

Notice of Preparation of a Partially Recirculated Environmental Impact Report for the Yosemite Avenue - Gardner Avenue to Hatch Road Annexation and Mixed-Use Project

The City of Merced (City) has received an application for annexation to the City of approximately 70 acres and development of a mixed-used community on approximately 30 of those acres. The City is the Lead Agency under the California Environmental Quality Act (CEQA) for consideration of these proposed actions. The City has determined that an Environmental Impact Report (EIR) is the appropriate CEQA document to evaluate the potential adverse environmental effects of this project. The City has issued this Notice of Preparation (NOP) to inform other public agencies and the public about the proposed project and to solicit comments regarding the necessary scope of the EIR.

1 Project Background

A similar project was proposed for the project site in 2015. In December 2016, the City issued an NOP and held a public scoping meeting. In 2019, plans for the mixed-use development were revised to increase the number of residential units and associated parking. The City issued a revised NOP in May 2020.

The City prepared a Draft EIR for the project, which was circulated for public review in September and October 2021. Three comments letters were received; one identified a spelling error in the EIR, one summarized requirements regarding Native American consultation; and one recommended conducting a screening analysis and possibly a Health Risk Assessment to address potential adverse health effects due to emissions of toxic air contaminants during project construction and suggested various possible mitigation measures to reduce air quality and climate change effects. However, the project was placed on-hold before the Final EIR was completed and ultimately the project applications were withdrawn.

The Heritage Group recently acquired the project site and submitted new development applications and project plans to the City. The project site boundaries have not changed. The current applications and plans propose to develop more commercial space and fewer residential units than the project evaluated in the 2021 Draft EIR.

2 Notice of Preparation

The EIR for the proposed project will be prepared in compliance with the California Environmental Quality Act (CEQA). Under CEQA, upon deciding to prepare an EIR, the City, as lead agency, must issue an NOP to inform trustee and responsible agencies, and the public, of the decision to undertake preparation of an EIR. The purpose of the NOP is to provide information describing the proposed project and its potential

environmental effects to those who may wish to comment regarding the scope and content of the information to be considered in the EIR.

The project includes a total of 70 acres with approximately 30 acres designated for development of multi-family housing and commercial land uses. The EIR will evaluate potential environmental effects associated with implementation of this mixed-use component of the proposed project on a project level, consistent with Section 15161 of the CEQA Guidelines. No development is proposed on the remaining 40 acres of the site, however changes to the land use and zoning designations for this area are proposed. The EIR will evaluate this portion of the project on a program level, consistent with Section 15168 of the CEQA Guidelines. The project description, location, and environmental issue areas that may be affected by future development of the proposed project are described below. The EIR will evaluate the project-specific and cumulative impacts, identify feasible mitigation measures to reduce or avoid significant project impacts, and identify a reasonable range of alternatives to the proposed project.

2.1 Submitting Comments

The City is soliciting comments from public agencies, organizations, and members of the public regarding the scope and content of the EIR, and the environmental issues and alternatives to be addressed in the EIR. Public agencies may need to use the EIR when considering permitting or other approvals that are germane to the agencies' responsibilities in connection with the project.

Comments as to the appropriate scope of analysis in the EIR are invited from all interested parties. Written comments or questions concerning the EIR for the proposed project should be directed to Francisco Mendoza, Senior Planner (address below). Due to time limits mandated by state law, public agencies and other interested parties must submit any comments in response to this notice at the earliest possible date, but not later than **5:00 p.m., July 15, 2024**, to the address shown below (postmarks are acceptable). If you wish to be placed on the notification list for this project, or if you have any questions or need additional information, please contact Mr. Mendoza.

