
City of Merced

MEMORANDUM

DATE: February 7, 2008
TO: General Plan Update Technical Advisory Committee
FROM: Kim Espinosa, Planning Manager
SUBJECT: Briefing on Local Agency Formation Commission (LAFCO) Meeting on December 6, 2007 regarding the City's Draft Sphere of Influence

On December 6, 2007, City staff and our General Plan consultants, Quad-Knopf, met with the Local Agency Formation Commission (LAFCO) board on December 6, 2007 to discuss the City's Draft Sphere of Influence (SOI) boundary. The City had provided LAFCO with a background memo regarding the Draft SOI (Attachment A) and LAFCO staff had prepared a brief cover memo outlining LAFCO policies regarding Sphere expansions (Attachment B).

City staff and the consultants were very pleased with the specific feedback and suggestions that we received from LAFCO board members. Public testimony was also accepted and two individuals spoke. In summary, the following issues were raised:

- Concern with protecting the Castle Airport from incompatible land uses
- Encouragement of infill development
- Concern with Area 8 (Mission Lakes) and its impacts on the Merced Municipal Airport
- Questions about kind of agricultural preservation policies will be included in the General Plan
- Concern with including areas designated "Agriculture" in the City's plan
- Need for policies to address the "Area of Interest", especially the Campus Parkway area
- The level of land use and infrastructure detail needed in order to evaluate the "Community Plan" areas and the need to show at least "conceptual" plans for those areas
- The need for phasing and growth policies
- Encouraging the annexation of County Islands
- Need to look at higher densities
- Concern with water supply and flood control issues

City staff will give a more detailed briefing at the February 7 Technical Advisory Committee meeting and answer any questions the Committee may have. A joint City Council/Planning Commission Study Session on the General Plan Update is scheduled for Tuesday, February 19, 2008 at 5:30 p.m. in the City Council Chambers (prior to the regular Council meeting at 7:00 p.m.).

Attachments

- A) Memo from City to LAFCO regarding Sphere of Influence (November 13, 2007)
- B) Memo from LAFCO staff to LAFCO Board (December 6, 2007)

City of Merced

MEMORANDUM

DATE: November 13, 2007
TO: Merced County Local Agency Formation Commission
FROM: Jack Lesch, City of Merced Director of Development Services
Kim Espinosa, City of Merced Planning Manager
Kim Hudson, Quad-Knopf
SUBJECT: Administrative Draft General Plan Update Land Use Diagram

Background

The City of Merced has initiated an update to their 2015 General Plan, titled "*Merced Vision 2030 General Plan*." The focus of this update is to examine the existing Sphere of Influence(SOI)/Specific Urban Development Plan (SUDP) boundary, and determine where the boundaries should be changed.

Through a public input process, the City Council identified fifteen areas surrounding the current SOI/SUDP boundary to be analyzed for possible inclusion into a new SOI/SUDP boundary. Subsequently, city staff and the consultant team conducted public workshops, and issued a form which property owners could request that specific properties be included, and preferred land uses identified. Additional analysis was performed, which included population projections for the City, identification of potential constraints, and a review of major projects currently undergoing pre-application development.

As a result of the foregoing analysis and public input, Quad has created a draft land use diagram showing a preferred new SUDP boundary. This boundary will also serve as the City's Sphere of Influence (SOI) boundary. Additionally, another boundary, identified as the Area of Interest (AOI) will serve as a planning boundary for the City out to a 40-year horizon.

Current Population Figures

According the California State Department of Finance, the City of Merced had a population of 79,715 on January 1, 2007. This is a 5.1% increase over the previous year. Merced's population growth over the previous five years had averaged 3% annually. Several large residential projects that have gone on-line recently could account for the bump.

