



Agenda Item: _____

Meeting Date: _____

ADMINISTRATIVE REPORT

TO: John M. Bramble, City Manager

FROM: Kim Espinosa, Planning Manager

DATE: October 4, 2011

SUBJECT: Adoption of the *Merced Vision 2030 General Plan* and Certification of the General Plan Final Environmental Impact Report (EIR)

REPORT IN BRIEF

After the continued public hearing, the City Council will consider adoption of one of three options for the *Merced Vision 2030 General Plan* and its associated Environmental Impact Report (EIR).

RECOMMENDATION:

City Council: Adopt a motion:

Option 1—Draft General Plan (Planning Commission Recommendation)

- A. Approving Resolution #2011-__--A Resolution of the City Council of the City of Merced, California, Approving and Certifying a Final Environmental Impact Report for the *Merced Vision 2030 General Plan*, Making Findings and Determinations, Adopting a Statement of Facts and Overriding Considerations, and Adopting a Mitigation Monitoring Program (Attachment 8); and,
- B. Approving Resolution #2011-__--A Resolution of the City Council of the City of Merced, California, Adopting the *Merced Vision 2030 General Plan* (Attachment 9); (Please note that 9 separate votes will need to be taken on the Land Use Diagram per the Sectors on Attachment 1A); and,
- C. Approving Resolution #2011-__--A Resolution of the City Council of the City of Merced, California, Making Application to the Local Agency Formation Commission for Expansion of the City's Sphere of Influence (SOI) (Attachment 10).

OR

Option 2—EIR Alternative #2 (Removing Castle Farms & Mission Lakes)

- D. Approving Resolution #2011-__--A Resolution of the City Council of the City of Merced, California, Approving and Certifying a Final Environmental Impact Report for the *Merced Vision 2030 General Plan*, Making Findings and Determinations, Adopting a Statement of Facts and Overriding Considerations, and Adopting a Mitigation Monitoring Program (Attachment 11); and,
- E. Approving Resolution #2011-__--A Resolution of the City Council of the City of Merced, California, Adopting the *Merced Vision 2030 General Plan* (Attachment 12); (Please note that 7 separate votes will need to be taken on the Land Use Diagram per the Sectors on Attachment 1B); and,
- F. Approving Resolution #2011-__--A Resolution of the City Council of the City of Merced, California, Making Application to the Local Agency Formation Commission for Expansion of the City's Sphere of Influence (SOI) (Attachment 13).

OR

Option 3—Modified EIR Alternative #2 (Removing Mission Lakes Only)

- G. Approving Resolution #2011-__--A Resolution of the City Council of the City of Merced, California, Approving and Certifying a Final Environmental Impact Report for the *Merced Vision 2030 General Plan*, Making Findings and Determinations, Adopting a Statement of Facts and Overriding Considerations, and Adopting a Mitigation Monitoring Program (Attachment 14); and,
- H. Approving Resolution #2011-__--A Resolution of the City Council of the City of Merced, California, Adopting the *Merced Vision 2030 General Plan* (Attachment 15); (Please note that 8 separate votes will need to be taken on the Land Use Diagram per the Sectors on Attachment 1C); and,
- I. Approving Resolution #2011-__--A Resolution of the City Council of the City of Merced, California, Making Application to the Local Agency Formation Commission for Expansion of the City's Sphere of Influence (SOI) (Attachment 16).

POSSIBLE CITY COUNCIL ACTIONS

- 1. Approve Option 1 (Original Draft General Plan), as recommended by the Planning Commission, including Resolutions at Attachments 8, 9, and 10; or,
- 2. Approve Option 2 (EIR Alternative #2), including Resolutions at Attachments 11, 12, and 13; or,
- 3. Approve Option 3 (Modified EIR Alternative #2A), including Resolutions at Attachments 14, 15, and 16; or,

4. Deny; or,
5. Refer back to staff for reconsideration of specific items as requested by Council; or,
6. Continue item to another future Council meeting (date and time to be specified in City Council motion).

AUTHORITY/CODE SECTIONS

Under California Government Code Section 65358(a), a legislative body may amend, after a public hearing, all or part of an adopted General Plan if the body deems the amendment to be in the public's interest. Title 19 of the Merced Municipal Code outlines environmental review procedures.