City of Merced Planning Division
Attn: Francisco Mendoza, Senior Planner
678 West 18th Street, Merced, CA 95340
Email: MendozaF@cityofmerced.org
Phone: (209) 385-6929, Fax: (209) 725-8775

3 Project Overview

3.1 Project Location

The approximately 70-acre project site is located in Merced County on the north side of E. Yosemite Avenue between N. Gardner Avenue and Hatch Road (Figure 1). The site is unincorporated land contiguous with the City of Merced and is located approximately three miles from the UC Merced campus. The project site is bounded by the City limits on two sides and would be annexed into the City to receive full urban services.

3.2 Project Description

The project proposes to annex the entire 70-acre project site into the City limits. The project includes a housing and retail component, called Reserve, which proposes to provide multi-family housing and commercial retail uses on a 30-acre portion of the site at the northeast corner of E. Yosemite Avenue and N. Gardner Avenue (Figure 2). No development is proposed on the remaining 40 acres that surround the 30-acre portion.

The project site is currently designated Agricultural Residential under the County of Merced General Plan and County of Merced zoning. The proposed City of Merced land use designations are Rural Residential, Neighborhood Commercial, High Density Residential, Village Residential, and Low Density Residential. The propose zoning designations are Urban Transition, Planned Development, and Low Density Residential (Figure 3).

The Heritage Group (project applicant) is requesting entitlements to allow construction of the multi-family housing and retail component of the project (Figure 4). The residential area would include a 6,000 square foot clubhouse and 75,000 square feet of outdoor recreation space, including a 9,378 square foot dog park. The residential village would span 18.25 acres and would consist of 11 three-story buildings with a total of 426 residential units and 657 parking spaces. The commercial portion would include 8 single-story buildings consisting of 88,298 square feet of commercial space. The commercial buildings would be arranged around the perimeter of the 10.25-acre commercial area with a 350-space parking lot in the center. Vehicular access to the site would be provided by two driveways off E. Yosemite Avenue and two driveways off N. Gardner Avenue. The project would be required to install frontage improvements on the portions of Yosemite Avenue and Gardner Avenue that are adjacent to the Reserve mixed-use development. This would include sidewalks, streetlights, and street trees.

In comparison to the prior development proposed for the project site, the current project would develop 144 fewer residential units and 22,090 more square feet of commercial space.

3.3 Requested Entitlements

The proposed project requires the following discretionary approvals from the City of Merced and the Merced County Local Agency Formation Commission (LAFCo).

- Approval from Merced County LAFCo to annex 70 acres to the City of Merced;
- Pre-zoning to Planned Development (P-D), Low Density Residential (R-1-10), and Urban Transition (U-T);
- General Plan Amendment to change the land use designations from Rural Residential (RR) to Neighborhood Commercial (CN) High-Medium Density Residential (HMD), and Village Residential (VR);
- Site utilization plan for the Reserve Residential and Mixed-Use Development portion of the site;
- Minor subdivision map;

- Approval of a Development Agreement for the Reserve Residential and Mixed-Use Development portion; and
- Certification of the EIR.

Environmental documentation for this project will be available for review at the City’s website: <https://www.cityofmerced.org/>.

Hard copies of environmental documentation for the project will be available for review at the City’s Planning Division, 678 West 18th Street, Second Floor, Merced, CA 95340, during regular business hours.

4 Potential Environmental Effects and Scope of the Partially Recirculated EIR

An EIR will be prepared to evaluate the physical environmental effects that could result from implementation of the proposed project. As discussed above, the project is similar to a prior project that was proposed for the same project site and for which a Draft EIR was prepared. Some revisions and additions to the analysis in the prior Draft EIR are necessary to address the currently proposed project; however, several sections of the Draft EIR do not require revisions and/or additions.

CEQA and the CEQA Guidelines provide that when significant new information is added to an EIR after release of a draft EIR but prior to certification, additional public review of that significant new information is required (Public Resources Code Section 21092.1 and CEQA Guidelines Section 15088.5). CEQA Guidelines Section 15088.5(c) further provides that “[i]f the revision is limited to a few chapters or portions of the EIR, the lead agency need only recirculate the chapters or portions that have been modified.” Thus, the City has determined that a Partially Recirculated Draft EIR is the appropriate CEQA document to evaluate the current project.

