

# Fresno's massive southeast growth plan under scrutiny

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A decade ago, Fresno's proposed boundaries grew by 14 square miles to the south and east for what was being touted as a "live, work, shop and play" community with 110,000 residents. But that area remains undeveloped now, and the plan is languishing on the back burner.

The Southeast Growth Area, SEGA for short, was a victim of the housing slump and a change in philosophy by Fresno city officials to move development back to the inner city.

Today, none of the area has been built out to the projected 45,000 homes. The city is still years – perhaps decades – away from building because it hasn't submitted documents for the area specifying how the city will develop it and pay for infrastructure. The local agency that oversees city boundaries is now considering reducing SEGA's size.

Meanwhile, home builders say they are mostly overlooking SEGA as a development option because other surrounding areas are more attractive and primed for building.

And some suggest the fees to install infrastructure will raise the price of homes well beyond the affordability for the Fresno-area market, making SEGA more of a dream than reality.

It appears that the city will not meet agreed-on deadlines with the county to build on the land within 20 years as required by the guidelines of the Local Agency Formation Commission, the independent agency that approves future boundaries for cities. That has led to calls for LAFCO's board to shrink the growth area.

The Southeast Growth Area will cover 14 square miles with 45,000 homes and about 110,000 residents.

The SEGA plan was reviewed by Fresno City Council Members Lee Brand and Andreas Borgeas in 2010. Borgeas, now a member of the Fresno County Board of Supervisors, continues to be opposed to the plan. His fellow supervisor, Debbie Poochigian, said last year when she was on LAFCO that she would support reducing SEGA's size.

Supervisor Henry R. Perea, now a LAFCO commission member, is leading the discussion about removing portions of SEGA. Next month, a committee will be formed to start examining the right size for the growth area.

When the boundaries were announced, it became clear that Fresno's growth was going to catapult to the east. Other agencies also started planning for it.

The city's plans led to construction of a new \$23.5 million Clovis Unified elementary school just west of SEGA. The school can eventually be filled by students living nearby. But the same can't be said about the 160 acres the district bought in 2009 for a new high school and educational center. Clovis Unified paid \$17.5 million after assembling 10 neighboring properties about two miles east of the new elementary school.

State Center Community College District paid \$9.7 million for 120 acres in SEGA at Clovis and North avenues, where it plans to build new college facilities aided by a state bond planned for 2016. The district also could build on a smaller piece of city-owned land near Peach and Butler avenues, which is in Fresno's city limits. But State Center officials are investigating whether they can acquire the land, which is federally owned, said Lucy Ruiz, district spokeswoman.

Sanger Unified also has spent money studying growth patterns in the future Fresno area and built an elementary school within a half-mile of the growth area's border, but there is no development around the school today. Sanger

Unified has big plans for the site, including a career technology center. A new high school will rely on surrounding population growth.

## **Nothing to show**

LAFCO staff has suggested that SEGA remain intact, which is in line with the city of Fresno request.

The vast area stretches from Temperance/Locan avenues on the west to Highland/McCall avenues on the east. The southern border is North Avenue and the northern edge is the Clovis-Fresno border, roughly along the Dakota Avenue alignment.

LAFCO's five-member board, which consists of members of the Fresno County Board of Supervisors, city council members from across Fresno County and a public member, ultimately will decide whether to pare down the growth area, said David Fey, the commission's executive director.

Fresno city officials believe the city eventually will turn its developmental eye to SEGA – just not anytime soon.

City Manager Bruce Rudd admits that the city's plans have changed. The need for water has intensified and new state environmental laws have heightened the need to cut air pollution by reducing vehicle trips, a trigger for why the city supports more public transit and a move toward more infill development in downtown Fresno.

Even with such a seismic philosophical shift, Rudd still sees a future for the southeast growth area.

"We still believe SEGA is relevant over the next 20-year horizon," he said.

The way SEGA develops will depend on growth trends, such as those in Clovis, Madera County and even west Fresno, he said.

Until then, the area should be considered an "urban reserve," an area that will serve as a future site for urban-density development even if that means going beyond LAFCO's 20-year development window.

If Fresno has gone to more of an infill program, what does that mean long-term to SEGA and what would the boundaries of that look like?

Henry R. Perea, Fresno County supervisor and Local Agency Formation Commission member

## **Questioning the cost**

But Brand and Borgeas, acting on behalf of the City Council's [Finance & Audit Committee](#) in 2010, said SEGA's expensive infrastructure, loss of large swaths of prime agricultural land and cost overruns made development expensive and unlikely. They say the city spent \$3 million for work that contributed to debt in the city's planning department.

New infrastructure for water and sewer services would cost upwards of \$400 million, they said. Each new bridge across a canal rings up another \$500,000. There was no road money set aside in Measure C to build highway interchanges from nearby Highway 180, and costs of a new storm water system are unknown, Brand said.

He said other housing developments in Fresno and Clovis require about \$17,000 in developer fees per home, but the same fees projected for SEGA were \$50,000.

"Nobody did a financial model to see how this would pencil out," Brand said.

When the report was presented to the Fresno City Council in early 2011, city staff said it needed 30 days to respond to the committee's report.

