



6. URBAN EXPANSION

The Urban Expansion Chapter discusses topics associated with the urbanization of the BCP area including a comprehensive approach to governance and identifying factors affecting growth. In turn, these influence future growth scenarios for the BCP planning area. The Urban Expansion Chapter emphasizes the need for a regional and collaborative approach to long range planning for the area surrounding UC Merced. Such an approach can help resolve complex infrastructure and governance issues, whereas a divided approach could result in fragmented development without adequate infrastructure or public services. Without coordination, these deficiencies could hinder the growth of UC Merced and surrounding lands.

Governance and Terminology

In addition to forming a foundation in understanding urban expansion challenges and opportunities, this section helps the community to understand governance issues related to urbanization of unincorporated lands. Issues include long-term growth boundaries, fringe development, and annexation.

Comprehensive Approach

The Bellevue Community Plan (BCP) area is located in close proximity to UC Merced, the City of Merced and lies within the City of Merced's Sphere of Influence (see Figure 44). As an area where future growth is encouraged, the BCP builds upon and integrates concepts from current and past planning efforts, as appropriate. This section describes how the BCP implements the goals of the *Merced Vision 2030 General Plan* and integrates with other planning efforts in the community. For example, the BCP recognizes and supports the development of the Merced Loop, with Bellevue Road acting as a functional roadway link between the Atwater-Merced Expressway and the Campus Parkway Expressway.

Growth Factors

Demand for services, housing, and employment exert pressure for growth and development in the BCP and surrounding areas. However, internal and external factors can inhibit or prevent orderly growth. It is important to understand how these growth factors, such as availability of services and infrastructure, can directly affect the form, pattern, and cost of urban expansion. Many of these decisions are made locally, and can be informed by this plan.

Figure 43. Bellevue Community Plan Area



Growth Scenarios

As introduced above, the expansion of the BCP area is heavily reliant on collaboration between decision makers. With many infrastructure-related decisions yet to be made, there are several possible growth scenarios for the Bellevue Community Plan area. The growth scenarios presented in this section set the stage for further community discussion regarding future expansion.

GOVERNANCE AND TERMINOLOGY

The BCP area lies within unincorporated Merced County with future growth and development related decisions guided by the County of Merced General Plan. The *General Plan* for the County of Merced focuses its discussions and policies on the unincorporated areas of the County, as incorporated cities have their own general plan goals and policies separate from, but not inconsistent with, the County. In addition, cities within the county have their own set of urban expansion boundaries that include portions of unincorporated lands to be urbanized and incorporated in the future. Urban expansion boundaries extend beyond a city's corporate limits and must be appropriately planned for and included in any long range development plan or policy. The Area of Influence (AOI), Sphere of Influence (SOI), and Specific Urban Development Plan (SUDP) all help to describe a city's long-term boundary for urban expansion into unincorporated lands.

In addition to a City's corporate limits, the Area of Influence (AOI), Sphere of Influence (SOI), and Specific Urban Development Plan (SUDP) all help to describe a City's long-term plan for urban expansion into unincorporated lands.

URBAN EXPANSION AND THE MERCED VISION 2030 GENERAL PLAN

The Bellevue Community Plan, though located outside Merced's corporate city limits, lays completely within the City's urban expansion boundaries. Therefore, the City of Merced has interest and influence over development within the BCP area. While Merced County has zoning and development authority over unincorporated land within a City's SOI, there are mechanisms for cities and counties to coordinate growth and development efforts (see discussion under Fringe Development later in this chapter). This collaboration is important for successful long-term planning, as a city must prove it is capable of providing infrastructure and services to land within its SOI before it can be annexed. Similarly, the Urban Expansion chapter of the City's *General Plan* includes several planning tools to guide well-planned growth into unincorporated lands, including a list of annexation criteria.

It is important to note that urban expansion occurs in response to the market, is initiated by property owners, and is regulated in large part by a Local Agency Formation Commission (LAFCO).

