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

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AGENDA ITEM NO. 6

**DATE:** January 12, 2022  
**TO:** Fresno Local Agency Formation Commission  
**FROM:** David E. Fey, Executive Officer   
**SUBJECT:** **Consider Approval:** Municipal Service Review and Sphere of Influence Update for the City of Firebaugh. LAFCo File No. RSOI-204

**Attachment A-1** – Proposed Firebaugh SOI update map  
**Attachment A-2** – Recommended Firebaugh SOI update map  
**Attachment B** – Draft Firebaugh MSR  
**Attachment C** – Notice of Exemption, Firebaugh MSR  
**Attachment D** – Notice of Determination, Firebaugh SOI update CEQA Findings

**Recommendations:** Adopt the Municipal Service Review (MSR) prepared for the City of Firebaugh and update the Firebaugh Sphere of Influence (SOI) by taking the following actions:

**Action 1: Firebaugh Municipal Service Review**

A. Acting as Lead Agency pursuant to California Environmental Quality Act (CEQA) Guidelines find that the MSR prepared for the City of Firebaugh is Categorically Exempt from the provisions of CEQA under Section 15306, "Information Collection." (Attachment C).

**Action 2: Firebaugh SOI Update, LAFCo File No. RSOI-204**

B. Acting as Responsible Agency pursuant to CEQA Guidelines, find that prior to approving the Firebaugh SOI update, the environmental effects of the Proposal as analyzed in the initial study and negative declaration for the "Firebaugh Annexation and Reorganization Project" (SCH no. 2021020419) prepared and adopted by resolution no. 21-15 by the City of Firebaugh as Lead Agency, were reviewed and considered, and determine these documents to be legally adequate pursuant to CEQA Guidelines section 15096 (Attachment D).

**Action 3: Written Determinations and Recommendations**

- C. Receive this report and any public testimony regarding the proposed Municipal Service Review and proposed sphere of influence update.
- D. Approve the recommended Municipal Service Review determinations as presented in the draft Firebaugh MSR, together with any changes deemed appropriate (Attachment B).
- E. Approve the recommended sphere of influence update determinations (Attachment B) together with any changes deemed appropriate.
- F. Revise the Firebaugh SOI to add approximately 76 acres as depicted in Attachment A.

**Proponent:** City of Firebaugh, Ben Gallegos, City Manager

## **Executive Summary**

This MSR has been prepared in response to the City of Firebaugh's "Washoe Annexation" for applicant Peoples Properties, LLC, filed with Fresno LAFCo on May 13, 2021 (LAFCo File No. RSOI-204). The City requested an approximately 141-acre SOI expansion to accommodate an approximately 40-acre annexation of an agricultural use as well as other parcels areas to facilitate logical boundaries (Attachment A).

Staff recommends an alternative SOI expansion of approximately 76 acres to only encompass the proposed annexation west of Washoe Avenue and parcels on the east side of Washoe Avenue.

The parcels north and south of the proposed annexation on the west side of Washoe Avenue were not assigned land use designations by the Firebaugh General Plan update. The city's contract city planner has communicated to staff that there is no objection to not including these parcels.

## **Overview of Firebaugh**

The City of Firebaugh incorporated in 1914. The Firebaugh city limits respond to many unique geographic features: foremost the San Joaquin River on the east, Highway 33 passing through the city, and the many major irrigation canals to the west. The City's growth has been further influenced by the abundance of agricultural parcels and those property owners' interest in continuing agricultural uses in the unincorporated area or development and annexation. Notwithstanding, there are no unincorporated islands or peninsulas on the fringe of the City limits. Firebaugh's corporate limits encompass approximately 2,408 acres within the 3,411-acre Firebaugh SOI.

As of May 1, 2021, the California Department of Finance ("DOF") estimates that the City has a population of approximately 8,126 which indicates a 1.1% increase from Firebaugh's 2020 population of 8,035.

## **MSR Discussion**

MSRs are used by the LAFCo to collect information and evaluate service provisions and service providers from a broad perspective. The MSR Program provides the Commission the ability to retain the necessary information and data to ensure that the LAFCo has access to all the necessary information in a timely manner to make sound determinations with respect to municipal services, or when requested to update an SOI for a local agency.

