



Legislation Details (With Text)

File #: ID17-1474 **Version:** 1 **Name:**
Type: Ordinance **Status:** Mayor's Office
File created: 10/24/2017 **In control:** City Council
On agenda: 11/2/2017 **Final action:** 11/2/2017
Title: BILL NO. B-62 - (Intro. 10/26/2017) (For adoption) - Approving the Disposition Agreement and Development Agreement by and between the City of Fresno and Darling Ingredients Inc., pertaining to the relocation and the transfer and development of real property on the southwest corner of Jensen and Cornelia Avenues.
Sponsors: Planning and Development Department
Indexes:
Code sections:
Attachments: 1. Exhibit_14_CC Ordinance Bill Disp And Deve Agreement

Date	Ver.	Action By	Action	Result
11/2/2017	1	City Council	adopted	

REPORT TO THE CITY COUNCIL

November 2, 2017

FROM: JENNIFER K. CLARK, AICP, Director
Development & Resource Management Dept.

THROUGH: MIKE SANCHEZ, AICP, Assistant Director
Development & Resource Management Dept.

THROUGH: BONIQUE EMERSON, AICP, Planning Manager
Development and Resource Management Department

BY: RICKY CAPERTON, Planner III
Development and Resource Management Department

SUBJECT

BILL NO. B-62 - (Intro. 10/26/2017) (For adoption) - Approving the Disposition Agreement and Development Agreement by and between the City of Fresno and Darling Ingredients Inc., pertaining to the relocation and the transfer and development of real property on the southwest corner of Jensen and Cornelia Avenues.

RECOMMENDATIONS

Staff recommends that the City Council take the following actions:

1. ADOPT Environmental Assessment No. A-17-008/R-17-011, a Mitigated Negative Declaration dated September 2017.
2. ADOPT RESOLUTION - Approving Plan Amendment Application No. A-17-008 to amend the Fresno General Plan from the Public Facilities planned land use designation to the Heavy Industrial planned land use designation.
3. ADOPT BILL (for introduction and adoption) - Approving Rezone Application No. R-17-011 to amend the Official Zone Map to reclassify the subject property from the PI/UGM (*Public and Institutional/Urban Growth Management*) zone district to IH (*Heavy Industrial*) zone district.
4. ADOPT BILL (for introduction) - Approving the Disposition Agreement and Development Agreement by and between the City of Fresno and Darling Ingredients Inc., pertaining to the relocation and the transfer and development of real property on the southwest corner of Jensen and Cornelia Avenues.

EXECUTIVE SUMMARY

The City-initiated Plan Amendment Application No. A-17-008 and Rezone Application No. R-17-011 pertains to approximately 40 acres of property (5449 West Jensen Avenue; APNs: 327-030-41T and 327-030-38T) near the Fresno-Clovis Regional Wastewater Treatment Plant (WWTP) to accommodate relocation of the existing Darling Rendering Facility, currently located on a 5.22 acre parcel on Belgravia Road between Church and East California Avenues in the southwest area of the city. The proposed project site is located between the Fresno-Clovis Regional Wastewater Reclamation Facility (RWRF) and a PG&E substation at the southwest corner of South Cornelia Avenue and West Jensen Avenue within city limits, but not within city proper. (See Exhibit 1, Vicinity Map and Exhibit 2, Aerial)

The following describes the requested Plan Amendment, Rezone and Disposition Agreement and Development Agreement.

Plan Amendment Application No. A-17-008 proposes to amend the Fresno General Plan from the Public Facilities planned land use designation to the Heavy Industrial planned land use designation. (See Exhibit 3, Planned Land Use Map)

Rezone Application No. R-17-011 proposes to rezone the subject property from the PI/UGM (*Public and Institutional/Urban Growth Management*) zone district to IH (*Heavy Industrial*) zone district. (See Exhibit 4, Planned Zoning Map)

Disposition Agreement and Development Agreement (“Agreement”) proposes to transfer approximately 20 acres located at the northern portion of unimproved property owned by the City at the southwest corner of Jensen Avenue and Cornelia Avenue in the City of Fresno to Darling Ingredients, Inc. for the purpose of relocating their existing rendering plant. The Agreement also sets forth terms for the cessation of operations at the existing plant and construction and operation of a new rendering plant in accordance with Government Code Section 65864. (See Exhibit 5, Disposition

Agreement and Development Agreement)

Following approval of a Plan Amendment, Rezone, and the Agreement the proposed relocation of the Darling Rendering Facility would require a subsequent Conditional Use Permit (CUP) to allow for operations. Operational capacity is proposed to expand from its current permitted processing limits from 850,000 pounds per day to a permitted maximum of 10 million pounds per week upon relocation.

