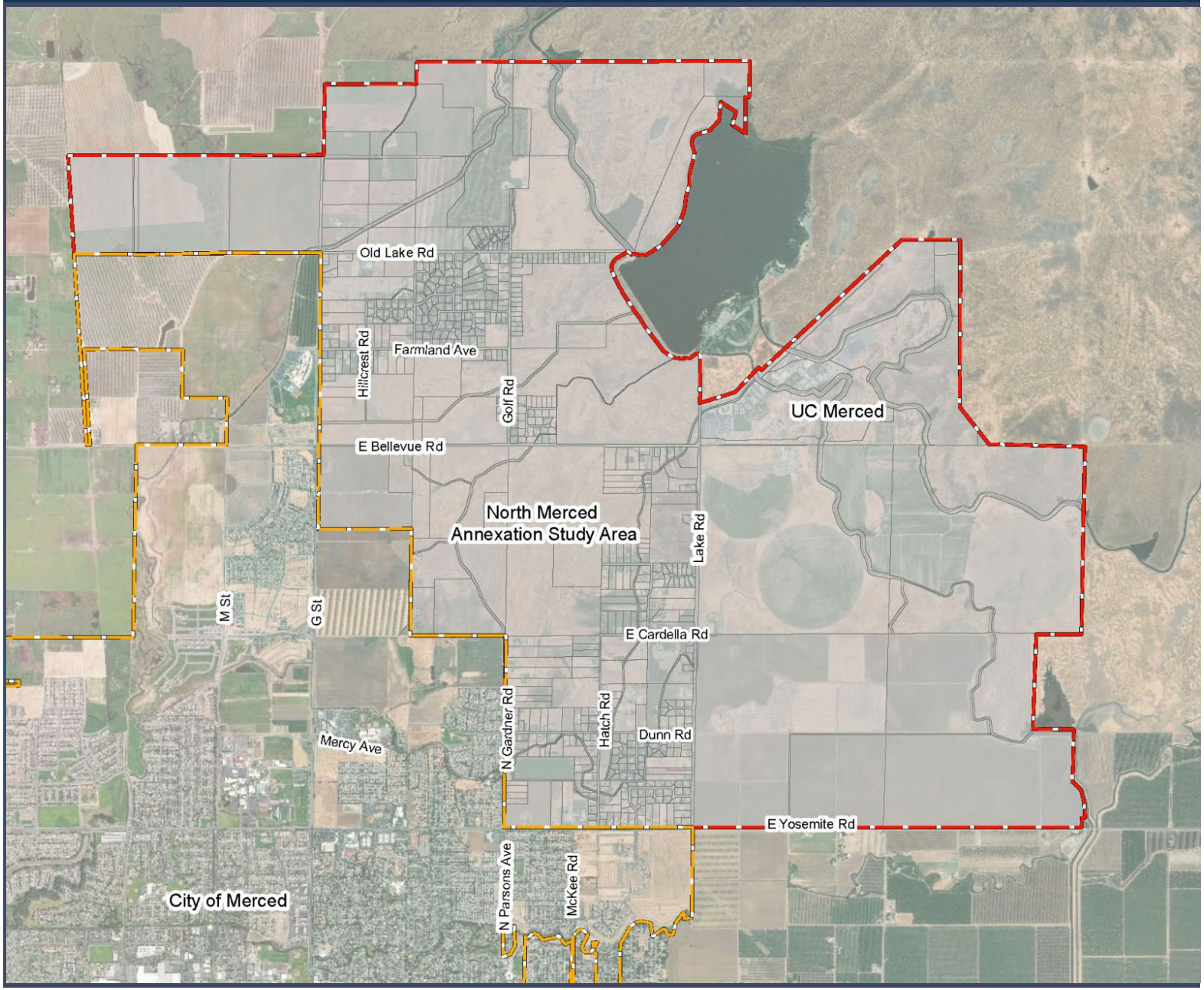
North Merced Annexation Feasibility Study Update:

Annexation Pre-Application Process and Conditional Wastewater Collection Capacity Allocation Process

City Council Meeting—March 15, 2021

Kim Espinosa, Planning Manager

North Merced Study Area



Previous Direction From City Council

- Support for an Annexation Pre-application Process with the following provisions:
  - Voluntary
  - Reviewed on a Continuous Basis as Submitted (No Set Time Frame or Review of All at once)
  - No Public Hearings or Notification of Surrounding Property Owners
  - No Planning Commission Involvement
  - Use of the Existing General Plan Policy as "Merit Criteria"
- Support for the Conditional Wastewater Allocation process with the use of Performance Standards

Annexation Pre-Application Process

1. Applicant submits an “Annexation Pre-application”
2. Meeting(s) with City staff & LAFCO staff.
3. Schedule for regularly scheduled City Council meeting.
4. Prepare report for City Council with analysis of “merit criteria” & the project’s wastewater needs.
5. The City Council will indicate general support or non-support for application moving forward.
6. The City Council will also indicate if a Conditional Wastewater Collection Capacity Allocation should be conditionally made for the project.
7. Applicant Decides to Proceed.
8. Adoption of the Conditional Wastewater Collection Capacity Allocation Agreement within 3 months.

"Merit Criteria" for Annexations

- General Plan Action UE-1.3.g :
  - City Limits/Sphere of Influence
  - General Plan Consistency
  - City Services and Facilities
  - Impact/Conflict on Farmland/Agriculture
  - Annexation of UC Merced
  - Job-Generating Uses
  - Key Infrastructure/Facilities or Amenities.
- Other Factors
  - Design Quality
  - Community Benefits
  - Developer Track Record & Financial Capability

Wastewater Master Plan—Existing Entitlements/Interim Sewer

EXISTING SEWER SERVICE ACCOUNTS
FUTURE SERVICE AREA
PLANNED SERVICE AREA COMMITMENTS
UC MERCED CAMPUS
CAMPUS COMMUNITY
CITY LIMITS
SUDP BOUNDARY
APPROX. SOUTH MERCED SERVICE ARE

Existing Monitored Flow + Remaining Entitled Areas + UC Full Buildout Flow = Interim Capacity (What's Left)

3,350 Equivalent Dwelling Units (EDU's)

Conditional Wastewater Collection Capacity Allocation Process

1. Within 6 months, Complete Annexation Application & Other Entitlements
2. Within 9 months, Contract for CEQA documents.
3. Within 2 years, Complete City, LAFCO, & State Annexation Process
4. Within 90 days of above, File Final Map or Parcel Map, Improvement Plans, & CFD Paperwork.
5. Within 90 days of above approval, File for Encroachment or Grading Permit, along with Building Permits, for at least 25 percent of units or building floor area.
6. Within 60 days of the permit filing above, Permits issued.
7. Within 180 days of the permit issuance above, Final Inspection or Certificate of Occupancy.
8. Within 30 days of above, Submit Performance Plan for the remaining 75 percent (within 3 years).

Stakeholder Comments

- Staff sent Draft to 25+ Stakeholders
- 2 Responses Received Prior to Final Admin Report
  - Greg Opinski—Generally Supportive of the Process
  - Steve Peck/Virginia Smith Trust
    - Believes Interim Wastewater Capacity Has Been Underestimated
    - Believes Other General Plan Policies and Prioritizing Community Benefits Should Be Considered
    - Believes the Wastewater Performance Standards Should Be More Broad and Flexible, Especially for Phased Developments
- More Responses May Come In Before Council Meeting

City Council Policy Direction

- Is the "Annexation Pre-Application Review" as outlined above acceptable? Any changes?
- Is the "Conditional Wastewater Collection Capacity Allocation Program" as outlined above acceptable? Any changes?

- Next Steps
  - Finalize Application Packet
  - City Attorney will need to prepare template for Wastewater Collection Capacity Allocation Agreement