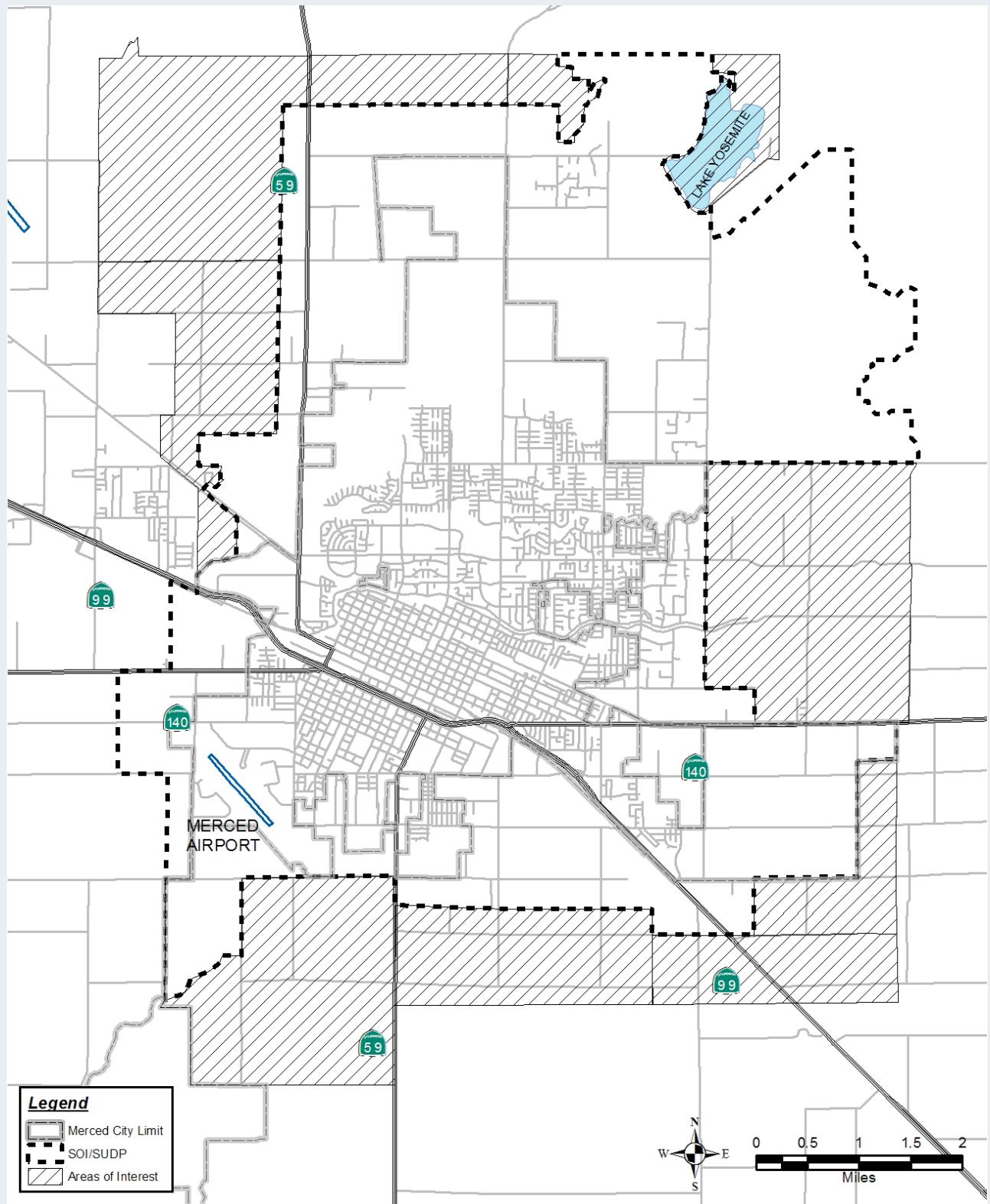
URBAN EXPANSION BOUNDARIES

While City limit boundaries are commonly understood, there are a variety of other governance-related boundaries. These include the Area of Interest (AOI), the Sphere of Influence (SOI) and the Specific Urban Development Plan (SUDP). These growth-related boundaries are utilized by cities and counties to manage urban expansion. While the Bellevue Community Plan (BCP) is located outside Merced's current municipal boundary, it is located within all three of the above listed boundaries. Figure 44 depicts the relationship of the BCP to the City corporate limits, the AOI, SOI, and SUDP.

AREA OF INTEREST - AOI

The AOI describes lands for which a City has a long-term development interest, but which are unlikely to urbanize within the 20-year plan horizon of the *Merced Vision 2030 General Plan* (See Figure 44). Though originally

Figure 44. Merced City Limit, Sphere of Influence (SOI), Sphere of Specific Urban Development (SUDP), and Area of Interest (AOI)



considered to be placed in the City's SOI, the Castle Farms and Mission Lakes development plans eventually became a part of the City's AOI instead. Lands near UC Merced were retained within the City's proposed SOI/SUDP. As discussed below, lands in the City's SOI/SUDP are anticipated to develop prior to those in its AOI.

SPHERE OF INFLUENCE - SOI

The Sphere of Influence defines the primary area within which urban expansion is to be encouraged. The entirety of the BCP planning area was enclosed within the SOI established in 1997. In 2012, with adoption of the *Merced Vision 2030 General Plan*, the City included the University Community Plan area within its proposed SOI. LAFCO officials and local decision-makers recognize the logical assumption that the lands lying within the SOI are those that the City may someday propose to annex. See Figure 45 for the City's 2015 and 2030 SOI boundaries.

SPECIFIC URBAN DEVELOPMENT PLAN - SUDP

With adoption of the *Merced Vision 2030 General Plan* in January 2012, the Merced City Council placed the entirety of the BCP within the City's SUDP. Whenever land is added to an SUDP, the decision is made that it will ultimately be converted to an urban use. 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.

ANNEXATION

Once the Local Agency Formation Commission (LAFCO) has approved the City's Sphere of Influence (SOI), annexation requests from the City for areas inside the SOI require only limited review by LAFCO. This review deals with the appropriateness and efficiency of the boundary and conformance with the City's *General Plan*, including relevant phasing policies and public service availability. LAFCO's were created by the State to oversee changes in jurisdictional boundaries. Locally, Merced County LAFCO is composed of two members of the Board of Supervisors, two members that represent the six incorporated cities in Merced County, and one independent public member.

When a property is located within all three urban expansion boundaries (AOI, SOI and SUDP), and is located adjacent to a city limit boundary, it becomes eligible for annexation to that City. The BCP planning effort does not involve an annexation request by the City of Merced. Rather, the purpose of the BCP planning effort is to establish a conceptual land use framework and set of policies in preparation to respond to private property owner requests for annexation. Annexation requests are usually initiated by a property owner that has an interest to urbanize their property.

CRITERIA

The *Merced Vision 2030 General Plan* includes updated policy language that is used to evaluate future annexation requests (Implementing Action UE-1.3g). Building upon the 5-point list of annexation criteria is a sixth criteria which

