

Date:	March 29, 2024
То:	State Clearinghouse Responsible Agencies Trustee Agencies Merced County Clerk
Subject:	Notice of Preparation of a Draft Environmental Impact Report (EIR) for the UC Villages Project
Lead Agency:	City of Merced Planning Division 678 West 18 th Street Merced, CA 95340 Contact: Kim Espinosa, Temporary Director of Development Services
Project Title:	UC Villages

Project Applicant: Sid Lakireddy, UC Villages LLC

NOTICE IS HEREBY GIVEN that the City of Merced (City), as the Lead Agency, has determined that the UC Villages project (proposed project) will require preparation of an Environmental Impact Report (EIR) in compliance with the California Environmental Quality Act (CEQA). This Notice of Preparation (NOP) is being distributed to applicable responsible agencies, trustee agencies, interested agencies, parties, and organizations as required by CEQA. Interested agencies and parties are requested to comment on the scope and content of the significant environmental issues, mitigation measures, and reasonable alternatives to be explored in the Draft EIR. Information regarding the project description, project location, public outreach process, and topics to be addressed in the Draft EIR is provided below.

Notice of Preparation 30-Day Comment Period

The City is soliciting comments from public agencies, organizations, and members of the public regarding the scope and content of the EIR, and the environmental issues and alternatives to be addressed in the EIR. Public agencies (responsible agencies and trustee agencies) may need to use the EIR when considering permitting or other approvals that are germane to the agencies' responsibilities in connection with the proposed project. Comments as to the appropriate scope of analysis in the EIR are invited from all interested parties.

The City requests that responsible agencies, trustee agencies, interested parties, and the Office of Planning and Research respond in a manner consistent with section 15082(b) of the CEQA Guidelines. Pursuant to Public Resources Code section 21080.4, responsible agencies, trustee agencies, and the Office of Planning and Research must submit any comments in response to this notice no later than 30 days after receipt. In the event that the City does not receive a response from any responsible or trustee agency by the end of the review period, the City may presume that the responsible agency or trustee agency has no response to make (CEQA Guidelines section 15082(b)(2)). In accordance with the time limits established by CEQA, the NOP public review period will begin on March 29, 2024 and end on April 29, 2024.



Written comments or questions concerning the EIR for the proposed project should be directed to Kim Espinosa, Temporary Director of Development Services (address below). Due to time limits mandated by state law, public agencies and other interested parties must submit any written comments in response to this notice at the earliest possible date, but not later than **5:00 p.m., April 29, 2024**, to the address shown below (postmarks are acceptable). If you wish to be placed on the notification list for this project, or if you have any questions or need additional information, please contact Ms. Espinosa.

City of Merced Planning Division Attn: Kim Espinosa, Temporary Director of Development Services 678 West 18th Street, Merced, CA 95340 Phone: (209) 385-6858 Email: espinosak@cityofmerced.org

Public Scoping Meeting

In accordance with Public Resources Code section 21083.9 and section 15083 of the CEQA Guidelines, The City will hold an in-person scoping meeting to: (1) inform the public and interested agencies about the proposed project, and (2) solicit public comment on the scope of the environmental issues to be addressed in the Draft EIR, as well as the range of alternatives to be evaluated. No action will be taken on the project at the scoping meeting. The sole purpose of the scoping meeting is for interested parties to be introduced to the project, to ask questions about the project, and to provide feedback regarding the scope of what CEQA topics should be assessed in the Draft EIR. The scoping meeting is not an appropriate time to provide comments on the merits of the project or provide testimony to support or oppose the project. Interested parties are strongly encouraged to submit written comments via email or letter. The date, time, and address of the scoping meeting is as follows:

> Tuesday, April 9, 2024 6:00 pm Merced Civic Center – Samual Pipes Room (1st Floor) 678 West 18th Street Merced, CA 95340

Project Location

The City is located in the Central Valley region of Northern California, along the Highway 99 freeway corridor in Merced County, with the cities of Atwater located approximately nine miles to the north and Chowchilla located approximately 20 miles to the south, as shown on **Figure 1**.

