

CITY OF MERCED
Planning & Permitting Division

STAFF REPORT: #06-40

AGENDA ITEM: 4.1

FROM: Jack D. Lesch,
Director of Development Services

PLANNING COMMISSION
MEETING DATE: June 21, 2006

PREPARED BY: Kim Espinosa,
Planning Manager

CITY COUNCIL
MEETING DATE: July 17, 2006

SUBJECT: **Establishment of a Draft Specific Urban Development Plan (SUDP)** or growth boundary for purposes of completing the City's General Plan Update, initiated by the City of Merced. In September 2005, the City Council adopted a General Plan Update Study Area comprised of approximately 40,000 acres. An early task of the General Plan Update was to identify from that Study Area a draft growth boundary (also known as the Specific Urban Development Plan—SUDP) to use in the completion of the City's General Plan Update and Environmental Impact Report.
PUBLIC HEARING

ACTION: **PLANNING COMMISSION:**

Recommendation to City Council

- 1) Establishment of a Draft Specific Urban Development Plan (SUDP)

CITY COUNCIL:

Approve/Disapprove/Modify

- 1) Establishment of a Draft Specific Urban Development Plan (SUDP)

SUMMARY

In order to complete the City's General Plan Update and associated EIR, the Planning Commission and City Council are being asked to adopt a Draft Specific Urban Development Plan (SUDP) from the following three options (Attachment B):

- **Option #1** is the "*Recommended Limited SUDP Expansion Scenario*" and includes the UC Campus (Subarea 2), the University Community (Subarea 3), the Yosemite Lakes SUDP (Subarea 3A), the existing Rural Residential Centers (Subareas 3B & 3C), the proposed Mission Lakes Specific Plan area (Subarea 8), and the proposed Castle Farms Specific Plan (Subarea 12). Option 1 includes 12,026 acres (in addition to the current SUDP of 20,540 acres for a total of 32,566 acres) and has a maximum build-out population of approximately 360,000. The Campus Parkway Corridor (Subarea 4) is recommended as a Joint City/County Planning Area with future consideration as an urban area.

- **Option #2** is the "*Moderate SUDP Expansion Scenario*," which includes all the areas in Option #1 (Subareas 2, 3, 3A, 3B, 3C, 8, & 12) and adds the Campus Parkway (Subarea 4), the Thornton Road area (Subarea 11), and the North Merced area (Subarea 13) north of the existing SUDP. Option #2 includes 17,301 acres (in addition to the current SUDP for a total of 37,841 acres) and has a maximum build-out population of 435,000.
- **Option #3** is the "*Full Study Area/Maximum SUDP Expansion Scenario*," which includes all 13 subareas, encompasses 21,051 acres (in addition to the current SUDP for a total of 41,591 acres), and has a maximum build-out population of 493,000.

RECOMMENDATION

Planning staff recommends that the Planning Commission recommend approval of a Draft Specific Urban Development Plan (SUDP) from one of the three Options presented in the Merced Comprehensive Plan Study Area Report (Attachment K) and summarized above.

BACKGROUND

On May 16, 2005, the City Council approved a professional services contract with URS Corporation for preparation of the General Plan Update and EIR. A General Plan Update Study Area Boundary was previously established by City Council in January 2005 with issuance of the Request for Proposals for that contract. That boundary had been the subject of previous discussions between City Council members and County elected officials in late 2004. In February 2005, the Study Area Boundary was amended to include the Castle Farms area at Bellevue and Highway 59 as part of the study area (it had been previously designated a future study area); and in May 2005, Castle Farms signed an agreement to reimburse the City for their share of the General Plan Update project costs. The General Plan Study Area included 10,815 acres not included in the City's current SUDP of 20,540 acres, for a total Study Area boundary of approximately 31,355 acres.

After the contract had been awarded, staff began to receive numerous requests from property owners requesting to be added to the General Plan Update Study Area. On July 5 and 12, 2005, joint Planning Commission/City Council Study Sessions on the General Plan Update were held. The City Council and Planning Commission directed staff to expand the study area to include other land areas where development interest was evident, thereby providing the City with a more comprehensive city planning effort. There was discussion that the General Plan Update be geared for a typical planning horizon for a growing community as well as a long term view of growth (similar to the report "Merced 2030, How Should We Grow?" completed in 1990). It was emphasized that the expanded Study Area was NOT the City's proposed new Specific Urban Development Plan (SUDP) boundary nor the City's proposed Sphere of Influence (SOI), and that a decision would be made after the "Growth Study" was complete regarding what should and should not be included in the proposed SUDP and SOI.

On September 7, 2005, the Planning Commission recommended to the City Council approval of an expanded General Plan Update Study Area (Attachment A), which encompasses approximately 40,000 acres or almost double the size of the City's current SUDP (20,540 acres). On September 19, 2005, the City Council approved the same study area.

On December 5, 2005, the City Council approved a modified scope of work for the General Plan Update. This "Growth Study" task involved the development of alternative SUDP boundaries and the selection of a preferred alternative. Adoption of a Draft SUDP boundary will conclude this task.

FINDINGS/CONSIDERATIONS:

Purpose and Intent of SUDP

- A) There are three basic boundaries which define the City in relation to the County--the City Limit Line, the Specific Urban Development Plan boundary, and the Sphere of Influence. Since 1978, the "Urban Centered Concept" has been the guiding land use principle for the County. According to the Merced County Year 2000 General Plan, "the urban centered concept is directed at utilizing cities and un-incorporated communities or centers to accomplish anticipated urban expansion in an orderly manner, based on the ability of these communities to furnish public services along with land needs based on population demands and in balance with employment-generating land uses." The goal is "to provide for intensive urban development and to protect agricultural and open space land from uncontrolled sprawling urban development."

The County applies the urban centered concept through the designation of Specific Urban Development Plans (SUDP), which are intended to accommodate all classifications of urban land use (residential, commercial, industrial, and institutional). Each of Merced County's six incorporated cities as well as eighteen unincorporated communities are presently designated as SUDP's.

"An SUDP has a boundary line which is recognized as the ultimate growth boundary of the community over the life of the Plan, and all land within the SUDP is planned for eventual development in a mixture of urban and urban-related uses."
(from Merced County Year 2000 General Plan)

In 1982, the City's SUDP contained approximately 16,000 acres and the Sphere of Influence was the same boundary. In 1997, after the adoption of the *Merced Vision 2015 General Plan*, the City's SUDP was expanded to include 20,540 acres and the Sphere of Influence was expanded to include approximately 35,000 acres.

Purpose and Intent of Sphere of Influence

- B) The Sphere of Influence is defined in the California Government Code (Section 56076) as "a plan for the probable ultimate physical boundaries and service area for a local agency as determined by LAFCO." In order for an annexation to be approved by LAFCO, the territory must be within the Sphere of Influence. State law also requires that the City be notified of any proposed land use changes or developments within its sphere of influence and be given a chance to comment on those proposals.

The City/County Tax-Sharing Agreement, adopted in February 1997, also spells out land use policies regarding development within the SUDP and within the Sphere of Influence, as follows:

- 1) Within the City's SUDP, the County agrees not to change the land use designation of territory from a rural to an urban classification and to maintain existing agricultural zoning within the area. For any development projects within areas currently zoned for urban development, City development standards will be required and the City will be given an opportunity to encourage the property owners to annex to the City.
- 2) Within existing Rural Residential Centers (RRC), projects will be limited to residential development of one unit per acre or less. The County will not expand existing RRC's into the City's Sphere of Influence outside of the University Community SUDP.
- 3) Within the University Community SUDP, the County agrees to implement development consistent with the cooperative planning process described in the County General Plan and to refer all development projects to the City for comment.
- 4) Within areas inside the City's Sphere of Influence but outside the City SUDP, the RRC's, and the University SUDP, the City and County agree not to approve any changes in land use designation from non-urban to urban without prior agreement of the other party.

LAFCO Criteria for Sphere Revisions

- C) In 1994, the Merced County LAFCO adopted a set of Local LAFCO Goals, Objectives, and Policies to address local concerns and priorities regarding annexations. The following policies were adopted by LAFCO regarding Sphere of Influence Revisions:
- 1) The Sphere should be large enough to accommodate 20 years of growth as well as territory that represents special communities of interest to the City.
 - 2) LAFCO will recognize areas outside the Sphere, such as "Joint City/County Planning Areas" or "Areas of Interest."
 - 3) Cities should adopt phasing policies in their General Plans and identify priorities for annexation.

These policies also spell out criteria which will be applied to cities requesting an amendment to their Sphere of Influence:

- 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 regarding the timing of conversion of agricultural and open space lands and the avoidance of the conversion of prime soils?
- 4) Does the General Plan demonstrate the present and probable need for public facilities and services (including the sequence, timing, and 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?

The City of Merced will need to address these criteria in the General Plan Update in order to have LAFCO adopt the City's new SUDP and Sphere of Influence upon completion of the General Plan Update.

Use of Draft SUDP in General Plan Update

- D) The Planning Commission and City Council are being asked to adopt a DRAFT SUDP in order to provide guidance to the consultants and staff in completing the General Plan Update. The current consultant contract (\$419,550) is based on completion of the General Plan and associated Environmental Impact Report (EIR) for the 31,395-acre General Plan Study Area approved in May 2005. As was noted at the time the General Plan Study Area was expanded to 41,591 acres in September 2005, the consultant contract will need to be further modified to reflect the larger study area and to study the environmental impacts of urbanizing such a large area. In general, the larger the Study Area, the higher the cost of the contract. Once a Draft SUDP is adopted, the consultants will prepare a contract amendment proposal for City Council consideration.

A constraints analysis regarding the City's ability to provide sufficient public facilities and services to the Draft SUDP will be part of the modified contract. Staff expects that the provision of public services (and addressing such issues as timing, cost, service delivery efficiency, etc.) could be a major hurdle in the future development of the Draft SUDP. (See Finding K below for additional information on this topic.)

Three Options for Draft SUDP

- E) In preparation for the May 2006 Joint Planning Commission/City Council Study Sessions, URS Corporation prepared the Merced Comprehensive Plan Study Area Report (Attachment K), which includes their analysis of the Study Area, key assumptions, growth trends, constraints to growth, etc. For their analysis, the consultants (URS) divided the General Plan Update Study Area into 13 Subareas (Attachment A) and a further division of Subarea 3, which included the University Community and the Rural Residential Centers between the City's current growth boundary and the University Community, into four subareas (3, 3A, 3B, and 3C). An analysis of each of these subareas and why they should or should not be included in the draft SUDP boundary is outlined in Section VI of the report.

Based on this analysis, three options or scenarios for the draft SUDP were developed (Section V of the report at Attachment K). These three options are as follows:

- **Option #1** is the "*Recommended Limited SUDP Expansion Scenario*" and includes the UC Campus (Subarea 2), the University Community (Subarea 3), the Yosemite Lakes SUDP (Subarea 3A), the existing Rural Residential Centers (Subareas 3B & 3C), the proposed Mission Lakes Specific Plan area (Subarea 8), and the proposed Castle Farms Specific Plan (Subarea 12). Option 1 includes 12,026 acres (in addition to the current SUDP of 20,540 acres for a total of 32,566 acres) and has a maximum build-out population of approximately 360,000. The Campus Parkway Corridor (Subarea 4) is recommended as a Joint City/County Planning Area with future consideration as an urban area.
- **Option #2** is the "*Moderate SUDP Expansion Scenario*," which includes all the areas in Option #1 (Subareas 2, 3, 3A, 3B, 3C, 8, & 12) and adds the Campus Parkway (Subarea 4), the Thornton Road area (Subarea 11), and the North Merced

area (Subarea 13) north of the existing SUDP. Option #2 includes 17,301 acres (in addition to the current SUDP for a total of 37,841 acres) and has a maximum build-out population of 435,000.

- **Option #3** is the "*Full Study Area/Maximum SUDP Expansion Scenario*," which includes all 13 subareas, encompasses 21,051 acres (in addition to the current SUDP for a total of 41,591 acres), and has a maximum build-out population of 493,000.

Direction from Planning Commission/City Council Study Sessions (May 2006)

- F) On May 1 and 8, 2006, Joint Planning Commission/City Council Study Sessions were held on the General Plan Update and SUDP options as outlined in the Study Area Report described in Finding E above. (Minutes from the meetings can be found at Attachments C and D.) After a staff presentation and testimony from the public, the individual Planning Commission and City Council members indicated their preferences for the various options. Most members expressed support for Option #3, the Maximum SUDP Expansion.

Input from Stakeholder Meetings and Public Comment (March/April 2006)

- G) On March 2, 2006, the City's General Plan consultants, URS Corporation, held a workshop with City department managers to discuss the alternative growth boundaries. A summary of key topics and issues discussed at the workshop can be seen at Attachment F.
- H) Meetings with various stakeholders and property owners in the Study Area Boundary were held on April 11 and 12, 2006. Approximately 100 property owners and other interested individuals attended these meetings. A summary of the comments received at the meetings along with comments received after the meetings via comment cards distributed at the meetings can be found at Attachment G. Most property owners from all the different subareas expressed strong interest in being included in the Draft SUDP. Other correspondence received after the study sessions is included at Attachment H.

Yosemite Lakes Project

- I) On May 23, 2006, the City received a letter from Joseph Gallo Farms, owners of the Yosemite Lakes Project (Attachment I), asking to be left out of the Draft SUDP boundary. The Project is currently being processed through the County of Merced as a separate SUDP by agreement with the City of Merced in accordance with the City/County Tax Sharing Agreement. The owners feel that being included in the Draft SUDP would potentially create delays in their process and complicate the processing of their permits through various state and federal agencies based on overlapping jurisdictional issues between the City and the County.

However, the following excerpt from the September 7, 2004 letter from Mayor Walsh and authorized by the City Council clearly spells out that the City wanted the Project to be included in the SUDP and to be part of the upcoming General Plan Update.

“The City strongly feels that the Yosemite Lakes Project should be included in the study area for the “Bellevue Corridor” that the County and the City have committed to prepare to address the impacts of the University Community on this “intervening area” and our ongoing discussions regarding urban and fiscal issues. The City is also more than willing to work with the project proponents as well as other property owners in the area and interested citizens during the City’s General Plan update process to ensure that their concerns are addressed. The City would also like to move forward with a “pre-annexation/development agreement” between the City, the County, and the project applicant to address issues associated with the eventual annexation of his property to the City. The City believes that consistent with the theory behind both the property tax and sales tax agreements between the City and County, urban uses and urban development should only occur within incorporated cities. As such, the City believes that when urbanization is to occur on this property, that it should be within the City’s SUDP and ultimately within the City itself.”

Therefore, staff feels that the Yosemite Lakes Project area should be included in the Draft SUDP as previously agreed to by the City, the County, and the project proponents. However, it should be designated as a “Joint City County Study Area” like the University Community and Campus Parkway Subareas in order to make clear the City’s intent to work jointly with the County on the planning for this area. It should also be noted that if the Project Area is left out of the Draft SUDP and EIR, then the Project would not be eligible to receive City services in the future since inclusion in the SUDP is a requirement for such services. The project applicants have indicated that utilizing City services is one of the options they may pursue in the future.

Phasing Policies

- J) The large carrying capacity of the three SUDP Options should be viewed in relation to the population projection of 137,000 for the Year 2025. For example, the population capacity of Option #3 is 493,000. Given the large size of the options and significant constraints described in the Study Area Report (Attachment K), staff is recommending phasing of urban growth.

After the May study sessions, staff asked the consultants to prepare the Survey of Urban Growth Strategies included at Attachment E. In summary, the report outlines various growth management strategies adopted by the City of Merced in the *Merced Vision 2015 General Plan* (Section I of the report); Sphere of Influence and annexation policies adopted by the Merced County Local Agency Formation Commission (LAFCO) (Section II); and additional growth management programs used in various California communities (Section III). The growth management strategies include A) “Facilities Driven Programs” which tie growth to major infrastructure improvements (Carlsbad and Chula Vista); B) “Location/Time Driven Programs” which manage growth by designating specific geographic areas that cannot be developed until a certain future point in time (San Diego County); and C) “Numerical Limits/Growth Caps” which set limits, either by percentage or fixed amounts, on the amount of growth to occur in a given timeframe, generally yearly (Petaluma and Tracy).

In conclusion, staff and the consultants believe the Facilities Driven approach combined with key features of the Location/Time Driven approach appears best suited for Merced's needs. One such approach using "Urban" and "Urban Expansion Areas" designations was outlined at the May study sessions and in Section IV of the report. However, more details will be developed and analyzed as the General Plan Update proceeds.

Provision of Public Facilities and Services

- K) As noted above, the challenge of providing adequate public services and facilities to such a large growth area (up to 41,591 acres) will be substantial. Plans for providing major infrastructure will need to be developed as part of the General Plan Update. These include plans for expansion of the Wastewater Treatment Plant to serve the Draft SUDP, construction of regional roadway improvements such as the Campus Parkway and Merced-Atwater Expressway, construction of major arterials and associated creek and railroad crossings to serve the Draft SUDP, water supply and groundwater recharge, locations of future fire and police stations, locations of neighborhood and community parks and bike paths, and plans for how to pay for all the necessary infrastructure through a major update of the Public Facilities Financing Plan and Impact Fee Program. Examples of such plans for the City's current 20,540-acre SUDP can be found at Attachment J.

Planning Commission As General Plan Advisory Committee

- L) City staff is recommending that the Planning Commission serve as the General Plan Advisory Committee in place of a Citizens Advisory Committee often used in General Plan Updates. The City would still have a Technical Advisory Committee made up of representatives from various agencies, such as the school districts, the County, UC Merced, MID, CalTrans, etc. The Update would also include various stakeholder meetings, public forums, updates via the City's website, and formal public hearings. Staff feels this approach will allow for sufficient citizen input into the Update but allow the Update to proceed in a more timely manner, given the substantial time necessary to inform and update such a citizens committee on various planning and environmental issues with which the Planning Commission is already familiar.

Future General Plan Recovery Fee

- M) The City Council has previously indicated that those property owners who wish to be included in the Draft SUDP should pay for the costs of the Update. One property owner, Castle Farms in Subarea 12, signed a reimbursement agreement for approximately 20 percent (\$82,620) of the consultant costs in May 2005. Staff anticipates that the owner of the 2,340-acre Mission Lakes project in Subarea 8 will also be asked to sign a similar agreement when the consultant contract is amended to include that Subarea. However, for owners of smaller properties within the SUDP, it would be impractical and extremely time-consuming considering the large number of property owners to negotiate such agreements. Therefore, City staff recommends that the City develop a General Plan Recovery Fee as used in many cities. Such fees generally require that applicants for

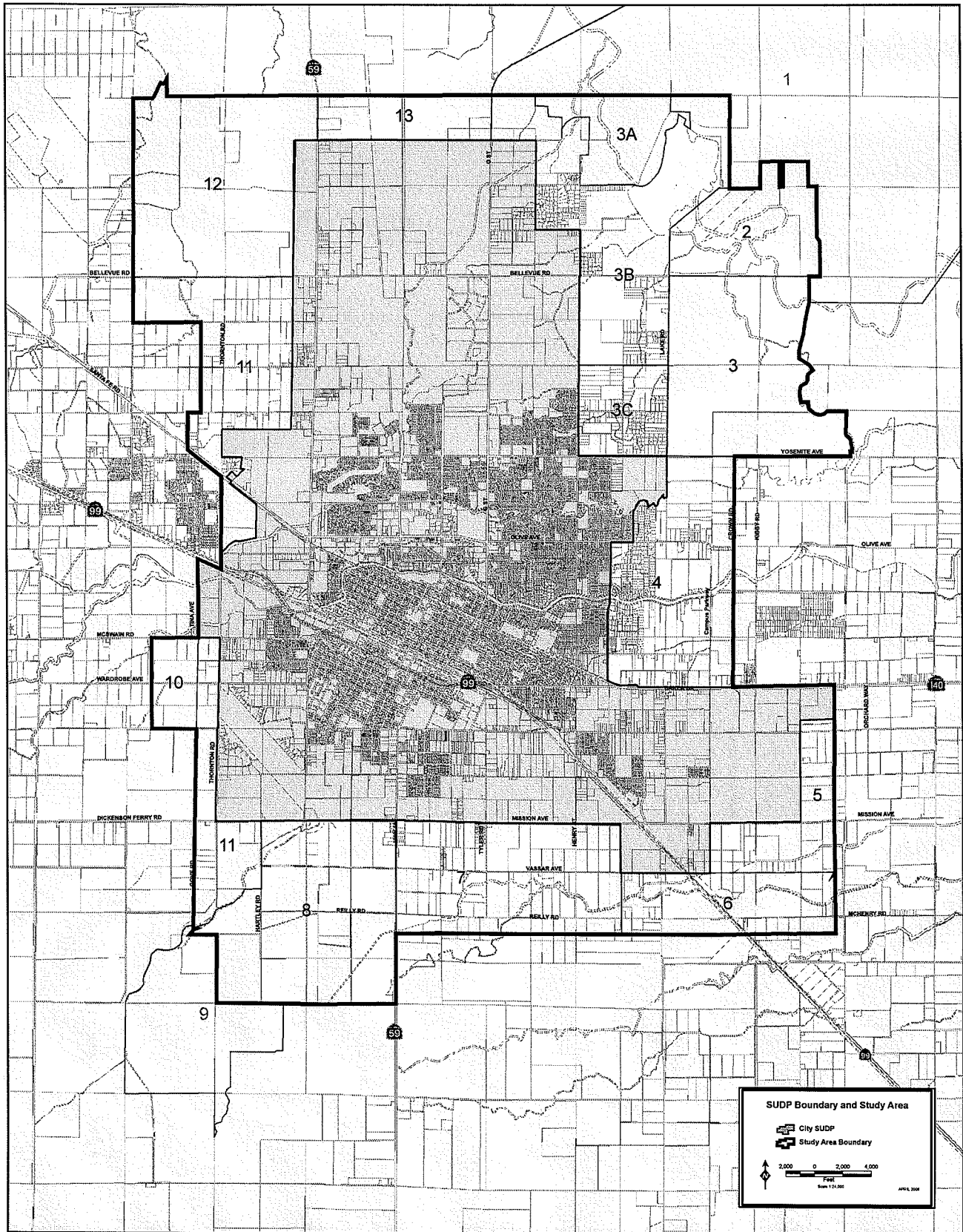
subsequent permits (annexations, zone changes, subdivision maps, etc.) within the General Plan Study Area pay a recovery fee at the time they propose development of their properties. In general, this per acre fee would be based on the final cost of the Update to the City in proportion to the number of acres added to the SUDP in the Update.

