions of the RDA were assumed by the City of Reedley acting as the Successor Agency, with no responsibilities associated with the MOU. As such, notation of the RDA within the MOU is being removed.

City and County staff have reviewed the current MOU, and are collectively recommending the addition of Amendment 1 to the existing MOU. Both the existing MOU and proposed Amendment 1 are attached for reference.

### **FISCAL IMPACT**

There is no fiscal impact as a result of this action, as the tax/revenue sharing portions of the previous agreement remain unchanged with the addition of Amendment 1.

### **PRIOR COUNCIL ACTIONS**

No prior actions have been taken by the City Council in regards to this MOU amendment.

### **ATTACHMENTS**

1. Amendment 1 to the Amended and Restated MOU Between the County of Fresno and the City of Reedley
2. Amended and Restated MOU Between the County of Fresno and the City of Reedley – dated October 20, 2006

Motion: \_\_\_\_\_  
Second: \_\_\_\_\_