

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Planning and Community Development

BOARD AGENDA # *D-1

Urgent

Routine

AGENDA DATE August 4, 2009

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval of the Finding that the City of Patterson's Sphere of Influence Expansion is Logical and Orderly

STAFF RECOMMENDATIONS:

1. Approve the finding that the City of Patterson's proposed sphere of influence expansion is logical and orderly; and,
2. Direct the Chief Executive Officer to notify the Local Agency Formation Commission of the County's agreement with the expansion request.

FISCAL IMPACT:

The expansion of a city's sphere of influence by itself does not trigger any changes in property tax distributions. The change in the distribution of property taxes only occurs upon future annexations of properties within the sphere and is governed by the existing Master Property Tax Agreement. Upon a jurisdictional change, that agreement calls for the County to retain the existing base valuation with future increment growth of the County's share split 30% to the City and 70% to the County. In the case of the industrial annexation, the existing agreement would occur. Because the wastewater treatment facility property is owned by the City, there will be no property tax increment to share.

BOARD ACTION AS FOLLOWS:

No. 2009-518

On motion of Supervisor Chiesa, Seconded by Supervisor Grover

and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Grover, Monteith, and Chairman DeMartini

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:

Christine Ferraro

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No. C-4-A-12

DISCUSSION:

California Government Code 56425 requires that at least 30 days prior to submitting an application to the Local Agency Formation Commission (LAFCO) for an expansion of a Sphere of Influence, that representatives of the city meet with county representatives to discuss the proposed sphere and its boundaries. These discussions are intended to help the city and county reach agreement on proposed boundaries, development standards, and zoning requirements within the sphere. They are further intended to ensure that development within the sphere reflects the concerns of the city and is accomplished in a manner that promotes the logical and orderly development of areas within the sphere. If an agreement is reached, the agreement is to be forwarded to the LAFCO.

Project Description. The City of Patterson proposes a two-part action to annex a total of 344 acres into the City limits including the expansion of the City's wastewater treatment facility (290 acres) and a 54-acre industrial park adjacent to the existing City limits. The complete City Staff Report to the Planning Commission from March 26, 2009, is included as Attachment A.

Wastewater Treatment Facility. The City of Patterson owns a number of parcels totaling about 290 acres outside the current City limits and sphere of influence which are developed (or intended to be developed) with a variety of public facilities that include:

1. A wastewater treatment plant and associated percolation ponds;
2. Two water storage tanks;
3. Water supply wells; and,
4. A City corporation yard.

The City desires to petition the Local Agency Formation Commission (LAFCO) to amend the City's Sphere of Influence to include these City-owned parcels, and to annex these properties into the City.

Industrial Park. Additionally, the City intends to annex approximately 54.3 acres within their existing Sphere of Influence for Industrial Park Development, that includes:

1. A combined preliminary/final development plan;
2. Tentative parcel map to create 20 industrial lots and two storm drainage detention basins;
3. Pre-zoning to Light Industrial and Heavy Industrial; and,
4. Annexation to the City.

The project site consists of six lots of record totaling 54.3 acres bounded by Orange Avenue, First Street and the Southern Pacific Railroad right-of-way. The tentative parcel map consists of 20 lots ranging in size from 0.52 acres to 6.8 acres with interior roadways extending from the southerly extension of First Street and Acacia Avenue.

First Street, Acacia Avenue and Locust Avenue are shown as collector streets within 60 foot rights-of-way. Orange Avenue is shown as a 500 foot long cul-de-sac. Sperry Avenue is a four-lane arterial planned as 70 foot right-of-way east of First Street.

Water, sewer, and other utilities are available in First Street and Orange Avenue.

By applying the floor area ratios assumed for industrial development by the Patterson General Plan, full development as proposed would accommodate about 630,000 square feet of building floor area (383,000 square feet of light industrial, 250,000 square feet of heavy industrial).

Staff Analysis. On April 9, 2009, Stan Risen, Assistant Executive Officer, Kirk Ford, Planning and Community Development Director, Sonya Harrigfeld, Environmental Resources Director, and Matt Machado, Public Works Director, representing Stanislaus County met with Rod Simpson, Community Development Director, Pat Bodin, City Planner, and Cleve Morris, City Manager, of the City of Patterson to review the City's proposed sphere expansion and annexation. Discussions revolved around the property and sales taxes agreements, land use issues and alignment of roadways. Staff met again with the City Manager and City Planning Director on May 29, 2009.