DISCUSSION:

City Council Direction from September 19, 2011

On September 19, 2011, the City Council held a public hearing on the proposed *Merced Vision 2030 General Plan* and Final Environmental Impact Report (EIR). Seven (7) individuals testified with several supporting adoption of the General Plan as proposed and several asking that the proposed growth boundary (Specific Urban Development Plan/Sphere of Influence or SUDP/SOI) be reduced in size. Public correspondence relating to the General Plan can be found in Attachment 7, including letters that were submitted on September 19 or thereafter. (The letter at Attachment 7L from the Economic Development Advisory Committee requests a minor change in the General Plan to Land Use Policy L-2.7.a which staff has included in the text changes for all 3 Options at Exhibit B of Attachments 9, 12, and 15. The Committee also recommends that Mission Lakes be removed from the SUDP/SOI.)

During the subsequent City Council discussion, Council Members expressed a desire to reduce the proposed growth boundary in size by taking out both Castle Farms and Mission Lakes (proposed Community Plan areas in northwest and southwest Merced respectively), taking out one or the other, or taking out additional undefined areas. Support was expressed for leaving any areas taken out of the proposed growth boundary in the Area of Interest and for leaving the UC Merced and University Community areas in the growth boundary.

At the end of the City Council discussion, staff clarified that the City Council wished to look at 3 possible options for adopting the General Plan and Final EIR—the current proposal, another proposal based on EIR Alternative #2 (removing both Castle Farms and Mission Lakes), and another modified Alternative #2 (removing only Mission Lakes). The City Council subsequently adopted a motion to continue the public hearing to October 17, 2011, to consider these options for adoption of the General Plan and EIR.

On October 3, 2011, the City Council was provided with a revised draft of the Housing Element (adopted May 16, 2011) to address revisions required by the State Department of Housing and Community Development (HCD). A public meeting on the revised plan was held on September 29, 2011. The revised Housing Element will be considered for adoption in October/November 2011.

Council Members may wish to bring a copy of the draft Housing Element to the October 17 meeting so they can consider the draft Housing Element and the *Merced Vision 2030 General Plan* as a whole. Such consideration would, however, be based upon the understanding that the draft Housing Element is subject to further input by the public at the public hearings and review and approval by the Planning Commission and City Council at a later date.

Three Options for Adoption of the General Plan and EIR

City staff and the consultants have prepared three (3) possible options for the City Council's consideration on the General Plan and EIR as follows:

- 1) Option 1—Draft General Plan (Planning Commission Recommendation):
Option 1 is the Planning Commission recommendation, which is the Draft *Merced Vision 2030 General Plan* (August 2010) with minor modifications to the General Plan document and Land Use Diagram as outlined in Exhibits B and C of Attachment 9. The proposed SUDP/SOI boundary for Option 1 is 33,576 acres (Exhibit A of Attachment 10) and proposes large Community Plan areas, including Castle Farms, Mission Lakes, Yosemite Lakes, the UC Merced Campus, and University Community, along with some other minor additions to the existing SUDP (20,700 acres) adopted in 1997 with the *Merced Vision 2015 General Plan*. The 1997 Sphere of Influence is 33,700 acres.

Three resolutions have been prepared for this option at Attachments 8, 9, and 10—1 for the Final EIR, 1 for the General Plan document and Land Use Diagram, and 1 for the application to the Local Agency Formation Commission (LAFCO) for a modified Sphere of Influence. (These resolutions were included in draft form with the September 19, 2011, administrative report.) Findings of Fact and a Statement of Overriding Considerations, a Mitigation Monitoring Program, and an Errata Sheet have been prepared for adoption of the Final EIR as seen in Exhibits 1, 2, and 3 of Attachment 8. (These exhibits are substantially the same as what was included in the September 19 administrative report with minor modifications to the Findings and Statement of Overriding Considerations as requested by City Council in regards to the Alternatives.)

- 2) Option 2—EIR Alternative #2 (Removing Castle Farms & Mission Lakes):
Option 2 is EIR Alternative #2 as described in Chapter 4 of the Draft EIR. Option 2 includes a proposed SUDP/SOI of approximately 28,576 acres (Exhibit A of Attachment 13), removing Castle Farms and Mission Lakes (approximately 2,500 acres each) from the proposed SUDP/SOI but including them in the Area of Interest, which will now be 15,000 acres instead of 10,000 acres in Option 1.

Again, three (3) resolutions have been prepared for this option at Attachments 11, 12, and 13. Although the resolutions themselves are substantially the same as Option 1, the exhibits have been modified. More substantial modifications needed to be made to both the General Plan document and Land Use Diagram to remove Castle Farms and Mission Lakes from the SUDP/SOI, to reduce the size of the proposed SUDP/SOI, and to increase the size of the Area of Interest in addition to the minor modifications already proposed in Option 1. These changes are outlined in Exhibits B and C of Attachment 12. The Findings of Fact and Statement of Overriding Considerations also needed to be modified to reflect the adoption of EIR Alternative #2 (Exhibit 1 of Attachment 11). The Mitigation Monitoring Program remains the same for all Options. The LAFCO resolution also needed to be modified to reflect a modified Sphere of Influence for Option 2 (Attachment 13).