Environmental Determination

- N) In accordance with Section 15262 of the Guidelines for the California Environmental Quality Act (CEQA), the establishment of a DRAFT growth boundary for the purposes of completing the General Plan Update is a "Statutory Exemption" (i.e. exemptions from CEQA granted by the legislature). The establishment of a DRAFT SUDP is a "Feasibility or Planning Study" in that the project involves only feasibility or planning studies for future actions which the agency has not approved, adopted, or funded and thus does not require the preparation of an EIR or negative declaration, but does require consideration of environmental factors. Also in accordance with Section 15262, the establishment of a DRAFT SUDP has no legally binding effect on later activities. However, the City will be preparing an Environmental Impact Report (EIR) for the General Plan Update which will need to be certified prior to the City taking action on the adoption of the final SUDP in association with the adoption of a new General Plan.

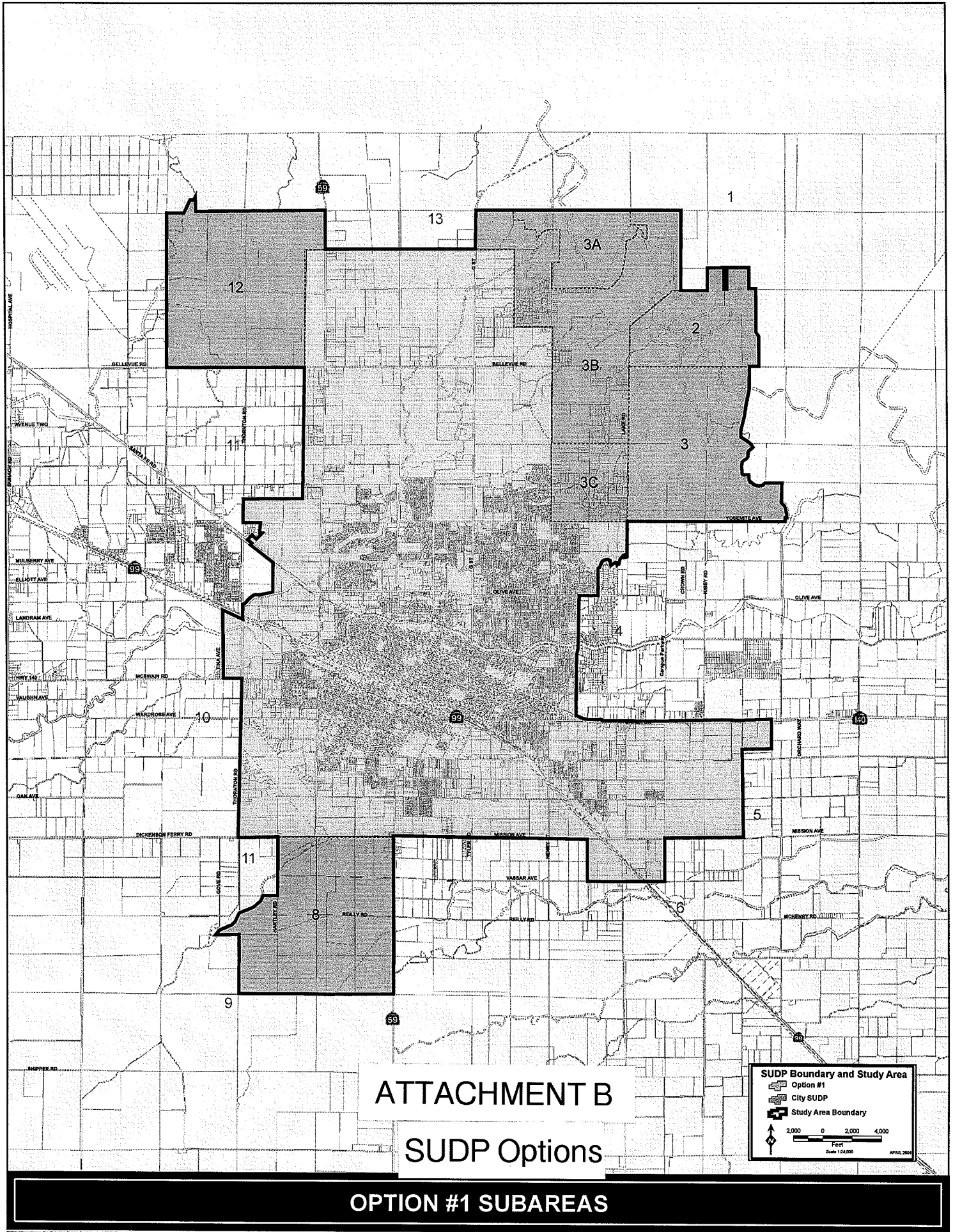
Attachments:

- A) General Plan Update Study Area (Divided into Subareas)
- B) Maps of Three Draft SUDP Options
- C) Joint Planning Commission/City Council Study Session Minutes (May 1, 2006)
- D) Joint Planning Commission/City Council Study Session Minutes (May 8, 2006)
- E) Survey of Urban Growth Strategies (June 2006)
- F) Meeting Notes from City Department Head Workshop (March 2, 2006)
- G) Meeting Notes from Stakeholder Meetings (April 11 & 12, 2006)
- H) Additional Correspondence Received (after May Study Sessions)
- I) Letter from Joseph Gallo Farms re: Yosemite Lakes Project
- J) Public Facilities & Services Maps
- K) Merced Comprehensive Plan Study Area Report (April 2006)



STUDY AREA MAP

ATTACHMENT A
General Plan Update Study Area



ATTACHMENT B

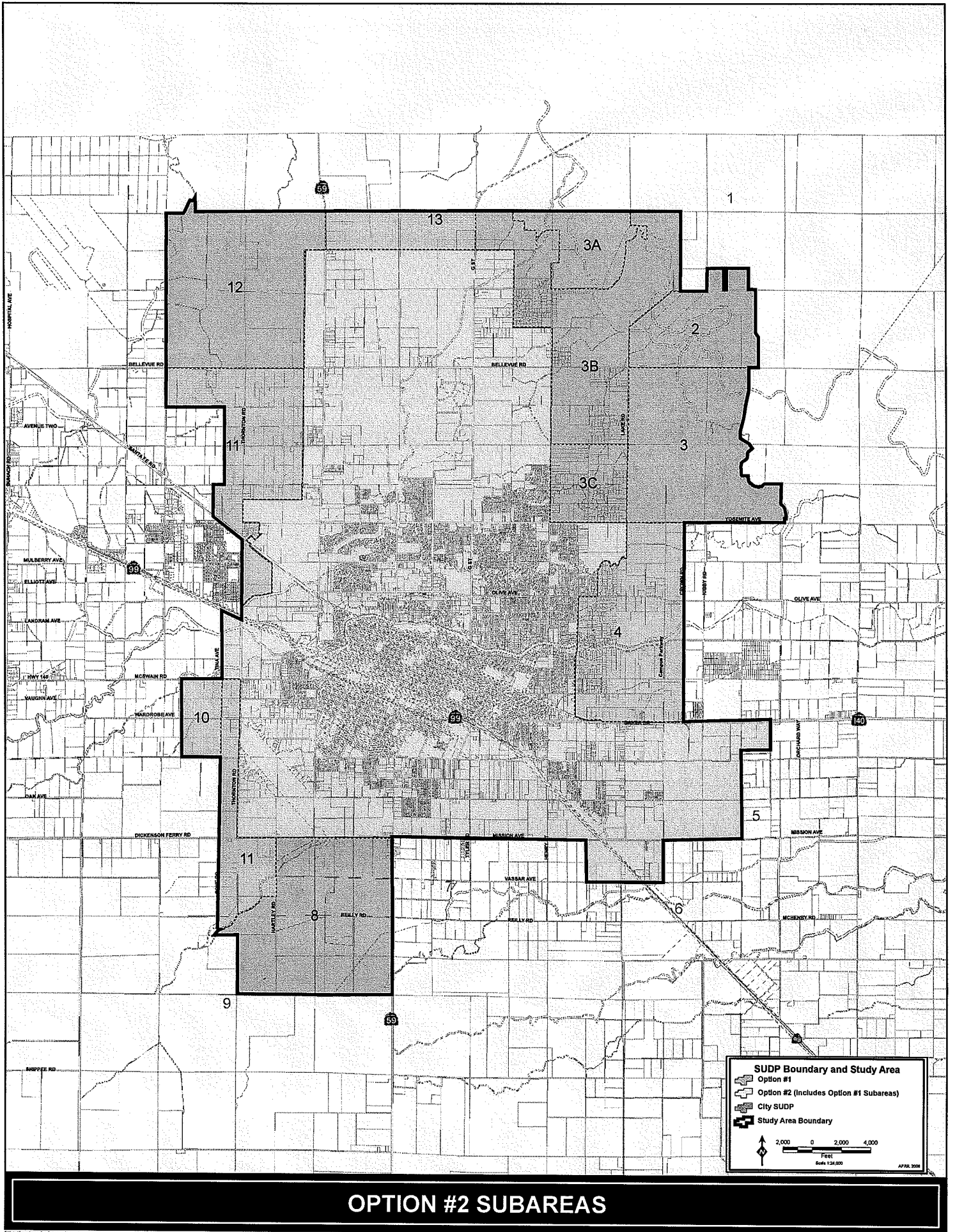
SUDP Options

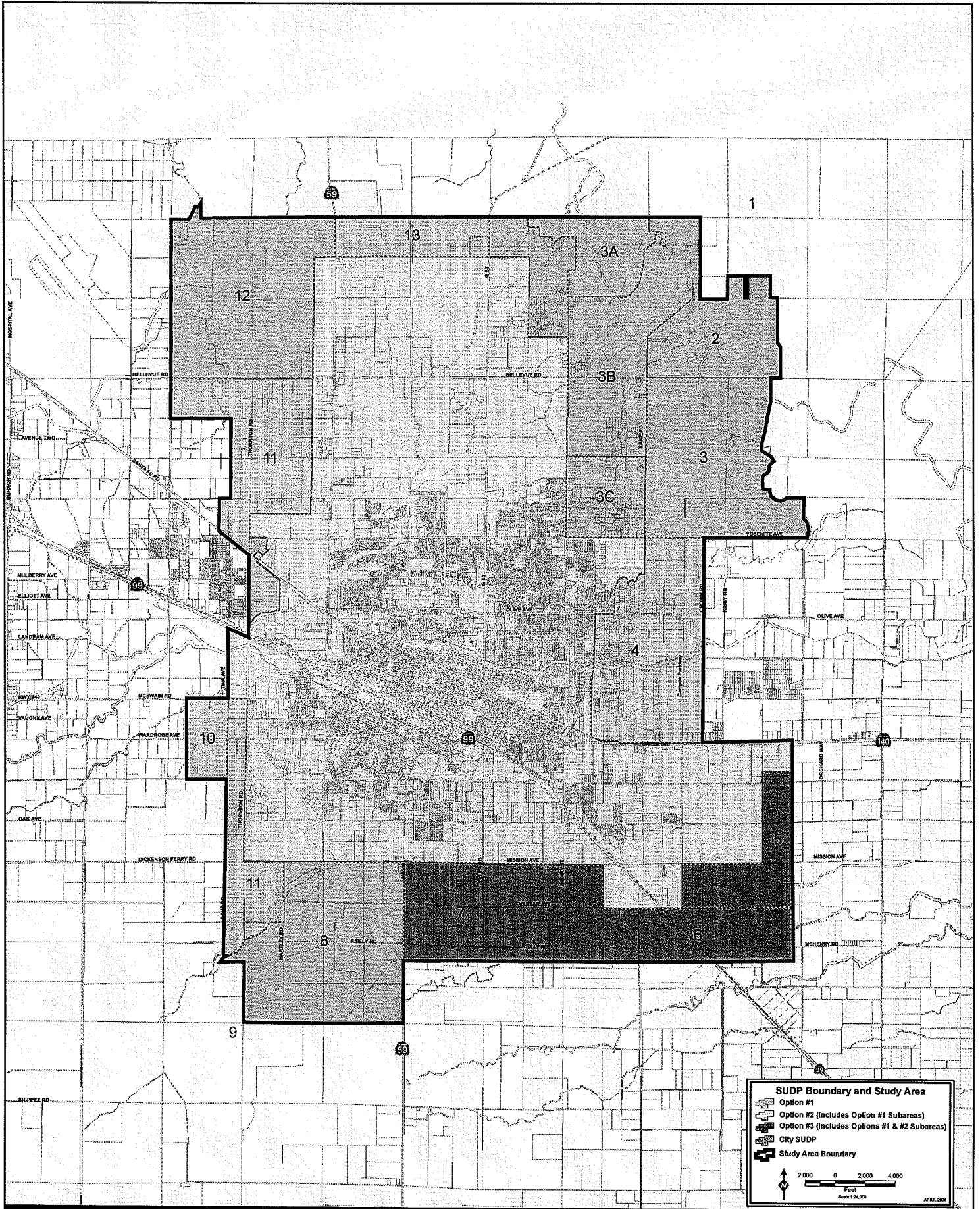
OPTION #1 SUBAREAS

SUDP Boundary and Study Area

- Option #1
- City SUDP
- Study Area Boundary

Scale: 0 2,000 4,000 Feet
Scale 1:24,000
APRIL 2004





FULL STUDY AREA OPTIONS MAP

**MERCED CITY COUNCIL
MINUTES**

CITY HALL
MERCED, CALIFORNIA

MONDAY
May 1, 2006

The City Council and the Redevelopment Agency of the City of Merced met in adjourned regular session on Monday, May 1, 2006. Mayor and Chairperson ELLIE WOOTEN called the meeting to order at 5:34 p.m.

The City Council/Redevelopment Agency then met jointly with the City of Merced Planning Commission for the purpose of reviewing the General Plan Update and Draft Growth Boundary.

**(A) JOINT STUDY SESSION WITH THE PLANNING COMMISSION
– GENERAL PLAN UPDATE AND DRAFT GROWTH BOUNDARY**

City Council/Redevelopment Agency:

Present:	Mayor/Chairperson:	Ellie Wooten
	Mayor Pro Tempore/Vice-Chair:	Joseph Cortez
	Council Members/Commissioners:	Michele Gabriault-Acosta
		Rick Osorio
		Carl Pollard
		James Sanders
		William Spriggs

	City Manager/Executive Director:	James G. Marshall
	City Attorney/Legal Counsel:	Gregory Diaz

Absent:	Council Members/Commissioners:	None
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Planning Commission:

Present:	Chairperson:	Larry Shankland
	Commissioners:	Robert Acheson
		Dwight Amey
		Walter Burr

ATTACHMENT C

Study Session Minutes (May 1, 2006)

Gary Conte
Henry Fisher
Mary Ward

Absent: Commissioners: None

Director of Development Services JACK LESCH and URS Corporation Planning Manager BRIAN SMITH presented a Power Point presentation outlining the three draft growth boundary expansion options. At the conclusion of the presentation, the audience was given an opportunity to speak.

Speakers from the Audience:

- SUSAN WALSH, League of Women Voters President – suggested a continuation of the study session in a room with an audio system.
- KEITH ENSMINGER, 893 Massasso Street, Merced – said future Merced-Atwater expressway should be recognized.
- CLARENCE EISBERG – stated he preferred Option 2 including the area south of the University Community.
- ELAINE POST, representing the Robinson Family Trust - requested Area 13 be included in the General Plan and would like the remaining 200-acres of their property controlled by one entity.
- DIANA WESTMORELAND, representing the Merced County Farm Bureau – expressed disappointment with the long-term water supply plan and asked that the water supply plan be addressed. In addition, she stated south Merced needed additional jobs.
- FRANK BORGES, Frank A. Borges and Associates of Fresno, California, representing the Yosemite Lakes Project – requested clarification and asked to be excluded from the General Plan, or at least continue with County as lead agency.
- DAN McNAMARA – agreed the City of Merced should continue a linear city approach.
- FORREST HANSEN, representing the property south of Yosemite Avenue and east of Kibby Road – asked to have both sides of Yosemite Avenue included in the General Plan.
- TIM MILLER – Area 10 should be included in the General Plan for industrial development.

JANET YOUNG, University of California, Merced Assistant Chancellor and Chief of Staff – voiced her support of the revised inclusion of the University Community property in the General Plan.

SHARON HUNT-DICKER, representing the Hunt Family Trust property – was in favor of inclusion of the University of California, Merced community property.

ROBERT HAGERMAN – supported Option 2, Sub-area 11, located in the vicinity of the Municipal Airport.

ABIGAIL BUTLER representing the Robinson Family Trust – asked that the Robinson Family Trust property remains in the proposed General Plan and she be notified of any additional meetings.

JERRY DINGELDEIN, Merced - stated Area 7 should be included in all options and the property along Mission Avenue and Highway 59 is zoned commercial.

SHIRLEY TRAYNOR – inquired why her family property in Area 7 was not included.

JOHN SEASHOLTZ – requested that his 160-acres adjacent to the City of Merced Wastewater Treatment Plant on Gove Road be included in the General Plan.

Council Member SANDERS suggested continuing the study session to a non-City Council meeting night which would allow a longer discussion period. Council Member GABRIULT-ACOSTA added that holding the study session in the Council Chambers within the Civic Center would provide additional seating and an audio system. By verbal consensus, Council Members and Commissioners adjourned the study session at 6:35 p.m. to Monday, May 8, 2006, at 6:30 p.m. in the Civic Center, Council Chambers located at 678 West 18th Street, Merced, California to continue the joint study session regarding the General Plan Update and Draft Growth Boundary.

(B) CLOSED SESSION ROLL CALL

Present:	Mayor/Chairperson:	Ellie Wooten
	Mayor Pro Tempore/Vice-Chair:	Joseph Cortez
	Council Members/Commissioners:	Michele Gabriault-Acosta
		Rick Osorio
		Carl Pollard
		James Sanders

2006-182

**MERCED CITY COUNCIL
MINUTES**

CITY HALL
MERCED, CALIFORNIA

MONDAY
MAY 8, 2006

The City Council/Redevelopment Agency of the City of Merced, California, met in adjourned regular session on Monday, May 8, 2006. Mayor ELLIE WOOTEN called the meeting to order at 6:30 p.m.

The City Council/Redevelopment Agency then met jointly with the City of Merced Planning Commission for the purpose of reviewing the General Plan Update and draft growth boundary.

(B) ROLL CALL

City Council/Redevelopment Agency:

Present:	Mayor/Chairperson:	Ellie Wooten
	Mayor Pro Tempore/Vice-Chair:	Joseph Cortez
	Council Members/Commissioners:	Michele Gabriault-Acosta
		Rick Osorio
		Carl Pollard
		James Sanders
		William Spriggs

	City Manager/Executive Director:	James G. Marshall
	City Attorney/General Counsel:	Gregory Diaz

Absent:	Mayor Pro Tempore/Vice-Chair:	None
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Planning Commission:

Present:	Chairperson:	Larry Shankland
	Vice-Chair:	Henry Fisher
	Commissioners:	Robert Acheson
		Dwight Amey

ATTACHMENT D

Study Session Minutes (May 8, 2006)

Gary Conte
Walter Burr
Mary Ward

Absent: Commissioners: None

(C) CONTINUED JOINT STUDY SESSION WITH THE PLANNING COMMISSION – GENERAL PLAN UPDATE AND DRAFT GROWTH BOUNDARY

Director of Development Services JACK LESCH reviewed the three draft growth boundary expansion options. At the conclusion of the presentation, the audience was given an opportunity to speak.

Speakers from the Audience:

JEAN OKUYE, 10029 West Olive Avenue, Livingston – expressed concern about the development of prime agricultural farmland and suggested concentrating efforts creating jobs and compatible industry.

PAM SPITLER, 1461 East Bellevue Road, Merced - questioned the southern growth and the development of prime agricultural farmland.

JESSICA BEDDOW, Ranchwood Homes Planning and Project Manager – thanked staff for including the Mission Lakes project in all three proposed options.

DAN McNAMARA – suggested current growth was developer driven when it should be citizen driven. He also expressed concern about the development of prime agricultural farmland. Mr. McNAMARA recommended using roadways as hardedges with designated Agricultural Greenbelt areas and explained that vernal pools should not be protected. In closing, he suggested a Merced City plan with higher zoning densities.

GREG RAMIREZ, owner of 40-acres on the corner of Thornton Road and Belcher Avenue – requested the inclusion of his property in the General Plan-Area 2.

MARIE WAKELEE, 2485 East Reilly Road – suggested clarification of the phrase “prime agricultural land” and addressing major thoroughfares in southeast Merced.

STEW SORENSEN, owner of 37.4-acres on the corner of Bailey Avenue and Thornton Road – expressed interest in Area 11. Mr. SORENSEN stated when he purchased his property in the 1970s it was zoned light

manufacturing, and believes the area should maintain that zoning to provide jobs and revenue for the community.

TIM MILLER, representing Miller Planning and Design Group, LLC – submitted a letter addressed to the Council Members and Commissioners dated May 8, 2006. Mr. MILLER stated that Options 2 and 3 offer additional industrial use opportunities and create a concentric growth pattern. In addition, Option 1 does not allow the City to control the major transportation and utility corridors

RACHEL HIRSCHHORN, 697 Mockingbird Court, Merced - asked if the decisions the County of Merced was currently making could impact the City's General Plan. Mr. LESCH responded yes. Ms. HIRSCHHORN also expressed her strong opposition to the proposed Wal-Mart Project.

