



ADMINISTRATIVE REPORT

AGENDA

ITEM: _____

MTG _____

DATE: _____

TO: James G. Marshall, City Manager
FROM: Kim Espinosa, Planning Manager
DATE: May 21, 2007
SUBJECT: **Joint Planning Commission/City Council Study Session on General Plan Update and Sphere of Influence Options**

RECOMMENDATION:

Provide staff and the consultants direction regarding the Sphere of Influence (SOI) Options.

DISCUSSION

Background

Since the last status report to Council in March 2007, the consultants, Quad-Knopf, have been preparing an evaluation of constraints and opportunities along with population projections for each of the 16 sub-areas within the General Plan study area (Attachment 1) in order to come up with options for the 20-year Sphere of Influence boundary. Meetings have been held with the Planning Commission (acting as the General Plan Citizens Advisory Committee) and the General Plan Technical Advisory Committee; and a Stakeholders and property owners meeting was held in March and a community forum was held in April.

SUDP, Sphere of Influence, and Area of Interest

Because of the large size and population capacity of the General Plan study area, it will be necessary to define a smaller boundary to accommodate the next 20 years of growth. Currently the City's Specific Urban Development Plan (SUDP) boundary and the Sphere of Influence (SOI) boundary are different boundaries with the SUDP reflecting a 20-year growth plan and the Sphere of Influence defining a longer time frame. However, since the City's SOI boundary was adopted by the Local Agency Formation Commission (LAFCO) in 1997, new criteria has been put in place by LAFCO that will require the City to demonstrate how we can provide services to all areas within the SOI. Because of that criteria, staff and the consultants are recommending that the SUDP and SOI boundaries be co-terminus and that a larger Area of Interest (AOI) be defined that represents

long term growth areas. Areas within the SUDP/SOI will have City land use designations, but areas within the AOI will not. However, there will be criteria included in the General Plan defining how areas within the AOI can be added to the SUDP/SOI as time goes on. Examples of those criteria can be found in the attached presentation (Attachment 6, Slide #11).

Sphere of Influence Options

Based on the analysis and population projections summarized in the memo at Attachment 5, Quad-Knopf has prepared three possible options for the Sphere of Influence (SOI) boundary. The large carrying capacity of all these options should be viewed in relation to the population projection of 137,000 for the Year 2025. The options are also described in detail in the PowerPoint Presentation at Attachment 6. These SOI options are as follows:

- **Option #1—Existing SOI Plus** (Attachment 2) includes areas in the existing SUDP plus areas in the existing SOI. These areas include the UC campus, the Campus Community, and the intervening areas also known as Areas 2, 3, 3A, 3B, and 3C. Population for this option is 207,996 and it covers 27,770 acres in addition to the approximately 20,000 acres in the current SUDP. Reasons for including these areas are:
 - The existing SUDP plus these areas will serve the City's projected population for the next 40 years;
 - The areas are adjacent to the current urban boundary and are ready for development and annexation;
 - Some infrastructure plans have been prepared;
 - Areas 2 & 3 included per prior direction from City Council and substantial planning efforts have been completed;
 - Areas 3A, 3B, & 3C are all in the City's current SOI and must be included to develop Areas 2 & 3.

- **Option #2—Option #1 Plus Master Plan Areas** (Attachment 3) includes Option #1 plus those areas where master plans are either in place or are in progress and those areas that depend on those master plan areas. These areas include Option #1 plus Castle Farms and Mission Lakes (Areas 12 and 8) and those areas on the west side (Area 11 North, Area 11 South, and Area 10). Population for this option is 271,558 and it covers approximately 35,162 acres. Reasons for including these areas are:
 - Developer plans in progress for Areas 8 & 12;

- Need to look at Area 11 North and South in relation to Areas 8 & 12 (rely on each other for infrastructure, etc.);
 - Area 10 is included for economic development purposes (entire area is industrial);
 - Area 13 NOT included because majority of area is unavailable for development due to vernal pools and habitat areas.
- **Option #3—Option #1 Plus South Area Development** (Attachment 4) includes Option #1 plus areas to the south. These areas include Areas 5, 6, 7, 8, 10, and 11 South. Population for this option is 278,002 and it covers 34,915 acres. Reasons for including these areas are:
- City boundary is at Mission Ave in some areas already (adjacent to Areas 7 & 8);
 - Close to Downtown and Highway 99/New Mission Interchange;
 - Proximity to Wastewater Treatment Plant;
 - Natural Continuation of South Merced Specific Plan process;
 - Prime ag land and floodplain constraints exist but can likely be addressed and few vernal pools are in the area.

Areas 4A and 4B (to the east of the City along the Campus Parkway route) are not included in any of the above options. However, these areas are recommended to be a joint City/County Planning Area outside of the SOI due to prime farmland, Campus Parkway, and amount of existing development limiting the likelihood of annexation in the near term.

These options are suggestions only and no recommendation has been formed. It should also be noted that the Planning Commission and City Council may choose to add other areas or only portions of some of these areas to any of the options.

Input Received on the Sphere Options

These options for the Sphere of Influence were presented at the Community Forum on April 12, 2007 and at the Technical Advisory Committee meeting on May 10, 2007. At the community forum, citizens were asked to participate in a map exercise where they had the opportunity to draw their own Sphere of Influence boundary. Although we received good input from the citizens and the advisory committee regarding the Options, no consensus regarding any Option was reached. A summary of the comments received at the Community Forum can be found in

Slides 39, 40, and 41 of Attachment 6. Quad-Knopf, in consultation with City staff, has prepared responses to the questions asked at the Community Forum and those responses can be seen at Attachment 7. These responses will also be mailed to those who attended the forum and will be posted to the City's website.

Merced County General Plan Update

Merced County is currently preparing their own General Plan Update. County staff and their consultants will be at the May 21 Study Session to provide a brief overview of the County's General Plan Update process and progress to date.

Purpose of Study Session and Next Steps in the Process

At the joint study session on May 21, the Planning Commission and City Council should review the information presented and provide any comments or suggestions on the three Sphere of Influence Options. The next step in the process is to start developing a draft land use diagram so it will be important to receive direction regarding which areas to include. Only areas within the Draft Sphere of Influence would have City land use designations. Areas within the larger Area of Interest would not.

RESPECTFULLY SUBMITTED:


KIM ESPINOSA
PLANNING MANAGER

APPROVED:


JACK D. LESCH
DEVELOPMENT SERVICES DIRECTOR

REVIEWED AND APPROVED:

JAMES G. MARSHALL
CITY MANAGER

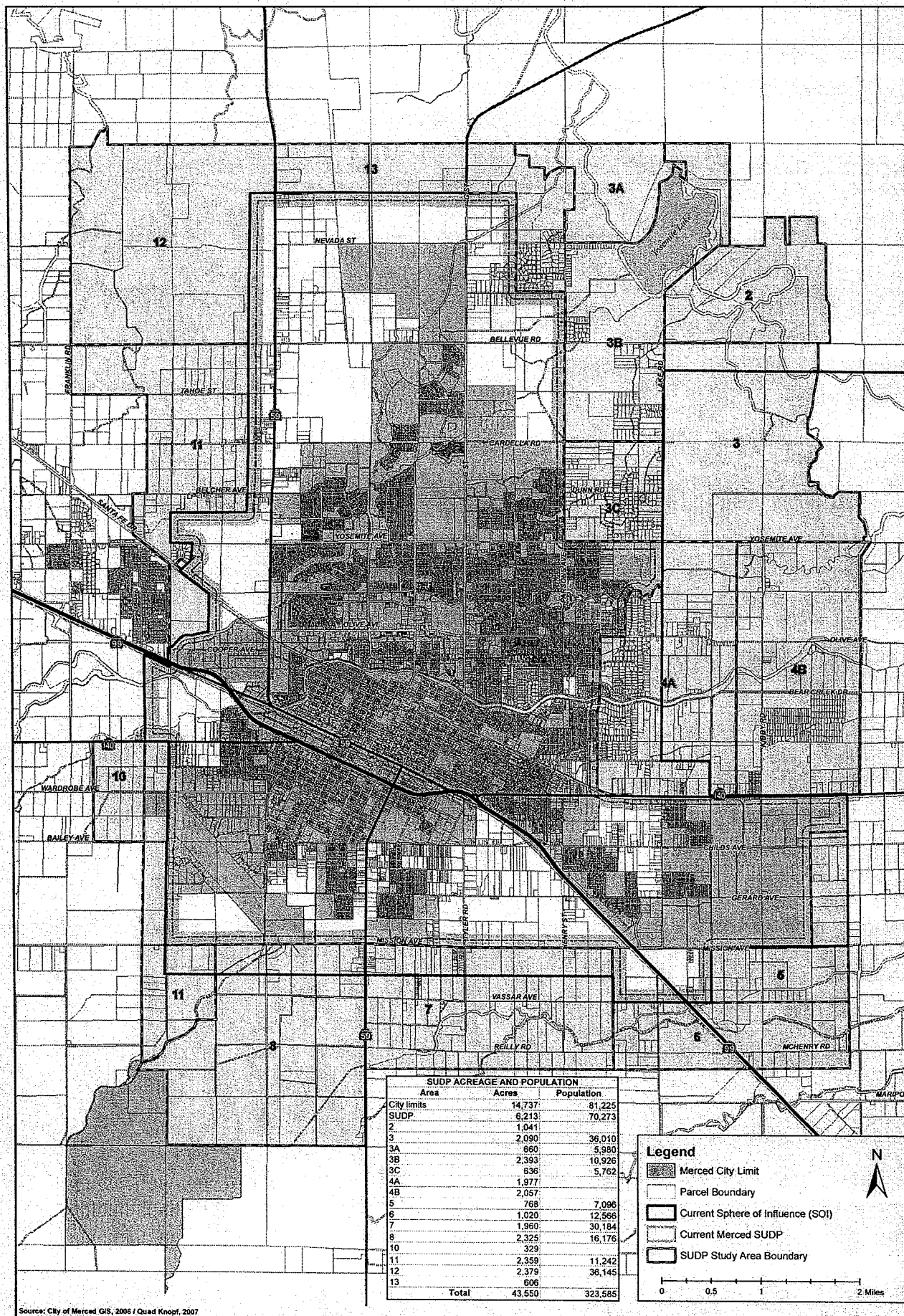
City Manager

May 21, 2007

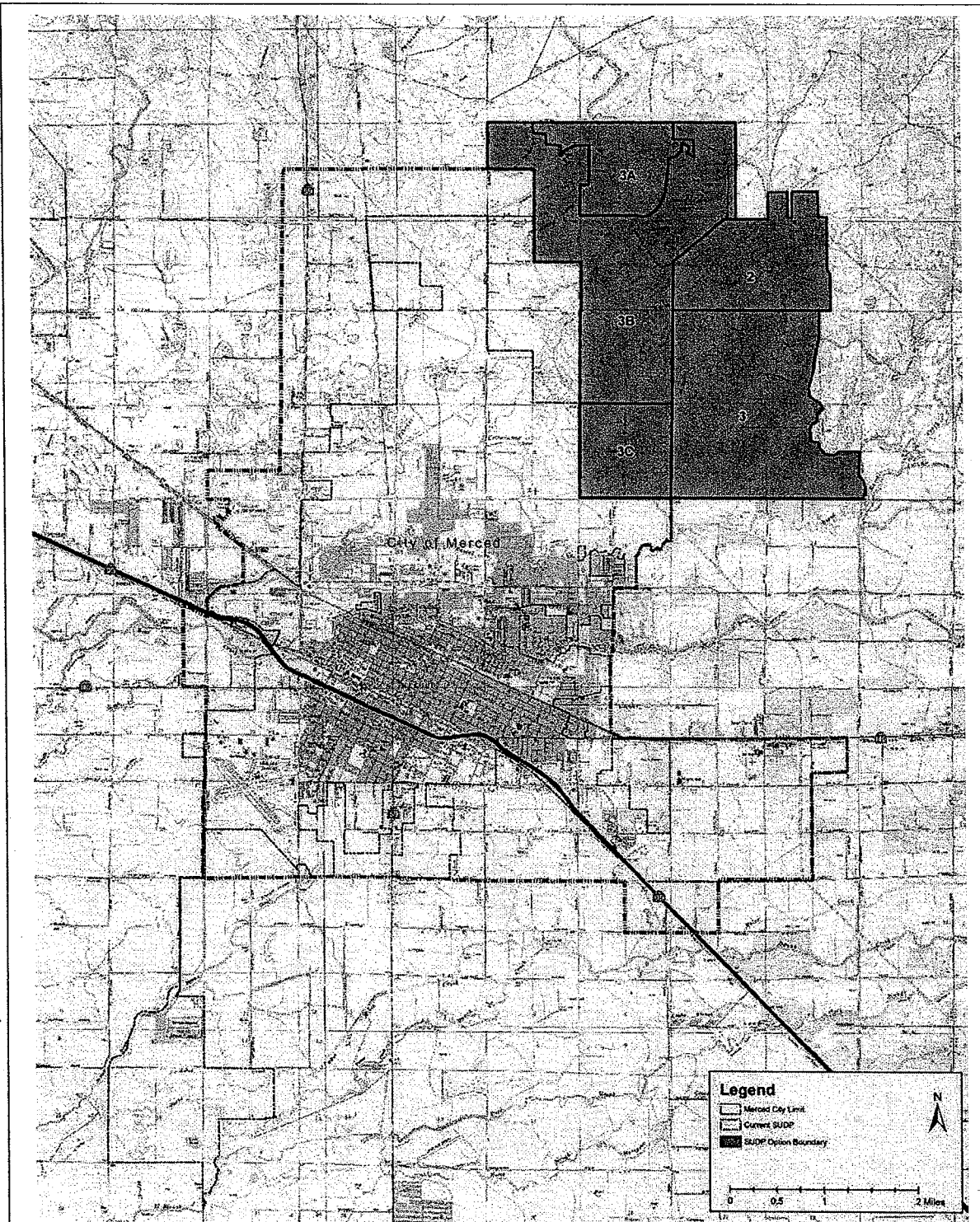
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ATTACHMENTS:

- 1) General Plan Update Study Area (Divided into Sub areas)
- 2) Sphere of Influence Option #1: *Existing SOI Plus*
- 3) Sphere of Influence Option #2: *Option #1 Plus Master Plan Areas*
- 4) Sphere of Influence Option #3: *Option #3 Plus South Area Development*
- 5) Background Memo on Sphere of Influence Options
- 6) Study Session PowerPoint Presentation
- 7) Responses to Questions Asked at the April 12, 2007 Community Forum