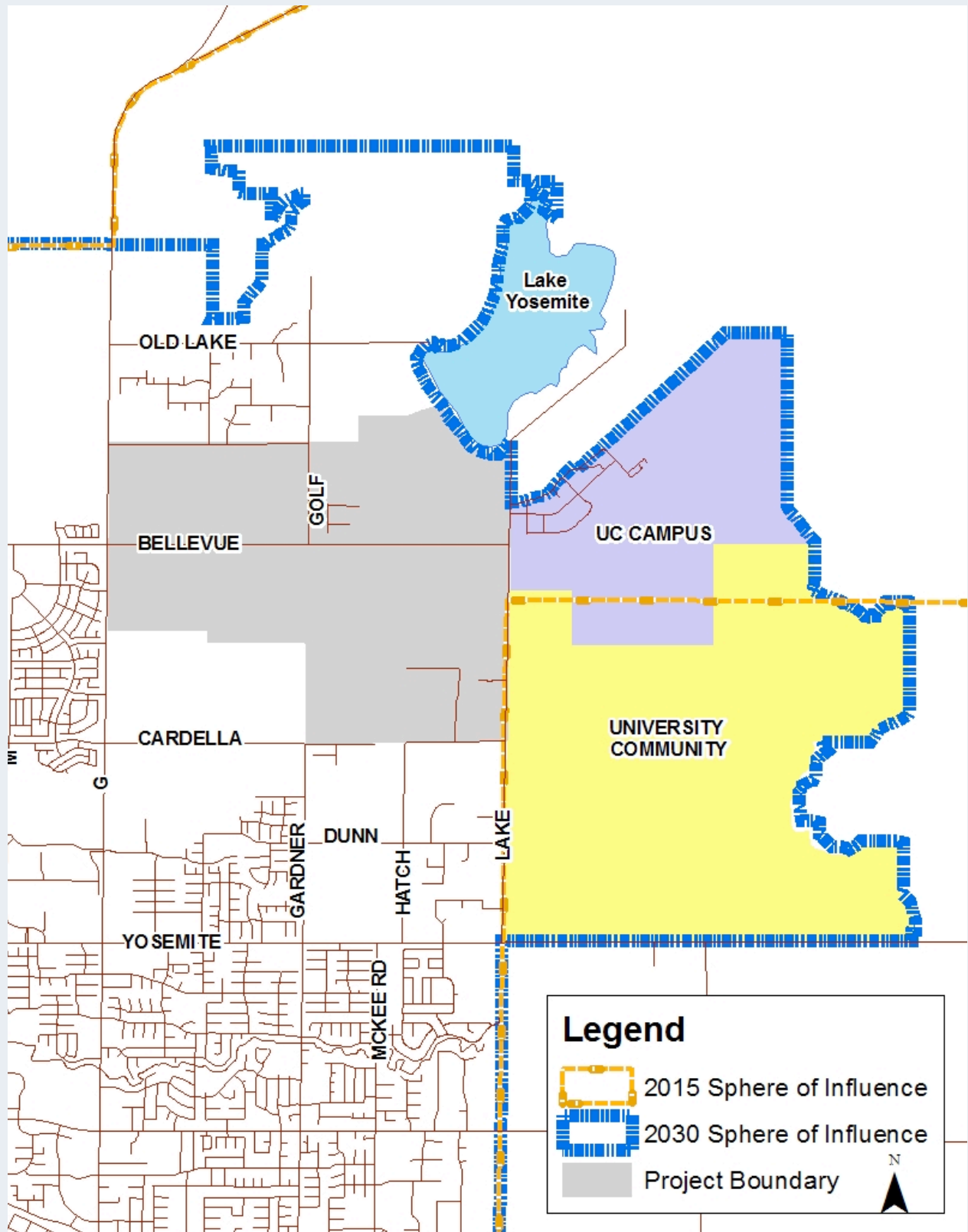
The Area of Influence describes lands for which a City has a long-term development interest.

The Sphere of Influence defines the primary area within which urban development is to be encouraged.

The BCP is located within Merced's Specific Urban Development Plan which contains land to be converted to urban use.

The purpose of the BCP planning effort is to establish a conceptual land use framework and policy set in order to be ready to respond to private property owner requests for annexation.

Figure 45. City of Merced 2015 and 2030 Sphere of Influence (SOI)



supports annexations that help the City reach one of the following goals. The sixth criteria emphasizes the following three conditions:

- Does annexation of the area bring the City closer to annexation of the UC Merced campus and University Community?
- Does the area contain significant amounts of job-generating land uses, such as industrial, commercial, office, and business/research & development parks?
- Does the project provide key infrastructure facilities or other desirable amenities, such as the extension of major roads, utility trunk lines, parks and recreational facilities, etc.?”

Taken as a set, these policies support the future annexation of the BCP planning area or parts thereof.

CITY/COUNTY TAX SHARING AGREEMENT

In February 1997, the Merced City Council and Merced County Board of Supervisors adopted the “Property Tax Sharing Agreement between the City of Merced and the County of Merced” which included various land use provisions. By adopting the Agreement, the County agreed to amend the *General Plan* to accommodate future growth of the City of Merced. The agreement includes project review procedures, the circumstances when City development standards apply to development, and terms for payment of development impact fees for new construction. This agreement was a critical landmark in City/County cooperation and granted the City some control over development within its SOI and SUDP.

Planning the Bellevue Corridor

“The City should begin the process of planning for the eventual annexation of the Campus to the City, including evaluating various corridors for possible annexation in order to bridge the gap between the current City limits and the Campus boundary. Planning of the land uses along those corridors should also begin as well, including possible locations for research and development parks.”

--Implementing Action UE 1.4.a, Merced Vision 2030 General Plan.

Figure 46. Key Growth Factors for the Bellevue Community Plan

1 Physical Constraints

2 UC Merced

3 Population Growth

4 Public Infrastructure and Services

5 The Regulatory Environment

6 Coordinated Development

GROWTH FACTORS

Urban Expansion in the BCP area will be strongly influenced by certain growth factors. Understanding these growth factors will help the community anticipate growth-related needs and to predict probable growth patterns (discussed in the next section). The key growth factors for the BCP include:

- Physical Constraints
- UC Merced
- Population Growth
- Public Infrastructure and Services
- The Regulatory Environment

Taken as a whole, a combination of growth factors could dramatically limit the development potential of any given site near UC Merced. Thus, a strategy to assure the ability to respond to growth pressure being generated from UC Merced is to prepare several nearby development sites and form a community-wide development phasing plan. The phasing plan is defined, in part, by understanding the reality of how different growth factors affect the timing and location of new development.

