

**CITY OF MERCED**  
**Planning & Permitting Division**

**STAFF REPORT:** #17-11

**AGENDA ITEM:** 4.1

**FROM:** Kim Espinosa,  
Planning Manager

**PLANNING COMMISSION**  
**MEETING DATE:** June 21, 2017

**PREPARED BY:** Julie Nelson,  
Associate Planner

**CITY COUNCIL**  
**MEETING DATE:** Aug. 7, 2017

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**SUBJECT:**        **General Plan Amendment #15-03, Zone Change #422, Planned Development Establishment #74, and Conditional Use Permit #1203** for the proposed Merced Gateway Master Plan (hereinafter referred to as the “Project”), initiated by Gateway Park Development Partners, LLC, on behalf of Pluim Family Partnership, property owner. General Plan Amendment #15-03 would: 1) reconfigure the boundary between the Regional/Community Commercial (RC) and High to Medium Density Residential (HMD) designations; and, 2) amend the Official Circulation Plan by adding several driveways along the Campus Parkway Expressway. Planned Development Establishment #74 would establish a Site Utilization Plan for 601,127 square feet of commercial uses (including retail, restaurants, a hotel, and gas station), 178 multi-family residential dwelling units, and a 1.53-acre fire station site; along with development standards. Zone Change #422 would relocate and reduce the size of a High-Medium Density Residential (R-3-2) site, and change the designation of the Regional/Central Commercial (C-C) area to Planned Development (P-D) #74. The project site is bounded by Gerard Avenue, Coffee Street, Mission Avenue and Pluim Drive (extended), on property currently designated Regional/Community Commercial and High to Medium Density Residential. \*PUBLIC HEARING\*

**ACTION:**        **PLANNING COMMISSION:**

Recommendation to City Council

- 1)        Certification of Environmental Review #15-18 (Environmental Impact Report)
- 2)        General Plan Amendment #15-03
- 3)        Zone Change #422
- 4)        Planned Development (P-D) Establishment #74 (including the adoption of the Merced Gateway Master Plan)

Table

- 1)        Conditional Use Permit #1203

CITY COUNCIL:

Approve/Disapprove/Modify

- 1) Certification of Environmental Review #15-18 (Environmental Impact Report)
- 2) General Plan Amendment #15-03
- 3) Zone Change #422
- 4) Planned Development (P-D) Establishment #74 (including the adoption of the Merced Gateway Master Plan)

**SUMMARY**

General Plan Amendment/Zone Change

The project site is located at the northeast and southeast corners of Campus Parkway and Coffee Street and is bounded by Gerard Avenue to the north and Mission Avenue to the south (Attachment A). The site consists of 77.5 acres and is bisected by Campus Parkway resulting in approximately 51.06 net acres on the north side of Campus Parkway and 21.56 net acres on the south side of Campus Parkway. With the proposed Master Plan, Pluim Road would be constructed on the east side of the site providing roadways on all four sides of the project.

The project site currently has two General Plan designations: Regional/Community Commercial (RC) and High-Medium Density Residential (HMD). As shown on the map at Attachment B, the area designated as HMD is along the northern end encompassing the area from Coffee Street to the eastern edge of the site consisting of 20 acres (+/-). The Regional/Community Commercial area consists of the remaining 57.5 (+/-) acres extending to Mission Avenue to the south.

The current zoning for the site follows the same boundaries as the General Plan designations. The area designated by the General Plan as HMD is zoned R-3-2 and the area designated as RC on the General Plan is zoned Central Commercial (C-C) (Attachment C).

The project proposes to amend the General Plan and Zoning designations and to establish Planned Development (P-D) #74. In addition, the project includes a Master Plan (Attachment G) for the development of the site.

The General Plan Amendment would reconfigure the boundary between the residential and commercial portions of the project site, resulting in an increase in commercial acreage (67.5 acres +/-) and a decrease in residential acreage (8 acres +/-) (Attachment D). The Zone Change would change the zoning for the entire site to Planned Development (P-D) #74 (Attachment E).

The Master Plan for the site includes residential and commercial uses as well as a fire station site. The development would include 601,127 square feet of commercial uses and 178 multi-family dwellings. Refer to the site plan and table at Attachment F for the proposed location of each of these uses. The Master Plan also includes design guidelines for the project including landscaping, storm drainage, and signage, and architectural design. The Merced Gateway Master Plan is found at Attachment F.