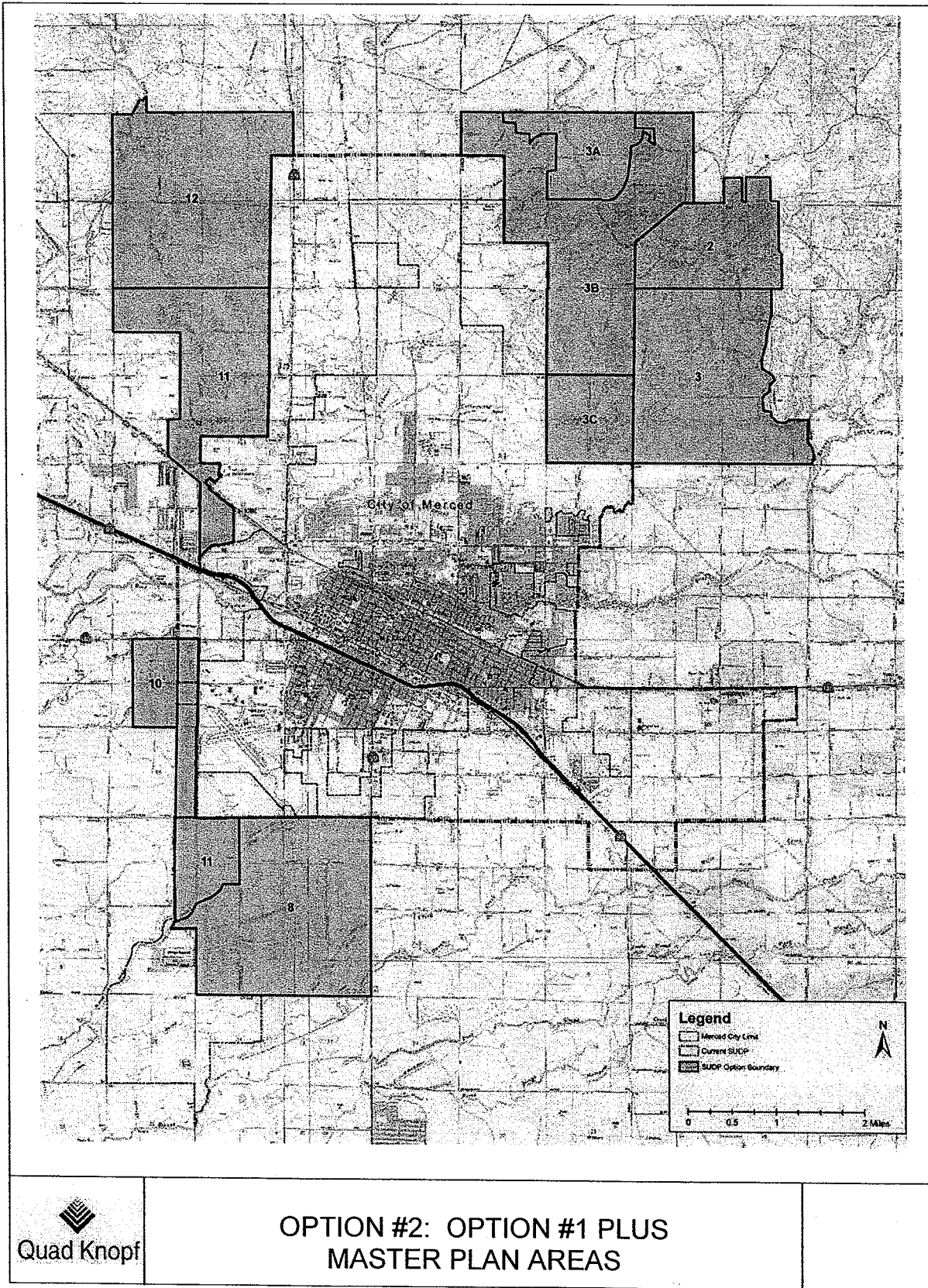
CITY OF MERCED - SUDP STUDY AREA
General Plan Update Study Area (Divided into Subareas)
ATTACHMENT 1



OPTION #1: EXISTING SOI PLUS

Sphere of Influence Option #1: Existing SOI Plus

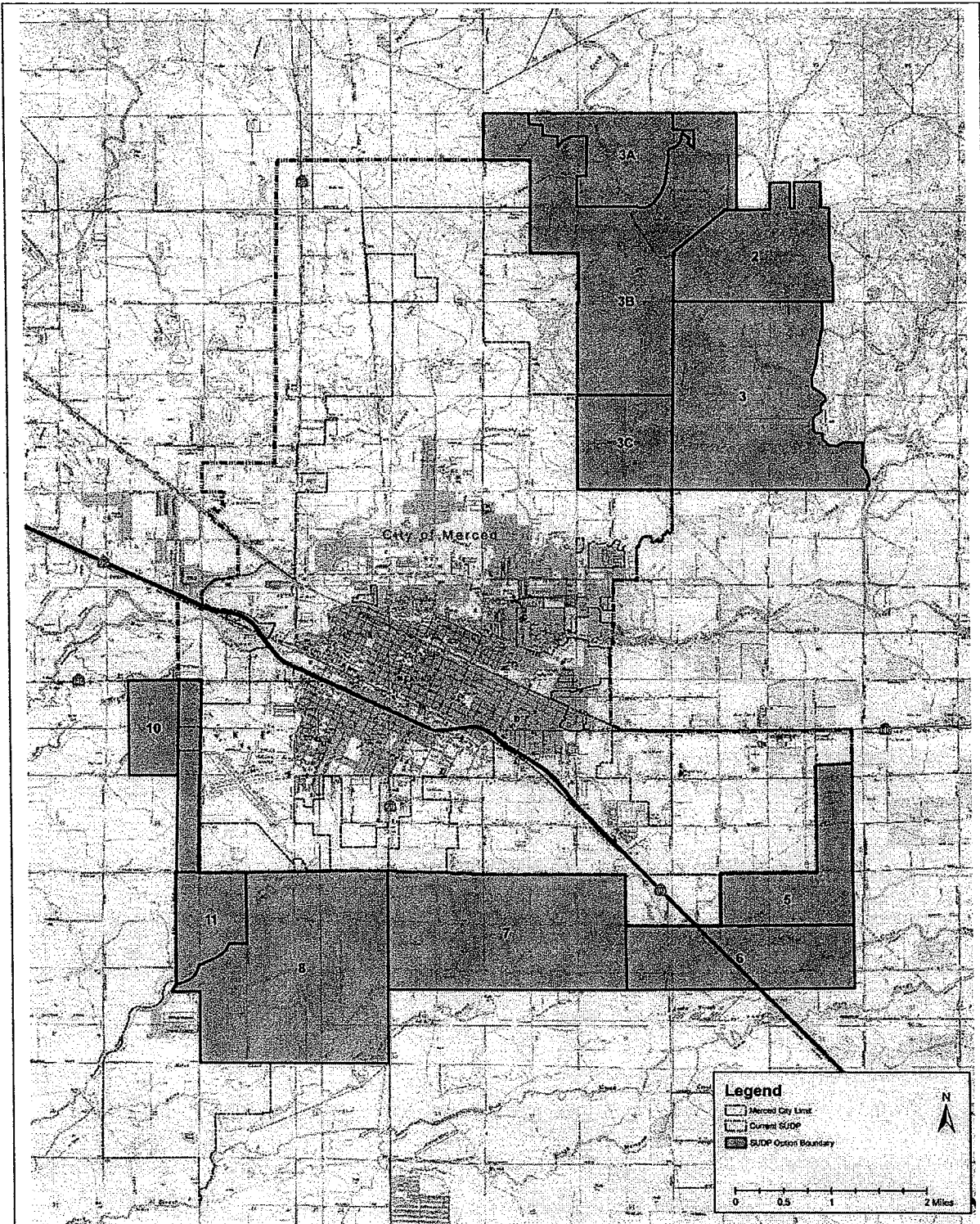
ATTACHMENT 2



OPTION #2: OPTION #1 PLUS
MASTER PLAN AREAS

Sphere of Influence Option #2: Option #1 Plus Master Plan Areas

ATTACHMENT 3



OPTION #3: OPTION #1 PLUS
SOUTH AREA DEVELOPMENT

Sphere of Influence Option #3: Option #3 Plus South Area Development

ATTACHMENT 4

Date: May 21, 2007

To: Planning Commission and City Council
Technical Advisory Committee Members
Interested Community Members

From: Kim Hudson, Quad-Knopf

Subject: Sphere of Influence Options for the Merced General Plan Update

Introduction

One of the primary issues to analyze in the General Plan Update process is the current Sphere of Influence (SOI) and Specific Urban Development Plan Boundary (SUDP) in light of recent development, proposed development, and requests for inclusion within these boundaries. While these two boundaries currently represent "stages" in the growth of the City, it is proposed that the SUDP be co-terminus with the SOI. This boundary will identify the approximate 20-year growth area. Beyond this, the City will establish another boundary, which will recognize growth areas for the subsequent 20 year period. This will be the "Area of Interest" (AOI) boundary.

The purpose of the SUDP/SOI is to apply land use designations to land that will eventually be annexed to the City. This allows land owners and various public agencies to plan for future needs and desires. By applying land use designations to these areas, the city can project population at various points in the future, which is necessary information to plan for adequate infrastructure such as transportation systems, and water and sewer service. The slide presentation accompanying this memorandum graphically shows how different land use options affect services such as sewer, water, and schools.

The Area of Interest boundary will identify areas where the City is likely to grow out to in the next 40 years. Although land uses won't be applied to this area, it will help those agencies who need to plan for a longer term than the typical 20 years of a standard General Plan. It is recognized that, over time, land that is within the AOI boundary will need to be brought into the SUDP/SOI boundary. Criteria governing the process will be included in the General Plan. Draft criteria have been prepared, and have been included in this memo.

In general, the City would like to plan for the potential of approximately 300,000 people over the next 40 years. The current city limits, plus the current SUDP (Specific Urban Development Plan) area, would accommodate about 150,000. Development of the U.C. Merced community/campus would raise that by 36,000. [The North Merced Sewer Master Plan suggests a total campus population of 30,000 by 2030, but the higher number is used for this planning process.]

The projected City of Merced population in 20 years, at a 3% growth rate, would be 155,000. Much of the new land planning identified in this project would be in the area

Background Memo

Page 1

ATTACHMENT 5

that will be developed in the next period, 20-40 years out. Of course, the market could change, and growth rates could vary, which may lead to earlier development of the more outlying areas. In any case, the plans will identify land uses within the Sphere of Influence boundary, in order to meet the projected growth needs of the City and an expanding population.

In order to accommodate this future population, staff has analyzed a number of constraints that affect land surrounding the City. These constraints vary in nature and in how they affect development. In light of these variables, three options for future growth have been prepared. **Please note that these options are intended to stimulate discussion, rather than present discrete alternatives from which one would be chosen.**

Assumptions Made to Develop the Population Capacity

In order to calculate the potential population of the City, some assumptions had to be made. While these assumptions are described in some detail below, it should be noted that population projections are as much an art as a science. While the numbers shown appear to be very precise, the number of unknowns involved renders them closer to a "best guess," than a precise prediction. Residential densities will vary, often according to market conditions. Demand for new housing will go through fluctuations. Changes in the political character of a community can affect growth rates. What has been presented in the slide show, and this document, concentrates on what facts are available. These include past growth history, recent and current development projects, and unique factors, such as the new University of California campus.

Current City Limits: The Department of Finance (2006) estimates the current population to be 76,225. As there is a substantial area within current city limits that has not been developed yet, this number could increase by approximately 5,000 persons. For plan purposes, it is assumed that there is potential population of 81,225 within the existing City limits.

Current SUDP: The estimates for the current SUDP are derived from information on the expected population of pending annexations provided by the City while the remainder was calculated using the gross density figure of approximately 6 du/acre. Total projected potential population for the existing SUDP area outside the City limits is 70,273. Build-out of this area would raise the City's population to 151,498. Adding approximately 36,010 for the U.C. campus and community would result in a population of 187,508.

The South Merced Specific Plan is within the current SUDP boundary, and some of it has already been annexed. There is a significant amount of existing and new development that is expected to occur in this area. The additional population resulting from this development has been addressed as part of the existing City and SUDP populations above.

Study Areas with Conceptual Plans (Castle Farms and Mission Lakes): Population was based on the number of planned residential units based on information provided by the developers to the City. The estimated population of these developments is 56,120.

Study areas without Plans in Progress: In several instances, the portions with either natural or regulatory constraints were subtracted out. In some cases, density was reduced to account for reasons of service provision or access. In most cases, a density of 4 du/ac. was used. In areas where it was determined that development would be constrained, lower densities were used.

Sphere of Influence Options

Option #1 – Existing SOI Plus

This option includes the existing SUDP and areas 2, 3, 3A, 3B, and 3C, portions of which are already with the City's current SOI. This option includes the UC Campus, the University Community, and the intervening areas east of the current SUDP. If this option were to be built out, the City population would be approximately 207,996.

Commentary: The City has already made significant commitments towards developing towards the north. The Merced Villages area has seen substantial development, and there is a considerable portion (approximately 1,700 – 2,000 units) still pending. The City has prepared the North Merced Sewer Master Plan to identify how sewer services may be provided to this area. Constraints within this option are primarily vernal pools, some wetlands and land use issues related to existing development.

Further reasoning for considering this option:

- Existing SUDP plus these areas will serve projected population for next 40 years;
- Areas are adjacent to the current urban boundary and ready for development and annexation;
- Sewer and Water lines exist in Bellevue Road and serve Phase 1 of UC Merced;
- Some infrastructure plans have been prepared;
- Areas 2 & 3 included per prior direction from City Council and substantial planning efforts have been completed;
- Areas 3A, 3B, & 3C are all in the City's current SOI and must be included to develop Areas 2 & 3

Specific Area notes:

Areas 2 and 3--UC Campus and UC Community: Population numbers are from the Sewer Master Plan. Land uses are from the UC Community Plan. The primary constraint is the vernal pools found on the site. These may require alteration of the community plan. The Sewer Master Plan addressed the University as well as potential service to the University Community. Construction of the Campus Parkway and the Merced-Atwater Expressway will provide adequate access to this area, as well as other

intervening study areas. The population for these two areas has been identified as 36,000.

Area 3A--Yosemite Lakes development: No land use map was provided for this area, so an overall density was calculated, and an appropriate land use designation chosen for the entire site based on information in the project EIR, which assumed a total of 1,262 dwelling units plus some commercial and office uses. Using approximately 3 persons/du, the build-out population would be 3,799.

Areas 3B and 3C: For the purposes of determining a potential population for this area, a small Village Center was assumed in the vicinity of the intersection of Bellevue Road and Lake Road. This could conceivably make up for some lost student housing on the east side of the UC campus. This area has some constraints, with vernal pools, wetlands and the inundation area from Yosemite Dam needing to be addressed and/or avoided. For this reason, lower density residential was applied to the remainder of these two areas. The northeast section of Area 3B was identified as very low density for reasons of access and the presence of vernal pools. Area 3C has already seen significant large-lot parcelization, making higher density development difficult. Both areas were calculated at 3 du/net acre, removing constrained areas. This reflects what is already developed, and allows some further development which will be consistent with the existing neighborhoods. Potential population is 16,688.

Option #2 – Option #1 Plus Master Plan Areas

This option includes all of Option 1, plus Areas 8, 10, 11 (North and South), and 12. The City population if this plan were to see build out would be approximately 271,558.

Specific Area notes:

Area 8: This is the Mission Lakes development proposal. It is incorporated in this option as submitted. It is within a floodplain, has significant airport land use restrictions, and contains prime agricultural soils. According to submitted maps, the population would be 16,176.

Area 10: Due to airport land use restrictions, this area was assumed to be Industrial. Access to the highway is problematic for this area. It also contains prime agricultural soils.

Area 11: This area should largely be designated non-residential (industrial, commercial, or agriculture, etc.), due to airport land use restrictions. Areas outside of Zones B1 and B2 received a low density residential designation, in light of potential noise issues. Potential population is 11,241.