Tax Sharing Agreement. At both the April 9 and May 29 meetings, the City requested future consideration of modification to the existing Tax Sharing Agreement. The current agreement states that upon a jurisdictional change, the County would retain the existing base valuation with future increment growth of the County's share split 30% to the City and 70% to the County. In the case of the industrial annexation, the existing agreement would prevail. Because the wastewater treatment facility property is owned by the City, there will be no property tax increment to share. The City requested consideration of a modification to this agreement to a 50%-50% split of future increment growth within the industrial park annexation area. Staff initially rejected the suggestion.

A follow-up letter from the City was received on June 8, 2009 (Attachment B). In the letter, the City requests reconsideration and provides the following reasons for the request:

1. The proposed annexation area is 100% designated industrial in the City's General Plan. Therefore, the direct impact to services in the County is less than a residential annexation.
2. Past precedent has been set by the County in two areas, North McHenry Corridor in Modesto and a smaller approximately 25 acre annexation in Hughson. Each of these annexations was non-residential and recognized the impact and value of encouraging industrial and commercial development.
3. Although impacts to County services may increase slightly after development, it is clear that the increased impacts to City services are far greater.

4. The area will not develop without annexation. This option was explored and all parties including LAFCO agreed it should annex to the City before development occurred. Therefore, in order to encourage economic development, a new agreement should be reached on property tax sharing to benefit both the County and City equally.

Staff continues to oppose this request, and provided a letter in response (Attachment C). County fiscal modeling demonstrates that the cost to provide County services to the citizens of Patterson exceeds the revenue generated from within the City. In addition, a separate tax sharing agreement that is a subset of a larger tax rate area would require manual computations each year by the Auditor-Controller.

Wastewater Treatment Annexation. The County expressed concern that the proposed annexation at the wastewater treatment facility would create a partial unincorporated island of approximately 25 acres, surrounded on three sides by the City (APN 47-28-18 and -19). From a land use and management perspective, the creation of a partial island of private lands surrounded by City owned and annexed properties seem contrary to County and LAFCO policies. However, according to the LAFCO Executive Officer, based on LAFCO law, the annexation cannot include privately held disconnected lands and must solely be limited to those properties currently under the ownership of the City. The annexation request of the wastewater treatment properties therefore, is compliant with both County and LAFCO policies.

Industrial Park Annexation. The proposed business park is within the existing Sphere of Influence of the City and annexation has been anticipated. The annexation would be compliant with County policies. The only issue raised (other than that of the tax sharing agreement) was that both agencies expressed a desire for the City and County to ensure that development at the intersection of Acacia and Locust Avenues resulted in direct alignment of the intersection improvements. The Tentative Parcel Map appeared to show a slight offset from north to south and both agencies concurred that the offset should be eliminated.

Overall Assessment. County staff is in agreement that the proposed sphere of influence expansion and annexation for both the Industrial Park and the wastewater treatment facility is both logical and orderly, except for the fact that the annexation at the wastewater treatment plant appears to create a partial unincorporated island. The annexation however, is compliant with both LAFCO and County policies, and the City is prohibited from annexing discontinuous private lands. If the Board of Supervisors concurs, it is recommended that the Board of Supervisors direct County staff to notify LAFCO of the County's agreement with this application.

POLICY ISSUES:

The Board of Supervisors should determine whether the proposed sphere of influence expansion and annexation are consistent with the goals of Efficient Delivery of Services, Effective Partnerships, and providing for a Well Planned Infrastructure. The Board may also wish to consider whether modifications to the existing Tax Sharing Agreement as requested by the City are warranted.

STAFFING IMPACT:

There are no staffing impacts associated with this item.

ATTACHMENTS:

- Attachment A: City of Patterson Staff Report
- Attachment B: Letter dated June 4, 2009 from Cleve Morris, City Manager, City of Patterson to Stan Risen, Assistant Executive Officer
- Attachment C: Response letter dated July 1, 2009 from Stan Risen, Assistant Executive Officer to Cleve Morris, City Manager, City of Patterson

CITY OF PATTERSON
Planning Commission Staff Report

Meeting Date: 3/26/09

Item Number: _____

PROJECT SUMMARY

Public hearing to consider an industrial park on the southeast side of the City, and the annexation of various City-owned properties.

APPLICANT AND SITE INFORMATION

Applicant: Jay Lange of Successful Investments, LL
Environmental Review: A negative declaration has been prepared for this project.
Location: East of State Highway 33 See Figure 1.
Parcel Size: 54.3 acres (industrial site) and 290 acres (City owned parcels)
Zoning: Stanislaus County A-2-10
General Plan: The General Plan designations for the industrial park site are Light Industrial and Heavy Industrial (Figure 1). Applicable zoning would allow a range of industrial businesses. Patterson General Plan land use designations for the existing treatment plant, water tank and corporation yard are Public/Quasi-Public. The remaining properties are designated Agriculture by the Stanislaus County General Plan.
Existing Land Uses: Industrial park site: Agriculture with accessory single family dwellings; City-owned properties are currently used for agriculture or public facilities.