- 3) Option 3—Modified EIR Alternative #2A (Removing Mission Lakes Only):
Option 3 is a modification to EIR Alternative #2 (now known as EIR Alternative #2A), that only removes Mission Lakes from the proposed SUDP/SOI, which would now consist of approximately 31,076 acres (Exhibit A of Attachment 16). Mission Lakes would remain in the Area of Interest, however, which will now be approximately 12,500 acres.

Again, three (3) resolutions have been prepared for this option at Attachments 14, 15, and 16. Although the resolutions themselves are substantially the same as Options 1 and 2, the exhibits have been modified. More substantial modifications needed to be made to both the General Plan document and Land Use Diagram to remove Mission Lakes from the SUDP/SOI, to reduce the size of the proposed SUDP/SOI, and to increase the size of the Area of Interest in addition to the minor modifications already proposed in Option 1. These changes are outlined in Exhibits B and C of Attachment 15. The Findings of Fact and Statement of Overriding Considerations also needed to be modified to reflect the adoption of a modification to EIR Alternative #2, which can be seen in Exhibit 1 of Attachment 14. In order to adopt a modified alternative under CEQA, some minor changes were also made to the EIR, which are reflected in the Errata

sheet at Exhibit 3 of Attachments 8, 11, and 14. No additional analysis or re-circulation of the EIR is required, however, because this alternative is not considerably different from the three alternatives originally analyzed in the Draft EIR and would not, as compared to one or more of the original alternatives, clearly lessen the significant impacts of the Project (Option 1). The LAFCO resolution also needed to be modified to reflect a modified Sphere of Influence for Option 3 (Attachment 16).

After the continued public hearing on October 17, the City Council should select one of the options and its associated resolutions for consideration of adoption of the *Merced Vision 2030 General Plan* and Final EIR.

Previous Administrative Report (September 19, 2011)

Please refer to the previous administrative report prepared for this item for the September 19, 2011, City Council meeting at Attachment 2 for detailed information regarding the project description, brief overview of the General Plan process, what is the General Plan and why is it important, major changes from the *Merced Vision 2015 General Plan*, proposed changes to the General Plan since the August 2010 Draft General Plan and Land Use Diagram for Option 1, preparation of the environmental impact report (EIR), environmental impacts identified from Option 1, the project alternatives from the EIR, the Final EIR and responses to comments, the Findings of Fact and Statement of Overriding Considerations, and Mitigation Monitoring.

Adopting the Land Use Diagram and Avoiding Conflicts of Interest

In order to avoid potential or perceived conflicts of interest regarding properties owned by the Planning Commissioners and City Council members, the City Attorney has advised that the General Plan Land Use Diagram should be adopted in segments. Although no changes in land use designation are proposed within the current City limits where these properties are located, this approach reflects an abundance of caution to avoid even perceived conflicts of interest. For the Planning Commission, staff divided the Land Use Diagram into five sectors as shown in Attachment A of the Planning Commission Staff Report at Attachment 6 for the purposes of adoption, based on the locations of the primary residences of the members and other property interests that were provided to the City by the individual members.

For the City Council, staff divided the Land Use Diagram into nine (9) sectors as shown in Attachment 1A for Option 1. For Option 2, there are only 7 sectors (with Castle Farms and Mission Lakes removed); and for Option 3, there are only 8 sectors with Mission Lakes removed (see Attachments 1B and 1C). These sectors have been drawn so that no more than one member should have to declare a

potential conflict for any one sector. In the case of Sectors VIII and IX, Castle Farms and Mission Lakes respectively, no Council Members have property interests in those areas.