Area 12: This is the site known as Castle Farms. Land use and population were taken from the Pre-application Report provided by the developer. The plan appears to consider the airport land use restrictions, but does not address infrastructure issues such as traffic

and sewer. The North Merced Sewer collection study did not take into account the Castle Farms development which would add about 3.5 million gpd to the system, which will require additional facilities. [This statement is true for all study areas.] Population projected by the developer is 36,145.

Option #3--Option #1 Plus South Area Development

This option includes all of Option 1 plus areas 5, 6, 7, 8, 10, and 11 South.

Commentary: The South Option offers an alternative to the Master Plan Area option that provides a number of advantages. There are fewer constraints in the south area although they do present challenges. The two primary natural constraints are prime agricultural soils, and floodplains. Overcoming these may be somewhat easier from a regulatory standpoint than the vernal pools and wetlands found in the Master Plan Area Option. Population of the South Option plan would be approximately 278,002.

From a services standpoint, the south area is easier to serve. The area is closer to the waste water treatment plant. The new interchange at Mission Avenue will provide good access to the freeway for commercial and industrial businesses. The South Merced Specific Plan is nearing implementation, which will stimulate additional growth in the area. The South area is closer to the downtown core.

Specific Area notes:

See above for comments on the City limits, current SUDP area, and South Merced Specific Plan. Areas 2, and 3 are also included in this option, and the above comments still apply.

Area 5: Area 5 constraints are floodplain and prime agricultural soils. The lower portion could be combined with the eastern portion of Area 6, as the issues are similar. Although the entire study area is affected by floodplains and prime agricultural soils, these are issues that can be overcome, through engineering and other mitigation measures; therefore, they were analyzed at somewhat higher densities. Area 5, at 4 du/acre, would have a population of 9,277. [However, future analysis may reveal that this area may be more appropriate for land intensive uses with lower populations.]

Area 6: This study area straddles Highway 99, and is very close to the new interchange. Taking advantage of these opportunities, density was raised to 5 du/acre, making the potential population 12,322. [However, future analysis may reveal that density should be lower. Although close to the interchange, development of the eastern side could be limited due to lack of current and future road connections to the Campus Parkway.] Constraints continue to be floodplains and agricultural soils.

Area 7: Area 7 received a higher density as well, 5 du/ac. Again, constraints are floodplains and agricultural soils. Its proximity to downtown, the new interchange, and

bordering the South Merced Specific Plan suggests that higher density might be accommodated in this area. The population estimate for Area 7 is 30,184.

Area 8: This is the Mission Lakes development proposal. It is incorporated in this option as submitted. It is within a floodplain, has significant airport land use restrictions, and contains prime agricultural soils. According to submitted maps, the population would be 16,176.

Area 10: Due to airport land use restrictions, this area was assumed to be Industrial. Access to the highway is problematic for this area. It also contains prime agricultural soils.

Area 11 South: The “panhandle” for this area is impacted by airport land use regulations, and so was assumed to be non-residential. The “lobe” at the south end, could be residential, due to location in a less restrictive airport zone. Constraints are floodplain and prime agricultural soils, as well as proximity to the City’s Wastewater Treatment Plant. A residential land use density of 3 du/acre would permit a population of 3,984.

Areas Identified for Future Study (Not included in the above options)

Areas 4A and 4B: These areas would most likely be included within an “Area of Interest” or AOI. The City would like to make a commitment for a joint planning effort with the County due to the large amount of agricultural land involved and the numerous property owners who have requested consideration to be included in future urban-growth areas. These areas will be considered for possible future inclusion. Area 4A population was based on 3 du/acre for the portion outside of the current SUDP. Population potential for 4A (not including existing parcels): 10,232. Area 4B suffers from similar constraints, only more pronounced. Population (at 2 du/ac.) would be approximately 18,636.

Area 13: This area would also be considered for inclusion in an “Area of Interest” and could be considered for possible future inclusion. This area has considerable natural constraints in the form of vernal pools. Over one-third of the area is so identified at this point in time. A lack of access is another issue that will be difficult to overcome. Finally, proximity to the county waste disposal site may have a negative affect on development. In light of these issues, only approximately one-third of the site was considered developable. Based on this, the projected population is 2,812.

LAFCo

LAFCo will have a notable impact on the planning process, as well as the final document. LAFCo policies, while not absolutely rigid, do contain a number of requirements that must be addressed. The Sphere of Influence boundary must be approved by LAFCo, and the future population should not be much more than is anticipated over the next twenty years. The City will have to show that it will be able to provide adequate services in a reasonable time frame.

The Sphere of Influence (SOI) for the City currently includes a large area to the northeast of Lake Yosemite. This was to be the site of the U.C. Merced campus. With the relocation of the campus, this area is no longer necessary within the SOI, and in fact has some severe environmental constraints. As part of this plan update process, this area will be recommended to be removed from the SOI. The balance of the SOI contains approximately 16,000 acres of undeveloped acreage.

Where the SOI needs expansion is around the University community site. Most of this area is within the current SOI. Fortunately, the Sewer Master Plan analyzed this area but made no commitment to serve the area. However, it does identify improvements that will allow it to be served.

Options 2 and 3 would have more significant hurdles to obtain LAFCo approval as an SOI, given that their population capacities are both around or above the 250,000 mark. Much of the area outside the current SOI contains either sensitive habitat, prime agricultural soils, or floodplain. Providing services to many of the areas is problematic. It is possible that various study areas could be removed from the plans, and incorporated as "areas of interest," a concept that has been approved in the past.

"Area of Interest"

Given the population potential of the existing SUDP area, and that of the Study Areas, it is likely that some significant portion of the latter will be designated as an "Area of Interest (AOI)," rather than being incorporated into the SOI. It is possible that growth could occur at a faster rate than was planned for. It is important, then, to consider a set of policies for expanding the SOI into the AOI. Following are some draft policies which are intended to make future expansions of the SOI feasible, and rational.

Potential Criteria for Adding areas within Area of Interest to the SOI

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

Barring other complications, the ability to expand the SOI will add to the useful life of the General Plan.



City of Merced General Plan Vision 2030

City Council/Planning Commission Joint Study Session
May 21, 2007

Study Session Powerpoint Presentation

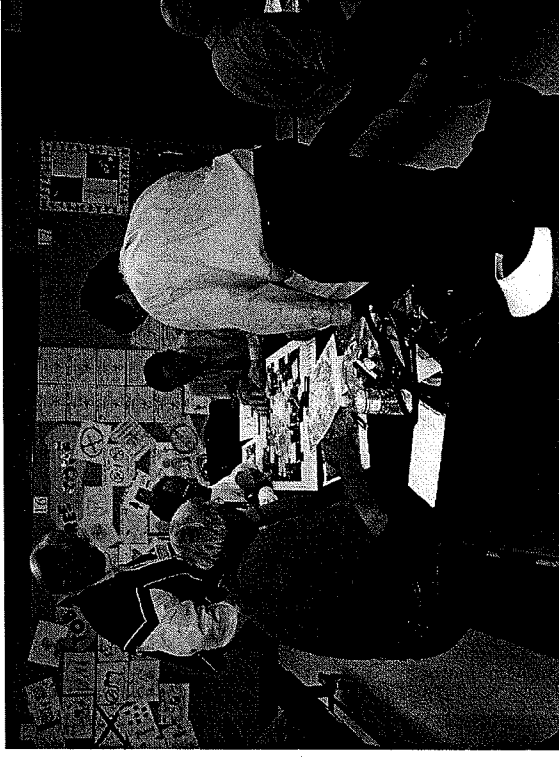
ATTACHMENT 6

Meeting Overview

- General Plan Progress Thus Far
- Issues to Address
- All about LAFCo
- Population projections for Merced
- SUDP's (urban development area), old and new
- Plans in the pipeline
- Options for the future
- Wrap up and next steps/schedule

Criteria used to develop the General Plan

- Community Visioning Workshops
 - Likes and dislikes
 - List of needs
- City Staff
 - Identify specific needs
 - Provide feedback on draft policies
- General Plan Citizen's Advisory Committee
 - Provide input on Land Use Alternative maps
 - Review and critique draft elements
- Technical Advisory Committee
 - Provide input on feasibility of various growth proposals



Significant Issues to Address

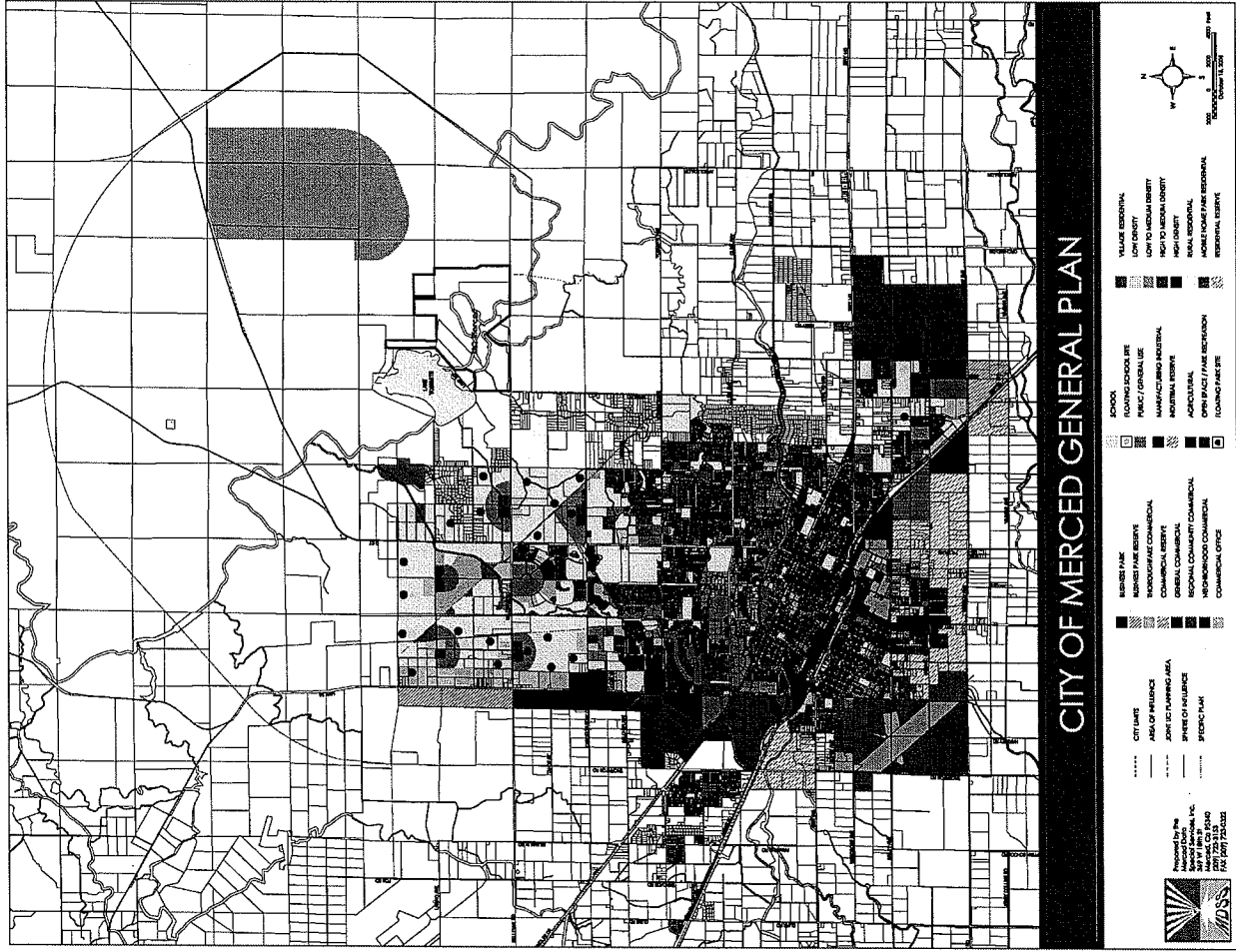
- Address large areas with developer plans in progress
 - Ensure plans are consistent with General Plan
- Future circulation system components
 - Access to U.C. campus (east side)
 - Merced/Atwater Expressway & Hwy 59 (west side)
- Analysis of constraints within new SUDP areas
 - Prime agricultural lands
 - Merced and Castle Airports
 - Wetlands and vernal pools
- Other Issues???

Land Use Issues to Address

- North Highway 59 Corridor—Change from Employment Focus on Current General Plan?
- Mission/99 Interchange—How much commercial development to allow?
- Bellevue Corridor—Appropriate Land Uses?
- Areas 3A, 3B, & 3C (RRC's)—Appropriate Land Uses given current rural character & development?
- Other Issues???

Group Discussion regarding Other Significant Issues

City of Merced General Plan



What is LAFCo?

- Created by State Law – One LAFCO per county
- Local Agency Formation Commission
- LAFCO oversees governmental boundary changes
 - Annexations and Detachments
 - Incorporation of new cities and creation of new special districts
- Commission Membership varies slightly by county - Merced County
 - Two Members from the Board of Supervisors
 - Two Members from the 6 City Councils (Selected by the Mayors)
 - Public Members (Selected by the other Commissioners)
- LAFCO's Use Two Major Tools
 - Set Spheres of Influence
 - Review Individual Annexations

Sphere of Influence

- Purpose of Spheres of Influence
 - Establish the outer boundary for annexations
 - Typically adopted with reference to the General Plan
 - City has no additional authority within the Sphere of Influence
 - LAFCO considers municipal ability to provide services, agricultural preservation, ultimate boundaries between agencies, etc.

Relationship of Sphere, SUDP and Areas of Interest

- Intend to propose coterminus Sphere and SUDP to delineate growth area
 - Will have City land use designations
- Area of Interest for 40-year planning area
 - No City Land Use designations
 - Criteria to add to Sphere/SUDP

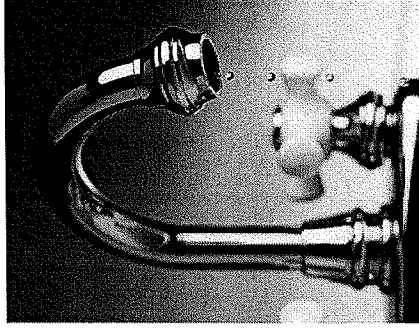
LAFCo Sphere of Influence Criteria

- 1) Does the City's General Plan identify the desired Sphere of Influence and all planned land uses within the Sphere?
- 2) Does the General Plan contain policies regarding phasing of future annexations?
- 3) Are there local policies re: timing of conversion of agricultural and open space lands and the avoidance of conversion of prime soils?
- 4) Does the General Plan demonstrate the present & probable need for public facilities & services (including the sequence, timing, & probable cost) within the Sphere?
- 5) Does the General Plan identify the existence of any social or economic communities of interest (adjacent cities or special districts) within the planning area which may affect the boundaries?

