



**STANISLAUS LAFCO
LOCAL AGENCY FORMATION COMMISSION**

Sara Lytle-Pinhey, Executive Officer
1010 10th Street, Third Floor
Modesto, California 95354
Phone: 209-525-7660
Fax: 209-525-7643
www.stanislauslafco.org

Chair Amy Bublak, City Member
Vice Chair Terry Withrow, County Member
Sue Zwahlen, City Member
Vito Chiesa, County Member
Bill O'Brien, Public Member
Charlie Goeken, Alternate City Member
Mani Grewal, Alternate County Member
Jami Aggers, Alternate Public Member

**AGENDA
Wednesday, October 22, 2025
6:00 P.M.
Joint Chambers—Basement Level
1010 10th Street, Modesto, California 95354**

- Members of the public may attend this meeting in person.
- You can also observe the live stream of the LAFCO meeting at:
<http://www.stancounty.com/sclive/>
- In addition, LAFCO meetings are broadcast live on local cable television. A list of cable channels is available at the following website:
<http://www.stancounty.com/planning/broadcasting.shtm>

1. CALL TO ORDER

- A. Pledge of Allegiance to the Flag.
- B. Introduction of Commissioners and Staff.

2. PUBLIC COMMENT PERIOD

This is the period in which persons may comment on items that are not listed on the regular agenda. All persons wishing to speak during this public comment portion of the meeting are asked to fill out a "Speaker Card" and provide it to the Commission Clerk. Each speaker will be limited to a three-minute presentation. No action will be taken by the Commission as a result of any item presented during the public comment period.

3. CORRESPONDENCE

No correspondence addressed to the Commission, individual Commissioners or staff will be accepted and/or considered unless it has been signed by the author or sufficiently identifies the person or persons responsible for its creation and submittal.

- A. Specific Correspondence.
- B. Informational Correspondence.

C. "In the News."

4. DECLARATION OF CONFLICTS AND DISQUALIFICATIONS

5. CONSENT ITEMS

The following consent items are expected to be routine and non-controversial and will be acted upon by the Commission at one time without discussion, unless a request has been received prior to the discussion of the matter.

A. **MINUTES OF THE AUGUST 27, 2025, LAFCO MEETING**
(Staff Recommendation: Accept the Minutes.)

B. **PROPOSED LAFCO MEETING CALENDAR 2026**
(Staff Recommendation: Accept the 2026 Meeting Calendar.)

C. **YEAR-END FINANCIAL REPORT FOR FY 2024-2025**
(Staff Recommendation: Accept and file the report.)

D. **LEGISLATIVE UPDATE**
(Staff Recommendation: Accept the update.)

6. PUBLIC HEARING

A. **LAFCO APPLICATION NO. 2025-04: FOUNDERS POINT EAST CHANGE OF ORGANIZATION TO THE CITY OF MODESTO:** A request by the City of Modesto to annex approximately 245 acres to accommodate residential and business park development. The proposed annexation area is located northeast of Pelandale Avenue and Tully Road, south of Kiernan Avenue (State Highway 219). The City, through its planning process, assumed the role of Lead Agency, pursuant to the California Environmental Quality Act (CEQA), for the project. The City prepared an initial study and adopted a mitigated negative declaration. LAFCO, as a Responsible Agency, will consider the environmental documentation prepared by the City as part of its action. (Staff Recommendation: Approve the application and adopt Resolution No. 2025-15.)

7. OTHER BUSINESS

None.

8. COMMISSIONER COMMENTS

Commission Members may provide comments regarding LAFCO matters.

9. ADDITIONAL MATTERS AT THE DISCRETION OF THE CHAIRPERSON

The Commission Chair may announce additional matters regarding LAFCO matters.

10. EXECUTIVE OFFICER'S REPORT

The Commission will receive a verbal report from the Executive Officer regarding current staff activities.

A. On the Horizon.

11. ADJOURNMENT

A. Set the next meeting date of the Commission for December 3, 2025.

B. Adjournment

LAFCO Disclosure Requirements & Notices

Disclosure of Campaign Contributions: Government Code Section 84308 requires that a LAFCO Commissioner disqualify themselves from voting on an application involving an "entitlement for use" (such as a change of organization, reorganization or sphere of influence) if, within the last 12 months, the Commissioner has received \$500 or more in campaign contributions from the applicant, participant or a representative of either. The law requires any applicant or other participant in a LAFCO proceeding to disclose the amount and name of the recipient Commissioner on the official record of the proceeding. The law also prohibits an applicant or other participant from making a contribution of \$500 or more to a LAFCO Commissioner while a proceeding is pending and for 12 months afterward.

Disclosure of Political Expenditures and Contributions Regarding LAFCO Proceedings: Any person or combination of persons who directly or indirectly contributes a total of \$1,000 or more in support of or opposition to a LAFCO proposal must comply with the disclosure requirements of the Political Reform Act (Section 84250). These requirements contain provisions for making disclosures of contributions and expenditures at specific intervals. More information on the scope of the required disclosures is available from the Fair Political Practices Commission (www.fppc.ca.gov or 1-866-ASK-FPPC).

LAFCO Action in Court: All persons are invited to testify and submit written comments to the Commission. If you challenge a LAFCO action in court, you may be limited to issues raised at the public hearing or submitted as written comments prior to the close of the public hearing. All written materials received by staff 24 hours before the hearing will be distributed to the Commission.

Reasonable Accommodations: In compliance with the Americans with Disabilities Act, hearing devices are available for public use. If hearing devices are needed, please contact the LAFCO Clerk at 209-525-7660. Notification 24 hours prior to the meeting will enable the Clerk to make arrangements.

Alternative Formats: If requested, the agenda will be made available in alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 USC 12132) and the Federal rules and regulations adopted in implementation thereof.

Notice Regarding Non-English Speakers: Proceedings before the Local Agency Formation Commission are conducted in English and translation to other languages is not provided. Please make arrangements for an interpreter if necessary.

IN THE NEWS

Newspaper Articles

- Oakdale Leader, September 23, 2025, “Fire District agrees to annexation study.”
- Modesto Bee, October 1, 2025, “State urges Stanislaus city to OK housing but also reduce groundwater pumping.”
- Patterson Irrigator, October 2, 2025, “Ongoing vision for health care campus present at town hall.”
- Westside Connect, October 3, 2025, “Newman Planning Commission approves proposed shopping center site plan.”
- Westside Connect, October 3, 2025, “Westside Healthcare District looks for possible assistance in obtaining funding.”
- Patterson Irrigator, October 9, 2025, “California Special Districts Association visits Patterson.”
- Modesto Bee, October 14, 2025, “\$23.6M approved for Crows Landing business park water facility”

This page intentionally left blank

Fire District agrees to annexation study

By Kristi Mayfield

Many residents in the Valley Home and Knights Ferry areas have been anxiously anticipating the decision regarding emergency services and staffing for their respective fire stations. Hopefully, with the progress that Oakdale Fire Protection District (OFPD), the community and the ongoing discussions with Stanislaus Consolidated Fire Protection District, they will finally be getting some answers. Though they have had many items on the OFPD agenda in recent months, including moving the meeting to a central location in Oakdale so that both Valley Home and Knights Ferry residents could meet together and participate in discussions together, they will continue to meet within their respective towns to ensure that they meet within district boundaries. Meetings will continue on every second Thursday of the month, rotating between Valley Home and Knights Ferry.

And while no official decision has been made as to the annexation to Stanislaus Consolidated Fire Protection District, continuation of the current contract with the City of Modesto for emergency services or working as independent emergency response providers, the OFPD did decide to move forward with an annexation study, which will be conducted by Capitol Public Finance, CPF.

CPF provides public agencies with financial and municipal guidance, and at the recent board meeting, CPF General Manager Jeffrey Small introduced himself to those in attendance. He explained that the process is already underway with regard to working with both OFPD and SCFPD to review current budgets, projected budgets, resource allocation and many additional aspects that pertain to annexation.

The study generally takes about six months to complete, though the analysis and decision-making process that follows would feature multiple entities including the City of Oakdale and Stanislaus County and could take up to two years. With the current contract for services with the City of Modesto for fire and emergency services set to expire in 2027, this process might possibly run through the current expiration date for the contract with the City of Modesto but, if necessary, an extension of the contract with the City of Modesto in 2027 for a short period of time might be possible. That, according to Deputy Chief Clint Bray of the SCFPD, who said the extension could be possible in order to ensure that OFPD and the communities they serve have an appropriate amount of time to evaluate the results of the annexation study and make the best, most informed decision accordingly.

This page intentionally left blank.

IN THE NEWS – Modesto Bee, October 1, 2025

State urges Stanislaus city to OK housing but also reduce groundwater pumping

By Ken Carlson

A state agency is telling Patterson to reconsider an April 1 City Council decision that rejected the 719-home Keystone Ranch subdivision over water shortage concerns in western Stanislaus County.

The California Department of Housing and Community Development said in a Sept. 22 letter that the council decision was not consistent with the Housing Accountability Act, which aims to remove unreasonable delays for new housing in a state with a shortage.

The letter from HCD informed the city that it may notify the attorney general, the state's top law enforcer, if it finds the city is in violation of state law. HCD asked the city for a response by Oct. 22.

City Hall is preparing a response to the state agency, saying Patterson made the required findings to deny the Keystone project. An official said the city wants to see the development in the northwest area of Patterson but has been under pressure from a different state agency, the Department of Water Resources, to reduce city use of groundwater and could not supply water for the Keystone homes.

"The problem we have is the state agencies don't understand the interplay of all the state laws," City Attorney Douglas White said. "We will suggest we need to have better collaboration."

Evette Davis, a spokeswoman for Keystone, said it's gratifying the state letter confirms Keystone's position at the April council meeting — that the city didn't have grounds to deny the subdivision.

"We are curious to see what the city of Patterson's response is going to be," Davis said.

Keystone has waged a public campaign to challenge the council's April decision denying 719-home subdivision.

The city originally had a recommendation to approve the 95-acre Keystone project, which is part of the larger Zacharias Master Plan development area.

But Patterson is one of more than 20 entities in the Delta-Mendota groundwater subbasin, which is considered to be in critical overdraft. Those local entities are possibly facing state intervention under the California Sustainable Groundwater Management Act.

The local agencies in a 1,170-square-mile area in Stanislaus, Merced, Madera and Fresno counties developed a unified groundwater plan to appease state regulators. Under the plan, Patterson is expected to reduce current groundwater use by 10%. Going forward, new development in the city must be served by surface water.

The city has dealt with a 2023 lawsuit from the Patterson and West Stanislaus irrigation districts that challenged part of the environmental review on Patterson's northwest development area, which concluded the development would not impact groundwater. The irrigation districts' lawsuit charged the EIR's conclusion was wrong.

White said it's unreasonable to have expected the City Council to approve Keystone's residential project until city water is available for the homes.

IN THE NEWS – Modesto Bee, October 1, 2025 - Continued

One of the key issues in April was a city condition that Keystone bear the entire cost for a groundwater recharge facility on Del Puerto Creek, estimated to cost almost \$20 million. The recharge basin has been part of the city's plan for water service. It will capture stormwater and put it in the ground; along with conservation that will help to stabilize groundwater levels.

Davis noted that Keystone is one of several developers in the Zacharias Master Plan area, and developers typically are expected to pay a fair share of infrastructure costs. She said the city's requirement for Keystone to construct the recharge facility first, before building permits are issued, effectively imposed a five-year moratorium on the new housing.

Davis said a second issue is the council's closed session held April 1. According to Davis, council members came out of the closed session, declared there was a water emergency and said the environmental impact studies no longer were valid. Davis suggested the city invented the water emergency to derail the Keystone project.

State claims Housing Crisis Act was violated

In the letter, HCD said the city failed to make required findings under the Housing Accountability Act. In addition, certain conditions imposed on Keystone's project were not consistent with the state's Housing Crisis Act, a 2019 law aiming to increase residential development and expedite permitting.

The HCD letter noted the \$20 million recharge facility is intended to service the broader master planned development area, while Keystone's project represents about 14% of the planned housing.

White countered it's common for cities to require the developer that goes first to pay for core infrastructure. That company is reimbursed when other developers bring their projects online, the attorney said.

White said he believes that providing more documentation on the April 1 council decision will satisfy HCD. White said the City Council is holding firm to its position that developers pay the costs of new development. The city is working on efforts to secure surface water to reduce dependence on groundwater.

Ongoing vision for health care campus presented at town hall

By Timothy Benefield Sr.

The Del Puerto Health Care District held its monthly board meeting on Monday night, but the meeting also served as a town hall to present the latest developments in an envisioned health care campus. The proposed campus is ambitious, and progress has been developing rapidly. The district has developed an entire timeline of projects that would ultimately culminate in an Acute Care Hospital. The first two buildings on the timeline are the Ambulance & Administration Center and the Community Mental Health Clinic. Both projects are projected to have a groundbreaking in 2026 and to be completed in 2028. HDR is the architecture and design firm that is developing the project. The firm had two representatives on hand at the townhall to present the current status of the master plan as well as to present refined site planning and conceptual design for the first two proposed buildings.

The DPHCD Board of Directors, CEO Karin Freese and her staff, various city officials, and a handful of Patterson residents saw the first design concepts and a vision of what the campus will look like. HDR has created a peaceful and relaxing environment full of trees, sidewalks, covered walkways, and paseos. According to the HDR representatives, 28% of the campus will be open space. The architectural design of the buildings was described as “Spanish colonial” and was specifically created to integrate with the atmosphere of downtown Patterson.

Mayor Mike Clauzel was in attendance along with City Manager Fernando Ulloa. Mayor Clauzel spoke up in the public comments time to express the full support and cooperation of the city with the project. He expressed his vision since he first ran for mayor to have a hospital campus in the heart of Patterson. He said, “I will be steadfastly behind you, and I will do everything humanly possible to push this project forward both on a federal, state, and local level.”

Part of the town hall included an opportunity for residents to ask questions and provide input. DPHCD is seeking to be fully transparent about the process and is seeking input from those who will be the biggest beneficiaries of the services provided. Residents can go to dphealth.org and find a wealth of information about the project. You can also sign up for email updates from the district by signing up at their website. Follow Del Puerto Health Care District on Facebook for regular updates as well.

Newman Planning Commission approves proposed shopping center site plan

By Navtej Hundal

Newman residents could expect to see a commercial shopping center in the city in the near future after its planning commission board approved the project's site plan on Sept.18.

Located at the southernmost side of Newman and near Highway 33, the 107,000 square foot site will have seven buildings. Of the seven buildings, four will be stand-alone dining spaces with two having a drive-thru and the other two being a full-service restaurant.

Additionally, there will be two large multi-tenant buildings, located on the west side of the shopping center, offering six tenant spaces. The size of each building will range from 5,000 to 30,000 square feet. There has not been a decision of what the remaining building will occupy. [According to the meeting document](#), the building will be 15,000 square feet and could be a retail store, office space or medical or veterinary clinics.

The shopping center will have four entrances, two from Highway 33 and two from the Mattos Drive extension. If Mattos Drive is not extended and connected to Highway 33, the developer will be responsible for constructing the extension and connection to the highway.

540 parking spaces are proposed for the area with 440 required. Newman City Manager Michael Holland said there could be around 108 trees planted throughout the site, with one per five parking spaces.

The project is a part of Mattos Ranch Subdivision Phase 2, which was certified by Newman City Council last year.

Shopping center raises questions from Newman Planning Commission board members

The site's map showed an extra dining space with a drive-thru located at the southwest of the shopping center. The dining space is shown to be located near some of the homes at Rolling Hills Apartments. Planning Commission Board Member Donald Harmon questioned the decision of having the dining space near the residential complex.

Kari Thompson, another planning commission board member, asked whether the entire shopping center will belong to Stanislaus County. She was referring to the upper east side of the proposed shopping center map, one of the dining spaces and the 15,000 square foot building are located in Merced County while the rest of the shopping center's buildings are in Stanislaus County. Holland in response said city staff will ensure that both buildings will be in Stanislaus County

"In this particular case, we'll make sure that the buildings stay over here and just make it nice and clean," he said. "And we'll get all the property tax and sales tax."

Holland added that he anticipates the area having traffic lights as city staff is pushing for the idea. He added that the city has the materials to build it but are waiting for Caltrans' approval.

Thompson also asked about whether the Highway 33 speed limit will change with the addition of the shopping center. The current speed limit on Highway 33 is 55 mph. In response to Thompson, Holland said it's up to Caltrans to decide whether to change the speed limit.

The Newman City Council will take up the matter of the proposed shopping center at a later date.

Westside Healthcare District looks for possible assistance in obtaining funding

By Navtej Hundal

The Westside Healthcare District is looking for assistance on potential funding for financial stability according to a June letter.

The letter, presented during last Monday's board meeting, mentioned the district's ambulance service background and some of the challenges WSCHD has dealt with in the last couple of years. Some of those obstacles include adjusting to the current economic circumstances, inability to offer a competitive wage for medics to work in a rural area and the need to purchase modern equipment such as new ambulances to accommodate a patients' needs. Additionally, the letter stated that the district is currently funded by ballot measure passed in 1984 that charges \$40 per parcel.

According to the letter, one of the ways the district generates revenue is through its transports. WSCHD averages around 130 transports per month and its average revenue is \$922 per transport based on annual gross collection rates and transport revenue. The letter mentioned that Medicare and Medicaid insurance makes up 60% of Westside Ambulance's revenue while both companies pay between 30% to 46% of transport costs.

This has led WSCHD "to budget for closure and start making difficult financial decisions to attempt to keep us afloat."

At the end of the letter, it mentioned that WSCHD had reached out to county officials and state agencies about possible funding but has not gotten a response. It also urges anyone with suggestions to contact Board President David Varnell.

"If we are unable to secure adequate funding, response times will increase, we will continue to lose loyal personnel and will come to a close," the letter stated. "We have reached out to numerous county officials and state agencies in hopes to secure funding but have had no luck."

In recent years, the district had campaigned for two ballot measures to increase its parcel tax to \$69 per parcel. In 2022 and 2024, Measure D and Measure A, respectively, didn't pass after both ballot measures didn't receive a two-thirds vote.

In March, the district along with an ad hoc committee held a special meeting to discuss possible moves to address its financial situation.

Nicolas Cardella, an attorney at Fresno-based Wagner Jones Helsey, said the district could do an outreach campaign about the situation. He added that it could help raise awareness and be more specific on the issues the district has faced.

"You [could] increase your chances of getting the type of thoughts you want from communities that most likely don't have that information," Cardella said.

Further discussion on the topic will happen in a future meeting.

California Special Districts Association visits Patterson

By Timothy Benefield Sr.

On Wednesday, October 1, the California Special Districts Association (CSDA) visited the Del Puerto Health Care District (DPHCD) and the West Stanislaus County Fire Protection District (WestStan Fire). Both of these special districts are headquartered in Patterson. The CSDA is a nonprofit organization that was formed in 1969 “to promote good governance and improved core local services through professional development, advocacy, and other services for all types of independent special districts.” According to the CSDA website, “Special districts are local governments created by the people of a community to deliver specialized services essential to their health, safety, economy and well-being. A community forms a special district, which are political subdivisions authorized through a state’s statutes, to provide specialized services the local city or county do not provide.”

DPHCD was established in 1946 with the express purpose of assessing and meeting the specialized health needs of the Patterson community. WestStan Fire was established in 1935 and serves 625 square miles, including Patterson, Newman, Crows Landing, Westly, El Solyo, and Diablo Grande.

There are over 30,000 special districts across the United States, and as many as 3,400 of those districts are in California. Special districts can include cemetery districts, water districts, health districts, fire districts, irrigation districts, and even mosquito districts. Each district has unique needs for funding, legislation, and advocacy. Often, both citizens and legislators are not familiar with the unique needs and functions of special districts. With this in mind, the CSDA arranged a two-day trip for legislative aides from Sacramento to visit special districts in the central valley. A busload of advisors and aids from the offices of elected state representatives visited DPHCD and WestStan Fire in addition to the Galt-Arno Cemetery District, the Turlock Irrigation District, the Delhi County Water District, and the Merced County Mosquito Abatement District.

This delegation was given a tour of DPHCD and a presentation about the health care campus that is being developed in downtown Patterson. They were also able to visit one of the five WestStan Fire stations for some fire department demonstrations and another presentation about the needs of the fire district. The hope is that these legislative aids will return to Sacramento with a deeper understanding about our local special districts. This knowledge will become especially useful when state grants are being considered and when new legislation is being crafted.

Chief Jeff Frye oversees the Patterson Fire Department as well as the WestStan Fire District. He noted, “I am thankful for the opportunity to speak directly to the legislative aids regarding the purpose and needs of fire districts. It was helpful to draw their attention to the urgent need for funding and improved volunteerism.”

Dr. Karin Freese, who is the CEO of DPHCD, said, “We appreciate the opportunity to share the mission of special districts across the state with legislative staff and highlight how they serve their communities in unique and impactful ways. For Del Puerto Health Care District, that means providing critically needed health care services to west Stanislaus County residents and expanding access to care through projects like the Patterson Health Care Campus, a long-term investment in local health infrastructure that will bring essential medical and mental health services closer to home for our community.”

IN THE NEWS – Modesto Bee, October 14, 2025

\$23.6M approved for Crows Landing business park water facility

By Ken Carlson

Stanislaus County supervisors approved a \$23.6 million to build water improvements for the Crows Landing business park, a county-sponsored venture with a vision of creating 14,000 jobs.

The 1,528-acre business park at a former Navy airfield is proposed for light industry, possible warehouses and businesses supporting a public airport that's part of the blueprint. The center about a mile from Interstate 5 would develop over 30 to 40 years.

The county has allocated \$42.6 million toward the job-creation effort from a combination of general fund reserves, American Rescue Plan Act funds, the county economic development bank and other sources. So far, \$14.8 million has been spent on planning, environmental studies, infrastructure design and engineering, staff support and consulting services.

Supervisors approved the contract for Mozingo Construction Inc. of Oakdale to make improvements to two well sites in the Crows Landing community and install a water main along Fink Road to the business park site. The water improvements also will include a 1.6 million-gallon storage tank, pumping and treatment facilities at the business park.

Mozingo's bid of \$23.6 million was a third of another contractor's bid. The total cost is \$28.5 million when construction management is added.

Supervisor Terry Withrow said he's getting nervous about the industrial park project, which has been in the planning stages during his 15 years on the board. The county has invested around \$15 million in the project without seeing a return, he said.

"If it's a viable venture, the private sector will step up and get involved with it," Withrow said. "I don't understand why no one has stepped up in the private sector saying they want to get involved."

Withrow, who joined in the 5-0 vote approving the water improvement contract, suggested he was supporting the project one last time. The county is taking on \$300,000 in annual operations and maintenance costs for the water facilities, staff said.

Supervisor Channce Condit, who represents the area, said he hopes fellow board members keep an open mind about his idea for a casino at the former airfield that would support a hospital facility.

Supervisors did not discuss potential groundwater impacts. The water improvements are expected to meet the needs of the first two phases of business park development. Later stages of development likely will require additional water, possibly through agreements with other West Side agencies.

A year ago, county leaders gave careful consideration to a groundwater pumping reduction plan for the northern part of the Delta-Mendota subbasin in the hope that state regulators would not intervene and impose pumping restrictions in the overdrafted basin. Crows Landing, Patterson and water districts serving farmers are within the subbasin boundaries traversing parts of Stanislaus, Merced, Madera and Fresno counties.

IN THE NEWS – Modesto Bee, October 13, 2025 - Continued

The city of Patterson declared a water emergency in April, resulting in denial of a 719-home Keystone Corp. subdivision. The city expects housing developers to pay for a groundwater recharge facility before housing development may continue.