PROJECT DESCRIPTION

The actions before the Commission consist of two parts, discussed below. The Commission will be acting in an advisory role to the City Council.

Industrial Park

- A combined preliminary/final development plan;
- Tentative parcel map to create 20 industrial lots and two storm drainage detention basins;
- Pre-zoning to Light Industrial and Heavy Industrial;
- Annexation to the City.

The project site consists of six lots of record totaling 54.3 acres bounded by Orange Avenue, First street and the Southern Pacific railroad right of way (see Figure 1). The tentative parcel map (Figure 2) shows 20 lots ranging in size from 0.52 acres to 6.8 acres with interior roadways extending from the southerly extension of First Street and Acacia Avenue.

First Street, Acacia Avenue and Locust Avenue are shown as collector streets within 60 foot rights-of-way. Orange Avenue is shown as a 500 foot long cul-de-sac. Sperry Avenue is a four-lane arterial planned as 70 foot right-of-way east of First Street.

Water, sewer, and other utilities are available in First Street and Orange Avenue.

By applying the floor area ratios assumed for industrial development by the Patterson General Plan, full development as proposed would accommodate about 630,000 square feet of building floor area (383,000 square feet of light industrial, 250,000 square feet of heavy industrial).

Amendment of the City's Sphere of Influence and Annexation of City Owned Properties

The City of Patterson owns a number of parcels totaling about 290 acres outside the current City limits and sphere of influence (Figure 3) which are developed (or intended to be developed) with a variety of public facilities that include:

- The wastewater treatment plant and associated percolation ponds;
- Two water storage tanks;
- Water supply wells;
- City corporation yard;

The City desires to petition the Local Agency Formation Commission (LAFCo) to amend the City's sphere of influence to include these City-owned parcels, and to annex these properties into the City.

SITE DESCRIPTIONS

The industrial park site is flat; surrounding land uses include industrial development to the north, vacant land designated for industrial development to the east, and underdeveloped land designated for General Commercial development to the west along State Route 33. To the south are four parcels occupied by single family residences in the unincorporated County on land designated Heavy Industrial by the City's General Plan. The site is currently farmed with a variety of row crops. The Lateral D irrigation canal crosses the northeast corner of the site from the northwest to southeast.

The industrial park site contains two dwellings and several farm support buildings.

City-owned properties outside the City limits are surrounded by agricultural operations. The City's corporation yard and water tank are adjacent to the southerly City limits but outside the City's adopted sphere of influence.

DISCUSSION

1. **Process.** As described above, this project has two components. The first consists of a combined preliminary and final development plan and subdivision to create an industrial business park on land designated for industrial development on the east side of the City south of Orange Avenue. The entire project site lies within the City's adopted *sphere of influence* (discussed below), and within the General Plan area. The applicant would like to subdivide the site into 20 industrial lots and annex the site into the City.

The second component is an amendment of the City's sphere of influence and the annexation of a number of City-owned properties. Since both components involve an application to the Local Agency Formation Commission (LAFCo), they are being processed together.

Industrial Park

1. **Jobs and Housing.** Consistent with General Plan policies, the City continues to pursue efforts to attract stable, well paying jobs as a means of achieving a greater measure of balance between jobs and housing. And while development within West Patterson Business Park has been encouraging, the City still has a ways to go to achieve the desired balance of well paying jobs and housing. This project will contribute to these efforts by providing employment opportunities on the east side of the City with convenient access to Highway 33. The precise tenants and wages of jobs that may be accommodated by the project are unknown; however if we assume one job per 500 square feet of building floor area, another 1,260 jobs could be added over the next several years as the project builds out.
2. **Final Development Plan/Tentative Map.** The industrial park site is located within the City's General Plan area (Figure 1) and has been designated for Light Industrial and Heavy Industrial development since 1992. Development plans have been submitted that show the tentative arrangement of individual lots, as well as a description of the qualities expected in the design of new buildings. Collectively, this material is required by the City's PD, planned development regulations.
3. **Vesting Tentative Parcel Map.** A subdivision map is required to create the lots that will make up the Southeast Industrial project. In this case, a vesting tentative parcel map is being requested. Approval of a vesting tentative map confers a vested right to the developer to proceed in accordance with the development standards and regulations in effect at the time the application was found to be complete. Thus, changes in development standards, additional or revised fees and other changes that may be adopted by the City in the future cannot be imposed on the development without the consent of the developer, so long as it is in conformance with the approved vesting map.

The tentative parcel map (Figure 2) shows 20 lots ranging in size from 0.52 acres to 6.8 acres with interior roadways extending from the southerly extension of First street and Acacia Avenue.

