

Attachment C

MEMORANDUM OF AGREEMENT BETWEEN THE CITY OF GONZALES AND THE COUNTY OF MONTEREY REGARDING WORKING COOPERATIVELY ON COMMON PLANNING, GROWTH AND DEVELOPMENT ISSUES IN ORDER TO BE AS EFFECTIVE AS POSSIBLE IN THE IMPLEMENTATION OF THEIR RESPECTIVE GENERAL PLANS

This Memorandum of Agreement, hereinafter referred to as (“Agreement”), is entered into on this ____ day of July, 2012 by and between the City of Gonzales, a Municipal Corporation hereinafter referred to as (“City”), and County of Monterey, a political subdivision of the State of California, hereinafter referred to as (“County”), and together hereinafter referred to as “the Parties”.

RECITALS

WHEREAS, the Parties declare that it is in their mutual interest to work cooperatively on issues of planning, growth, and development in order to provide more certainty regarding the future direction, extent, and conditions of urban development, to reduce unnecessary conflicts and to reduce costs for future development including affordable housing, to provide for the long term protection of valuable agricultural lands, and to be as effective as possible in the implementation of their respective General Plans; and

WHEREAS, as an expression of the intent to work cooperatively on common issues pertaining to planning, growth and development, the Parties have prepared this Memorandum of Agreement (“Agreement”), which serves to fulfill the requirements of California Government Code Section 56425(b), as an Agreement by and between the Parties regarding the expansion of the boundaries of the City’s Sphere of Influence, and the establishment of planning principles by both Parties to promote logical and orderly development for purposes of the City’s application to the Monterey County Local Agency Formation Commission (LAFCo) to update its Sphere of Influence; and

WHEREAS, the Parties recognize, pursuant to California Government Code Section 56425(c) that this Agreement itself does not commit the Parties to any particular form or pattern of development, but rather, if LAFCo’s final determination is consistent with this Agreement, then the Agreement shall be considered for approval by both the City and County after a noticed public hearing. Once the Agreement has been adopted by the Parties and their respective general plans reflect the Agreement, then any

development approved by the County within the adopted sphere shall be consistent with the terms of the Agreement; and

WHEREAS, this Agreement is not subject to environmental review under the California Environmental Quality Act (CEQA) because it itself does not bind the Parties to any course of development, and further action would be required by the Parties to adopt this Agreement following the LAFCo determination before this Agreement would have any direct or indirect physical impact on the environment; and

WHEREAS, the Parties recognize and understand that individually each has its own growth plans, priorities and approaches; however, it is of mutual benefit to enter into this Agreement to acknowledge their cooperation in a variety of key policy areas.

NOW THEREFORE BE IT RESOLVED, that the Parties find that establishment of this Agreement is an effective and beneficial means of reaching basic agreement regarding future planning, growth and development issues in and around the City of Gonzales.

BE IT FURTHER RESOLVED, that the Parties declare and agree as follows:

Section 1. Logical & Orderly Development.

1.1 The City has adopted the 2010 Gonzales General Plan, which establishes a long range development plan for the City that identifies the “ultimate” City area that will enable the City to plan for efficient provision of public facilities and the delivery of services, provide clarity for property owners about the direction of future development and its extent, and direct development away from the best agricultural land.

1.2 The County recognizes that the City’s long-range plan serves the mutual goal of conserving agricultural lands, by limiting urban development and its impacts on agricultural operations to a defined area; which provides certainty for farmers and ranchers outside of the growth area that they can invest in and continue farming on a secure basis, without future pressure to convert their lands for urban development.

1.3 The County desires to implement its policies regarding City-Centered Growth (LU – 2.14 through LU – 2.19) as discussed in the adopted 2010 County General Plan, and reinforced by City General Plan Policy LU-1.4. The County recognizes that a commitment to City-Centered Growth principles implies long-term reliance on the City to accommodate housing and other urban needs, which relies on the City to be able to

designate adequate land for its needs while developing in a logical, compact and orderly manner.

Section 2. Direction of Future Development.