“Four years later, we’re still waiting for an answer,” Brand said.

Borgeas said the report “revealed fundamental flaws in the viability of SEGA, which to date, cannot be remedied without considerable modifications.”

It would only make sense “in strategic phases,” he said, but would still take decades to finish.

In a hearing earlier this month, the LAFCO board voted to appoint a subcommittee in December to consider changes to the SEGA plan.

If the commission eventually rolls back portions of SEGA, said Fey, the city could always apply to bring it back in the future.

Perea said changing the city’s development focus to downtown provides a valid argument for shrinking the southeast growth area.

“If Fresno has gone to more of an infill program,” Perea said, “what does that mean long-term to SEGA and what would the boundaries of that look like?”

He said he has no preconceived notions about the amount of acreage to cut.

But in that meeting, he added: “I don’t think just leaving the sphere of influence alone is an option ... we need to have the discussion with the city in terms of does that sphere of influence, and the size of it, still make sense based on today’s conditions?”

## **Learning lessons**

The southeast Fresno area was projected as the fastest-growing part of Sanger Unified in a 10-year period ending in 2022.

Sequoia Elementary School was built by Sanger Unified near Jensen and Armstrong avenues where a career technology center is proposed adjacent to the elementary school and would be paid for with a \$50 million bond measure planned for 2016.

When it was built six years ago, Sequoia Elementary was surrounded by agriculture. Today, the surrounding scenery remains the same. The \$17 million school was envisioned for accommodating future southeast Fresno growth. In addition to the new school, six new classrooms also were added to John Wash Elementary School about two miles north to meet growth trends.

A new Sanger Unified high school also is in the planning stages for the same area but will be triggered by student growth, said Superintendent Matthew Navo.

Navo said that Fresno city officials have assured Sanger school officials that its future growth plans will not be thwarted.

He said the city “is committed to meeting its general plan objectives of providing a fair-and-balanced approach to development plans within its current sphere of influence and future annexations that will impact Sanger Unified School District’s ability to plan for future growth.”

But before any SEGA reductions occur, the school districts say they want to be notified.

There needs to be more clarity from the school districts’ perspective ... We want to continue to stay in touch on the planning and future development of our cities.

Don Ulrich, Clovis Unified’s construction and facilities manager

The promise of new development was used to justify Clovis Unified's investment in a future high school/educational center site, said Don Ulrich, the district's construction and facilities manager.

"We want to be at the table if it is reconsidered," he said. "There needs to be more clarity from the school districts' perspective. We want to continue to stay in touch on the planning and future development of our cities."

For now, Clovis Unified's 160 acres at Clinton and Highland avenues is bare land with no new development on the western horizon.

A new elementary school at Temperance and Clinton avenues opens in August and will quickly fill because homes are being built west of Locan Avenue. The new school will open with about 500 students, said Kelly Avants, district spokeswoman. The average district school has 650 to 750 students. The new Boris Elementary will pull students from the neighborhood as well as Reagan Elementary, which has 800 students, and Orazo Elementary, which has 850.

### **Growing pain?**

In a neighborhood with expansive lots, horse property and small farms bordering the southeast growth area, residents are preparing to leave.

Faith Evans, whose family rents a home in the shadow of new city houses a few hundred feet to the north, said nearby Boris Elementary will spark a home-building spree behind their residence, just beyond the family's western fence.

When the homes are built, she said, the family likely will move because they have horses, and rural properties often are the target of complaints from urban residents.

"They're going to be a little upset when my rooster starts crowing at 5 a.m.," said Madelene Evans, Faith's mother. "But we were here first."

The new school also will mean an end to a rural setting. "There will be sidewalks and I won't be able to take my horses on the trails," Faith Evans said.

But the new homes also mean drawbacks to the rural neighbors. Hunched over a horse's rear hoof, farrier Robert Falk said the new urban setting will bring vandalism, burglary and more traffic.

They're going to be a little upset when my rooster starts crowing at 5 a.m., but we were here first.

Madelene Evans, a resident whose home will be next to new subdivisions on the border of SEGA

As much as anything, Fresno's future growth into rural areas will be a function of the real estate market.

In the meantime, there are vast areas remaining to fill. It's unlikely there will be any new growth beyond Fresno's existing southeast boundaries anytime soon, said Michael Prandini, president of the Building Industry Association of Fresno and Madera Counties.

He projects five years or more for any significant growth east of Locan Avenue because planning documents and maps required for the homes and infrastructure are not even under way.

Builders are looking five to 10 years ahead and for now, and "everything is up in the air" for SEGA, he said.

As long as other housing options exist, such as southeast and northeast Clovis, northwest Fresno, southeast Madera County and soon, northwest Clovis, developers will view SEGA as little more than a minor option.

Looking ahead, home builders see more favorable conditions in areas other than Fresno, and short-term trends may bear that out, Prandini said.

From January through October, Clovis closed 670 new home sales, 55 more than Fresno.

“The shift in sales may be a precursor or it may be an anomaly,” Prandini said. But historically, “Clovis hasn’t had more new home closings than Fresno this many months into the year.”

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