4. **Land Use Compatibility.** Existing land uses in the area of the industrial park include agricultural operations to the east and south, industrial operations to the north and commercial businesses to the west across State Highway 33. There are 10 single family dwellings on an adjacent triangular-shaped parcel designated for heavy industrial development. Future development of the industrial park will be subject to project-specific environmental review and will be required to comply with applicable operational standards relating to noise, vibration, odors, traffic, storage, signage, lighting, wastewater disposal, water supply and solid waste disposal.

5. **Traffic.** Development of the industrial park will generate additional motor vehicle trips which in turn will impact surrounding road segments and intersections. To assess project-related traffic impacts, the city's traffic engineer (TJKM) prepared a traffic study as part of the environmental review document (attached). The study quantifies present and future traffic levels at intersections serving the project site and surrounding neighborhood and recommends intersection improvements to maintain an acceptable level of service. The project will be required to pay all applicable traffic improvement development impact fees to help fund roadway improvements necessary to serve the project.

The design of the project incorporates the realignment and easterly extension of Sperry Avenue from Highway 33 to the intersection of Locust Avenue and Orange Avenue. Signalization of the study intersection at Sperry Avenue and SR 33 and the intersection of East Palmas Avenue and Sycamore Avenue will accommodate the projected traffic for near term and long term 2030 cumulative conditions.

Sphere of Influence Amendment and Annexation Into the City

1. **Process.** The second part of this project involves an amendment of the City's sphere of influence and the annexation of the industrial park as well as several City-owned parcels. The City-owned parcels include 272 acres adjacent to the City's wastewater treatment plant, four well sites totaling 5.44 acres, the corporation yard (6 acres) and two water tank sites (1.4 acres each) for a total of about 290 acres. Once annexed into the City, the City would be excused from paying the annual property taxes on these parcels.

The annexation of land into the City (technically referred to as reorganization) falls under the jurisdiction of the Stanislaus Local Agency Formation Commission (LAFCo). LAFCo is required to adopt a sphere of influence for each local agency which is defined by State law as "*a plan for the probable physical boundaries and service area of a local agency, as determined by the commission*" (Government Code §56076).

Before land may be annexed into the City it must first be *pre-zoned* and included within the City's sphere of influence. Pre-zoning merely establishes the zoning that will apply to the properties upon annexation to the City. The industrial park site will be pre-zoned to LI, light Industrial and HI, Heavy Industrial, consistent with the underlying general plan designations. The City-owned parcels will be pre-zoned to Public/Quasi-Public.

2. **Annexation of Non-Contiguous City-Owned Parcels.** In addition to being within a City's adopted sphere of influence, LAFCo rules and procedures require that a property also be contiguous to the existing City limits to be eligible for annexation. The industrial park site lies within the sphere and is contiguous to the current City limits. However, most of the City-owned parcels are not contiguous to the existing City limits. State law allows the annexation of land owned by a city this is not contiguous to the existing corporate boundaries so long as:

- It is located in the same county as that in which the city is situated.

- It is owned by the city.
- It is used for municipal purposes at the time commission
- proceedings are initiated.

All of the non-contiguous properties proposed for annexation satisfy the criteria set forth in the Government Code section referenced above.

Environmental Review

A negative declaration (attached) has been prepared for these actions compliance with the California Environmental Quality Act (CEQA). The draft ND identifies a number of potentially significant environmental impacts and recommends mitigation measures to reduce these impacts to a less than significant level.

1. **Agricultural Resources.** Development of the industrial site and the parcels surrounding the treatment plant will result in a cumulative adverse impact on the amount of prime agricultural land remaining in production in Stanislaus County.

The cumulative impact of the permanent loss of prime agricultural land resulting from development within the City's General Plan area (inclusive of the industrial project site) was assessed by the General Plan EIR in 1992, by the West Patterson Projects FEIR in 2003 and by the FEIR for The Villages of Patterson project in 2006 and found to be a significant and unavoidable adverse impact. The latter two environmental documents established mitigation requirements, set forth below, to help reduce these significant impacts.

The public parcels surrounding the wastewater treatment plant are intended to be used to expand the capacity of the plant in accordance with the City's Wastewater Master Plan adopted in 2003. A final environmental impact report was certified for the Master Plan in 2003. The previous FEIR (incorporated by reference and available for review at the City Planning Department, 1 Plaza, Patterson CA) concluded that the cumulative loss of agricultural land associated with the expansion of the treatment plant onto the surrounding parcels would result in a significant and unavoidable adverse impact (Class I) even after mitigation measures are applied.

The draft negative declaration recommends mitigation measure L-1 to address impacts related to the loss of productive agricultural land.