PHYSICAL CONSTRAINTS

The *Merced Vision 2030 General Plan* identified several physical growth constraints that restricted or severely limited the growth potential of areas other than the BCP. These constraints included proximity to airports, flooding potential, high water tables, presence of prime agricultural soils, lack of roads and public services, and sensitive habitats. While the BCP planning area does not contain all of these growth constraints, there are some that need to be considered, including agricultural lands, sensitive species and habitats, and flooding.

AGRICULTURAL LAND

Urban expansion into the BCP is not constrained by the presence of significant agricultural resources. As such, it offers a potentially reasonable alternative location for urban growth rather than sites that do provide valuable agricultural resources, especially given the BCP’s ability to provide key circulation infrastructure (Bellevue Road) and economic opportunities (Research and Development sites) for the community.

SENSITIVE SPECIES AND HABITATS

Natural resource agency requirements to protect and conserve sensitive species and habitats have affected the location and intensity of development near the BCP planning area. For a variety of reasons described in the Open Space, Conservation, and Recreation Chapter, it is reasonable to assume that future development within the BCP would be affected as well. To avoid dramatic changes to key land uses and circulation components, the BCP includes an Official Open Space Map that includes likely resource lands. It is important to note that this map is flexible, allowing for increased development should impacts to resources be addressed through other means. However, growth may be constrained by the presence of sensitive habitats,

such as vernal pools. Consistent with the City's *General Plan* EIR, private property owners are required to resolve these issues prior to or concurrent with annexation proposals, and have the option to do this individually or as a group in a programmatic manner.

FLOODING

There are no floodways in the planning area or lands affected by a regulatory floodplain. A large portion of the BCP planning area is located within the flood-inundation area of Lake Yosemite, however. This potential constraint was evaluated as part of the *Merced Vision 2030 General Plan*, which concluded the threat low enough to allow urban land use designations within this area. Nevertheless, shallow seasonal stormwater occurs in the planning area (see discussion on stormwater drainage in Chapter 2).

UC MERCED

UC Merced is a significant growth node that will strongly influence the rate and opportunity for nearby development. UC Merced is anticipated to have a campus population of 10,000 students by the year 2020, with ultimately a capacity of 25,000 students and 6,500 employees at full buildout.

POPULATION GROWTH

The Great Recession has had a profound impact on the San Joaquin Valley; most of the Valley's counties have been affected substantially worse than the national or State average in terms of employment losses, reductions in growth and development, and general weakening of the local economy. Merced County has been one of the most affected counties and has impacted the City's economy and growth rates. While conditions have stabilized somewhat during 2012, housing supply and demand relationships remain weak and pricing is such that little to no new development can occur. Growth projections used in the preparation of the *Merced Vision 2030 General Plan*, however, remain optimistic in order assure adequate infrastructure can be planned for build out.

REGIONAL INFLUENCES

By 2030 the Central Valley is anticipated to exceed 6.5 million people, a 60% increase over the 2009 Central Valley population estimate of nearly 4 million people provided by the California Department of Finance. Increases in population will result from new births and from new residents moving to the area. In addition, at build out, UC Merced anticipates having a student population of 25,000, a faculty and staff population of 6,500, and a daily population of about 600 others. This population cluster, located approximately 5 miles from downtown Merced, has and will now demand new residential, employment and commercial services. In addition to the UC Merced campus, the proposed high-speed rail (HSR) station in Merced is another population generator. The general population increase in the Central Valley, together with locally generated populations of UCM and the HSR, as well as normal growth locally, is forecasted to dramatically increase the population of the City of Merced to 137,400 people by the year 2030 according to projections from the California Department of Finance.

UC Merced is a significant growth node that will strongly influence the rate and opportunity for nearby development.

Images of the UC Merced Campus



POPULATION FORECASTS

Merced currently has a population of 79,328 and 27,412 households. A large number of new housing developments were built in the City during the economic boom of the mid-2000s. Since the onset of the national economic recession, development and annexation activity, which was significant during the preparation of the 2004 Municipal Service Review (MSR), is largely on hold. The *Merced Vision 2030 General Plan* projects a City population of approximately 137,400 by 2030, an increase of 58,442, or 74 percent, not including UC Merced. The population of the City will continue to be largely influenced by the growth of UC Merced, which, since its opening in 2005, has steadily increased its student body, faculty, and staff.

Assuming an average household size of 3.2 persons per dwelling unit, by 2030 Merced will need to accommodate roughly 43,000 new housing units (compared to 27,400 in 2010) and 35,000 new employment opportunities (compared to approximately 22,000 in 2010). However, these projections may be revised due to remaining uncertainty regarding local housing and job markets.

PUBLIC INFRASTRUCTURE AND SERVICES

While most growth factors generally affect development potential, it will most likely be the decisions regarding public infrastructure and services that define the timing and location of urban expansion. This in turn will determine whether UC-based growth impacts on the City will be positive or negative. The value of infrastructure-based decisions will be determined by the success of collaboration between the City, Merced County, and UC Merced. This is the reason the ULI Report emphasized the formation of a “collaborative working group” comprised of these entities. It is not the goal or role of the BCP to formulate this group or to define a common purpose and approach. Rather, following the lead of the City’s recently adopted *General Plan*, the BCP expands the platform upon which future development can occur, and provides a complete vision for urban expansion in the area near UC Merced. This information can then be used to comprehensively plan for the future roll-out of public infrastructure and services in a manner that achieves the best interest of the community.

THE REGULATORY ENVIRONMENT

The regulatory environment includes the policies, laws, standards and procedures used by various government entities to comply with state or local directives. These can limit where, when and the form of development. For example, LAFCO regulations would not allow the City to incorporate land next to UC Merced if in a form separate or disjoined from the rest of the City; though demand for housing and services could be best served in this manner. Thus, instead of a small annexation, LAFCO rules in this case could lead to annexation of a large swath of properties in order for housing and commercial services to locate next to the campus.