4.1 Scope of the Partially Recirculated EIR

The Partially Recirculated EIR will evaluate whether the proposed project may potentially result in one or more significant environmental effects, which will be evaluated in the following EIR sections:

- Aesthetics, Light and Glare
- Air Quality and Greenhouse Gas Emissions
- Energy
- Greenhouse Gas Emissions
- Land Use and Demographics
- Noise
- Utilities and Service Systems
- Transportation

4.2 EIR Sections Not Subject to Recirculation

Based on the changes to the proposed project, reviews of the physical conditions at and surrounding the project site, and considerations of new information related to potential environmental effects, there are several sections of the 2021 Draft EIR that do not warrant recirculation. A brief statement of the reasons why these sections do not warrant recirculation is provided below.

Agriculture and Forestry Resources

There are no changes in the development/annexation footprint and no changes in the Farmland Mapping and Monitoring Program classifications for the project site. Mitigation Measure 3.2a as presented in the 2021 Draft EIR would continue to apply to the project, which would reduce the impact of loss of agricultural land to a less than significant level.

Biological Resources

An update to the Biological Resources Assessment on which the 2021 Draft EIR analysis was based was completed in January 2024. This update found that implementation of the currently proposed project would not result in any new or more severe impacts to biological resources than were identified in the 2021 Draft EIR. There have been no changes in conditions at the project site that would result in new or more severe impacts than were evaluated in the 2021 Draft EIR. There is new information about special status species (one plant species and two wildlife species) that are known to occur in the project region. However, none of the species are expected to occur at the project site because suitable habitat is not present for any of these, and the wildlife species are not known to occur nearby. Thus, there is no new information regarding biological resources and potential adverse effects (Dudek 2024a). Mitigation Measures 3.4a through 3.4i as presented in the 2021 Draft EIR would continue to apply to the project, which would reduce the impacts to biological resources to less than significant levels.

Cultural Resources

An update to the Cultural Resources Evaluation on which the 2021 Draft EIR analysis was based was completed in April 2024. There have been no changes in conditions at the project site that would result in new or more severe impacts related to archaeological resources than were evaluated in the 2021 Draft EIR (Dudek 2024b). Mitigation Measures 3.5a through 3.5d as presented in the 2021 Draft EIR would continue to apply to the project, which would reduce the potential impacts to cultural resources to less than significant levels. In addition, a new Built Environment Inventory and Evaluation Report was prepared in January 2024. This evaluation found that none of the seven historic-age resources within the area of potential impact are eligible for listing in the National Register of Historic Places or California Register of Historical Resources. Thus, the project would have no adverse impact to historic resources, consistent with the findings of the 2021 Draft EIR (Dudek 2024c).

Geology and Soils

This topic was omitted from the prior Draft EIR based on documentation in the prior NOPs that there was no potential for significant adverse effects to occur. Specifically, the project site contains flat relief and no known earthquake faults exist in the project vicinity, thus it is unlikely that the proposed project would be exposed to significant hazards during a seismic event. Furthermore, the proposed project's construction activities would involve grading and soil engineering activities intended to abate any adverse soil conditions that may exist and would ensure that project buildings have adequate structural support. The 2021 Draft EIR addressed the potential for paleontological resources to be disturbed during construction in the Cultural Resources section and required implementation of Mitigation Measure 3.5e to ensure that no adverse effects occur if such resources are encountered. This measure would continue to apply to the project such that impacts to paleontological resources would remain less than significant.

The currently proposed project would have the same development footprint as the original project. The revisions in the project components do not alter the project's potential to result in adverse effects related to geology and soils.

Hydrology and Water Quality

The project design will include stormwater management measures to meet the requirements of Merced Municipal Code Chapter 15.50 as well as the City's Storm Water program, Post Construction Standards Plan, Introduction to Standard Designs, and the Small MS4 General Permit issued by the SWRCB. Compliance with these regulations and standards would ensure that the impacts stormwater and water quality impacts of the Gardner Site Project would remain less than significant, consistent with the findings of the original EIR.