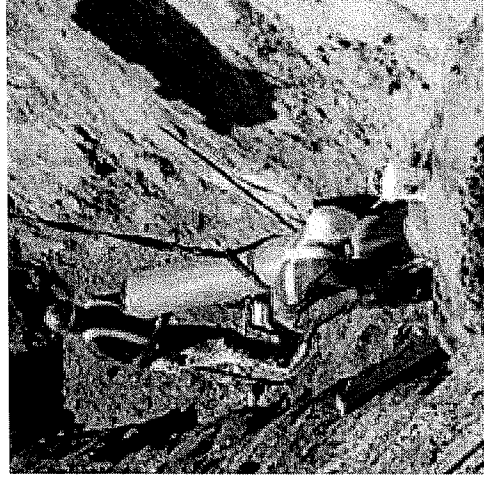
Annexation policies

- Individual Annexations
 - Each proposed annexation is considered by LAFCO
 - Encourage compact, orderly growth and development
 - Create logical city boundaries
 - Preserve prime agricultural land where possible

Constraints to development



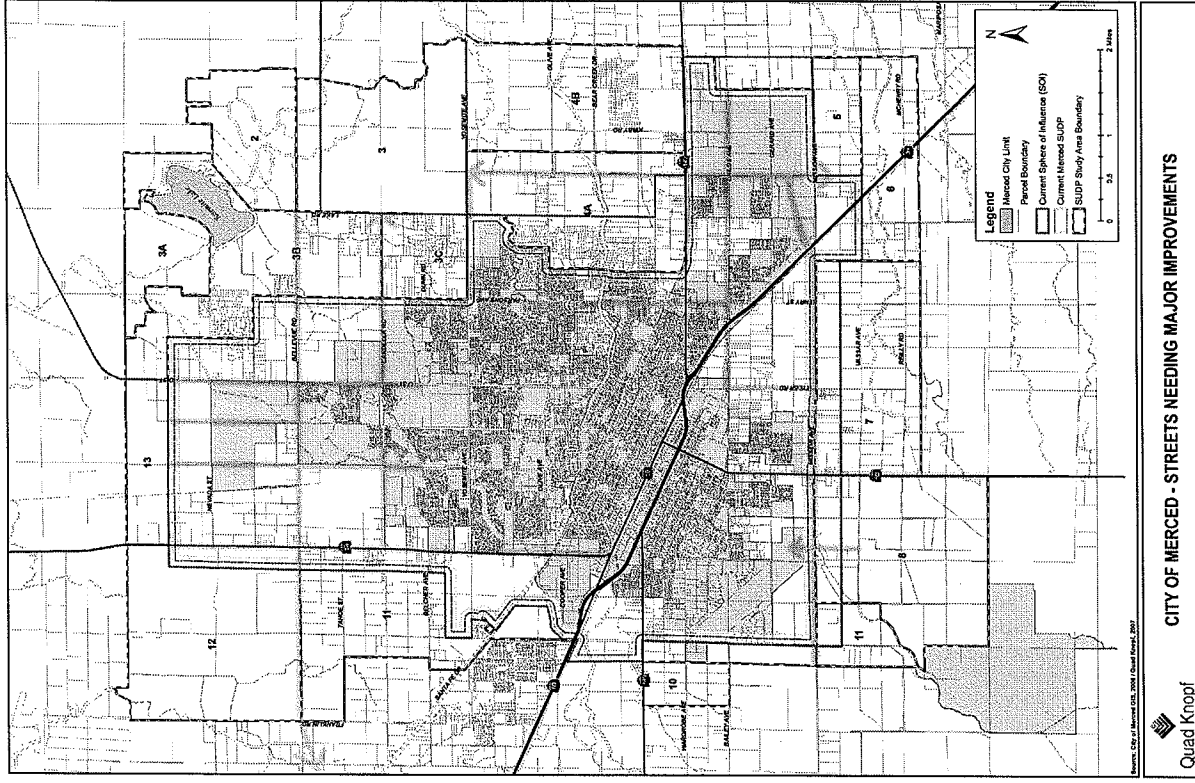
- Natural
 - Prime agricultural land
 - Sensitive habitat (vernal pools, wetlands)
 - Floodplains
- Regulatory and Policy requirements
 - City and County General Plan policies
 - Airport land use restrictions
 - LAFCo Criteria
- Physical
 - Undeveloped Circulation system
 - Water and sewer service
- Fiscal
 - How to pay for infrastructure, including Wastewater Treatment Plant, schools, fire stations, roads, etc.



Constraints-Fiscal

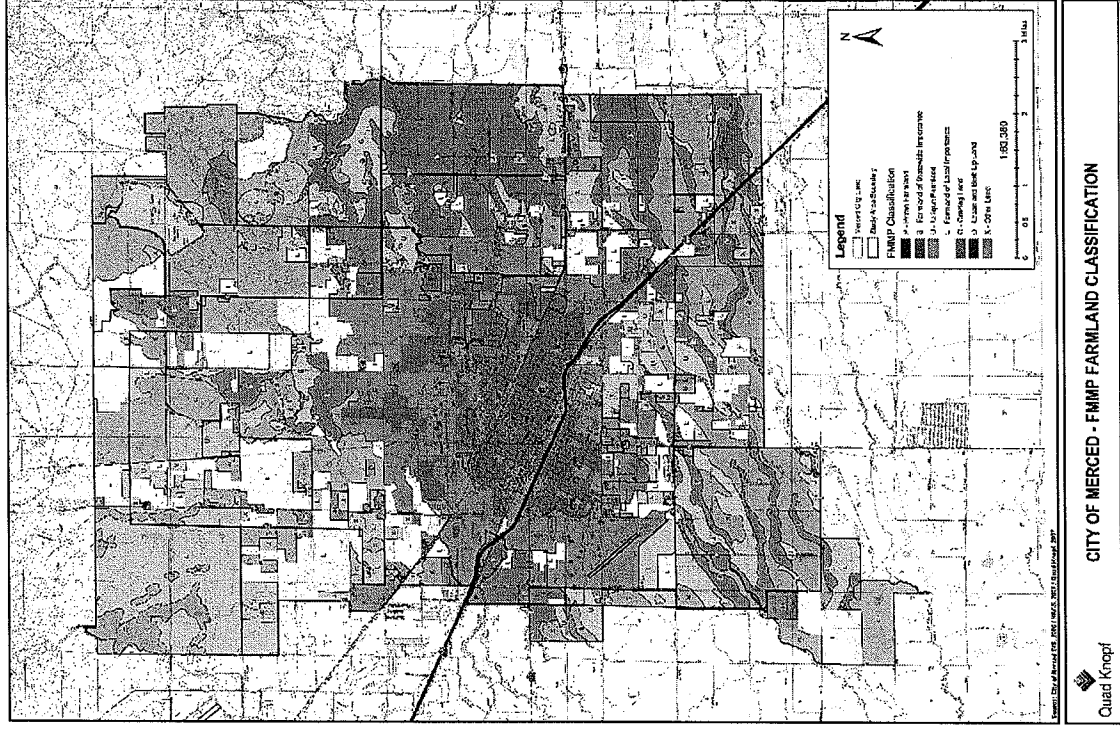
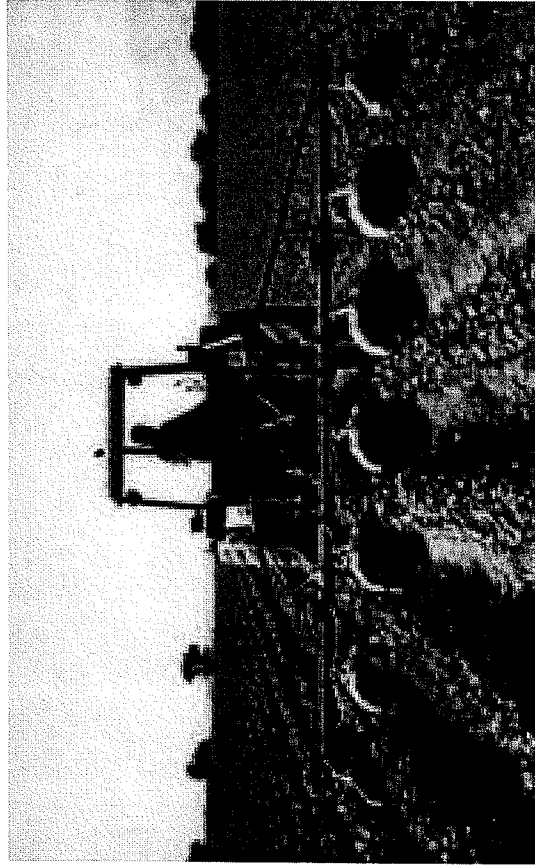
- Sewer trunk lines would be needed in east, west, and south study area
- Needed major street - See following map for existing priorities
- Existing priorities for capital funding for fire protection for next 10+ years
 - Funds are already committed within current SUDP

Needed Major Street Improvements



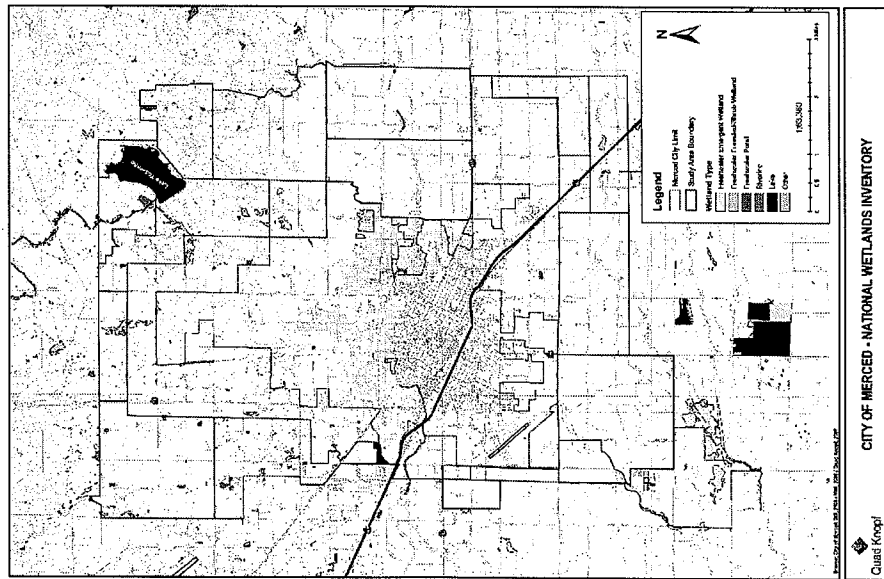
Agricultural soils

- Ag. Soil categories:
 - Prime
 - Statewide importance
 - Local importance
 - Unique

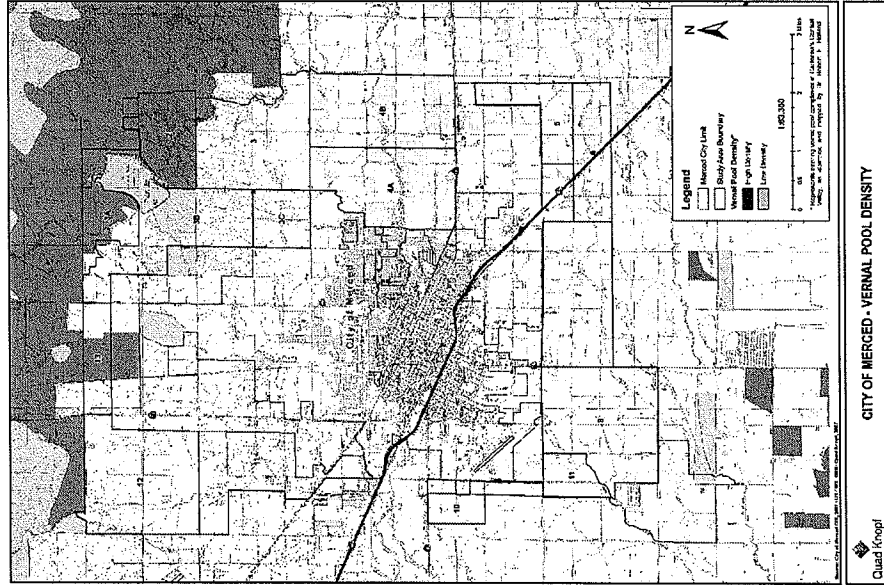


Sensitive habitat

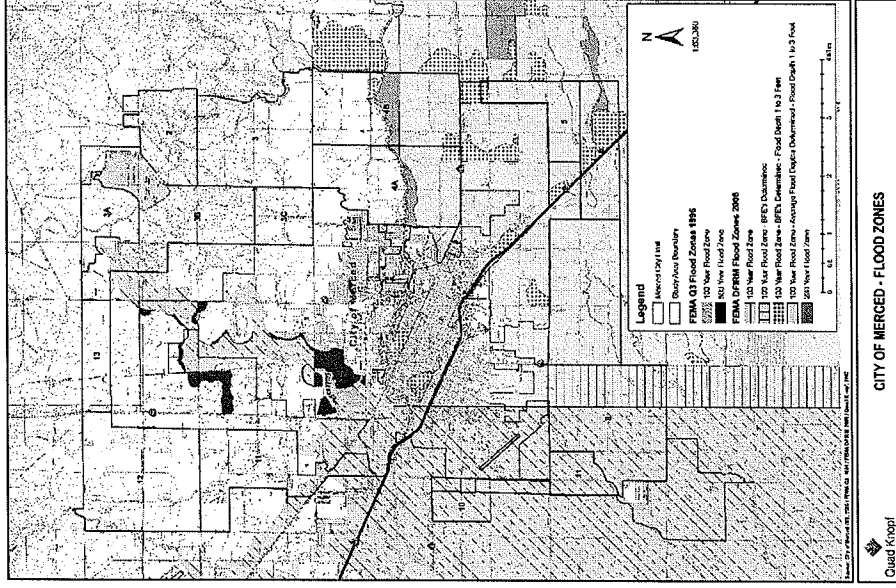
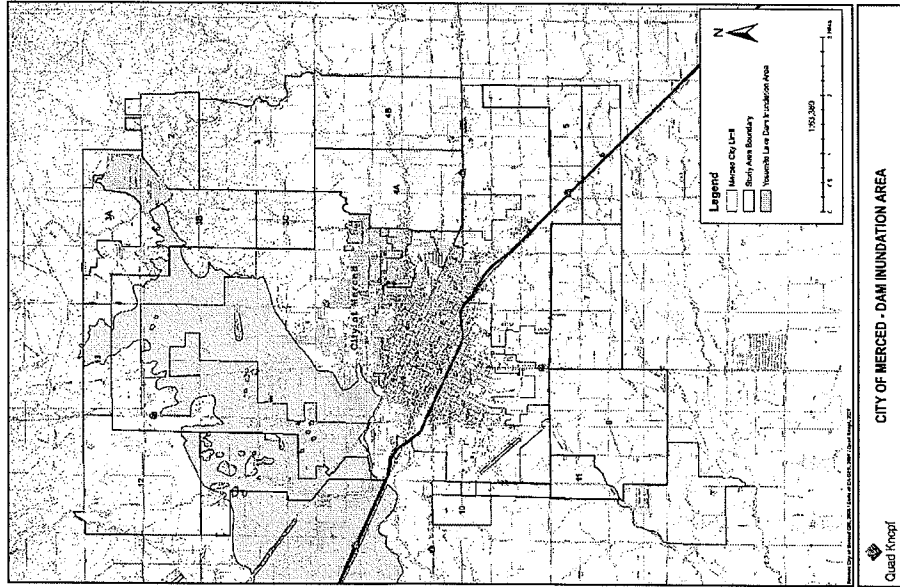
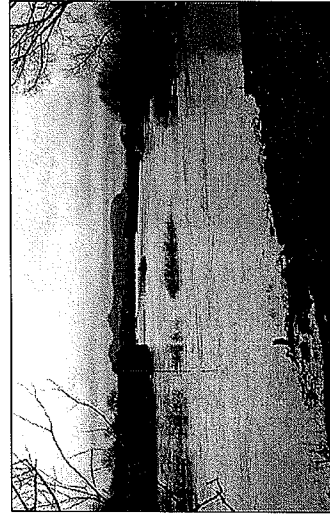
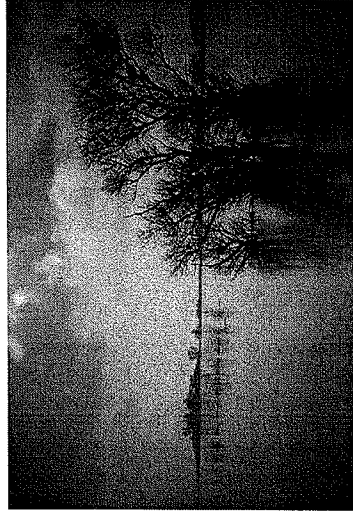
Wetlands