However, as it applies to development near UC Merced, large portions of lands have been included in either a SUDP or SOI, laying the foundation for future near-term development options. Regulations regarding formation of service districts, city limits, and ability to install infrastructure will help define

the project-readiness of various areas near UC Merced. For example, tapping into the City’s wastewater treatment plant which is planned to operate at 20 million gallons per day would be easier than attempting to receive State of California permits for a new wastewater treatment plant.

Annexation is a precursor to urban expansion. If the City agrees to annex a property, it is agreeing to provide City services (i.e. sewer, water, police, fire, garbage, etc.). The City and the County have a “master property tax exchange agreement” in place that may constrain annexation because under the agreement the County retains its share of property taxes following annexation. Under these circumstances it is more challenging for the City to fund needed municipal services to the annexed area. It is likely that some revision of this agreement will be necessary before substantial annexations within the SUDP/SOI will occur.

COORDINATED DEVELOPMENT

The preparation of long-range planning documents, such as the *Merced Vision 2030 General Plan*, the UC Merced Long Range Development Plan, the University Community Plan (UCP), and the Bellevue Community Plan (BCP) are important first steps in establishing a shared vision for the future. These, and other development plans, help set the foundation upon which infrastructure, service and phasing plans will be developed. This section broadly describes the numerous planning and development efforts underway near the Bellevue Community Plan, setting the stage for a discussion of recommended next steps at the end of this chapter.

A detailed description of development plans and projects occurring within and near the Bellevue Community Plan area is provided in Technical Memorandum B (Appendix B) of the BCP. The “Development Plans and Projects” document identifies and describes recent and anticipated growth patterns. Figure 4 shows approved and planned developments in the northwest growth area of the City of Merced.

UC MERCED

The form in which the campus grows has and will continue to affect adjacent development and public infrastructure and service needs. For example, in 2013, the Long Range Development Plan concept was adjusted based on recommendations from the Urban Land Institute (ULI), resulting in a smaller and contracted development site, increased land use densities, and shifting of non-academic uses (such as offices) to off-site locations. The ULI Report strongly recommended strengthened partnerships with the City of Merced, stating that the fates of UC Merced and the City of Merced are inextricably linked.¹⁶

CITY LIMITS

Lands within the City Limits have completed the annexation process, and are developed, used for agriculture purposes, vacant or partially constructed and occupied. These lands are generally ready to develop as they are usually immediately adjacent to development, city services and infrastructure, and require relatively few permits. Lands to the south and west of the Bellevue Community Plan are within the City Limits.

The preparation of long-range planning documents, such as the *Merced Vision 2030 General Plan*, the UC Merced Long Range Development Plan, the University Community Plan (UCP), and the Bellevue Community Plan (BCP) are important first steps in establishing a shared vision for the future.

Many public comments received at the BCP public workshops pointed out the unfinished nature of the Bellevue Ranch Development and their support to complete that development prior to opening new lands for development. Lands within, adjacent to, and near the Bellevue Community Plan (BCP) planning area are in various stages of development entitlements such as formation of Specific Urban Development Plans and subdivisions. Narrative descriptions, maps, and tables presented in Appendix B depict current and future land uses.

The *Merced Vision 2030 General Plan* also includes many policies that encourage a compact urban form and logical growth, and to avoid leapfrog development. At the same time, it encourages sites to be ready for industrial development and to extend services to sites proposed for significant employment-related uses.

FRINGE DEVELOPMENT

Fringe development occurs outside a City but within its Sphere of Influence (SOI) or Specific Urban Development Plan (SUDP). Counties possess zoning jurisdiction over this unincorporated territory. However, the State legislature recognized (in passing AB 2838) that as the future service provider of such unincorporated lands in the City's SOI, the City should have an opportunity to address how land in the SOI is planned for and developed in anticipation of future annexations. In the BCP planning area, these opportunities exist in the context of Rural Residential Centers and the City-County Tax Sharing Agreement.

Rural Residential Centers (RRC's) contain concentrations of suburban housing on a minimum of one-acre lots without commercial services. RRC's typically lack municipal sewer, water, and emergency services; curbs, gutters, and sidewalks; street-lights; and fire hydrants. There are five RRC's in Merced County; one is located adjacent to the City of Merced, with a portion located within the eastern half of the BCP.

CHALLENGES OF RURAL RESIDENTIAL CENTERS

Although RRC's provide a unique semi-rural character that is prized by residents, governance challenges with Rural Residential Centers include: 1) extremely inefficient land use in terms of agricultural land conversion and service delivery costs to the County; 2) potential for ground water contamination from the concentration of septic tanks on one-acre lots; and 3) the increasing difficulty in obtaining potable drinking water from individual wells due to stricter state-wide standards.

Some of the RRC's within or adjacent to the BCP are already developed and subdivided into one- to two-acre lots which makes redevelopment or redesignation of these properties unlikely. The City's General Plan supports the maintenance of existing RRC's, but no new ones. However, in the area along the Bellevue Road corridor the City's Land Use Diagram indicates this area as Mixed-Use. The presence of major water and sewer lines; large vacant parcels; and the potential to develop job-generating uses in proximity to UC Merced support higher intensity uses along the Bellevue Corridor, in lieu of the neighboring RRC designation.

INTERIM ENTITLEMENTS AND PERMITS IN THE BCP

The City of Merced has control over the land use and development decisions within its city limits. In the fringe area, while lands retain county land use and zoning designations, the City and County are committed to coordinating future land uses. LAFCO officials and local decision-makers recognize the logical assumption that lands lying within the SOI are those that the City may someday propose to annex. As noted above, through AB 2838, the City has opportunity to address how land in the SOI is planned for and developed in anticipation of future annexations. This is accomplished through management of Rural Residential Centers and implementation of the 1997 Property Tax Sharing Agreement between the City of Merced and the County of Merced.