Hazards and Hazardous Materials

This topic was omitted from the prior Draft EIR based on documentation in the NOP that there was no potential for significant adverse effects to occur. Consistent with the statements in the prior NOPs, the project does not propose uses that would require the generation or use of hazardous materials and would not create a risk to the public or to schools in the project vicinity; and the project site is not within two miles of an airport and would not interfere with an adopted emergency evacuation plan. Thus, the project would not result in potentially significant impacts associated with hazards and hazardous materials.

Mineral Resources

This topic was omitted from the prior Draft EIR based on documentation in the prior NOPs that there was no potential for significant adverse effects to occur. The project site does not support mineral extraction operations. Neither the State of California nor the City of Merced designates the project site as a location of known mineral deposits. These conditions preclude the possibility of a loss of mineral resources of statewide or local importance. The currently proposed project would have the same development footprint as the original project. The revisions in the project components do not alter the project's potential to result in adverse effects related to mineral resources.

Population and Housing

This topic was omitted from the prior Draft EIR based on documentation in the prior NOPs that there was no potential for significant adverse effects to occur. The project would introduce new residents into the City of Merced but would not displace any housing or require the construction of housing elsewhere. It is anticipated there would be no impacts to housing. Growth associated with the project and potential growth inducing effects will be addressed in the EIR.

Public Services and Recreation

The previous 2021 Draft EIR found that the project would have less than significant impacts related to public services and require no mitigation measures. The currently proposed project has the same footprint as the previous project and proposes 144 fewer dwelling units and approximately 22,090 more square feet of commercial space.

The currently proposed project would not result in any increases in potential impacts associated with fire protection and emergency medical services compared to the previous project because the daily population and level of activity at the project site would be substantially the same as was previously expected. The project’s apartment buildings will include interior fire sprinklers and a fire booster pump for the fire sprinkler systems.

The 2021 Draft EIR found that the previous project would add approximately 1,824 residents to the city’s population, based on an average household size of 3.2 people. This population increase was determined to require the equivalent of 2.4 new sworn officers, based on the police planning ratio of approximately 1.32 sworn officers per 1,000 population. The 2021 Draft EIR found that this would not require any expansion of existing or construction of new police department facilities. The currently proposed project would include 144 fewer dwelling units than the previous project, for a total of 426 units. At the same average household size and police staffing ratio used for the 2021 Draft EIR, the revised project would support approximately 1,363 new residents and require 1.77 new sworn officers. Thus, the impact of the currently proposed project would be less than was identified in the 2021 Draft EIR and would remain less than significant.

Based on the 2020 Development Fee Justification Studies for the Merced City School District and the Merced Union High School District, the 2021 Draft EIR found that the previous project would generate roughly 117 TK-8 students and 46 high school students. The Merced City School District (MCSD) adopted an updated Development Fee Justification Study in 2022, while the Merced Union High School District (MUHSD) continues to rely on their 2020 study. Table 1 below identifies the current student generation rates and expected number of students that could be generated by the currently proposed project. As shown in Table 1, compared to the prior project, the currently proposed project would generate the same number of TK-6 grade students ten fewer grade 7 and 8 students and eight fewer high school students. Consistent with the analysis in the 2021 Draft EIR, the project applicant would be required to pay school impact fees and under Senate Bill 50, this payment is considered full mitigation for any impacts to school services that would result from a project. Impacts of the currently proposed project would be similar to those of the previous project and the impact would remain less than significant.

Table 1. Student Generation

Grade Level	Student Generation Rates		Expected Number of Students	
	Multiple Family Units	Neighborhood Shopping Center (per 1,000 square feet)	Current Project	Prior Project
TK-6	0.153	0.302	92	92
7-8	0.036	n/a ¹	15	25
9-12	0.072	0.081	38	46

1. No grade 7 and 8 student generation rates for commercial land uses were calculated because Merced City School District (MCSD) has capacity for over 600 new grade 7 and 8 students.