Vernal pools



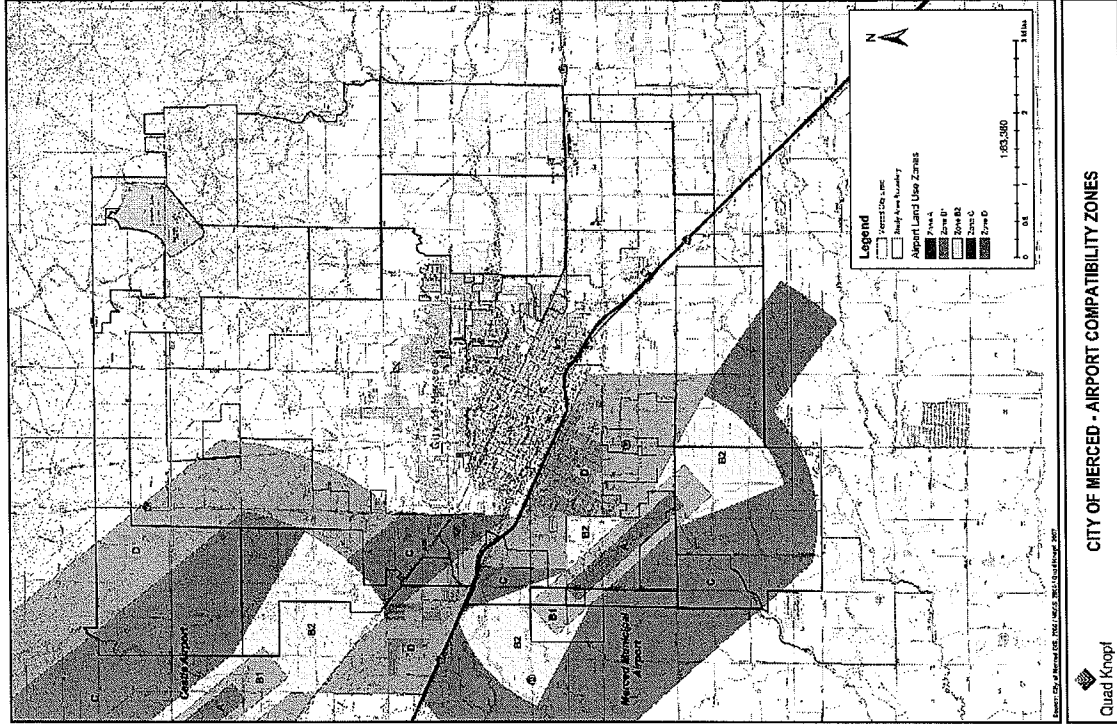
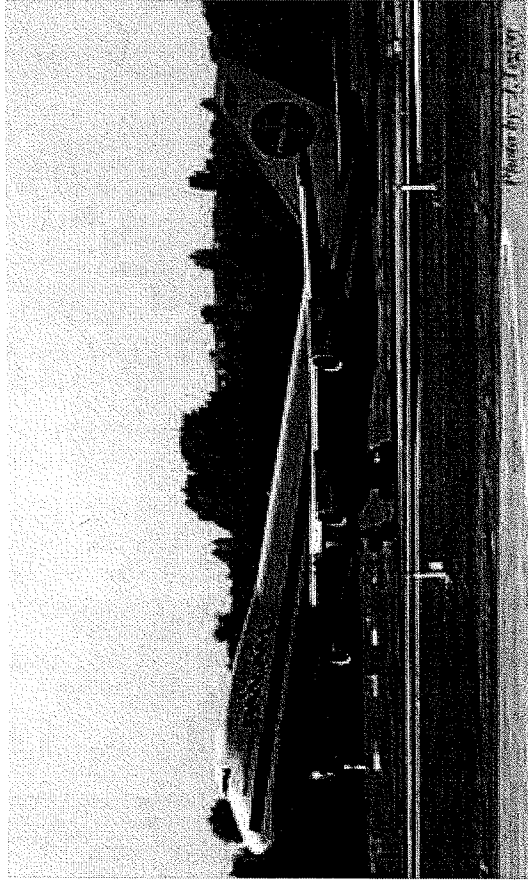
Floodplains



Airport land use restrictions

Areas B1 and B2 restrict residential densities

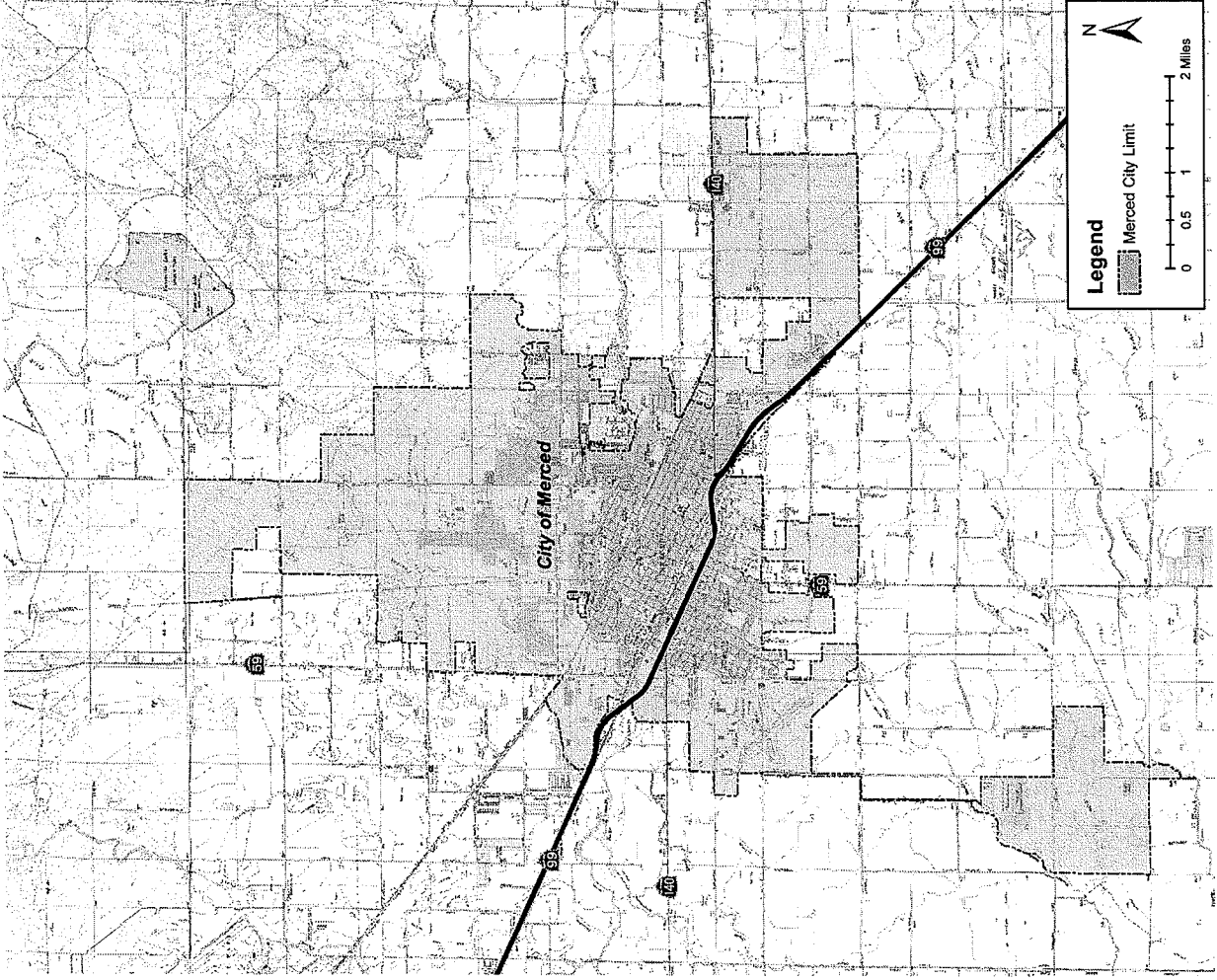
Area C prohibits most public facilities, such as schools and hospitals



Group Discussion Regarding Constraints to Development

Population Projections for Merced

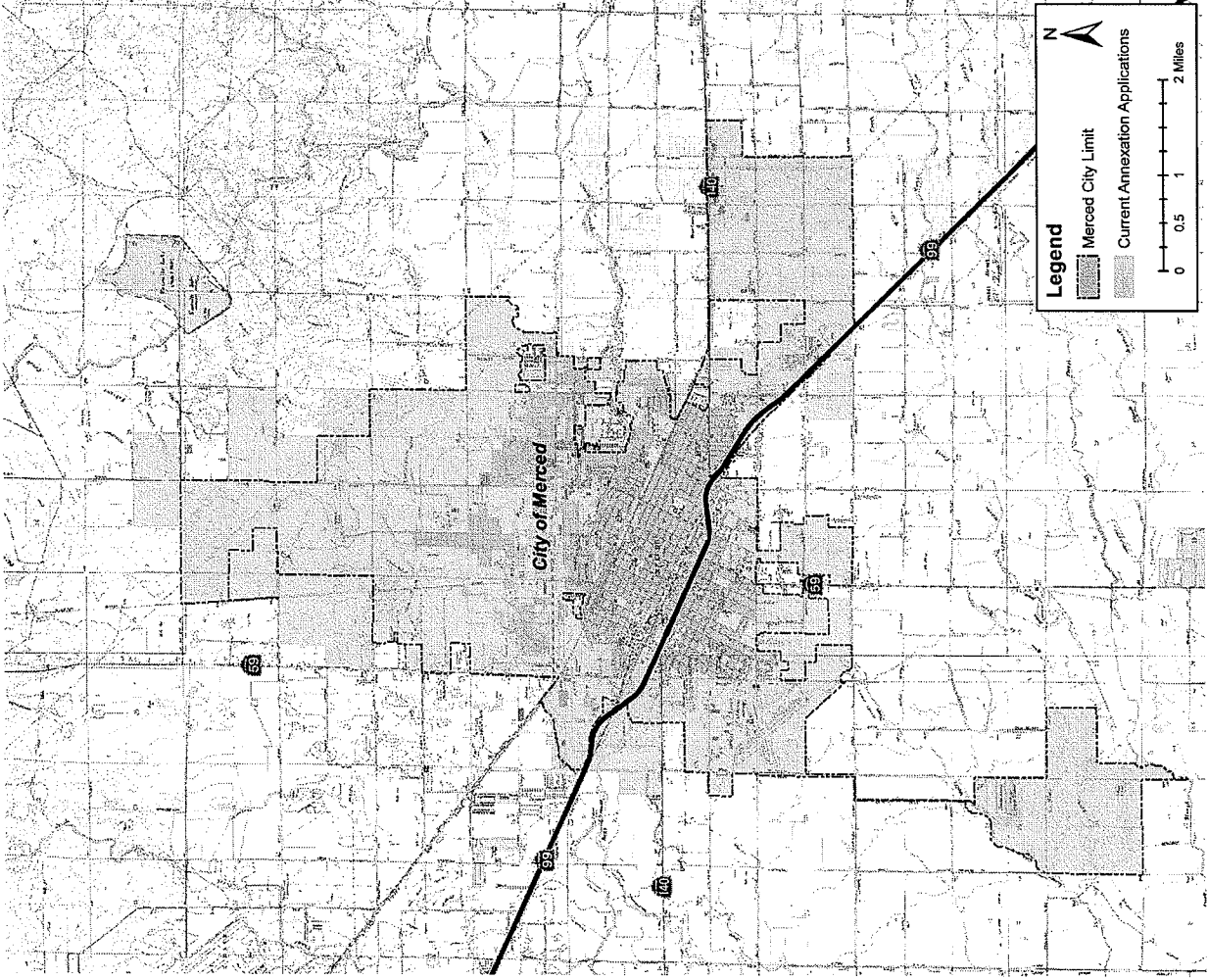
- City of Merced 2006
population:
81,225 people
14,000 acres