Existing SOI/SUDP Boundary

The current SOI/SUDP boundaries were established as a result of the City's 1997 General Plan Update. At the time, the City had projected populations of 100,880 in 2005, and 145,350 in 2015 (this figure includes 12,100 U.C. Merced students and faculty assumed to be living off-campus). The SOI boundary was predicated on the new U.C Merced campus being located northeast of Lake Yosemite, rather than its present location, and those areas north and east of the Lake that corresponded with the Smith Family Trust boundaries (approximately 10,625 acres), which is

ATTACHMENT A

now to be preserved as wetlands/vernal pool habitat, is planned to be deleted from the City's SOL. It's clear that these numbers were optimistic; nonetheless, the SUDP that was adopted would accommodate a population of approximately 152,000. Table 1 summarizes population growth projections for Merced that are being used for this General Plan Update:

Table 1: Merced Population Projections

Year	2006	2010	2015	2020	2025	2030
3% Annual Growth Rate	75,854	85,374	98,972	114,736	133,010	154,196
5% Annual Growth Rate	75,854	92,201	117,674	150,186	191,679	244,637

Source, CA Dept. of Finance, Quad Knopf, Inc.

These figures are straight-line projections from the 2006 population; the U.C. campus was not given any special status. The current SUDP boundary would just barely accommodate the projected 20-year population of 145,344 (2028). Absent other outside factors, it is likely that the current General Plan and SOI/SUDP boundary would be adequate for another ten years.

There are, however, other factors. First among these is the U.C. Merced campus and Campus Community. The relocation of this development much closer to the City would have mandated a revision to the General Plan by itself. The relatively sudden appearance of several large development proposals around the perimeter of the current SUDP boundary required a more significant review. During the preliminary assessment at the beginning of the planning process, a number of additional areas around the remaining perimeter of the SUDP boundary were included for study. These developments and study areas, along with the U.C. campus/community, are discussed in more detail in Attachment A.

Draft Sphere of Influence (SOI) Boundary

The City's current SUDP and SOI boundaries are different boundaries. The Sphere of Influence (SOI) is larger (approximately 37,300 acres) and includes all of the SUDP (20,540 acres), plus the large area north and east of Lake Yosemite, which was originally the location of the UC Merced Campus and Campus Community, and the Rural Residential Centers west of Lake Road and Lake Road-extended. Some, but not all of these areas, are included in the Draft SOI as shown on the Draft General Plan Land Use Diagram (enclosed), since the large wetlands preserve north and east of Lake Yosemite (10,625 acres) will be deleted from the SOI. In addition to the existing SOI, other areas have been proposed for inclusion.

An outline of the areas proposed for inclusion in the Draft SOI, which is approximately 37,284 acres, can be found below.

1) Areas within the Existing Sphere of Influence(SOI)

- ◆ Deletion of Approximately 10,625 Acres, North and East of Lake (Area 1)
- ◆ Area 2 (UC Merced Campus)—Existing Location
- ◆ Area 3A (Yosemite Lakes)
- ◆ Area 3B (between Bellevue & Cardella)
- ◆ Area 3C (between Cardella & Yosemite)
- ◆ Portion of Area 4A (west of Lake Road Extended)

2) New Areas within the Expanded SOI

2.1 Special Communities of Interest

- ◆ Area 3 (University Community Plan)

2.2 Community Plan Areas—These areas will have conditions that must be met prior to annexation in order to address LAFCO policies regarding phasing and plans for services and public facilities. These conditions are outlined under “Annexation/Development Criteria” below.

2.2.1 Proposed master planned communities with planning in process. There will be policies dealing with phasing of these areas and connectivity with existing (1997) SUDP. These areas include:

- ◆ Area 8 (Mission Lakes)
- ◆ Area 12 (Castle Farms)

2.2.2 South Merced Community Plans—These areas are proposed to be included in recognition of (a) the new Mission Interchange and the widening of Mission Avenue from the interchange to Highway 59 and (b) the new South Merced Community Plan for the area north of Mission Avenue. The South Merced Community Plan will guide the change from agricultural land to residential, commercial and industrial development. In order to allow this area to develop logically, and not encourage “leap-frog” development, the portion of Area 7 between Mission Avenue and the creeks has been designated “Community Plan.” This will permit planning an orderly progression of development to the south. These areas include:

- ◆ Portion of Area 6 (north of Owens/Miles Creek only)
- ◆ Portion of Area 7 (north of Owens/Miles Creeks only)

2.3 Reserve Areas—These areas will not likely develop within the next 20 years but should be reserved for future City expansion. No change in land use designation will be allowed until a Community or Area Plan is developed.