Sources: MCSD 2022, MUHSD 2020

The 2021 Draft EIR found that the previous project would generate demand for 9.12 acres of parks to meet General Plan Policy OS-3.1, which establishes the City’s standard of providing 5 acres of parks per 1,000 population. The currently proposed project would generate demand for 6.8 acres of parks. In lieu of

dedicating sufficient parkland, the developer can pay the appropriate fee, as provided in Municipal Code Section 18.40. Compliance with the Municipal Code would ensure that this impact would be less than significant.

The 2021 Draft EIR found that the previous project would not generate demand for any new or expanded library facilities. Since the currently proposed project would accommodate fewer residents than would have been generated by the previous project, the currently proposed project would also not generate the need for new or expanded library facilities and impacts to libraries would remain less than significant, consistent with the conclusion in the 2021 Draft EIR.

Tribal Cultural Resources

Notification of the original project and project revisions proposed in 2019 was provided to Native American tribes as required under Assembly Bill 52 and Senate Bill 18. The City did not receive any responses from tribal organizations or representatives prior to preparation of the 2021 Draft EIR, and no tribal organizations or representatives submitted comments in response to the 2021 Draft EIR. New notifications were sent to Native American tribes on December 29, 2023. The City received a single response to the notifications from the California Valley Miwok Tribe stating that the tribe has no comments or concerns with the proposed project, Thus the project would not result in any potential adverse effects associated with Tribal Cultural Resources.

Wildfire

The 2021 Draft EIR did not include a wildfire section because the initial study prepared for the previous version of the project and circulated with the prior NOPs found that the project site is not located in or adjacent to State Responsibility Area and there are no areas of Very High Fire Hazard Severity for the Local Responsibility Area throughout Merced County; implementation of the proposed project would not physically interfere with an adopted emergency response plan or emergency evacuation plan; and implementation of the project would not impede implementation of the City's Local Hazard Mitigation Plan. The site plan, including access driveways, would be reviewed and approved by the City, the police department, and the fire department during plan review to ensure that sufficient emergency access would be provided.