### Conditional Use Permit

This application was submitted in 2015. At that time, the City was undergoing a comprehensive update to the Zoning Ordinance. The new Zoning Ordinance went into effect on October 19, 2016. In 2015, the previous Zoning Ordinance required a Conditional Use Permit for development within a Planned Development. The new Zoning Ordinance changed this requirement to allow the Site Plan Review Committee to approve developments within a Planned Development. Therefore, Conditional Use Permit #1203, submitted as part of this application is no longer needed. Staff is recommending that the Planning Commission table the Conditional Use Permit. Subsequently the applicant will withdraw the application and submit a Site Plan Review application for final design approval prior to construction. The submittal of the Site Plan Review application would be contingent upon approval of the General Plan Amendment, Zone Change, Establishment of Planned Development (P-D) #74, and adoption of the Merced Gateway Master Plan by the City Council.

### Staff Recommendation

Planning staff recommends the Planning Commission recommend to the City Council approval of General Plan Amendment #15-03, Zone Change #422, Planned Development Establishment #74, and the Merced Gateway Master Plan. Planning staff further recommends the Planning Commission table Conditional Use Permit #1203 as described above. Staff also recommends certification of the project Environmental Impact Report and associated documents.

### **RECOMMENDATION**

Planning staff recommends that the Planning Commission:

- A) Table Conditional Use Permit #1203;
- B) Recommend to the City Council Certification of the Draft and Final Environmental Impact Report (EIR) #15-18; Adoption of Draft Findings of Fact and a Draft Statement of Overriding Considerations (Exhibit A of Planning Commission Resolution #3083 at Attachment M); and Adoption of a Mitigation Monitoring Program (Exhibit B of Planning Commission Resolution #3083 at Attachment M), subject to the Draft Resolution at Attachment M; and,
- C) Recommend to City council approval of General Plan Amendment #15-03, Zone Change #422, and Planned Development (P-D) Establishment #74, including the adoption of the Merced Gateway Master Plan (including the adoption of Resolution #3084 at Attachment N) subject to the following conditions:

### Conditions

- \*1) The proposed project shall be constructed/designed in substantial compliance with Exhibit 1 (site plan) and Exhibit 2 (the Merced Gateway Master Plan), -- Attachments F and G of Staff Report #17-11, except as modified by the conditions below or as approved by the Site Plan Review Committee.
- \*2) The approval of the Merced Gateway Master Plan is an approval of the conceptual design of the project. Specific details related to access, site design, and architectural details shall be approved by the Site Plan Review Committee prior to each phase of construction.

- \*3) In compliance with Merced Municipal Code Section 20.20.020 Q, Site Plan Review permits are required prior to construction to address conformance with the standards of Planned Development (P-D) #74, including but not limited to, building elevations, landscaping, signage, etc.
- \*4) Approval of the General Plan Amendment, Zone Change, Planned Development Establishment, and Merced Gateway Master Plan is subject to the applicant's entering into a written (legislative action) agreement that they agree to all the conditions and shall pay all City and school district fees, taxes, and/or assessments, in effect on the date of any subsequent subdivision and/or permit approval, any increase in those fees, taxes, or assessments, and any new fees, taxes, or assessments, which are in effect at the time the building permits are issued, which may include public facilities impact fees, a regional traffic impact fee, Mello-Roos taxes—whether for infrastructure, services, or any other activity or project authorized by the Mello-Roos law, etc., unless a subsequent agreement is reached with the City for a modified fee schedule for the project. Payment shall be made for each phase at the time of building permit issuance for such phase unless an Ordinance or other requirement of the City requires payment of such fees, taxes, and or assessments at an earlier or subsequent time. Said legislative action agreement to be approved by the City Council prior to the adoption of the ordinance, resolution, or minute action.
- \*5) The proposed project shall comply with all standard Municipal Code and Subdivision Map Act requirements as applied by the City Engineering Department.
- \*6) All other applicable codes, ordinances, policies, etc. adopted by the City of Merced shall apply.
- \*7) The developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, and any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof, from any and all claims, actions, suits, proceedings, or judgments against the City, or any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof to attack, set aside, void, or annul, an approval of the City, or any agency or instrumentality thereof, advisory agency, appeal board, or legislative body, including actions approved by the voters of the City, concerning the project and the approvals granted herein. Furthermore, developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, or any agency or instrumentality thereof, against any and all claims, actions, suits, proceedings, or judgments against any governmental entity in which developer/applicant's project is subject to that other governmental entity's approval and a condition of such approval is that the City indemnify and defend such governmental entity. City shall promptly notify the developer/applicant of any claim, action, or proceeding. City shall further cooperate fully in the defense of the action. Should the City fail to either promptly notify or cooperate fully, the developer/applicant shall not thereafter be responsible to indemnify, defend, protect, or hold harmless the City, any agency or instrumentality thereof, or any of its officers, officials, employees, or agents.