Council Members and Planning Commissioners Discussion:

Council Member SPRIGGS was in favor of Option 2.

Commissioner AMEY wanted a 4th Option with a larger area boundary than the three proposed options.

Council Member OSORIO preferred the inclusion of all areas, Option 3, with the condition that developers are liable for the associated cost.

Council Member GABRIALT-ACOSTA agreed with Council Member OSORIO and was in favor of Option 3.

Commissioner Chairperson SHANKLAND was in favor of Option 3.

Mayor Pro Tempore CORTEZ was in favor of Option 3, with the condition that developers are liable for the associated cost.

Council Member POLLARD was in favor of Option 3.

Commissioner BURR was in favor of Option 3.

Commissioner CONTE was in favor of Option 3.

Commissioner Vice-Chair FISHER was in favor of Option 3.

Commissioner ACHESON stated he was undecided on a preferred option.

Commissioner WARD was in favor of Option 3.

Council Member SANDERS was in favor of Option 3, however believes the boundary area should be increased.

Mayor WOOTEN was in favor of Option 3.

(D) ADJOURNMENT

City Council/Redevelopment Agency:

ON MOTION OF COUNCIL MEMBER/COMMISSIONER SANDERS, SECONDED BY COUNCIL MEMBER/COMMISSIONER GABRIAULT-ACOSTA, DULY CARRIED, RESOLVED, TO ADJOURN THE MEETING AT 8:22 P.M. TO THE NEXT REGULARLY SCHEDULED CITY COUNCIL/REDEVELOPMENT AGENCY MEETING ON MONDAY, MAY 15, 2006, AT 6:30 P.M. IN THE CIVIC CENTER, CITY COUNCIL CHAMBERS, 2ND FLOOR, 678 WEST 18TH STREET, MERCED, CALIFORNIA.

BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS/COMMISSIONERS:	SANDERS, POLLARD, GABRIAULT-ACOSTA, CORTEZ, SPRIGGS, OSORIO, WOOTEN
NOES:	COUNCIL MEMBERS/COMMISSIONERS:	NONE
ABSTAIN:	COUNCIL MEMBERS/COMMISSIONERS:	NONE
ABSENT:	COUNCIL MEMBERS/COMMISSIONERS:	NONE

Planning Commission:

ON MOTION OF COMMISSIONER CONTE, SECONDED BY COMMISSIONER BURR, DULY CARRIED, RESOLVED, TO ADJOURN THE MEETING AT 8:22 P.M. TO THE NEXT REGULARLY SCHEDULED PLANNING COMMISSION MEETING ON WEDNESDAY, MAY 17, 2006, AT 7:00 P.M. IN THE CIVIC CENTER, CITY COUNCIL CHAMBERS, 2ND FLOOR, 678 WEST 18TH STREET, MERCED, CALIFORNIA.

BY THE FOLLOWING VOTE:

AYES:	COMMISSIONERS:	FISHER, ACHESON, AMEY, CONTE, BURR, WARD, SHANKLAND
NOES:	COMMISSIONERS:	NONE
ABSTAIN:	COMMISSIONERS:	NONE
ABSENT:	COMMISSIONERS:	NONE

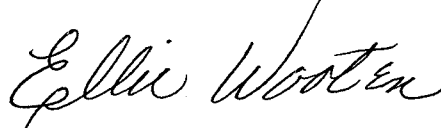
2006-186

(Merced City Council Meeting May 8, 2006)

JAMES G. MARSHALL, CITY CLERK

BY: 
JAMIE FANCONI
RECORDS CLERK

APPROVED:


ELLIE WOOTEN, MAYOR

APPROVED:

LARRY SHANKLAND, CHAIRPERSON

SURVEY OF URBAN GROWTH STRATEGIES

I. INTRODUCTION / BACKGROUND

The Merced County Association of Governments (MCAG) projects the City of Merced Specific Urban Development Plan (SUDP) to grow from a 2005 population of 81,647 to 137,028 (including UC Merced) by 2025. The *Merced Comprehensive Plan Study Area Report*, presented at the May 1st and May 8th Joint Planning Commission / City Council Study Session showed a hypothetical “development capacity” to support a population of approximately 493,000 persons. Given the large disparity between projected growth and hypothetical capacity, the potential exists for development proposals to be submitted where and when infrastructure and services have not been fully anticipated.

Critical growth planning issues evolve from this disparity. The potential exists for “leap-frog” development that could strain city infrastructure and public services. The current General Plan states that growth should “occur in an orderly and logical manner; land should be utilized efficiently...” and that “...urban development occurs where proper services are available” (*Merced Vision 2015 General Plan, Chapter 2*). In order to address these planning issues, growth management or phasing programs should be considered. This report identifies a range of programs for managing growth. This listing is neither mutually exclusive nor exhaustive; it is intended to be illustrative of common practices employed by agencies as they plan for growth.

II. PRESENT GROWTH MANAGEMENT PROGRAMS IN CITY OF MERCED

A. Merced Vision 2015 General Plan

The present General Plan recognizes that growth in the Merced community should be phased. Following are policies in the General Plan which relate to managing growth:

- UE-1.1 Designate areas for new urban development that recognize the physical characteristics and environmental constraints of the planning area.
- UE-1.3 Control the timing, density, and location of new land uses within the City’s urban expansion boundaries.
- UE-1.5 Work with Merced County and the City of Atwater to establish a Greenbelt area between the Cities of Atwater and Merced.
- UE-1.7 Promote annexation of developed areas within the City’s Specific Urban Development Plan (SUDP) during the Planning Period.
- T-1.2 Coordinate circulation and transportation planning with pertinent regional, state and federal agencies.
- T-2.9 Ensure that new development provides the facilities and programs that improve the effectiveness of the Transportation Control Measures and Congestion Management Programs.
- T-3.2 Promote and encourage the orderly and timely development of commercial and general aviation facilities.
- P-1.1 Provide adequate public infrastructure and services to meet the needs of future development.

ATTACHMENT E

Urban Growth Strategies

- P-1.2 Utilize existing infrastructure and public service capacities to the maximum extent possible and provide for the logical, timely, and economically efficient extension of infrastructure and services where necessary.
- P-1.3 Require new development to provide or pay for its fair share of public facility and infrastructure improvements.
- P-2.1
- P-3.1 Ensure that adequate water supply can be provided within the City's service area, concurrent with service expansion and population growth.
- P-4.1 Provide adequate wastewater collection, treatment, and disposal capacity for projected future needs.
- P-5.1 Provide effective storm drainage facilities for future development.
- OS-2.1 Protect agricultural areas outside the City's SUDP from urban impacts.
- OS-2.2 Relieve pressures on converting areas containing large concentrations of "prime" agricultural soils to urban uses by providing adequate urban development land within the Merced City SUDP.
- SD-1.3 Integrate land use planning, transportation planning, and air quality planning for the most efficient use of public resources and for a healthier environment.
- H-1.5 Provide priority review and permitting for affordable housing projects.

B. Sphere of Influence and Annexation Policies of the Merced LAFCo

The Merced County Local Agency Formation Commission has adopted the following policies that govern the expansion of the City's Sphere of Influence and annexation proposals.

1. Sphere of Influence Policies

- At the time of adoption of a sphere of influence for a city or urban service district, efforts to direct growth away from large concentrations of prime agricultural land shall be demonstrated, recognizing that some conversion of prime lands may be inevitable.
- 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.
- 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.
- 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?*

2. Annexation Policies

- Annexation boundaries should form a logical and efficient urban development pattern.

Implementation: Utilize the following criteria in the review of annexation requests:

- a. *The proposed annexation boundary is appropriate in relation to existing city boundaries.*
 - b. *Avoid the creation of islands, corridors, peninsulas or other undesirable boundary characteristics that lead to service inefficiencies and potential land use conflicts.*
 - c. *Proximity of the annexation to existing developed or developing areas within the City. Annexations shall be contiguous with existing city boundaries unless it can be demonstrated to be orderly, logical or appropriate under special circumstances.*
 - d. *Evaluate any alternatives to the annexation which would be more consistent with orderly growth, open space protection and public service efficiency goals of LAFCO.*
 - e. *The existence of any social or economic communities of interest within the proposed annexation territory including the relationship between any adjacent or nearby cities or special districts which provide urban services that may affect the territory.*
 - f. *The use of natural or physical features (such as canals or roads) as annexation boundaries is encouraged over use of property lines. All annexation requests that do not conform to existing lines of assessment or property lines shall be justified by the proponent.*
- Annexation proposals should be consistent with and implement City General Plan and Sphere of Influence policies:

Implementation: Utilize the following criteria in the review of annexation requests:

- a. *Consistency of the proposal with City General Plan policy including planned land use designation, densities and other land use and development policy.*
 - b. *Consistency with planned phasing of growth and improvements as defined in the City's General Plan and/or Sphere of Influence Report.*
- Consistency with adopted open space and conservation policies of the City.*

- Public services shall be available to all annexed land in an efficient and orderly manner.

Implementation: Utilize the following criteria in the review of annexation requests:

- a. *Adequacy of governmental services for both existing and proposed land uses within the annexation territory.*
- b. *The ability to provide needed public services and facilities as demonstrated in the "plan for services," including the sufficiency of revenue sources for those services.*
- c. *Timely availability of water supplies adequate for projected needs as specified in Section 56668(k) of the Cortese-Knox-Hertzberg Act of 2000.*
- d. *Demonstration that public services will not be provided to annexing territory to the detriment of territory already within the City.*

- In the case of large comprehensive development proposals, annexation should be phased whenever feasible. The [LAFCO] Commission may approve annexation of all the subject territory if it finds the territory is likely to be developed within a reasonable period of time and if the City has adopted a phasing plan for the territory and policies for ensuring adequate facilities will be available once development occurs. Adoption of a specific plan for the territory by the City would be the most desirable means to ensure LAFCO policies are satisfied.

III. ADDITIONAL GROWTH MANAGEMENT PROGRAMS TO CONSIDER

A. Facilities Driven Programs

1. Description:

Some communities require infrastructure necessary for development to be funded prior to new development. In some cases, provision of these facilities is linked to a City's Capital Improvement Program (CIP). Facilities driven programs are often tied to major physical infrastructure for water, sewer and transportation. These programs can also be tied to infrastructure performance such as minimum level-of-service

(LOS) for roads, police and fire response times and “quality-of-life” measures, such as the amount and types of open space, parks and libraries, etc.

Depending on local conditions, communities may choose a strategy that focuses on the creation and funding of new infrastructure or the funding and maintenance of existing systems. In either case, the intent is to ensure adequate levels of service are maintained by linking development to facilities required to support the development.

2. Examples:

Following are excerpts from the growth management strategies used by the cities of Carlsbad and Chula Vista, in San Diego County.

Carlsbad:

“The City Council, on September 16, 1986 (as amended on April 22, 1997), created the following performance standards [*See Table III-1 below*] through adoption of the Citywide Facilities and Improvements Plan. These standards are real standards, not simply goals or aspirations. Development cannot proceed unless the standards are met. The following is a list of facilities provided by the City of Carlsbad: City Administrative Facilities, Libraries, Parks, Drainage, Circulation, Fire Response, Open Space, Sewer Collection. Services provided by other agencies include the following: Schools and Wastewater Treatment.”

Table III-1

Facilities Provided by City of Carlsbad	
City Administrative Facilities	1,500 sq. ft. per 1,000 population must be scheduled for construction within a five-year period or prior to construction of 6,250 dwelling units, beginning at the time the need is first identified.
Libraries	800 sq. ft. per 1,000 population must be scheduled for construction within a five-year period or prior to construction of 6,250 dwelling units, beginning at the time the need is first identified.
Parks	3.0 acres of Community Park or Special Use Area per 1,000 population within the Park District ¹ must be scheduled for construction within a five year period, or prior to construction of 1,562 dwelling units within the Park District beginning at the time the need is first identified.
Drainage	Drainage facilities must be provided as required by the City concurrent with development.
Circulation	No road segment or intersection in the zone nor any road segment or intersection out of the zone which is impacted by development in the zone shall be projected to exceed a service level C during off-peak hours, nor service level D during peak hours. Impacted means where 20% or more of the traffic generated by the local facility management zone will use the road segment or intersection.
Fire Response	No more than 1,500 dwelling units outside of a five-minute response time.
Open Space	Fifteen percent of the total land area in the zone exclusive of environmentally constrained non-developable land must be set aside for permanent open space and must be available concurrent with development.
Sewer Collection System	Trunk line capacity to meet demand as determined by the appropriate sewer district must be provided concurrent with development.

Facilities Provided by Other Agencies	
Schools	School capacity to meet projected enrollment within the zone as determined by the appropriate school district must be provided prior to projected occupancy ² .
Water Distribution System	Line capacity to meet demand as determined by the appropriate water district must be provided concurrent with development. A minimum of 10-day average storage capacity must be provided prior to any development.
Wastewater Treatment	Sewer plan capacity is adequate for at least a five-year period.

Chula Vista:

“The City of Chula Vista's Growth Management Program, originally established in 1987, has successfully monitored and managed growth for nearly twenty years. Thresholds established for eleven areas affecting the quality of life in Chula Vista, including: traffic; police; fire and emergency services; schools; libraries; parks and recreation; water; sewer; drainage; air quality; and economics have helped the City maintain a positive image in the face of substantial development. Reviews and updates of the Growth Management Program not only look back on past performance, but look forward in a formal fashion to understand anticipated development and direct growth and services. Reviews and updates allow the City to successfully face challenges associated with revitalizing older portions of the City.”

“The Growth Management Program uses specific Threshold Standards [See Table III-2 below] to analyze the adequacy of each facility associated with the eleven quality of life indicators. As part of the Program, the Growth Management Oversight Commission (GMOC) receives information annually to determine whether compliance is being maintained with each standard for the current time and forecasted condition. In addition, project-level reviews incorporate analyses of development impacts on facilities.”

Table III-2

Chula Vista's Threshold Standards	
Air Quality	Annual report required from Air Pollution Control District on impact of growth on air quality.
Fiscal	Annual report required to evaluate impacts on growth on city operations, capital improvements, and development impact fee revenues and expenditures.
Police	Respond to 81% of the Priority I emergency calls within 7 minutes and maintain average response time of 5.5 minutes. Respond to 57% of Priority II urgency calls within 7 minutes and maintain average response time of 7.5 minutes.
Fire/EMS	Respond to calls within 7 minutes in 80% of all cases.
Schools	Annual report required to evaluate school district's ability to accommodate new growth.
Library	An additional 60,000 gross square feet of library space to be phased to maintain a ratio of 500 square feet of library space adequately equipped and staffed per 1,000 population.
Parks & Recreation	Maintain 3 acres of neighborhood and community parkland with appropriate facilities per 1,000 residents east of Interstate 805.

Water	Annual report from water service agencies on impact of growth and future water availability.
Sewer	Sewage flows and volumes shall not exceed City Engineering Standards. Annual report from Metropolitan Sewer Authority on impact of growth on sewer capacity.
Drainage	Storm flows and volume shall not exceed City Engineering Standards. Annual report reviewing performance of city's storm drain system.
Traffic	Maintain Level of Service (LOS) "C" or better as measured by observed average travel speed on all signalized arterial streets, except, that during peak hours, an LOS "D" can occur for no more than any 2 hours of the day. Those signalized intersections west of Interstate 805 that do not meet the above standard may continue to operate at their 1991 LOS but shall not worsen.

3. Pros:

- If standards are accurate reflections of City policies, this is a logical method of implementing those standards.

4. Cons

- The City cannot control the rate or direction of growth, as long as the developer meets the standards.
- Some policies may be subjective, and difficult to quantify.

B. Location /Time Driven Programs

1. Description:

Some communities manage growth by designating specific geographic areas that cannot be developed until a certain future point in time. This approach may be implemented through a “tiered” system that targets areas for current urban development and restricts or withhold annexation and subdivision requests in other areas, which are then set aside for future development. The latter areas are often referred to as “Urban Reserve”; the City of Merced and other Central Valley communities have used this approach in the past.

Timing of development of “urban reserve” areas can be dependent on achievement of certain chronological milestones (e.g., no urbanization until the year 2010) or certain other characteristics of the community (e.g., completion of a critical highway link, or upon development of 75% of the existing community).

2. Examples:

Following are excerpts from the growth management program of San Diego County.

San Diego County:

“The Current and Future Development Area Categories taken together constitute the Urban Development Area. The outer boundary of the Urban Development Area constitutes and Urban Limit Line on the Regional Land Use Map and the community and subregional plan maps. Urban development will not occur outside the Urban Limit Line during the life of this plan. The Current Urban Development Area

includes those County lands to which near-term urban development should be directed.”

“The Future Urban Development Area are those that will ultimately be developed at urban densities, but which should be held in reserve for at least five years after the effective application of this category. Future Urban Development Areas will be permitted to develop at low densities (ten acre parcel size or larger) until infilling has occurred in adjacent areas and services can be provided at levels necessary for urban densities or until annexation has occurred.”

3. Pros

- City provides clear direction on where and when growth can occur.
- The process is very transparent and predictable for decision makers and developers
- City must restructure its CIP to provide infrastructure when it's needed.

4. Cons

- Time-driven process can be inflexible.
- Projects which may have merit, but are located in Future Urban Development Area, cannot be processed without a significant General Plan Amendment.

C. Programs Using Numerical Limits/Growth Caps

1. Description:

Some communities choose to set limits on the amount of growth to occur over a given timeframe, generally yearly. This growth limit can be either a growth rate percentage (e.g. 2% per year) or a fixed amount of development (e.g. 500 housing units per year) In a few cases, a limit is also set on the amount of commercial or industrial development to be permitted annually.

The intent is to limit the impacts of growth, particularly rapid growth, on services, infrastructure and “quality-of-life”. However, special attention should be given to ensure that limits are set in accordance with State law requiring communities to meet their “fair-share” of statewide housing need.

2. Examples:

Following are excerpts from growth management programs of the cities of Petaluma and Tracy.

Petaluma:

“Petaluma has adopted a growth management ordinance including the following requirements: The residential allocation pool for nonexempt units established by the 1987 - 2005 Petaluma General Plan and incorporated in this ordinance, an average of five hundred units allocated per year, no more than one thousand units allocated in one year and no more than one thousand five hundred units allocated in three consecutive years, provides the flexibility to modulate residential growth over time

and prevent overburdening local services, while accommodating future residential development at a rate consistent with historic trends.”

Tracy:

“Tracy has adopted a growth management ordinance including the following provision: The City shall not allocate Residential Growth Allotments (RGA) in any calendar year in excess of either of the following: (1) an average of 600 RGAs per year calculated pursuant to subsection 10.12.140(b), and (2) a maximum of 750 RGAs per year calculated pursuant to subsection 10.12.140(c).”

3. Pros

- Allocation process is very predictable, as long as there are minimal exceptions given.

4. Cons

- Process can be inflexible. Projects with merit, and willing to provide infrastructure, cannot be processed if “quota” for the year has been met.
- City cannot predict where or when development can occur, so developing CIP projects to meet developer demands is problematic.
- Growth caps are presumed to impact affordable housing goals (See Section 65302.8 of State Government Code).

D. Evaluating Projects Subject to Growth Management Strategies

Irrespective of the growth management strategies used, most communities incorporate a point or weighting system for proposed development in conjunction with growth management programs to help evaluate projects. The point system is used to consider additional impacts related to the development. Petaluma was one of the first communities in the State to use this approach. Following are Petaluma’s criteria for evaluating projects under their growth management program:

- Housing mix (types and affordability)
- East/West development ratio
- Needed public facilities
- Infrastructure improvements
- Availability of Infill areas
- Future residential development as provided by the General Plan
- Service capacity (including traffic considerations)
- Capital Improvement Plan recommendations
- City Council goals
- Past development history
- Environmental constraints and other pertinent data

IV. CONCLUSION

The Facilities-Driven approach, when combined with key features of the Location/Time Driven approach, appears most suited for Merced's needs. Establishing "development objectives" similar to Petaluma's can help the City ensure a high standard for all future development. However, more details will be developed and analyzed as the General Plan Update proceeds.

As an illustration of this approach, the following general approach was presented at the May 1st and May 8th Joint Planning Commission / City Council Study Session:

"Urban" and "Urban Expansion Area" (UEA) classifications are used for draft expanded Sphere of Influence (SOI) and SUDP. The "Urban" classification is for existing SOI Areas 2 and the north ½ of 3, areas expected to be eligible for annexation in the near term. UEA's include Areas including the south ½ of 3 as well as 8, 10, 11 and 12. The purpose of this classification is to maintain existing land use until a plan for urban services is completed. Areas in this classification: (1) have preliminary plans in process; (2) have no sewer service presently available to the area as a whole, but preliminary planning is underway; and (3) there is inadequate access for urban development of the area as a whole, but planning is underway (Campus Parkway and Atwater-Merced Expressway). Area 4 is an Area of Interest (AOI) or Joint Planning Area (See *Study Area Map, Attachment A*).

The criteria used in evaluating conversion of "UEA" to "Urban" are as follows:

2.1 City boundary is contiguous (or annexation of intervening area is imminent) and future sub-area annexation will not result in "islands," "peninsulas" or an irregular boundary.

2.2 A specific or area plan has been accepted with land use, circulation, location of public facilities (fire stations, parks, and schools), and an infrastructure plan.

2.3 Public Facilities Financing Plan has been updated to incorporate proposed "Urban". This includes identification of existing revenue sources including developer, City and regional impact fees, etc.

2.4 The area property owner(s) is/are committed to financing wastewater treatment plant expansion, and there is capacity for an identified phase or phases of sub-area development.

2.5 There is a plan for new trunk line or other City approved sewer service available.

2.6 Revised revenue sharing agreement is in place.

"Urban" areas are eligible for annexation when existing General Plan criteria (See *Table II-1*) can be satisfied.