BACKGROUND

On September 8, 2017, and pursuant to FMC Section 15-5803, the city initiated the processing of **Plan Amendment Application No. A-17-008** proposing to amend the Fresno General Plan from the Public Facilities planned land use designation to the Heavy Industrial planned land use designation, **Rezone Application No. R-17-011** requesting authorization to rezone the subject property from the PI/UGM (*Public and Institutional/Urban Growth Management*) zone district to IH (*Heavy Industrial*) zone district. (See Exhibit 6, City-Initiated Plan Amendment and Rezone), and the Agreement to transfer certain real property owned by the City to Darling Ingredients Inc. for the development of a new rendering plant to facilitate relocation of the existing plant.

The purpose of the Plan Amendment, Rezone, and Agreement is to allow for the relocation of the existing Darling Rendering Facility located on a 5.22 acre parcel on Belgravia Road between Church Avenue and E Street in the southwest area of the city. The existing facility was constructed and began operation in 1956 as a slaughterhouse and packaging facility, and gradually transitioned to a rendering facility. The existing site was annexed to the city in 1971. Over the last 60 years, non-industrial urban uses were developed in the area surrounding the facility such that residential neighborhoods are now within one-quarter mile of the rendering plant, with some homes within 800 feet.

The Plan Amendment, Rezone, and Agreement would allow for the plant to be relocated away from residential uses to approximately 40 acres of property near the Fresno-Clovis Regional WWTP, near the southwest corner of West Jensen and Cornelia Avenues. The Agreement would transfer approximately 20 acres of the northern portion of City owned property and encumber the remaining acres with an option agreement in favor of Darling. In addition, the Agreement sets forth terms related to cessation of operations at the existing plant, and infrastructure, facilities, improvements, development fees and exactions, and the design review and permitting process for the new rendering plant. As mentioned above, a subsequent CUP and Development Permit would be required for the proposed relocation of the Rendering Facility. Although the CUP and Development permit are not part of this item, the proposed site plan is included as an exhibit for reference. (See Exhibit 7, Proposed Site Plan).

ANALYSIS

Land Use Plans and Policies

Fresno General Plan

The Fresno General Plan includes goals, objectives, and policies which provide an emphasis on creating job opportunities, promoting and encouraging better quality of life for neighborhoods, and incentivizing a diversity of industries, while promoting industrial land use clusters for operational

efficiencies.

Goal No. 1 of the Fresno General Plan encourages increased opportunity, economic development, business and job creation.

Goal No. 7 of the Fresno General Plan encourages the City to provide for a diversity of districts, neighborhoods, housing types (including affordable housing), residential densities, job opportunities, recreation, open space, and educational venues that appeal to a broad range of people throughout the City.

Goal No. 9 of the Fresno General Plan promotes a city of healthy communities and improve quality of life in established neighborhoods.

Objective LU-1: Establish a comprehensive citywide land use planning strategy to meet economic development objectives, achieve efficient and equitable use of resources and infrastructure, and create an attractive living environment.

Objective LU-7: Plan and support industrial development to promote job growth.

Policy LU-7-a: Incentives for a Diversity of Industries, Increased Food Processing and Manufacturing, and Related Employment Opportunities in Fresno. Use the City's Capital Improvement Program to set priorities for locations and timing of water, sewer, and transportation infrastructure investments by the City and initiate implementation programs to encourage development of targeted industries as identified under Policy ED-3-c, in employment land use areas designated on Figure LU-1: Land Use Diagram.

Policy LU-7-c: Efficiency of Industrial Uses. Promote industrial land use clusters to maximize the operational efficiency of similar activities.

- Provide access to a range of transportation modes through plans and incentives, ensuring that local, regional, and national connections are available;
- Develop a strategy to promote rail-accessible sites for industries that need such capability; and
- Ensure timely access to the full range of urban services for industrial development by coordinating proposed plans with the annual and long-range City infrastructure planning.