The UC Villages project site is located in unincorporated Merced County, to the northeast of the City of Merced's city limits. The site is at the southwestern corner of the Bellevue Road and Lake Road intersection, as shown on **Figure 2**. The project site is surrounded by rural residential and agricultural uses to the north, west, and south. The University of California, Merced (UC Merced) campus lies to the northeast of the project site, and agricultural uses are farther to the east. The project site is bordered by Bellevue Road to the north, Lake Road to the east, lands designated Mixed Use and Low Density to the south and Los Olivos Road and the Yosemite Lateral canal to the west.



The project site is 37.23 acres and is comprised of APNs 060-590-016, -017, -019, -025, -026, and 060-020-016. These six parcels would be annexed to the City of Merced. Development of the UC Villages urban uses would occur only on five of those parcels (excludes APN 060-590-026) and comprises 35.6 acres.

The project site is within the Bellevue Community Plan area, as shown on **Figure 3**. The plan describes a flexible vision for how unincorporated lands with county agricultural zoning can be provided with an urban zone when annexed, and includes a policy framework for future master planning efforts.

Annexation

Assembly Bill 3312 (AB 3312) allows the City to annex the main UC Merced campus through a "road strip" (Bellevue Road) and places certain restrictions on future annexations along the "road strip". Following annexation of the UC Merced campus, other properties either along Bellevue Road or adjacent to UC Merced will be eligible for annexation, including the UC Villages project site. As noted above the proposed Annexation includes approximately 37.23 acres of land and includes logical boundaries, contiguous with the UC Merced campus annexation area, as shown on **Figure 4**.

Proposed Project

The UC Villages Planned Development Master Plan (UC Villages or proposed project) proposes an approximately 35-acre development of mixed-use commercial and housing located across from the UC Merced campus. The proposed project would include up to 700 multi-family and/or student housing residential units with approximately 18,000 square feet (sf) of amenity buildings (recreational center), approximately 30,000 sf of commercial/retail, and an approximately 75,000-sf hotel with up to 200 guest rooms.

Land Uses and Pre-zoning

The project site is designated in the Merced County General Plan as "Merced Rural Residential Center" No. 1 Rural-Residential (R-R) (see **Figure 5)** and zoned in the County as Rural Residential/Single Family Residential (see **Figure 6**).

The project site is designated in the City of Merced's General Plan as "Community Plan," which has been established in the form of the Bellevue Community Plan. The Bellevue Community Plan designates the project site as "Mixed-Use TOD Character," which is characterized by a mix of uses ranging from multi-family residential to community retail to office. Although the project site has not been zoned by the City of Merced, it is proposed to be pre-zoned Planned Development (P-D), as shown in **Figure 7**. P-D zoning allows for a variety of development types that carry out the objectives of the General Plan. Chapter 20.20.020 of the City's Municipal Code provides the framework for development within the P-D zone.

If approved and annexed, the proposed project would be governed by the City of Merced General Plan, P-D Zoning and Pre-Annexation Development Agreement (described below), and not the County's R-R designation or zoning. Moreover, the Merced County Local Area Formation Commission's (LAFCo) decision would be based upon the proposed project's pre-zoning and not the County's land use regulations.



The UC Villages project proposes the development of two types of land uses – Commercial and Residential – as shown on the Conceptual Site Plan (see **Figure 8**). The Commercial area is located in the northeast corner of the site and west of Lake Road. The vision for this area is to include approximately 105,000 sf of retail and commercial uses, including a potential 75,000-sf hotel with 200 guest rooms. Also included in this area is a landmark artistic feature, such as a water tower-style feature, at or near the northwest corner, showcasing a pedestrian-friendly entrance into the retail/commercial center that will be inviting to pedestrian and bicycle traffic from the UC Merced campus in particular. It is anticipated that the Commercial area would include neighborhood retail serving commercial, such as restaurants, retail stores, bank, personal services, a hotel and other commercial uses typically associated with a mixed-use retail/commercial center.