Table II-1

Policy UE-1.3 Control the Annexation, Timing, Density, and Location of New Land Uses Within the City's Urban Expansion Boundaries.	
Implementing Actions:	
1.3.f	Evaluate future annexation requests against the following conditions: <ul style="list-style-type: none">a) Is the area contiguous to the current City limits and within the City's Specific Urban Development Plan (SUDP)?b) Is the proposed development consistent with the land use classifications on the General Plan Land Use Diagram (Figure 3.1)?c) Can the proposed development be served by the City water, sewer, storm drainage, fire and police protection, parks, and street systems to meet acceptable standards and service levels without requiring improvements beyond which the developer will consent to provide?d) Will this annexation result in the premature conversion of prime agricultural land as defined on the Important Farmland Map of the State Mapping and Monitoring Program? If so, are there alternative locations where this development could take place without converting prime soils?e) Will a non-agricultural use create conflict with adjacent or nearby agricultural uses? If so, how can these conflicts be mitigated?
Future annexation requests will be evaluated against the above criteria as well as against the Policies and Implementing Actions of the <i>Merced Vision 2015 General Plan</i> , including but not limited to the following: <ul style="list-style-type: none">a) Urban Expansion Policies--UE-1.1, UE-1.2, UE-1.3, and UE-1.7.b) Land Use Policies--L-1.1, L-2.1, L-2.7, L-3.1, and L-3.2.c) Transportation and Circulation Policies--T-1.1, T-1.3, T-1.8, T-2.2, and T-2.4.d) Public Facilities and Services Policies--P-1.1, P-1.2, P-1.3, P-2.1, P-3.1, P-4.1, P-5.1, and P-7.1.e) Open Space and Conservation Policies--OS-1.1, OS-1.2, OS-2.1, OS-2.2, OS-3.1, and OS-4.1.	

Minutes of City of Merced
General Plan Update Department Head Workshop
Sam Pipes Community Room
March 2, 2006
8:30 a.m. to 3:30 p.m.

Minutes

<u>TIME</u>	<u>TOPIC</u>
8:30	<u>INTRODUCTION:</u> <ol style="list-style-type: none">1. Greeting and Introductions – <i>Introduction given by Kim Espinosa and Jack Lesch</i>2. Ground Rules – <i>Introduction was given by Jeffry Rice</i>3. Purpose of Workshop – <i>Introduction was given by Jeffry Rice</i>4. City Manager – <i>Comments by Jim Marshall, City Manager</i>
8:45	<u>BRIEFINGS:</u> <p><i>The following staff provided briefings on the topics listed below:</i></p> <ol style="list-style-type: none">1. Growth Projections – Brian R. Smith, URS2. Land Use, Urban Form, Design Trends – Jack Lesch3. Economic and Business Development – Jeffry Rice4. Infrastructure Planning – Cynthia Gabaldon, URS5. Circulation – Richard Lee, Fehr and Peers6. Presentation of Preliminary SUDP Study Area boundaries – Brian Smith
10:30	<u>SMALL GROUPS:</u> <p>GROUP ONE: Focus on land use, urban form, design standards, and economic development (Policy based discussion) – Discussion led by Jeffry Rice, URS</p> <p>GROUP TWO: Focus on traffic, circulation, utilities, public facilities, and parks. - Discussion led by Cynthia Gabaldon, URS and Richard Lee, Fehr & Peers</p> <p><i>The two groups developed the Key Themes and Issues presented in Attachment A.</i></p>
1:30	<u>DISCUSSION:</u> <p>POLICY IMPLICATIONS FOR EXPANDING THE CITY IN EACH CARDINAL DIRECTION – Discussion led by Brian Smith</p> <p><i>See Attachment A</i></p>
2:00	<u>ROUNDTABLE:</u> <p>ROUNDTABLE DISCUSSION ON GROWTH IMPLICATIONS ON THE CITY</p>
3:00	<u>SUMMARY AND FOLLOW-UP:</u> <p>SUMMARIZE KEY THEMES, ISSUES & NEXT STEPS– Led by Kim Espinosa and Jeffry Rice</p> <p><i>See Attachment A</i></p>

ATTACHMENT F

Department Head Workshop

Attachment A to Exhibit 1

City of Merced General Plan Update
Department Head Workshop
Key Themes and Issues
March 2, 2006

THEMES

Economic Development

- Jobs → 3 Areas & Downtown
- Yosemite Gateway
- Logistics/ Distribution centers

Mobility – N/S & E/W

Neighborhoods/ Districts

React to U.C. Merced

- Land use, activities, mobility

Design & Standards

**

Loop Road

- Missing link

Existing capacity facilities not enough

Funding mechanisms

Community facilities

- Comm. Center & Rec. Parks

Protect & enhance airport

Integration of neighborhoods

**

-Recreational paths

- Bikes and pedestrian

-Bear Creek et. al.

-Infrastructure/ utilities & aesthetics

-Decentralized services

-Policies to keep up with GP Policies (Nexus)

- Small lot guidelines

-Hwy 99 – Great Valley Cntr

**

Infrastructure Plans

- Water, Sewer, Storm

- 2 New Trunk Lines

**

- Oldest area of town
- Diversity
- Divided by transportation
- Churches
- Entry/Gateway
- Indust/Comm. Base of city & Ag sales
- More family owned AG
- Look at broader land use needs

**

- Transportation pinch points
- Retail not nearby
- Underdeveloped
- Interest in developing in the community
- Need lighting
 - Light poles but they're not on
- Walking
 - Families/children
- Sense of family
- Traffic light 59/Mission
- Fairground
- High children population

**

- Few schools
- Few sports fields
- Youth facilities (few today)
- Development w/out amenities
- Need to focus on youth
- Need commercial opportunity
- People → Demand for services
- Regional park
- Prop Maint.
- Need for equiv. services/ code enf.

**

GROUP DISCUSSIONS

Policy Based Discussion (Group One)

Economic Development

- Ag business
- Food processing
- Logistics
- Shifting to knowledge based industry
- Shift towards office/business parks
- Rethink Hwy 59 Industrial Corridor
- Development along future Campus Parkway
- Growth pays for growth

Urban Form/Design

- Preserving Bear Creek
- Ragsdale neighborhood
- Street trees
- 5 national register buildings
- Hwy 140-Gateway to Yosemite Appearance
- Views from Hwy 99 are unfavorable

**

Traffic Discussion (Group Two)

(1)

Beltways

Highway 99 connection critical
Highways widened sans Hwy 59 and Parsons

- Why didn't consider Beachwood/ Franklin area square off western boundary I-10 yrs realities – exp. SUDP
- Study area to west
- GW wells need to consider restriction regs
- Recycled water good but
Treatment plant needs many new lines to the north
Now recycled water to Ag
- Septic tank challenges in NE
- Storm drain system will in future need to go to treatment plant
- When city reaches 100,000 new water regs are triggered. Need to plan for this now.
- Need to resolve basin plan

**

(2)

- Should we be updating various plans (e.g. fire) concurrent with GP update
- Need planner for infrastructure activities
- Treatment plant upgrade
- Current fire protection plan (03) not updated with Castle Farms and fee system and moving Station 57
- Keep up great bike system – need in South Merced, use driving areas, etc.
- Need info (update) on outdated Castle Airport plan. Road into and out of airport. More flights being added.
- As we expand parks, roads need to be upgraded - No funds for either
- How to maintain infrastructure facilities during growth

**

(3)

- Storm drains – need flood control district established
- Some issues need to be addressed in policies
- Traffic – 3 main arterial streets
-Was 6 minutes, now 16 minutes
People taking residential streets for short cuts. Speed increasing. Need traffic calming
- N/S street capacity a problem – Policy?
Conflict between street capacity and environmental issues.
- RR over/under passings – community issues
- N/S - Double left turn, lanes – problem
R, G, M, Olive
- PD – As we grow north – traffic issues – create sound walls, etc.
- Substances already being discussed
North station relocation only need
- 30 yrs. – Need substations SAE
- County jail, no city jail

**

(4)

- Need more indoor facilities – only 1 now (Boys & Girls Club)
- N. Merced has more from developers for roads. S. Merced opposite.
- 2 utilities in town: MID and PGAE
- Cell towers – aesthetics
Police/ fire towers
- Bear Creek (one of national features)
MID looks at it clear cut
Bear problem
Save bear Creek (SBC)

- Policy – Public facilities and transportation
Legal language for improvements
County islands
- Resolve missing transportation loop segment SW South Merced*

CITY OF MERCED GENERAL PLAN UPDATE



STAKEHOLDER MEETINGS

Region	Date	Time	Location
1 (North of Highway 99, West of G)	Tuesday, April 11, 2006	9:00 to 11:00 a.m.	Sam Pipes Room
2 (North of Highway 140, East of G)	Tuesday, April 11, 2006	1:15 to 3:15 p.m.	Sam Pipes Room
3 (South of Hwy 99, West of South Hwy 59)	Wednesday, April 12, 2006	9:00 to 11:00 a.m.	City Council Chambers
4 (South of Mission Ave, East of South Hwy 59)	Wednesday, April 12, 2006	1:15 to 3:15 p.m.	City Council Chambers

Summary of Comments Received at the Meetings

REGION 1 (Sub-Areas 11, 12, & 13)

- Area 12 – should include portion up to Hwy 59 or perhaps on east side as well.
- Area 13 (400 ac) – do have some interest in development and would like to be included in SUDP.
- Area 13 – Near G Street (3 parcels) – would like to be included.
— Only 2 property owners control all of Area 13
- Area 11 – interested in development along with other surrounding owners.
--NE corner of Belcher and Thornton (40 ac)
- Area 8 – want to be included.

ATTACHMENT G

- Area 10 – Industrial Development
 - interested in being included – feel it can be compatible with Airport.
 - have been encouraged by Economic Development Staff
- Area 1 – in Study Area but will be excluded due to wetlands/vernal pool areas.
 - lots of conservation easements as well
- Area 11 – along Bellevue Road
 - Noise Impact Areas from Castle AFB – will they be reduced?
- Area 11 – 20 acres on N. Thornton Road
 - Concern about sewer line and whether properties can hook up

REGION 2 (Sub-Areas 1, 2, 3, & 4)

- Yosemite Lakes Project
 - Don't mind being included as long as it doesn't interfere with the processing of their project in the County.
 - Affects infrastructure planning

- West of UC
 - Concern with how these additional areas will affect the original study area

- UC & UC Community
 - UC agrees with including both in SUDP
 - Urge to consider new technologies for infrastructure, etc.

- Yosemite Church (proximity to Yosemite and Gardner)
 - Have developments plans and want City Services

- Height Limits – look to increase to encourage higher buildings

REGION 3 (Sub-Areas 8, 9, & 10)

- Area 10 is shown inaccurately on the map (needs to extend further south to match map that was mailed).
- Area 7 – Interest in development, especially business parks with new Mission Interchange
 - Concern with proposed school on Mission
- Area 10 – From Hwy 140 to Wardrobe planning for industrial development (approximately 300 ac)
 - Sewer/other infrastructure available
 - Not all of Area 10 as expanded
- Area 11 – Would like to see expansion west of Thornton, more than $\frac{1}{4}$ mile as proposed
 - Extend line south from west edge of Area 10
- Area 11 – Concern with how a sewer line could affect their property
- Area 10 – Concern with existing dairy in area and how the change in the city's boundaries will affect their existing operations
- Feels Mission should still be the boundary line to the south
 - Concern with directing growth toward the least productive ag land
 - Wants to extend boundaries north of Area 13
 - May have conservation easements
- Would like to see boundary to south go down to Vassar
- Concern with no alignment settled for the Atwater-Merced Expressway and how that will affect the plan.
- Area 4 – Would like to see Campus Parkway be the farthest east the City grows
 - This area is very productive farmland (perhaps most in the County)
 - Designate area to east of Parkway as a buffer to discourage further growth to the east

- Area 12 – Prime/productive farmland
--Would not like to see development west of Hwy 59
- Area 10 – Want to be included

REGION 4 (Sub-Areas 5, 6, & 7)

- Area 5 –
 - 32 acres across Mission from current growth boundary
 - interest in development
 - 6 ac for a church (NW corner)
- With Mission Interchange, development interest in Areas 5, 6, and 7 will increase
 - These areas are also closer to the Wastewater Treatment Plant
- Area 7 – Putting together plans for master-planned community in that area
 - Concern with boundaries dividing properties (along Rahilly Road)
 - Antiquated subdivisions in areas
- Area 5, 6, and 7 – Development pressure on both sides of the Mission corridor vs. it being a boundary.
- Area 7
 - Concern with large numbers of smaller parcels (most around 20 acres)
 - Can be difficult to assemble with different property owners
 - A lot of developers want at least 160 acres (economics of environmental studies, etc.)
 - Concern with development taking place to benefit the community and respecting the desires of property owners
 - With development to the south and Mission Interchange, may use Heilly and other roads to get to Hwy 99
 - Concern with circulation, making sure that people can get around town
 - Areas 5, 6, and 7 have good access to Hwy 99, better than Area 12
- Areas 5, 6, 7, and 8 – Opportunity to put in large roadways to accommodate traffic

- Areas 5, 6, 7, and 8
 - Land not prime farmland like Areas 3 and 4
 - Should grow on less prime soils first

Comments Received after the Meetings via Comment Cards

- Areas 2 and 3 (UC Merced & University Community)
 - Janet Young, Assistant Chancellor, UC Merced
 - Also serves on governing board of University Community Land Company LLC, which owns the northern 1,240 acres of the University Community, in 50/50 partnership between UC & Virginia Smith Trust
 - UC Merced and the University Community were originally included in the City's Sphere of Influence before the change in location led to only the UC campus remaining in the Sphere
 - UC believes it is appropriate & consistent with the original intent of the City and the County to include both the campus and the University Community within the SUDP

- Area 3
 - Believes the proposed Study Area boundaries are well thought out and good
 - The area south of the UC Campus, which has been brought to the east to Fairfield Canal, makes sense. This is a natural boundary and it is difficult to farm in that area due to so many small parcels and traffic on the roads
 - It is only smart to go at least as far as the Eastern Boundary of the University Community. In this fast-growing area, the City needs to be proactive

- West of Area 3 (Inside current Sphere of Influence but outside SUDP)
 - Yosemite Church, owns 19 acres north of Yosemite Avenue, east of Gardner Rd, and currently have 4 buildings on site
 - Wants to be included in new growth boundary
 - Long-range plans include building a 2,500-seat sanctuary within the next 4-6 years and want to be annexed and receive City services, especially sewer service
 - Long-range plans call for a softball/sports complex

- Area 4
 - Owns 2 parcels (one 9-acre parcel, south of Black Rascal Creek, east of Leaf Drive and one 24-acre parcel, south of Black Rascal Creek, west of Leeds Road
 - Wants to be included in Draft SUDP and be annexed to the City

- Area 4
 - Owns 2 parcels (one 14-acre parcel, north of Olive, east of Leaf Drive and one 4-acre parcel, north of Olive, west of Leeds Rd
 - Wants to see the growth boundary extended east to the Campus Parkway
 - Would like to develop his property with R-1-10 lots

- Area 4
 - Owns home on Whitegate Drive
 - Concerned that the timetable for the General Plan is not extended because of the added on areas
 - No objection to including or excluding Area 4 in the Draft SUDP, but feels it is too large of an area to include in the actual General Plan

- Area 4
 - Concerned that the Campus Parkway will decrease the value of her property considerably (proposed alignment goes through her property)
 - Feels that the current growth boundary was determined by the path of the proposed Parkway rather than following a more natural boundary down Lake Road between Yosemite and Olive
 - Feels that she has been penalized twice, as the parkway boundary leaves her property just outside the City's current growth boundary, which she hopes to have changed

- Area 4
 - Owns property on Crown Road
 - Wants to be included in the growth boundary
 - Wants annexation and residential or commercial development

- Area 6
 - Owns 3 parcels (14 acres and 17 acres south of Vassar, east of Highway 99 and 11 acres at the northwest corner of Vassar and Miles Road)
 - Would like to be included in the growth boundary

- Area 7
 - Owned property on Vassar Rd for more than 14 years
 - Would like to see Area 7 included in the new City limits
 - Would like to use some of his property to build a Laotian Temple (currently Laotians must drive to Modesto or Fresno for such a Temple)
 - County Planning has told him that his property cannot be subdivided so he cannot donate part of his land for such a temple

- Area 7
 - Currently planning to build a community hall on Vassar Road
 - The property is not currently being farmed

- Area 7
 - Own property on Reilly Road
 - Would like to be included in the growth boundary and within the City limits
 - Have interest in developing the property
 - Mission/99 Interchange changes the focus of the area away from agriculture

- Area 8
 - Owns 160 acres along Gove Road, north of the City's WWTP
 - Interested in developing his property as industrial uses;
 - Has preliminary plans for a 100-lot industrial park ("Sweetwood Industrial Park")

- Area 8
 - Strongly in favor of recommendation to include Area 8 (the “Mission Lakes” project) in the draft growth boundary
 - Advantages of including “Mission Lakes” (2,400 acres):
 - Minimizes sewer and transportation infrastructure investment and allows for reuse of treated wastewater
 - Creates a balance of job creation, residential, and recreation
 - Help to address existing infrastructure deficiencies such as providing funding for improving Highway 59, both north and south of Mission
 - Fuel the revitalization of South Merced
 - Help create critical transportation linkages—extending Mission portion of the loop and improving Highway 59
 - Provide appropriate land uses in the Airport Approach (compatible with the Airport Land Use Plan) and will not impact Airport operations

- Area 10 (300 acres)
 - Would like to see Area 10 included in the Draft SUDP for the following reasons:
 - Submitted a development pre-application in June 2005
 - The property is bounded by the City Limits to south and east.
 - Property to the north is proposed for annexation as part of the Five Bridges Specific Plan
 - City Economic Development staff and MCEDCO have indicated a need for additional acreage of sufficient size to support large scale industrial development
 - Overflight/noise restrictions on the property from the Merced Airport are similar to those at much of existing City Airport Industrial Park and anticipated uses will be similar to those existing uses
 - Continuing City encroachment limits the agricultural viability of the property, which is currently permitted as a dairy
 - As the City grows west, this urban/agricultural incompatibility will increase and the dairy use will eventually need to cease

- Areas 10 & 11
 - Owns property in Area 11 and wants to be included in SUDP
 - Does not believe Area 10 should be left out of the SUDP, but area should be expanded going south along Thornton to Dickenson Ferry
 - The Airport Industrial Park is almost full, the logical expansion is across Thornton
 - The western loop around Merced will likely be Gurr Road or Thornton Road and the City should control that land

- Area 11
 - Owns 20 acres east of Thornton, north of Cardella
 - Wants to be included in the Draft SUDP

- Area 11
 - Owns 2 parcels (20 acres each), north of Cardella Road and just outside the boundary line ¼ mile west of Thornton Road
 - Would like to have his parcels included in the growth boundary

- Area 11
 - Owns 20 acres, north of Tahoe Street, west of Highway 59 (just west of current City SUDP)
 - Would like to be included in the growth boundary and develop mini storage uses there

- Area 11
 - Has owned 20 acres at southwest corner of Bailey Avenue & Thornton Road since 1953
 - Concerned that a sewer line and highway will impact their property, reduce their property value (if whole property is needed for a road), and impact their house which is close to the canal
 - Concerned that County A-1 zoning forces them to keep 20 acres and would like smaller parcels
 - Opposes use of “eminent domain”

- Area 11
 - Owns 20 acres south of Cardella, west of Thornton Road
 - Wants to be included in the growth boundary
 - Wants to be kept informed of progress with the Plan

- Area 11
 - Owns 38 acres at the northeast corner of Belcher & Thornton
 - Requesting that his property be included in the growth boundary
 - Has spoken to several property owners in Area 11, north of his property who are also in favor of being included

- Area 11
 - Owns 20 acres, west of Thornton, north of Cardella
 - Wants to be included in SUDP

- Area 11
 - Owns 19-acre parcel at southeast corner of Thornton & Bellevue
 - Wants to be included in SUDP & be annexed, especially if proposed new sewer trunk line is in Thornton Rd

- Area 11
 - Owns 254 acres north of Belcher Avenue for over 60 years
 - Want to be included in draft SUDP
 - Believe that given its location, it is a logical area for future annexation to the City of Merced

- Area 11
 - Owns 20 acres on Tahoe Street
 - Want to be included in draft SUDP
 - Reasons why the land is not suitable for agriculture—numerous small parcels (20 acres in size), severe hardpan makes it difficult to grow crops, and the area is not included in MID so groundwater only is used (in contrast to many agricultural areas which use surface water)

- Area 11
 - Owns 40 acres at the corner of Bellevue & Thornton Rds
 - Want to be included in draft SUDP
- Need to move forward to maximize growth while available. Hope the new additions (to the study area) won't slow down the process.
- Comments from Merced Irrigation District
 - Majority of Study Area is within MID's Drainage Improvement District No. 1
 - Several irrigation facilities are located throughout the area
 - To use MID facilities for storm drainage will require payment of fees and a "Subdivision Drainage Agreement"
 - Developments that impact MID facilities may be required to underground facilities with possible realignment
 - MID is a provider of electrical services, which can serve the Study Area
- Greed is driving the expansion of the City Limits in all directions but it is the government's role to rise above individual's short-term desires and do what is in the community's best interest
 - Since the City benefits from the agricultural tax base, the wisest policy would be to protect that base
 - Recommends adhering to the "Linear City" plan that has been in place for about 20 years
 - Salinas uses major roadways as a hard boundary where development stops. The City should zone land for agriculture (serving as a "greenbelt") on County side of road to prevent further development
 - Roads that were used to define the Linear City were Highway 59/Thornton Road on the west, Mission/Dickenson Ferry on the south, the Campus Parkway and UC boundary on the east
 - There is quite a lot of land that can be developed to the north before reaching high densities of vernal pool habitat. The City should build right up to it. By then, the majority of voters should realize that sacrificing their food source and economic base is not worth protecting every fairy shrimp.