5 References Cited

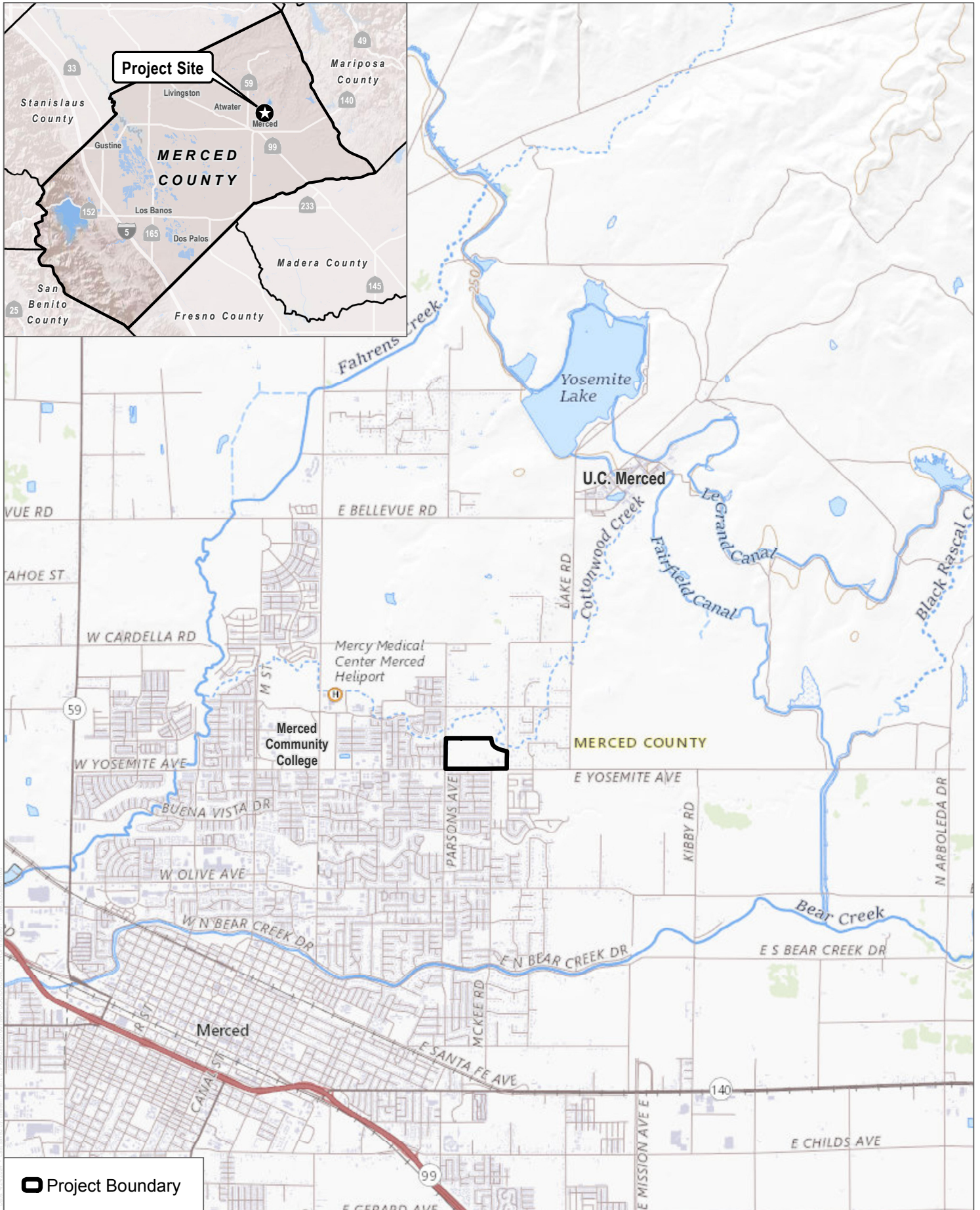
Dudek. 2024a. Biological Resources Memorandum. January 2024.

Dudek. 2024b. Archaeological Resources Report for the Yosemite Avenue – Gardner Avenue to Hatch Road Annexation and Mixed-Use Project, Merced County, California. April 2024.

Dudek. 2024c. Built Environment Inventory and Evaluation Report for the Yosemite Avenue – Gardner Avenue to Hatch Road Annexation and Mixed-Use Project. January 2024.

MCSO. 2022. Development Fee Justification Study. Prepared by Odell Planning & Research on behalf of MCSO. June 2022.
https://www.mcsd.k12.ca.us/files/public_files/Files/Facilities/MCSO%20Fee%20Study%202022%20Final%206_7_22.pdf

MUHSO. 2020. Development Fee Justification Study. Prepared by Odell Planning & Research on behalf of MUHSO. May 2020. <https://www.muhsd.org/departments/district-operations/facilities>