The Residential area is located west of Lake Road and east of the Merced Irrigation District (MID) Yosemite Lateral and Los Olivos Road. The vision for this area is to take advantage of the project's close proximity to the UC Merced campus and develop high-quality off-campus housing. The housing component would be complemented with a social hub and recreational amenity space, potentially one associated with each phase, or shared by multiple phases. The recreational space may include a variety of amenities including, but not limited to, work/study areas, a fitness center, areas of recreational activities such as cornhole, bocce ball, pickleball, bike repair stations and a recreational pool.

Site Development and Phasing

The project site is anticipated to be a walkable neighborhood, with buildings oriented toward the street, as shown on Figure 8. The proposed project will develop a mix of uses over six phases of development; each phase may occur over 2-3 years, depending on market conditions. **Figure 9** and **Table 1** identify the phases of development and the proposed land uses.

PHASE/					PARKING	PARKING	PARKING
BUILDING	PROGRAM USE	AREA (GSF)	HOTEL KEYS	Units	RATIO ¹	REQUIRED	PROVIDED
PHASE 1							
R1	Retail/Commercial	5,845			4/1,000 sf	23	
R2	Retail/Commercial	4,835			4/1,000 sf	19	
R3	Retail/Commercial	4,400			4/1,000 sf	18	
R4	Retail/Commercial	3,685			4/1,000 sf	15	
R5	Retail/Commercial	7,495			4/1,000 sf	30	
R6	Retail/Commercial	3,060			4/1,000 sf	12	
Totals		29,320				117	120
Phase 2							
А	Amenity	4,000					
В	Residential	82,200		43	1 per unit	43	
С	Residential	112,600		59	1 per unit	59	
D	Residential	96,000		51	1 per unit	51	
E	Residential	76,150		40	1 per unit	40	
Totals		370,950		193		193	195

TABLE 1: UC VILLAGES CONCEPTUAL MASTER PLAN PROGRAM



NOTICE OF PREPARATION UC VILLAGES ENVIRONMENTAL IMPACT REPORT

PHASE/ BUILDING	P ROGRAM USE	AREA (GSF)	HOTEL KEYS	Units	Parking Ratio ¹	Parking Required	PARKING PROVIDED
PHASE 3			·				
G	Residential	48,000		25	1 per unit	25	
Н	Residential	60,000		32	1 per unit	32	
I	Residential	63,300		33	1 per unit	33	
J	Residential	73,000		38	1 per unit	38	
К	Amenity	4,250					
Totals		248,550		128		128	138
PHASE 4							
L	Amenity	4,250					
М	Residential	79,500		42	1 per unit	42	
N	Residential	79,500		42	1 per unit	42	
0	Residential	79,500		42	1 per unit	42	
Totals		242,750		126		126	126
Phase 5			·				
Р	Residential	102,375		54	1 per unit	54	
Q	Residential	86,000		45	1 per unit	45	
R	Residential	102,200		54	1 per unit	54	
S	Residential	102,200		54	1 per unit	54	
Т	Amenity	4,860					
Totals		397,635		207		207	216
PHASE 6			·				
F	Hotel Retail/Commercial	75,000	200		0.75 per key	150	
Totals		75,000	200			150	150
DEVELO	DEVELOPMENT TOTALS		200	654		921	945

1. PARKING RATIO FOR RESIDENTIAL PHASES BASED ON STUDENT HOUSING REQUIREMENTS. SOURCE: UC VILLAGES, LLC 2023.

Phase 0 – Site Activation

"Phase 0" interim commercial/retail uses may be implemented to quickly bring people to the UC Villages site at the corner of Bellevue Road and Lake Road by offering informal food and beverage options, retail vendors, and/or community events. The focus will be to offer interim, temporary uses that support the long-term vision of UC Villages, build community, and create an immediate draw prior to the development of permanent site uses. Phase 0 interim uses may include, but shall not be limited to: pop-up retail, food and beverage trucks/vendors, artisan fairs, farmers markets, holiday or seasonal events, outdoor movie series, live music, and local community events.