2. **Traffic.** The project will be required to pay all applicable traffic mitigation fees, as well as the project's fair share cost of improvements to, and the signalization of, the intersections of Sperry Avenue and State Route 33, the intersection of Orange Avenue and Locust Avenue and the intersection of Sycamore Avenue and Las Palmas Avenue.
3. **Biological Resources.** Construction of the industrial park on land currently used for agriculture could result in the loss of as much as 54 acres of Swainson's hawk foraging habitat (e.g., fallow fields). Swainson's hawks are known to nest in the vicinity of the project site along the San Joaquin River. The California Department of Fish & Game (CDFG) provides guidelines for mitigating the loss of foraging habitat within 10 miles of an active

Swainson's hawk nest (CDFG 1994). Loss of Swainson's hawk foraging habitat and loss of an active nest would be considered significant impacts.

There is no suitable habitat for special-status plant species and none of them are expected to occur within the industrial project area or in the vicinity of the wastewater treatment facility. Impacts to special-status plants would be less than significant.

City owned parcels are developed with a variety of public facilities, including water supply wells, a water tank and corporation yard and possess little or no biological resource value. Impacts to biological resources associated with annexation to the City are considered less than significant.

Impacts associated with development of parcels surrounding the wastewater treatment plant were assessed and fully mitigated by the Final EIR for the Patterson Wastewater Master Plan and Diablo Grande Sewer Line (EDAW, 2003). No additional environmental review is required for annexation to the City.

4. **Comments on the Draft Negative Declaration.** The City circulated the draft ND for public review as required by State law. To date we received a number of comments on the draft which we have forwarded to the Commission for your consideration. By law, we are not required to respond in writing to these comments; however, the City Council, acting as lead agency, must consider these comments before approving the project.

Draft Conditions of Approval

Although final approval rests with the City Council, City staff and your consultants have prepared draft conditions of approval for your consideration. These should be reviewed and a recommendation forwarded to the City Council.

RECOMMENDATION

The preliminary/final development plan and vesting tentative parcel map are consistent with the Patterson General Plan and other applicable ordinances and standards. Therefore, the Planning Commission should:

1. Conduct a public hearing and receive testimony.
2. Adopt the attached resolution recommending that the City Council pre-zone the industrial park to LI, Light Industrial and HI, Heavy Industrial, approve the preliminary/final development plan, vesting tentative parcel map, and authorize an application to be submitted to the Local Agency Formation Commission for annexation.
3. Adopt the attached resolution recommending that the City Council pre-zone the City-owned parcels P/QP, Public/Quasi-Public and authorize an application to be submitted to the Local Agency Formation Commission for a sphere of influence amendment and annexation.

ATTACHMENTS/ENCLOSURES

Figure 1 -- Project Location

Figure 2 -- Tentative Parcel Ma

Figure 3 -- Sphere of Influence Amendment/City-owned Parcels To Be Annexed

Draft Planning Commission Resolution

Draft Conditions of Approval

Draft Negative Declaration

Comments on the draft Negative Declaration

Distributed Separately:

Vesting Tentative Parcel Map

Applicant's statement

Figure 1 – Project Location

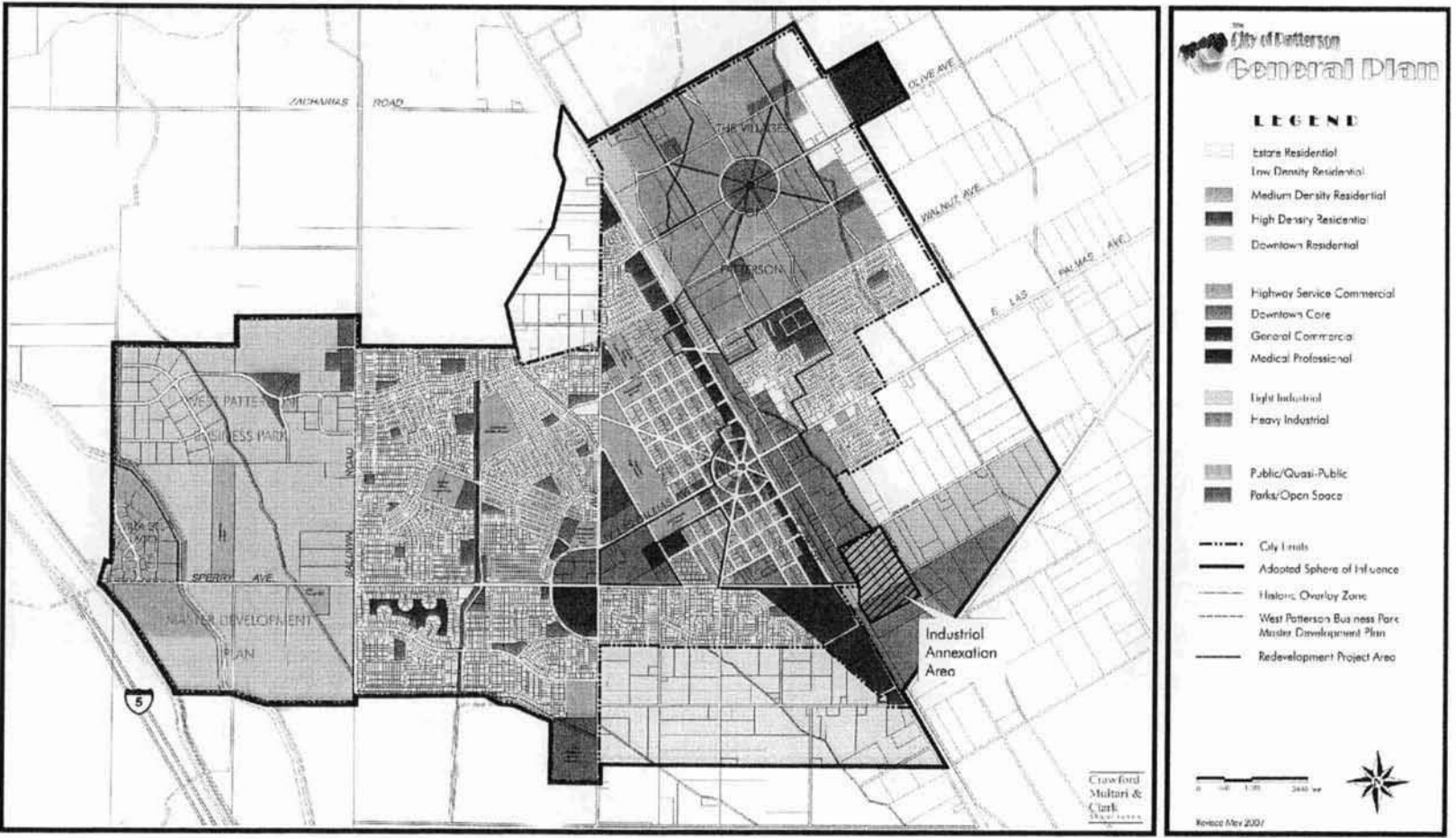