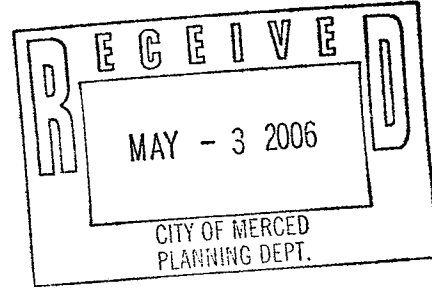


RANCHWOOD
At Home in the Valley **HOMES**

G.P.U. file

May 3, 2006

Mayor Ellie Wooten
City of Merced
678 West 18th Street
Merced, CA 95340



Subject: Support for Proposed SUDP Boundary

Dear Mayor Wooten,

I am writing to express Ranchwood's appreciation for the opportunity to participate in the Joint City Council/Planning Commission workshop held on May 1st, 2006. We are developing communities within Subarea 3A and Subarea 8 and we strongly support your staff's recommendation to include these subareas in the proposed SUDP area. We also support the conceptual growth policies, as presented by staff, as a means of assuring that growth proceeds in concert with infrastructure development.

I would like to take this opportunity to make clear our continued excitement about our Mission Lakes community in southern Merced. Mission Lakes will:

- Fuel the revitalization of southern Merced.
- Minimize sewer and transportation infrastructure investment and allows for the reuse of treated wastewater when available.
- Create a balance of job creation, residential and recreational uses.
- Help to address existing infrastructure deficiencies.
- Help create critical transportation linkages – including the extension of the Mission Avenue portion of "The Merced Loop".
- Provide appropriate land uses in the airport approach. The project is compatible with the Airport Land Use Plan and will not impact airport operations.

I have attached an up-to-date conceptual land use plan for the Mission Lakes community for your information.

Thank you again for the opportunity to participate in this process. If you have any questions or comments please contact me at (209) 587-1485.

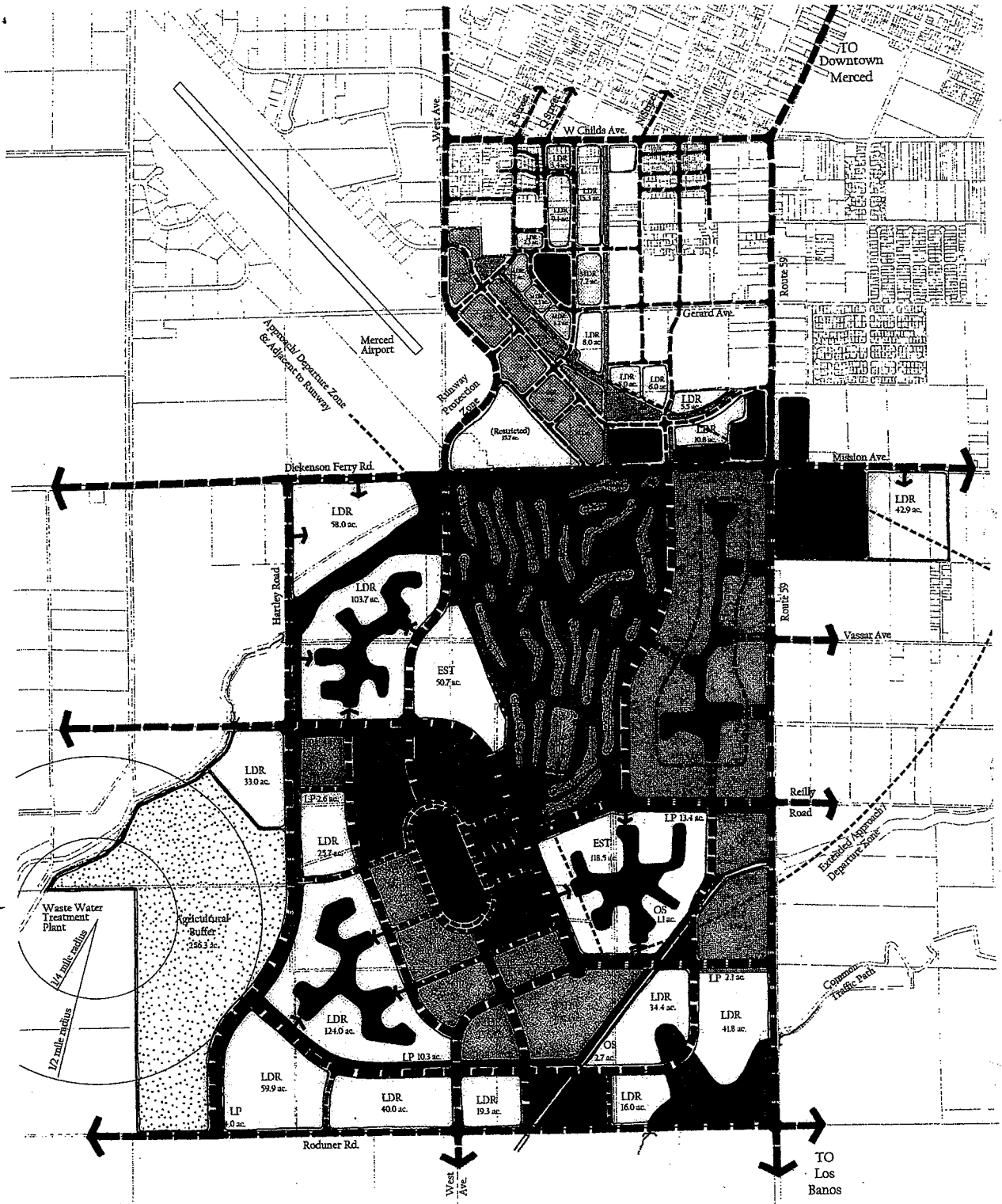
Sincerely,

Terrence Grindall

Terrence Grindall, AICP
Vice President-Planning

C: James Marshall
Jack Lesch
City Council and Planning Commission

ATTACHMENT H



South Merced - Specific Area Plan

Merced, California

Land Use Plan - Concept L

Mission Lakes Land Use	Acres	Density/Ac.	Units
Estate Residential	169 ac.	1.0 units/ac.	169 units
Low Density Residential	556 ac.	4.5 units/ac.	2,502 units
Medium Density Residential	145 ac.	7 units/ac.	1,015 units
High Density Residential	89 ac.	10 units/ac.	890 units
Office Professional	284 ac.		
Commercial	30 ac.		
Agricultural Buffer	256 ac.		
Golf Course	345 ac.		
Elementary School	16 ac.		
Parks	30 ac.		
Open Space / Linear Parks	92 ac.		
ROW / Accessway	325 ac.		
Land Use Totals	2,338 acres		4,576 units
Lake (Included in Land Use)	128 ac.		
Chablisque			

North of Dickenson Ferry Land Use	Acres	Density/Ac.	Units
Low Density Residential	65 ac.	4.5 units/ac.	293 units
Medium Density Residential	17 ac.	7 units/ac.	119 units
Business Park	19 ac.		
Commercial	25 ac.		
Industrial	58 ac.		
Parks	10 ac.		
Restricted	36 ac.		
ROW / Accessway	88 ac.		
Land Use Totals	322 ac.		412 units

Mission Avenue Parcel Land Use	Acres	Density/Ac.	Units
Low Density Residential	51 ac.	4.5 units/ac.	230 units
Commercial	36 ac.		

March 27, 2003

LAND PLANNER / LANDSCAPE ARCHITECT:
 Randall Planning and Design, Inc.
 1475 N. Broadway Suite 290
 Walnut Creek, California 94596

CONSULTANTS:
 Golden Gate Engineering
 405 W. 15th Street
 Merced, CA 95340



Espinosa, Kim

From: planningweb
Sent: Wednesday, May 10, 2006 1:31 PM
To: Espinosa, Kim
Subject: FW: NO in Area 7

Okay – no question on this one – it's for you.

-----Original Message-----

From: Janice [mailto:highseas@bigvalley.net]
Sent: Wednesday, May 10, 2006 1:27 PM
To: planningweb
Subject: NO in Area 7

Hello,

My husband and I were not able to make any of the general meetings for the Comprehensive Plan. When I read in the paper that someone was impressed with the 70ish people that showed up it seemed like a small number to me to say that most of the people in this plan are for the proposal. There are a lot of people living and ranching/farming in these areas and 70 is a very small percentage to count as a lot.

My husband and I are not in favor of our Area 7 being developed or annexed into the city. We own 30.6 acres that adjoin (mythical) Henry Street (if it ever goes through) and Reilly Road. We have based our future on retiring and staying right where we are.

I can not believe you would be thinking about expanding out into farmland that has many creeks and lots of wildlife that have made their homes in these areas. I have personally counted 70 species of birds, 15 species of mammals (and have heard that a close neighbor has seen San Joaquin Kit Foxes on her property) along with at least 7 species of reptiles and amphibians (snakes, turtles, frogs). Once we established more trees on our property we saw an influx of birds to the area. We put up owl boxes to promote the barn owls and added wood duck boxes to help the resident wood ducks that live year round in Miles/Owens Creek even though MID is determined to strip the creek of all vegetation in the name of the State of CA flood control. Many of our neighbors had not received any notice of this study even though they own and live in these areas.

Why would you be thinking about expanding residential areas in South Merced?? There is no facilities (the only grocery shopping is downtown except for small mom/pop stores) for this area and it is traditionally the poorer neighborhoods with new housing developments that are going in with cheap construction (3 yr old homes are already falling apart and looking old). Why would you want a new high school so close to the other Golden Valley when the West side needs a high school.

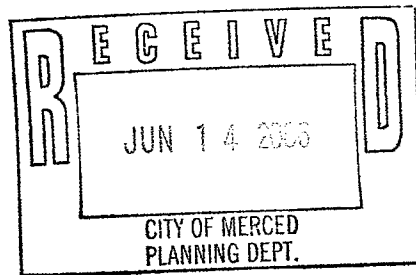
We are not in favor of this expansion and are not interested in annexation of our property.

Sincerely,
Janice Altomare
1850 Reilly Road
Merced, CA 95340

5/10/2006

June 13, 2006

Jack D. Lesch
Director of Development Services
City of Merced Planning Dept.
678 W. 18th Street
Merced, CA 95340



Dear Mr. Lesch:

I wish I could attend the meeting scheduled for June 21st in person, but unfortunately I am an elderly person and these days most of my driving is confined to local driving. I will therefore use this letter to express my fears and concerns regarding the recommended SUDP expansion.

I own 39 acres on Olive Ave. Much to my misfortune the proposed parkway to the college that was selected runs right through my property. I have been told by the Dept. of Public Works that it will take approximately 10 acres of my land for the road. I fear that this road will bring down the value of my property considerably. I am also concerned that there may be an additional loss of land immediately east of the road due to its proximity to the parkway.

Option 1 used the parkway boundary to establish the SUDP boundary, which would exclude my remaining property. I realize boundaries do not have to be straight lines, but in looking at the map of the recommended SUDP expansion, I note that properties just to the north and south of my property extend considerably east of my property and those properties are included in Phase 1. I feel I have been doubly penalized, first by my land being seized for the parkway, and then by excluding the remaining land from the recommended SUDP expansion.

I sincerely hope you will consider including my remaining land (29 or less acres) in Option 1 or adopting Option 2.

Thank you for your attention to my letter.

Sincerely

Rose M. Brown
960 Malcolm Lane
Hayward, CA 94545



10561 WEST HIGHWAY 140
POST OFFICE BOX 775
ATWATER, CA 95301-0775

TELEPHONE (209) 394-7984
TELECOPIER (209) 394-4988
WWW.JOSEPHFARMS.COM

May 23, 2006

*my - Clerk - file
cc JB*

James G. Marshall, City Manager
City of Merced
678 W. 18th Street
Merced, CA 95340

Re: General Plan Update Study Area

Dear Mr. Marshall:

Thank you for extending to us the invitation to attend your public forum regarding your study area for the City's new SUDP. As you know, this process represents a sizable investment of time and resources on the part of the City and is a considerably long and costly endeavor. It is out of respect for this effort that I am forwarding to you my desire, by way of this response, to *not* be included within this new study area.

Our company currently owns approximately 654 acres of land located within the County of Merced that lies outside the City's current SUDP boundary. This property is currently under application with the County of Merced as governing authority for the purposes of developing our property as a community plan urban development and has a certified EIR for that purpose, as well as support comments made by the City at that time. I feel that inclusion into the City's General Plan update process does no service to either our project or your process and would only create great delays and increased costs to both. In addition, two municipal authorities having some jurisdiction over the project would further complicate our processing through various state and federal agencies.

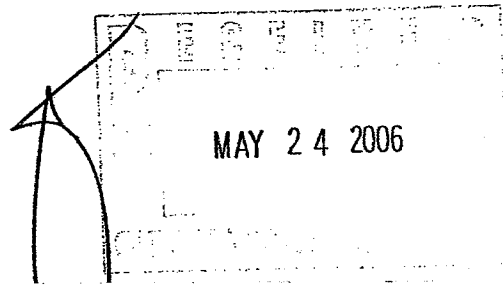
We welcome the opportunity to work with the City in the exchange of information and materials deemed to be necessary in meeting our mutual goals; however, we must again respectfully ask that we not be included within any study area or have our property depicted on any study area map that may be circulated for that effort.

Sincerely,

JOSEPH GALLO FARMS

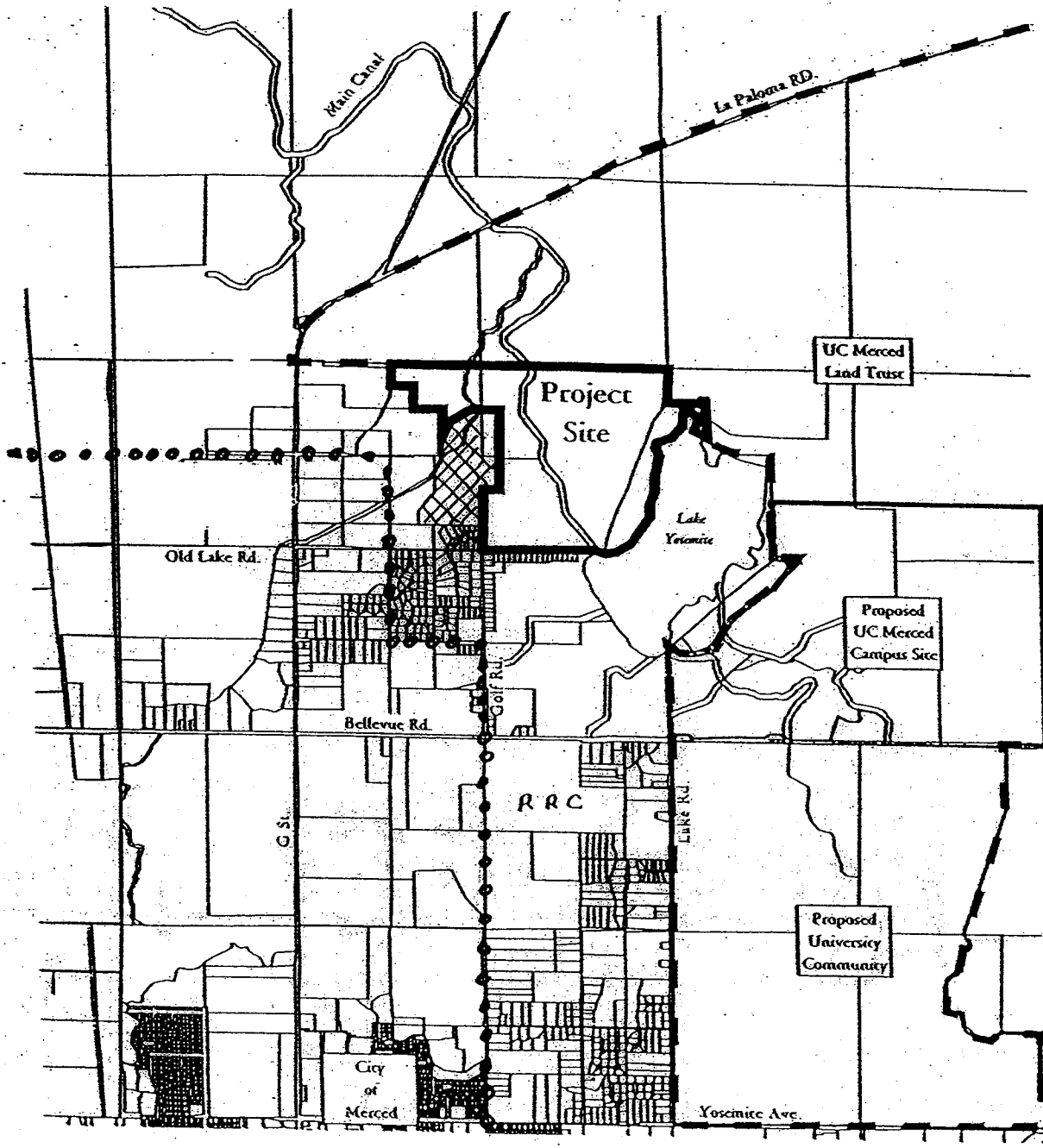
Greg Thompson
Land Development Manager

cc: Jack Lesch, Merced City Planning Director
Michael D. Gallo, CEO, Joseph Gallo Farms



ATTACHMENT I

Yosemite Lakes Letter









- Proposed SUDP Project Area
- Proposed UC Merced Campus Site
- UC Merced Land Trust
- City of Merced SUDP
- ▨ Merced Golf & Country Club

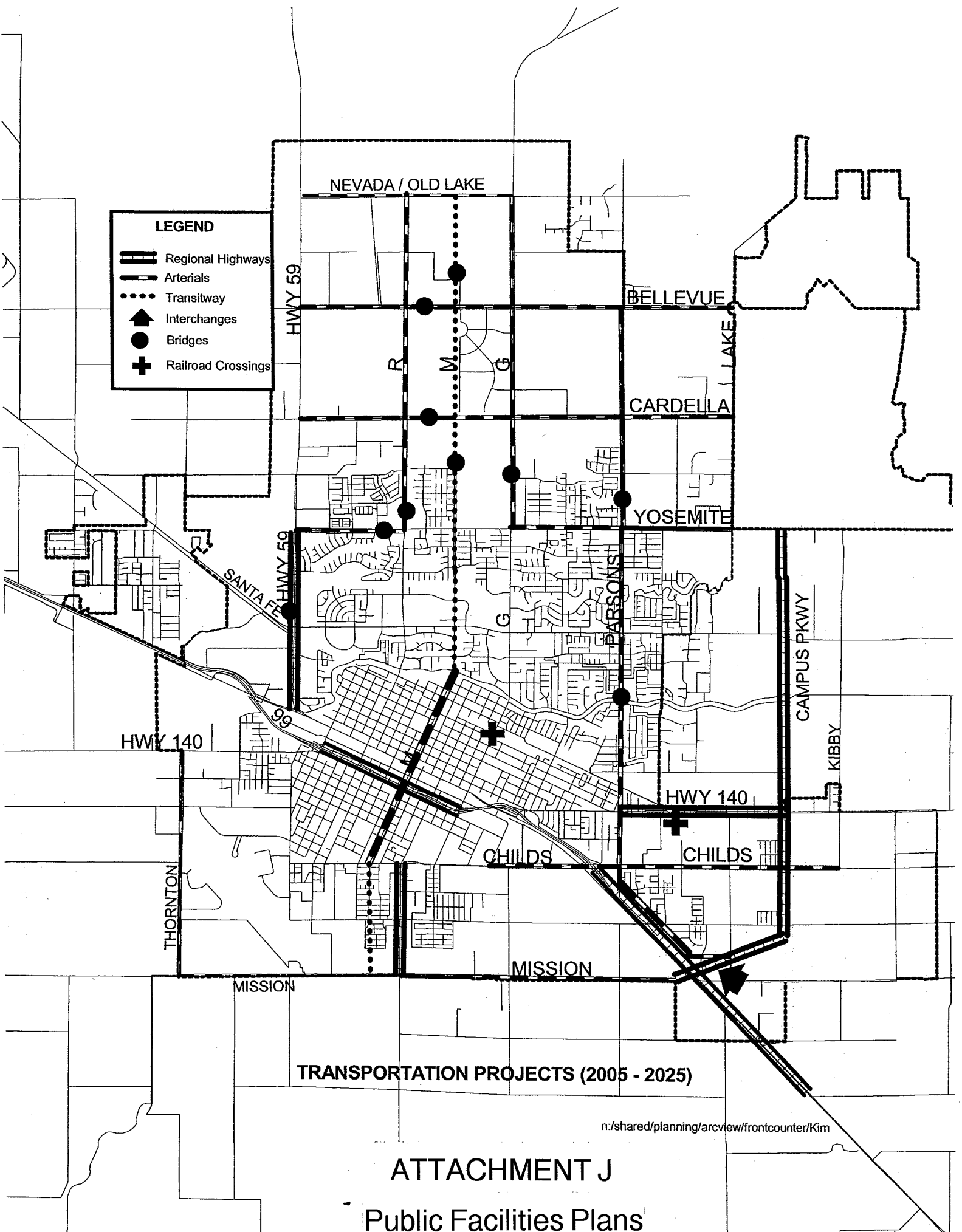
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Source: County of Merced

Yosemite Lakes Estates Project Planning Center • Figure 3.1-3

LEGEND

-  Regional Highways
-  Arterials
-  Transitway
-  Interchanges
-  Bridges
-  Railroad Crossings