Policy HC-3-g: Residential Compatibility. Consider developing a program with community stakeholders to address compatibility of industrial and heavy commercial uses and zoning with established neighborhoods.

Policy ED-1-d: Strategic Land Regulation. Explore increasing the amount of land properly zoned, consistent with the General Plan, and ready to be expeditiously developed, redeveloped, and/or revitalized for economic development and job creation purposes. Establish a priority infill development program for sites and districts.

The proposed project meets the intent of many or all of the goals, objectives, and policies of the Fresno General Plan referenced herein above. The proposed relocation of the Darling Rendering Facility would not only result in the ability to increase operations, which is consistent with several of the economic development objectives and policies of the General Plan, it would also create a better quality of life for the residential neighborhoods currently within proximity to the existing facility. The proposed location would result in the Darling Facility being located near the WWTP facility and PG&E

substation, surrounded by County agricultural lands and where no established neighborhoods exist, which meets the policies above in creating better compatibility between uses. In conclusion, the proposed plan amendment, rezone, and agreement are consistent with many of the goals and policies of the Fresno General Plan.

Transportation

The subject property is located on the south side of West Jensen Avenue west of South Cornelia Avenue. According to City of Fresno General Plan Policy MT-2-i, a Transportation Impact Study (TIS) is required when a project includes a General Plan amendment that changes the General Plan Land Use Designation. Policy MT-2-I also sets forth the criteria for when a TIS is triggered based on four classes of Traffic Impact Zones (TIZ). The project is located within TIZ III, which represents areas near or outside of City limits but within the Sphere of Influence (SOI) as of December 31, 2012. Traffic in this area should maintain a peak hour level of service (LOS) standard of D or better for all intersections and roadway segments. Within the TIZ III zone, a TIS is required for all development projected to generate 100 or more peak hour new vehicle trips. For roadways not within the City limit or its SOI, that are located within Fresno County, a LOS of C or better should be maintained.

In June 2017, Fehr & Peers prepared a Transportation Impact Analysis (TIA) which is included as Appendix D to the IS/MND. Based on the TIA, the project would generate 273 trips per day with 36 trips occurring in the AM peak hour and 28 trips occurring in the PM peak hour. Truck trips are expected to account for 55% of daily vehicle trips, 36% of AM peak hour trips, and 28% of PM peak hour trips. Based on the TIA, existing roadway conditions with the addition of project generated vehicle trips would maintain LOS D or better during the AM and PM peak hours and therefore would not result in a significant impact. Further, the roadway segments in the County (Cornelia and Brawley Avenues) would operate at LOS C, which is acceptable per County and City standards. However, under cumulative conditions, the project would result in potentially significant impacts at certain intersections before mitigation. Implementation of Mitigation Measure TRAF-1, however, would alleviate these potential impacts to a less-than-significant level. No other traffic-related impacts were found to be potentially significant under CEQA. In response to a comment letter received by Fresno County, the TIA was revised for technical clarifications on October 18, 2017, which included enhanced mitigation to bring the cumulative impacts from the proposed project from LOS D to a LOS C.

Plan Amendment, Annexation, Prezone and Tentative Parcel Map Findings

Based upon analysis of the applications and subject to the applicant's compliance with all of the mitigation measures noted in Environmental Application No. A-17-008, R-17-011, staff concludes that the required findings of Sections 15-5812 and 15-6006 can be made. These findings are attached as Exhibit 8.

Public Notice and Input

Notice of Hearing

The Development and Resource Management Department mailed notices of this City Council hearing to surrounding property owners within 1,000 feet of the subject property (Exhibit 9), pursuant to Section 15-5007-B-2 of the FMC, as well as published a notice in the Fresno Bee pursuant to the FMC. Comments were received on the environmental document, which are provided as part of the

exhibit containing Initial Study/Mitigated Negative Declaration (IS/MND). The mailed notice for the City Council hearing was received by some parties prior to Planning Commission action and contained a typographical error stating that Planning Commission had recommended approval. The notice should have stated that Planning Commission will consider the item. Pursuant to FMC 15-5007-G, “[t]he validity of the proceedings shall not be affected by typographical errors in the notice or the failure of any property owner, resident, neighborhood, or interested party to receive a notice.”