Phase 1 – Commercial

The Commercial area is located in the northeast corner of the Master Plan area and serves as the key entryway into the UC Villages project site from the UC Merced campus, located northeast of the project area. It is anticipated that approximately 30,000 sf of commercial/retail land uses will be developed as part of this phase. Each building may include multiple tenants and a variety of commercial/retail uses.

Phases 2 through 5 – Residential

The Residential area is located west of Lake Road and east of the MID Yosemite Lateral and Los Olivos Road. The Residential area is comprised of five-story residential buildings including up to 700 units at full build-out, which will be built in phases based on market demand. The Residential area will support development of multi-family residential units and student housing, with the mix of residential units dependent on market demand. Student housing units are each anticipated to be, on average, approximately 1,500 sf and include four beds with a common area. The housing component may be complemented by an approximately 4,000-sf, on-site amenity building for each phase of residential development. The recreational space may include a variety of amenities including, but not limited to, work/study areas, a fitness center, areas of recreational activities such as cornhole, bocce ball, pickleball, bike repair stations, and/or a recreational pool.

Phase 6 – Commercial

The Commercial area is located west of Lake Road and south of Phase 1. An approximately 75,000-sf hotel with up to 200 guest rooms is anticipated to be developed during this phase of development. The vision for the hotel is to house visiting dignitaries and families of students. Based on market demand, this area may be developed as Commercial/Retail or other allowed uses.

Transportation

The UC Villages Master Plan provides for internal circulation areas and points of access to surrounding roadways, such as Bellevue Road, Lake Road, Mandeville Lane, and Los Olivos Road, as shown in **Figure 10**.

Bellevue Road is a major east-west arterial that is currently within the County of Merced. However, as noted above, the UC Merced annexation will include Bellevue Road as the "Road Strip" under AB 3312 into the City of Merced. According to the Bellevue Community Plan, Bellevue Road is classified as a Major Arterial with a right-of-way of 150 feet to 200 feet dependent on side access roads and will have signalized intersections at 1/4-mile intervals. Although the BCP indicates that Bellevue Road is planned for six (6) lanes with one- or two-way frontage roads, Bellevue Road will be built as a four (4) lane arterial with one- or two-way frontage roads based upon a current agreement between the Regents of the University of California and the City.

Lake Road is a north-south collector roadway within the County of Merced that begins at the E. Yosemite Avenue to the south and extends north towards Yosemite Lake, northwest of the UC Merced Campus. Lake Road is adjacent to the eastern boundary of the project site. Lake Road will eventually be part of Campus Parkway, a major expressway within the County that currently begins at State Route 99 (SR 99) and ends at E. Yosemite Avenue. The University is responsible for the design and funding the



improvements of Campus Parkway to Bellevue Road. The proposed project's circulation system will tie into the intersection of Bellevue Road and Lake Road, which is currently being designed by UC Merced.

Mandeville Lane will be developed in accordance with the BCP as a two-lane collector road that will connect from Lake Road to Los Olivos Road. According to the BCP, Mandeville Lane is classified as a "Transit Avenue," which is a recommended transit route that will accommodate one lane of traffic in each direction, bicycle lanes and a potential dedicated bus guideway. Los Olivos Road is located along the western boundary of the project site and will be improved to City of Merced Standards.

Los Olivos Road is currently a collector roadway servicing single-family dwellings to the west of the Master Plan area. In the future, Los Olivos Road will be a collector road connecting Bellevue Road with Mandeville Lane. There are no direct entries or egress points for private vehicles to/from Los Olivos Road.

An internal private roadway will be developed to allow access from Bellevue Road through the project site to an intersection at Mandeville Lane. Surface off-street parking facilities will be provided via each phase pursuant to the off-street parking requirements detailed in the proposed UC Villages Master Plan.