RURAL RESIDENTIAL CENTERS

The fringe area within the BCP planning area is designated in the Merced County General Plan as Urban Expansion Area (UE), and Agricultural-Residential (A-R), with the A-R designation coinciding with county Rural Residential Centers. Merced County General Plan policies prohibit the creation of any new, or the expansion of any existing Rural Residential Centers in the unincorporated county, and limits the amount of new growth within existing Rural Centers by allowing only residential uses, limiting public services, and prohibiting commercial uses. To protect existing rural residential neighborhoods, developed A-R lands are designated “Rural Residential” in the BCP.

All properties within the BCP are outside the city limits and zoned Agricultural Residential (A-R). The purpose of the agricultural-residential zone is to provide areas for rural residential development. It is intended that this zone typically serve as a transitional area between more dense urban communities and agricultural uses. Given the planned urban nature of UCM and the University Community, the intended transitional function of A-R zoned lands in the eastern portion of the BCP is dramatically reduced. Additionally, Merced County General Plan policy LU-10.7 states, “Evaluate, during the update of the county’s community plans, the alternative of redesignating undeveloped rural-residential areas to the Urban Reserve designation to support the effort of the affected city to achieve more efficient use of land within its existing sphere of influence.” There are several undeveloped rural residential areas within the BCP planning area. The City’s effort to achieve more efficient use of land can be supported by Merced County if these areas received an Urban Reserve designation. Finally, Merced County General Plan policy states, “Apply, as appropriate, the Urban Reserve designation to unincorporated properties within city spheres of influence that are planned for future development by the city in their general plan.

TAX SHARING AGREEMENT

In this agreement, Merced County agreed to amend the General Plan to accommodate future growth of the City of Merced. The agreement includes: a) project review procedures that include the City; b) description of circumstances when City development standards apply to development; and c) terms for payment of development impact fees for new construction. This agreement was a critical landmark in City/County cooperation and granted the City some control of development within its SOI and SUDP.

Examples of a Rural Residential Centers

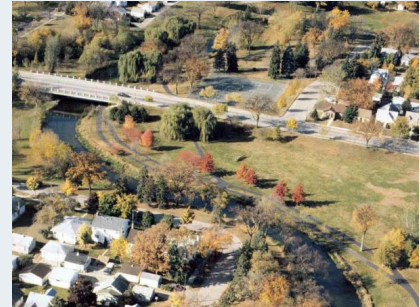
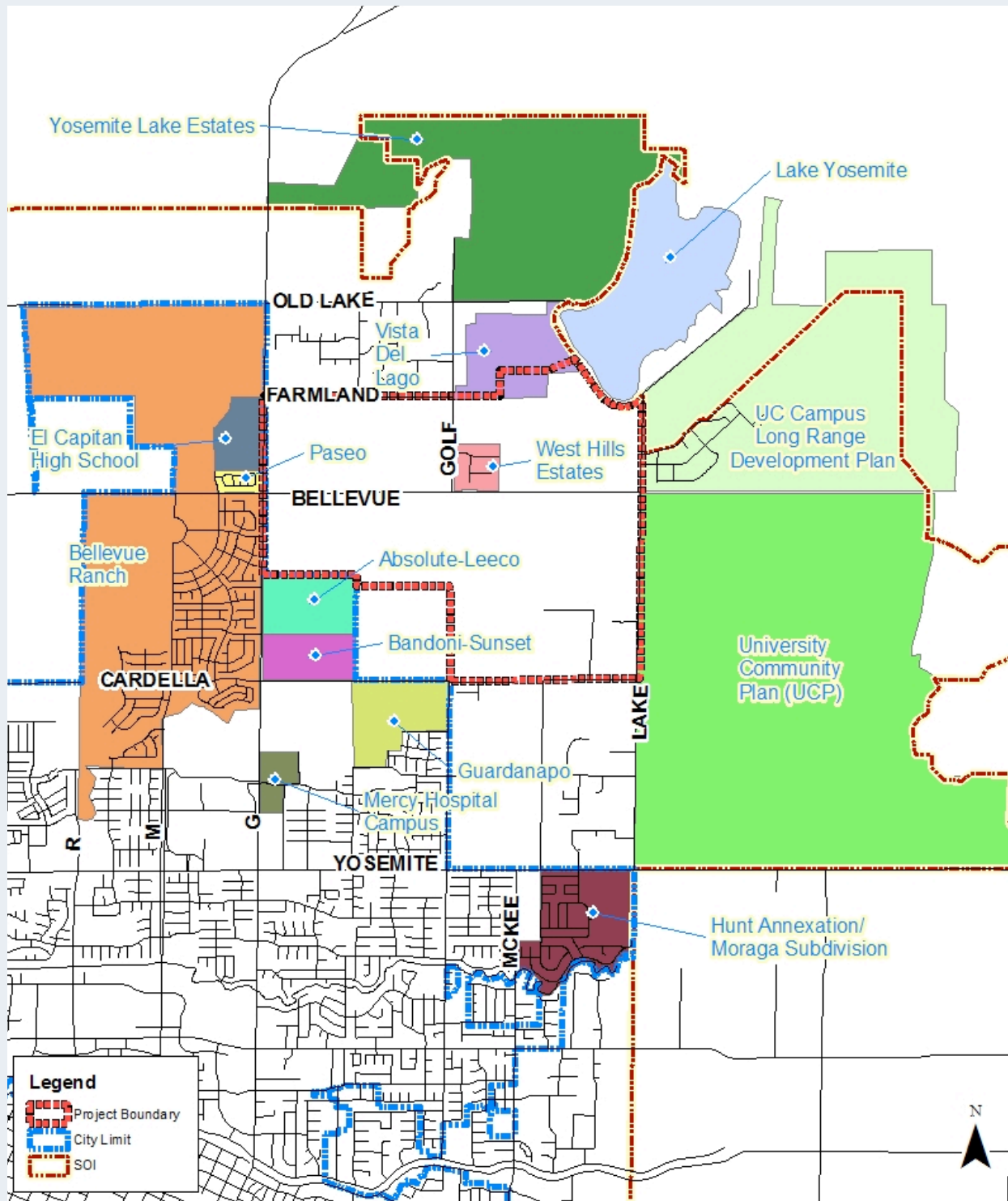


Figure 47. Bellevue Community Plan Project Index



COMMUNITY PLAN GROWTH SCENARIOS

The Bellevue Community Plan (BCP) describes the endpoint of a development vision. The scenarios of how this vision may be constructed over time in the plan area are varied, however. Growth could occur adjacent to the University of California at Merced, in multiple locations adjacent to the City of Merced, as programmed growth within a large annexed area, or any combination of the above. As with the City's General Plan, it is not the place of the BCP to determine which growth scenario will be implemented. Rather, this section of the BCP describes various urban expansion options, their likely infrastructure roll-out outcomes, and identifies supportive factors of future annexation proposals.