Evette Davis, a spokeswoman for Keystone, said Monday the company supports the Crows Landing business park as a crucial economic catalyst for the region. But she doubted the veracity of Patterson's water emergency declaration if the county thinks nothing of installing water improvements at the Crows Landing business park.

"There is nothing to explain why the county can undertake this large well and pumping project while the city of Patterson, in the same groundwater basin, has declared a bogus groundwater emergency," Davis said via email. "If the county believes there is enough water for Crows Landing, there is enough for Patterson to proceed with Keystone Ranch."

Withrow said Monday he didn't believe the initial water improvements raise groundwater sustainability concerns. "There is a need to make sure everything is sustainable out there," he said. "The question will not be this part of the development, but future development. As the first phases are completed, we will have to look at all possibilities for future phases."

A mitigation measure in the environmental studies for the Crows Landing business park calls for groundwater monitoring and coordination with the Delta-Mendota groundwater sustainability agency.



STANISLAUS LOCAL AGENCY FORMATION COMMISSION MINUTES

August 27, 2025

1. CALL TO ORDER

Due to the absence of the Chair and Vice-Chair, Commissioner Chiesa agreed to serve as Acting Chair.

Chair Chiesa called the meeting to order at 6:00 p.m.

- A. Pledge of Allegiance to Flag. Chair Chiesa led in the pledge of allegiance to the flag.
- B. Introduction of Commissioners and Staff. Chair Chiesa led in the introduction of the Commissioners and Staff.

Commissioners Present: Vito Chiesa, Acting Chair, County Member
Sue Zwahlen, City Member
Bill O'Brien, Public Member
Charlie Goeken, Alternate City Member
Jami Aggers, Alternate Public Member

Commissioners Absent: Amy Bublak, Chair, City Member
Terry Withrow, Vice Chair, County Member
Mani Grewal, Alternate County Member

Staff Present: Sara Lytle-Pinhey, Executive Officer
Jennifer Vieira, Commission Clerk
Javier Camarena, Assistant Executive Officer
Shaun Wahid, LAFCO Counsel

2. PUBLIC COMMENT

Milt Trieweller spoke regarding sustainable growth and farmland protection.

3. CORRESPONDENCE

- A. Specific Correspondence.

None.

- B. Informational Correspondence.

- 1. CALAFCO Update Memo, dated July 25, 2025.

- 2. CALAFCO Board Memo Recommending Bylaws Amendments, dated

August 15, 2025.

C. In the News

4. DECLARATION OF CONFLICTS AND DISQUALIFICATIONS

None.

5. CONSENT ITEMS

A. **MINUTES OF THE JULY 23, 2025, LAFCO MEETING**

(Staff Recommendation: Accept the Minutes.)

B. **MUNICIPAL SERVICE REVIEW NO. 2025-01 AND SPHERE OF INFLUENCE UPDATE NO. 2025-02 – DENAIR COMMUNITY SERVICES DISTRICT:**

The Commission will consider the adoption of a Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for the Denair Community Services District. This item is exempt from the California Environmental Quality Act (CEQA) review pursuant to sections 15306 and 15061(b)(3). (Staff Recommendation: Approve the update and adopt Resolution No. 2025-14.)

C. **OUT-OF-BOUNDARY SERVICE APPLICATION; FRESHPOINT (KEYES COMMUNITY SERVICES DISTRICT):**

The Commission will consider a request to connect to an existing water line to serve the FreshPoint site, an existing food preparation facility, outside of the Keyes Community Services District boundary at 5900 North Golden State Boulevard on the east side of Golden State Boulevard, between East Keyes Road and West Barnhart Road (APN: 045-052-034). The proposed service connection is considered exempt under §15301(b) of the California Environmental Quality Act (CEQA). (Staff Recommendation: Approve the application and adopt Resolution No. 2025-13.)

D. **SELECTION OF AN INDEPENDENT AUDITOR FOR THE BIENNIAL AUDIT.**

(Staff Recommendation: Authorize the Executive Office to Execute a Professional Services Agreement with an independent auditor for completion of a biennial audit for fiscal years ending 2024 to 2025.)

Motion by Commissioner Goeken, seconded by Commissioner O'Brien, and carried with a 4-0 vote to approve the consent items, by the following vote:

Ayes: Commissioners: Chiesa, Goeken, O'Brien and Zwahlen

Noes: Commissioners: None

Ineligible: Commissioners: Aggers

Absent: Commissioners: Bublak, Grewal and Withrow

Abstention: Commissioners: None

6. PUBLIC HEARINGS

A. **LAFCO APPLICATION NO. 2025-03: SECURED SPACE CHANGE OF ORGANIZATION TO THE KEYES COMMUNITY SERVICES DISTRICT:**

A request to annex 4.73 acres located at 5024, 5028, and 5030 Rohde Road, between Esmar and Faith Home Roads, to the Keyes Community Services District. Annexation would allow an existing mini-storage facility and seven residential units to receive

water services from the District. The proposal is intended to fulfill a condition of approval for a general plan amendment and rezone approved for the site by Stanislaus County in 2024. APN: 041-059-001 & 041-059-002. Stanislaus County, through its planning process, assumed the role of Lead Agency, pursuant to the California Environmental Quality Act (CEQA), for the project. The County approved a Mitigated Negative Declaration for purposes of CEQA. LAFCO, as a Responsible Agency, will consider the environmental documentation prepared by the County as part of its action. (Staff Recommendation: Approve the application and adopt Resolution No. 2025-12.)

Javier Camarena, Assistant Executive Officer, presented the item with a recommendation to approve the proposal.

Chair Chiesa opened the Public Hearing at 6:09 p.m.

No one spoke.

Chair Chiesa closed the Public Hearing at 6:09 p.m.

Motion by Commissioner O'Brien, seconded by Commissioner Goeken, and carried with a 4-0 vote to approve the proposal, by the following vote:

<i>Ayes:</i>	<i>Commissioners: Chiesa, Goeken, O'Brien and Zwahlen</i>
<i>Noes:</i>	<i>Commissioners: None</i>
<i>Ineligible:</i>	<i>Commissioners: Aggers</i>
<i>Absent:</i>	<i>Commissioners: Bublak, Grewal and Withrow</i>
<i>Abstention:</i>	<i>Commissioners: None</i>

7. OTHER BUSINESS

None.

8. COMMISSIONER COMMENTS

Commissioner Aggers stated that she attended the second CALAFCO U webinar the Brown Act- LAFCO Edition. Commissioner Zwahlen thanked her for attending this webinar. Commissioner Chiesa stated that he, as well as Counsel, have visited the River Walk proposal area.

9. ADDITIONAL MATTERS AT THE DISCRETION OF THE CHAIRPERSON

None.

10. EXECUTIVE OFFICER'S REPORT

The Executive Officer informed the Commission of the following:

- Staff will be conducting a Protest Hearing for Sierra Pointe on September 18th and will update the Commission on the outcome.
- Staff will be scheduling a LAFCO 101 and will make sure all Commissioners are able to attend.
- Staff anticipates an annexation from the City of Modesto as well as a few district

annexations coming soon.

- There are no Public Hearings scheduled for September. Staff recommends canceling the September Meeting. The next meeting will be October 22, 2025.

13. ADJOURNMENT

A. Chair Chiesa adjourned the meeting at 6:13 p.m.

DRAFT

Sara Lytle-Pinhey, Executive Officer

1010 TENTH STREET, 3RD FLOOR
MODESTO, CA 95354



PHONE: (209) 525-7660
FAX: (209) 525-7643
www.stanislauslafco.org

MEMORANDUM

DATE: October 22, 2025
TO: LAFCO Commissioners
FROM: Jennifer Vieira, Commission Clerk
SUBJECT: **Proposed LAFCO Meeting Calendar for 2026**

RECOMMENDATION

Staff recommends that the Commission accept the proposed 2026 LAFCO Meeting Calendar

BACKGROUND

Each year, the Commission considers the following year's regular meeting calendar. The Commission's regular meetings occur on the fourth Wednesday of each month, with the exception of the November and December meetings that are combined due to the holidays and held on the first Wednesday in December. The calendar includes holidays and CALAFCO educational opportunities (staff workshop and annual conference) for the Commission's information.

Attachment: Proposed LAFCO 2026 Meeting Calendar

LAFCO CALENDAR FOR 2026

REGULAR MEETING TIME: 6:00 P.M.

JANUARY							FEBRUARY							MARCH							APRIL						
Su	M	Tu	W	Th	Fr	Sa	Su	M	Tu	W	Th	Fr	Sa	Su	M	Tu	W	Th	Fr	Sa	Su	M	Tu	W	Th	Fr	Sa
				1	2	3	1	2	3	4	5	6	7	1	2	3	4	5	6	7				1	2	3	4
4	5	6	7	8	9	10	8	9	10	11	12	13	14	8	9	10	11	12	13	14	5	6	7	8	9	10	11
11	12	13	14	15	16	17	15	16	17	18	19	20	21	15	16	17	18	19	20	21	12	13	14	15	16	17	18
18	19	20	21	22	23	24	22	23	24	25	26	27	28	22	23	24	25	26	27	28	19	20	21	22	23	24	25
25	26	27	28	29	30	31								29	30	31					26	27	28	29	30		
MAY							JUNE							JULY							AUGUST						
Su	M	Tu	W	Th	Fr	Sa	Su	M	Tu	W	Th	Fr	Sa	Su	M	Tu	W	Th	Fr	Sa	Su	M	Tu	W	Th	Fr	Sa
					1	2		1	2	3	4	5	6				1	2	3	4							1
3	4	5	6	7	8	9	7	8	9	10	11	12	13	5	6	7	8	9	10	11	2	3	4	5	6	7	8
10	11	12	13	14	15	16	14	15	16	17	18	19	20	12	13	14	15	16	17	18	9	10	11	12	13	14	15
17	18	19	20	21	22	23	21	22	23	24	25	26	27	19	20	21	22	23	24	25	16	17	18	19	20	21	22
24	25	26	27	28	29	30	28	29	30					26	27	28	29	30	31		23	24	25	26	27	28	29
31																					30	31					
SEPTEMBER							OCTOBER							NOVEMBER							DECEMBER						
Su	M	Tu	W	Th	Fr	Sa	Su	M	Tu	W	Th	Fr	Sa	Su	M	Tu	W	Th	Fr	Sa	Su	M	Tu	W	Th	Fr	Sa
		1	2	3	4	5					1	2	3	1	2	3	4	5	6	7			1	2	3	4	5
6	7	8	9	10	11	12	4	5	6	7	8	9	10	8	9	10	11	12	13	14	6	7	8	9	10	11	12
13	14	15	16	17	18	19	11	12	13	14	15	16	17	15	16	17	18	19	20	21	13	14	15	16	17	18	19
20	21	22	23	24	25	26	18	19	20	21	22	23	24	22	23	24	25	26	27	28	20	21	22	23	24	25	26
27	28	29	30				25	26	27	28	29	30	31	29	30						27	28	29	30	31		



LAFCO MEETINGS – REGULAR TIME: 6:00 P.M.

(4TH WEDNESDAY OF EVERY MONTH, WITH THE EXCEPTION OF NOVEMBER & DECEMBER, WHICH ARE COMBINED AND HELD ON THE 1ST WEDNESDAY IN DECEMBER)



HOLIDAYS



CALAFCO STAFF WORKSHOP – FRESNO (April 2026 TBA)

CALAFCO ANNUAL CONFERENCE – SACRAMENTO (October 21-23, 2026)

**EXECUTIVE OFFICER'S AGENDA REPORT
OCTOBER 22, 2025**

TO: LAFCO Commissioners

FROM: Sara Lytle-Pinhey, Executive Officer *SLP*

SUBJECT: Year-End Financial Report for Fiscal Year 2024-2025

RECOMMENDATION

Staff recommends that the Commission accept this informational report comparing budgeted and actual revenue and expenditures for Fiscal Year 2024-2025.

DISCUSSION

At the close of Fiscal Year 2024-2025, the Commission's revenues exceeded expenditures by \$68,968 and a drawdown of fund balance was not needed. Overall, the Commission expended 93% of the amount budgeted for the year. A summary of the expenditures and revenue is shown in Table 1, below.

Table 1: Fiscal Year 2024-2025 Summary
(Totals have been rounded)

<i>Expenditures</i>	Adopted Budget FY 24-25	Actuals Year-End	Difference	% of Budget
Salaries & Benefits	610,695	600,944	9,751	98%
Services & Supplies	111,775	71,843	39,932	64%
Other Charges	1,200	414	786	35%
Total Expenditures	723,670	673,201	50,469	93%
<i>Revenues</i>				
Agency Contributions	693,670	693,670	0	100%
Applications	20,000	21,153	(1,153)	106%
Interest Earnings	-	27,347	(27,347)	-
Total Revenue	713,670	742,169	(28,499)	104%
<i>Anticipated Use of Fund Balance</i>	<i>20,000</i>			
Revenue Less Expenditures		68,968		

Expenditures

The Commission uses three expense categories: Salaries and Benefits, Services and Supplies, and Other Charges. Overall, expenses trended lower than budgeted. Details of the individual accounts are attached to this report. The following are highlights within each of these categories:

Salaries and Benefits

At the end of the fiscal year, the Salaries and Benefits category had expenditures of \$600,944,

EXECUTIVE OFFICER'S AGENDA REPORT
OCTOBER 22, 2025
PAGE 2

representing 98% of the amount budgeted in this category. Health insurance rates and retirement rates were consistent with those estimated during budget preparation.

Services and Supplies

Expenditures in the Services and Supplies category accounted for 64% of the amount budgeted. The Commission had savings in the Commission Expense and Legal Services accounts due to the reduced number of meetings during the year. Savings were also seen in the Education and Training account increased as Staff participated in free training opportunities offered by CALAFCO and CSDA.

Other Charges

The Other Charges category consists of one account: "Planning Department Services" for shared use of a copier. Staff continues to strive to use reduced paper copies where possible.

Revenue

Overall, the Commission received \$742,169 in revenue, or \$28,499 above what was anticipated. The majority of this was due to unanticipated interest revenues and application revenues that slightly exceeded original estimates.

CONCLUSION

At the close of Fiscal Year 2024-2025, use of fund balance was not needed to offset expenditures as originally estimated. A fund balance analysis including assignment of reserves and use of undesignated fund balance will be considered during preparation of the next year's budget.

Attachment: Fiscal Year 2024-2025 Expenditures and Revenues Detail

Stanislaus LAFCO
Fiscal Year 2024-2025 Expenditures and Revenues

(Totals have been rounded)

EXPENDITURES

Account		FY 24-25 ADOPTED BUDGET	ACTUALS (YEAR-END)	DIFFERENCE	% EXPENDED
Salaries and Benefits					
50000+	Salaries and wages	375,500	371,986	3,514	99%
52000	Retirement	115,875	113,374	2,501	98%
52010	FICA	29,500	28,545	955	97%
53000	Group health insurance	72,500	70,913	1,587	98%
53020	Unemployment insurance	500	390	110	78%
53081	Long term disability	470	407	63	87%
54000	Workers compensation insurance	3,050	3,033	17	99%
55000	Auto allowance	4,800	4,819	(19)	100%
55080	Professional development	2,500	1,398	1,102	56%
55130	Deferred comp mgmt/conf	6,000	6,079	(79)	101%
Total	Salaries and Benefits	610,695	600,944	9,751	98%
Services and Supplies					
60400	Communications (ITC - Telecom)	1,200	1,152	48	96%
61000	Insurance (SDRMA)	5,500	5,286	214	96%
61030	Fiduciary liability insurance	15	14	1	93%
61070	Crime & fidelity insurance	40	31	9	78%
62200	Memberships (CSDA, CALAFCO)	11,700	11,983	(283)	102%
62400	Miscellaneous expense	5,500	(856)	6,356	-16%
62600	Office supplies	1,500	696	804	46%
62730	Postage	1,200	241	959	20%
63000	Prof & special serv (office, utilities, IT, HR, etc)	45,795	41,221	4,574	90%
63090	Auditing & accounting (incl Biennial audit)	4,325	2,572	1,753	59%
63400	Engineering services	2,000	163	1,837	8%
63640	Legal services	16,000	3,197	12,803	20%
65000	Publications & legal notices	1,200	686	514	57%
65660	Special dept exp (comissioners)	8,500	2,542	5,958	30%
65780+	Education & training	6,500	2,085	4,415	32%
67040	Other travel exp (local mileage)	600	747	(147)	124%
67201	Salvage disposal	200	83	117	41%
Total	Services and Supplies	111,775	71,843	39,932	64%
Other Charges					
73024	Planning dept services	1,200	414	786	35%
Total	Other Charges	1,200	414	786	35%
TOTAL EXPENDITURES		723,670	673,201	50,469	93%

REVENUES

Account	FY 24-25 ADOPTED BUDGET	ACTUALS (YEAR-END)	DIFFERENCE	% REALIZED
40680+ Agency Contributions	693,670	693,670	-	100%
36414 Application & Other Revenues	20,000	21,153	(1,153)	106%
17000+ Interest Earnings	-	27,347	(27,347)	-
TOTAL REVENUE	713,670	742,169	(28,499)	104%
<i>Anticipated Drawdown of Fund Balance</i>	<i>10,000</i>			
Revenues Less Expenditures		68,968		

MEMORANDUM

DATE: October 22, 2025

TO: LAFCO Commissioners

FROM: Sara Lytle-Pinhey, Executive Officer *SLP*

SUBJECT: Legislative Update

RECOMMENDATION

This Legislative Report is being provided for the Commission's information only. It is recommended that the Commission receive and file this report.

DISCUSSION

During the 2025 legislative session, the California Association of Local Agency Formation Commissions (CALAFCO) has been tracking bills of interest to LAFCOs. The following is a summary of bills affecting LAFCOs that were signed by the Governor:

LAFCO Policies & Procedures: Permit Streamlining Act

SB-489 (Arreguin) - *Chaptered*

QUICK SUMMARY:

SB-489 requires all LAFCOs to post specified documents online, including policies and procedures, hearing notices, boundary change application materials, and other commission information on its website.

This bill seeks to improve public access to materials and forms related to LAFCO applications, similar to the requirements of the Permit Streamlining Act. The initial version of the bill included confusing language mixing the definitions of "housing projects" with LAFCO changes of organization. The bill was later amended to require that LAFCOs include policies and procedures, hearing notices, application materials and other commission information on its websites. SB-489 was sponsored by the California Building Industry Association.

IMPLICATIONS FOR STANISLAUS LAFCO:

Stanislaus LAFCO is already compliant with the bill's requirements and includes policies, notices, and application documents on its website.

Abandoned Cemeteries

SB-777 (Richardson D) - **Chaptered**

QUICK SUMMARY:

Senate Bill 777 intends to address an issue with abandoned endowment care cemeteries. The bill requires a working group including representatives from CALAFCO, the League of California Cities (LCC), the California State Association of Counties (CSAC) and other stakeholders to discuss options for continued maintenance and responsibility of abandoned private cemeteries.

Initial versions of the bill would have required LAFCO to assign a city or county to be responsible for abandoned, privately-owned endowment care cemeteries. The bill was later amended to instead require an affected city or county to apply to LAFCO to either form a Public Cemetery District or annex the abandoned cemetery to an existing Public Cemetery District. Several associations opposed the bill and its amendments. The author then dramatically amended the bill. As chaptered, SB-777 now simply requires a working group to meet and submit a report with recommendations regarding abandoned endowment care cemeteries. The author has indicated that her intent is to return with a subsequent bill based on the recommendations of the working group.

IMPLICATIONS FOR STANISLAUS LAFCO:

The bill was intended to target six private cemeteries that are considered abandoned. None of these are located in Stanislaus County; however, the author has stated that there is the potential for 100 private cemeteries to be considered abandoned or failing in the future.

Local Government Omnibus Bill

SB-858 (Committee on Local Government) - **Chaptered**

QUICK SUMMARY:

The bill makes numerous non-controversial corrections to various state laws and includes two minor corrections related to LAFCO law.

Senate Bill 858 is an annual omnibus bill that makes minor changes to state laws governing local governments' powers and duties. The CALAFCO Legislative Committee submitted two items that were included in a recent amendment to the omnibus bill:

- A correction to Government Code section 37396(b) referencing LAFCO law related to city annexations of non-contiguous territory. (This error was originally discovered by Stanislaus LAFCO staff and CALAFCO worked quickly to add it to the omnibus bill.)
- A correction to noticing requirements for protest hearings in Government Code section 57002(a).

IMPLICATIONS FOR STANISLAUS LAFCO:

Clarifications and improvements to the CKH Act are necessary to ensure the law is as unambiguous as possible to the Commission and Staff. The Commission provided a letter of support for the bill.

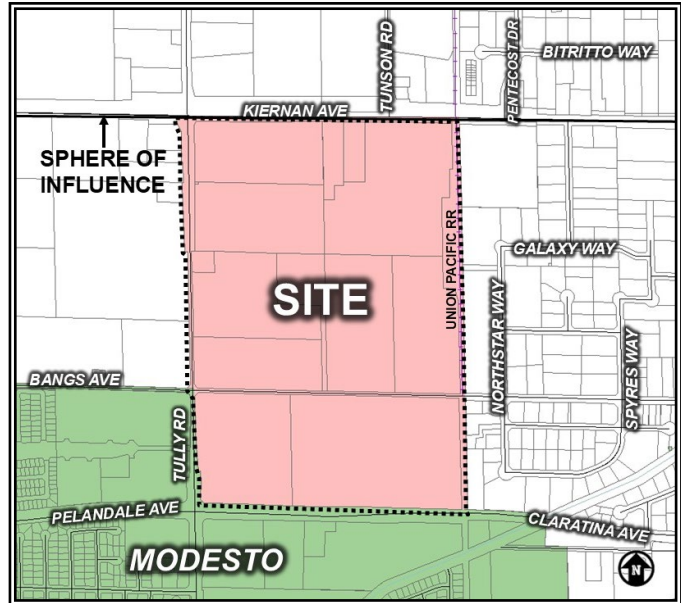
**EXECUTIVE OFFICER'S AGENDA REPORT
OCTOBER 22, 2025**

**LAFCO APPLICATION NO. 2025-04
FOUNDERS POINT EAST CHANGE OF ORGANIZATION TO
THE CITY OF MODESTO**

PROPOSAL

The City of Modesto has requested to annex approximately 245 acres. The proposed annexation includes the Founders Point East Specific Plan and an area designated for business park uses. The project site is within the Modesto Sphere of Influence.

1. Applicant: City of Modesto
2. Location: The project site is located northeast of the Pelandale Avenue and Tully Road intersection, south of Kiernan Avenue (State Highway 219) (See Exhibit A).
3. Parcels Involved and Acreage:
The project site contains 12 parcels and associated right-of-way along Kiernan Avenue (SR 219), Tully Road, and the Union Pacific Railroad for a total of approximately 245 acres.
4. Reason for Request: The City of Modesto recently approved a resolution of application to annex the proposed 245 acres for development of the Founders Point East Specific Plan.



BACKGROUND

In June of 2025, the Modesto City Council approved the Founders Point East Specific Plan, associated Mitigated Negative Declaration, rezoning of the project site and a resolution of application for annexation.

Currently, the project site contains orchards, the Holy Family Church, industrial businesses and warehouses, and a City of Modesto water storage tank facility. The proposed Founders Point East Specific Plan annexation will accommodate new development on the central/north edge of the City of Modesto. The Specific Plan includes land uses designated for 70 acres of residential uses and 150 acres of business park uses. The total annexation area along with road rights-of-way is approximately 245 acres.