2.3.1 Area 11 North—This area would be open for development if Castle Farms (Area 12) were to extend a sewer line through the area down to the City’s WWTP in order to serve the Castle Farms area. As such, it depends on the development of Area 12. This area is also heavily influenced by Castle Airport and a Community Plan would not be adopted until the County completes an update to the Airport Land Use Compatibility Plan.

2.3.2 Industrial Reserve—Areas 10 and 11 South are designated as “Industrial Reserve” in recognition of the need for additional industrial land in the future and to protect the Merced Municipal Airport from incompatible residential development.

2.4 Agriculture—These areas are included and designated as “Agriculture” in order to protect the City’s eastern Heavy Industrial area from incompatible development. These areas include:

- ◆ Area 5
- ◆ Portion of Area 6 (north of Owens/Miles Creek only)

- 2.5 Phasing: In terms of phasing, the General Plan will state that the City's intent is that the development/annexation will occur in both the short and long term and the SOI areas fall into these two categories:

Short Term Development

- Area 2 (UC Campus)
- Area 3 (University Community)
- Areas 3A, 3B, & 3C
- Portion of Area 4A
- Area 8 (phased from north to south)
- Area 12 (phased from south to north)

Long-Term Development

- Area 6 (North of Owens/Miles Creek)
- Area 7 (North of Owens/Miles Creek)
- Area 8 (south portion)
- Area 11 North (depends on Area 12 development)
- Areas 10 & 11 South (depends on industrial land needs)
- Area 12 (north portion)

3) Area of Interest (AOI)

3.1 The Merced County Local Agency Formation Commission (LAFCo) is critical in the General Plan Update process, as the new SOI boundary requires LAFCo approval. One major policy of LAFCo is that the SOI is a 20-year population growth boundary. In order to comply with this requirement, some Study Areas were either partially or completely left out of the draft SUDP/SOI boundary. The portions of the various Study Areas that were not included within the new SOI boundary have been included in the new Area of Interest (AOI) boundary. The AOI indicates where the City can grow as the SUDP fills in. No land uses are proposed for the AOI; the City should undertake specific planning initiatives as the situation warrants. Land within the AOI will be eligible to be brought into the SUDP/SOI when conditions are appropriate, and the proposal meets the policy requirements.

3.2 Areas included in the Area of Interest (AOI), but not the SOI, include:

- ◆ Small portion of Area 3A (East and North of Lake Yosemite)
- ◆ Portion of Area 4A (the area east of Lake Road Extended out to ¼ mile east of the Campus Parkway alignment)
- ◆ Area 4B (1/4 mile east of Campus Parkway out to Fairfield Canal)
- ◆ Portions of Areas 6 and 7 (South of Owens/Miles Creeks)
- ◆ Area 13 (North of current SUDP Boundary between Hwy 59 and Golf Rd)

3.3 Areas 4A and 4B are included within the Area of Interest (AOI), but they are also designated as a "Joint City/County Planning Area." The City would make a commitment for a joint planning effort with the County due to the large amount of agricultural area involved, the potential impacts on the Campus Parkway, and the numerous property owners who have requested consideration to be included in the future urban growth area. These areas can be considered for possible inclusion in the SUDP/SOI after this joint planning process is completed.

Annexation/Development Criteria

Below is a list of proposed policies that a project will need to be consistent with, prior to being included within the SUDP/SOI, and is also the criteria on which lands within the SUDP/SOI will be evaluated prior to annexation:

- City boundary is contiguous (or annexation is imminent), and no "islands" are created
- A Community or Area Plan is approved with land use, circulation, public facilities, and infrastructure
- The Public Facilities Financing Plan has been updated to include area; revenue sources identified
- The property owner is committed to finance WWTP & capacity is available
- New sewer trunk lines are planned and have capacity
- A revised Revenue Sharing Agreement with Merced County is in place
- The developer agrees to install all off-site intervening infrastructure
- Community or Area Plans need to include adjacent areas within the SOI that are affected by the development of Master Plans

Population

The purpose of the General Plan Update is, of course, to accommodate the additional population that is expected to live in the City. The City's population is forecast to be approximately 150,000 in the year 2030, if the recent 3% annual growth rate holds steady. The present draft map would, at build out, hold approximately 274,000 people. Although this is clearly more than the projected 20-year horizon, there are some unique situations in Merced that warrant such a large population boundary.