ORDERLY DEVELOPMENT - OVERVIEW

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) encourages collaboration among LAFCO's, cities, counties, landowners, and other local agencies to balance the timing and location of development within Spheres of Influence (SOI). This is consistent with the legislative intent of the CKH to promote:

- Orderly development;
- Discourage urban sprawl;
- Preserve open space and prime agricultural lands;
- Provide housing for persons and families of all incomes; and
- Encourage the efficient extension of governmental services.⁴

Though with varying degrees, all growth scenarios presented herein are aimed to be consistent with the intent of the CKH.

SCENARIO 1: GROWTH WITHIN THE CITY

For two key reasons, vacant lands within the City are more likely to be developed than lands outside the City. 1) These vacant lands have already been through the annexation process, and 2) are either immediately adjacent to public services or contain some, many or all of the required public services and infrastructure. Provided the markets created by UC Merced and the general market in Merced are not particular as to location, these sites will develop first. These sites will absorb market pressures and reduce growth pressure outside the City Limits.

SCENARIO 2: GROWTH CONTIGUOUS TO THE CITY

This option describes the business-as-usual model of urban expansion whereby development occurs immediately adjacent to the City of Merced, expanding the City generally from the southwest to the northeast within the City's SUDP/SOI. There are several variations of this scenario ranging from development directly from the west or south of UC Merced. Since it includes a relatively large area, the availability of public services and infrastructure will be a limiting factor. Unless there is a deliberate effort to focus public

infrastructure and services in a specific geographic area, connecting the urban fabric to UC Merced will take many years and potentially result in a hodge-podge development pattern. Development could be frustrated by limiting availability of financial resources that are used for improvements in a haphazard uncoordinated fashion.

SCENARIO 3: DIRECTED GROWTH

This scenario is based on selection of a preferred growth area within which development is more certain to benefit from a coordinated deployment of public services and infrastructure. A geographic area would need to be selected before any annexations occur in the northeast region of the City's SOI, and to minimize the creation of peninsular form. Absent these actions, this scenario would be very unlikely to occur.

SCENARIO 4: NODAL DEVELOPMENT ADJACENT TO UC MERCED

This scenario places private development immediately adjacent to UC Merced. Phasing within both approaches described below would be geared to: 1) prevent the premature conversion of agricultural land; 2) assure efficient and cost effective extension of services; 3) work with the ability of the City to provide infrastructure and municipal services; and 4) designate certain areas for development relative to other phases. Complementing the flexible nature of the BCP's land use element, this urban expansion model also provides for the greatest degree of responsiveness to the market.

Though the later approach has significant challenges, the nodal growth scenario could happen through two approaches, specifically by:

- Programmed or phased growth within a large annexation area extending between the City of Merced to and including UC Merced. This approach involves the annexation of a large land area between UC Merced and the City of Merced. Submitted with the annexation would be master utility and service plans that define the circumstances under which the various phases would be developed, emphasizing growth next to UC Merced. This approach could be limited by the need for a large block of land owners to agree to the annexation.
- Ability to develop adjacent to the UC Merced campus without a contiguous annexation with the City. Though unlikely, this could occur in two ways: 1) if the State of California were to allow an exemption to LAFCO policies and allow annexation immediately adjacent to UCM as a separate and second growth node in the City's SOI; or 2) through some form of extraterritorial service agreement between the City and County.

SCENARIO 5: CONCURRENT SCENARIO 2 AND SCENARIO 4

In this scenario, development may occur simultaneously next to the City of Merced and next to UC Merced. This scenario assumes two factors: 1) a strong market to support growth at multiple sites within the BCP, and, 2) that an approach to annex next to UC Merced has been successfully deployed as described in Scenario 3 or Scenario 4.

NEXT STEPS

A common vision and approach to urban expansion creates certainty, and certainty attracts investments, and investments create jobs. Yet, as evidenced in the growth scenarios above, along with concerns raised by the BCP Ad-hoc Advisory Committee, there is an unstable investment climate. A collaborative effort to create a multi-jurisdictional infrastructure and service plan could sort through these challenges and result in decisions that direct growth in a manner that serves the interest of the community as a whole in a fiscally sound manner.

CHALLENGES

During the preparation of the BCP that involved input from area property owners and representatives of UC Merced, Merced County and the Virginia Smith Trust, there was a strong concern expressed about the need to 1) coordinate development; 2) advance fiscally sound plans; and 3) to plan for the adequate provision of public services and infrastructure. While each planning area in northeast Merced strives for such goals, implementing them is challenged due to conflicting growth policies or interpretations thereof; support for competing plan areas; and a “wait-and-see” approach to public infrastructure and services. These do not create an atmosphere of certainty, but instead creates an unstable investment climate.

INFRASTRUCTURE

- What is the ratio of use between future developments and UC Merced of the remaining capacity in existing sewer collection facilities? For example, is new development favored, or should a large share of it be reserved for the growth of the campus?
- What is the ratio of road fund expenditure between Bellevue Road and Campus Parkway? For example, should the City expend its funds to improve Bellevue Road, or Campus Parkway? If the latter, then should it be spent on constructing the northern section to serve nearby developments including UC Merced?

