City of Merced MEMORANDUM

DATE:	August 8, 2007
TO:	General Plan Update Citizens Advisory Committee
FROM:	Kim Hudson, Quad-Knopf Kim Espinosa, Planning Manager
SUBJECT:	Administrative Draft General Plan Update Land Use Diagram

The City of Merced has initiated an update to their 2015 General Plan, titled "*Merced Vision 2030 General Plan*." The focus of this update is to examine the existing SUDP boundary, and determine where the boundary should be changed.

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

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

Below is a synopsis of the proposed land use plan for each of the fifteen areas (please note that there is no Area 1 or 9):

<u>Area 2:</u>

Area 2 is the site of the new University of California, Merced campus. Planning for this site has largely been completed, as has been the construction of the first buildings. This area will be designated as a "School," recognizing the existing plans.

<u>Area 3:</u>

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

Area 3A:

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

This is the site of the Yosemite Lakes development proposal with a County approved SUDP. While some significant planning efforts are underway for this site, there are some significant environmental constraints. Until such time as those constraints can be addressed, and adequate infrastructure provided, this site is identified as "Reserve" on the diagram.

Area 3B:

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

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

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

Area 3C:

This area presents a challenge for planning. It has been largely developed as a very low density residential area within Merced County with one-acre lot rural residential development. As a result, further more dense development is unlikely except that up to 3 units per acre are permitted with public sewer and water systems. In recognition of this, the entire area has been designated as "Rural Residential."

Area 4A:

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

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

Area 4B:

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

<u>Area 5:</u>

Area 5, at the southeast corner of the study area, is entirely within the floodplain, and made up of significant agricultural soils. Given its proximity to a large area of industrial land, it is not ideal for residential development without significant buffer areas, etc., and there is adequate commercial area adjacent to this area on the west. Accordingly, the southern portion was omitted from the new SUDP boundary, and the balance was designated "Agriculture."

<u>Area 6:</u>

In addition to containing floodplain and prime agricultural soils, Area 6 is divided by Highway 99 (more or less north-south), and by Owens Creek (east-west). Due to the difficulty in accessing areas south of the creek, this south area was omitted from the new SUDP/SOI Boundary. East of Highway 99, an "Agriculture" designation was applied, for the same reasons as found in Area 5, and to provide consistency with that area. Although close to the Mission Interchange, development of the eastern and southern sides are limited due to lack of current and planned road connections. In addition, trip generation and cumulative impacts on the new interchange (including the large reserve area) area a concern. West of Highway 99, a small portion of Area 6 was designated "Community Plan." This area has better connectivity with the new commercial area around the new Mission Avenue interchange, and with Area 7 to the west.

<u>Area 7:</u>

As with Area 6, Area 7 is bisected by Owens Creek and Miles Creek. It also is completely within the floodplain, and contains significant agricultural soils. The western portion is affected by restrictive zones around the municipal airport. The northern boundary of Area 7 is also the southern boundary of the nearly completed South Merced Specific Plan. The South Merced Specific Plan will guide the change from agricultural land to residential, commercial and industrial development. In order to allow this area to develop logically, and not encourage "leap-frog" development, the portion of Area 7 between Mission Avenue and the creeks has been designated "Community Plan." This will permit planning an orderly progression of development to the south.

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

<u>Area 8:</u>

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

Area 10:

This small study area is constrained by poor access to the highway, and restrictive land use zones surrounding the municipal airport. As it is not suitable for residential or commercial development, it received a designation of "Industrial Reserve," which would permit expansion of the industrial area surrounding the airport when conditions allow.

Area 11 South:

Area 11 is comprised of two separate unconnected pieces. The southern piece is narrow, and adjacent to the municipal airport and the wastewater treatment plant. The City already has a significant amount of industrial land. For these reasons, the area received the "Industrial Reserve" designation.

Area 11 North:

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

Area 12:

Area 12 ("Castle Farms") is another area where significant planning has been done. It is impacted somewhat by Castle Airport, but retains significant acreage for development. If access, urban expansion and infrastructure questions can be answered, development of this area is feasible. The area has been designated "Community Plan."

Area 13:

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

Area of Interest:

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

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

Population:

The purpose of the General Plan Update is, of course, to accommodate the additional population that is expected to live in the City. The City's population is forecast to be approximately 150,000 in the year 2030, if the recent 3% annual growth rate holds steady. The present draft map would, at build out, hold approximately 285,000 people. Although this is clearly more than the projected 20-year horizon, there are some unique situations in Merced that warrant such a large population boundary.

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

Another consideration is the University of California campus. The Campus opened in 2005 and has approximately 1,300 students, and the future plans for the UC Community have been adopted by the County. This represents a significant additional population increase of approximately 36,000. As it will be a reality, it needs to be included in the plan.

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

Possible Changes to Existing General Plan Land Use Plan:

As part of this update, staff has also reviewed the existing General Plan map, and has noted some areas where minor changes will be considered. These areas will be noted during the public review process, but two major areas of focus will be the commercial areas around the new Mission/Highway 99 Interchange and the North Highway 59 employment corridor.