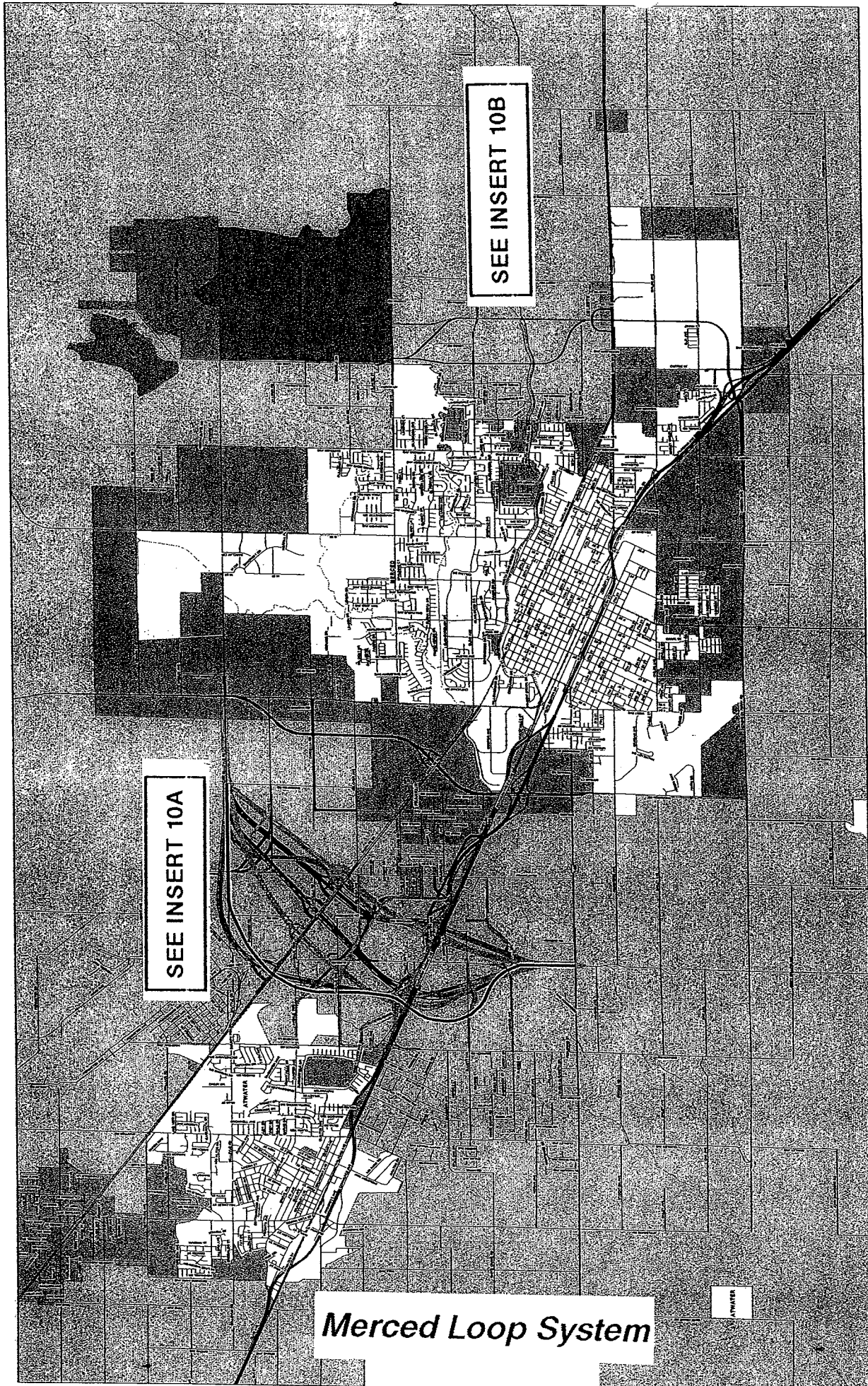


TRANSPORTATION PROJECTS (2005 - 2025)

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ATTACHMENT J
Public Facilities Plans



Merced Loop System



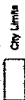

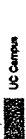















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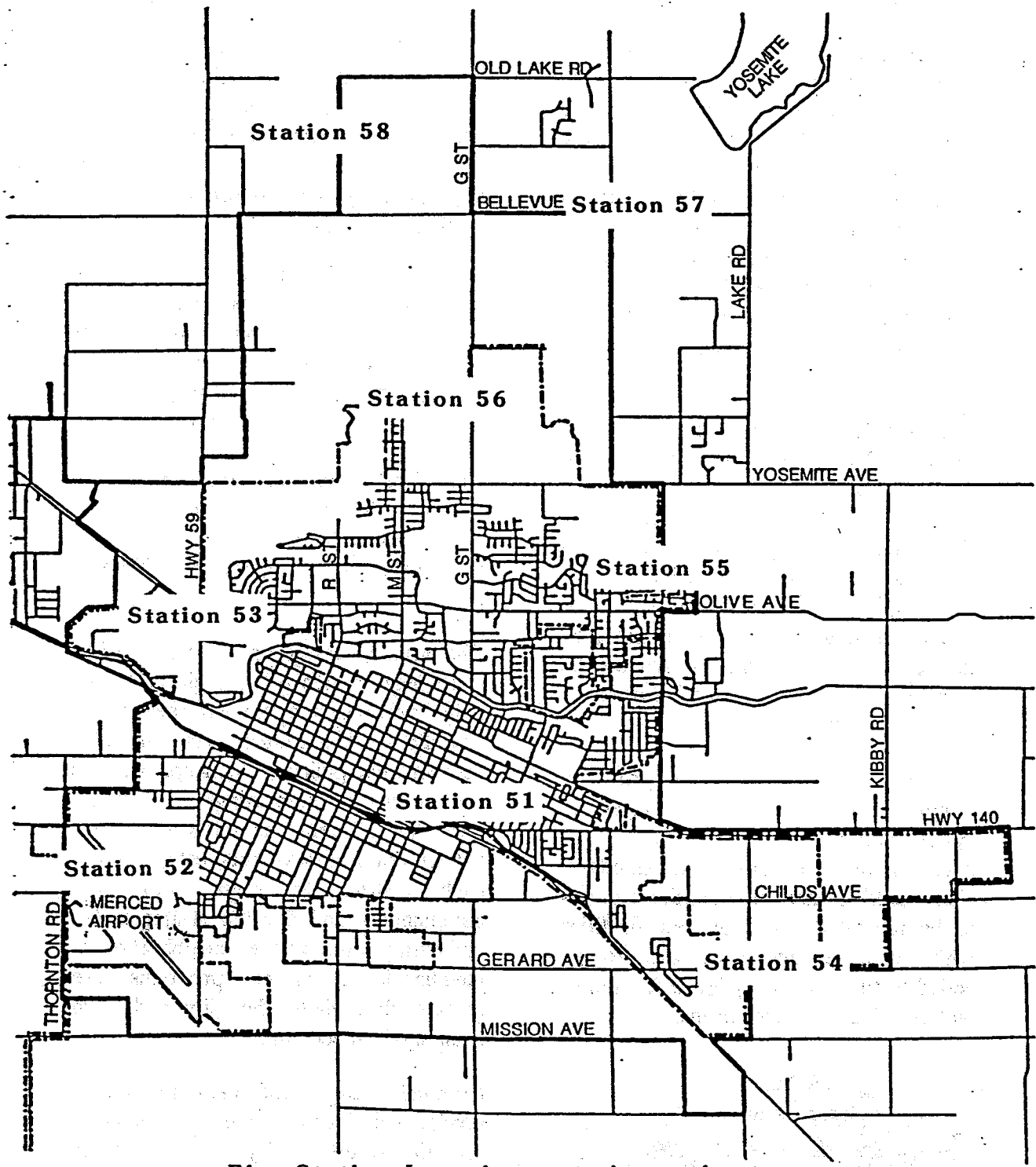
Merced Loop System

Legend

	City Limits		UC Campus
	UC Community Plan		Roads
	Highways		Railroads
	Creeks		Mission In-Exchange
	Campus Farms		Avistar - Merced Expressway/Alternative 2A
	Avistar - Merced Expressway/Alternative 2B		Avistar - Merced Expressway/Alternative 2C
	Avistar - Merced Expressway/Alternative 3		Campus Pathway Common Alignment
	Campus Pathway Green Alignment		Campus Pathway Yellow Alignment
	Alternative Connection Road		Merced County Seal

Merced County Seal
 Merced County
 Planning Department
 2000

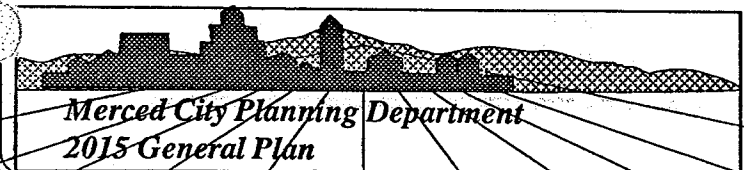


Fire Station Locations are Approximate

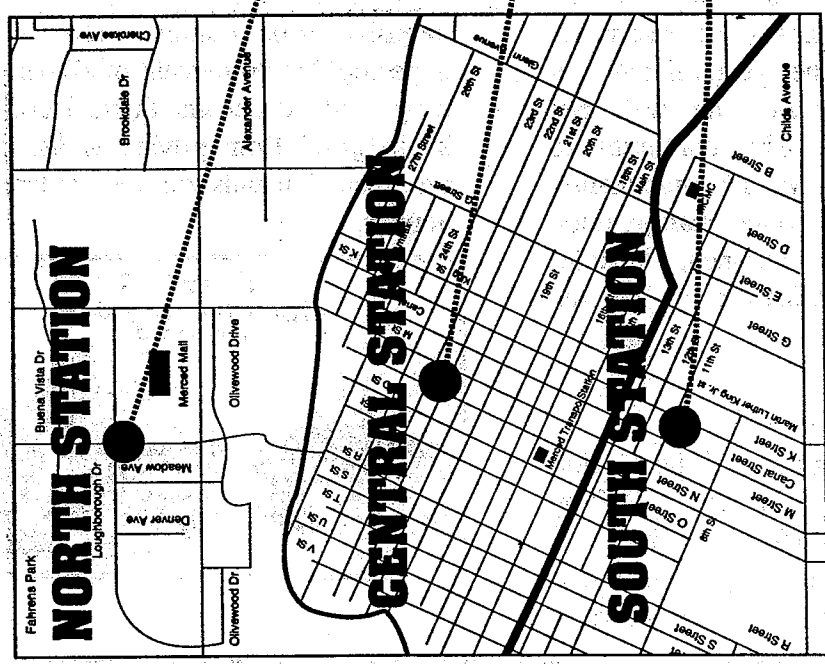
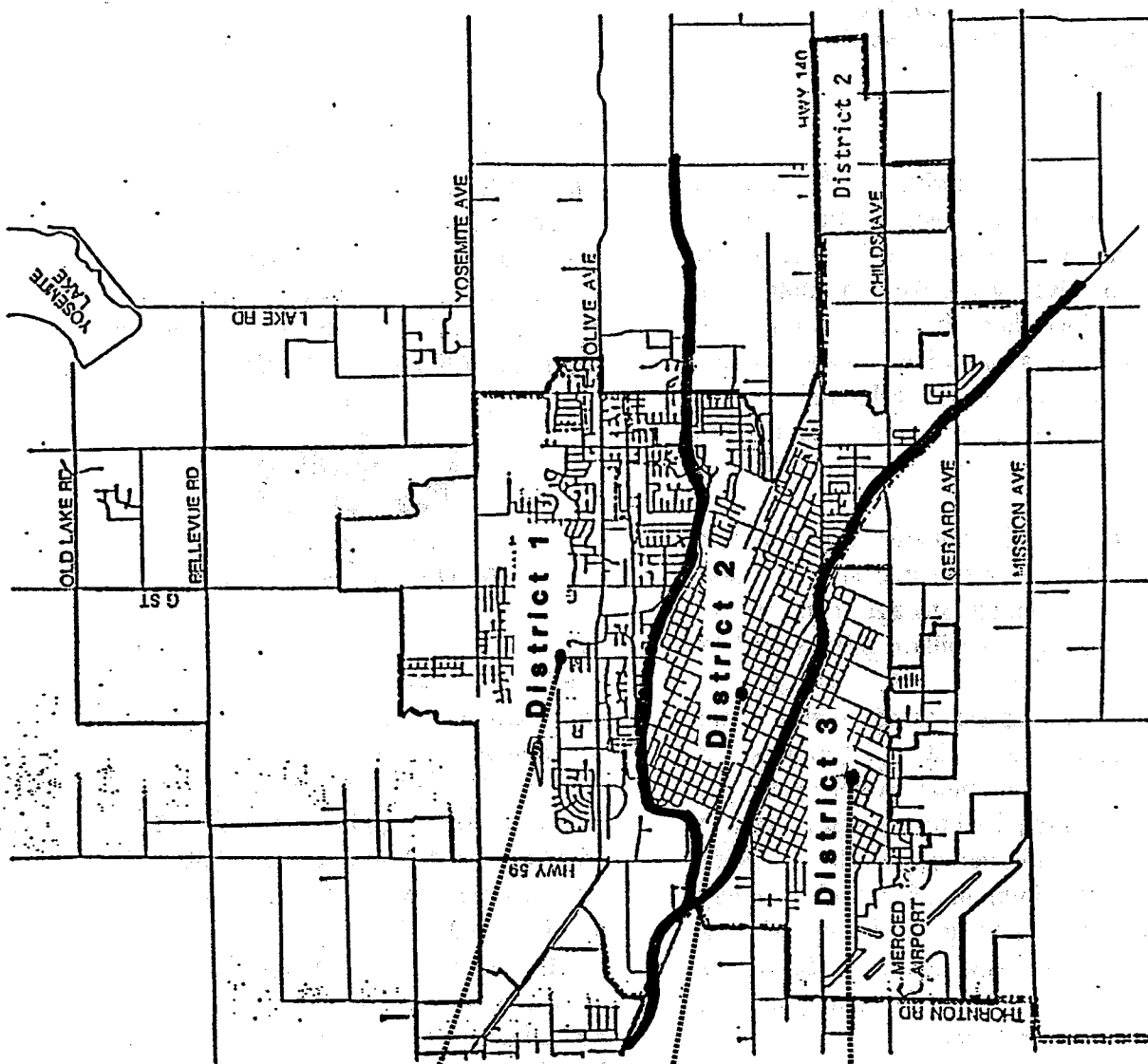
SOURCE: Merced City Fire Department

Figure 5.1

Proposed Fire Station Locations



Merced City Planning Department
2015 General Plan



SOURCE: Merced City Police Department

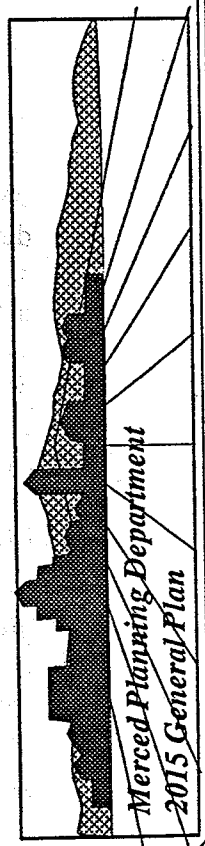


Figure 5.2
Police Districts

MERCED COMPREHENSIVE PLAN
STUDY AREA REPORT

Prepared for

City of Merced, California

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Merced, California 95340

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ATTACHMENT K

Study Area Report

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MERCED COMPREHENSIVE PLAN STUDY AREA

I. EXECUTIVE SUMMARY/ BACKGROUND

A. Original Direction for Limited General Plan Revisions

Originally, the thrust of the general plan revision was to address the planning needs of the area between UC Merced and the City of Merced. The General Plan Update would analyze and establish land uses, circulation networks; public facility and service needs, and apply existing Merced Vision 2015 General Plan policies to the expanded growth area. A request for proposals was issued to consultants to assist in this process and on May 16, 2005, the Council approved a contract with URS Corporation to perform this work

B. Public Meetings Held to Expand SUDP Study Areas

After the contract had been awarded to URS, staff began to receive numerous requests from property owners requesting to be added to the General Plan Update Study Area. In response, joint Planning Commission/City Council Study Sessions were held. On July 12, 2005 the City Council directed staff to expand the study area to include other land areas where development interest was evident, thereby providing the City with a more comprehensive city planning effort. On September 7, 2005, the Planning Commission recommended to the City Council approval of an expanded General Plan Update Study Area, which encompasses approximately 40,000 acres or almost double the size of the City's current SUDP (20,580 acres) and on September 19, 2005, the City Council approved the same study area.

C. Purpose of this Report

Proposals to expand the SUDP are in areas never contemplated by the City for urbanization and represent a significant departure from the City's fundamental growth policies. The current study boundary includes growth areas predominately to the northwest (Castle Farms) and northeast (UC Merced-University Community-Rural Residential Centers) of the City.

At the direction of the City Council, URS worked with City staff to analyze further revisions of the existing SUDP. The analysis takes into account known development and key infrastructure investment, development interest and sound planning practices. The report provides an overview of growth trends and capacity within current SUDP. The report examines physical, environmental and policy constraints within the expanded study area. The study area is composed of Subareas which relate to various existing or proposed developments, new infrastructure and other planning considerations. Three alternatives are developed and presented. The report then develops a specific recommendation for each SUDP boundary study area and the selection of a preferred alternative.

MERCED COMPREHENSIVE PLAN STUDY AREA

D. Range of Options Available to the Council

Three Options for Study Area boundaries are presented, as follows (see maps in Section V):

Option #1: Recommended Limited SUDP Expansion includes the UC Campus (Subarea 2), the University Community (Subarea 3), the Yosemite Lakes Estates SUDP (Subarea 3A), the existing Rural Residential Center to the south of Yosemite Lakes Estates (Subareas 3B & 3C), the proposed Mission Lakes Specific Plan (Subarea 8), and the proposed Castle Farms Specific Plan (Subarea 12). The Campus Parkway Corridor is proposed as a joint City/County Planning Area with future consideration for urban growth. Option 1's maximum theoretical population build out is approximately 360,000, including the present SUDP.

Option #2: Moderate SUDP Expansion Scenario adds the Campus Parkway Corridor (Subarea 4), the Thornton Road area (Subarea 11) and the North Merced area north of the current SUDP (Subarea 13) to Option 1. Option 2's maximum theoretical population build out is approximately 435,000, including the present SUDP.

Option 3: Full Study Area/Maximum SUDP Expansion Scenario includes the largest potential area to be studied (including all 13 subareas), and has a maximum theoretical population build out of approximately 493,000, including the present SUDP.

MERCED COMPREHENSIVE PLAN STUDY AREA

II. KEY ASSUMPTIONS

URS' recommendations for refinements to the Comprehensive Plan's Study Area boundaries are based on a number of key assumptions we have developed, in discussions with senior City Staff and review of key City planning documents. These key assumptions are as follows:

A. Land Development and Capital Projects to be Included

1. The entire University of California campus (outlined in the Long Range Development Plan) shall be included within the Comprehensive Plan boundaries.
2. The entire University Community (pursuant to County approved Community Plan) shall be included within the Comprehensive Plan boundaries.
3. The South Merced Specific Plan will be incorporated into the Comprehensive Plan, in a manner developed by a separate planning effort.
4. The proposed Castle Farms project will be included within the Comprehensive Plan boundaries, but the project will be phased.
5. The entire Mission Lakes (Ranchwood) project will be included within the Comprehensive Plan boundary, but the project will be phased.
6. The approved Campus Parkway alignment study and the new Mission Avenue interchange will be included within the Comprehensive Plan boundaries; these major transportation facilities will have substantial, as yet undetermined land use implications.
7. The "Westside Parkway" alignment will not be settled by MCAG during the Comprehensive Plan update process, although a preferred corridor (No. 1) will likely be selected.
8. The Merced Airport needs to expand, and the area around it needs to be protected from urban encroachment.
9. The ultimate land use of Castle Air Force Base will not be settled during the Comprehensive Plan update process.

B. Delineation of Boundaries

1. The ultimate Specific Urban Development Plan (SUDP) boundaries will be the same as the Comprehensive Plan boundaries. In other words, the area covered by the Comprehensive Plan will be designated for urban land uses, although phasing or timing of development will be proposed. Some areas may be designated "reserve" until specific/ public facility plans are completed.
2. Comprehensive Plan boundaries do not need to follow straight lines. Organic boundaries such as stream courses, agricultural lands, etc. may be established.

MERCED COMPREHENSIVE PLAN STUDY AREA

C. Growth Policies

1. In general, future growth shall be comprehensively planned through a Specific or Area Plan process.
2. Future growth will pay for itself, i.e., public infrastructure including operation and maintenance shall be funded through project specific development funding mechanisms. Public facility fees need to be adjusted to cover the larger SUDP area.
3. The comprehensive plan will be geared for a typical planning horizon for a growing community as well as a long term view of growth. Therefore, a phasing plan will be necessary so that the City's ability to provide public facilities and services is managed and premature conversion of agricultural land is avoided. See Section VII.
4. The existing SUDP will develop per existing General Plan Land Uses with respect to existing uses, vacant land and the incorporation of the "Village Concept" for future development within the existing SUDP.

MERCED COMPREHENSIVE PLAN STUDY AREA

III. GROWTH TRENDS IN MERCED AREA AND CAPACITY OF THE SPECIFIC URBAN DEVELOPMENT PLAN (SUDP) STUDY AREA BOUNDARY

A. Projected growth of Specific Urban Development Plan (SUDP) as adopted by Merced County Association of Governments.

It has been projected that the City of Merced population, including UC Merced and Community, will grow to 128,500 by 2025 from a 2005 population of 73,880 (Merced County Population Forecast 2000-2030). The Merced County Association of Governments (MCAG) projected the population to grow from 81,647 in 2005 to 137,028 by 2025. The MCAG projection includes the current SUDP boundaries.

B. Use of Village Prototype to Expand Specific Urban Development Plan (SUDP) boundaries.

The City of Merced General Plan envisions much of the City's future growth as a series of mixed-use, self-sustaining, pedestrian-oriented neighborhoods in what it refers to as the "Village Concept". This "Village Concept" was used to develop the North Merced Conceptual Land Use Plan. This "Village Concept" will be applied to the growth scenario for the proposed expansion of the current SUDP. A "Village" is roughly 640 acres made up of a mix of low density residential (525 acres at 6 du/ac), village core residential (84 acres at 10 du/ac) and neighborhood commercial (25 to 30 acres at .35 FAR). This "Village" yields approximately 10,000 people and 400,000 s.f. of commercial uses.