First, there are a number of large projects that have received a considerable amount of planning effort. Such effort does not mean that they should be approved, but indicates that the owners are serious about the projects, and the City will likely have to review them at some point in the future. It is sensible to incorporate these preliminary plans conceptually into the General Plan, in order to analyze their potential effects, and allow service providers advance opportunity to conduct their own analysis. Additionally, the phasing plans of these projects will regulate growth in an ordered, logical fashion over time.

Another consideration is the University of California campus. The Campus opened in 2005 and has approximately 1,800 students, and the future plans for the UC Community have been adopted by the County. This represents a significant additional population increase of approximately 36,000. As it will be a reality, it needs to be included in the plan as a community of special interest.

Finally, although the population is projected to grow 3% annually, it is possible that growth could exceed that figure in the near term. City population grew over 4% from 2006 to 2007, according to the California Department of Finance. A 5% growth rate would see a City population of nearly 250,000 by 2030. According to the San Joaquin Valley Blueprint planning process, the San Joaquin Valley population could more than double in the next 40 years. It would be prudent to "overplan" now, instead of having to revisit the issue again in 5 years. Between the proposed SUDP/SOI boundary, and the proposed Area of Interest boundary, the City will be well-equipped to address growth issues in the future.

Merced Vision 2030 General Plan Study Areas

During the preliminary assessment at the beginning of the planning process, a number of additional areas around the remaining perimeter of the SUDP/SOI boundary were included for study. These developments and study areas, along with the U.C. campus/community, are discussed in more detail below. Note that there is no Area 1 or 9.

Area 2:

Area 2 is the site of the new University of California, Merced campus. Planning for this site has largely been completed, as has been the construction of the first buildings. This area will be designated as a "School," recognizing the existing plans. There is a residential component to this part of the plan, in the form of student housing. This population has been incorporated into the population figures shown for Area 3.

Area 3:

Area 3 is what is known as the "Campus Community." It is intended to provide much of the nearby housing and commercial support for the U.C. Merced campus. A Community Plan with a land use map and policies for this area has been completed by the County, and has been recognized by the City. A designation of "Master Planned Community" has been created, and will be applied to this area. Planning documents indicate a population in excess of 36,000.

Area 3A:

Areas 3A, 3B, and 3C are all in the City's current Sphere of Influence (SOI) and must be included in the SUDP in order to develop Areas 2 and 3 within the City.

This is the site of the Yosemite Lakes development proposal with a County approved SUDP. While some significant planning efforts are underway for this site, there are some significant environmental constraints. Until such time as those constraints can be addressed, and adequate infrastructure provided, this site is identified as "Reserve" on the diagram. Previous versions of the plan for this site indicated that it would contain approximately 700 units, and a population of 2,100. Recently, a new plan was revealed which increased both of these figures by a substantial amount-2,100 residential units, and a population of 6,342.

Area 3B:

Area 3B offered the greatest potential for a significant planning effort. While there are some constraints due to habitat and dam inundation areas, there is also enough undeveloped land under single ownership to allow practical development at higher density than the current one-acre lot limitation. In addition, the location is between the northern part of the City, which is developing rapidly, and the UC campus, which will continue to develop and grow.

The North Merced Wastewater Master Plan has identified ways and means to supply essential infrastructure to this area. The extension of the proposed Campus Parkway, and the proposed Merced-Atwater Expressway would provide connection to Highway 99. Finally, development of this area is critical to the incorporation of the UC campus and Community into the City of Merced.

As a result of this analysis, Area 3B would receive several designations, ranging from "Open Space" (OS) on the golf course, to "Business Park" (BP) south of Bellevue Road. A site for a potential Village Center is located between Lake Road and Golf Road. Existing residential development throughout the area is recognized by the application of the "Rural Residential" (RR) designation. A remote part of Area 3B northeast of Lake Yosemite was omitted from the plan due to access and sensitive habitat concerns. Similarly, the northwest portion along "G" Street was also omitted for habitat and access reasons.

Using intermediate density figures from the 1997 General Plan, this area could see a population of approximately 11,500.

Area 3C:

This area presents a challenge for planning. It has been largely developed as a very low density residential area within Merced County with one-acre lot rural residential development. As a result, further more dense development is unlikely. In recognition of this, the entire area has been designated as "Rural Residential." The current population is approximately 600, with a potential of about 1,900.