FACTORS

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 typically requires several factors to be considered by a LAFCO when evaluating a proposal. The following discussion pertains to the factors, as set forth in Government Code Section 56668:

- a. ***Population and population density; land area and land use; assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated***

areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.

The project area is considered uninhabited territory as the site includes less than 12 registered voters. The site consists of orchards, a large warehousing facility, a church, industrial type uses, and a City of Modesto water storage tank facility. The site is surrounded by State Route 219/Kiernan Avenue and agricultural land to the north, industrial and light industrial uses to the east, a church and school campus to the south, and residential subdivision and agricultural land to the west.

According to the Founders Point East Specific Plan, the project site is expected to be developed with approximately 420 single family homes on 70 acres. The plan also includes 150 acres of business park uses, allowing for office, commercial-industrial, and light industrial uses. Much of the additional 150 non-residential acres are already developed.

- b. The need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.***

Essential governmental services that are provided to the subject area at the present time, and will be provided after the change of organization is finalized, are summarized in the following chart:

Type	Current Service Provider	Future Service Provider (Following Change of Organization)
Law Enforcement	Stanislaus County Sheriff	City of Modesto
Fire Protection	Salida Fire Protection District	City of Modesto & Salida Fire Protection District
Planning & Building Inspection	Stanislaus County	City of Modesto
School District	Modesto, Stanislaus Union & Sylvan Union	Same
Water (Potable)	Private Wells & City of Modesto (Out-of-Boundary Services)	City of Modesto
Sewer	Private Septic Systems	City of Modesto
Roads	Stanislaus County	City of Modesto
Mosquito Abatement	Eastside Mosquito Abatement	Same

Plan for Services

The City submitted a Plan for Services (attached as Exhibit B) demonstrating that the City can provide the necessary services to the subject territory. The City of Modesto is a full

provider of municipal services, including sewer, water, and police services.

Fire protection services are proposed to be provided by both the City of Modesto Fire Department and the Salida Fire Protection District. The two entities have a revenue sharing agreement that was enacted in 2022 that requires that both the City and District will jointly be responsible for fire suppression and prevention within the affected territory. A copy of this agreement can be found in Exhibit C.

Additional information regarding the proposed services to the area is discussed further in factors "j" and "k."

c. *The effect of the proposed action and of alternative actions, adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.*

The project site is currently within the jurisdiction of Stanislaus County. However, the area has been in the City's Sphere of Influence since it was first adopted by LAFCO in 1984. Once annexed, the City of Modesto will provide the services listed in the table provided in the previous section. There are no social or economic communities of interest in the area, as defined by the Commission's policies.

Upon annexation, property taxes will be shared in accordance with the City/County Master Property Tax Agreement. California Revenue and Taxation Code section 99, authorizes counties, cities and special district to enter into master property tax sharing agreements. Master tax sharing agreements provide consistency and efficiency in the annexation process.

d. *The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in Section 56377.*

LAFCO policies and priorities are intended to guide development away from existing prime agricultural lands and encourage development of existing vacant or nonprime agricultural land for urban uses within the existing jurisdiction of a local agency or within the sphere of influence of a local agency. Further, annexation is appropriate only when it can be shown that the City can provide all the necessary services for development, and it is consistent with the Commission's adopted policies to provide planned, well ordered and efficient development patterns.

Approximately 78 acres of the proposed 150 business park area are already developed with warehouse uses, the Holy Family Catholic Church, a City water tank site, and industrial type uses. The site is adjacent to a residential development and agricultural land to the west, a church and school campus to the south, industrial uses to the east, and State Route 219 and industrial uses to the north. Development of the location can be considered logical and orderly.

e. *The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.*

One of LAFCO's main charges, as put forth by the legislature, is to protect and promote agriculture. According to the City's Initial Study and Mitigated Negative Declaration, approximately 145 acres of the project area are categorized as Prime Farmland. To mitigate the impact to agricultural resources, the City adopted a mitigation measure requiring farmland mitigation to occur at a ratio of no less than 1:1 for each acre of Prime Farmland, Farmland of Statewide Importance, and Unique Farmlands converted to residential uses, consistent with LAFCO policy. Approximately 64 acres of the project fall under these types of farmlands that will be converted to residential uses. The City's adopted mitigation measure provides options to either directly preserve farmland through conservation easements or pay in-lieu fees to an established, qualified, mitigation program to fund the acquisition and maintenance of such agricultural land.

Approximately 122 acres within the proposed annexation area are currently enrolled in Williamson Act contracts (Nos. 75-1982, 75-1981, 75-2108, 75-2109, & 76-2108). The Williamson Act is a program regulated by State law that allows landowners to enter into contracts with local government (in this case, Stanislaus County) to restrict the use of their properties to agriculture in exchange for lower tax assessments.

During the original establishments of these contracts, the City of Modesto filed protests with LAFCO and is exercising its right to not succeed to the rights, duties and powers of the County under the Williamson Act contracts pursuant to Government Code §51243.5. This effectively allows the City to terminate the contracts upon annexation.

- f. *The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting proposed boundaries.***

The proposed annexation includes 12 Assessor's parcels shown on the legal description and map (Exhibit A). The full and/or remaining adjacent road right-of-way along State Route (SR) 219/Kiernan Avenue, Tully Road, Pelandale Avenue, and Union Pacific Railroad. The annexation is contiguous to the existing city limits.

- g. *A regional transportation plan adopted pursuant to Section 65080.***

The Regional Transportation Plan (RTP) is prepared and adopted by the Stanislaus Association of Governments (StanCOG) and is intended to determine the transportation needs of the region as well as the strategies for investing in the region's transportation system. The proposal is consistent with both the City and County general plans.

- h. *The proposal's consistency with city or county general and specific plans***

The project site is currently zoned A-2-10 (General Agriculture) and P-D 131 & 358 (Planned Development) in the Stanislaus County Zoning Ordinance and is designated as Urban Transition and Planned Development in the County General Plan. The Founders Point East Specific Plan identifies the site for residential and business park uses. Once annexed, the project site will be under the land-use jurisdiction of the City of Modesto. Annexation is consistent with the City's General Plan and Specific Plan.

i. ***The sphere of influence of any local agency, which may be applicable to the proposal being received.***

The territory is within the City of Modesto's Sphere of Influence. In addition, it is within the Sphere of Influence of the following agencies: Salida Fire Protection District, Eastside Mosquito Abatement District, and the Modesto Irrigation District. Upon annexation, the area will remain in all of the aforementioned districts.

j. ***The comments of any affected local agency or other public agency.***

All affected agencies and jurisdictions have been notified pursuant to State law requirements and the Commission adopted policies.

Staff received a comment letter, dated September 24, 2025, from Duane A. Wolterstorff on behalf of Modesto City Schools (See Exhibit D). The letter states that the proposed annexation project will have an effect on the school districts' ability to provide services to the community. Specifically, the letter states that residential units planned will impact enrollment and capacities across the area's schools. The letter requests that planning include consultation with the area school district(s). The letter also states that Modesto City Schools continues to request water service from the City of Modesto for Gregori High School and references a letter related to the Scannell Industrial Project located in the County. However, the additional items referenced in the letter are unrelated to the proposed project (See Exhibit D).

The City of Modesto sent a referral for the Founders Point East Specific Plan Initial Study to Modesto City Schools during its CEQA review. Modesto City Schools responded with a letter, dated May 23, 2024, stating that it had "no objection to the project." The letter also stated that "any new construction will be assessed the appropriate school fees in effect at the time". A copy of this letter can be found in Exhibit D. Verification that all school impact fees are paid is required as part of the City of Modesto's building permit process.

No other agency comments were received as of the drafting of this report.

k. ***The ability of the receiving entity to provide services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.***

The City of Modesto will provide municipal services to the area, such as: domestic water, sanitary sewer, storm drainage, street construction/maintenance, police protection and street lighting. Fire protection is proposed to be provided by the Salida Fire Protection District and City of Modesto. Services will be financed through applicable utility, services and permit fees, as well as property tax revenues and general fund resources.

Water Delivery – According to the project's Plan for Services, the City has an adequate supply of water to serve the project site. The City has an existing water tank located within the project site on APN 046-012-006. The tank is served by a 24-inch transmission line in Bangs Avenue. The area also has a 16-inch line in Bangs Avenue, a 12-inch line in Tully Road south of Bangs Avenue, and a 16-inch line in the railroad right-of-way.

Both the Holy Family Church and warehouse building on Kiernan Avenue are served with

City of Modesto water through a 12-inch line in Tully Road north of Bangs Avenue. Both sites were approved by LAFCO through out-of-boundary service requests. The City expects to eventually extend water lines in Kiernan Avenue to complete a loop, providing improved reliability.

Wastewater Collection and Treatment – According to the Plan for Services, the project site will be in Modesto's Sewer District No. 1. Sewer lines are located in Bangs Avenue, Tully Road, and Pelandale Avenue to the west and south of the project site.

Modesto's 27-inch North Trunk sewer line in Bangs Avenue comes from the west and ends at Tully Road. This line conveys wastewater flows west and ultimately south the City's wastewater treatment plant (WWTP). This line will be extended east along Bangs Avenue as part of the Wastewater Master Plan.

Tully Road, south of Bangs Avenue, has a 21-inch sub trunk sewer line and Pelandale Avenue has a 1-inch sewer line. Both Tully Road and Pelandale Avenue are potential sewer connection locations for lands south of Bangs Avenue. For properties north of Bangs Avenue a sub trunk line will be extended up Tully Road to serve the remainder of the Specific Plan area. All lines will be gravity fed, and no lift stations will be required.

Storm Drainage – Storm water will be maintained on site. Prior to the approval of any development, the City will approve the storm water drainage system. The developer will be responsible for construction of the storm drain system.

Fire Protection Services – According to the City's Plan for Services, fire protection services will be provided by the City of Modesto Fire Department and Salida Fire Protection District per a 2022 agreement between the two agencies.

Development within the project area will join the Salida Fire District Community Facilities District (CFD) to assist in the funding of fire protection services. Impact fees will be paid to the City of Modesto. Both entities will receive property taxes as determined by the County Tax Collector.

The Salida Fire Protection District entered into a contract for fire protection services with the City of Modesto in September of 2022. The contract is for the City of Modesto to provide fire protection services for the Salida Fire Protection District. No operational changes are currently proposed as a result of annexation.

Primary service will be provided from the City of Modesto Fire Station No. 11, which is the closest fire station to the project site, located at 4225 Carver Road. Secondary service will be provided from the Salida Fire Protection District station located at 4820 Broadway Avenue in Salida. Additional Modesto Fire Station locations to serve the area are Station No. 5 located at 200 West Briggsmore Avenue and Station No. 6 located at the corner of Standiford Avenue and Hahn Drive.

Police Protection – According to the Plan for Services, the area will be served by the Modesto Police Department. The Modesto Police Department is able to provide adequate service to the project site without any additional staffing.

l. Timely availability of water supplies adequate for projected needs as specified in Government Code Section 65352.5.

The City of Modesto obtains water from both surface water and groundwater sources. The City of Modesto has indicated that it has adequate water available to serve the Founders Point East Specific Plan area, including all commercial, industrial and residential development expected to occur. The project site itself has an existing water storage tank located on APN 046-012-006. Existing water lines are located near the project site and will be extended and looped where necessary. These improvements along with service connections will be installed as development occurs.

m. The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.

The City's 6th Cycle Housing Element establishes its 2023-2031 Regional Housing Needs Allocation (RHNA) at 11,248 housing units. To meet its RHNA requirements for moderate and above moderate units, typically market rate detached single family homes, the City would need to produce up to 6,498 units. The Plan also lists approved Specific Plans in the City of Modesto, including Fairview, Kiernan Business Park, Woodglen, Tivoli and Village One Specific Plans. In total, these Specific Plans are expected to produce up to 5,168 single family units. Adding an additional 408 single family units included in the Founders Point East Specific Plan will move the City closer to meeting its RHNA.

n. Any information or comments from the landowner or owners, voters, or residents of the affected territory.

No comments have been received at the time of this staff report.

o. Any information relating to existing land use designations.

As mentioned previously, the project site is currently zoned A-2-10 (General Agriculture) and P-D 131 & 358 (Planned Development) in the Stanislaus County Zoning Ordinance and designated as Urban Transition and Planned Development in the County General Plan. The Founders Point East Specific Plan identifies the site for residential, business park uses. Once annexed, the project site will be under the jurisdiction of the City of Modesto. Annexation is consistent with the City's General Plan and Specific Plan.

p. The extent to which the proposal will promote environmental justice (fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services).

As defined by Government Code §56668, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services. Staff has determined that as proposed, the reorganization would not likely result in the unfair treatment of any person based on race, culture or income with respect to the provision of services within the proposal area.

- q. Information contained in a local mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone pursuant to Section 51178 or maps that identify land determined to be in a state responsibility area pursuant to Section 4102 of the Public Resources Code, if it is determined that such information is relevant to the area that is the subject of the proposal.***

The project site has not been identified as being within a very high fire hazard severity zone.

DISCUSSION

LAFCO Staff has completed the following analysis to further evaluate issues and address factors unique to LAFCO's role pursuant to State Law and the Commission's adopted Policies and Procedures. The following is a discussion on each of these additional considerations.

Plan for Agricultural Preservation

The Commission adopted an Agricultural Preservation Policy that provides evaluation standards for the review of proposals that could induce or lead to the conversion of agricultural lands. The Policy requires that applicants prepare a Plan for Agricultural Preservation that details the impacts to agricultural lands, identifies a method to minimize impacts, and provides additional information to assist the Commission in making its findings for approval of a project. The Policy states that the Commission may consider approval of a proposal that contains agricultural land when it determines there is sufficient evidence demonstrating the following:

- a. *Insufficient alternative land is available within the existing sphere of influence or boundaries of the agency and, where possible, growth has been directed away from prime agricultural lands towards soils of lesser quality.*
- b. *For annexation proposals, that the development is imminent for all or a substantial portion of the proposal area.*
- c. *The loss of agricultural lands has been minimized based on the selected agricultural preservation strategy. For the purposes of making the determination in this section, the term "minimize" shall mean to allocate no more agricultural land to non-agricultural uses than what is reasonably needed to accommodate the amount and types of development anticipated to occur.*
- d. *The proposal will result in planned, orderly, and efficient use of land and services. This can be demonstrated through mechanisms such as:*
 - i. *Use of compact urban growth patterns and the efficient use of land that result in a reduced impact to agricultural lands measured by an increase over the current average density within the agency's boundaries (e.g. persons per acre) by the proposed average density of the proposal area.*
 - ii. *Use of adopted general plan policies, specific or master plans and project phasing that promote planned, orderly, and efficient development.*

In order to encourage orderly growth of urban areas and promote infill development, the Commission requires a vacant land inventory and absorption study of areas within the City's existing limits and/or sphere of influence. While the City has several Specific Plan areas that are being developed throughout the City of Modesto for residential uses, the City's Plan for Agricultural Preservation states that there are not enough vacant lands to provide the City's Regional Housing Needs Assessment requirement of 11,248 units.

The Plan also states that while the City has a small amount of existing land designated for Business Park uses, it lacks larger sites. The plan further states that the current annexation would add a modest amount of business park acreage to meet the City's demands but would offer additional opportunities overall.

LAFCO's Policy also requires that the City to demonstrate that it has minimized the loss of agricultural land and that the development will result in planned, orderly, and efficient use of land and services. As mentioned previously in this report, the Founders Point East Specific Plan includes a provision for 1:1 agricultural mitigation for important farmlands being dedicated to residential uses, which is consistent with the menu of strategies in LAFCO's Policy.

Approximately one-third of the annexation area is already developed. The site is located adjacent to the City limits and will access nearby sewer and water connections. The proposed annexation is consistent with both the City's Zoning Ordinance and General Plan. Therefore, the Commission may determine that the proposal will result in planned, orderly, and efficient use of land and services.

Salida Fire Protection District

Commission policies generally prefer detachment from districts upon an annexation to a City that currently provides an urban level of service. This also eliminates the potential for duplication of services in an area with overlapping jurisdictions. Exceptions have been made, however, when it has been shown that there is an existing agreement between a city and district that provides for shared revenues and continued service.

In 2013, the Commission approved the Woodglen Specific Plan Change of Organization to the City of Modesto, located directly west of the project site. This annexation was approved without detachment from the Salida Fire Protection District (FPD). However, in this case, the Salida FPD and City of Modesto were partners in the Modesto Regional Fire Authority (MRFA), which was a Joint Powers Authority (JPA) providing fire and life safety services to the area. MRFA has since disbanded, and the Woodglen Specific Plan area is under Salida FPD jurisdiction for fire services.

Recently, in July of this year, the Commission approved the Sierra Pointe Specific Plan Change of Organization to the City of Oakdale. The project approved annexation to the City of Oakdale without detachment from the Oakdale Fire Protection District. The two agencies had an existing revenue sharing agreement in place.

As mentioned previously, The City of Modesto is not proposing to detach from the Salida FPD. The City and Salida FPD have a revenue sharing agreement that states that both the City and District will share revenues and be jointly responsible for fire suppression and prevention within affected territory and future annexations. The agreement also states that the District agrees not

to oppose annexation to the City and the City will not request detachment of any territory from the district. Both parties agree to support the annexation without detachment.

Waiver of Protest Proceedings

Should the Commission approve the proposal, included with the resolution is standard language that would waive protest proceedings pursuant to Government Code Section 56663, the Commission may waive protest proceedings entirely when the following conditions apply:

1. Landowners and registered voters within the affected territory have been notified via mail pursuant to section 56157 of the Cortese-Knox-Hertzberg Act.
2. The mailed notice discloses that there is a potential for extension of existing charges, fees, assessments, or taxes by the City and unless written opposition to the proposal is received prior to the commission proceedings that the commission intends to waive the protest proceedings.
3. No written opposition to the proposal from landowners or registered voters is received.

As all of the above conditions have been met, the Commission may waive the protest proceedings in their entirety.

ENVIRONMENTAL REVIEW

The City of Modesto, as Lead Agency, prepared an initial study and mitigated negative declaration for the project pursuant to the California Environmental Quality Act (CEQA) for the Founders Point East Specific Plan. LAFCO, as a Responsible Agency, must certify that it has considered the environmental documentation prepared by the City of Modesto. This documentation has been provided previously in electronic format for the Commission and public's review and is available on the LAFCO website.

ALTERNATIVES FOR COMMISSION ACTION

Following consideration of this report and any testimony or additional materials that are submitted at the public hearing for this proposal, the Commission may take one of the following actions:

- Option 1** APPROVE the proposal (with or without modification).
- Option 2** DENY the proposal (with or without prejudice).
- Option 3** CONTINUE this proposal to a future meeting for additional information.

STAFF RECOMMENDATION

Based on the discussion in this staff report, including the factors set forth in Government Code Section 56668, and following any testimony or evidence presented at the meeting, Staff recommends that the Commission approve the proposal and adopt Resolution 2025-15 (attached as Exhibit E) which:

1. Finds the proposal to be consistent with State law and the Commission's adopted Policies and Procedures;
2. Certifies, as a Responsible Agency under CEQA, that the Commission has considered the environmental documentation prepared by the City of Modesto as Lead Agency;
3. Waives protest proceedings pursuant to Government Code Section 56663;
4. Approves the change of organization, subject to the terms and conditions.

Respectfully submitted,

Javier Camarena

Javier Camarena
Assistant Executive Officer

Attachments - Exhibit A: Maps and Legal Description
Exhibit B: Plan for Agricultural Preservation & Plan for Services
Exhibit C: Revenue Sharing Agreement between City of Modesto & Salida Fire Protection District
Exhibit D: Modesto City Schools letters dated September 24, 2025 & May 23, 2024
Exhibit E: City of Modesto Resolutions

- Resolution No. 2025-247: Approving General Plan Amendment
- Resolution No. 2025-248: Approving Founders Point East Specific Plan
- Resolution No. 2025-249: Approving Resolution of Application to LAFCO for annexation
- Resolution No. 2025-250: Adopting the Mitigated Negative Declaration for the General Plan Amendment, Specific Plan, Prezone and Application to LAFCO

Exhibit F: Draft LAFCO Resolution No. 2025-15

This page intentionally left blank.

EXHIBIT A

Maps and Legal Description

This page intentionally left blank.