C. Build out capacity of the Specific Urban Development Plan (SUDP) study area.

1. Build out capacity of the present SUDP.

In July 2000, the Merced County Association of Governments (MCAG) adopted population projections for the City of Merced. Based on the 2015 General Plan SUDP that analysis yielded capacity within the SUDP for 58,773 dwelling units. Assuming 3 persons per dwelling unit this would equate to a population build out capacity of 176,494 within the 20,540-acre existing SUDP. In examining the potential expansion of the SUDP, calculations showed an SUDP area of 20,952 acres and a potential Study Area Boundary of 21,051 acres (not inclusive of Subarea 1 and Subarea 9 acreages).

2. Build out capacity of expanded Specific Urban Development Plan (SUDP) boundaries.

In order to estimate the potential build out capacity of the proposed Study Area Boundary, a "Village Prototype" (Attachment A) is used which provides an estimate of commercial square footage and population within a one square mile area. The "Village Prototype" is based on the "Village Concept" in the City of

MERCED COMPREHENSIVE PLAN STUDY AREA

Merced General Plan. The estimated yield for the “Village Prototype” is 400,000 sq.ft. of Commercial Uses and a population of 10,000. This population is allocated as roughly 80% low-density residential (6 du/ac), 15% Village Core Residential (10 du/ac). The balance of the “Village Prototype” acreage (5%) is Neighborhood Commercial (.35 FAR). The “Village Prototype” is not a method of forecasting or projecting population nor is it an indicator of potential future demand. The “Village Prototype” is merely one method of estimating potential development capacity using certain assumptions about the mix and intensity of land uses within the 1-square mile prototype. Additionally, the use of the “Village Prototype” in this analysis does not account for land that is not likely to be developed for residential or commercial uses. In fact, primary intent of this effort is to assist in defining the ultimate Study Area Boundary to be used as the basis for the update of the Comprehensive Plan. Once the Study Area Boundary is determined, areas with the best development potential can be identified and the most appropriate land uses applied to those areas.

For the expansion of the SUDP, three Study Area Boundary scenarios were developed. The three options take into account existing developments and known development approvals such as UC Merced and the University Community. Other factors were considered such as demonstrated development interest consistent with existing General Plan development concepts, new or proposed significant infrastructure which may serve as a catalyst or otherwise support new development.

Applying the “Village Prototype” to Option 3 yields a build out capacity of 21,051 acres (in addition to the 20,540 acres in the current SUDP) and roughly 316,000 population (not including the 176,000 potential population in the current SUDP, which would bring the total up to 493,000) and less than 13 million square feet of Neighborhood Commercial. Option 2 would yield a population of almost 260,000 (up to 436,000 with the current SUDP added in) over the 17,000 acre area and 10.6 million sq.ft. of Neighborhood Commercial. Option 1 yields a population of 183,281 (up to 360,000 with the current SUDP) over just over 12,000 acres and 7.4 million sq.ft. of Neighborhood Commercial. The following table displays the results of the analysis for each option utilizing the “Village Prototype

Table III-I

	ACRES	POPULATION
OPTION 1:		
Recommended Limited SUDP Expansion Scenario	12,026	183,281
OPTION 2:		
Moderate SUDP Expansion Scenario	17,301	258,109
OPTION 3:		
Full Study Area/Maximum SUDP Expansion Scenario	21,051	316,709

MERCED COMPREHENSIVE PLAN STUDY AREA

Option #1: Recommended Limited SUDP Expansion includes the UC Campus (Subarea 2), the University Community (Subarea 3), the Yosemite Lakes Estates SUDP (Subarea 3A), the existing Rural Residential Center to the south of Yosemite Lakes Estates (Subareas 3B & 3C), the proposed Mission Lakes Specific Plan (Subarea 8), and the proposed Castle Farms Specific Plan (Subarea 12). The Campus Parkway Corridor is proposed as a joint City/County Planning Area with future consideration for urban growth. Option 1's maximum theoretical population build out is approximately 360,000, including the present SUDP.

Option #2: Moderate SUDP Expansion Scenario adds the Campus Parkway Corridor (Subarea 4), the Thornton Road area (Subarea 11) and the North Merced area north of the current SUDP (Subarea 13) to Option 1. Option 2's maximum theoretical population build out is approximately 435,000, including the present SUDP.

Option 3: Full Study Area/Maximum SUDP Expansion Scenario includes the largest potential area to be studied (including all 13 subareas), and has a maximum theoretical population build out of approximately 493,000, including the present SUDP.

MERCED COMPREHENSIVE PLAN STUDY AREA

IV. CONSTRAINTS TO GROWTH IN MERCED AREA.

Various infrastructure, natural resources and policy constraints were reviewed in the analysis of the SUDP Expansion options. All subareas are affected in varying degrees by these constraints and as such will be incorporated into the phasing of development.

A. Infrastructure Capacity:

1. Long-term Water Supply

By 2030, the City of Merced's water need is projected to increase to 60,000 acre feet annually. The UC Campus is projected to need another 20,000 acre feet. This in addition to the demands placed on water supply by agriculture creates significant demands on the underground aquifer. The groundwater recharge plan contained in the Merced Water Supply Plan establishes a target level of groundwater levels in 1992 for the stabilization of groundwater and the construction of groundwater recharge facilities to help accomplish that goal.

2. Waste Water Treatment and Collection.

One critical constraint is the ability of Subareas to pay for WWTP expansion and trunk lines. The Waste Water Treatment Plant (WWTP) located to the southwest of the City has a current design capacity for a population of 77,000 according to the City's General Plan. Capacity is restricted for new SUDP area unless development funds its own improvements. The lack of the ability to collect and treat wastewater could be a constraint to growth. According to the *2005 Initial Study for the City of Merced Wastewater Treatment Plan Improvement Project*, the existing capacity of the City's wastewater treatment plant is 10 mgd. However, according to the *1997 Merced Vision 2015 General Plan EIR*, the City has plans to double the daily capacity of the treatment facility from 10 million gallons per day (mgd) to 20 mgd in phases commensurate with growth. It is estimated that a capacity of 20 mgd could accommodate a residential population of 150,000 as well as the required number of appurtenant businesses and industries to support that population. The costs of the aforementioned improvements are outlined in the CIP and will be financed through the collection of service connection fees and increased monthly service charges.

As development occurs, upgrades to the collection system will also have to be made. These upgrades will be made conditions of approval for each specific project and be constructed either through direct construction thereof by the project proponent or through the collection of connection fees. The City requires new development to be self-funding.

3. Transportation Planning

The City of Merced General Plan list 21 major street improvement projects (*Merced Vision 2015 General Plan*; Table 4.1, page 4-3). These infrastructure improvements will allow for additional investment and growth for those areas served by the projects. In addition, the Merced County Association of

MERCED COMPREHENSIVE PLAN STUDY AREA

Governments (MCAG) 2004 Regional Transportation Improvement Plan allocates significant funding for transportation improvements affecting the City of Merced, including Highway 59 widening, Castle Highway and Campus Parkway (Table 8, pg 23-24). The Merced County Board of Supervisors recently approved the north/south alignment for the Campus Parkway. The Parkway is located within unincorporated County of Merced approximately one mile east of the City of Merced. Phase 1 of the Campus Parkway connects at the Mission Avenue Interchange and connects with Yosemite Avenue at the southern border of the UC Merced Community Plan (see Campus Parkway FEIR). The City is funding the construction of the Parkway from Highway 99 to Childs Avenue, due to be completed by 2007-08 to serve a large industrial user. Funding for the rest of the Parkway is uncertain at this time.

4. Maintaining City Standards for Public Facilities

Significant new development will strain existing levels of public service provision. The Insurance Services Office (ISO) gave the City of Merced's Fire Department a Class 2 rating, with 1 being the highest service rating. The City also maintains a ratio of 1.32 per sworn police officers per 1000 population (*Merced Vision 2015 General Plan*, page 5-4). The addition population and expanded service will require new facilities and additional staffing to prevent degraded levels of service. New developments would require increases in water supply and wastewater collection and disposal.

5. Schools

The City of Merced collects impact fees to help mitigate the impact of new development on schools. The mitigation fee is established by the State legislature. The ability of the school districts to absorb the increase in student population and maintain community educational standards will need to be addressed as any growth planning effort moves forward. With regard to school impact fees the City of Merced complies with requirements of Education Code Section 17620, Government Code Section 65995 and the provisions of Senate Bill 50.

B. Natural Resources and Other Constraints:

1. Agricultural Resources

Much of the City of Merced is surrounded by agricultural lands, including farmlands designated as Prime, of Statewide Importance, Unique and Lands of Local Importance (*Merced Vision 2015 General Plan*, Figure 8.8). Criteria for expansion of the City Sphere of Influence and criteria for the expansion of the SUDP place a heavy emphasis on the preservation of agricultural lands and desire to limit sprawl-type development patterns (*Merced Vision 2015 General Plan*, pages 2-10 and 2-11). A larger SUDP will result in the need for agricultural land conversion mitigation (fees, conservation easements, etc.).

MERCED COMPREHENSIVE PLAN STUDY AREA

2. Biological Resources and Wetlands

The *Final Environmental Impact Report for the Merced General Plan* noted that throughout the proposed SUDP Subareas, there are wetlands including seasonal ponds and vernal pools. Several stream courses and canals run through the plan area. These canals and streambeds form habitats for local plant species, as well as various birds and mammals (see pages 4.4.2 – 4.4.12).

3. Airport Hazards

The City of Merced is affected by Castle Airfield, formerly Castle Air force Base, approximately 4 miles to the northwest and Merced Municipal Airport to its southwest. Both airports are public and general use airports. They place constraints on developments proposed within or proximate to their flight zones. Generally, only agricultural or industrial uses or other low intensity land uses are permitted within Flight zones A- B2 and limited residential (not more than 8 du/acre) in Zone C. Schools and other sensitive uses must be at least 2 miles away from the flight zone (*Merced County Airport Land Use Compatibility Plan*, 1999 and *Merced Vision 2015 General Plan*, 10-14 – 10-16). In addition there has been discussion regarding possible expansion of Merced Municipal Airport, which will likely generate additional constraints on lands adjacent to the airport.

4. Air Quality and Rule 9510

The City and County of Merced are located within the San Joaquin Valley Air Basin (SJVAB) which is under the jurisdiction of the San Joaquin Valley Air Pollution Control District (SJVAPCD). The SJVAB is in state and federal non-attainment for ozone and PM₁₀. In response to the need for the Basin to come into compliance with the federal and state ambient air quality standards, the SJVAPCD adopted Rule 9510 in December 2005. This Rule is aimed at reducing ozone (by reducing the ozone precursors ROG and NO_x) and PM₁₀ emissions created during project construction and long-term operation. It requires that an Air Impact Assessment be prepared and contain mitigation measures intended to reduce the criteria pollutants listed on the Rule 9510 emission reduction checklist.

While the non-attainment status of the Basin and the regulations in place to bring the Basin back into attainment are cumbersome to the development process, they certainly do not preclude it. Each proposed project will be required to conduct the appropriate level of impact analysis required by SJVAPCD and the California Environmental Quality Act (CEQA).

C. Policy Constraints:

1. Merced County LAFCO

Merced County LAFCO has specific criteria used for review of a proposed Sphere Amendment. Many of the criteria used by LAFCO are related to environmental issues, such as the loss of agricultural resources and infrastructure capacity. The constraints related to municipal services are discussed above in IV-A (1-4) and

MERCED COMPREHENSIVE PLAN STUDY AREA

would be analyzed in the service review document required by LAFCO pursuant to Government Code § 56430 prior to approval of a Sphere of Influence (SOI) amendment.

2. County Specific Urban Development Plan (SUDP) Policies

The County General Plan lists 10 criteria to be met for an expansion of the SUDP. These criteria are weighted towards the preservation of agricultural lands, and include provisions health and safety, water uses/supply, use of existing vacant land and overall consistency with the general plan. In order for the County to recognize the City's expanded SUDP, compelling rationale must exist for any SUDP expansion which takes into account the ten criteria for a SUDP expansion. The current City/County Tax Sharing Agreement reflects the County's acceptance of the City's current SUDP.

3. Emerging public concerns regarding growth.

Public concern expressed over growth has been related to the impacts of growth. Based on input from various Stakeholder meetings, the concerns have been directed at ensuring the adequate provision of infrastructure, services and amenities to accommodate growth, rather than the magnitude of the growth itself.

4. Current General Plan policies geared toward compact development and avoidance of sprawl.

The City of Merced SUDP is a growth boundary that reflects the outermost limits envisioned for the City's urban development. Within the limits of the SUDP, the City employs the "Village Concept" to guide future development. This "Village Concept" is built around a commercial center surrounded by a 1/4 -mile of higher density housing, and beyond that 1/4-mile ring are single family homes. This City of Merced's 8,000 acre North Merced Conceptual Land Use Plan is a series of self-sustaining, pedestrian-oriented villages. The City General Plan also includes a number of policies that include neighborhood preservation, development through the specific plan process and specific urban growth and design policies that improve connectivity, walk-ability, and use of transit and encourages infill development. (*Merced Vision 2015 General Plan*, Chapter 3-Land Use) Significant expansion of the SUDP raises questions regarding possible inconsistency with the City's current General Plan policies regarding compact urban growth in a predominantly north-south growth pattern.

5. Revenue split in current tax sharing agreement.

The City and County of Merced entered into a Master Tax-Sharing Agreement in 1997. In mid-2005, the City began to evaluate potential adjustments to that agreement in order to more adequately fund development as it is annexed into the City. As vacant land within the SUDP is developed and annexed into the City, adequate funding streams must be present for the ongoing provision of services and the provision of required infrastructure improvements.

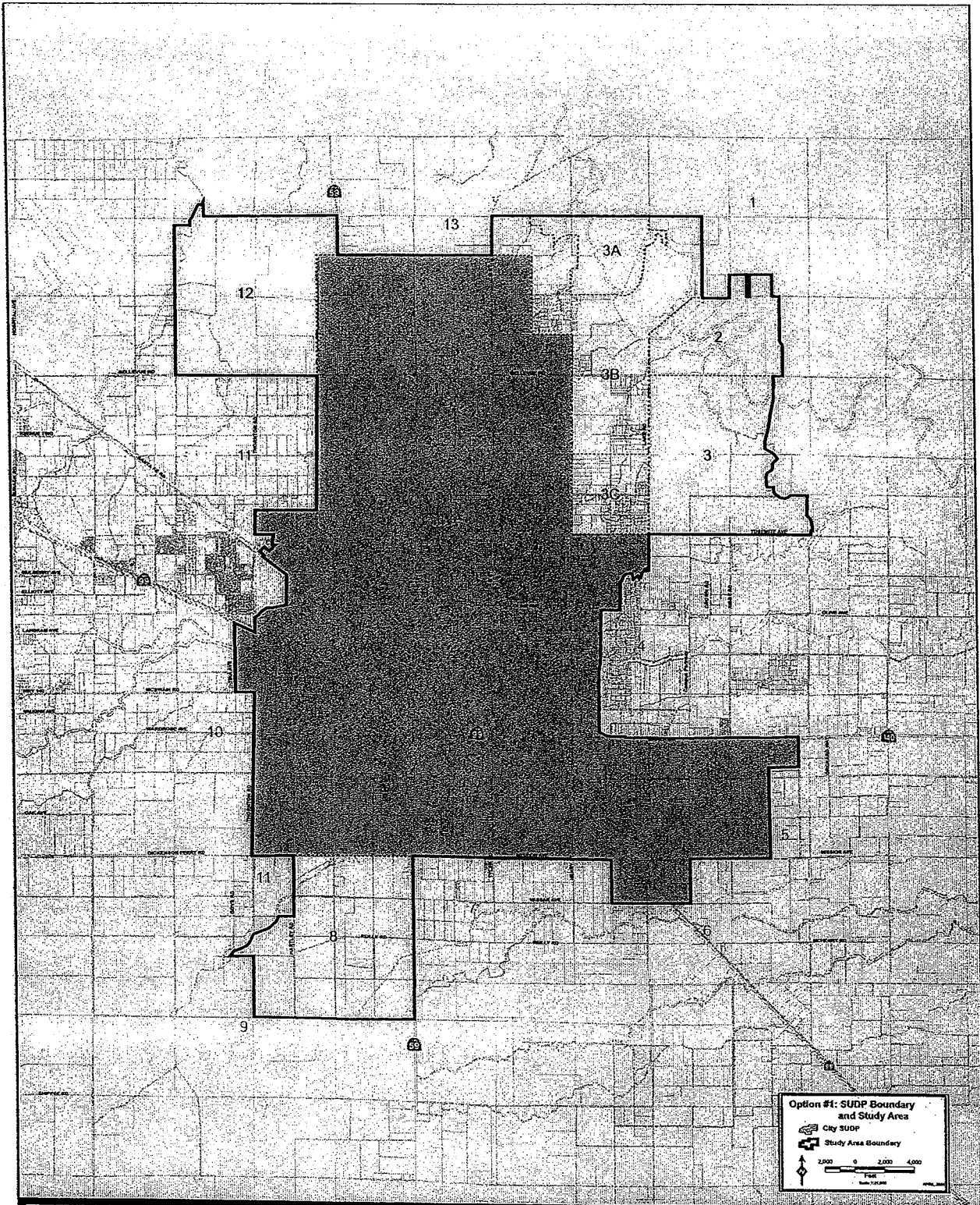
MERCED COMPREHENSIVE PLAN STUDY AREA

V. STUDY AREA SCENARIOS

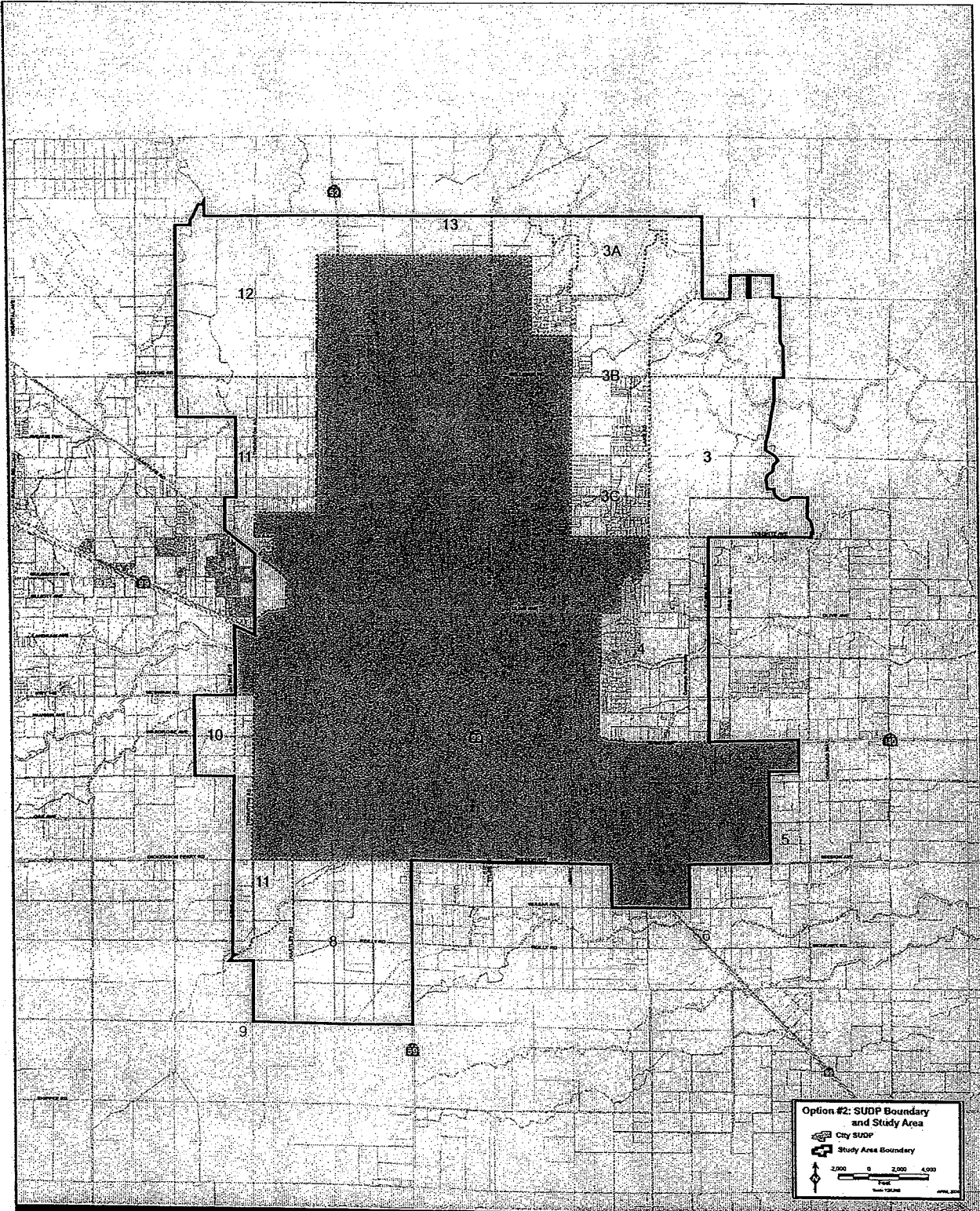
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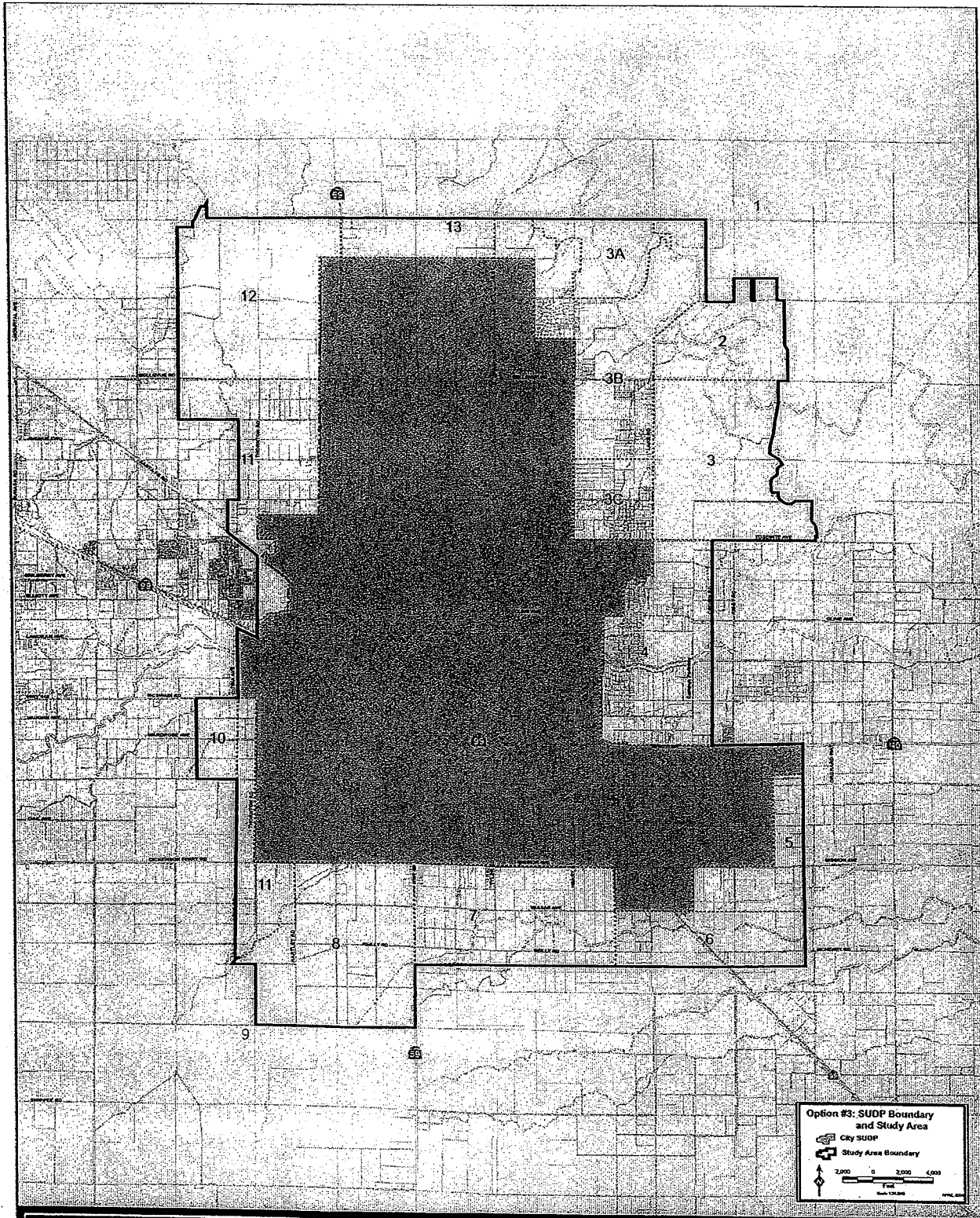
Option 3: Full Study Area/Maximum SUDP Expansion Scenario includes the largest potential area to be studied (including all 13 subareas), and has a maximum theoretical population build out of approximately 493,000, including the present SUDP.