Area 4A:

Areas 4A and 4B are proposed to be included within the Area of Interest (AOI). The City would make a commitment for a joint planning effort with the County due to the large amount of agricultural area involved and the numerous property owners who have requested consideration to be included in the future urban growth area. These areas can be considered for possible inclusion in the SUDP/SOI after this joint planning process is completed.

A significant part of Area 4A has also been the subject of rural residential development, with perhaps a third of the area already having been built. The balance of the area contains significant agricultural soils, which the City, County, and the state desire to protect. For these reasons, the area was divided during the planning process, with the developed western portion being placed within the SUDP/SOI boundary, and the eastern portion left out. The dividing line is the current SOI boundary, which generally corresponds to Lake Road extended in this area. The included portion has been designated as "Rural Residential," in recognition of the existing development.

One factor that may be significant is the proposed Campus parkway, which will provide a southern connection between the U.C. campus and Highway 99. A route has been adopted, and will be located in the eastern portion of Area 4A. This facility may generate

some pressure for development, at least in the area between the parkway and existing development to the west.

The western portion of Area 4A contains significant amounts of low density residential development. This area has been placed within the proposed SUDP/SOI, and would accommodate a population of approximately 2,500.

Area 4B:

Area 4B has a number of constraints which will likely render it unsuitable for development in both the near and long term. Primary among these are significant agricultural soils. Additionally, the area south of the creek is all floodplain. The location has poor access to the transportation system, and providing services is problematic. As a result, Area 4B was not included in the proposed SUDP/SOI area.

Area 5:

Area 5, at the southeast corner of the study area, is entirely within the floodplain, and made up of significant agricultural soils. Given its proximity to a large area of industrial land, it is not ideal for residential development without significant buffer areas, etc., and there is adequate commercial area adjacent to this area on the west. Accordingly, the eastern portion was omitted from the new SUDP boundary, and the balance was designated "Agriculture." This area is limited to twenty-acre minimum parcel sizes by Merced County, and would have to be annexed and re-designated before any urban development could occur.

Area 6:

In addition to containing floodplain and prime agricultural soils, Area 6 is divided by Highway 99 (more or less north-south), and by Owens Creek (east-west). Due to the difficulty in accessing areas south of the creek, this south area was omitted from the new SUDP/SOI Boundary. East of Highway 99, an "Agriculture" designation was applied, for the same reasons as found in Area 5, and to provide consistency with that area. Although close to the Mission Interchange, development of the eastern and southern sides are limited due to lack of current and planned road connections. In addition, trip generation and cumulative impacts on the new interchange (including the large reserve area) area a concern. West of Highway 99, a small portion (approximately 130 acres) of Area 6 was designated "Community Plan." This area has better connectivity with the new commercial area around the new Mission Avenue interchange, and with Area 7 to the west. It is not anticipated that this area will contain any significant residential development.

Area 7:

As with Area 6, Area 7 is bisected by Owens Creek and Miles Creek. It also is completely within the floodplain, and contains significant agricultural soils. The western portion is affected by restrictive zones around the municipal airport. The northern boundary of Area 7 is also the southern boundary of the nearly completed South Merced

Specific Plan. The South Merced Specific Plan will guide the change from agricultural land to residential, commercial and industrial development. In order to allow this area to develop logically, and not encourage "leap-frog" development, the portion of Area 7 between Mission Avenue and the creeks has been designated "Community Plan." This will permit planning an orderly progression of development to the south.

Projecting a population for this area is difficult, as the Community Plan designation leaves open the mix of residential and commercial/industrial uses, as well as densities. Assuming a gross residential density of 3 units per acre, the Study Area would contain a population of approximately 12,000 people.

A particular issue with Areas 5, 6, and 7 is the lack of connectivity to the existing SUDP to the north. Growth in these areas should occur after specific planning which takes into consideration impacts on an undeveloped street system in the South Merced Specific Plan area.

Area 8:

Area 8 ("Mission Lakes") is constrained by the same issues that affect Area 7. However, there has been a significant amount of pre-application planning work done by the property owner for Area 8. The result is that Area 8, minus some acreage near the City's Wastewater Treatment Plant, was designated for a "Community Plan," as well. Information from the developer of this area indicates a future population of approximately 16,000.