**FOUNDERS POINT EAST
CHANGE OF ORGANIZATION TO
CITY OF MODESTO**
Project Map

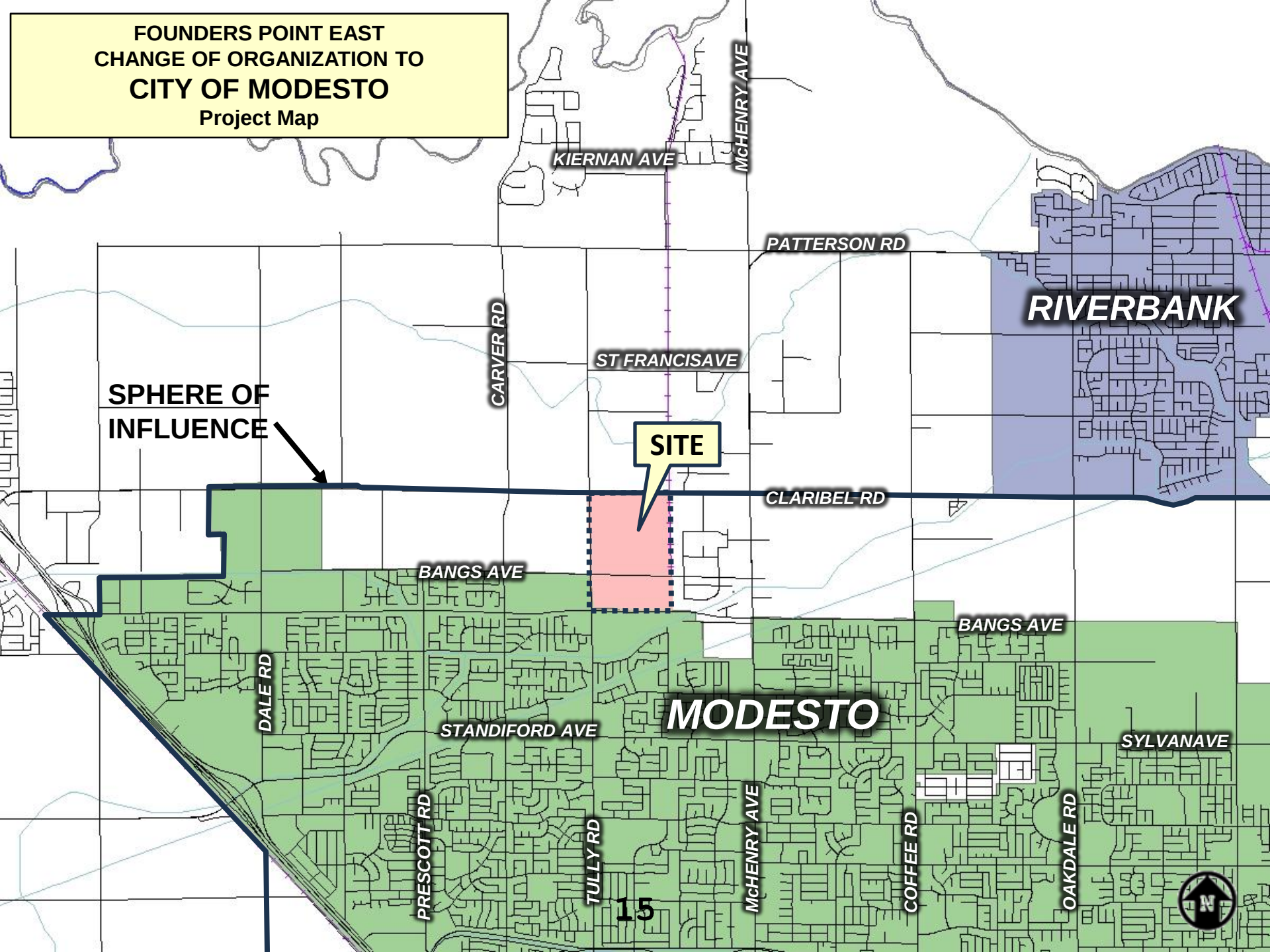


EXHIBIT "A"
FOUNDERS POINT EAST REORGANIZATION
TO THE CITY OF MODESTO
LEGAL DESCRIPTION

Being a portion of Section 5 and 6 of Township 3 South, Range 9 East and Sections 31 and 32 of Township 2 South, Range 9 East, both of Mount Diablo Base & Meridian, located in the County of Stanislaus, State of California, being more particularly described as follows:

Beginning at a point on the East Right-of-Way line of Tully Road, said point being described as the POINT OF BEGINNING of that certain grant deed recorded on December 15, 2009 as Document number 2009-0119104; THENCE along said Right-of-Way line:

1. South 88°53'11" West, a distance of 18.00 feet;
2. North 04°07'08" West, a distance of 254.18 feet;
3. North 05°33'32" West, a distance of 118.12 feet;
4. North 01°06'48" West, a distance of 369.12 feet THENCE leaving said east line:
5. North 01°06'47" West, a distance of 50.02 feet;
6. North 01°06'30" West, a distance of 19.98 feet;
7. North 88°20'15" West, a distance of 40.05 feet;
8. North 01°06'30" West, a distance of 30.00 feet to a point on the West Right-of-Way line of Tully Road THENCE along said line:
9. North 01°06'30" West, a distance of 1295.81 feet;
10. South 88°33'00" West, a distance of 31.04 feet;
11. North 02°01'07" West, a distance of 761.47 feet;
12. North 01°05'52" West, a distance of 409.37 feet;
13. North 15°02'45" West, a distance of 72.02 feet THENCE leaving said West line:
14. North 05°09'11" East, a distance of 309.98 feet to a point which marks the Northwest corner of the intersection of Tully Road and Kiernan Road, (Kiernan Road also being State Route 219); THENCE
15. South 78°07'12" East, a distance of 130.45 feet to a point which marks the Southerly most Northeast corner of said intersection of Tully Road and Kiernan Road; THENCE along the North Right-of-Way line of Kiernan Road:
16. South 89°39'53" East, a distance of 1888.53 feet; THENCE leaving said North Right-of-Way line of Kiernan Road:
17. South 67°50'23" East, a distance of 68.08 feet to a point which marks the Northeast corner of the intersection of Tunsen Road and Kiernan Road; THENCE along the North Right-of-Way line of Kiernan Road:
18. South 89°30'51" East, a distance of 137.15 feet;
19. South 00°27'55" East, a distance of 22.56 feet;
20. South 87°08'56" East, a distance of 502.52 feet to a point which marks the intersection of the North Right-of-Way line of Kiernan Road and the East line of the Union Pacific Railroad Right-of-Way; THENCE leaving both Right-of-Way lines:
21. South 00°34'55" East, a distance of 193.51 feet to a point on the South Right-of-Way line of Kiernan Road; Thence along said South Right-of-Way line:
22. North 88°54'36" West, a distance of 9.41 feet to a point which marks the intersection of the South Right-of-Way line of Kiernan Road and the East line of the Union Pacific Railroad Right-of-Way; THENCE along said East line:
23. South 01°10'01" East, a distance of 2646.97 feet;
24. South 01°12'50" East, a distance of 1105.81 feet to the intersection of the westerly prolongation of the North Right-of-Way line of Pelandale Avenue; THENCE leaving said East line along said prolongation

25. North 88°44'12" West, a distance of 30.03 feet to the center line of the Union Pacific Railroad Right-of-Way; THENCE along said center line North 01°12'49" West, a distance of 5.89 feet to a point on the easterly prolongation of the North Right-of-Way line of Pelandale Avenue; THENCE said North Right-of-Way line of Pelandale Avenue and said easterly prolongation thereof;
26. North 88°44'12" West, a distance of 970.41 feet;
27. North 89°25'39" West, a distance of 473.98 feet;
28. North 88°44'22" West, a distance of 236.59 feet;
29. North 88°43'51" West, a distance of 194.09 feet;
30. North 87°02'59" West, a distance of 315.39 feet;
31. North 01°15'38" East, a distance of 8.00 feet;
32. North 88°44'22" West, a distance of 336.21 feet to the beginning of a curve concave to the Northeast having a radius of 42.00 feet; THENCE leaving said North Right-of-Way line
33. along said curve through a central angle of 87°37'33" an arc distance of 64.23 feet to a point on the aforementioned East Right-of-Way line of Tully Road; THENCE
34. North 88°53'11" West, a distance of 8.00 feet to the point described as the beginning of a 50.00 foot radius in the aforementioned grant deed thence along the West line of that certain strip of land dedicated in said grant deed:
35. North 01°06'49" West, a distance of 40.00 feet to the beginning of a curve concave to the East having a radius of 40.00 feet; THENCE
36. along said curve through a central angle of 9°10'01" an arc distance of 6.40 feet; THENCE
37. North 08°03'12" East, a distance of 54.77 feet to the beginning of a curve concave to the West having a radius of 60.00 feet; THENCE
38. along said curve through a central angle of 9°10'01" an arc distance of 9.60 feet; THENCE
39. North 01°06'49" West, a distance of 50.00 feet to the beginning of a curve concave to the East having a radius of 60.00 feet; THENCE
40. along said curve through a central angle of 11°17'15" an arc distance of 11.82 feet; THENCE
41. North 12°24'04" West, a distance of 41.22 feet to the beginning of a curve concave to the Northeast having a radius of 40.00 feet; THENCE
42. along said curve through a central angle of 11°17'12" an arc distance of 7.88 feet; THENCE
43. North 01°06'52" West, a distance of 38.64 feet to the point of beginning.

Containing 244.68 acres more or less

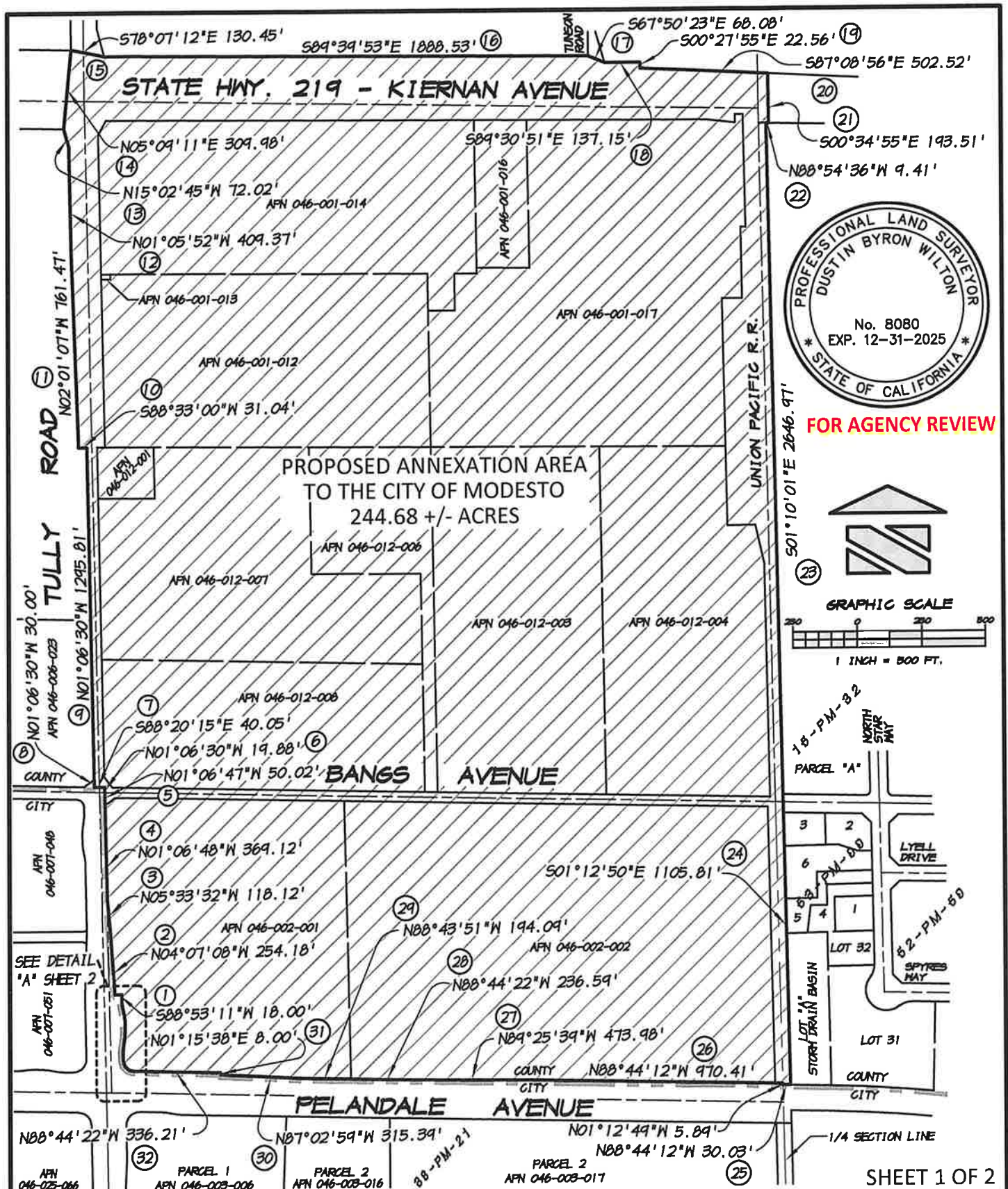
The above described area also depicted on Exhibit "B1" and B2", attached hereto and made a part herein.



FOR AGENCY REVIEW

Dustin B. Wilton, P.L.S. 8080

Date



DRAWN: JF

DATE: 7/21/25

SCALE: 1"=500'

JOB #: 1415C-22

DWG: 1415C_EXHIBITB1

EXHIBIT B1

**FOUNDERS POINT EAST
REORGANIZATION
TO THE CITY OF MODESTO**

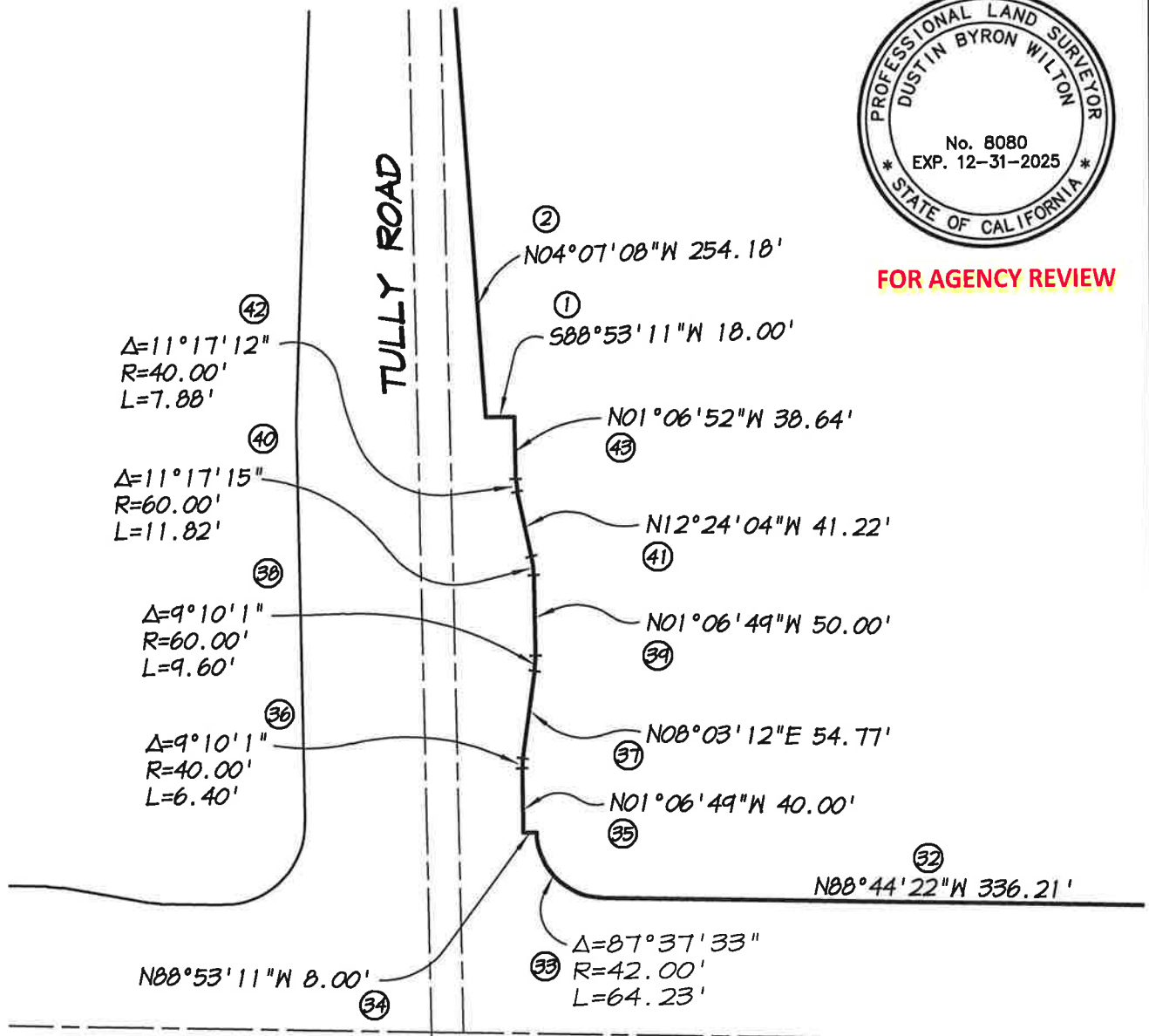


**ASSOCIATED
ENGINEERING
GROUP**

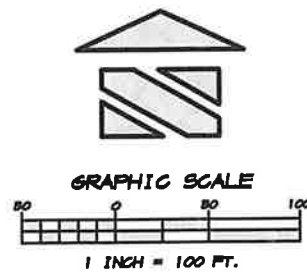
4206 TECHNOLOGY DRIVE, SUITE 4, MODESTO, CA 95356
PHONE: (209) 545-3390 FAX: (209) 545-3875 www.assoceng.com



FOR AGENCY REVIEW



DETAIL "A"



SHEET 2 OF 2

DRAWN: JF
DATE: 7/21/25
SCALE: 1"=100'
JOB #: 1415C-22
DWG: 1415C_EXHIBITB2

EXHIBIT B2
FOUNDERS POINT EAST
REORGANIZATION
TO THE CITY OF MODESTO



**ASSOCIATED
ENGINEERING
GROUP**

4206 TECHNOLOGY DRIVE, SUITE 4, MODESTO, CA 95356
PHONE: (209) 545-3390 FAX: (209) 545-3875 www.assoceng.com

**FOUNDERS POINT EAST
CHANGE OF ORGANIZATION TO
CITY OF MODESTO**
Aerial



KIERNAN AVE

TUNSON RD

PENTECOST DR

BITRITTO WAY

STRATOS WAY

GALAXY WAY

NORTHSTAR WAY

SPYRES WAY

MCHENRY AVE

SITE

BANGS AVE

BANGS AVE

MODESTO

TULLY RD

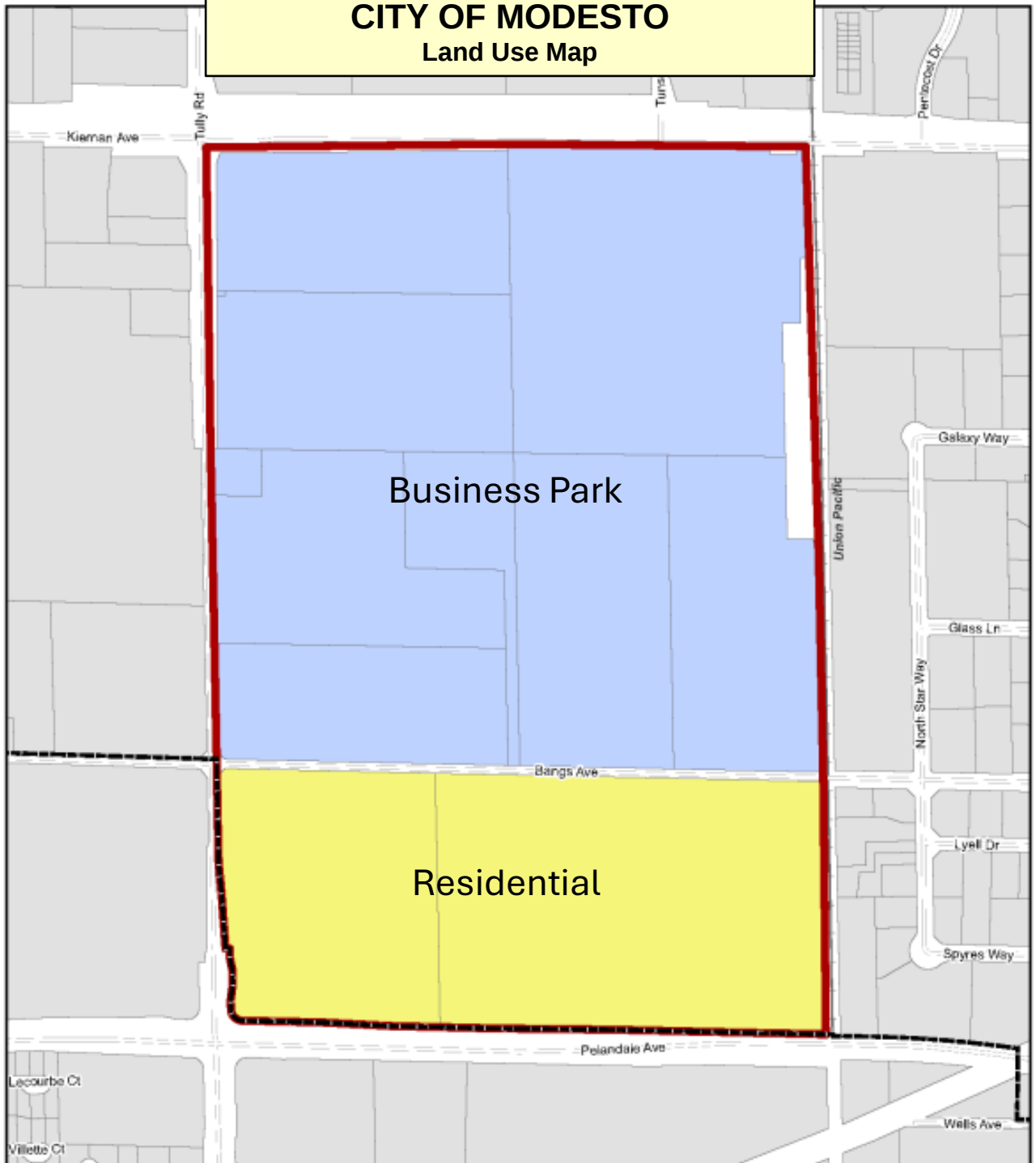
PELANDALE AVE

PELANDALE AVE

20



**FOUNDERS POINT EAST
CHANGE OF ORGANIZATION TO
CITY OF MODESTO
Land Use Map**



LEGEND

-  Founder's Point East SP
-  Modesto City Limits
-  Business Park (BP)
-  Residential (R)

Founder's Point East SP

**Figure 3: Land Use Diagram, Business Park Portion
(Subarea B)**

Sources: City of Modesto. Map date: March 6, 2015.

De Novo Planning Group
A Land Use Planning, Design, and Development Firm

This page intentionally left blank.

EXHIBIT B

Plan for Agricultural Preservation & Plan for Services

This page intentionally left blank.

Plan for Agricultural Preservation

for the Founders Point East
Specific Plan

August 2025

Plan for Agricultural Preservation

TABLE OF CONTENTS

- 1.1 Introduction & Purpose
- 1.2 Project Setting & History
 - 1.2.1 Project Description
 - 1.2.2 Agricultural Resources
 - 1.2.3 Williamson Act Lands
- 1.3 Vacant Land Inventory & Absorption Study
- 1.4 Regulatory Framework & Policy Consistency
 - 1.4.1 Stanislaus County Local Agency Formation Commission Policies
 - 1.4.2 Stanislaus County Policies
 - 1.4.3 City of Modesto Policies
 - 1.4.4 Regional Planning Efforts
- 1.5 Analysis of Mitigation Measures
- 1.6 Method for Minimizing the Loss of Agricultural Lands
- 1.7 Conclusion

1.1 Introduction & Purpose

Agriculture is a leading industry in Stanislaus County. Accordingly, changes to the urban development boundary that would lead to the conversion of existing agricultural lands to uses other than agricultural uses, must be evaluated such that growth and vitality of agriculture within the County is maintained and encouraged.

LAFCO's mission is to "discourage sprawl, preserve open space and prime agricultural lands, promote the efficient provision of government services and encourage the orderly formation of local agencies." Consistent with the legislative intent, Stanislaus County LAFCO adopted the Agricultural Preservation Policy on September 26, 2012. The goals of the policy are as follows:

Guide development away from agricultural lands where possible and encourage efficient development of existing vacant lands and infill properties within the agency's boundaries prior to conversion of additional agricultural lands.

Fully consider the impacts a proposal will have on existing agricultural lands.

Minimize the conversion of agricultural lands to other uses.

Promote preservation of agricultural lands for continued agricultural uses while balancing the need for planned, orderly development and the efficient provision of services.

In order for LAFCO to determine how a development proposal meets the stated goals of the Agricultural Preservation Policy, a Plan for Agricultural Preservation must be provided with the LAFCO application requirements. This document contains the Plan for Agriculture Preservation associated with the annexation of the Founders Point East Specific Plan area.

1.2 Project Setting & History

The Founders Point East Specific Plan area is composed of twelve (12) parcels bounded by Pelandale Avenue, Tully Road, the Union Pacific Rail Road right-of-way (UPRR), and Kiernan Avenue (SR219). The property abuts the existing City limits and is adjacent to existing development to the south, east and west. Surrounded by improved roadways and an old rail road right-of-way, signalized intersections at Tully Road/Pelandale Avenue, and a four way stop at Bangs Avenue/Tully Road provide access to the Plan Area.

The Plan Area is within the LAFCO-approved sphere of influence of the City of Modesto, in unincorporated Stanislaus County, and has been slated for development since the adoption of the Urban Growth Policy in 1974:

The Plan Area has been within the City's sphere of influence since 1985.

The Plan Area was designated as Urban Reserve in 1975, and has been designated as Business Park since August of 1995 (Modesto Urban Area General Plan).

The Plan Area is a part of the Kiernan/McHenry Comprehensive Planning District (CPD).

The Founders Point East Specific Plan and Mitigated Negative Declaration (MND) were adopted by the City on June 24, 2025.

1.2.1 Project Description

The Founders Point East Specific Plan is a comprehensively-planned development of up to 408 single-family residential units on approximately 70-acres of land, and approximately 150 acres of Business Park. The plan proposes a diverse mix of housing types and densities, for low density residential (from about 4 to 8 dwelling units per acre). The residential units are adjacent to an approximately 2.5 acre park that includes the project's storm water infiltration basin and recreational areas, creating a functional neighborhood and a desirable way of life.