2.1 The City agrees as follows:

a) To limit future long-term development within the area shown on Exhibit 'A' and designated as "Urban Growth Boundary". The purpose of the Urban Growth Boundary is to bound and enclose the land intended for development within the time horizon of the City's General Plan.

b) To manage development of land within the Urban Growth Boundary utilizing the best available "sustainable" practices. The intent of the City is supported by City's General Plan Policy SUS-1.2 and Implementation Action SUS-1.2.1, which read as follows:

"Policy SUS-1.2 Sustainable Land Use Patterns

Encourage sustainable and efficient land use patterns that promote walkability, reduce vehicular trips, and preserve open space and long-term agricultural lands.

Implementing Action SUS-1.2.1 – Implement Neighborhood Design Guidelines. Utilize the Neighborhood Design Guidelines, Specific Plans, and other General Plan implementation programs as appropriate to establish and maintain sustainable land use patterns."

c) To encourage proposals for infill development on vacant or underutilized sites within the existing City limits west of Highway 101 whenever possible, to avoid urban sprawl and postpone the conversion of agricultural land to urban uses.

d) To require specific plans to include residential densities that ensure a compact urban form that helps protect agricultural land from premature conversion.

e) To establish a permanent agricultural edge for the purpose of maintaining a clearly defined north and south boundary between the urbanized incorporated areas of City and the agricultural areas within the unincorporated County as shown on Exhibit 'A' and identified as "Permanent Agricultural Edge". City's General Plan Implementing Action COS-4.2.1 requires new development projects to contribute to the cost of purchasing permanent agricultural easements beyond the permanent urban edges.

f) To utilize agricultural buffers within the Urban Growth Boundary to address the compatibility between the development of urban land uses and existing or planned agricultural uses. The City's General Plan defines an agricultural buffer as – typically 200 feet in width – plus other vegetation, walls, or other screening deemed necessary to ensure that property owners on both sides of the buffer may enjoy full and

unencumbered use of their property for its designated use without experiencing significant deleterious effect from neighboring use.

g) To assume the lead role in coordinating with the County, LAFCo and other cities within the Salinas Valley to develop a Valley-wide Agricultural Land Mitigation Program to address the loss of agricultural land due to development and conversion to urban uses.

h) To utilize permanent agricultural buffers along the Urban Growth Boundary to ensure compatibility between the development of urban land uses and agricultural uses in the unincorporated area (Exhibit 'A'). Assume the lead role in coordinating with the County, LAFCo and other cities in the Salinas Valley to develop a Valley-wide Agricultural Buffer Program to ensure compatibility of urban land use with agricultural uses in the unincorporated area.

2.2 The County agrees as follows:

a) Consistent with County General Plan Policy LU – 2.14, mutually work with the City to support the City's proposals to manage its growth and gradually develop within the "Urban Growth Boundary" of the City General Plan in accordance with the approval of future specific plans that are prepared to implement a logical, orderly development pattern that matches the City's ability to provide urban services.

b) To consult with the City on development projects that are proposed within the City's Planning Area Boundary as illustrated on Exhibit "A". The intent of the County is supported by the County's General Plan Policy LU-2.19. Through implementation of Policy LU-2.19 the County intends to: 1) minimize potentially competing development within the City Planning Area Boundary; 2) direct the development of new agricultural-industrial or commercial project to the City's agricultural business parks and/or light industrial areas; and 3) refer any discretionary development proposals within the City's Planning Area Boundary to the City for comments and, for larger projects, potential annexation.

c) To promote long-term conservation of commercial agriculture outside of the 2010 Gonzales General Plan "Urban Growth Boundary" and "Urban Reserve Overlay" as shown on Exhibit 'A', for the purposes of regional economic stability and to maintain physical separation from other communities in the area, including Soledad, the state prisons, and Chualar. The intent of the County is expressed in the County's General Plan Policy LU – 2.17.

Section 3. City/County Special Planning Area of Concern.