Proposed access to the project site would be provided via a driveway along Bellevue Road, two intersections along Lake Road, and Los Olivos Road. The two driveways along Lake Road would be located between the Commercial/Retail and Hotel uses (Phases 1 and 6) and at the intersection of Mandeville Lane and Lake Road. At Los Olivos Road, two driveways would be located at the northwest corner of the project site. As noted above, Mandeville Lane bisects the project site between Phases 3, 4 and 5.

The UC Villages project would also provide a bike-friendly community, consistent with the standards set forth in the City's General Plan. A Class I off-roadway bikeway is already anticipated along Bellevue Road, while project would construct a Class I bikeway on the new Mandeville Lane that would run east-west through the project site, as shown on **Figure 10**. The project would also construct Class II, on-roadway, separated (striped) bike lane along the internal private roadway connecting Bellevue Road through the project site to an intersection at Mandeville Lane. Bike racks would be strategically located onsite near amenity buildings, the hotel, and the Commercial area.

<u>Utilities</u>

Water Supply

The City of Merced currently depends on groundwater supplied from various wells throughout the water service area. Currently a 16-inch water main exists in Bellevue Road and is supplied by Well No. 17 lying within the UC Merced campus, as shown on **Figure 11**. The proposed project would be served by the above referenced 16-inch water main in Bellevue Road and a future 16-inch water main in Lake Road as part of the 2030 water pipelines identified in the City of Merced Water Master Plan. Twelve-inch water mains would be installed in Mandeville Lane and Los Olivos Road. On-site development would be served by looped 10-inch backbone water lines.



Wastewater

The project site is within the area served by the City of Merced's North Merced Sewer Master Plan. Currently a 21-inch sewer main exists in Bellevue Road servicing UC Merced which is tributary to the G Street sewer trunk line, as shown in **Figure 12**. A recent flow analysis was performed for the City of Merced and determined there was excess capacity in the G Street trunk line which would service the UC Villages project.

Stormwater

Due to the hydrologic soil group rating for the project site, only moderate percolation of stormwater occurs onsite. This will limit the ability to capture stormwater on site, and a pump station will be necessary to remove excess water from the site.

All stormwater generated by development of the site would be handled by a "cascading" basin system, which would interconnect the proposed basins throughout the site (see **Figure 13**). Prior to entering the basin system, the stormwater will be treated through a combination of treatment devices including, but not limited to drainage swales, small bioretention basins, inlet filters, interception trees, permeable concrete pavers, stormwater planters, and rain gardens. If necessary, underground storage and treatment can be utilized to assist with any additional treatment or storage.

There are four planned detention basins located throughout the site, with the lowest basin being located at the natural low point of the project site in the southeast corner. These basins will be designed as detention basins with a non-interruptible outlet draining to the nearby Yosemite Lateral, owned, and maintained by the Merced Irrigation District. An agreement with the Merced Irrigation District to discharge into the lateral will be necessary.

<u>Signage</u>

Signage on the UC Villages project site will seek to provide a cohesive character and identity. Proposed signage will include monument signs, building signage for the commercial/retail and hotel land uses (e.g., shopping center signage), wayfinding and directional signs. Unique signage will be installed for the phases of housing (e.g., monument signs indicating the residential building/name/area and wayfinding signs within each housing phase).

Entitlements and Actions

The UC Villages project includes the following proposed entitlement applications to the City, requiring Planning Commission review with final action by the City Council:

- Annexation approval and the annexation of the subject parcels by the City of Merced and Merced Local Agency Formation Commission;
- Pre-zoning of the project site to Planned Development (P-D);
- Vesting Tentative Parcel Map; and
- Pre-Annexation Development Agreement.

Following approval of the project, the City would submit an application to the Merced County Local Area Formation Commission (LAFCo) to annex the project site from Merced County to the City of Merced.



Draft EIR Analysis

The City will prepare an EIR for the UC Villages project. The EIR will be prepared in accordance with CEQA, the CEQA Guidelines (Guidelines), relevant case law, and City procedures. No Initial Study will be prepared pursuant to Section 15063(a) of the CEQA Guidelines.