1.2.2 Agricultural Resources

The approximately 70 acre residential area (APNs 046-002-001 & 002) consist of about 64 net acres of agricultural land, currently planted in almonds. The 150-acre Business Park area is a mixture of open land, agricultural uses and developed commercial industrial lands. For the entire area, about 53 acres of the site (APNs 046-001-014, 016 & 017) are developed with industrial uses; about 58 acres (APNs 046-001-012 & 046-012-003 & 004) of the area is planted in almonds; the 14-acre parcel (APN 046-012-008) is open ground; the Holy Family Catholic Church occupies about 19 acres (APNs 046-012-001 & 007); and, finally, the City of Modesto has a water tank on about 6 acres (APN 046-012-006).

Approval and annexation of the Founders Point East Specific Plan would result in the permanent conversion of farmland. Development of the Plan's residential area would result in the permanent conversion of approximately 64 acres of Prime Farmland. Further discussion of soil types and important farmland mapping is found in the MND associated with the Founders Point East Specific Plan, and the City's Urban Area General Plan EIR (UAGP EIR).

1.2.3 Williamson Act Lands

Five (5) parcels in the Plan Area are currently under Williamson Act contracts, (see below). The contracts were protested by the City of Modesto and the protests were upheld by LAFCO. Subject to LAFCO approval, upon annexation into the City of Modesto all these Williamson Act contracts will terminate where the City does not succeed the contracts.

APN	Acres	Contract Number
046-001-012	19.45	75-1982
046-002-001	22.63	75-1981
046-002-002	40.93	76-2108
046-012-003	20.09	75-2108
046-012-004	18.42	75-2109

1.3 Vacant Land Inventory & Absorption Study

The City of Modesto 6th Cycle Housing Element has been approved, and establishes the City's 2023-2031 RHNA at 11,248 housing units. These housing units are further broken down by income group as i) 1,403 extremely low; ii) 1,404 very low; iii) 1,943 low; iv) 1,981 moderate; and v) 4,517 above moderate. In general, extremely low housing units are produced as subsidized units through a public/private partnership. Very low and low income units are often apartments, while the moderate and above moderate units are typically market rate detached single family units. To meet its RHNA requirements, at a minimum, the City of Modesto needs zoned land able to produce up to 1,403 extremely low income units, up to 3,347 very low and low income units (usually apartments), and up to 6,498 moderate and above moderate units (usually single-family detached).

To deliver these units, not only is it critical to have enough land, but the City should have 50% to 100% more than the minimum necessary recognizing realities such as inefficient parcel shapes and sizes, ownership issues (when some owners do not want to allow development), and other such issues that create development inefficiencies.

Modesto typically develops through the preparation and adoption of Specific Plans, which allow detailed master planning and aid in the efficient delivery of services. For this vacancy analysis, infill areas, which are generally small and inefficient lots, and which haven't developed in many years, will be ignored. Modesto has Specific Plans which could provide housing stock as follows:

- 1) The Fairview Specific Plan (1,075 to 2,150 sf and 220-440 mf units);
- 2) The Kiernan Business Park Specific Plan (189 sf and 862 mf);

- 3) The Woodglen Specific Plan (now Founders Point) (138 sf and 166 mf);
- 4) The Tivoli Specific Plan (1,909 sf and 352 mf); and,
- 5) The Village One Specific Plan (782 sf and 750 mf).

An inventory of these plan areas shows that Modesto has the ability to provide up to 2,570 apartment units and 5,168 single-family units based on existing vacant lands and zoning. These are not enough vacant lands to provide the 3,343 apartment units and 6,498 single-family units set forth in the City's RHNA. Adding an additional 408 single-family units will move the City closer to meeting its RHNA obligations.

As to Business Park lands, the City of Modesto has a small amount of Business Park designated land to offer to new or growing businesses. While there are thousands of acres of Business Park, Industrial or Light Industrial zoned throughout the County, the City has few. Most are small lots and in-fill development areas. For larger users, Modesto is limited to space locations like the old FMC site (33 acres), about 43 acres in Village One, about 65 acres in the Kiernan Business Park, and a couple small sites along Crows Landing Road and near Glenn Avenue. Modesto designated some lands in the Kiernan Business Park as Mixed Use, to allow for workforce housing, and those units are counted above in the residential vacant land discussion. As such Modesto needs to add Business Park land to the City, so that shovel ready lands can be available to attract business when the opportunity arises.

The Founders Point East project has about 150 acres of non-residential land uses. Almost 53 acres of this 150 acres is currently developed with industrial uses (warehouses), the Holy Family Catholic Church occupies about 19 acres, and the City of Modesto has a 6-acre water tank site. As such about 72 acres of the area could develop with Business Park uses. While this is a small amount, relative to Modesto's need, it is a step in the right direction.

Further, as to locating growth away from prime soils, the subject site is adjacent to City development to the west, (south of Bangs), all along the southern boundary, and is adjacent to County development along the eastern boundary. The County has approved industrial development within the area over the years, as well as the Holy Family Catholic Church. The City of Modesto has constructed a water tank within the area. While the area is prime soils, and has some agricultural production, it is also partially urbanized, with urban services. As such the development is logical, orderly, and reasonable when considering the partially developed nature of the site, and the surrounding land uses.

1.4 Regulatory Framework & Policy Consistency

The Plan Area must be assessed in accordance to the regulations of the jurisdiction and the region. City, county and regional planning policies apply to the Plan Area and may potentially affect the type of development allowed within the Plan Area. To follow is a list of relevant policies, regulations and programs for which the Plan Area must comply.

1.4.1 Stanislaus County Local Agency Formation Commission Policies

In consideration of changes to city and district boundaries, including spheres of influence, LAFCO must consider the possible loss of agricultural lands, and adherence with the Government Code 56377:

LAFCO policies direct that the development or use of land for uses other than open space will be guided away from existing prime agricultural lands, unless such actions would not promote the planned, orderly, efficient development of an area; and that urban uses will be directed to within existing local agency jurisdiction or sphere of influence.

The comprehensively-planned community stipulates orderly and efficient development of the Plan Area through the regulatory document, the Founders Point East Specific Plan. The Founders Point East Specific Plan is within the sphere of influence and promotes planned, orderly development as a logical extension of the surrounding neighborhood.

1.4.2 Stanislaus County Policies

The Stanislaus County General Plan provides the following relevant policies related to agricultural land, and for which the Plan Area already complies:

Policy 2.4: To reduce development pressures on agricultural lands, higher density development and infilling shall be encouraged. (County General Plan, Agricultural Element)

Policy 2.11: The County recognizes the desire of cities and unincorporated communities to grow and prosper and shall not oppose reasonable requests consistent with city and county agreements to expand, providing the resultant growth minimizes impact to adjacent agricultural land. (County General Plan, Agricultural Element)

Policy 2.13: In recognition that unincorporated land within the sphere of influence of cities or community services districts and sanitary districts serving unincorporated communities ultimately urbanize, the County shall cooperate with cities and unincorporated communities in managing development in the sphere of influence areas. (County General Plan, Agricultural Element)

1.4.3 City of Modesto Policies

The City's Urban Area General Plan provides the following relevant policies related to agricultural land, and for which the Plan Area already complies:

Agriculture Policies—Planned Urbanizing Area

The following policies apply to new development proposed in the Planned Urbanizing Area:

- a. Do not annex agricultural land unless urban development consistent with the General Plan has been approved by the City.
- b. Support the continuation of agricultural uses on lands designated for urban uses until urban development is imminent.
- c. Encourage the County to retain agricultural uses on lands surrounding the General Plan area and on lands within the General Plan area pending their annexation to the City or development by mutual agreement with the County.
- d. Where necessary to promote planned City growth, encourage development of those agricultural lands that are already compromised by adjacent urban development or contain property required for the extension of infrastructure or other public facilities, before considering urban development on agricultural lands that are not subject to such urban pressures.
- e. For any subsequent project that is adjacent to an existing agricultural use, the project proponent may incorporate measures to reduce the potential for conflicts with the agricultural use. Potential measures to be implemented may include the following: Chapter VII. Environmental Resources, Open Space and Conservation City of Modesto Urban Area General Plan VII-8 March 2019
 - (1) Include a buffer zone of sufficient width between proposed residences and the agricultural use; and,
 - (2) Inform residents about the possible exposure to agricultural chemicals.
- f. Require development projects to comply with current LAFCo policy(ies) regarding preservation of agricultural resources.

The City's Urban Area General Plan stipulates a land use intensity as a range of typical densities on an area-wide basis (Modesto Urban Area General Plan, Chapter 3). The General Plan promotes a minimum density of 6.6 dwelling units per gross acre.

The City Council has approved multiple resolutions related to agricultural preservation. In January 2012 the “Agricultural Preservation Plan 2050,” a regional approach to preserving agricultural land in Stanislaus County, was brought before City Council. The approved resolution (No. 2012-43, January 24, 2012) established the City of Modesto’s General Plan boundary for the Agricultural Preservation Plan 2050, and encouraged other participating Cities to justify and explain an increase in their General Plan urban growth boundaries.

1.4.4 Regional Planning Efforts

StanCOG participated in the San Joaquin Valley Blueprint Plan along with eight other Valley Regional Planning Agencies. The Blueprint Plan establishes a vision for future growth in the San Joaquin Valley and provides a framework for implementing that growth. Early on in this multi-year planning process, 12 Smart Growth Principles were established as the core values of the Valley and the basis for future Blueprint planning and implementation:

- Create a range of housing opportunities and choices
- Create walkable neighborhoods
- Encourage community and stakeholder collaboration
- Foster distinctive, attractive communities with a strong sense of place
- Make development decisions predictable, fair and cost-effective
- Mix land uses
- Preserve open space, farmland, natural beauty, and critical environmental areas
- Provide a variety of transportation choices
- Strengthen and direct development towards existing communities
- Take advantage of compact building design
- Enhance the economic vitality of the region
- Support actions that encourage environmental resource management

The Founders Point East Specific Plan is consistent with the 12 Smart Growth Principles established by the Blueprint and exemplifies the core vision for future development within the San Joaquin Valley—an efficient, sustainable and livable community.

The San Joaquin Valley Blueprint Plan established a preferred growth scenario, B+. This growth scenario seeks to protect environmental resources and agricultural lands by emphasizing compact growth within existing communities. The preferred scenario serves as a guideline for Valley cities and encourages increased densities in all eight valley counties. The preferred growth scenario recommends that Stanislaus County achieve 5.6 dwelling units per gross acre on average.

1.5 Analysis of Mitigation Measures

As a proposed residential development on Prime Farmland, methods or strategies for minimizing the loss of agricultural lands must be proposed. The Founders Point East MND provides:

Mitigation Measure AG-1:

Prior to the issuance of grading permits, the Project applicant shall secure permanent protection of offsite farmland based on a 1:1 ratio to the amount of gross Farmland converted because of development, consistent with the requirements of the Stanislaus County Local Agency Formation Commission (LAFCo) Agricultural Preservation policy. The acreage requiring agricultural mitigation shall be equal to the portion of the site dedicated to residential uses which would be subject to the discretionary development entitlement for lands designated as Prime Farmland, Farmland of Statewide Importance, or Unique Farmland. Permanent preservation shall consist of the purchase of agricultural conservation easements granted in perpetuity from willing seller(s), enforceable deed restrictions, purchase of banked mitigation credits, or other conservation mechanisms acceptable to the City. The permanent protection of farmland shall be accomplished by either: (1) the landowner/developer working directly with an established farmland trust or similar organization, and providing certification satisfactory to the City that such lands have been permanently preserved at the specified ratio; or (2) working with a qualified land trust or similar organization, to establish a fee for agricultural land conservation easements.

The residential portion of the Founders Point Specific Plan will mitigate for the loss of approximately 64 acres of prime farm land.

1.6 Method for Minimizing the Loss of Agricultural Lands

To meet the requirements of the LAFCO Agricultural Preservation Policy, the Plan for Agricultural Preservation must specify a method or strategy to minimize the loss of agricultural lands. As such, the Founders Point East Specific Plan area will provide agricultural mitigation at a ratio of 1:1, consistent with the LAFCO Strategy No. 2 and Mitigation Measure AG-1 from above.

1.7 Conclusion

The following justifications are offered in conclusion of the Plan for Agricultural Preservation for the Founders Point East Specific Plan.

1. *The project is slated for development, consistent with the City's General Plan and Zoning and is within the Sphere of Influence.* The Founders Point East Specific Plan is identified as a "Planned Urbanizing Area" in the City's General Plan and is within an urban transition (UT) zone of the A-2-10 County zoning designation, which specifically designates land for conversion from agriculture to urban land uses. In addition, the Plan Area is within the LAFCO-approved sphere of influence for the City of Modesto (1984). Therefore urban development is planned, consistent with the intent of LAFCO, the City of Modesto, and Stanislaus County.
2. *The project provides needed residential land.* As identified in the Urban Growth Review (2015), the City must maintain a "Five-Year Target Inventory" of lands available for residential development. This "Five-Year Target Inventory" assures available land to meet the region's housing needs and reduce over-inflation of land values. The Founders Point East Specific Plan contributes to the residential inventory to meet the City's Regional Housing Needs Allocation.
3. *The project is consistent with the San Joaquin Valley Blueprint Plan.* The Founders Point East Specific Plan implements the 12 Smart Growth Principles established by the Blueprint and exemplifies the core vision for future development within the San Joaquin Valley. The Founders Point East Specific Plan proposes compact development with a range of housing types; walking paths that connect the neighborhood to the central open space amenity; and adjacent transportation corridors that provide bicyclists with

Class II facilities, which connect to a planned Class I bike path on the south side of the Palendale right-of-way.

4. *The project is surrounded by urban corridors and urban infrastructure.* The Plan Area is surrounded by an existing transportation network which can accommodate the proposed development. Pelendale Avenue, a six-lane expressway, was expanded to accommodate developments that surround the Founders Point East Specific Plan area. The Plan Area is the only property adjacent to Pelendale Avenue, between State Highway 99 and State Highway 108 (McHenry Avenue) that has not yet been developed. Additionally, the Plan Area is the only property on the south side of Bangs Avenue, between Dale Road and State Highway 108 (McHenry Avenue) that has not yet been developed.

To the south and west of the Plan Area are other existing single-family and multi-family residential neighborhoods. In this context, the Founders Point East community is merely a logical expansion of the existing surrounding neighborhoods with sufficient transportation corridors and existing City services that extend to the site.

5. *The project incorporates policies and regulations that limit development pressure on Prime Farmland.* By proposing compact development with higher densities that are near to existing transportation and services, the Plan Area is guiding development away from other existing prime farmlands that lies to the north and east in unincorporated Stanislaus County.
6. *Preservation of agricultural lands is encouraged through increased density and infill development.* The Founders Point East Specific Plan achieves an overall density of approximately 6.4 dwelling units per acre, almost perfectly matching the City's Urban Area General Plan goal of 6.6 dwelling units per acre, and exceeding the San Joaquin Valley Blueprint Plan (5.6 dwelling units per acre).
7. *The project is a model community for compact, mixed housing-type development with increased residential density.* Within the low density residential (LDR) area, a variety of lot and home sizes and types are envision, including small lots, alley homes, conventionally front-loaded homes, and more; the LDR area yields an overall density of 6.4 dwelling units per acre.

8. *The project does not create impacts beyond what was anticipated in the UAGP EIR associated with the City's General Plan, and addressed by the MND.* The Plan Area and surrounding lands are planned for residential and business park development consistent with the intensity proposed by the project, as part of the Kiernan/McHenry Comprehensive Planning District of the General Plan. Impacts of the Founders Point East Specific Plan are within the scope of what was anticipated by the UAGP EIR and are therefore addressed by its Statements of Overriding Considerations.

In conclusion, the provisions set forth in this Plan for Agricultural Preservation require the Founders Point East project to provide 1:1 agricultural mitigation, a strategy identified by the LAFCO Agricultural Preservation Policy. Based on this methodology and the analysis provided in this document, the Founders Point East Specific Plan area complies with LAFCO requirements for minimizing the loss of agricultural lands.

FOUNDERS POINT EAST ANNEXATION TO THE CITY OF MODESTO

PLAN FOR SERVICES

Pursuant to Government Code Section 56653, the following Plan for Services to be extended to the affected territory has been prepared for the Founders Point East Annexation.

A. The project site is part of the Planned Urbanizing Area, as described in the Modesto Urban Area General Plan, adopted March 5, 2019. As part of the approval, community facilities and services were analyzed in detail in Initial Study Environmental Checklist (C&ED No. 2024-14). These services include traffic and circulation, waste water collection, water delivery, storm water drainage, solid waste disposal, schools, parks, fire protection, and police protection. The City of Modesto is a full service city that intends to provide the following services.

1. Traffic and Circulation: The bulk of the external roadway network is already constructed. The annexation area is bordered by Pelandale Avenue to the south, Kiernan Avenue to the north, Tully Road to the west, and the former Tidewater Railroad/future Virginia Trail Corridor to the east. Pelandale Avenue is a Class-B Expressway with six lanes and a center median. Kiernan Avenue is also California State Highway CA- 219, a six-lane highway with a center median. Tully Road is a Minor Arterial street currently comprised of two lanes with left and right turn lanes at the intersections of Kiernan Avenue and Pelandale Avenue, and is designated to be a four-lane Minor Arterial street in the Circulation Element of the General Plan. The applicant or developer will be required to dedicate and construct any necessary roadway improvements along those project frontages upon development.
2. Waste Water Collection: Upon annexation, the site will annex to Modesto's Sewer District No. 1. Sewer service will be provided to the subject site from existing lines in Bangs Avenue, Tully Road and Pelandale Avenue to the west and south of the site.

The City of Modesto's 27-inch North Trunk sewer line in Bangs Avenue currently terminates at Tully Road. This line conveys waste water flows to the west, then ultimately south to the City's wastewater treatment plant (WWTP). This line is currently in design for extension to the east as part of the waster water master plan and may be constructed with this development.

There is a 21-inch subtrunk sewer in Tully Road south of Bangs Avenue, and a 10-inch sewer line in Pelandale Avenue. Both Tully Road and Pelandale Avenue provide potential sewer connection locations for the lands south of Bangs Avenue.

For the properties north of Bangs Avenue a subtrunk line will be extended up Tully Road to serve the remainder of the Specific Plan area. All lines will be gravity fed, and no lift stations are required.

3. Water Delivery: The City has an adequate supply of water to serve the commercial, industrial and residential development expected to occur on the property. The City has an existing water tank located within the Specific Plan area north of Bangs Avenue (APN 046-012-006). The tank is served by a 24-inch transmission line in Bangs Avenue that delivers water to the tank.

There are also water lines in the area as follows:

- i. A 16-inch line in Bangs Avenue;
- ii. A 12-inch line in Tully Road south of Bangs Avenue; and
- iii. A 16-inch line in the railroad right-of-way.

In addition, there is a 12-inch water line in Tully Road north of Bangs Avenue that currently serves the Holy Family Catholic Church (APN 046-012-007) and the existing industrial building (APN 046-001-014). These uses have received approval for out of boundary water service from LAFCO, and have executed agreements to annex to the City of Modesto. In the future, the City expects to extend water lines in Kiernan Avenue, as needed, to complete a water loop to provide water system redundancy and enhanced reliability.

4. Storm Water Drainage: Storm water drainage for this project must be contained on site, as the City does not have a positive storm drain system serving the area. Prior to the approval of any development, the City must approve the storm water drainage system to ensure its adequacy to City Standards. The storm water drainage system will be constructed by the applicant at the applicant's expense.
5. Solid Waste Disposal: Weekly pickup will be extended to the annexation area upon the effective date of annexation.
6. Fire Protection: Currently, the annexation area is served by the Salida Fire Protection District. Upon annexation, Fire Protection will be provided by the City of Modesto Fire Department and the Salida Fire Protection District per an agreement between the City of Modesto and Salida Fire enacted in 2022. No detachment from the Salida Fire Protection District is proposed with the annexation. Unless the Local Agency Formation Commission (LAFCO) approves detachment of the annexation area from the Salida Protection District, both agencies will be jointly responsible for fire suppression and prevention as provided by the abovementioned Agreement.

Development within the project area will join the Salida Fire District Community Facilities District (CFD) to assist in the funding of fire protection services. Development impact fees will be paid to the City of Modesto. Both entities will receive property taxes as determined appropriate by the County Tax Collector.

Primary service will be provided from City of Modesto Fire Station No. 11 located 0.50 miles away at 4225 Carver Road. Secondary service would be feasible and available from the Salida Fire Protection District station

located approximately four miles away at 4820 Broadway Avenue in Salida, in addition to Modesto Fire Station No. 5 at 200 West Briggsmore Avenue and Modesto Fire Station No. 6 located at the corner of Standiford Avenue and Hahn Drive.

7. Police Protection: The Modesto Police Department is able to provide adequate service to the subject site without additional staffing, as industrial property does not require substantial additional policing.

B. Level and range of services

The City of Modesto is a full-service provider of municipal services and intends to provide the complete service for those areas identified above.

C. When can services be provided?

The above-described services can be provided upon the effective date of annexation. In the case of Police and Fire services, these services can be provided immediately. With respect to water, sewer, and storm drainage, the provision of services may be subject to the construction of some utility extensions. These extensions will occur as development occurs. For water, a connection to existing lines will be needed, and lines may be extended or looped where necessary, as determined by the City. No additional sources of water (wells or tanks) are required. For sewer, adequate capacity exists in the sewer line in Bangs Avenue and at the City's WWTP to serve the site. Only sewer line connections or extensions will be required. For storm drainage, each project will be required to construct on-site storm drainage at the time of development. Refer to section A of this Plan for Services for more detail on these utilities.

D. Improvements required as a condition of annexation

No improvements are required as a condition of annexation. The following improvements will be required as a condition of development:

- Prior to issuance of a building permit, the applicant(s) shall construct roadway improvements to the satisfaction of the City Engineer.
- Prior to approval of development, the City must approve the storm water drainage system.

E. How will services be financed?

Services will be financed through City fees and the establishment of a new Community Facilities District for the Specific Plan.

EXHIBIT C

Revenue Sharing Agreement between City of Modesto & Salida Fire Protection District

This page intentionally left blank.

**AGREEMENT BETWEEN THE CITY OF MODESTO AND THE SALIDA
FIRE PROTECTION DISTRICT FOR THE ALLOCATION OF DISTRICT
REVENUE RESULTING FROM THE ANNEXATION OF
PROPERTY(IES) WITHIN THE WOODGLEN RESIDENTIAL NEIGHBORHOOD AND
FUTURE ANNEXATIONS TO THE CITY**

September 13, 2022

This agreement ("Agreement") is entered into as of _____ by and between the City of Modesto, a California charter city ("CITY") and the Salida Fire Protection District ("DISTRICT"), a California special district organized and governed by the Fire Protection Law of 1987 (California Health & Safety Code Section 13800, et.seq.).

RECITALS

This Agreement is made with reference to the following facts:

- A. DISTRICT is responsible for fire suppression and prevention within the territory governed by this Agreement and receives the District Revenue, as defined herein, generated within the DISTRICT boundaries.
- B. CITY and DISTRICT desire to enter into this Agreement to allocate District Revenues in the event of Annexation of the territory covered by this Agreement to the CITY.
- C. CITY and DISTRICT agree it is in the best interest of the public that the area subject to annexation receives fire and life safety services jointly from CITY and DISTRICT.
- D. CITY and DISTRICT agree it is the intent of both parties, and in the overall public interest, to ensure both agencies receive sufficient District Revenues to provide adequate levels of fire and emergency services within the affected Territory and are able to provide assistance to other fire protection agencies in a cooperative manner.
- E. It is agreed that an equitable sharing of future District Revenue from the Affected Territory will benefit the overall organization of fire protection agencies and their cooperative ability to provide adequate emergency services.