Area 10:

This small study area is constrained by poor access to the highway, and restrictive land use zones surrounding the municipal airport. As it is not suitable for residential or commercial development, it received a designation of "Industrial Reserve," which would permit expansion of the industrial area surrounding the airport when conditions allow. There would be no population associated with the development of this area.

Area 11 South:

Area 11 is comprised of two separate unconnected pieces. The southern piece is narrow, and adjacent to the municipal airport and the waste-water treatment plant. The City already has a significant amount of industrial land. For these reasons, the area received the "Industrial Reserve" designation. There would be no residential development within this study area.

Area 11 North:

Area 11 North is in a more usable "shape" than 11 South. However, it is impacted by airport land use restrictions associated with Castle Airport to the west. Residential densities are restricted, and public uses (schools and hospitals, etc.) are prohibited for most of the area. Access to Highway 99 is also problematic. For these reasons, this area was designated "Reserve," with decisions on appropriate land uses left for future consideration. Another option would be to leave it out of the proposed SUDP/SOI and designate it as part of the "Urban Expansion Area."

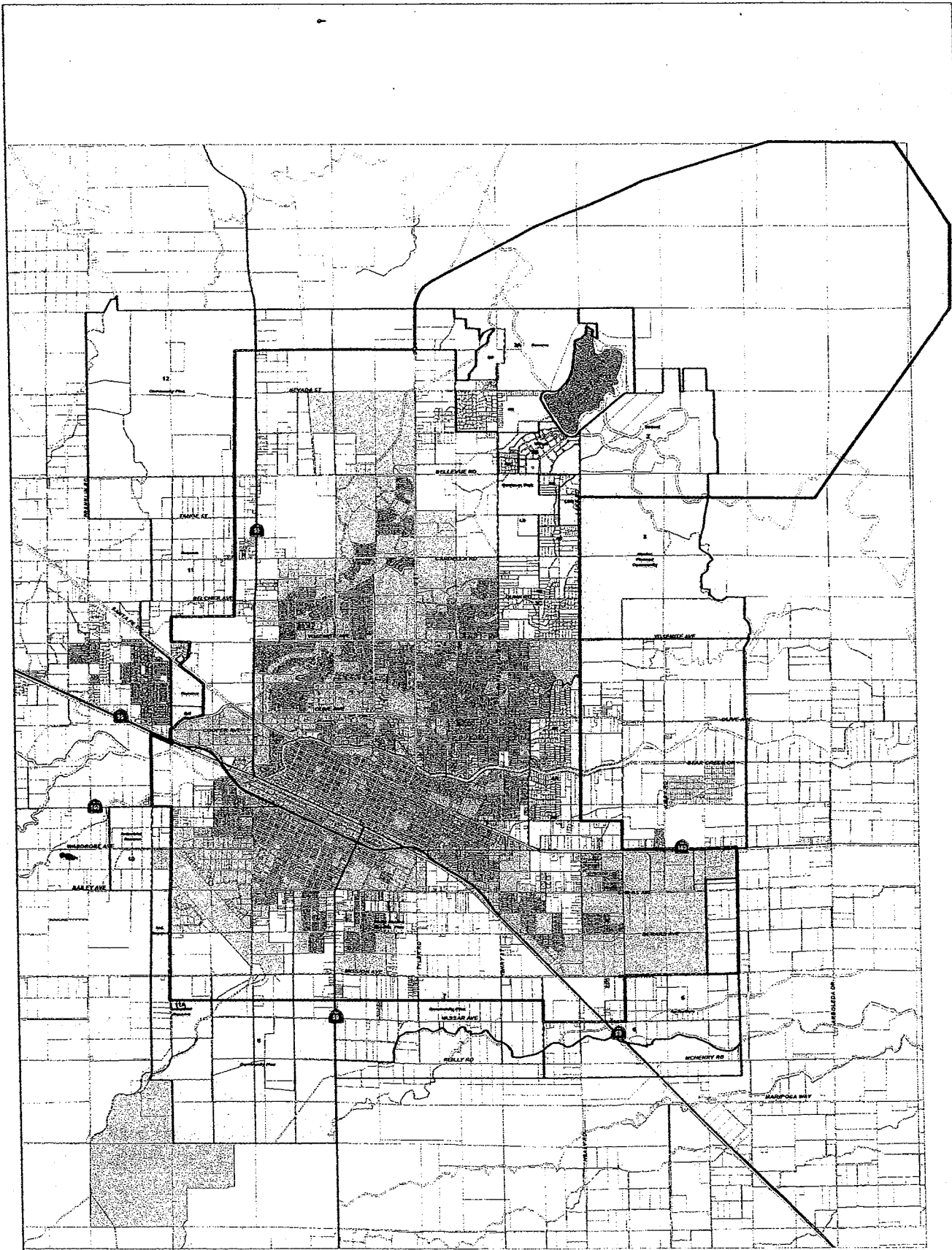
It is possible that the restrictive airport land use zones will be modified, as a result of its change in status. If these zones are revised and/or reduced, it would be appropriate to re-visit this area, and add more residential if there is sufficient demand for it.