FINANCING

- Are new financing mechanisms needed to address growth?
- Absent an updated tax-sharing agreement, will growth be limited to lands within the existing City Limits?
- What is the total cost to serve the planned growth in Merced’s northeast growth area?

PHASING:

- How much growth is directed to lands within the current City Limits versus new annexations?
- Where should initial annexation efforts be supported?
- Is growth next to UC Merced, whether in the County or City or not, considered “compact,” and if so, what is the best method to enable growth next to UC Merced?

COORDINATED DEVELOPMENT

Key to coordinated development is the formation of a collaborative effort to create a multi-jurisdictional infrastructure and service plan to sort through these challenges. Such discussion and decisions would involve the University of California, the City of Merced, Merced County, as well as the Merced Irrigation District, local schools and the Merced County Association of Governments. The UC Merced Long Range Development Plan (LRDP), the University Community Plan (UCP), and the Bellevue Community Plan (BCP), among other plans, provide the necessary information and options from which a unified development phasing plan could be crafted. Figure 54 illustrates the relationship between the BCP and surrounding plans.

The City of Merced, Merced County and UC Merced, and other affected agencies, should form a collaborative working group to establish a shared vision for growth in Merced’s northeast SOI, and addressing unresolved infrastructure, financing and phasing issues. Three outcomes from this effort should be:

1. Select a growth scenario, or combination thereof;
2. Develop a strategic phasing plan and plan for services that coordinate expenditure of resources, provides certainty in the marketplace; and leads to an efficient use of public infrastructure and services.
3. Update the City’s Tax-Sharing Agreement to align with the broad decisions concerning financing, infrastructure and phasing in the northeast Merced SOI.

BELLEVUE COMMUNITY PLAN GOALS AND POLICIES

The goal headings of this BCP chapter are grouped into the same policy topics as the *Merced Vision 2030 General Plan*. This approach fosters consistency and builds on the City’s broader *General Plan* guidance. In furtherance of consistency with the City’s *General Plan*, Appendix C, policies specific to the BCP planning area are described in greater detail and grouped with the goals and policies it shares in common with the City’s *General Plan*. In addition to the goals and policies below, Master Plans/projects/permit applications need to take into account the BCP in its entirety and be consistent with the language herein.

Table 11 Urban Expansion Goals and Policies Specific to the Bellevue Corridor Community Plan consistent with the City’s General Plan Regarding Urban Expansion

Goal Area UE-1: A Compact Urban Form/Efficient Urban Expansion

Policy UE-1.1: : In cooperation with Merced County, seek to designate undeveloped parcels within the RRC as “Urban Reserve,” a Merced County General Plan Land Use Designation.

Policy UE-1.2: Promote high residential densities along the Mandeville Transit Corridor within the Bellevue Community Plan.

The population near UC Merced will consist of a higher percentage of students, teachers, and employees than in other part of Merced. This population will need opportunities for a range of housing opportunities ranging from apartments, condominiums, rooming homes, among others.

Goal Area UE-2: Joint Planning Efforts

Policy UE-2.1: Seek to form a collaborative approach to planning and implementing future growth near UC Merced.

A broad discussion of how best to utilize limited financial resources, to devise an intra-government infrastructure plan for roads and sewer, etc., and to decide governance issues should occur prior to development within or near the BCP. These efforts would be aimed to result in decisions that direct growth in a manner that serves the interest of the community as a whole. Such discussion and decisions would involve the University of California, the City of Merced and Merced County, as well as the Merced Irrigation District, local schools and the Merced County Association of Governments.

Policy UE-2.2: In conjunction with the collaborative approach above, assess annexation options, and where appropriate, consistent with these efforts, encourage annexation of lands between the City and UC Merced.

Annexation of lands between UC Merced and the City need to be consistent with a community-based strategic approach to infrastructure improvement and property development in order to avoid: 1) an uncoordinated dispersal of infrastructure; 2) uncertainty in the marketplace; and 3) inefficient use of public infrastructure, services and funds.

Goal Area UE-3: Timing, Density and Location of New Growth

Policy UE-3.1: Development of Research and Development Parks that are not contiguous to existing urban areas may be considered.

Implementation Action UE-1.3a of the Merced Vision 2030 General Plan emphasizes that new urban development and annexations be contiguous to existing urban areas and have reasonable access to public services and facilities. Given that the City also seeks to provide significant job-based land uses, flexibility on the proximity of these land uses may be permitted. Important considerations include: reasonable provision and access to public services and facilities; extent of new jobs compared to community needs; impact costs of services and infrastructure and sources to compensate and mitigate.

Policy UE-3.2: In the context of Implementing Action UE-1.3.a, of the Merced Vision 2030 General Plan growth adjacent to or in close proximity to UC Merced is considered one that is contiguous to an existing urban area.

The siting of UC Merced has created a second growth node within the City's Sphere of Influence. The City's model to form a compact urban form can be applied to a community with more than one center. Development adjacent to UC Merced, concurrent with growth adjacent to the City's traditional form, should be considered.

Policy UE-3.3: Support efforts that permit campus serving housing, office and commercial development adjacent to UC Merced.

Under circumstances that are compatible with logical provision of City public infrastructure and services, development adjacent to UC Merced could be supported. The development should be related to proven market demands that originate predominately from UC Merced, and may include housing, office and commercial development.

Policy UE-3.4: Annexation proposals in the BCP shall be accompanied by a phasing plan.

In order to assure efficient and cost-effective extension of services, a phasing plan that matches infrastructure needs with anticipated development will need to be submitted with applications to annex lands within the Bellevue Community Plan area. The Phasing Plan will need to be consistent with City mechanisms and tools to finance and install public infrastructure and services.

Policy UE-3.5: Further study of the anticipated need of future populations of the planning area.

Seek to undertake a study or assessment of the likely future demographics to locate within the BCP in order to understand what they may need or do concerning housing, services and jobs so that these demands may be met where possible within the BCP.

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