3.1 There are several issues associated with the current and future use of Gloria Road and the land uses south of Gloria Road that are of interest to both parties. In order to provide for the efficient planning of infrastructure and transportation facilities, the area designated as Industrial/Manufacturing in the City's adopted Land Use Element, including areas designated Urban Reserve but excluding areas designated Highway Commercial, located east of U.S. Highway 101 and south of Gloria Road, and not within the City's approved Sphere of Influence on the date of the adoption of this Agreement shall be designated as a "Special Planning Area of Concern" ("Area of Concern") for purposes of this Agreement. In placing this designation of the property the Parties agree as follows:

a) City will explore the utilization of appropriately zoned vacant or underutilized industrial zoned property within its planning area boundaries before proposing expansion of similar uses to vacant land sites within the Area of Concern.

b) City and County will coordinate on the planning of infrastructure and transportation facilities within and adjacent to the Area of Concern so that impacts to the immediate area are adequately addressed, and those impacts to adjoining properties that are not designated for urban use are minimized.

c) City and County will coordinate with property owners within the Area of Concern toward the establishment of mechanisms to keep productive agricultural lands in production.

Section 4. Development Phasing & Annexations.

4.1 The City's adopted 2010 General Plan focuses future urban development to the east of Highway 101 and provides for the phasing of development through the use of Specific Plans within the area shown on Exhibit 'A', which is designated as "Urban Growth Boundary". Goal LU-2 of the City's General Plan reads as follows:

"2. Specific Plans and Development Phasing

Goal LU-2: Orderly growth and development phasing through the use of Specific Plans."

Additionally, City's General Plan Policy LU-2.1 states that a Specific Plan shall be prepared for all development proposals within the Plan's new growth area (i.e., excepting territory currently in the City's existing Sphere of Influence). The Specific Plans will promote self-contained neighborhoods that are no smaller than 125 acres and no larger than 400 acres. Accordingly, the timing of annexation applications submitted for consideration by LAFCo will be based upon the approval by the City of a Specific Plan, which includes a phasing plan, a plan for services and public facilities and financing plans that demonstrate compliance with LAFCo Standards.

4.2 The City adopted procedures in September 2008, which address the form and content of any specific plan that is prepared for a development project within the City. The City's Specific Plan Procedures specifically address development phasing and sequence of improvements, as follows:

"D. PHASING/SEQUENCE OF IMPROVEMENTS

The phasing of private and public development within the Specific Plan area shall be described. The provisions for development phasing should ensure orderly and well-planned development consistent with the policies of the 2010 Gonzales General Plan.

The phasing program shall include thresholds of residential or commercial development that cannot be exceeded until the construction of appropriate improvements has been initiated or that will be completed by a specific date. The phasing plan shall be consistent with City approved infrastructure studies. The phasing plan should contain a list of public improvements and supporting exhibits which must be built with the development of each phase so that the phased development is self-sustaining and independently viable. It should be noted that certain improvements may be needed beyond the phase boundaries to support the respective phase.

The phasing plan shall address the timing of construction of recreation facilities, public facilities (including infrastructure facilities) and other uses within the plan (including a phasing diagram). The phasing programs shall ensure that adequate supporting public services, retail, parks, schools and other uses are in place to support residential and commercial uses."

4.3 The City shall refer proposals for the preparation of a specific plan within the Urban Growth Boundary to the County Planning Department for informal review and comment regarding the potential impacts of the proposed project upon the adjacent unincorporated area and associated County facilities. Environmental documents associated with the Specific Plan process shall be referred to the County Planning Department for formal review and comment.

Section 5. Agricultural Land Compatibility.

5.1 The City agrees to maintain agriculture as the core of the local economy by conserving and protecting agricultural lands and operations within its Planning Area Boundary, and where agricultural land is planned for eventual urbanization, to work to keep such land in production up until the time when the land is converted to urban use.

5.2 The City agrees to emphasize agricultural land compatibility by implementing the following actions as described in the 2010 City General Plan, including:

"Implementing Action COS-4.1.1 – Grow Eastward. Focus future urban growth to the east

of Highway 101 in order to keep the highest quality agricultural lands located west of the highway in production.