Area 12:

Area 12 ("Castle Farms") is another area where significant planning has been done. It is impacted somewhat by Castle Airport, but retains significant acreage for development. If access, urban expansion and infrastructure questions can be answered, development of this area is feasible. The area has been designated "Community Plan." This plan, although it has undergone several revisions, has been consistent in terms of future population. Approximately 36,000 people would be accommodated by the project.

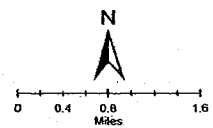
Area 13:

Area 13, at the very north end of the Study Area, is highly impacted by sensitive habitat, and it's proximity to the County landfill. It also suffers from poor access, and would be difficult to serve with public infrastructure. For these reasons, it was omitted from the proposed SUDP/SOI area.



Legend

- Area of Interest
- SUDP Study Area Boundary
- Proposed Sphere of Influence (SOI)
- Existing SOI
- City Limits
- Assessor Parcel



Source: City of Merced GIS, 2006 / Quad Knopf, 2007



CITY OF MERCED - BOUNDARY MAP



Local Agency Formation Commission
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DATE: December 6, 2007
TO: LAFCO Commissioner's
FROM: ^{BN} Bill Nicholson, Executive Officer
RE: Presentation and Review of the City of Merced General Plan Update Land Use Diagram and Proposed Sphere of Influence
(Agenda Item VII. B)

The City of Merced Planning Department has requested to give the Commission a presentation on the proposed planning and Sphere of Influence boundaries that are part of the City's General Plan update process. This provides an excellent opportunity for the Commission to provide any early feed-back and direction to City staff before they draft the General Plan document and related Environmental Impact Report.

A Memorandum from City Development Services Director, Jack Lesch, their Planning Manager, Kim Espinosa, and Consultant, Kim Judson with Quad-Knopf is attached which provides the City's rationale for the expansion area broken down by 13 sub-areas.

To aid in the Commission's review and preparation for this presentation, staff has presented the existing Sphere of Influence policies adopted by the Commission which will be used for review of any future sphere amendment application. It should be noted that **Policy 1** contains the historic LAFCO policy that a sphere of influence boundary should accommodate a City's growth needs for a 20-year horizon, and any additional areas that represent "special communities of interest" for the City.

In Merced City's existing Sphere of Influence, the large 10,000 acre area north and east of Lake Yosemite that was formerly the community planning area around the initial UC Merced proposed campus site was included as one of these "special community of interest" areas in order for cooperative planning with the UC and County, and for the possible extension of City services to the University. This area is now proposed to be relocated to encompass the University Community Plan boundary ultimately approved by the County located south of UC Merced extending to Yosemite Avenue. The City's Memo provides an explanation of the expanded sphere of influence area being defined under the following categories: communities of interest, community plan areas, reserve areas, and agriculture. The City is also proposing an "Area of Interest" which is defined under LAFCO **Policy 2** presented in the LAFCO policies.

It should also be noted that an update to the City's Municipal Service Review will also be required before the Sphere of Influence boundary can be expanded.