NOW THEREFORE the CITY and DISTRICT hereby agree as follows:

1. Effect of Recitals.

The foregoing recitals set forth the intent of the CITY and DISTRICT in entering into this Agreement.

2. **Definitions.**

2.1 "Affected Territory" means any territory within the boundaries of the District that are annexed into the City without detachment from the District.

2.2 "Annexation" means the annexation, inclusion, attachment, or addition of territory to a city or district. Government Code Section 56017.

2.3 "Detachment" means the detachment, de-annexation, exclusion, deletion, or removal of any portion of the territory of that city or district. Government Code Section 56033.

2.4 "Change of Organization" means an Annexation to, or detachment from a city or district. Government Code Section 56021.

2.5 "District Revenues" shall mean any allocation of the property tax due the District from the Affected Territory. It shall also include any District special tax as authorized by Health & Safety Code Section 13911, any District special tax as authorized by Health & Safety Code Section 13912, any District special tax for fire protection as authorized by Health & Safety Code Section 13913, any District assessment for fire suppression service as authorized by Health & Safety Code Section 13914, and District assessments to finance capital improvements as authorized by Health & Safety Code Section 13915 and any fee authorized by Health & Safety Code Section 13916 for services of the District levied on an interested party and other public agency, except the City, within the Affected Territory. District Revenues shall not include grants, gifts, bequests or litigation or insurance recoveries.

2.6 "Effective Date" means the date at which the Annexation of Affected Territory into the City. This is the date the Annexation is recorded by the Stanislaus LAFCO staff, unless a different Effective Date is set forth in the LAFCO resolution approving the Change of Organization.

2.7 "Fiscal Year" means July 1 of any given year- June 30 of the next year utilized for property tax purposes.

2.8 "Woodglen Area" means that territory defined in the Woodglen Residential Neighborhood Annexation for which a change of organization or reorganization is proposed or ordered. The Woodglen Area includes the APN Nos. identified in Exhibit A . The Woodglen Area shall be Affected Territory under this Agreement except where explicitly specified otherwise.

2.9 Upon the Effective Date of the Annexation of the Affected Territory to the CITY, the amount of District Revenue generated from the Affected Territory in the fiscal year in which the Effective Date occurs shall be designated as the "Base District Revenue".

3. **Effect of Annexation on Affected Territory.**

Upon the annexation of Affected Territory to the CITY, CITY and DISTRICT will jointly be responsible for fire suppression and prevention within the Affected Territory, and all future annexations. The CITY and DISTRICT will meet in good faith and develop a response model that ensures both entities respond to the affected area. The Affected Territory(ies) will not be Detached from DISTRICT.

4. **Allocation of DISTRICT Revenue to CITY.**

The DISTRICT shall retain the Base District Revenue for the entire fiscal year in which the Effective Date falls. The Parties acknowledge that this will likely result in CITY providing joint fire and life safety services with DISTRICT in the Affected Territory for a period of several months prior to the City receiving any share of District Revenues. In the first Fiscal Year following the Effective Date, and in each Fiscal Year thereafter, City shall receive one hundred percent (100%) of District Revenues actually received by District in excess of the Base District Revenue. In the first Fiscal Year during which District Revenues exceed two times the Base District Revenue, and in each Fiscal Year thereafter, the amount of District Revenue actually received by DISTRICT in excess of two times Base District Revenue shall be split evenly (50%/50%) between DISTRICT and CITY.

5. **Annual Transfer of Funds from DISTRICT to CITY.**

In the first Fiscal Year following the Effective Date and in each Fiscal Year thereafter, the DISTRICT shall transfer to CITY, within 60 days of the end of the fiscal year, the amount of District Revenue owed to CITY in accordance with Section 4 above.

6. **Support for Annexation to the City.**

DISTRICT agrees not to oppose or attempt to frustrate any future Annexation(s) of Territory to the CITY and CITY agrees to not request Detachment of any Territory from the DISTRICT, in any Change of Organization or reorganization proceeding before LAFCO. The CITY and DISTRICT agree that all future annexations will result in a tax revenue sharing allocation as outlined in section 4 above.

7. **Assurances on Use of Revenue.**

CITY recognizes that District Revenues transferred to it by this Agreement could have been appropriated by DISTRICT to meet public safety service demands. CITY agrees to utilize its share of the District Revenues to provide fire prevention and life safety services within the Affected Territory(ies). City agrees to ensure funds it receives pursuant to this Agreement will be available to benefit the Affected Territory(ies), under mutual aid or other cooperative agreements.

8. **No Restriction on District or City Discretion.**

Nothing in this Agreement is intended or shall be construed to limit or restrain DISTRICT or CITY's independent discretion to make budgetary, legislative or staffing decisions regarding levels of service that it deems necessary for overall safety and welfare of the Affected Territory(ies).

9. **Term of Agreement and Termination.**

The Agreement shall become effective after approval by the governing board of the both the City and District and on the date first written above. The Agreement may be terminated only upon the mutual written agreement of the parties, or upon a material breach of this Agreement by either party and a failure of the breaching party to correct such breach after notice and a reasonable opportunity to cure..

10. **Renegotiation Due to Change in Law.**

In entering into this Agreement, the parties mutually assume the continuation of the existing statutory scheme for the allocation and distribution of available District Revenue to the District. Accordingly, it is mutually understood and agreed that should changes in law occur that materially affect the terms of this Agreement, or should the District's authorization to collect any type of District Revenue that it collects as of the effective date of this Agreement terminate, the parties shall meet to attempt to resolve any difficulties that are thereby created. "Materially Effect" as used in this Agreement shall include but not be limited to a decrease in District Revenue of five percent (5%) in any single Fiscal Year and only applies to a change in law, not a change in the facts serving as the basis for this Agreement. Any party contending this section applies shall give written notice pursuant to this section, which notice shall include an explanation of the reasons for the request to meet and attempt to resolve any claim of Material Effect. If, after 180 days of good faith negotiations, the Parties are unable to agree upon a resolution, either Party may terminate this agreement with 90 days written notice.

11. **Modification.**

This Agreement may be modified or amended only by a writing duly authorized and executed by CITY and DISTRICT.

12. **Administrative and Ministerial Action.**

CITY and DISTRICT, will insofar as is legally possible, fully carry out the intent and purposes hereof, if necessary, by administrative and ministerial action independent of their legislative power.

13. **Integration.**

This Agreement is intended to be an integrated agreement and supersedes any and all previous negotiations, proposals, commitments, writings and understandings of any nature whatsoever between CITY and DISTRICT as to the subject matter of this Agreement.

14. **Notice.**

All notices, requests, determinations or other correspondence required or allowed by law or this Agreement to be provided by the parties shall be in writing and shall be deemed given and received when delivered to the recipient by certified mail or by facsimile transmission at the following addresses:

Fire Chief
Modesto Fire Department
409 12th Street
Modesto, CA 95354

Fire Chief
Salida Fire Protection District
P.O. Box 1335
Salida, CA 95368

City Manager
City of Modesto
1010 10th Street, Ste. 6100
Modesto, CA 95354

District Counsel
Law Offices of William D. Ross
400 Lambert Ave.
Palo Alto, CA 94301

15. Dispute Resolution.

Any dispute arising out of or relating to the interpretation or application of this Agreement, or any District Revenue or Base District Revenue calculation hereunder shall be submitted to the respective Fire Chiefs of CITY and DISTRICT for resolution. If the dispute is not resolved there, it may be submitted to mediation upon mutual agreement of CITY and DISTRICT. In the event the dispute is not settled by the Fire Chiefs and/or in mediation, within six months after one party gives the other party notice in accordance with this Agreement of the dispute, the matter shall be submitted to final and binding arbitration before one arbitrator in Modesto. The arbitrator will be chosen from a panel of three proposed by the American Arbitration Association by alternate strikes. Arbitration may be requested by either party.

This Agreement to arbitrate shall be specifically enforceable under the jurisdiction of the Superior Court of the State of California in Stanislaus County, but any award rendered by the arbitrator may be entered in any court having jurisdiction. This section shall result in the conclusive, final and binding resolution of arbitrable claims between the parties. Arbitration shall proceed according to the "fast track" rules of the American Arbitration Association then in effect. DISTRICT and CITY shall have the right to take no more than three (3) depositions apiece as a matter of right, without regard to the "fast track" rules. The arbitrator shall apply the substantive law of California.

The arbitrator may grant any remedy or relief deemed by the arbitrator just and equitable under the circumstances, whether or not such relief could be awarded in a court of law. The arbitrator shall be empowered to award monetary sanctions against a party for failure of cooperation in the arbitration. The arbitrator shall, in written award, allocate all the costs of the arbitration, including fees of the arbitrator and the reasonable attorney fees of the prevailing party, against the party who did not prevail. The prevailing party shall be the party in whose favor the majority of the central issues in the case are resolved.

Notwithstanding anything in this provision to the contrary, the arbitrator shall have no power to award punitive damages or other damages not measured by the party's actual damages (excluding litigation costs and fees) against any party.

This limitation of the arbitrator's powers under this Agreement shall not operate as an exclusion of the issue of punitive damages from this Agreement to Arbitrate sufficient to vest jurisdiction in a court with respect to that issue.

The parties hereby waive any rights provided by Title 9.2 of the California Code of Civil Procedure, Section 1296. The arbitrator's award shall be deemed final, conclusive and binding to the fullest extent allowed by California law.

16. **Assignment.**

This Agreement and its terms and conditions shall be binding upon and inure to the benefit of the parties to this Agreement and their respective administrators. This Agreement may not be assigned by either party without written consent of the other party.

17. **Governing Law.**

This Agreement shall be governed by the laws of the State of California without reference to its choice of law jurisprudence.

18. **Severability.**

If any provision of this Agreement is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severed from the remainder of the Agreement and shall not in any way impair the enforceability of any other provision of this Agreement.

19. **Compliance with Applicable Law.**

In providing the services required by this Agreement, CITY and DISTRICT shall observe and comply with all applicable federal, state and local laws, ordinances, codes and regulations.

20. **Authority to Contract.**

CITY and DISTRICT each warrant that they are respectively legally permitted and otherwise have the authority to enter into this Agreement and perform their respective obligations.

21. **Third Party Beneficiaries.**

Nothing contained in this Agreement shall be construed to create any rights in third parties and the parties do not intend to create any such rights.

22. **No Party Deemed to be Draftsman.**

The parties acknowledge and agree that this Agreement has been arrived at through negotiation and that neither party is to be deemed the party which prepared this Agreement within the meaning of Civil Code Section 1654.

23. **Counterparts.**

This Agreement may be executed in multiple counterparts, which may be transmitted by facsimile, each of which shall, for all purposes, be deemed an original, but which together shall constitute one and the same instrument.

24. **Indemnity.**

CITY agrees to indemnify, defend and hold DISTRICT harmless from and against any claims, demands, suits, damages, or liability of any kind or nature to the proportionate extent caused by the CITY's negligence or other wrongful acts arising out of or relating to CITY's performance of its fire and/or life safety services pursuant to this Agreement without regard to the availability of insurance coverage.

DISTRICT agrees to indemnify, defend and hold CITY harmless from and against any claims, demands, suits, damages, or liability of any kind or nature to the proportionate extent caused by the DISTRICT's negligence or other wrongful acts arising out of or relating to District's performance of its fire and/or life safety services pursuant to this Agreement without regard to the availability of insurance coverage.

25. **Additional Insured Requirement.**

DISTRICT and CITY shall each cause the other to be included as an additional insured to their insurance policies offering or potentially offering coverage for fire and/or life safety services.

IN WITNESS WHEREOF, the City of Modesto, a municipal corporation, has authorized the execution of this Agreement in duplicate by its City Manager and attestation by its City Clerk under authority of Resolution No. 2022 -369 , adopted by the Council of the City of Modesto on the ^{13th} day of September, 2022, and the Salida Fire Protection District has caused this Agreement to be duly executed in duplicate as of the Effective Date.

SALIDA FIRE PROTECTION DISTRICT

By:

Thomas R Bert

Tom Bert, Salida District Board Member

Dated: 9/22/2022, 2022

Federal ID # 770058689

APPROVED AS TO FORM:

By:

William D. Ross

William D. Ross, District Counsel

Dated: 9/20/2022, 2022

CITY OF MODESTO

By:

Joe Lopez

Joseph Lopez, City Manager

Dated: 9/23/2022, 2022

By:

Joe F. Rodriguez

Joe F. Rodriguez, Risk Manager

Dated: 9/22/2022, 2022

ATTEST:

(SEAL)

By:

Diane Nayares-Perez

Diane Nayares-Perez, City Clerk

Dated: 9/23/2022, 2022

DS



APPROVED AS TO FORM:

By:

Jose M. Sanchez

Jose Sanchez, City Attorney

Dated: 9/22/2022, 2022

EXHIBIT D

**Modesto City Schools letters dated
September 24, 2025 &
May 23, 2024**

This page intentionally left blank.



Dr. Vanessa Buitrago
Superintendent

Board of Education

Abel Maestas
President

Homero Mejia
Vice President

Chad Brown
Board Member

John Ervin III
Board Member

Jolene Daly
Board Member

Adolfo Lopez
Board Member

Cindy Marks
Board Member



Modesto City Schools
426 Locust Street
Modesto, CA 95351
209.574.1500
www.mcs4kids.com

September 24, 2025

Javier Camarena
Assistant Executive Officer
Stanislaus LAFCO
1010 10th Street, 3rd Floor
Modesto, CA 95354

Subject: Project Review Comments

Project Title: LAFCO Application No. 2025-04 – Founders Point East,
Change of Organization to the City of Modesto

Dear Mr. Camarena,

Thank you for the opportunity to provide comments regarding the City of Modesto's request to annex approximately 245 acres to accommodate residential and business park development (the Annexation Project). The proposed annexation area, Founders Point East, is located northeast of Pelandale Avenue and Tully Road, south of Kiernan Avenue and is within the Modesto Sphere of Influence.

The following comments represent those of the Modesto City Schools High School District, the Stanislaus Union School District, and the Sylvan Union School District (the Districts).

The Districts understand that the Annexation Project described above will include a comprehensively planned development of up to 408 single-family residential units on 70-acres of land and approximately 150-acres of proposed business park.

The Districts concur that the Annexation Project ***will have an effect on the ability of their agencies to provide services to the community.***

1. Specifically, residential units planned in the Annexation Project will impact student enrollment and capacities across three (3) school districts and six (6) schools based on current enrollment boundaries:

- Joseph A. Gregori High School, Modesto (Modesto City Schools High School District)
- Grace Davis High School, Modesto (Modesto City Schools High School District)
- Stanislaus Elementary School, Modesto (Stanislaus Union School District)
- Prescott Junior High School, Modesto (Stanislaus Union School District)
- Woodrow Elementary School, Modesto (Sylvan Union School District)
- Somerset Middle School, Modesto (Sylvan Union School District)

School construction and creation of student capacity are typically years behind annexation and other development approvals. The most recent example is the rapid housing construction that occurred in the unincorporated community of Salida and north Modesto beginning in late 1988 through approximately 2010.

A Salida area high school was contemplated in local planning documents including the Salida Community Plan as early as 1988 when housing construction first began in the unincorporated community of Salida. A Village One High School was contemplated in the City of Modesto's Village One planning documents beginning in the mid 1980's as well. However, difficulty finding school sites, meeting state and local regulatory requirements and the statewide challenge of funding school construction meant that the Modesto High School District was critically overcrowded until the opening of Enochs High School in Village One in 2006 and Gregori High School in Salida/Modesto in 2010.

The Districts request that specific residential development and timing approvals include consultation with the Districts in order to accommodate student enrollment growth and mitigation negotiation.

Modesto City Schools continues to request consideration for municipal water service from the City of Modesto to Gregori High School at 3701 Pirrone Road, Modesto given that the Gregori High School project was a direct public service impact resulting from the residential construction beginning in 1988 discussed above. *Please see attached letter to the City of Modesto, *Response to Notice of Preparation – Environmental Impact Report for the Scannell Industrial Project APN #003-019-026, Salida, CA, March 2025.*

Modesto City Schools understands that a LAFCO Plan for Services and amendments to the City's Municipal Service Review, among other partner agency actions would need to occur for City infrastructure expansion and equitable access to City services for this Annexation Project and for Gregori High School.

2. Additional residential housing units are always an impact on student transportation systems given the ever-changing school enrollments requiring additional school bus routes and assets.

The Districts request that the traffic and circulation studies, and other planning, include consultation with the Districts, specifically for peak period school traffic impacts.

(Continued on the following page)

Summary:

The Districts respectfully offer any assistance and collaboration that will be helpful to our partner public agencies as the specific impacts of the Annexation Project are considered and solutions planned.

Please feel free to reach out to me with any questions.

Sincerely,



Duane A. Wolterstorff
Director II, Business Services
Modesto City Schools
1311 Woodland Ave., Suite C
Modesto, CA 95351-1221
(209) 492-5002
Wolterstorff.d@monet.k12.ca.us

c: Tim Zearly, Associate Superintendent, Business Services, Modesto City Schools
Lizett Aguilar, Assistant Superintendent, Business Services, Sylvan Union School District
Nathalie Wells, Chief Business Official, Stanislaus Union School District
Jessica Hill, Director Community Development Department, City of Modesto

Board of Education

Chad Brown
President

John Ervin, III
Vice President

Jolene Daly
Member

Adolfo Lopez
Member

Abel Maestas
Member

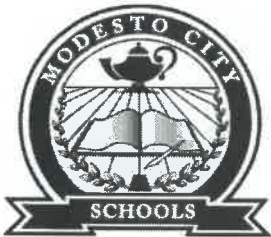
Cindy Marks
Member

Homero Mejia
Member

Sara Noguchi, Ed.D
Superintendent



Modesto City Schools
426 Locust Street
Modesto CA 95351
209.574-1500
www.mcs4kids.com



May 23, 2024

Katharine Martin, Senior Planner
City of Modesto-C&ED/Planning Division
Tenth Street Place/Third Floor
P.O. Box 642
Modesto, CA 95353

PROJECT:

Founders Point East Specific Plan with General Plan Amendment and Annexation of 70 acres – to change the land use designation from Business Park to Residential and annexation to the City of Modesto

ADDRESS:

NEC of Pelandale Ave. and Tully Rd., Modesto, CA

APN's

046-002-001 and 002

FILE No.

SPL-24-001/ANX-24-001/GPA-24-002

TRACK-IT CASE NO.

PLN2024-00161

Dear Ms. Martin,

The above referenced Planning Project has been referred to Modesto City Schools for comment. Modesto City Schools has reviewed this proposal and has no objection to this project.

Any new construction will be assessed the appropriate school fees in effect at the time.

Thank you for the opportunity to comment on this project proposal.

If you have any questions or need additional information, please contact me or Cyndi Campbell, Planning Analyst (campbell.cy@monet.k12.ca.us) at 209-492-1685.

Sincerely,

MODESTO CITY SCHOOLS

Duane A. Wolterstorff

Director II, Business Services, Planning and Facilities

Office: (209) 492-5002

Fax: (209) 574-1564

Email: wolterstorff.d@monet.k12.ca.us

DW/cjc

EXHIBIT E

City of Modesto Resolutions

**No. 2025-247: Approving General Plan
Amendment**

**No. 2025-248: Approving Founders Point East
Specific Plan**

**No. 2025-249: Approving Resolution of
Application to LAFCO for Annexation**

**No. 2025-250: Adopting the Mitigated Negative
Declaration for the General Plan Amendment,
Specific Plan, Prezone & Application to LAFCO**

Attachments to City of Modesto Resolution Nos. 2025-248, 2025-249 & 2025-250
Available on LAFCO Website: https://www.stanislauslafco.org/current_projects.shtm

This page intentionally left blank.

**MODESTO CITY COUNCIL
RESOLUTION NO. 2025-247**

**RESOLUTION APPROVING AN AMENDMENT TO THE LAND USE
ELEMENT OF THE MODESTO URBAN AREA GENERAL PLAN TO CHANGE
THE LAND USE OF APPROXIMATELY 70 ACRES FROM BUSINESS PARK
(BP) TO RESIDENTIAL (R) USES (FITZPATRICK LAND DEVELOPMENT,
LLC)**

WHEREAS, a new General Plan for the City of Modesto entitled “City of Modesto Urban Area General Plan”, as recommended by the Modesto City Planning Commission, was adopted by the Council of the City of Modesto by Resolution No. 95-409 on August 15, 1995, and

WHEREAS, said General Plan has been amended by Modesto City Council Resolution Nos. 95-584, 96-20, 96-338, 96-639, 97-3, 97-137, 97-158, 98-293, 99-162, 99-564, 2000-303, 2000-633, 2001-47, 2001-476, 2002-154, 2002-526, 2003-101, 2003-122, 2004-233, 2005-70, 2007-066, 2007-599, 2008-142, 2008-583, 2009-419, 2011-253, 2011-254, 2011-435, 2012-430, 2014-17, 2014-422, 2015-262, 2016-34, 2017-21, 2019-109, 2022-100, 2022-193, 2022-449, 2024-022, and 2025-164, copies of which are on file in the office of the City Clerk, and

WHEREAS, Government Code Section 65358 permits the amendment of General Plans by the legislative body, and

WHEREAS, Fitzpatrick Land Development LLC has applied for an amendment to the General Plan to change the land use designation of approximately 70 acres from Business Park (BP) to Residential (R), properties located north of Pelandale Avenue, south of Bangs Avenue, between Tully Road to the west and the former Tidewater Railroad /future Virginia Trail Corridor to the east, within the Kiernan-McHenry Comprehensive Planning District (CPD), and

WHEREAS, said application was made concurrently with a proposed new Specific Plan document “Founders Point East” to allow for the development of the 70 acres together with 150 acres located between Bangs Avenue to the south, Kiernan Avenue, Tully Road to the west and the former Tidewater Railroad alignment/future Virginia Trail Corridor to the east, 220 acres total within the Kiernan-McHenry Comprehensive Planning District (CPD) (Project ID SPL-24-001), and

WHEREAS, the application was made concurrently with the proposed annexation of the properties of the Founders Point East Specific Plan, located between Pelandale Avenue to the south, Kiernan Avenue to the north, Tully Road to the west and the former Tidewater Railroad alignment/future Virginia Trail Corridor to the east, a total annexation area of 220 acres (Project ID ANX-24-001), and

WHEREAS, the Community & Economic Development Department has analyzed the proposed amendment and concluded that the amendment to the Land Use Diagram would allow for the development of new residential uses consistent with the Residential land use designation, and

WHEREAS, an Initial Study has been prepared by staff, as required by CEQA, and

WHEREAS, the Initial Study concluded that while the project may have a potentially significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent, and a Mitigated Negative Declaration, Environmental Assessment No. EA/C&ED No. 2024-14, was prepared, and

WHEREAS, a 30-day public review period for the proposed Initial Study/Mitigated Negative Declaration began on March 30, 2025 and concluded on April 28, 2025, and

WHEREAS, the City received public comments on the draft Initial Study/Mitigated Negative Declaration and no significant changes to the document were necessary as a result, and

WHEREAS, the Mitigation Monitoring Plan (MMP) is included and described within the Initial Study/Mitigated Negative Declaration, and

WHEREAS, on May 5, 2025, the Planning Commission held a duly noticed public hearing in the Tenth Street Place Chambers located at 1010 Tenth Street, Modesto, California, relating to this proposed amendment to the Modesto Urban Area General Plan to change the land use designation of 70 acres from Business Park (BP) to Residential (R), properties located north of Pelandale Avenue, south of Bangs Avenue, between Tully Road to the west and the former Tidewater Railroad /future Virginia Trail Corridor to the east, within the Kiernan-McHenry Comprehensive Planning District (CPD), and

WHEREAS, after said public hearing, the Planning Commission adopted Resolution No. 2025-24 recommending to the City Council an amendment to the Modesto Urban Area General Plan to change the land use designation of 70 acres from Business Park (BP) to Residential (R), and

WHEREAS, said matter was set for a public hearing of the City Council to be held on June 24, 2025, in the Tenth Street Place Chambers located at 1010 Tenth Street, Modesto, California, at which date and time said duly noticed public hearing of the

Council was held for the purpose of receiving public comment on the proposed amendment to the Modesto Urban Area General Plan Land Use Diagram.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that it hereby finds and determines that the proposed amendment to the Modesto Urban General Plan to as described in **Exhibit “A”, attached** hereto and incorporated herein by reference, is required for the public health, safety, and welfare of the citizens of Modesto.

