



Legislation Details (With Text)

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Title: Approve a Transition Agreement between the City of Fresno and the Fresno County Fire District.
Sponsors: Office of Mayor & City Manager
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Attachments: 1. 68481ns LAF- Property Tax Allocation Agreement Fresno and FCFPD City Rev 7-13-15.pdf

Date	Ver.	Action By	Action	Result
7/30/2015	1	City Council	adopted as amended	Pass

REPORT TO THE CITY COUNCIL

July 30, 2015

FROM: BRUCE RUDD, City Manager

SUBJECT

Approve a Transition Agreement between the City of Fresno and the Fresno County Fire District.

RECOMMENDATION

Approve the material terms of a Transition Agreement between the City of Fresno and the Fresno County Fire District and direct the City Manager to finalize and execute a Transition Agreement, subject to approval by the City Attorney.

EXECUTIVE SUMMARY

As a condition of annexation the Fresno Local Agency Formation Commission (LAFCo) requires a Transition Agreement between a city and the Fresno County Fire District. The Transition Agreement between the City of Fresno and the District expired on December 30, 2012. The previous agreement resulted in a lawsuit being filed by the District against the City as well as a challenge by a local developer over the calculation and/or the collection of the fee. The proposed Transition Agreement has effectively addressed these, as well as other concerns, related to the previous agreement.

BACKGROUND

The Local Agency Formation Commission (LAFCo) has taken the position that they will not approve any annexations unless there is a Transition Agreement in place between a city and the Fresno County Fire District. As a result of LAFCo's position the other affected cities, except for Fresno, have entered into subsequent Transition Agreements with the District. These agreements all contain a "me too" clause, which means that a city has the ability to amend their existing Transition Agreement if there are subsequent changes negotiated by another city.

As was the case with the other cities, Fresno's Transition Agreement expired more than two years ago. The previous agreement, which was originally executed on November 20, 2003, was problematic and resulted in a lawsuit being filed by the District against the City regarding the calculation of the "transition fee" as well as a challenge by at least one Developer over the payment of the fee. Over the last several months there have been meetings with representatives from the Fresno County Fire District, as well as LAFCo, in an effort to negotiate a Transition Agreement that would include provisions intended to address previous concerns and issues.

The adoption of the proposed Transition Agreement will effectively address the issues associated with the previous Transition Agreement. The changes, which are not contained in other agreements, include:

- The District agrees to indemnify and defend the City for the calculation and collection of the fee
- The District agrees that revenues derived from the collection of the fee can only be used to fund capital improvements needed to mitigate the impacts of annexations, although there is an exception that would allow the District to use these funds to help in acquiring apparatus needed to support mutual and auto aid agreements between the City and the District.
- The City can choose to make a lump sum payment rather than paying the fee over a period of ten years. The lump sum payment option would exclude the annual increase of 2% currently used when calculating the ten year payment option.

ENVIRONMENTAL FINDINGS

This is not a project under CEQA pursuant to CEQA Guidelines section 15378.

LOCAL PREFERENCE

Not applicable.

FISCAL IMPACT

There is no fiscal impact as the fee will be paid in full by new development as a condition of annexation and/or approval. It is not the City's intent to collect the fee from a developer over a ten year period.

Attachment:
Transition Agreement