Annexations

- Annexations currently in process:
 - 32,365 people
 - 3,054 acres

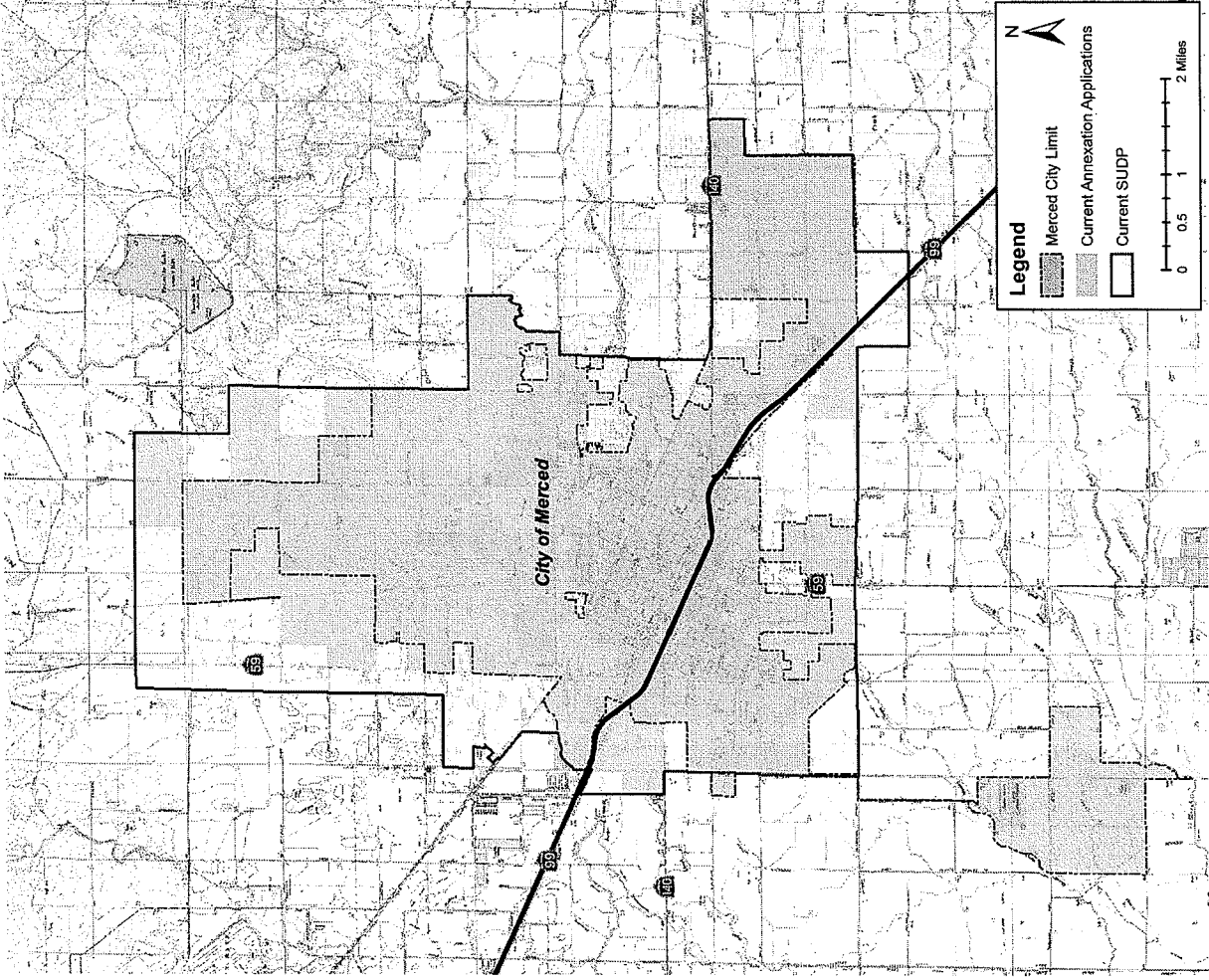
Total population:
108,590



Current SUDP

- Remainder of current SUDP:
 - 37,908 people
 - 3,159 acres

Total population:
151,498

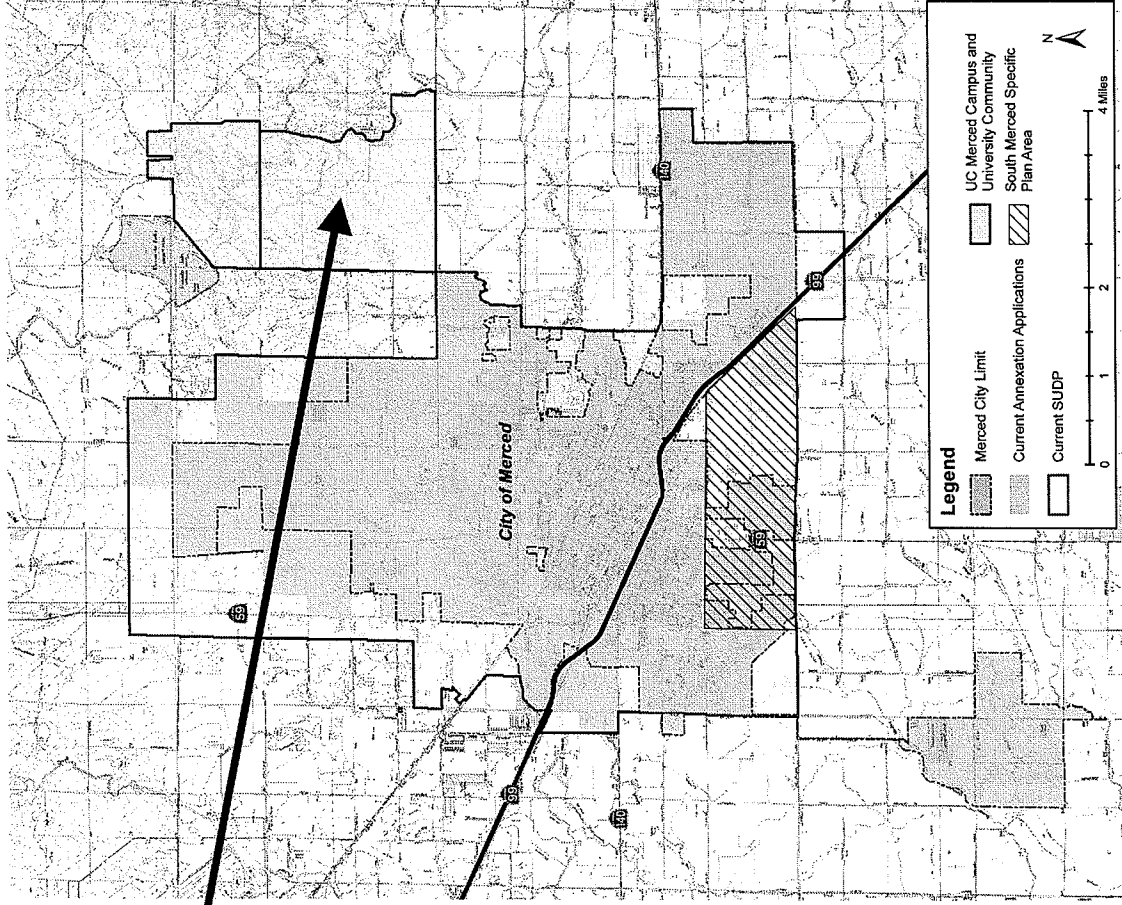


U.C. Merced

- University community

- 2,090 acres
- 36,010 people

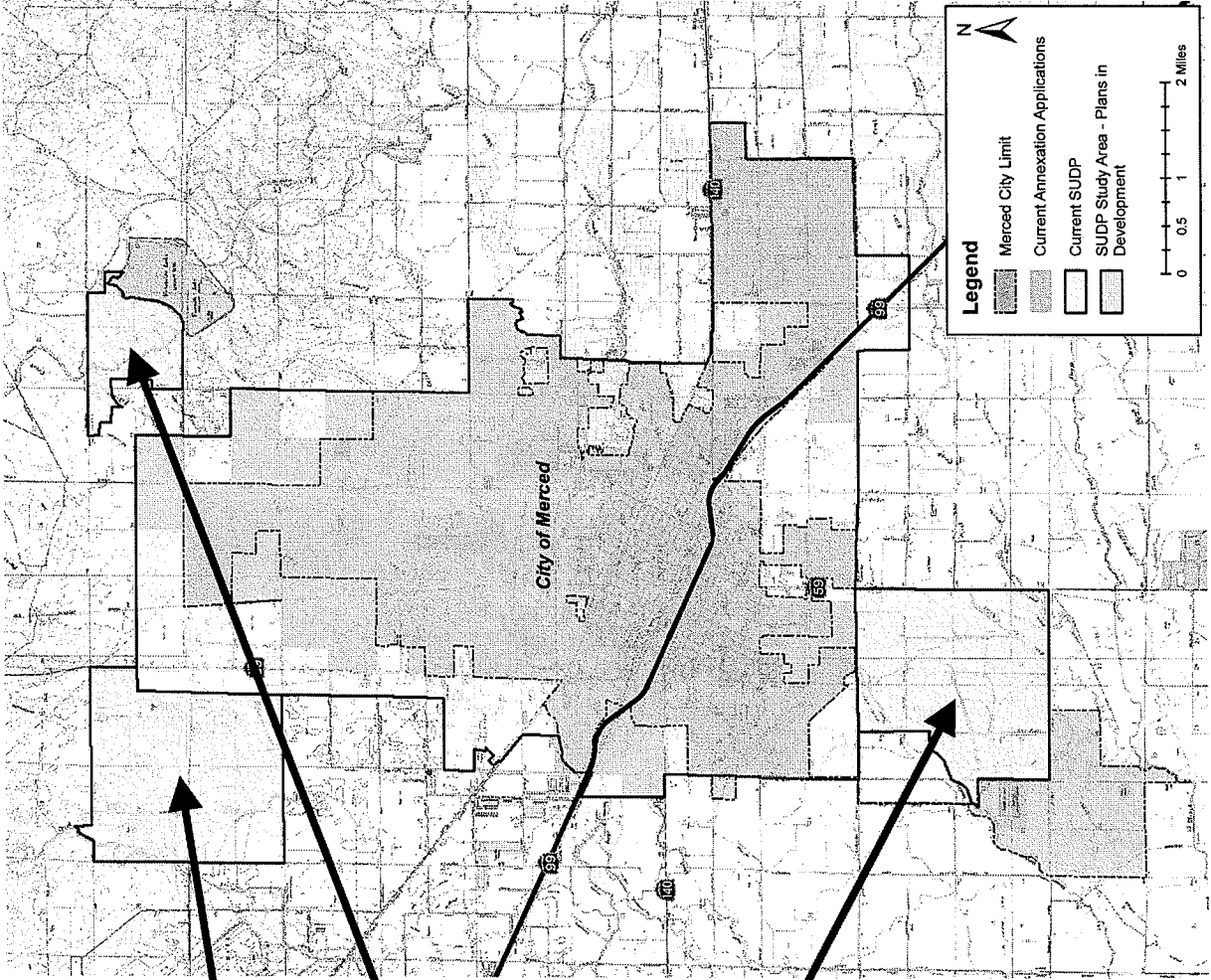
Total population:
187,508



- Areas with Developer Plans in Progress:

- Castle Farms
 - 36,145 people
 - 2,606 acres
- Yosemite Lakes
 - 3,799 people
 - 660 acres
- Mission Lakes
 - 16,176 people
 - 2,325 acres

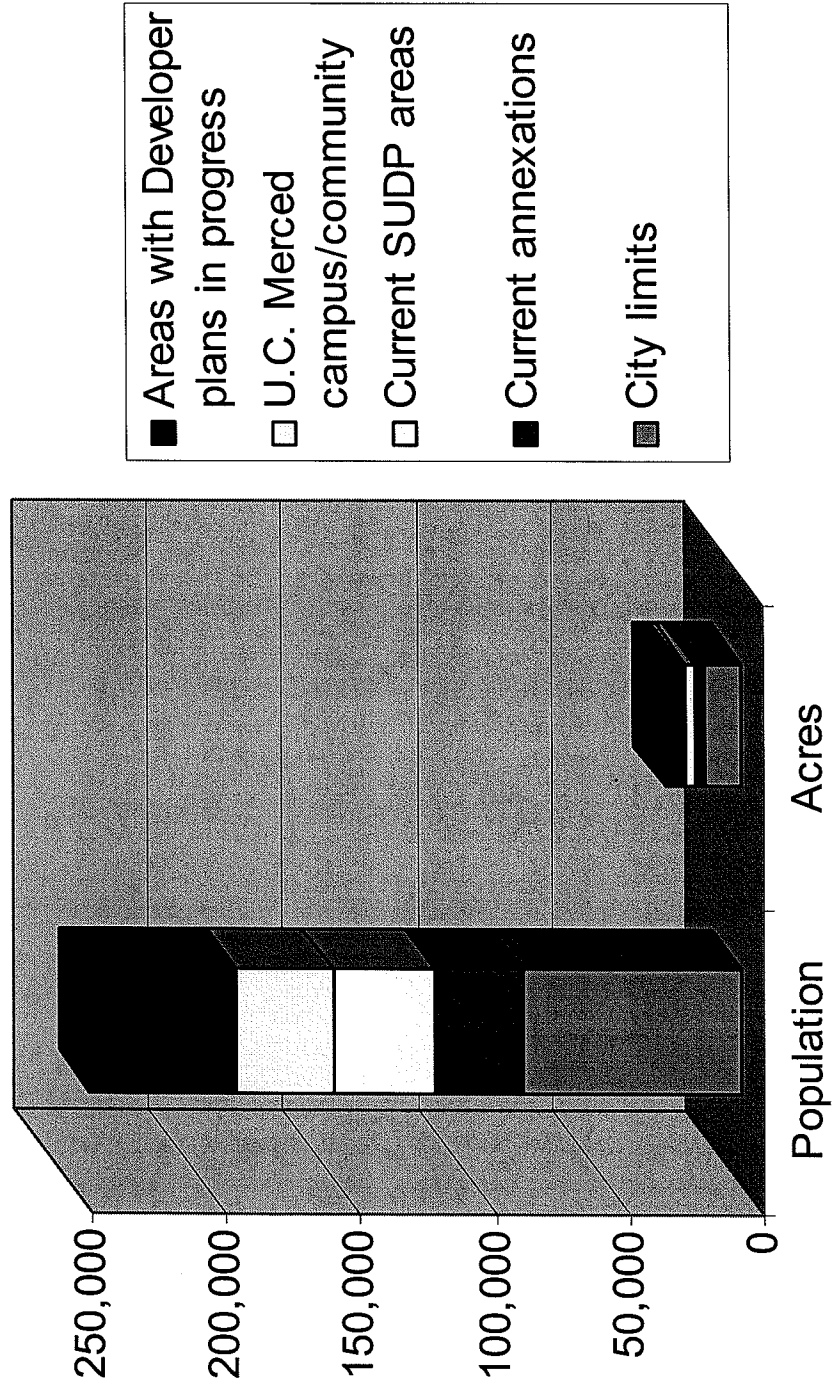
Total population:
243,628



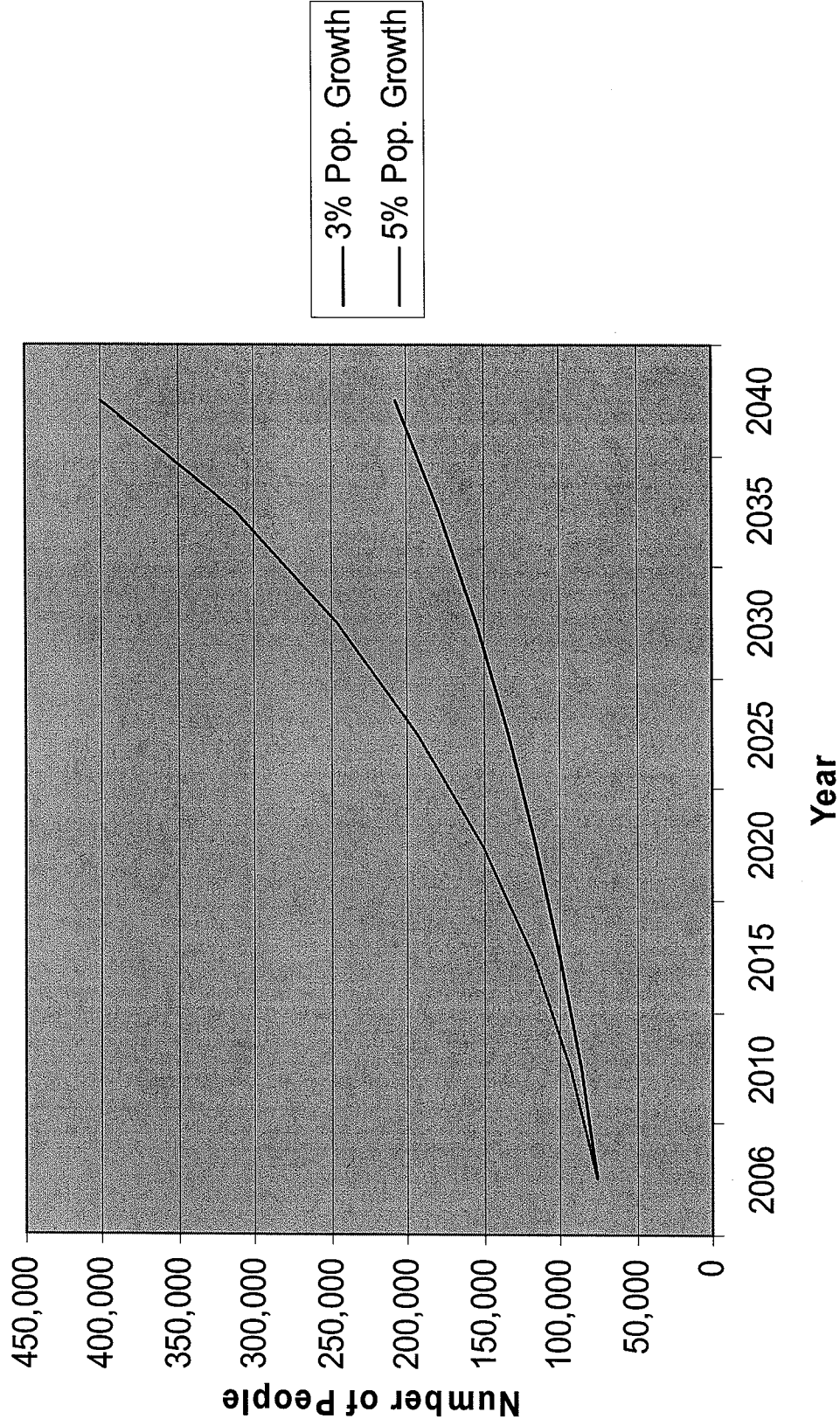
Historic growth

- From 2000 to 2006, Merced grew at an annual rate of 3%
- At this rate, a population of 250,000 won't be reached until the year 2046
- A 5% growth rate would see the city's population reach 250,000 in 2031