The nine sectors are described as follows and the Council Member with property interests in that area is also noted:

- 1) Sector I – South of Highway 99 and Highway 140, East of R Street (south of Childs Ave) and Q Street (north of Childs Ave) [*Council Member Rawlings*]
- 2) Sector II – North of Highway 99 and Highway 140, East of Q Street, and South of North Bear Creek Drive from Q Street to Oleander Drive, South of Alexander Avenue from Oleander to McKee Road, and South of East Olive Avenue, East of McKee [*Mayor Spriggs*]
- 3) Sector III – East of G Street and North of North Bear Creek Drive from G Street to Oleander Drive, North of Alexander Avenue from Oleander to McKee, and North of East Olive Avenue, East of McKee [*Council Member Carlisle*]
- 4) Sector IV – North of Highway 99 between T Street and Q Street, North of North Bear Creek Drive from R Street to G Street, and North of Loughborough Drive from M Street to G Street [*Council Member Gabriault-Acosta*]
- 5) Sector V – South of Santa Fe Road/West Olive Avenue and West of R Street from Olive to North Bear Creek Drive, West of T Street from North Bear Creek Drive to Highway 99, and South of Highway 99, West of Q Street (from Highway 99 to Childs) and West of South Highway 59, South of Childs [*Mayor Pro Tempore Blake*]
- 6) Sector VI – North of Santa Fe Road/West Olive Avenue from North Highway 59 to R Street, East of North Highway 59 from Olive to Buena Vista Drive, East of Sarasota Avenue from Buena Vista to El Redondo Drive, and East of San Augustine Ave, North of El Redondo [*Council Member Lor*]
- 7) Sector VII – North of Santa Fe Road/West Olive Avenue, West of North Highway 59 from Olive to Buena Vista Drive, West of Sarasota Avenue from Buena Vista to El Redondo Drive, and West of San Augustine Ave, North of El Redondo [*Council Member Pedrozo*]
- 8) Sector VIII—Castle Farms [*No conflicts*] [Options 1 & 3 only]
- 9) Sector IX—Mission Lakes [*No conflicts*] [Option 1 only]

Planning Commission Recommendation

On July 20, 2011, the Planning Commission held a public hearing to consider adoption of the *Merced Vision 2030 General Plan* and certification of its associated EIR. Ten (10) individuals offered public testimony. During their

discussion, the Planning Commissioners emphasized the need to plan for the next “growth boom” and not to let the current economic conditions and slower growth rate affect the need to plan for the long-term development of the community. The Planning Commission considered the EIR alternatives (one of which corresponds to Option 2) but ultimately supported the General Plan as drafted—Option 1.

After considering all the testimony, by unanimous vote (5-0-2, 5 ayes, 2 absent), the Planning Commission recommended certification of the Final General Plan EIR (including adoption of Findings of Fact, a Statement of Overriding Considerations, and a Mitigation Monitoring Program) and adoption of the *Merced Vision 2030 General Plan* (as shown in the August 2010 Draft—Option 1) with changes to the text of the document as outlined in Exhibit B of Attachment 9. For the Land Use Diagram, the Planning Commission took five separate votes for the five sectors, and all votes were unanimous (4-0-1-2, 4 ayes, 1 abstain, 2 absent). Please see the Planning Commission Minutes and Resolutions at Attachments 3, 4, and 5 for details.

City Council Options

After the continued public hearing on October 17, the City Council should select one of the three (3) Options outlined in this administrative report. In order to ensure that the proper CEQA findings are first made in relation to whichever Option is ultimately adopted by the City Council, staff recommends that the City Council take a preliminary/non-binding vote regarding the Option that the City Council favors. Motions can then be made and votes taken on each individual resolution according to the Option that was favored by the City Council pursuant to the preliminary/non-binding vote.

To adopt the *Merced Vision 2030 General Plan* and Final EIR, three resolutions will need to be adopted—1 for certification of the Final EIR, 1 for approval of the General Plan document and Land Use Diagram (9 separate votes will need to be taken on the Land Use Diagram as outlined above if Option 1 is chosen, 7 separate votes with Option 2, and 8 separate votes with Option 3), and 1 for the application to LAFCO for a modified Sphere of Influence. The City Council should select the resolutions that accompany whichever Option they prefer as follows:

1. Option 1 (Original Draft General Plan), as recommended by the Planning Commission, including Resolutions at Attachments 8, 9, and 10; or,
2. Option 2 (EIR Alternative #2, removing both Castle Farms and Mission Lakes), including Resolutions at Attachments 11, 12, and 13; or,
3. Option 3 (Modified EIR Alternative #2A, removing Mission Lakes only), including Resolutions at Attachments 14, 15, and 16.