Implementing Action COS-4.1.2 – Agriculture as Interim Use. Encourage agriculture as an interim land use on undeveloped properties in the General Plan growth area designated for future urban uses.

Implementing Action COS-4.1.3 – Interim Mitigation. When preparing environmental reports for Specific Plans, require an assessment of potential adverse impacts on adjoining agricultural lands that lie within the growth area shown on the Land Use Diagram and require interim measures to mitigate the impacts that are identified.

Implementing Action COS-4.1.4 – Protect Agricultural Operations. Protect agricultural operations from interference from urban uses by:

(a) Using buffers or transitional uses (such as parking, roads, etc.) between permanent agricultural areas and residential development areas. The criteria to be used in the establishment of agricultural buffers include: 1) the type of non-agricultural use proposed, site conditions and anticipated agricultural practices; and 2) weather patterns, crop type, machinery and pesticide use, existence of topographical features, trees and shrubs, and possible development of landscape berms to separate the non-agricultural use from the existing agricultural use;

(b) Requiring that development is phased in a manner which prevents "islands" of urban uses surrounded on all sides by farming. All new development should be either contiguous to the existing city or located within a new neighborhood developed under a Specific Plan, which sets forth orderly development consistent with the approved Neighborhood Design Guidelines and Standards and Community Character policies; and

(c) For properties on the perimeter of the city limits, require Specific Plan features that minimize potential conflicts with permanent agricultural operations. Less sensitive uses such as agricultural support, agricultural packaging, agricultural warehousing, agricultural processing, parking, roads, storage, and landscaping—to the degree they are consistent with the Land Use Diagram—should be sited adjacent to the agricultural areas. Residential backyards should not directly abut areas planned for long-term agriculture without proper mitigation measures to limit potential nuisances.

Implementing Action COS-4.1.5 – Infill Development. Provide incentives to encourage infill development on vacant or underutilized sites within the existing city limits west of Highway 101 whenever possible, to avoid urban sprawl and postpone the conversion of agricultural land to urban uses.

Implementing Action COS-4.1.6 – Phased Development. Phase development in an orderly, contiguous manner to maintain a compact development pattern and avoid premature farmland conversion or interference with farm operations. New development should be either contiguous to the existing city or located within a new neighborhood developed under a Specific Plan, which sets forth orderly development consistent with the approved Neighborhood Design Guidelines and Standards and Community Character policies."

5.3 The City agrees to implement policies that require the City to be consistent with the County of Monterey's "Right-to-Farm" Ordinance and the policies with respect to farming rights and agricultural protection/compatibility found in the County General Plan, and consider revision of the City's Zoning Ordinance to require the recordation of a Right-to-Farm Notice as a condition of discretionary approval for residential development, (including lots approved as part of a new residential subdivision) within 200 feet of an established agricultural operation.

5.4 The City agrees to develop and Implement a plan, in consultation with the County, to separate and re-route truck traffic, primarily associated with agricultural operations, from local traffic routes.

Section 6. Agricultural Land Conservation Program.

6.1 The City agrees to maintain agricultural open space around the City of Gonzales as a means of giving form and definition to the City. The County desires this protection to ensure preservation of the agricultural economy so critical to Monterey County, including its cities. To this end, the City agrees to permit urban development only within the areas designated for urban uses on the City's General Plan Land Use Diagram. Land immediately beyond this boundary should remain in agricultural use utilizing permanent agricultural easements as described below in City's General Plan Implementing Action COS-4.2.1, other mitigation measures that may arise as a result of project-level CEQA review, or any other feasible methods determined by the City to be feasible to preserve agricultural lands and define the limits of urban expansion for the City.

"Implementing Action COS-4.2.1 – Agricultural Easements. Require new development to contribute to the cost of purchase of permanent agricultural easements beyond the permanent urban edges identified in the Land Use Diagram."