City of Merced Population Projections



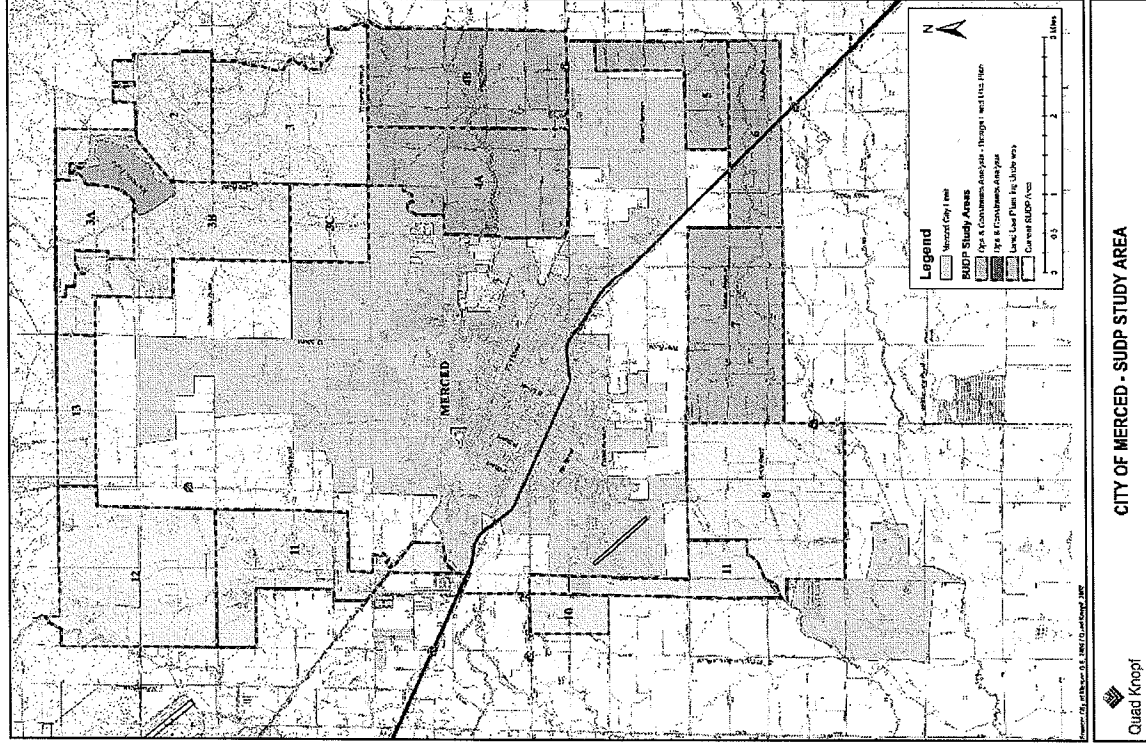
Merced Population Projection



Comments and questions regarding Population Projections

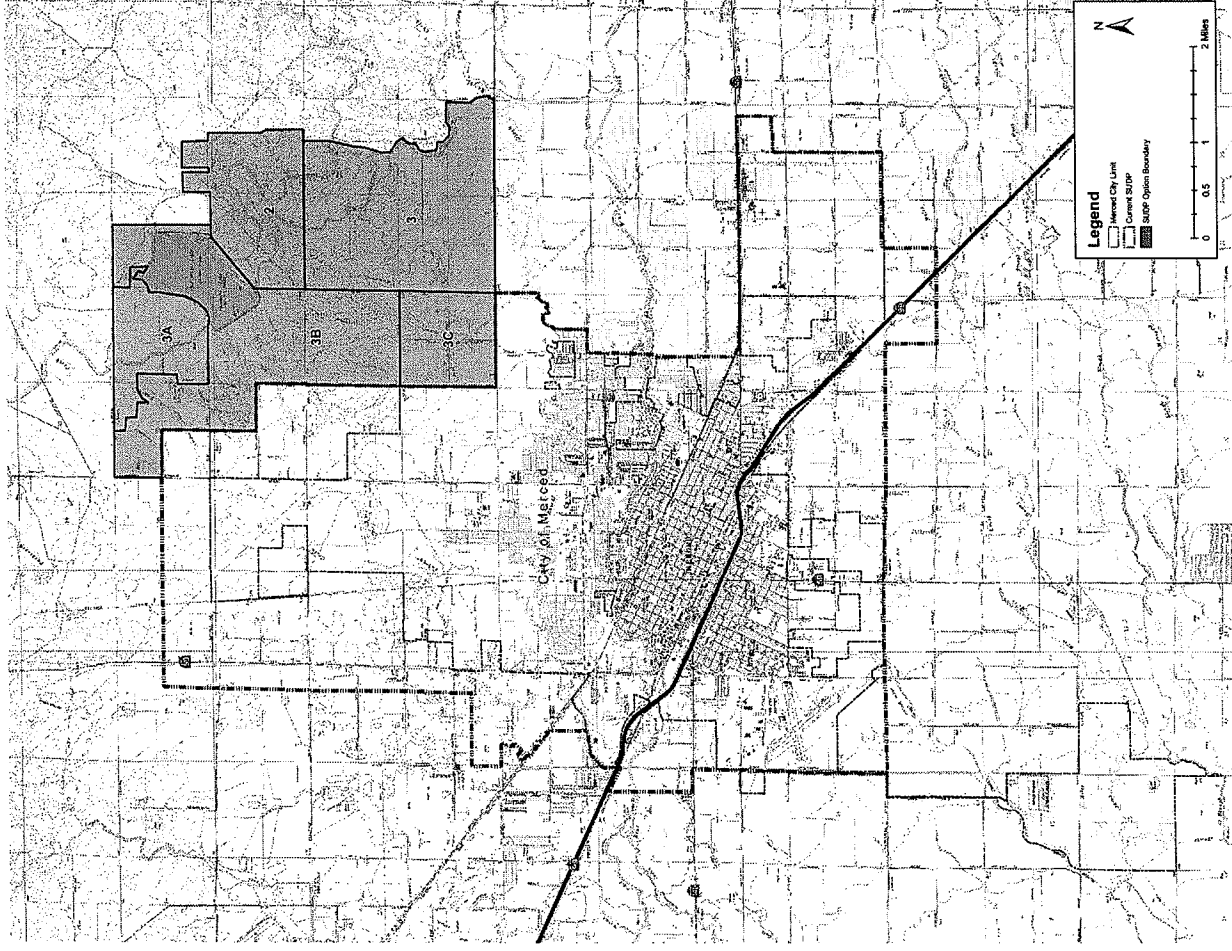
Planning Areas

- ## Recent General Plan history
- SUDP study areas
 - Developer plans in progress
 - Long-range planning (40 years)
 - Critical areas
 - LAFCo issues



Option #1: Existing SOI Plus

- Includes Existing SUDP plus areas in the existing SOI
- Includes Areas 2, 3, 3A, 3B, & 3C
- Population for option: 207,996
- Acreage for option: 27,770

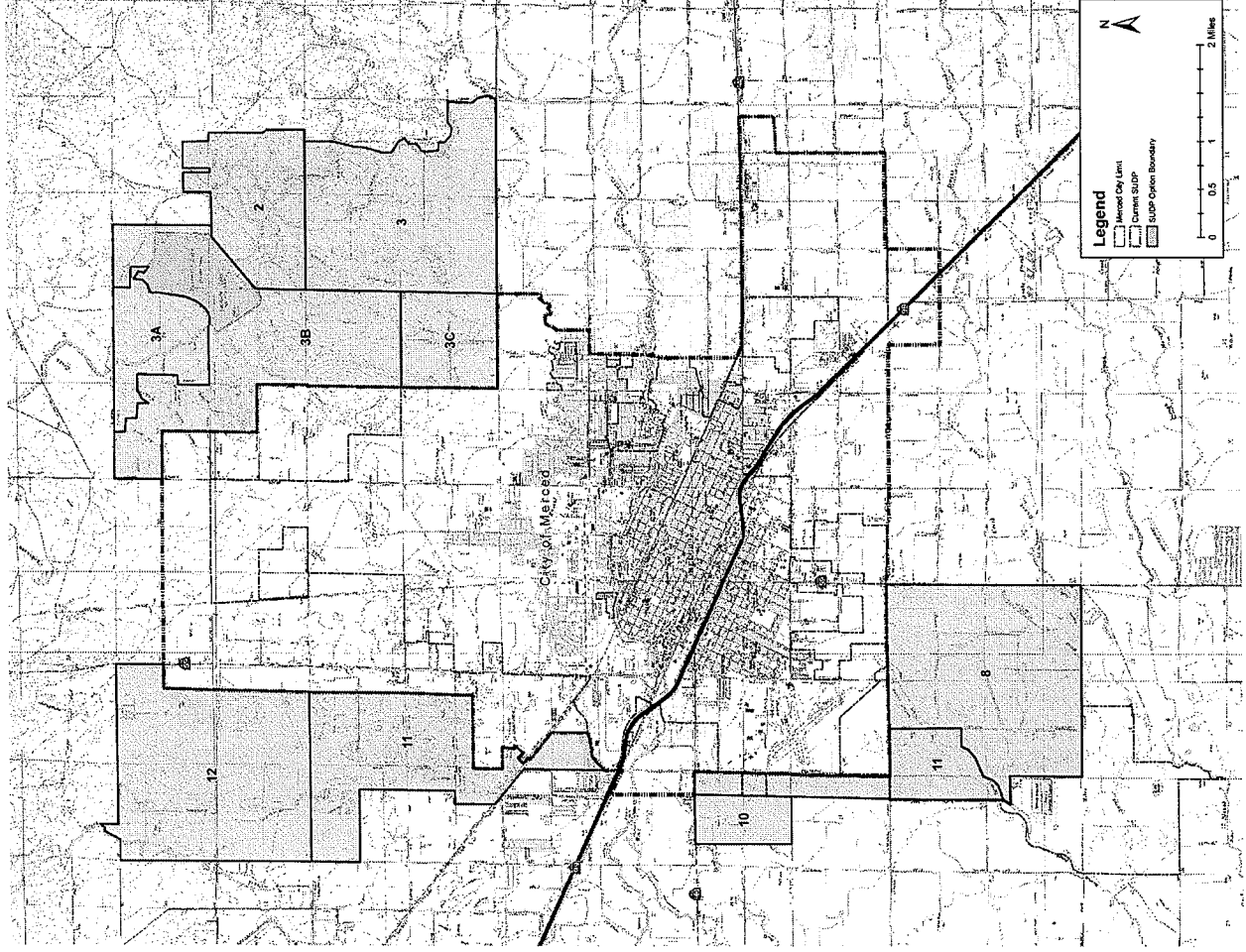


Option #1—Existing SOI Plus

- Reasons for inclusion
 - Existing SUDP plus these areas will serve projected population for next 40 years
 - Areas are adjacent to current urban boundary and ready for development and annexation
 - Some infrastructure plans have been prepared
 - Areas 2 & 3 included per prior direction from City Council and substantial planning efforts have been completed
 - Areas 3A, 3B, & 3C are all in the City’s current SOI and must be included to develop Areas 2 & 3
- Phasing criteria and policies to be included outlining how other areas can be added to the SOI in the future

Option #2: Option #1 Plus Master Plan Areas

- Includes Areas 2, 3, 3A, 3B, 3C, 8, 10, 11, & 12
- Population for option: 271,558
- Acreage for option: 35,162

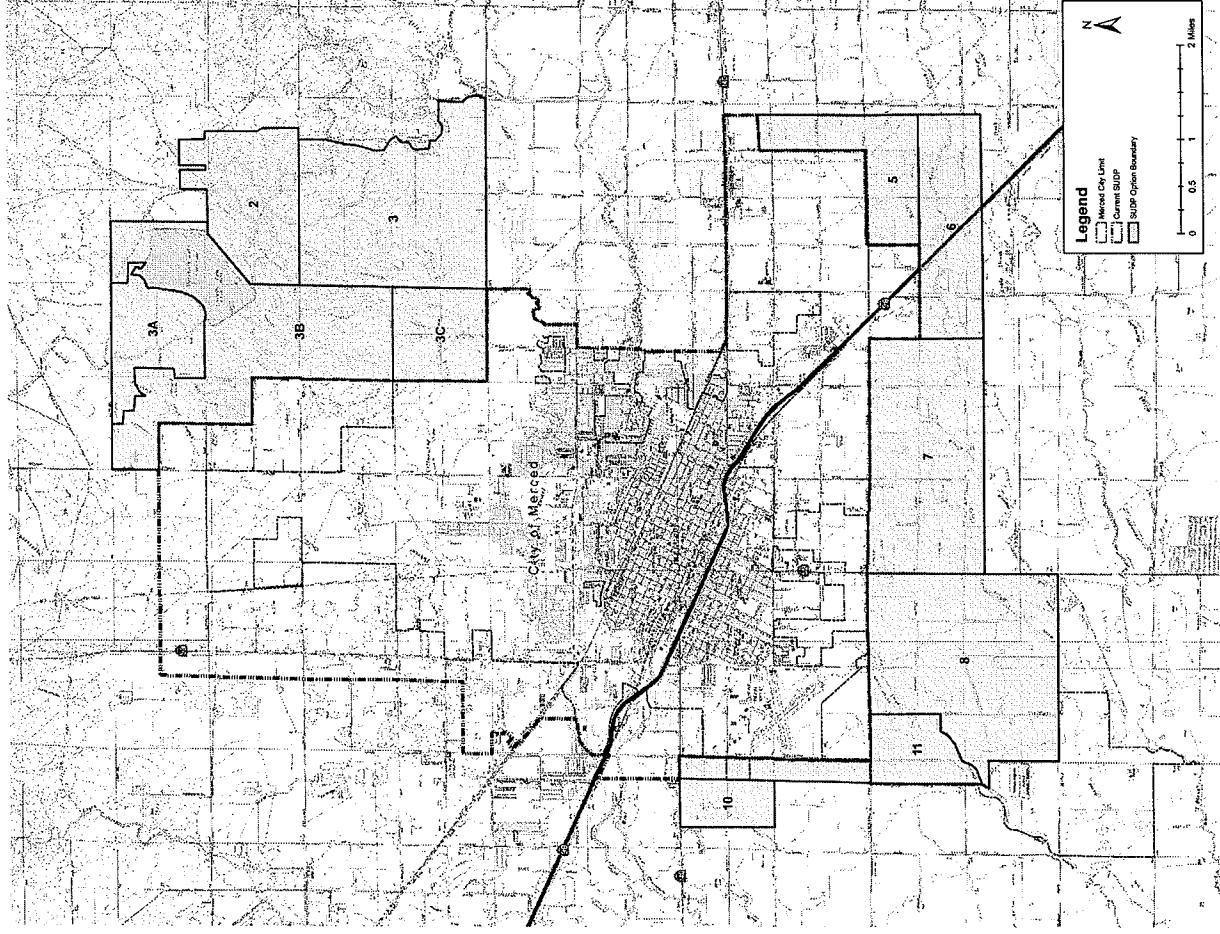


Option #2: Option #1 Plus Master Plan Areas

- Reasons for Inclusion
 - Developer plans in progress for Areas 8 & 12
 - Need to look at Area 11 North and South in relation to Areas 8 & 12 (rely on each other for infrastructure, etc.)
 - Area 10 is included for economic development purposes (entire area is industrial)
 - Area 13 NOT included because majority of area is unavailable for development due to vernal pools and habitat areas
- Phasing criteria and policies to be included outlining how other areas can be added to the SOI in the future