Respectfully Submitted,

Kim Espinosa,
Planning Manager

Approved By,

John M. Bramble,
City Manager

Reviewed and Approved,

David B. Gonzalves, Director of
Development Services

[KE: 2011/General Plan Update/Public Hearings/04-CC Adoption/Gen Plan Adoption AR-CC Hrg2-Oct17-11.docx]

**PLEASE BRING YOUR COPY OF THE DRAFT *MERCED VISION 2030*
GENERAL PLAN AND DRAFT AND FINAL EIR's TO THE MEETING.**

Attachments:

- 1) Land Use Diagram Divided Into Sectors for Adoption (Options 1, 2, & 3)
- 2) Administrative Report for September 19, 2011 City Council Meeting (without Attachments)
- 3) Planning Commission Resolution #2988 (EIR)
- 4) Planning Commission Resolution #2989 (General Plan)
- 5) Planning Commission Minutes (July 20, 2011)
- 6) Planning Commission Staff Report #11-09
- 7) Correspondence Regarding the General Plan Received at or after the Planning Commission Public Hearing
 - a) Email from Jim Sanders (July 20, 2011)
 - b) "What Does the Future Look Like" by Jean Okuye (July 20, 2011)
 - c) "Paving Paradise" Study Submitted by Jean Okuye (July 20, 2011)
 - d) "Minor Subdivisions of Agricultural Land in Merced County (1998-2008)" Submitted by Jean Okuye (July 20, 2011 & Sept. 19, 2011)
 - e) Letter from Jim Todd of Merced Gateways (July 20, 2011)
 - f) Email from Steve Rough of Yosemite Church (July 22, 2011)
 - g) Letter from Paul Fillebrown of Merced County (August 5, 2011)
 - h) Letter from Tom Lollini of UC Merced (August 16, 2011)
 - i) Letter from John Wilbanks of Castle Farms (August 30, 2011)
 - j) Letter from Sharon Dicker of LWH Farms (September 19, 2011)
 - k) Letter from Vince Kovacevich of Castle Farms (September 14, 2011)
 - l) Letter from Economic Development Advisory Committee (October 4, 2011)

- 8) Draft City Council Resolution (EIR) for Option 1
 - a) Exhibit 1—Findings of Fact and Statement of Overriding Considerations (Option 1)
 - b) Exhibit 2—Mitigation Monitoring Program (same for all Options)
 - c) Exhibit 3—Final EIR Errata Sheet (same for all Options)
- 9) Draft City Council Resolution (General Plan) for Option 1
 - a) Exhibit A—General Plan Public Review Draft (August 2010)
 - b) Exhibit B—Proposed Changes to General Plan (Option 1)
 - c) Exhibit C—Proposed Changes to Land Use Diagram (Option 1)
 - d) Exhibit D—Land Use Diagram Sectors (Option 1)
- 10) Draft City Council Resolution (Application to LAFCO) for Option 1
 - a) Exhibit A—Specific Urban Development Plan (SUDP)/Sphere of Influence (SOI) boundary map (Option 1)
- 11) Draft City Council Resolution (EIR) for Option 2
 - a) Exhibit 1—Findings of Fact and Statement of Overriding Considerations (Option 2)
 - b) Exhibit 2—Mitigation Monitoring Program (same as Attachment 8B)
 - c) Exhibit 3—Final EIR Errata Sheet (Same as Attachment 8C)
- 12) Draft City Council Resolution (General Plan) for Option 2
 - a) Exhibit A—General Plan Public Review Draft (August 2010)
 - b) Exhibit B—Proposed Changes to General Plan (Option 2)
 - c) Exhibit C—Proposed Changes to Land Use Diagram (Option 2)
 - d) Exhibit D—Land Use Diagram Sectors (Option 2)
- 13) Draft City Council Resolution (Application to LAFCO) for Option 2
 - a) Exhibit A—Specific Urban Development Plan (SUDP)/Sphere of Influence (SOI) boundary map (Option 2)
- 14) Draft City Council Resolution (EIR) for Option 3
 - a) Exhibit 1—Findings of Fact and Statement of Overriding Considerations (Option 3)
 - b) Exhibit 2—Mitigation Monitoring Program (same as Attachments 8B & 11 B)
 - c) Exhibit 3—Final EIR Errata Sheet (same as Attachments 8C & 11C)
- 15) Draft City Council Resolution (General Plan) for Option 3
 - a) Exhibit A—General Plan Public Review Draft (August 2010)
 - b) Exhibit B—Proposed Changes to General Plan (Option 3)
 - c) Exhibit C—Proposed Changes to Land Use Diagram (Option 3)
 - d) Exhibit D—Land Use Diagram Sectors (Option 3)
- 16) Draft City Council Resolution (Application to LAFCO) for Option 3
 - a) Exhibit A—Specific Urban Development Plan (SUDP)/Sphere of Influence (SOI) boundary map (Option 3)