6.2 Consistent with the City's General Plan Implementing Action COS-4.3.3 - (Agricultural Impact Fund), the City agrees to establish an Agricultural Land Conservation Program. The Program includes securing the dedication of agricultural land easements, purchase of banked mitigation credits and/or levying a mitigation fee that could be used to purchase easements on lands outside of the City's General Plan Urban Growth Boundary and Urban Reserve Overlay.

6.3 Notwithstanding participation by the City in any other adopted program, by adopting this Agreement, the City agrees to implement an Agricultural Land Conservation Program as follows:

6.3.1 To the extent as permitted by law, for the development of land within the City's "Urban Growth Boundary" as shown on Exhibit 'A', which lands have been annexed to the City and are designated by the California Department of Conservation's Farmland Mapping and Monitoring Program as "Prime" or "of Statewide Importance", but excepting all lands within the area denoted as "Existing Sphere of Influence", the

owner/developer/successor-in-interest shall select one or any combination of the following items:

a) provide the in-kind direct purchase/acquisition of an agricultural mitigation easement at a 1:1 ratio and dedicate the easement to an agricultural land trust or other qualifying entity; and/or

b) if available, purchase agricultural banked mitigation credits at a 1:1 ratio from a qualifying entity; and/or

c) pay an in-lieu mitigation fee, which amount shall be determined by the City prior to project approval. The amount of the fee should reasonably be expected to lead to the preservation of agricultural land. Said fee shall be kept by the City in a fund established specifically for agricultural land mitigation purposes; and/or

d) implement other innovative approaches as approved by the City that results in the preservation of agricultural land within areas targeted by the City.

6.3.2 The method for mitigating the loss of agricultural land shall be implemented at the discretion of City to coincide with the time of the recordation of a final subdivision map, except where a final map is clearly labeled as a "Large-lot Subdivision Map" and the map and associated agreement clearly specify that the creation of parcels (a) is for purposes of resale and not intended for development, or (b) does not include any entitlements which would permit development of the subject parcels without recordation of subsequent subdivisions maps or prior to the issuance of a grading permit. The City may consider receiving mitigation fees for individual projects in annual installment payments plus interest on the outstanding balance as long as the full amount is secured by a bond held by the City or other enforceable method of security, in the City's sole discretion.

6.3.3 The filing of a parcel map that does not result in the conversion of land zoned for agricultural purposes does not require dedication or payment of in-lieu fees.

6.3.4 It is the intent of the City to oversee, collect and manage any and all fees collected through the implementation of its Agricultural Land Conservation Program to ensure the use of the fees and the selected form of mitigation represents the best interest of the City, and that the form of mitigation is the most effective in addressing the agricultural conservation goals and objectives of the City as expressed in the City General Plan. Such intent is subject to the requirements of the California Environmental Quality Act to provide actual mitigation and to report on utilized mitigation funds.

6.3.5 In establishing its Agricultural Land Conservation Program, it is the further intent of the City to establish a Committee, which is appointed by the City Council to plan the use of mitigation fees and to make recommendations to the City Council on the use of those funds. The Committee's composition shall be determined by the City Council, and could be structured as follows: two members of the City Council, the City Community Development Director, a representative for Agriculture, a representative of an Agriculture Conservation/Preservation organization, a representative of the Building Industry/Development Community, a representative of the County of Monterey Agricultural Commissioner's Office, and the 3rd District County Supervisor.

6.3.6 Any agricultural mitigation fees assessed and collected by the City pursuant to its Agricultural Land Conservation Program may, in the City's sole discretion and reasonably acceptable to the County, be applied to activities designed to preserve and promote agriculture and the agricultural industry in the Greater Gonzales Area, including but not limited to:

a) Scientific research for addressing agriculture's needs (e.g. food safety). Entities applying for research funding could include universities, colleges, research think tanks, non-profits, industry/business, government and schools;

b) Increased agricultural educational programs in the Gonzales Unified School District;

c) Mitigation for impacts to local sloughs and drainage facilities as a result of siltation from agricultural practices;

d) Purchase of permanent agricultural buffers to alleviate potential physical conflicts between existing or planned agricultural uses (either within or outside the Urban Growth Boundary) and urban land uses planned within the Urban Growth Boundary;

e) Economic programs developed to expand markets for local agricultural products;

f) Programs promoting careers in agriculture;

g) Contributions to non-profit associations dedicated to agricultural education, promotion or preservation.

h) Purchase of agricultural land, which may be used for the disposal of wastewater effluent, and which is secured by a permanent conservation easement.

i) Funds for the acquisition of agricultural easements outside the City Urban Growth Boundary.