BE IT FURTHER RESOLVED by the Council of the City of Modesto that it hereby adopts the proposed amendment to the Urban Area General Plan as described in **Exhibit “A”, attached** hereto and incorporated herein by reference.

BE IT FURTHER RESOLVED by the Council of the City of Modesto that the Community and Economic Development Department Director is hereby authorized and directed to forward certified copies of this resolution and said amendment to the Urban Area General Plan to the Board of Supervisors, and file a Notice of Determination within five (5) business days with the Stanislaus County Clerk pursuant to Section 21152 of the Public Resources Code.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 24th day of June, 2025, by Councilmember Wright, who moved its adoption, which motion being duly seconded by Councilmember Ricci, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Alvarez, Bavaro, Escutia-Braaton, Ricci, Williams, Wright, Mayor Zwahlen

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST:


DIANE NAYARES-PEREZ, CMC,
City Clerk

(SEAL)

APPROVED AS TO FORM:

BY:

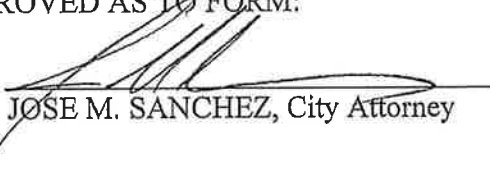
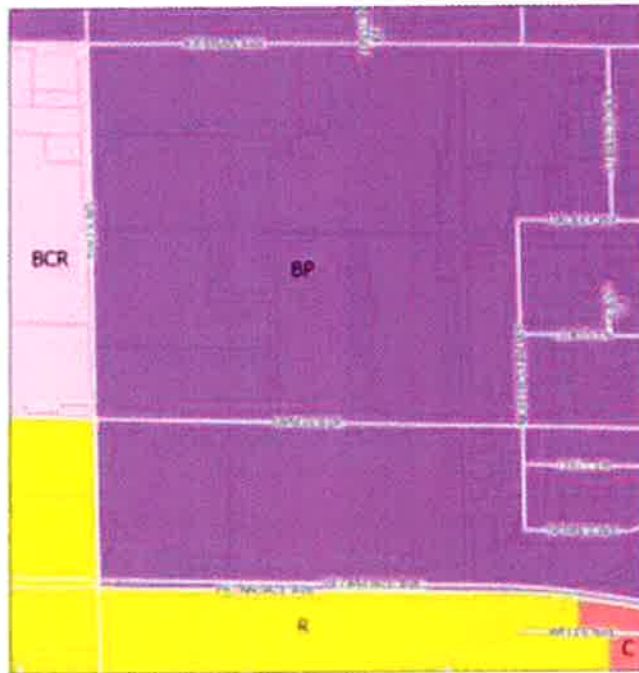
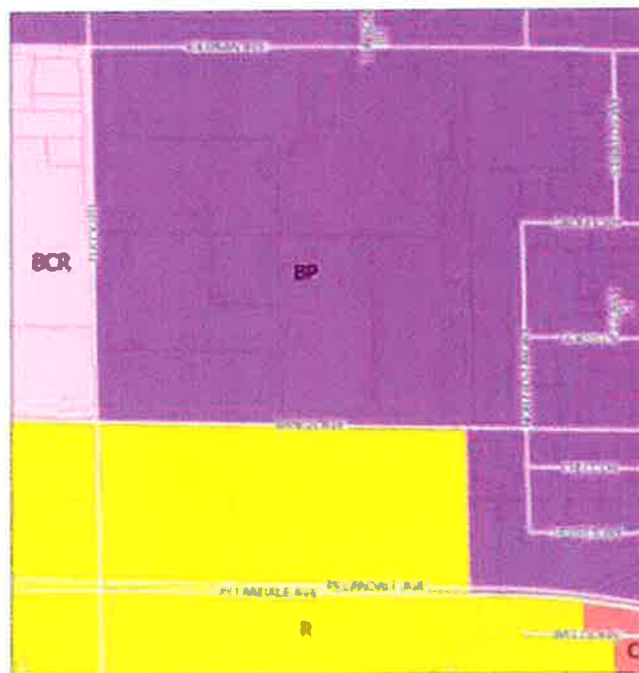

JOSE M. SANCHEZ, City Attorney

EXHIBIT A



Existing General Plan Land Use



Proposed General Plan Land Use



**MODESTO CITY COUNCIL
RESOLUTION NO. 2025-248**

**RESOLUTION APPROVING THE FOUNDERS POINT EAST SPECIFIC PLAN
FOR THE DEVELOPMENT OF APPROXIMATELY 220 ACRES LOCATED
NORTH OF PELANDALE AVENUE, SOUTH OF KIERNAN AVENUE, EAST
OF TULLY ROAD AND WEST OF THE FORMER TIDEWATER
RAILROAD/FUTURE VIRGINIA TRAIL CORRIDOR (FITZPATRICK LAND
DEVELOPMENT LLC)**

WHEREAS, Government Code Section 65450 et. seq. permits cities and counties to adopt Specific Plans for the systematic implementation of the General Plan and to provide for greater level of detail in planning sites or areas of special interest or value, and

WHEREAS, the Modesto Urban Area General Plan includes a policy that requires the preparation of a comprehensive plan for all Comprehensive Planning Districts, and

WHEREAS, the Modesto Urban Area General Plan allows the implementation of a comprehensive plan through specific plans, as defined by Government Code Section 65450 et. seq., and

WHEREAS, the Kiernan-McHenry Comprehensive Planning District (CPD) of the General Plan is bordered by Kiernan Avenue to the north, Pelandale Avenue to the south, Tully Road to the west and McHenry Avenue to the east, said CPD consisting of 100 acres designated for Regional Commercial (RC) land uses and 370 acres for Business Park (BP) land uses, a total of 470 acres, and

WHEREAS, on April 11, 2024, Fitzpatrick Land Development LLC (“Applicant”) filed an application to propose the new Founders Point Specific Plan for two parcels totaling 70 acres located at the southwest corner of the Kiernan-McHenry CPD, said properties bordered by Bangs Avenue to the north and Pelandale Avenue to

the south, Tully Road to the west and the former Tidewater Railroad/future Virginia Trail Corridor to the east, and

WHEREAS, the application was made concurrently with an application for an amendment to the Land Use Element of the City of Modesto Urban Area General Plan to amend the Land Use designation of the two parcels from Business Park (BP) to Residential (R), (Project ID GPA-24-002), and the annexation of the two parcels totaling 70 acres bordered by Bangs Avenue to the north and Pelandale Avenue to the south, Tully Road to the west, and the former Tidewater Railroad/future Virginia Trail Corridor to the east (Project ID ANX-24-001), and

WHEREAS the application was amended to include properties to the north of the site into the proposed Specific Plan and annexation area, 150 acres bordered by Bangs Avenue to the south and Kiernan Avenue to the north, Tully Road to the west, and the former Tidewater Railroad/future Virginia Trail Corridor to the east, with development policies for the future development of business park uses within the 150 acres in accordance to the General Plan, and

WHEREAS, together with the inclusion of the 150 acres, the Specific Plan and annexation area is to be a combined area of 220 acres, all bordered by Pelandale Avenue to the south, Kiernan Avenue to the north, Tully Road to the west, and the former Tidewater Railroad/future Virginia Trail Corridor to the east, and the Specific Plan document composed to allow for business park uses on the 150 acres north of Bangs Avenue and residential uses on the 70 acres south of Bangs Avenue, and

WHEREAS, an Initial Study for the Project has been prepared by staff, as required by CEQA, and

WHEREAS, the Initial Study concluded that while the project may have a potentially significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent, and a Mitigated Negative Declaration, Environmental Assessment No. EA/C&ED No. 2024-14, was prepared, and

WHEREAS, a 30-day public review period for the proposed Initial Study/Mitigated Negative Declaration began on March 30, 2025 and concluded on April 28, 2025, and

WHEREAS, the City received public comments on the draft Initial Study/Mitigated Negative Declaration and no significant changes to the document were necessary as a result, and

WHEREAS, the Mitigation Monitoring Plan (MMP) is included and described within the Initial Study/Mitigated Negative Declaration, and

WHEREAS, a public hearing was held by the Planning Commission on May 5, 2025, in Chambers, 1010 Tenth Street, Modesto, California, at which hearing evidence both oral and documentary was received and considered, and

WHEREAS, after said public hearing, the Modesto City Planning Commission adopted Resolution No. 2025-25, recommending to the City Council an approval of the Founders Point East Specific Plan, and

WHEREAS, said matter was set for a public hearing of the City Council to be held on June 24, 2025, in the Tenth Street Place Chambers located at 1010 10th Street, Modesto, California, at which date and time said duly noticed public hearing of the

Council was held for the purpose of receiving public comment on the proposed Founders Point East Specific Plan.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Modesto that it hereby finds as follows:

1. The proposed Founders Point East Specific Plan is consistent with the Modesto Urban Area General Plan, because:
 - a. The proposed Specific Plan complies with the requirement to prepare a comprehensive plan for Comprehensive Planning Districts; and
 - b. The proposed development of the properties within the Founders Point East Specific Plan is consistent with Business Park and Residential land use designations of the General Plan (as amended); and
 - c. The location of the properties within the proposed Specific Plan is immediately adjacent to the existing City incorporated area and is within the Sphere of Influence, and is consistent with General Plan Growth Goals II.B.1 which states “Keep urban development as contiguous as possible in order to minimize urbanization of valuable farmland, foster resident convenience, improve air quality, reduce automobile vehicle miles traveled, improve public health and safety, and provide for economy in City services”, II.F.1 which states “Facilitate the creation and expansion of business parks to achieve a more equitable jobs-housing balance”, and II.F.5 to “pursue a diverse supply of housing types and costs, as well as diverse supply of jobs with varying income potential, to balance local job and housing opportunities.”
2. An Initial Study/Mitigated Negative Declaration, Environmental Assessment No. EA/C&ED No. 2024-14, has been prepared by the City of Modesto that analyzed the proposed project, and the Planning Commission has determined that while the project may have a potentially significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent, and that the Mitigated Negative Declaration should be adopted by the City Council.

BE IT FURTHER RESOLVED by the Council of the City of Modesto that the Founders Point East Specific Plan, on file in the office of the Community and Economic

Development Department and incorporated herein **Attachment A** by reference, is hereby adopted.

BE IT FURTHER RESOLVED by the Council that the City Clerk is hereby authorized and directed to send certified copies of this resolution and said Founders Point East Specific Plan to the Board of Supervisors of the County of Stanislaus.

BE IT FURTHER RESOLVED that the project applicant shall indemnify, defend, and hold harmless the City of Modesto, its agents, officers, and employees from any and all claims, actions, or proceedings against the City of Modesto, its agents, officers, and employees to attack, set aside, void, or annul, any approval by the City of Modesto and its advisory agency, appeal board, or a legislative body concerning the specific plan (File No. SPL-24-001). The City of Modesto shall promptly notify the applicant of any claim, action, or proceeding and shall cooperate fully in the defense. If the City fails to do so, the applicant shall not thereafter be responsible to defend, indemnify, or hold City harmless.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 24th day of June, 2025, by Councilmember Williams, who moved its adoption, which motion being duly seconded by Councilmember Ricci, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Alvarez, Bavaro, Escutia-Braaton, Ricci, Williams, Wright, Mayor Zwahlen

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST:


DIANE NAYARES-PEREZ, CMC,
City Clerk

(SEAL)

APPROVED AS TO FORM:

BY:


JOSE M. SANCHEZ, City Attorney

City of Modesto Resolution **No. 2025-248** attachments

Can be found on the LAFCO Website at

https://www.stanislauslafco.org/current_projects.shtm

**MODESTO CITY COUNCIL
RESOLUTION NO. 2025-249**

RESOLUTION APPROVING THE FILING OF AN APPLICATION TO THE STANISLAUS LOCAL AGENCY FORMATION COMMISSION FOR THE REORGANIZATION OF APPROXIMATELY 220 ACRES LOCATED NORTH OF PELANDALE AVENUE, SOUTH OF KIERNAN AVENUE, EAST OF TULLY ROAD AND WEST OF THE FORMER TIDEWATER RAILROAD/FUTURE VIRGINIA TRAIL CORRIDOR, INCLUDING RIGHTS OF WAY ON PELANDALE AVENUE, KIERNAN AVENUE AND TULLY ROAD, FOR ANNEXATION TO THE CITY OF MODESTO (OWNER INITIATED—UNINHABITED)

WHEREAS, Fitzpatrick Land Development, LLC is the owner of approximately 70 acres of real property, located between Pelandale Avenue to the south and Bangs Avenue to the north, east of Tully Road and west of the former Tidewater Railroad/future Virginia Trail Corridor, and

WHEREAS, the City has received a request from the Applicant to initiate reorganization of the Property and adjacent right-of-way on Pelandale Avenue, Bangs Avenue, and Tully Road, a total of 70 acres, for annexation to the City of Modesto under the Cortese-Knox-Hertzberg Local Reorganization Act of 2000, California Government Code Section 56000, et seq, and

WHEREAS, the application was amended to propose the inclusion of additional properties located to the north of the subject site, totaling 150 acres, into the proposed annexation to the City of Modesto, said 150-acres on multiple properties bordered by Bangs Avenue to the south and Kiernan Avenue to the north, Tully Road to the west and the former Tidewater Railroad/future Virginia Trail Corridor to the east, and

WHEREAS, the City received notifications from the respective property owners of the 150-acres that the properties be included in the proposed Founders Point East

Reorganization to the City of Modesto, thereby expanding the overall annexation area to a total of 220 acres (“Properties”), and

WHEREAS, the Resolution of Application is proposed pursuant to the Cortese-Knox-Hertzberg Local Reorganization Act of 2000, California Government Code Section 56000, et seq, and

WHEREAS, the Properties to be annexed are within Stanislaus County, said annexation area is contiguous to the existing City limits, and is within the Sphere of Influence of the City of Modesto as adopted by the Stanislaus Local Agency Formation Commission (LAFCO), and

WHEREAS, the Property proposed for reorganization is uninhabited as defined by Government Code Section 56079.5 (fewer than 12 registered voters), and a description of the boundaries of the subject Property is set forth in **Exhibits “A” and “B”**, attached hereto and by this reference incorporated herein, and

WHEREAS, Properties includes four Williamson Act contracts involving five parcels that were protested by the City of Modesto and were upheld by LAFCO, and

WHEREAS, the Properties are covered by the Master Tax Sharing Agreement that address tax sharing entered into between the County of Stanislaus and City of Modesto which was approved on April 9, 1996 and revised on July 12, 2022, and

WHEREAS, the annexation area received a Measure M advisory vote in November 1997, and

WHEREAS, the Properties are covered by the Master Tax Sharing Agreement that address tax sharing entered into between the County of Stanislaus and City of Modesto which was approved on April 9, 1996 and revised on July 12, 2022, and

WHEREAS, the annexation area received a Measure M advisory vote in November 1997, and

WHEREAS, the Properties have been rezoned to Prezone Specific Plan (P-SP) with land use designations for Business Park and Residential uses as set forth in the Founders Point East Specific Plan, and

WHEREAS, pursuant to Government Code Section 56653, a plan for providing services is set forth in **Exhibit “C”**, attached hereto and by this reference incorporated herein, and

WHEREAS, an Initial Study has been prepared by staff, as required by CEQA, and

WHEREAS, the Initial Study concluded that while the project may have a potentially significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent, and a Mitigated Negative Declaration, Environmental Assessment No. EA/C&ED No. 2024-14, was prepared, and

WHEREAS, a 30-day public review period for the proposed Initial Study/Mitigated Negative Declaration began on March 31, 2025 and concluded on April 28, 2025, and

WHEREAS, the City received public comments on the draft Initial Study/Mitigated Negative Declaration and no significant changes to the document were necessary as a result, and

WHEREAS, the Mitigation Monitoring Plan (MMP) is included and described within the Initial Study/Mitigated Negative Declaration; and

WHEREAS, a public hearing was held by the Planning Commission on May 5, 2025, in the Chambers, 1010 Tenth Street, Modesto, California, at which hearing evidence both oral and documentary was received and considered; and

WHEREAS, after said public hearing, the City of Modesto Planning Commission adopted Resolution No. 2025-27 recommending to the City Council that it adopt the Resolution of Application for an reorganization to annex the Properties to the City of Modesto, and

WHEREAS, said matter was set for public hearing of the City Council to be held on June 24, 2025, in the Tenth Street Place Chambers located at 1010 10th Street, Modesto, California, at which date and time said duly noticed public hearing of the Council was held for the purpose of receiving public comment on the proposed annexation.

NOW, THEREFORE, the Council of the City of Modesto hereby finds and determines as follows:

1. The reorganization area is part of the Kiernan-McHenry Comprehensive Planning District of the City of Modesto Urban Area General Plan adopted by the Modesto City Council on March 5, 2019 and subsequent amendments, and as amended by the proposed amendment for the Founders Point East Specific Plan.
2. The proposed reorganization is consistent with the Modesto Urban Area General Plan as amended, because it is consistent with General Plan Growth Goals II.B.1 which states “Keep urban development as contiguous as possible in order to minimize urbanization of valuable farmland, foster resident convenience, improve air quality, reduce automobile vehicle miles traveled, improve public health and safety, and provide for economy in City services”, II.F.1 which states “Facilitate the creation and expansion of business parks to achieve a more equitable jobs-housing balance”, and II.F.5 to “pursue a diverse supply of housing types and costs, as well as diverse supply of jobs with varying income potential, to balance local job and housing opportunities.”

3. The requested reorganization will result in planned, orderly and efficient development of the area, and the most efficient provision of services.
4. The Properties are located within Stanislaus County, within the City's adopted Sphere of Influence, contiguous to the existing City limits and can be most efficiently served with City services.
5. The Property proposed to be annexed to the City of Modesto are uninhabited as defined by Government Code Section 56079.5 (fewer than twelve registered voters) and a description of the boundaries of the subject Properties is set forth in Exhibits "A" and "B", attached hereto and by this reference incorporated herein.
6. The City of Modesto exercises its option not to succeed to the Williamson Act Contracts No. 75-1981, No. 75-1982, No. 76-2108 (two parcels), and No. 76-2109, pursuant to California Government Code Section 51243.5 and tentatively cancel said contracts.
7. The Properties are covered by the Master Tax Sharing Agreement that address tax sharing entered into between the County of Stanislaus and City of Modesto which was approved on April 9, 1996 and revised on July 12, 2022.

BE IT FURTHER RESOLVED by the Council of the City of Modesto that it hereby adopts this Resolution Authorizing Application for reorganization to annex the Properties to the City of Modesto and Modesto Sewer District No. 1.

BE IT FURTHER RESOLVED by the Council of the City of Modesto that this Resolution of Application includes annexation of the Property to the Modesto Sewer District No. 1.

BE IT FURTHER RESOLVED by the Council of the City of Modesto that, pursuant to Government Code section 56653, the City Council submit the Plan for Services as set forth in **Exhibit "C"**, attached hereto and by this reference incorporated herein.

BE IT FURTHER RESOLVED that the project applicant shall indemnify, defend, and hold harmless the City of Modesto, its agents, officers, and employees from any and all claims, actions, or proceedings against the City of Modesto, its agents, officers, and

employees to attack, set aside, void, or annul, any approval by the City of Modesto and its advisory agency, appeal board, or a legislative body concerning the reorganization for the Property. The City of Modesto shall promptly notify the applicant of any claim, action, or proceeding.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 24th day of June, 2025, by Councilmember Williams, who moved its adoption, which motion being duly seconded by Councilmember Alvarez, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Alvarez, Bavaro, Escutia-Braaton, Ricci, Williams, Wright, Mayor Zwahlen

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST:

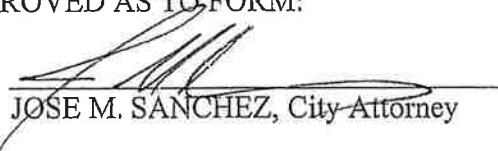


DIANE NAYARES-PEREZ, CMC,
City Clerk

(SEAL)

APPROVED AS TO FORM:

BY:



JOSE M. SANCHEZ, City Attorney

City of Modesto Resolution **No. 2025-249** attachments

Can be found on the LAFCO Website at:

https://www.stanislauslafco.org/current_projects.shtm

**MODESTO CITY COUNCIL
RESOLUTION NO. 2025-250**

**RESOLUTION ADOPTING A MITIGATED NEGATIVE DECLARATION FOR
THE GENERAL PLAN AMENDMENT, FOUNDERS POINT EAST SPECIFIC
PLAN, PREZONE AND APPLICATION FOR THE REORGANIZATION OF
FOUNDERS POINT EAST SPECIFIC PLAN TO THE CITY OF MODESTO**

WHEREAS, on April 11, 2024 Fitzpatrick Land Development LLC. applied for an amendment to the City of Modesto Urban Area General Plan to change the land use designation of approximately 70 acres from Business Park (BP) to Residential (R), properties located north of Pelandale Avenue, south of Bangs Avenue, between Tully Road to the west and the former Tidewater Railroad /future Virginia Trail Corridor to the east, within the Kiernan-McHenry Comprehensive Planning District (CPD), and

WHEREAS, said application was made concurrently with a proposed new Specific Plan document “Founders Point East” to allow for the development of the 70 acres within the Kiernan-McHenry Comprehensive Planning District (CPD) (Project ID SPL-24-001) together with prezone of the area to Prezone Specific Plan (P-SP) Zone and annexation of the 70 acres (Project ID PRZ-24-001 and ANX-24-001), and

WHEREAS the application was amended to include properties to the north of the site into the proposed Specific Plan, prezone and annexation area, approximately 150 acres bordered by Bangs Avenue to the south and Kiernan Avenue to the north, Tully Road to the west, and the former Tidewater Railroad/future Virginia Trail Corridor to the east, with development policies for the future development of business park uses within the 150 acres in accordance to the General Plan, and

WHEREAS, together with the inclusion of the 150 acres, the Specific Plan, prezone and annexation area is to be a combined area of approximately 220 acres, all

bordered by Pelandale Avenue to the south, Kiernan Avenue to the north, Tully Road to the west, and the former Tidewater Railroad/future Virginia Trail Corridor to the east, and the Specific Plan document composed to allow for business park uses on the 150 acres north of Bangs Avenue and residential uses on the 70 acres south of Bangs Avenue, and

WHEREAS, Section 15070 of the CEQA Guidelines relating to Initial Study/Negative Declaration provides for a lead agency to prepare an Initial Study on any proposed project to analyze whether the project may cause any significant effect on the environment, and

WHEREAS, the City's Community & Economic Development Department has prepared an Initial Study/Mitigated Negative Declaration, Environmental Assessment No. EA/C&ED 2024-14 as provided for by CEQA, and

WHEREAS, a 30-day public review period for the proposed Initial Study/Mitigated Negative Declaration began on March 30, 2025, and ended on April 28, 2025, and

WHEREAS, the received public comments on the Initial Study/Mitigated Negative Declaration and no significant changes to the document were necessary as a result, and

WHEREAS, the Mitigation Monitoring and Reporting Plan (MMRP) is included and described within the Initial Study/Mitigated Negative Declaration, and

WHEREAS, said matter was considered by the Planning Commission at a duly noticed public hearing which was held on May 5, 2025, whereupon the Planning Commission considered the Initial Study/Mitigated Negative Declaration and

recommended that the City Council adopt the Initial Study/Mitigated Negative Declaration on a 5-1 vote, and

WHEREAS, on May 20, 2025, during the appeal period, the Salida Fire District submitted an appeal to the project. After subsequent discussions with the District, the District requested the City add the following language to the CEQA Mitigated Negative Declaration: “As a condition of approval, the Project will be required to enter into the District’s Community Facilities District and pay all applicable taxes. Those taxes will mitigate the described project’s impacts on the fire and emergency response services that are funded by the District.” In a letter dated June 20, 2025, the District agreed to formally withdraw their appeal if the language was included. This language has been added to the document for Council’s approval under this Resolution. The District’s appeal is formally withdrawn with the adoption of this Resolution, and

WHEREAS, said matter was considered by the City Council at a duly noticed public hearing which was held on June 24, 2025, at 5:30 p.m., in the Tenth Street Place Chambers located at 1010 10th Street, Modesto, California.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Modesto that the Council has reviewed and considered Environmental Assessment No. EA/C&ED 2024-14 and the associated Mitigation Monitoring and Reporting Plan (MMRP), copies of which are on file with the Community and Economic Development Department, Third Floor, 1010 Tenth Street, Modesto, California, and are **attached** hereto as **Exhibit “A”** and **Exhibit “B”** and incorporated herein as reference, and based on the substantial evidence included in said Initial Study makes the following findings:

1. The Initial Study/Mitigated Negative Declaration prepared for the proposed project shows there is not substantial evidence, in light of the whole record before the City, that while the project may have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made or agreed to by the project proponent.
2. The Initial Study/Mitigated Negative Declaration reflects the independent judgment of the lead agency.
3. The Initial Study/Mitigated Negative Declaration, EA/C&ED 2024-14, provides the substantial evidence to support findings 1-2, noted above.