The Firebaugh draft MSR considered fourteen different aspects of the city including nine services that are being provided within the City of Firebaugh (Attachment B).

Pursuant to LAFCo policy 107.02 and based on the data gathered during the MSR update process, the Firebaugh draft MSR presents recommendations as summarized below:

1. That the City Manager's office work with the City Council to determine a minimum number of annual meetings for the following boards: Firebaugh Parks and Recreation, Firebaugh Airport Advisory, Firebaugh Historic Preservation, and Firebaugh Disaster Council. (Governance and Accountability - Commissions, Boards, and Committees)
2. That the City continue to monitor and explore solutions to account for emerging rate increases to its CalPERs pension liability. (Agency Finances, Pension and Other Long-Term Liabilities)

3. That the City continue to pursue funding sources for preventative maintenance projects that assist the City avoid emergency repairs for its infrastructure. (Agency Finances, Cost Savings Opportunities)
4. That the City Council, Airport Advisory Board, and City Manager's Office evaluate whether there is a community need to establish a Master Plan for the Firebaugh Municipal Airport. (Municipal Airport Facility, Planned studies and Capital Improvements)
5. That the City and County convene and address foreseeable on-going maintenance cost for the segment of Washoe Avenue between Nees Avenue and Bullard Avenue. (Circulation and Street Maintenance Services, Challenges)
6. That the City establish a work program to meet with landowners outside of the City limits and within the Firebaugh SOI to strategically plan and identify owners of land interested in annexing to the City soon. (Growth and Population Projections and Agriculture Preservation)
7. That the City study and designate planned land uses consistent with the 2030 General Plan for the following unincorporated parcels: 007-091-38; 44; and 012-020-32. (Growth and Population Projections, Firebaugh SOI Update)
8. That the City of Firebaugh consider an SOI update application to LAFCo to include the remaining 112 acres of its 2030 General Plan's Planning Area situated along Washoe Avenue and north of the Delta-Mendota Canal to the Firebaugh SOI. (Growth and Population Projections, Future Firebaugh SOI Updates)

### **City-County Agreement**

As prescribed by State law, City of Firebaugh and Fresno County representatives convened to discuss the proposed SOI update; and, both local agencies have reached a formal agreement by the way of a Memorandum of Understanding (MOU) on the proposed Firebaugh SOI update. On September 21, 2021, the County of Fresno Board of Supervisors executed the first Amendment of the Amended and Restated MOU between the County of Fresno and City of Firebaugh. Although the LAFCo is not a party to the City-County MOU, the agreement is evidence of an exchange of property tax revenue upon annexation, and includes standards of annexation, conditional commitments, and other matters of interest to both parties.

### **MSR Availability and Public Review**

LAFCo Policy 107-03 requires that a draft MSR be posted on the Commission's website with a minimum 21-day public review period. The Firebaugh MSR update was circulated December 22, 2021 through January 12, 2022. Pursuant to GC sec. 56427, 19 mailed notices were sent to all affected local agencies and owners of land within the affected territory. Additionally, a 21-day notice of Commission hearing was published December 22, 2021 in *The Business Journal*.

### **Statutory Findings for a Sphere of Influence Update**

A SOI is defined and discussed in sections 56076, 56425, and 56426.6 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH).

CKH defines a SOI as the "plan for the probable physical boundaries and service area of a local agency, as determined by the Commission."<sup>1</sup> Furthermore, CKH charges the Commission with approving SOIs "in order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies to advantageously provide for the present and future needs of the county and its communities."<sup>2</sup>

Prior to the City applying to the Commission to update its sphere, representatives from the City and County met pursuant to GC sec. 56424(b) and discussed the proposed new sphere and explored methods to agree on development standards and planning and zoning requirements within the SOI expansion that would promote the logical and orderly development of areas within the sphere. As noted, this agreement was approved by the Firebaugh City Council and the Fresno County Board of Supervisors on September 21, 2021. A copy of the MOU is on record with the Commission.