SOURCE: USGS National Map 2023

FIGURE 1

Project Location



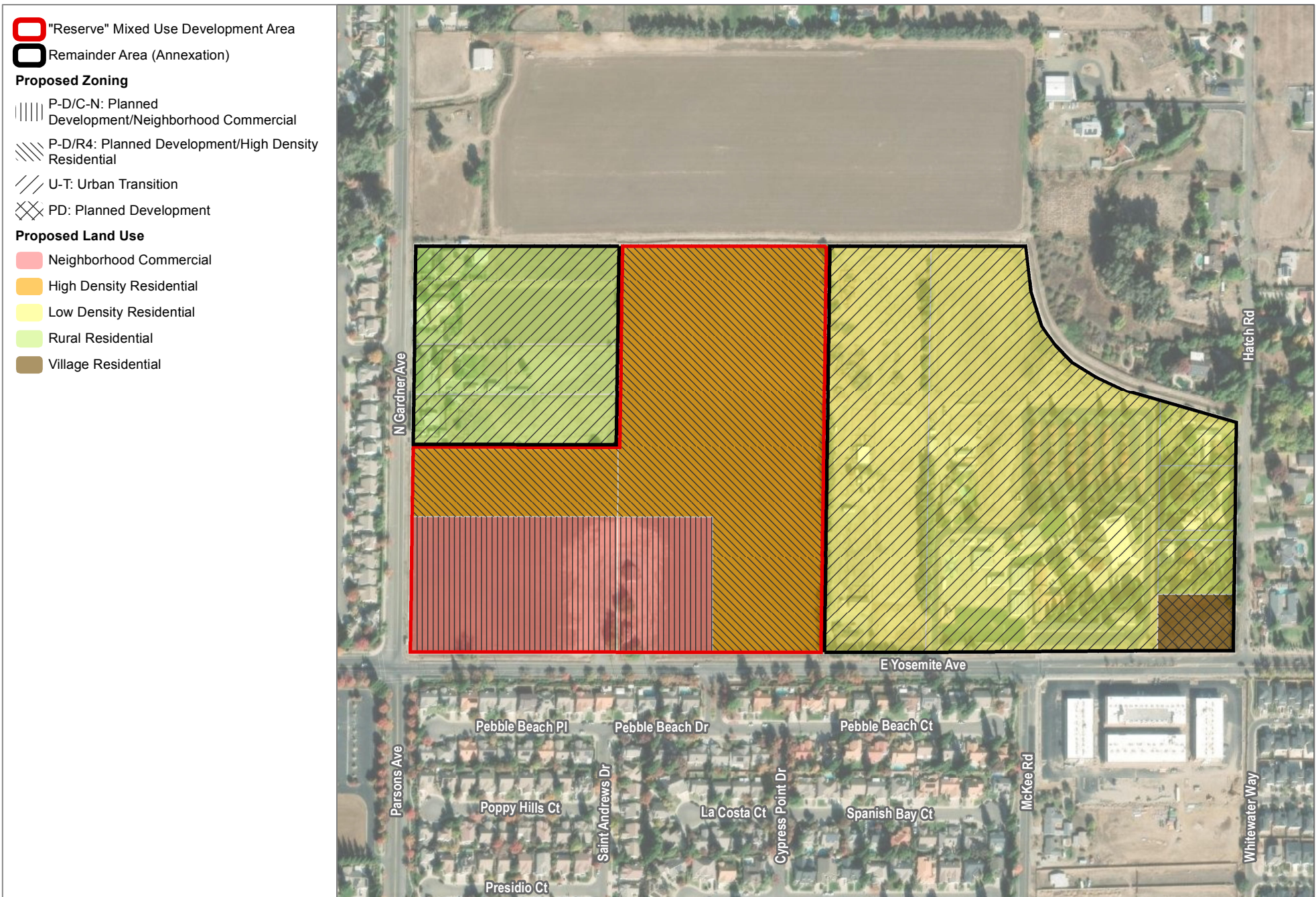
SOURCE: ESRI Imagery 2023; Open Street Map 2019