BE IT FURTHER RESOLVED that the property owner and developer shall, at their sole expense, defend, indemnify and hold harmless the City of Modesto, its agents, officers, directors and employees, from and against all claims, actions, damages, losses, or expenses of every type and description, including but not limited to payment of attorneys' fees and costs, by reason of, or arising out of, this development approval. The obligation to defend, indemnify and hold harmless shall include but is not limited to any action to arbitrate, attack, review, set aside, void or annul this development approval on any grounds whatsoever. The City of Modesto shall promptly notify the developer of any such claim, action, or proceeding.

BE IT FURTHER RESOLVED by the Council of the City of Modesto that the Community & Economic Development Director is hereby authorized and directed to file a notice of approval or determination within five (5) business days with the Stanislaus County Clerk pursuant to Section 21152 of the Public Resources Code.

The foregoing resolution was introduced at a regular meeting of the Council of the City of Modesto held on the 24th day of June, 2025, by Vice-Mayor Bavaro, who moved its adoption, which motion being duly seconded by Councilmember Wright, was upon roll call carried and the resolution adopted by the following vote:

AYES: Councilmembers: Alvarez, Bavaro, Escutia-Braaton, Ricci, Williams, Wright, Mayor Zwahlen

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ATTEST:


DIANE NAYARES-PEREZ, CMC,
City Clerk

(SEAL)

APPROVED AS TO FORM:

BY:

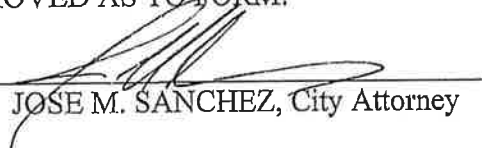

JOSE M. SANCHEZ, City Attorney

EXHIBIT A

INITIAL STUDY

EA/C&ED NO. 2024-14

<https://www.modestogov.com/DocumentCenter/View/23899/Final-Mitigated-Negative-Declaration-Founders-Point-East>

1123

<https://www.modestogov.com/DocumentCenter/View/23679/Founders-Point-Specific-Plan-Detailed-Report-Appendix-A>

95

<https://www.modestogov.com/DocumentCenter/View/23680/Founders-Point-East-Traffic-Impact-Analysis-Appendix-B>

911

EXHIBIT B

MITIGATION MONITORING AND REPORTING PROGRAM

EA/C&ED NO. 2024-14

<https://www.modestogov.com/DocumentCenter/View/24005/Founders-Point-East-Specific-Plan-Mitigation-Monitoring-Program>

Potentially
Significant
Impact

Less Than
Significant
with
Mitigation

Less Than
Significant
Impact

No
Impact

II. AGRICULTURE AND FOREST RESOURCES:

In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Dept. of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the state's inventory of forest land, including the Forest and Range Assessment Project and the Forest Legacy Assessment Project; and the forest carbon measurement methodology provided in Forest Protocols adopted by the California Air Resources Board. Would the project:

- | | | | | |
|--|--------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use? | ☐ | ☒ | ☐ | ☐ |
| b) Conflict with existing zoning for agricultural use, or a Williamson Act contract? | ☐ | ☐ | ☒ | ☐ |
| c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g))? | ☐ | ☐ | ☐ | ☒ |
| d) Result in the loss of forest land or conversion of forest land to non-forest use? | ☐ | ☐ | ☐ | ☒ |
| e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use? | ☐ | ☐ | ☒ | ☐ |

Discussion

- a) The project site is semi-developed with a new warehouse/distribution center, recreational vehicle storage facilities, business park-manufacturing uses and the newly constructed

campus of the Holy Family Catholic Church. Undeveloped areas are currently in use as almond orchards.

According to the most recent data from the CA Dept of Conservation Farmland Monitoring and Mapping Program (FMMP), the area is comprised of Prime Farmland, Grazing Land, Rural Residential Land, and Urban/Built-Up Land. Approximately 147 acres of the project area is categorized as Prime Farmland. The loss of Important Farmland as classified under the FMMP is considered a potentially significant environmental impact. Per Stanislaus LAFCo Agricultural Preservation policy, mitigation measures such as 1:1 farmland conservation would reduce impacts to **less than significant** with mitigation. In compliance with the policies adopted by the Stanislaus LAFCo Agricultural Preservation policy, and supported by the Modesto General Plan Chapter VII, Section D (Agriculture Resource Policies), the project will support, and fully fund, the acquisition of prime agricultural land at a ratio of 1:1.

Mitigation Measure(s)

Mitigation Measure AG-1: *Prior to the issuance of grading permits, the Project applicant shall secure permanent protection of offsite farmland based on a 1:1 ratio to the amount of gross Farmland converted because of development, consistent with the requirements of the Stanislaus County Local Agency Formation Commission (LAFCo) Agricultural Preservation policy. The acreage requiring agricultural mitigation shall be equal to the portion of the site dedicated to residential uses which would be subject to the discretionary development entitlement for lands designated as Prime Farmland, Farmland of Statewide Importance, or Unique Farmland. Permanent preservation shall consist of the purchase of agricultural conservation easements granted in perpetuity from willing seller(s), enforceable deed restrictions, purchase of banked mitigation credits, or other conservation mechanisms acceptable to the City.*

The permanent protection of farmland shall be accomplished by either: (1) the landowner/developer working directly with an established farmland trust or similar organization, and providing certification satisfactory to the City that such lands have been permanently preserved at the specified ratio; or (2) working with a qualified land trust or similar organization, to establish a fee for agricultural land conservation easements.

- b) There are five Williamson Act contracts on properties within the project area, which are proposed for annexation and development. Annexation of land under a contract would be a conflict, unless the contract was cancelled, expired, or determined to be "null and void." The City of Modesto filed a protest to the Stanislaus County LAFCo for these Williamson Act contracts pursuant to Section 51243.5 of the Government Code and was upheld by LAFCO. Therefore, the City will not succeed those contracts and upon annexation, the contracts will be terminated. This outcome would ensure that there is no possibility of a conflict between the annexation and the contracts. For these reasons, implementation of the proposed Project would have a **less than significant** impact relative to this topic.
- c) The Project site is not forest land (as defined in Public Resources Code section 1222(g)) or timberland (as defined in Public Resources Code section 4526). The proposed Project would not conflict with existing zoning for, or cause rezoning of, forest land or timberland. Implementation of the proposed Project would have no impact relative to this issue. Therefore, implementation of the proposed Project would have **no impact** relative to this issue.
- d) See item C above. Implementation of the proposed Project would have **no impact** relative to this issue.
- e) The Project site does not contain forest land, and there is no forest land in the vicinity of the Project site. The Project site would result in a conversion of the farmland to non-farmland.

This impact has already been considered with the approval and the certification of the UAGP DEIR. The proposed Project does not involve any other changes in the existing environment not disclosed under the previous responses which, due to their location or nature, could result in conversion of farmland, to non-agricultural use, or conversion of forest land to non-forest use. Implementation of the proposed Project would have a **less than significant** impact relative to this issue.

**FOUNDERS POINT EAST
PROJECT MITIGATION MONITORING AND REPORTING PROGRAM**

Mitigation Measure	Mitigation Responsibility	Monitoring Actions	Monitoring / Reporting Responsibility	Schedule
Transportation and Circulation				
1. Development of the project shall incorporate the following mitigation measures: The Project Applicant shall implement the Transportation Demand Management (TDM) strategies listed in Table 4 (TDM Measures and VMT Reduction) of the Founders Point East Transportation Impact Study to reduce daily home-based work vehicle miles traveled (VMT) per employee. These measures shall be designed to achieve a minimum 4.9% reduction in VMT per employee, consistent with the study's findings.	Project Developers	Project Developers shall be responsible for any required road improvement plans and construction of roadway and frontage improvements upon development within the Specific Plan.	City Engineer shall review and approve road improvement plans. Developer shall construct improvements. Engineering Services Department shall inspect and accept improvements.	All improvements shall be completed prior to recordation of any subsequent subdivision map or issuance of a building permit.
Noise				
1. Development of the project shall incorporate the following mitigation measures: NOI-3: The following shall be incorporated into the design: All north-facing second-floor windows of residences proposed adjacent to where industrial development would occur in the future, shall have a minimum Sound Transmission Class (STC) rating of 32.	Project Developers	Project developers shall demonstrate provision of windows with Sound Transmission Class (STC) rating of 32 for north-facing second story windows of new residences prior to issuance of a building permit for each residence.	Chief Building Official or designee shall review and approve building permit applications. Developer shall construct improvements. Building Safety Division shall inspect and accept improvements.	Improvements shall be completed prior to issuance of a Certificate of Occupancy.
Air Quality				
1. Development of the project shall incorporate the following mitigation measures:				

Mitigation Measure	Mitigation Responsibility	Monitoring Actions	Monitoring / Reporting Responsibility	Schedule
AIR-1. Prior to the approval of individual projects, at the time of site plan development, each project applicant shall measure their individual projects' TAC emissions (for both construction and operational phases) with their Air District's 'Prioritization Calculator', a calculator that screens individual projects for the potential need for an HRA. For individual projects that do not screen out of this calculator, a full air toxics Health Risk Assessment (for each relevant project) is required to be prepared by the project applicant(s). The intent is that each individual project would demonstrate that the individual project does not exceed the applicable SJVAPCD health risk thresholds. If any of the SJVAPCD health risk thresholds for an individual project is exceeded, the project applicant shall develop additional mitigation to ensure that the individual project does not exceed the applicable SJVAPCD health risk thresholds.	Project Developers	Project Developers shall review SJVAPCD regulations and submit any required compliance plan to the City of Modesto's Community and Economic Development Department. The compliance plan shall be incorporated in construction contracts and implemented by developers. If necessary, developer shall provide an HRA	Project Developers shall provide draft compliance plan and/or HRA to the Community and Economic Development Department for review and approval prior to commencement of any development within the Specific Plan.	Compliance plan shall be submitted to and approved by the Community and Economic Development Department prior to the issuance of a grading or building permit, whichever occurs first, for any development within the Specific Plan.
Geology and Soils				
1. Development of the project shall incorporate the following mitigation measures: GEO-4: Prior to the development of the project site, a subsurface geotechnical investigation must be performed to identify onsite soil conditions and identify any site-specific engineering measures to be implemented during the construction of building foundations and subsurface utilities. The results of the subsurface geotechnical investigation shall be reflected on the Improvements Plans, subject to review and approval by the City's Building Safety and Fire Prevention Division.	Project Developers	Project developers shall conduct a geotechnical investigation and provide results to the Chief Building Official and Fire Prevention Division.	The results of the subsurface geotechnical investigation shall be reflected on the Improvements Plans, subject to review and approval by the City's Building Safety and Fire Prevention Division.	Prior to issuance of a grading permit for any development within the Specific Plan.

Mitigation Measure	Mitigation Responsibility	Monitoring Actions	Monitoring / Reporting Responsibility	Schedule
GEO-5. Expansive materials and potentially weak and compressible fills at the site shall be evaluated by a Geotechnical Engineer during the grading plan stage of development. If highly expansive or compressible materials are encountered, special foundation designs and reinforcement, removal and replacement with soil with low to non-expansive characteristics, compaction strategies, or soil treatment options to lower the expansion potential shall be incorporated through requirements imposed by the City's Development Services Department.	Project Developers	Project developers shall conduct a geotechnical investigation and provide results to the Chief Building Official and Fire Prevention Division.	If highly expansive or compressible materials are encountered, special foundation designs and reinforcement, removal and replacement of soil or soil treatment shall be incorporated through requirements imposed by the City's Development Services Department, to the satisfaction of the Chief Building Official and Fire Prevention Division.	Prior to issuance of a grading permit for any development within the Specific Plan.
GEO-6. If paleontological resources are discovered during the course of construction, work shall be halted immediately within 50 meters (165 feet) of the discovery, the City of Modesto or Stanislaus County shall be notified, and a qualified paleontologist shall be retained to determine the significance of the discovery. If the paleontological resource is considered significant, it should be excavated by a qualified paleontologist and given to a local agency, State University, or other applicable institution, where they could be curated and displayed for public education purposes.	Project Developers	Project developers shall notify the County and City if paleontological resources are discovered.	A qualified paleontologist shall be retained to determine significance of discovery and conduct excavation if necessary.	At all phases of construction.
Agriculture and Forest Resources				

Mitigation Measure	Mitigation Responsibility	Monitoring Actions	Monitoring / Reporting Responsibility	Schedule
1. Development of the project shall incorporate the following mitigation measures: AG-1: Prior to the issuance of grading permits, the Project applicant shall secure permanent protection of offsite farmland based on a 1:1 ratio to the amount of gross Farmland converted because of development, consistent with the requirements of the Stanislaus County Local Agency Formation Commission (LAFCo) Agricultural Preservation policy. The acreage requiring agricultural mitigation shall be equal to the portion of the site dedicated to residential uses which would be subject to the discretionary development entitlement and lands designated as Prime Farmland, Farmland of Statewide Importance, or Unique Farmland. Permanent preservation shall consist of the purchase of agricultural conservation easements granted in perpetuity from willing seller(s), enforceable deed restrictions, purchase of banked mitigation credits, or other conservation mechanisms acceptable to the City.	Project Developers	Project Developers shall work with the City or in consultation with an established farmland trust.	City of Modesto Community and Economic Development Department	Prior to recordation of a final map for any new residential development within the Specific Plan, or prior to issuance of a building permit for any residential development within the Specific Plan.
AG-1: (continued) The permanent protection of farmland shall be accomplished by either: (1) the landowner/developer working directly with an established farmland trust or similar organization, and providing certification satisfactory to the City that such lands have been permanently preserved at the specified ratio; or (2) working with a qualified land trust or similar organization, to establish a fee for agricultural land conservation easements.	Project Developers	Project Developers shall work with the City or in consultation with an established farmland trust.	City of Modesto Community and Economic Development Department	Prior to recordation of a final map for any new residential development within the Specific Plan, or prior to issuance of a building permit for any residential development within the Specific Plan.

City Resolution 2025-250 Links:

Exhibit A:

Final Initial Study & Mitigated Negative Declaration:

<https://www.modestogov.com/DocumentCenter/View/23899/Final-Mitigated-Negative-Declaration-Founders-Point-East?bidId=>

Founders Pointe Specific Plan Detailed Report Appendix

<https://www.modestogov.com/DocumentCenter/View/23679/Founders-Point-Specific-Plan-Detailed-Report-Appendix-A?bidId=>

Founders Point East Traffic Impact Analysis Appendix B

<https://www.modestogov.com/DocumentCenter/View/23680/Founders-Point-East-Traffic-Impact-Analysis-Appendix-B?bidId=>

Exhibit B:

Mitigation Monitoring & Reporting Program:

<https://www.modestogov.com/DocumentCenter/View/24005/Founders-Point-East-Specific-Plan-Mitigation-Monitoring-Program?bidId=>

This page intentionally left blank.

EXHIBIT F

Draft LAFCO Resolution No. 2025-15

This page intentionally left blank.

**STANISLAUS COUNTY LOCAL AGENCY
FORMATION COMMISSION**

RESOLUTION

DATE: October 22, 2025

NO. 2025-15

SUBJECT: LAFCO APPLICATION NO. 2025-04 – FOUNDERS POINT EAST CHANGE OF ORGANIZATION TO THE CITY OF MODESTO

On the motion of Commissioner _____, seconded by Commissioner _____, and approved by the following vote:

Ayes: Commissioners:
Noes: Commissioners:
Ineligible: Commissioners:
Absent: Commissioners:

THE FOLLOWING RESOLUTION WAS ADOPTED:

WHEREAS, the City of Modesto has requested to annex approximately 245 acres to the City;

WHEREAS, the City of Modesto approved a Resolution of Application and rezoned the subject territory;

WHEREAS, there are less than twelve (12) registered voters within the area and it is thus considered uninhabited;

WHEREAS, the City of Modesto, as Lead Agency, has prepared a Mitigated Negative Declaration for the proposal in compliance with the California Environmental Quality Act (CEQA);

WHEREAS, the City of Modesto shall be responsible for mitigation monitoring and reporting to ensure CEQA compliance;

WHEREAS, there are five active Williamson Act Contracts (No. 75-1981, 75-1982, 75-2108, 76-2108 & 76-2109) within the proposal area which were protested by the City of Modesto and upheld by LAFCO;

WHEREAS, pursuant to Government Code Section 56856.5(c), the Commission may approve a change of organization that would result in the annexation of Williamson Act lands when it makes a specific finding;

WHEREAS, the City of Modesto is exercising its option to not succeed to the rights, duties, and powers of the County under the contract as set forth in Government Code section 51243.5(d)2;

WHEREAS, the Commission has reviewed the Plan for Agricultural Preservation submitted by the City with this proposal which provides information regarding impacts to agricultural lands and the City's strategy to minimize the loss of agricultural lands;

WHEREAS, the City and County executed a Master Property Tax Revenue Agreement on July 12, 2022, pursuant to Section 99 of the California Revenue and Taxation Code;

WHEREAS, the Commission conducted a duly noticed public hearing on October 22, 2025 to consider the proposal at which time the Commission heard and received all oral or written testimony, objections, and evidence that were presented and all interested persons were given an opportunity to hear and be heard with respect to the proposal and the report provided by LAFCO Staff;

WHEREAS, the Commission has, in evaluating the proposal, considered the report submitted by the Executive Officer, the factors set forth in Section 56668 of the California Government Code and testimony and evidence presented at the meeting held on October 22, 2025.

NOW, THEREFORE, BE IT RESOLVED that this Commission:

1. Certifies that, acting as a Responsible Agency pursuant to CEQA, it has considered the environmental documentation prepared by the City of Modesto as Lead Agency, including the Mitigated Negative Declaration.
 - a. As a “Responsible Agency”, Stanislaus LAFCO has independently evaluated the City’s certified Mitigated Negative Declaration, and has complied with all actions as and guidelines pursuant to CEQA Guidelines Section 15096(a-i), and has reached an independent conclusion that determines the Mitigated Negative Declaration adequately addresses the potential impacts related to the proposal that the Stanislaus LAFCO has been asked to approve;
 - b. On the basis of substantial evidence in light of the whole record, in compliance with CEQA Guidelines Section 15096(h), that the Stanislaus LAFCO, as a “Responsible Agency” adopts the same findings put forth in Modesto City Council Resolution No. 2025-250, as required by Section 15091(a) for each significant effect of the proposal, and to further require the filing of a Notice of Determination in compliance with CEQA Guidelines Section 15096(i); and
 - c. The City of Modesto shall be responsible for the Mitigation Monitoring and Reporting Program, all as approved and adopted by the City to ensure CEQA Compliance.
2. Determines that: (a) the subject territory is within the Modesto Sphere of Influence; (b) the approval of the proposal is consistent with all applicable spheres of influence, overall Commission policies and local general plans; (c) the territory is considered uninhabited; (d) the City has provided sufficient evidence to show that the required services are available and will be provided upon development of the area; and (e) approval of the proposal will result in planned, orderly and efficient development of the area.
3. Determines that the Plan for Agricultural Preservation, as submitted by the City, contains sufficient evidence demonstrating consistency with the goals of the Commission’s Agricultural Preservation Policy.
4. Finds, pursuant to Government Code Section 56856.5, that the change of organization of the “Founders Point East” area is appropriate to provide necessary urban services to a planned, well-ordered, and efficient urban development pattern by the City of Modesto, whose adopted plans and policies includes appropriate consideration for the

preservation of open space lands within those urban development patterns upon annexation.

5. Approves the proposal subject to the following terms and conditions:
 - A. The applicant shall pay State Board of Equalization fees and remaining fees owed to LAFCO.
 - B. The applicant agrees to defend, hold harmless and indemnify LAFCO and/or its agents, officers, and employees from any claim, action or proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul LAFCO's action on a proposal or any action relating to or arising out of such approval, and provide for the reimbursement or assumption of all legal costs in connection with that approval.
 - C. The effective date shall be the date of recordation of the Certificate of Completion.
 - D. The application shall be processed as a change of organization consisting of the annexation of territory to the City of Modesto.
 - E. Upon the effective date of the annexation, all rights, title, and interest of the County, including the underlying fee where owned by the County in any and all public improvements, including, but no limited to the following: sidewalks, trails, landscaped areas, open space, street lights, signals, bridges, storm drains, and pipes shall vest in the City; except for those properties to be retained by the County.
2. Designates the proposal as the "Founders Point East Change of Organization to the City of Modesto."
3. Waives the protest proceedings and orders the change of organization pursuant to Government Code Section 56663.
4. Authorizes and directs the Executive Officer to prepare and execute a Certificate of Completion in accordance with Government Code Section 57203, subject to the specified terms and conditions of this resolution.

DRAFT

ATTEST: _____
Sara Lytle-Pinhey
Executive Officer