ATTACHMENT B

Existing LAFCO Sphere of Influence Policies

The following policies were adopted by the Commission in 2001, in compliance with the Cortese-Knox-Hertzberg Act of 2000:

B. SPHERE OF INFLUENCE REVISION POLICIES

OBJECTIVE II. A: *Create an urban land use pattern in the city that provides adequate areas for growth while ensuring the efficient delivery of services.*

Policy 1: *A City's sphere of influence boundary should be large enough to accommodate approximately 20 years of projected growth as well as territory that represents special communities of interest for the City.*

Policy 2: *LAFCO will recognize areas outside the sphere of influence boundary that reflect unique coordinated planning areas agreed to between the City, County and/or urban service district which are designated "area of interest", "joint planning area" or similar designation as identified in the City and County General Plans.*

Policy 3: *Cities should adopt phasing policies in their General Plans which identify priorities for growth and annexation which meet the joint objectives of extending urban services in an economic and efficient manner and avoiding the premature conversion of prime agricultural lands or other valuable open space resources.*

Policy 4: *Where the City and County have reached agreement on proposed sphere of influence boundaries and development standards the Commission will accept the sphere unless the Commission identifies an inconsistency with the requirements of the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000.*

Implementation: *When the Commission performs a periodic review of a City's sphere of influence, or when a sphere of influence revision has been submitted at the request of a City, the current City General Plan will be evaluated to identify adopted growth, development phasing, and municipal service delivery policies. The Commission will also utilize information contained in the "service review" document that has been prepared by LAFCO consistent with Government Code Section 56430. The Commission will also consider any revenue sharing agreement mutually adopted by the City and County, which contains land use and growth policies.*

OBJECTIVE II. B: *The future urbanization of a City is reviewed comprehensively at the sphere of influence amendment stage rather than during the review of individual annexation requests.*

Policy 5: *The following criteria will be applied to cities requesting a sphere of influence amendment which is included in their General Plans and Policies that address both the Cortese/Knox/Hertzberg Act and Merced County LAFCO policies:*

- a. *Does the General Plan identify the City's desired sphere of influence boundary and all planned land uses in the expanded sphere?*
- b. *Does the City's General Plan contain policy regarding the phasing of future annexations which is consistent with the policies of Merced County LAFCO and the Cortese/Knox/Hertzberg Act?*
- c. *Are there local policies regarding the timing of conversion of agricultural and other open space lands and the avoidance of conversion of prime soils?*
- d. *Does the City's General Plan demonstrate the present and probable need for public facilities and community services (including the sequence, timing and probable cost of providing such services) within the proposed sphere of influence boundary?*
- e. *Does the City's General Plan identify the existence of any social or economic communities of interest within the planning area, such as the relationship between any adjacent or nearby cities or special districts which provide urban services, which may affect the boundaries or the proposed sphere of influence?*

Implementation: *Cities that address the above referenced criteria/issues in their General Plans will have their sphere of influence amendment proposals scrutinized more thoroughly by LAFCO. The Commission shall adopt findings for each of the criteria indicating conformance with State and local LAFCO policy. Upon approval of the sphere boundary, LAFCO's review of future annexations within this boundary will be limited to the appropriateness and efficiency of the boundary, conformance with the City's General Plan including relevant phasing policies, and public service availability.*

However, when the Commission finds that the City's General Plan does not satisfy one or more of the above sphere of influence criteria in accordance with State and local LAFCO policy, action on the sphere will be more limiting. Approval of an amended sphere boundary will reflect the City's interest in the future annexation of the territory but will not represent a general acceptance of future individual annexation requests. All subsequent annexation proposals will be scrutinized against the full factors outlined in the Cortese/Knox/Herzberg Act under Section 56668, including justification for annexing prime agricultural or other valuable open space lands when other non-prime or non-significant open space lands are available in the sphere; availability of public services; and the timing of the annexation in relation to vacant land availability within the existing City limits.

Memo on City of Merced General Plan/Sphere of Influence
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Commission Discussion

This preliminary review of the City's General Plan Land Use Diagram and Sphere of Influence does not require a formal action by the Commission. The review is provided to allow the City to explain their rationale for the proposed boundaries, to have any Commission questions answered, and to provide the City with any initial direction or reaction to the information presented.

Enclosure

cc: Jack Lesch, Development Services Director, City of Merced County
Kim Espinosa, Planning Manager, City of Merced County
LAFCO Counsel