6.4 Notwithstanding all of the foregoing measures described in Section 6 above, the County will consider that the City's participation in an Agricultural Land Mitigation

Program, for the purpose of this agreement, has been satisfied if the City can prove to County that land immediately adjacent to the City's northern, western and southern boundaries have been permanently secured by the recordation of an agricultural preservation easement or through the sale or dedication of land to a private land trust.

Section 7. Traffic Mitigation Fees.

7.1 The County agrees to prepare and consider a Traffic Impact Fee that would include a Greater Gonzales Area Zone within 18 months following the approval of this Agreement. Proper notice shall be provided to the City and all affected property owners of the preparation of such a fee, when and where discussions regarding the fee will occur and when the fee will be adopted. Until the Impact Fee is established, the City agrees to ensure that any new development project in the incorporated area, pursuant to the City's General Plan, that causes traffic impacts on local roads in the nearby unincorporated area, will pay its pro rata fair share as mitigation for impacts on County roads.

7.2 The County agrees that for any development within the City's Planning Area Boundary as shown as Exhibit 'A', the County will consult with the City to determine if there are traffic impacts to the City. In the event that there are traffic impacts to the City, the County will require the development to pay its pro rata fair share as mitigation of impacts on City roads. The pro rata fair share shall be determined through a formula calculation prepared along with a project's traffic impact analysis.

Section 8. Tax Sharing.

8.1 By signing this Agreement, the City and County agree to discuss the provisions of the Master Tax Sharing Agreement prior to the annexation of any territory located in the City's Urban Growth Area, excepting all lands within the area denoted as "Existing Sphere of Influence."

8.2 Unless mutually agreed to otherwise by both parties, the City and County agree that all local taxes collected from City annexations that are not consistent with this Agreement shall not accrue to the benefit of the City. Local taxes collected from areas annexed by the City that are not consistent with the terms of the Agreement shall be distributed in a manner as if the annexed area was not part of the City.

Section 9. Environmental Review, Public Hearing & Local Decision-making.

9.1 The Parties recognize that, with respect to some of the provisions set forth herein, numerous actions must be taken pursuant to State and local laws and regulations before such policies can be implemented. Such actions include, in some instances, the need to complete financial nexus studies, comply with the California Environmental Quality Act (CEQA), the need to hold public hearings and/or otherwise seek public input before reaching binding decisions, and the need to obtain approvals from other agencies such as the Local Agency Formation Commission of Monterey County (LAFCo). For all such provisions, the MOA shall be understood to constitute tentative policy commitments that can only become fully binding after all such legal prerequisites have been satisfied.

[Signatures on a separate page]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the day and year first written above, and shall take effect following adoption and the placing of signatures by all Parties.

City of Gonzales, a Municipal Corporation

County of Monterey, a political Subdivision of the State of California

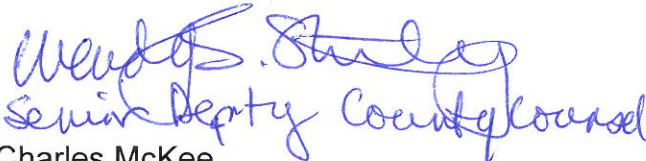
Maria Orozco
The Honorable Mayor

Dave Potter
Chair, Board of Supervisors

APPROVED AS TO FORM:

APPROVED AS TO FORM:

Michael Rodriguez
City Attorney


Charles McKee
County Counsel

ATTEST:

ATTEST:

René L. Mendez
City Clerk

Gail T. Borkowski, CCB
Clerk of the Board