Figure 2 - Tentative Parcel Map

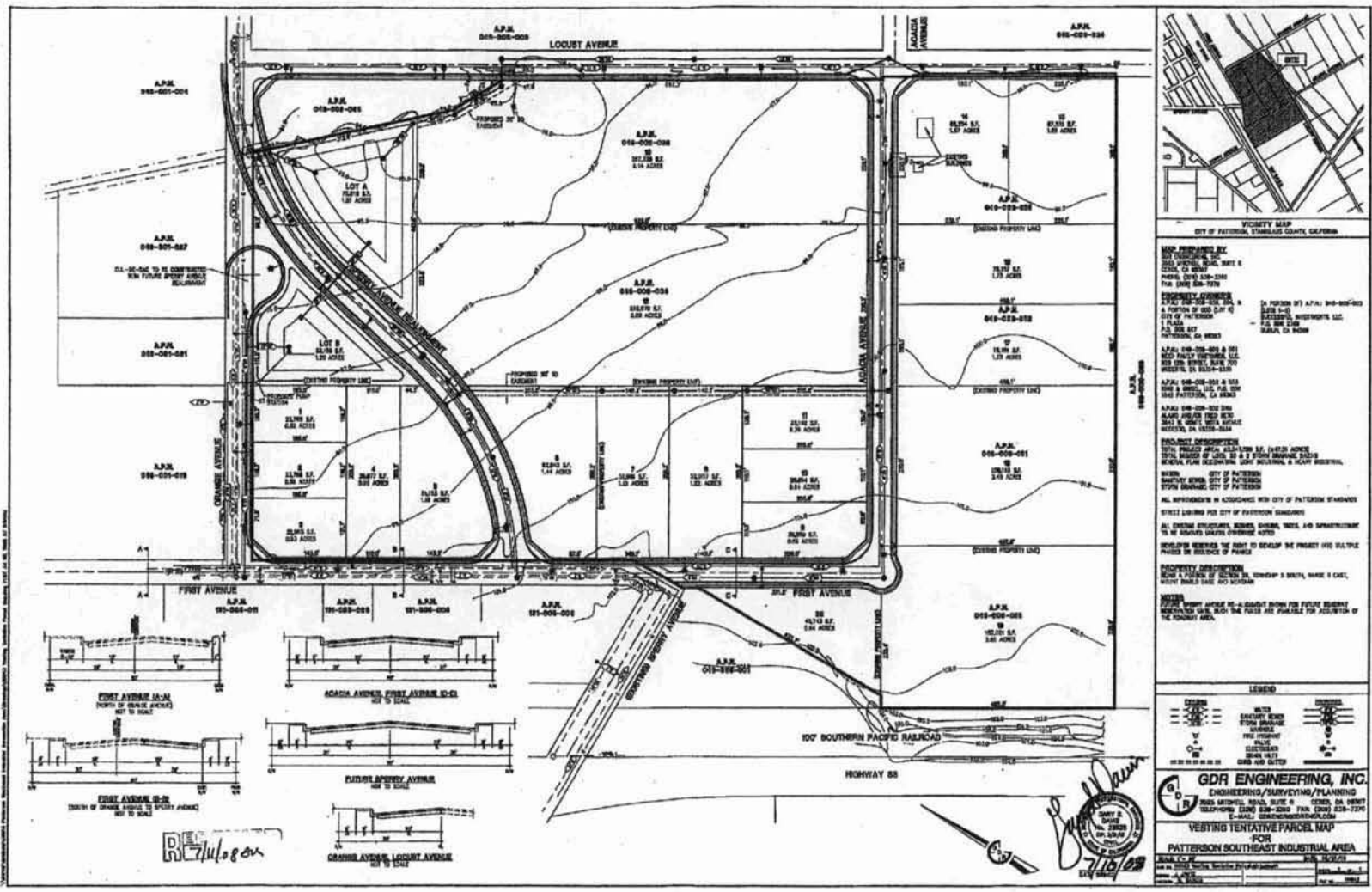
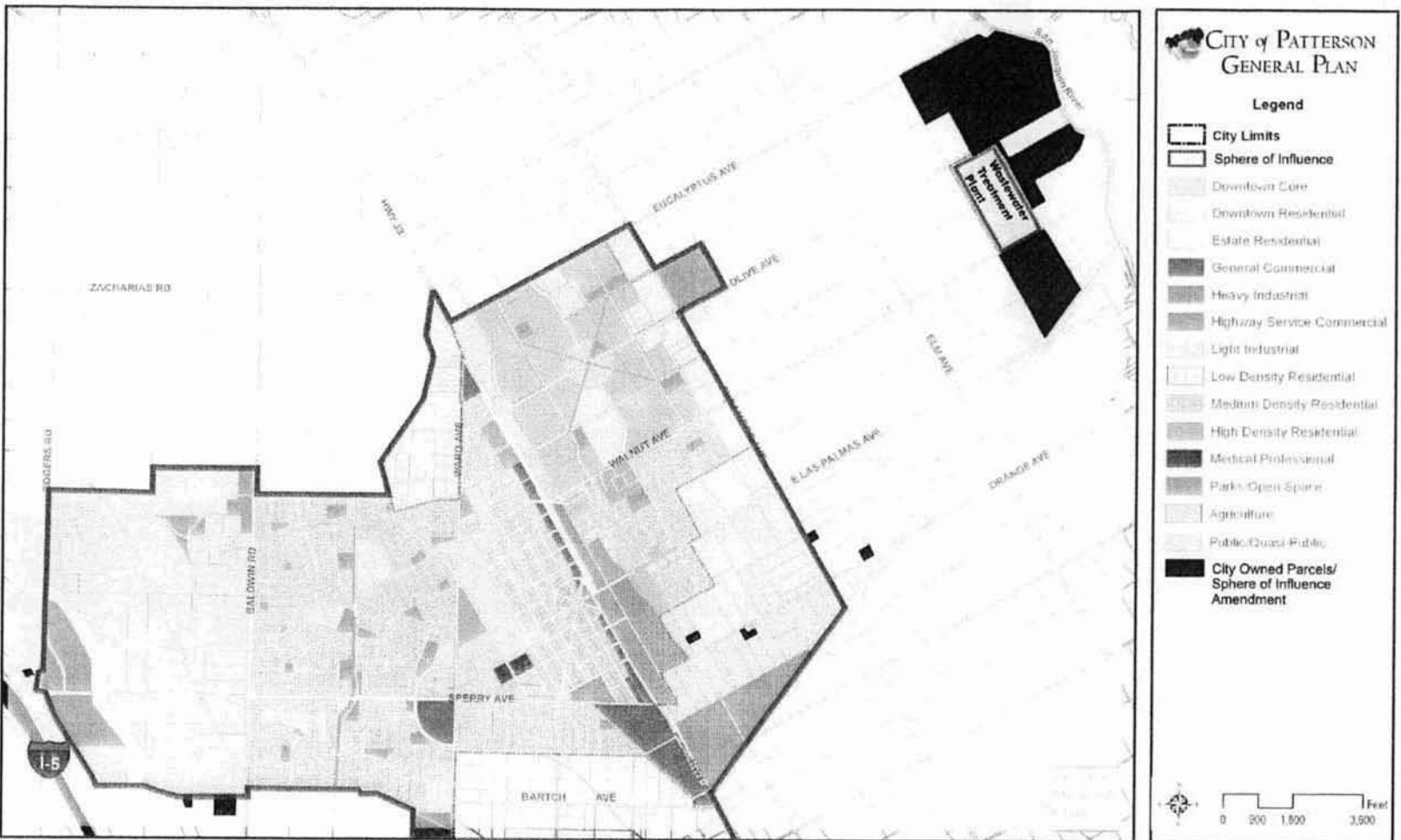