District Committee

The District 3 Plan Implementation Committee is inactive at this time.

Planning Commission

The Planning Commission held a public hearing at its regularly scheduled meeting on October 18, 2017 to consider the Plan Amendment, Rezone applications, and Disposition Agreement and Development Agreement along with relevant environmental findings. Nine members of the public spoke in support of the proposed project, and one in opposition. Opposition was mainly centered around the issue of adequate public noticing, as well as the process for selecting the subject property. Following a complete hearing, the Commission voted and recommended to the City Council to approve Plan Amendment Application No. A-17-008, Rezone Application No. R-17-011, the Disposition Agreement and Development Agreement, and the associated Initial Study/Mitigated Negative Declaration, as well as the accompanying errata, technical clarifications, response to comments, and Mitigation Monitoring and Reporting Program provided to the Commission at the hearing. The Planning Commission resolutions (Exhibit 10) are attached for more information.

ENVIRONMENTAL FINDINGS

An environmental assessment was prepared for this project in accordance with the requirements of the California Environmental Quality Act (CEQA) Guidelines (See Exhibit 11). This process included the distribution of requests for comment from other responsible or affected agencies and interested organizations.

Preparation of the environmental assessment necessitated a thorough review of the proposed project and relevant environmental issues and considered previously prepared environmental and technical studies pertinent to the Fresno General Plan Master Environmental Impact Report SCH No. 2012111015 (MEIR).

The City of Fresno has prepared an Initial Study (IS) of the above-described project and it has been determined to be a subsequent project that is not fully within the scope of the MEIR prepared for the Fresno General Plan as provided by the CEQA, as codified in the Public Resources Code (PRC) Section 21157.1(d) and the CEQA Guidelines Section 15177(c). Therefore, the Development and Resource Management Department proposes to adopt a Mitigated Negative Declaration (MND) for this project.

It has been further determined that all applicable mitigation measures identified within the Fresno General Plan MEIR have been applied to the project, together with project specific mitigation measures necessary to assure that the project will not cause significant adverse cumulative impacts, growth inducing impacts and irreversible significant effects beyond those identified by MEIR as provided by CEQA Section 15178(a). In addition, pursuant to PRC, Section 21157.6(b)(1), staff has

determined that no substantial changes have occurred with respect to the circumstances under which the MEIR was certified and that no new information, which was not known and could not have been known at the time that the MEIR was certified as complete, has become available. Therefore, it has been determined based upon the evidence in the record that the project will not have a significant impact on the environment and that the filing of a mitigated negative declaration is appropriate in accordance with the provisions of CEQA Section 21157.5(a)(2) and CEQA Guidelines Section 15178 (b)(1) and (2).

Based upon the attached IS/MND and with the project specific mitigation imposed, staff has determined that there is no substantial evidence in the record that the project may have a significant direct, indirect or cumulative effect on the environment and has prepared a mitigated negative declaration for this project. A public notice of the attached MND finding for Environmental Assessment No. A-17-008/R-17-011 was published on September 7, 2017 to begin a CEQA-required 30-day public comment period (See Exhibit 6). The IS/MND was available to the public for review and comment between September 7, 2017 and October 9, 2017. No appeals were received to date; however, comments were received on the IS/MND which are provided as part of Exhibit 5 to this staff report. Commenters included the California Department of Fish and Wildlife, Fresno County, California Department of Transportation (Caltrans), and the San Joaquin Valley Air Pollution Control District. Additionally, the San Joaquin Valley Air Pollution Control District provided a revised comment letter following a meeting between the City staff and the Air District to clarify a technical correction. The revised comment letter states that the technical correction results in the project being below Air District thresholds of significance for NOx. Further, James Quist provided a comment letter on October 18, 2017. Comments received on the project are included in Exhibit 11.

LOCAL PREFERENCE

Local preference was not considered because this ordinance does not include a bid or award of a construction or service contract.

FISCAL IMPACT

Affirmative action by the Council will result in timely deliverance of the review and processing of the application as is reasonably expected by the applicant. Pursuant to the Disposition and Development Agreement, the City is paying for the processing of this application.

Attachment:

Exhibit : City Council Ordinance Bill for the Disposition Agreement and Development Agreement