FIGURE 2

Project Site



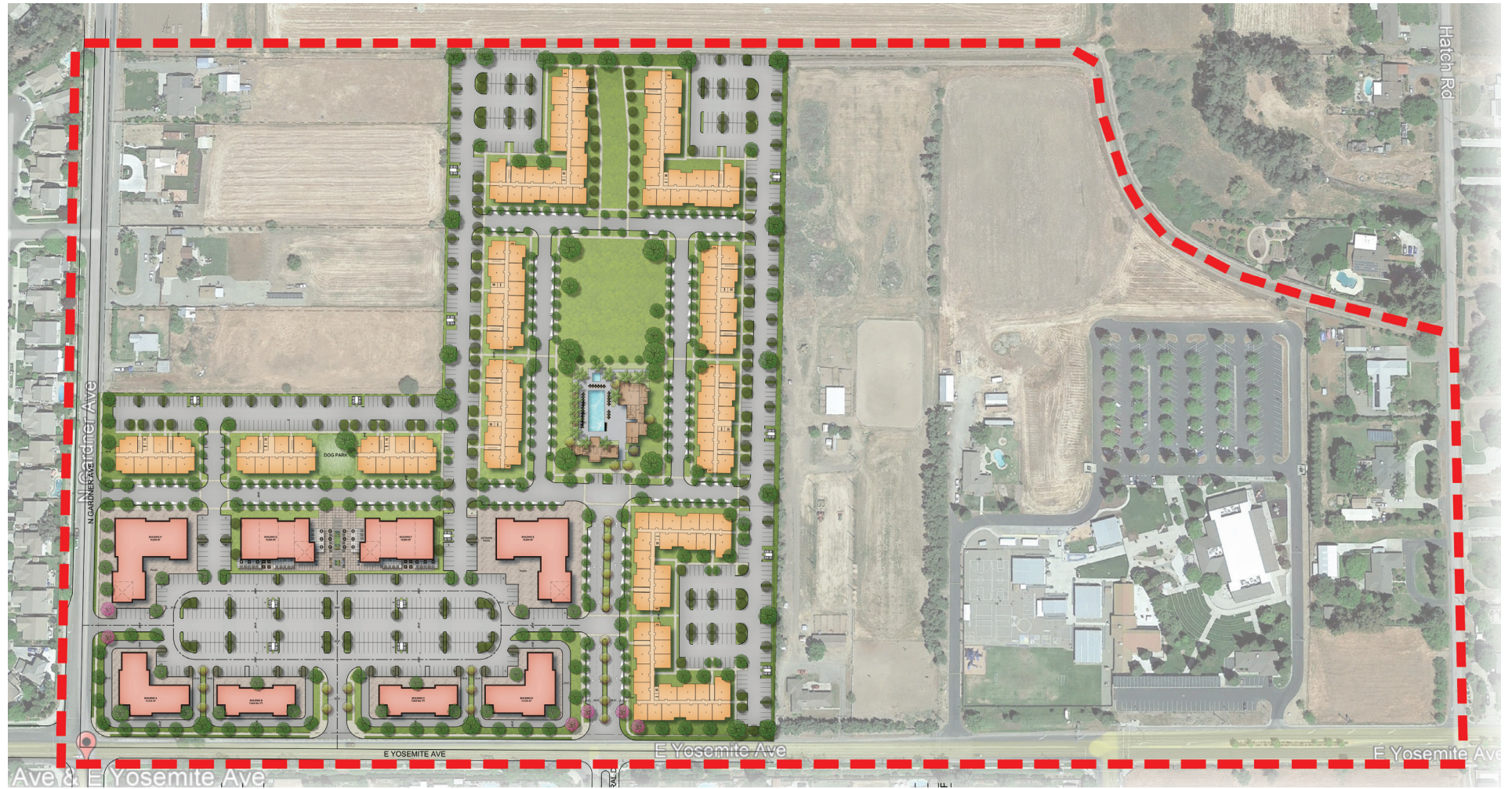
Yosemite Avenue - Gardner Avenue to Hatch Road Annexation and Mixed Use Project



SOURCE: ESRI Imagery 2023; Open Street Map 2019



FIGURE 3
Proposed Land Use and Zoning Designations
 Yosemite Avenue - Gardner Avenue to Hatch Road Annexation and Mixed Use Project



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SOURCE: Heritage Group 2023

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FIGURE 4
Site Plan

Yosemite Avenue - Gardner Avenue to Hatch Road Annexation and Mixed Use Project

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