The Draft EIR for the project will incorporate by reference applicable portions of the certified Merced Vision 2030 General Plan Draft EIR.

The project level EIR will analyze potentially significant impacts associated with adoption and implementation of the UC Villages project. In particular, the EIR will focus on the project's increased development potential. The EIR will evaluate the full range of environmental issues contemplated under CEQA and the CEQA Guidelines as set forth in CEQA Guidelines Appendix G, except for specific topics identified below as having no impact. Where potentially significant or significant impacts are identified, the EIR will discuss mitigation measures to address the impact. At this time, the City anticipates that EIR sections will be organized in the following topical areas:

- Aesthetics and Visual Resources
- Agricultural Resources
- Air Quality
- Biological Resources
- Cultural and Tribal Cultural Resources
- Energy
- Geology, Soils, and Seismicity
- Greenhouse Gases and Climate Change
- Hazards and Hazardous Materials

- Hydrology and Water Quality
- Land Use and Planning
- Noise
- Population and Housing
- Public Services and Recreation
- Transportation and Circulation
- Utilities and Service Systems
- Wildfire

In addition to the potential environmental impacts noted above, the Draft EIR will evaluate potential cumulative impacts and potential growth-inducing effects associated with project implementation. The Draft EIR will also compare the impacts of the project to a range of reasonable alternatives, including a No Project alternative, and will identify an environmentally superior alternative.

Environmental documentation for this project will be available for review at the City's website: <u>https://www.cityofmerced.org/</u>.

Environmental Topics Scoped from Further Analysis

Forestry Resources

The EIR certified for the Merced Vision 2030 General Plan in 2012 concluded there would be no impacts to forestry resources. No land zoned or used as forestry resources or timberland are in the city. Therefore, no forestry impacts would occur as a result of implementing the project and this issue will not be discussed in the EIR.



Mineral Resources

The EIR certified for the Merced Vision 2030 General Plan in 2012 concluded that the City of Merced does not contain any mineral resources that require managed production, and minor aggregate production occurs west and north of the city. As there are no mineral resources identified in the city, no potential impacts on this type of resource could occur. Therefore, there would be no impact on mineral resources, and this impact will not be discussed in the EIR.



 Project Location

 Incorporated Area

 County Boundary

UC VILLAGES

Figure 1. Regional Location





UC VILLAGES

Figure 2. Proposed Project Site



Community Plan College/University Merced City Limits Master Plan Area UC VILLAGES

Figure 3. Community Plan Areas







City of Merced

AR: Agricultural-Residential

UE: Urban Expansion Area UR: Urban Reserve



Project Boundary
City of Merced

A-1: General Agriculture

A-2: Exclusive Agriculture

R-R: Rural Residential

UC VILLAGES

Figure 6. Existing Zoning





Agricultural Residential (Merced County Zoning)

Urban Trasition (U-T)

Public Facility (P-F)

Planned Development (P-D)

(1) APN:060-590-013 CARTER RANCHETTE 4.60 AC (3) APN:060-590-015 McCURDY RANCHETTE 4.90 AC APN:060-590-014 MORENO RANCHETTE 4.60 AC
 APN:170-220-007 REGENTS OF THE UC UC MERCED 267.00 AC







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Figure 8. Conceptual Site Plan



Phase Boundary

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Figure 9. Conceptual Phasing Plan



Divided Arterial Proposed Public Arterial Road Proposed Local Road Proposed Onsite Road

Access Right-In-Right-Out Access Phase Access

Figure 10. Conceptual Circulation Plan



Proposed Class I
 Existing Class I Relocation (Road Widening)
 Proposed Class II
 Proposed Bike Rack Location

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Figure 11. Conceptual Bikeway Plan



Existing Water

Proposed Water

Figure 12. Existing and Proposed Water Facilities



Figure 13. Existing and Proposed Sewer Facilities

Proposed Water



1 Potential Storm Treatment

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2 Detention Basin

Figure 14. Proposed Storm Drainage Facilities