Written determinations for a sphere of influence amendment pursuant to CKH are presented here and analyzed in detail in Attachment E of this report:

1. The present and planned land uses in the area, including agricultural and open-space lands;
2. The present and probable need for public facilities and services in the area;
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide;
4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency; and
5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

### **Firebaugh SOI Analysis**

The Commission's last update of the Firebaugh SOI update was in 2011. The current Firebaugh SOI encompasses 3,411 acres. Inclusion of the affected territory in the Firebaugh SOI update would allow the City to move forward with its planning efforts to annex the 40-acre parcel planned for agricultural land uses by the adopted Firebaugh General Plan.

By Commission policy, a SOI is generally considers probable growth of a community within a 20 to 25-year planning horizon. CKH mandates that every five years, the Commission shall, as necessary, review and update each SOI for local agencies under its purview. The City has determined that the parcels to be included in the SOI expansion facilitate and encourage orderly growth and development, both essential to the social, fiscal, and economic well-being of the community.

Analyses and determinations required by CKH are contained in the MSR and SOI update prepared for the Commission and are augmented by the 2030 Firebaugh General Plan, its certified EIR (SCH No. 2007121136), the initial study and negative declaration for the Firebaugh Annexation and Reorganization Project (SCH No. 2021020419), and information provided to LAFCo staff by the city and its consultant team.

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<sup>1</sup> GC sec. 56076.

<sup>2</sup> GC sec. 56425(a).

In summary, the MSR determinations support an SOI expansion as orderly and logical growth of the City that would provide for efficient extension of municipal services. The MSR and supporting data provides the evidence to support each determination. GC section 56430 requires that in order to prepare and update SOIs, the Commission shall first conduct a municipal service review and prepare a written statement of its determinations with respect to each of the following topics:

1. Growth and population projections for the affected area.
2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.
4. Financial ability of agencies to provide services.
5. Status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by commission policy.

### **Required Findings and Determinations**

Under CKH, there are a series of required findings that need to be made in respect to this Proposal. Staff presents in this report and attachments as the evidence and analyses in support of the required findings.

### **SOI Expansion and Williamson Act Land Conservation Contracts**

Under GC sections 56426, and 56426.6(a), the Commission shall not approve a change to the SOI of a local government agency of territory that is subject to a contract entered into pursuant to the California Land Conservation Act of 1965 (Chapter 7 (commencing with Section 51200) of Part 1 of Division 1) if that local government agency provides, or would provide, facilities or services related to sewers, nonagricultural water, or streets and roads to the territory, unless these facilities or services benefit land uses that are allowed under the contract and the landowner consents to the change to the sphere of influence.

The Firebaugh MSR notes that there are no active Williamson Act Contracts within the area proposed to be included in the Firebaugh SOI update.

### *Environmental Determination*

A MSR collects and analyzes data in support of future LAFCo actions and therefore is exempt from environmental review, pursuant to Section 15306, "Information Collection" of the California Environmental Quality Act (CEQA) Guidelines. Nevertheless, the MSR supports Firebaugh's request to update the Firebaugh SOI in a manner that is consistent with the Firebaugh General Plan.

The proposed SOI update was independently assessed by the City acting as Lead Agency through an initial study and negative declaration adopted April 19, 2021.

As a "Responsible Agency" pursuant to CEQA Guidelines, the Commission is required to independently review and consider the environmental effects of the Project as presented in the subject initial study prior to reaching its decision on the Proposal (Sec. 15096 *et seq.* of the CEQA guidelines).

Acting in the capacity of a Responsible Agency, LAFCo shall consider the Lead Agency's initial study and negative declaration. Staff recommends that the Commission finds that changes and alterations to avoid or substantially lessen the significant environmental effects as identified in the subject initial study and negative declaration are within the responsibility and jurisdiction of the City of Firebaugh and not the Commission. There are no other feasible changes or alterations to the Proposal, within the Commission's authority, that would reduce impact identified in the subject CEQA document prepared and adopted by the City of Firebaugh.

**Individuals and Agencies Receiving this Report**

- Ken Price, LAFCo Counsel
- Bernard Jimenez, Manager, Fresno County Department of Public Works and Planning
- Ben Gallegos, City Manager, City of Firebaugh
- Frank Kavanaugh, Peoples Property LLC

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