Option #3: Option 1 Plus South Area Development

- Includes Areas 2, 3, 3A, 3B, 3C, 5, 6, 7, 8, 10, & 11 South
- Population for option: 278,002
- Acreage for option: 34,915



Option #3: Option #1 Plus South Area

Development

- Reasons for Inclusion
 - City boundary is at Mission Ave in some areas already (adjacent to Areas 7 & 8)
 - Close to Downtown and Highway 99/New Mission Interchange
 - Proximity to Wastewater Treatment Plant
 - Natural Continuation of South Merced Specific Plan process
 - Prime ag land and floodplain constraints exist but can likely be addressed and few vernal pools are in the area
- Areas 4A & 4B will be a joint City/County Planning Area outside of the SOI due to prime farmland, Campus Parkway, and amount of existing development limiting the likelihood of annexation in the near term
- Phasing criteria and policies to be included outlining how other areas can be added to the SOI in the future

Preliminary Criteria for Adding Areas to SOI

- Criteria for Adding areas within Area of Interest to the SOI
 - City Boundary is contiguous (or annexation is imminent), and no “islands” are created
 - A Specific or Area Plan is approved with land use, circulation, public facilities, and infrastructure
 - Public Facilities Financing Plan updated to include area; revenue sources identified
 - Property owner is committed to finance WWTP & capacity is available
 - New sewer trunk lines planned
 - Revised Revenue Sharing Agreement with County in place
 - Developer agrees to install all off-site intervening infrastructure
 - Specific or Area Plans need to include adjacent areas within the SOI that are affected by the development of Master Plans

Group Discussion Regarding Sphere of Influence Options

Overview of Comments Received at April 12, 2007 Public Forum

Questions received at community workshop:

- How does zoning get established?
- Where is the City's existing land use diagram available?
- When was LAFCo created?
- Can LAFCo influence the zoning of an area to be annexed?
- What influence or impact do residents have on their land being annexed?
- Does this process address the future use of Merced Airport?
- If an unincorporated area outside of a new development gets annexed, who pays for infrastructure hook ups?
- How were vernal pool areas determined?
- How would sewer work under Option #3 in the NE area?
- The Preliminary Criteria for adding areas to SOI does not address characteristics or constraints of the land itself. Floodplains, airport conflict, compact transportation/land use patterns, AG Land, habitat, etc. should be in SOI criteria. As it seems any land is good for SOI if there is enough money to fix it.

More Questions From Community Workshop

- Does the annexation protest process explain why there are unincorporated islands?
- What is the difference between the Sphere of Influence and the SUDP?
- What is minimum annexation size?
- How is capacity of infrastructure addressed during annexations?
- How often is the General Plan updated?
- When would build out of the study area occur?
- Does Option #1 assume that UC Merced would be annexed?
- Does the City provide water/sewer to the UC Community?
- What is the advantage to the City or UC for annexing the campus?
- How are population projections made?
- How does the City's funding for infrastructure, to far outlying areas, work? Is location a factor for fees?
- Weren't the campus and the University Community supposed to be self-sustaining?
- Is the City's R-2, R-3 zoning consistent with the commercial reserve designation?

Community Workshop Map Exercise

- Participants were given a map showing the current City limits and SUDP area, and the Study Area boundaries, and asked to draw their “ideal” new SOI/SUDP boundary.
- Staff received 20 maps, but a review did not show any consensus on where new boundary should be.
- Submitted maps have been posted to the General Plan FTP site.

Next Steps

- Prepare draft land use diagram and text revisions
- City Council/Planning Commission study session
- CAC/TAC meeting to review drafts
- Prepare new Admin. Draft, and Public Review draft
- Preparation of Environmental Impact Report (concurrent with Plan update)
- Public discussion and hearings
- Adoption of General Plan

Schedule

- 2007**
- May CAC meeting on draft land use policies and diagram, TAC meeting on options and technical issues
- June TAC meeting on draft policies
- July Public Review Draft of Land Use diagram, Community workshop, CC study session, begin EIR preparation
- Oct. Draft General Plan elements for city staff review
- Dec. Draft General Plan for public review
- 2008**
- Jan. General Plan EIR available for 45-day public review
- Feb.–Mar. Preparation of Final EIR and final General Plan
- April-May Public hearings on General Plan and EIR



City of Merced General Plan Vision 2030

Community Forum—April 12, 2007

Responses to Questions/Comments

How does zoning get established?

All land located within the City of Merced as well as the unincorporated County has an existing zoning designation. The City Council (and the County Board of Supervisors in unincorporated areas) is the decision making entity responsible for determining the appropriate zoning for a property. A property's zoning designation must be consistent with its land use designation as established by the General Plan. Each General Plan land use designation corresponds to one or more potential zoning districts.

For areas within the City boundary, zoning is typically established in a separate action following the adoption of, or an amendment to, the General Plan land use designation. The Zoning Ordinance is consistent with the General Plan but provides much more detailed requirements, such as specific lists of permitted uses, height restrictions, parking requirements, signage regulations, etc.

Where is the City's existing land use diagram available?

The City's existing land use diagram is available on the City's website at the following location:

http://www.cityofmerced.org/depts/cd/planning/zoning_sign_n_subdivision_ordinances_and_zoning_n_general_plan_maps.asp

The land use diagram is also available at the City of Merced Planning Department:

*678 West 18th Street
Merced, CA 95340
(209) 385-6858.*

When was LAFCo created?

Local Agency Formation Commissions (LAFCo) were first established by the State of California in 1963. Their areas of responsibility of methods of operation have been amended several times since 1963. The most recent comprehensive update to LAFCo Law was the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Can LAFCo influence the zoning of an area to be annexed?

LAFCo can exercise limited influence but cannot dictate zoning decisions to the City. LAFCo's primary ability to affect zoning occurs prior to annexation when setting the Sphere of Influence. The Sphere of Influence is typically based on the City's General Plan, however, the Commission's broad authority to set the Sphere of Influence line as they find appropriate, gives them some ability to negotiate population growth assumptions and similar issues with the City during the preparation of the General Plan. That said, cooperation and consensus on these issues are much more common than disagreements or disputes. A second opportunity to affect zoning occurs at annexation. State law generally requires a city to "pre-zone" property before it is annexed. Pre-zoning consists of the formal establishment of zoning that will come into effect only upon successful annexation. This serves to disclose to the Commission the development anticipated following their approval of an annexation. The Commission is permitted to take the anticipated development into account when considering whether or not to approve an annexation, but may not require a change in zoning designations as a condition of approval of an annexation. Once land has been annexed, a city is generally not permitted to change its General Plan designation or zoning for two years.

What influence or impact do residents have on their land being annexed?

Residents generally have considerable influence over their own annexation, though the details vary considerably by the circumstances of the annexation. Property owners seeking annexation typically first apply to the City. If the City Council approves the annexation, the City will apply to LAFCo on the property owner's behalf. In some cases, the property owner seeking annexation, the City, or LAFCo itself, will include neighboring properties in an annexation proposal. This may occur to provide a connection between the property to be annexed and the existing City limits, to avoid surrounding unincorporated parcels, or to create a logical city boundary that follows a road, or other physical feature.

Residents and property owners included in an annexation proposal have several opportunities to object to annexation. Their first opportunity to object occurs at the meeting at which the City Council considers the annexation. The City Council may add or remove parcels from a proposed annexation as they choose, though in some cases, removing parcels from an annexation may make it more difficult to secure approval from LAFCo. The second opportunity to object to an annexation occurs at the LAFCo hearing. The Commission also has fairly broad authority to add or remove parcels from a proposed annexation, though they are sometimes limited by provisions of State law or their own policies. (Both State Law and typical LAFCo policies strongly favor logical city boundaries.) Finally, if LAFCo approves the annexation over their objections, any affected property owner or registered voter may file a formal protest. The protest provisions vary by the number of registered voters affected by the proposed annexation.

Property owners may file formal protests of any annexation. If protests are received from a majority of the total number of property owners, who, between them, own the majority of the assessed value of the property affected by the annexation, the annexation fails. If the proposed annexation affects twelve or more registered voters, either property owners or registered voters may file formal protests. If a majority of the affected registered voters file protests, LAFCO the annexation fails. If protests are received from more than 25% but less than 50% of the registered voters affected by an annexation, a separate election is held. If a majority of those

voting in the election oppose annexation, the annexation fails. If a majority support annexation, the project is approved.

It should be noted that one major exception applies to many of the above rules. Proposals to annex land which is completely surrounded by a city, ("unincorporated islands") are processed under regulations which strongly favor annexation.

Does this process address the future use of Merced Airport?

Not specifically. Land uses at Merced Airport are regulated by the Airport Land Use Commission, who adopt and maintain the Airport Land Use Plan. This update will address land uses around the airport, but not the specific uses of the airport.

If an unincorporated area outside of a new development gets annexed, who pays for infrastructure hook ups?

In most cases, property owners to be served by the infrastructure pay for their own hook-ups. However, such hook-ups are typically not required immediately upon annexation. If an existing home which is served by an individual well or a septic system is annexed, those facilities may be maintained until they fail or until substantial new construction is proposed on the property.

How were vernal pool areas determined?

Vernal pools are seasonal wetland areas that support the spring growth of certain specific species. Vernal pools are significant biological resources that future development proposals should avoid. The vernal pools map was based on a U.S. Fish and Wildlife Service map, produced in 1998.

How would sewer work under Option #3 in the NE area?

The updated Sewer Master Plan provides for service to the northeast area.

The Preliminary Criteria for adding areas to SOI does not address characteristic or constraints of the land itself. Floodplains, airport conflict, compact transportation/land use patterns, AG Land, habitat, etc. should be in SOI criteria. As it seems any land is good for SOI if there is enough money to fix it.

Nothing in state code specifically prohibits bringing land into the SOI that may have environmental or regulatory issues. As requests for expansion of the SOI typically come from property owners wishing to develop, it is incumbent on those property owners as well as the City to assess those issues, and determine if they can be adequately addressed.

Does the annexation protest process explain why there are unincorporated islands?

Partially. There are some exceptions, but the desire to annex land without subjecting the project to potential objection by neighboring property owners and registered voters is the most common reason that unincorporated islands are established.

What is the difference between the Sphere of Influence and the SUDP?

The two boundaries are often set to the same locations, but they are adopted by different agencies and serve related, but not identical purposes. The Specific Urban Development Plan (SUDP) is adopted by the City to establish its growth boundary over the life of the General Plan. It reflects the City's goals and priorities for growth over many years. The Sphere of Influence is adopted by LAFCo as the probable future extent of the City. All proposed annexations must be within the adopted Sphere of Influence. If LAFCo concurs with the City's growth projections and policies, it typically sets the Sphere of Influence to match the SUDP, but there is no legal requirement for the Commission to do so.

What is minimum annexation size?

There is no legal minimum size.

How is capacity of infrastructure addressed during annexations?

LAFCo is required to consider a City's ability to provide services to an area both when setting a Sphere of Influence and when considering an annexation. This is formalized in the Sphere of Influence process through the preparation of a "Municipal Services Review" in which LAFCo considers a wide variety of infrastructure and service issues, including current capacity, planned capacity, available funding mechanisms, opportunities for increased efficiency, etc. In addition, each annexation application must be accompanied by a "Plan for Services" which is the City's proposal for delivering services to the area. The Plan for Services typically includes information regarding the City's existing infrastructure capacities and the anticipated demand from the annexed area.

How often is the General Plan updated?

There is no requirement for updating a general plan, with the exception of the housing element. Jurisdictions usually update a plan when they feel the existing one is no longer useful in helping with the land use decision-making process. Typical General Plan planning horizons are 20 to 30 years.

When would build out of the study area occur?

The primary determinant in projecting the City's build out date is the growth rate. A high growth rate will result in the City reaching build out more quickly than a low growth rate. Other factors that come into play are the ability of the City to extend services to new development areas, and the amount of environmental constraints located on lands designated for future development.

Does Option #1 assume that UC Merced would be annexed?

Option #1 assumes that the City's Sphere of Influence would encompass UC Merced, and that annexation would eventually occur.

Does the City provide water/sewer to the UC Community?

The City currently provides both water and sewer to the UC Merced campus itself (through a special agreement) but not to the University Community.

What is the advantage to the City or UC for annexing the campus?

The University has already committed to annexing the first phase of the campus through the agreement with the City that allowed the University to utilize City sewer and water service. The City does not usually provide City services outside of the City limits (except in emergency situations) and annexation is usually required to obtain City services.

How are population projections made?

In their simplest form, population projections are made by extrapolating past population growth rates, and using the current population as the baseline, project the future population. There are many levels of data that can be added to this process, which hopefully provide more accuracy. For purposes of the City's General Plan update, population data from the California State Department of Finance was used to help establish past growth rates and the current population.

How does the City's funding for infrastructure, to far outlying areas, work? Is location a factor for fees?

New, major trunk lines are included in the Sewer, Water, or Storm Drainage Master Plan and will largely be funded through impact fees collected from developers. Typically, developers install the facilities and are reimbursed as impact fees are collected from other developments relying on the new facilities. New infrastructure which is not shown in the Master Plans is paid for by the developer who will use the facilities. Impact fees are set by the amount of demand a project will place on the system rather than on the location of the project.

Weren't the campus and the University Community supposed to be self-sustaining?

The development plans for the campus and the University Community incorporate a number of sustainable development practices. The intent is to reduce the impact of the University and community to the maximum extent feasible. Initially, both developments will use City of Merced services, such as water and sewer, and public utilities for gas and electricity. In the future, it is hoped that much of the water will be produced on-site, and will be treated and reused. The key is that the University and community will utilize "sustainable" practices, rather than attempting to be "self-contained."

Is the City's R-2, R-3 zoning consistent with the commercial reserve designation?

It doesn't appear so. Upon annexation, the land would have to be zoned for commercial uses, or a Planned Development, which would allow a mix of uses.