OPTION 1: RECOMMENDED LIMITED SUDP EXPANSION



OPTION 2: MODERATE SUDP EXPANSION SCENARIO



OPTION 3: FULL STUDY AREA/MAXIMUM SUDP EXPANSION SCENARIO

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VI. SPECIFIC RECOMMENDATION FOR EACH SPECIFIC URBAN DEVELOPMENT PLAN (SUDP) BOUNDARY STUDY AREA.

A. Study areas included in Specific Urban Development Plan (SUDP):

The Subareas listed below are recommended for inclusion in the expanded SUDP study area. The Subareas represent approved projects such as UC Merced or Campus Parkway or in other cases reasonable expectations for future large-scale development

Subarea 2 – The University of California Merced Campus

The University of California Merced is the 10th University of California campus built and the first in almost 40-years. At build out the campus will be 1,250 developed acres and will have a population of approximately 25,000 students, over 1,400 faculty, and almost 5,000 staff. The new campus is and will be an integral part of the larger City of Merced community and will be a significant force for change for the foreseeable future. The campus opened in 2005 in Subarea 2 and sewer and water services have been extended to the campus. It is expected that the campus will develop with urban densities and with a need for services immediately south of the campus.

Subarea 3 - University Community Plan

The University Community Plan encompasses approximately 2,133 acres. The community plan is generally bounded by Yosemite Avenue to the south, Lake Road to the west, an extension of Bellevue Road to the north and by the Fairfield and Le Grand Canals to the east. The University Community Plan also includes approximately 50 acres north of Bellevue and 60 acres east of the Le Grand Canal. At buildout, the University Community Plan will consist of 11,616 single- and multi-family units, 716,000 square feet of retail, over a million square feet of office/ research and development uses, and as many as 7 public schools. The University Community will develop with urban densities with a need for urban services. Including the area is consistent with City Council previously stated position.

In December 2004, the County of Merced Board of Supervisors approved the University Community Plan as a “new community that results from, supports and nurtures the development of the tenth campus of the University of California” (Merced County, University Community Plan, 2004). The existing and proposed roadways will also spur development activities along those routes. The UC campus will also be a catalyst for significant new development and have a significant growth impact on the City of Merced and areas with development potential in close proximity to the campus.

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Subarea 3A – Yosemite Lake Estates SUDP

Subarea 3A includes the County of Merced's Yosemite Lake Estates SUDP. The SUDP area is 655 acres and includes just over 1200 dwelling units and over 65,000 sq.ft. of Commercial uses. SUDPs are intended to develop at urban densities. Furthermore, the Yosemite Lake Estates SUDP is bordered by the City of Merced's current SUDP boundary to the west, Lake Yosemite forms part of its eastern boundary and UC Merced is southeast of Lake Yosemite.

Subarea 3B – Existing Rural Residential Center

This 2,387-acre area is currently designated as a Rural Residential Center (RRC) in the City of Merced General Plan and is generally located between Gardner/Golf Road and Lake Road, north of Cardella Road and north of Bellevue Road (excluding Subarea 3A). Rural Residential Centers provide for urban or suburban development at lower densities along with some accessory agricultural uses. Originally established as buffers this particular RRC is now sandwiched between the current eastern boundary of the SUDP and UC Merced and the University Community Plan. It is recommended to include this Subarea in the study area in order to facilitate orderly growth and adequate provision of public facilities for future development within the existing SUDP and UC Merced and the University Community Plan area.

Subarea 3C – Existing Rural Residential Center

This 640-acre area is currently designated as a Rural Residential Center (RRC) in the City of Merced General Plan and is generally bounded by Gardner Road, Cardella Road, Lake Road, and Yosemite Avenue. Rural Residential Centers provide for urban or suburban development at lower densities along with some accessory agricultural uses. Originally established as buffers this particular RRC is now sandwiched between the current eastern boundary of the SUDP and UC Merced and the University Community Plan. It is recommended to include this Subarea in the study area in order to facilitate orderly growth and adequate provision of public facilities for future development within the existing SUDP and UC Merced and the University Community Plan area.

Subarea 8 –Ranchwood “Mission Lakes” project

Subarea 8 comprises the land for the proposed 2,355-acre Mission Lakes community located in South Merced. This development consists of approximately 7,800 dwelling units, a golf course, commercial, industrial, and office uses, numerous parks and a 218-acre agricultural preserve to buffer the existing City wastewater treatment plant. The proposed development includes over 40 acres of industrial/office uses and over 200 acres of agricultural buffer adjacent to the Merced Municipal Airport. The nearest fire station is at the Merced Municipal Airport. A portion of the northern section of the proposed development is located within the existing SOI.

Inclusion of this Subarea is recommended because it can be integrated into the existing built area of the City north of Mission to Childs, and has eastern frontage along Highway 59. Improvements would be needed to Mission, Highway 59,

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Dickenson Ferry, and Thornton as well as a new connection to West Avenue. Additionally, the cost to provide wastewater treatment collection would presumably be low due to the project's proximity to the existing wastewater treatment facility. The proposed large-scale development improves the feasibility of providing infrastructure to the project.

Subarea 12 – Castle Farms Land Use Plan

Castle Farms is a proposed 2,606 acre master planned community with residential, commercial, and professional office uses. The project proponent proposes the construction of 11,775 dwellings units, 81 acres of commercial uses and 129 acres of Business Park use. The Subarea 12 boundary represents roughly 90% of the Castle Farms project. Approximately 10% of the Castle Farms Land Use Plan (251-acres) is within the current SUDP and the balance of 2,355 acres represents the recommended expansion of the current SUDP. The proposed large-scale development improves the feasibility of providing infrastructure to the project as well as facilitating the development of the Merced-Atwater Expressway. Including this area north of Bellevue Road strongly suggests inclusion in the Study Area boundary of all or part of Subarea 11.

The site of the proposed project is located mostly within unincorporated Merced County, although a small portion on its eastern boundary is located within the existing Sphere of Influence. Since the site is not located on prime farmland, (but it may meet the LAFCO definition by being "productive" farmland) the proposed project is not in conflict with LAFCO policies on sphere amendments and annexations.

B. Study areas not included in Specific Urban Development Plan (SUDP):

The following Subareas are not recommended for inclusion in the expanded SUDP study area. These Subareas are all have very low potential for development and represent a significant departure from adopted City policies and plans.

Subarea 4

Subarea 4 is roughly 2,000 acres and is an expansion of the existing SUDP area boundary to Crown Road, roughly 1/4-mile east of the approved alignment for Campus Parkway. Unlike Subareas 2 and 3, there has been no City-County discussion regarding future urbanization of this area. Timing of Campus Parkway construction north of Highway 140 is uncertain. However, because of the proposed Parkway, Subarea 4 should be a City-County joint planning area with comprehensive planning to determine the appropriate level (if any) of urban development in the area. This will require extensive property owner involvement. Protection of prime agricultural land will be an important consideration. There are no short or intermediate term utilities able to serve this Subarea. Sewer service is dependent on the University Community as the catalyst of a new trunk line south to Gerard Avenue.

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The recommendation is to include Subarea 4 as a Joint City/County Study Area. The Campus Parkway, which will be the major north/south route, will connect to southern Merced at the Mission Avenue interchange and connect to the University Community Plan area and the UC campus. Subarea 4 includes county lands west of the parkway and to Crown Road east of the Parkway from the Mission Avenue interchange to its intersection at Yosemite Avenue. The Parkway will create growth pressures along its north/south route between the UC Merced Community Plan area and Highway 99 to the south.

Subarea 5

Subarea 5 is 765 acres distinguished by poor accessibility, its distance from services, and the inability to provide infrastructure without large-scale development. There has been limited development interest in this Subarea, which would require the assemblage of various parcels and land owners in order to plan a development of significant size that would warrant the costly extension of public facilities to the area. Creeks and stream courses, such as Miles Creek, run through this area. Previous studies have found the creeks in sloughs to be habitat for several species of plants and mammals (1997 *FEIR for the Merced Vision 2015 General Plan*). According to analysis in the 1997 *FEIR for the Merced Vision 2015 General Plan*, significant portions of this Subarea are designated as Prime Farmland, Farmland of Statewide Importance and Unique Farmland. Exclusion of this Subarea also substantially reduces the impact to agricultural lands and makes the ability to satisfy LAFCO Sphere of Influence (SOI) revision criteria less challenging. However, portions of this Subarea might be suitable for future inclusion in the SUDP due to their proximity to the Mission Interchange and developing industrial land if the above constraints can be overcome.

Subarea 6

Subarea 6 is 1,032 acres marked by poor accessibility, its distance from services, and the inability to provide infrastructure without large-scale development. There has been no significant development interest in this Subarea. Creeks and stream courses, such as Miles Creek, run through this area. Previous studies have found the creeks in sloughs to be habitat for several species of plants and mammals (1997 *FEIR for the Merced Vision 2015 General Plan*). Also, according to analysis in the 1997 *FEIR for the Merced Vision 2015 General Plan*, significant portions of this Subarea are designated as Prime Farmland, Farmland of Statewide Importance and Unique Farmland. Exclusion of this Subarea also reduces the impact to agricultural lands substantially and makes the ability to satisfy LAFCO Sphere of Influence (SOI) revision criteria less challenging.

Subarea 7

Subarea 7 is 1,953 acres marked by poor accessibility, its distance from services, and the inability to provide infrastructure without large-scale development. There has been no significant development interest in this Subarea. Creeks and stream courses, such as Miles Creek, run through this area. Previous studies have found the creeks in sloughs to be habitat for several species of plants and mammals (1997 *FEIR for the Merced Vision 2015 General Plan*). Also, according to

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analysis in the 1997 *FEIR for the Merced Vision 2015 General Plan*, significant portions of this Subarea are designated as Prime Farmland, Farmland of Statewide Importance and Unique Farmland. Exclusion of this Subarea also reduces the impact to agricultural lands substantially and makes the ability to satisfy LAFCO Sphere of Influence (SOI) revision criteria less challenging. However, portions of this Subarea, especially those areas north of Vassar Road, may be appropriate for future inclusion in the SUDP due to its proximity to the Mission Avenue Corridor if the above constraints can be overcome.

Subarea 10

There has been interest in developing this 325-acre site with industrial uses. However, the land is within the Merced Airport Approach Zone (Zone B1), the Extended Approach Zone (Zone B2), and the Common Traffic Pattern Zone (Zone C) as determined by the Merced County Airport Land Use Commission (ALUC). These zones allow industrial uses with restrictions such as the maximum number of people allowed per acre, a required amount of open space within each zone, and restriction on the above-ground storage of hazardous materials. The ALUCP (Table 2A) states that the requirement for open space is applicable to the entire zone and is usually regulated through a general plan or specific plan. These restrictions may limit the types of industrial uses allowable on the property and, therefore, limit the ability to sell/lease structures on the site. The land in Subarea 10 is suited best for agricultural uses as it is currently designated by the County of Merced.

Subarea 11

Subarea 11 is a total of 2,352 acres and is represented in two sections on the Study Area map; a northern section and a southern section. It appears that the development of the Castle Farms project (see Subarea 12) will require the construction of a sewer trunk line from the project site to the City's existing sewage treatment facility located to the southwest of the City, likely along the Thornton Road ROW. The construction of said trunk line would be growth-inducing to development on the City's western boundary. Including the northern section of Subarea 11 in the Comprehensive Plan, the City can control the type and quality of development in the area south of Castle Farms and north of SR 99 that could likely be induced by the trunk line. However, much of Area 11 is within the Airport Compatibility Zone B2 for the Castle Airport, which could limit its growth potential depending on the future use of Castle Airport. The southern section of Subarea 11 is recommended for inclusion in Options 2 and 3 because it will allow the City greater streamlining of the construction of the trunk line and allow for more efficient use of the trunk line by placing future land use control with City. However, this area is affected by the Merced Municipal Airport's Land Use Compatibility Zones, which may limit the type and nature of the development. Therefore, it is recommended for inclusion in Options 2 and 3, but not Option #1.

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Subarea 13

Subarea 13 is just over 600 acres situated immediately north of the SUDP. Prior to the Stakeholder meetings, there had not been sufficient development interest in this area to warrant its inclusion in the Study Area Boundary. Since that time, there has been expressed interest in this area. Development of Subarea 13 would allow for consistent develop pattern in the City's northern boundary. It could provide additional cohesive development pattern between Subareas 12 and 3A. Subarea 13 is comprised of multiple parcels and may require some effort to assemble parcels and owners. This would be necessary to create a project of a size that could pay for the needed infrastructure, service and facilities improvements. Therefore, it is recommended for inclusion in Options 2 and 3, but not Option #1.

C. Special study areas not mapped on the Specific Urban Development Plan (SUDP):

The following Subareas are not mapped on the SUDP and their acreage not included in the capacity analysis. Even though they have no development potential, it is important that they be recognized as significant components in this planning effort for the City of Merced and its environs.

Subarea 1

The recommendation is to exclude the 9,363-acre Subarea 1, the original proposed location for the UC Merced campus. The exclusion of this Subarea reflects the existing location of the University campus in Subarea 2. Subarea 1 is part of the UC Merced Land Trust and no urban or suburban development is foreseen for this area.

Subarea 9

This land is 1,336 acres within the Merced City limits; however it is physically disjointed from the rest of the City. The land is used for the City's sewage treatment plant. There is no compelling reason to show this Subarea on the Land Use Diagram. The location of the sewage treatment plant will likely be shown on a diagram in the Comprehensive Plan for informational purposes.

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VII. ADDITION TO GROWTH POLICIES

A. Use “Urban” and “Urbanizable” classifications for draft expanded SOI and SUDP

- “Urban” for existing SOI, Subareas 2, north ½ of 3, 3A, 3B, and 3C; areas that are expected to be eligible for annexation in the near term.
- “Urbanizable” for Areas south ½ of 3, 8, and 12. (This list could be expanded if Option 2 or 3 is selected.)

The purpose of this classification is to maintain existing land use until a plan for urban services is completed. Areas in this classification: (1) have preliminary plans in process; (2) have no sewer service presently available to the area as a whole, but preliminary planning is underway; and (3) there is inadequate access for urban development of the area as a whole, but planning is underway (Campus Parkway and Atwater-Merced Expressway); and 4) these areas are not adjacent to the existing developed areas of the City.

- (Area 4 – Area of Interest or Joint Planning Area)

B. Criteria for conversion of “Urbanizable” to “Urban”:

2.1 City boundary is contiguous (or annexation of intervening area is imminent) and future sub-area annexation will not result in “islands,” “peninsulas” or an irregular boundary.

2.2 A specific or area plan has been accepted with land use, circulation, location of public facilities (fire stations, parks, and schools), and an infrastructure plan.

2.3 Public Facilities Financing Plan has been updated to incorporate proposed “Urban”. This includes identification of existing revenue sources including developer, City and regional impact fees, etc.

2.4 The area property owner(s) is/are committed to financing wastewater treatment plant expansion, and there is capacity for an identified phase or phases of sub-area development.

2.5 There is a plan for new trunk line or other City approved sewer service available.

2.6 Revised revenue sharing agreement with the County is in place.

2.7 Developer agrees to install all off-site intervening infrastructure (meeting minimum acceptable City service level standards) between existing City development and the newly developing areas.

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C. “Urban” areas are eligible for annexation when existing General Plan criteria can be satisfied:

Policy UE-1.3

Control the Annexation, Timing, Density, and Location of New Land Uses Within the City’s Urban Expansion Boundaries.

Implementing Actions:

- 1.3.f Evaluate future annexation requests against the following conditions:
- a) Is the area contiguous to the current City limits and within the City’s Specific Urban Development Plan (SUDP)?
 - b) Is the proposed development consistent with the land use classifications on the General Plan Land Use Diagram (Figure 3.1)?
 - c) Can the proposed development be served by the City water, sewer, storm drainage, fire and police protection, parks, and street systems to meet acceptable standards and service levels without requiring improvements beyond which the developer will consent to provide?
 - d) Will this annexation result in the premature conversion of prime agricultural land as defined on the Important Farmland Map of the State Mapping and Monitoring Program? If so, are there alternative locations where this development could take place without converting prime soils?
 - e) Will a non-agricultural use create conflict with adjacent or nearby agricultural uses? If so, how can these conflicts be mitigated?

Future annexation requests will be evaluated against the above criteria as well as against the Policies and Implementing Actions of the *Merced Vision 2015 General Plan*, including but not limited to the following:

- a) Urban Expansion Policies--UE-1.1, UE-1.2, UE-1.3, and UE-1.7.
- b) Land Use Policies--L-1.1, L-2.1, L-2.7, L-3.1, and L-3.2.
- c) Transportation and Circulation Policies--T-1.1, T-1.3, T-1.8, T-2.2, and T-2.4.
- d) Public Facilities and Services Policies--P-1.1, P-1.2, P-1.3, P-2.1, P-3.1, P-4.1, P-5.1, and P-7.1.
- e) Open Space and Conservation Policies--OS-1.1, OS-1.2, OS-2.1, OS-2.2, OS-3.1, and OS-4.1.

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VIII. NEXT STEPS IN THE PROCESS

1. Hold public forums and public hearings before the Planning Commission and City Council on the draft recommendation for the SUDP expansion
2. Establish Planning Commission as advisory group.
3. Amend Scope of Work with consultant for the larger SUDP to complete General Plan Update.

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IX. REFERENCES

2005 Initial Study for the City of Merced Wastewater Treatment Plan Improvement Project

1997 Merced Vision 2015 General Plan EIR

City of Merced Municipal Code

<http://municipalcodes.lexisnexis.com/codes/merced/>

Merced Office of Economic Development,

http://www.cityofmerced.org/depts/econdev/retail_and_office/advantages/infrastructure.asp

SJVAPCD website *Expanded Initial Study* #04-02, pg 24

http://www.valleyair.org/SJV_main.asp

Livingston Comment Letter, <http://www.lafcomerced.org/>;

City of Merced Office of Economic Development website

<http://www.cityofmerced.org/depts/econdev/industrial/advantages/infrastructure.asp>

January 10, 2006 Merced County Board of Supervisors, Summary Action Minutes

<http://web.co.merced.ca.us/bos/pdfs/2006sam/01102006.pdf>

Brookfield Castle Farms Pre-Application Report, 2004

Merced County Year 2000 General Plan, adopted 1990

Merced County LAFCO *Policies and Procedures*

<http://web.co.merced.ca.us/planning/genplan.html>

Merced County Airport Land Use Compatibility Plan, 1999

Merced County LAFCO *Policies and Procedures*