Figure 3 – Sphere of Influence Amendment/City-owned Parcels To Be Annexed





City of Patterson

Office of the City Manager

1 Plaza
P.O. Box 667
Patterson, California 95363
Phone (209) 895-8015 Fax (209) 895-8019

JUN -8 P 12:19

June 4, 2009

Stan Risen
Deputy Chief Executive Officer
Stanislaus County
1010 10th Street, Suite 6800
Modesto, CA 95354

Dear Mr. Risen:

Thank you for the opportunity to meet with you and your staff regarding the City's pending annexation. I appreciate your willingness to work on this issue to bring more land into the City to assist in adding more jobs to the City and County.

The City has been working for some time on this annexation and with four property owners who are interested in developing in this area. Although the specific area is small, it does have good potential for development due to the location. The property in question is pre-zoned Light and Heavy Industrial. The uses proposed meet these zoning classifications and work well with the surrounding uses.

In our previous discussions I made the request that this area be granted an exception to the current Property Tax Sharing Agreement with the County. My request is that the property tax increment be changed from a 70%/30% County/City split to a 50%/50% split. My initial request to your office was rejected and I am writing to formally request you reconsider this decision. The reasons for my request are as follows:

1. The proposed annexation area is 100% designated industrial in the City's General Plan. Therefore the direct impact to services in the County is less than a residential annexation.
2. Past precedent has been set by the County in two areas, North McHenry Corridor in Modesto and a smaller approximately 25 acre annexation in Hughson. Each of these annexations was non-residential and recognized the impact and value of encouraging industrial and commercial development.
3. Although impacts to County services may increase slightly after development, it is clear that the increased impacts to City services are far greater.
4. The area will not develop without annexation. This option was explored and all parties including LAFCO agreed that it should annex to the City before development occurred. Therefore, in order to encourage economic development, a new agreement should be reached on property tax sharing to benefit both the County and the City equally.

ATTACHMENT B

Thank you for reconsidering this issue. I hope that I have provided sufficient information to allow you to recommend this to the Board of Supervisors. If there is additional information we can provide please let me know. I will also attend the Board Meeting when this item is presented to request this change.

Sincerely,

A handwritten signature in cursive script that reads "M. Cleve Morris".

M. Cleve Morris
City Manager

CC. Rick Robinson
Rod Simpson
Bryan Whitemyer



CHIEF EXECUTIVE OFFICE

Richard W. Robinson
Chief Executive Officer

Patricia Hill Thomas
Chief Operations Officer/
Assistant Executive Officer

Monica Nino-Reid
Assistant Executive Officer

Stan Risen
Assistant Executive Officer

July 1, 2009

1010 10th Street, Suite 6800, Modesto, CA 95354
P.O. Box 3404, Modesto, CA 95353-3404
Phone: 209.525.6333 Fax: 209.544.6226

Mr. Cleve Morris
City Manager
City of Patterson
1 Plaza, P.O. Box 667
Patterson, CA 95353

Dear Mr. Morris:

I am receipt of your letter dated June 4, 2009 regarding the City's pending annexation of industrial lands on the southeast side of the city. In your letter you request that the property tax increment sharing be changed from the current 70% County/30% City split designated in the Master Property Tax Agreement to a 50%/50% split.

While the County is generally supportive of your efforts to annex the 54.3 acre industrial area discussed in your letter, we have no interest in making an exception to the current Property Tax Sharing Agreement for this annexation.

Mr. Kirk Ford, our Director of Planning and Community Development, will be preparing an item for the Board of Supervisors consideration of your requested annexation with the anticipation that it will be on their July 21, 2009 agenda. You are certainly welcome to present your request to the Board at that time.

Sincerely,

Stan Risen
Assistant Executive Officer

Cc: Supervisor Jim DeMartini
Richard W. Robinson
Kirk Ford

ATTACHMENT C