- \*8) The developer/applicant shall construct and operate the project in strict compliance with the approvals granted herein, City standards, laws, and ordinances, and in compliance with all State and Federal laws, regulations, and standards. In the event of a conflict between City laws and standards and a State or Federal law, regulation, or standard, the stricter or higher standard shall control.
- \*9) Community Facilities District (CFD) formation is required for annual operating costs for police and fire services as well as storm drainage, public landscaping, street trees, street lights, parks and open space. CFD procedures shall be initiated before issuance of the first building permit. Developer/Owner shall submit a request agreeing to such a procedure, waiving right to protest and post deposit as determined by the City Engineer to be sufficient to cover procedure costs and maintenance costs expected prior to first assessments being received.
- \*10) The project shall comply with all mitigation measures required by the Mitigation Monitoring program (Exhibit B of Planning Commission Resolution #3083 – Attachment M of Staff Report #17-11).
- \*11) All development shall be in accordance with the design guidelines and standards of the Merced Gateway Master Plan unless otherwise modified by this resolution or future action of the Site Plan Review Committee.
- 12) Minor modifications to the Merced Gateway Master Plan, including the site plan are subject to approval by the Development Services Director or, at his/her discretion, may be referred to the Site Plan Review Committee. Changes to the Master Plan and/or site plan shall be supported by evidence showing that the changes would not create conflicts within the Master Plan area or surrounding area. The Director of Development Services may require changes to the Master Plan or Site Plan if it is determined the proposed plan creates an unsafe situation.
- 13) If the final site plan is approved in phases, evidence shall be provided showing that the phase being approved would not conflict with future phases. A site plan of the entire Master Plan area shall be provided with the approval of each phase to allow the Site Plan Review Committee to confirm each phase will work in conjunction with existing and future phases.
- 14) At the time the City determines it is needed, the owner shall offer for dedication a minimum 1.5-acre parcel for a future fire station as shown on the site plan found at Attachment F of Staff Report #17-11.

#### **Public Improvements**

- 15) Roadway improvements shall be made in accordance with the Circulation Transportation Improvement Phasing Plan found at Attachment I of Staff Report #17-11.
- 16) The Circulation Transportation Improvement Phasing Plan (CTIPP) shall be modified prior to the first phase of construction at the owner's sole expense to determine what improvements are necessary. Subsequent modifications shall be made at the owner's sole expense if the phasing of the project is different than what is analyzed in the CTIPP. Any modifications to the CTIPP shall be approved by the Development Services Director and

- City Engineer and in consultation with Caltrans regarding improvements within its jurisdiction.
- 17) Any modifications to the CTIPP shall be supported by a traffic analysis subject to City and Caltrans approval which identifies:
    - a. When “Interim” improvements to the SR 99 / Mission Avenue / Campus Parkway interchange are needed,
    - b. Design requirements for “Interim” improvements in terms of lane length, signage, markings, etc.;
    - c. When improvements to the Campus Parkway / Coffee Street intersection are needed; and,
    - d. What level of overall project development can be accommodated prior to the need for ultimate SR 99/Mission Avenue / Campus Parkway interchange improvements.
  - 18) The construction of Pluim Drive, including the signal at Pluim Drive and Campus Parkway, shall be required when the eastern access driveway is necessary to either the north or south parcels. This may be as determined by the phasing of the site or when deemed necessary by the City Engineer to ensure adequate circulation and safety.
  - 19) A signal shall be installed at the intersection of Parsons Avenue and Coffee Street. The traffic signal shall be constructed at the time Parsons Avenue is extended and the shopping center entrance is constructed unless otherwise approved by the Development Services Director and City Engineer.
  - 20) All streets shall be built to City Standards (with the exception of a portion of Parsons Avenue – see Condition #21).
  - 21) Parsons Avenue shall extend through the shopping center and connect to Pluim Drive. However, the design shown on the proposed Site Plan and Merced Gateway Master Plan are not approved as proposed. The developer shall work with the City Engineer, Public Works Director, and Director of Development Services to determine the alignment and design of Parsons Avenue. The City Engineer and Public Works Director shall also determine if public utilities would be needed in this section of Parsons Avenue and if the applicant will be responsible for maintenance of the roadway.
  - 22) A Class II Bike Lane shall be included on the following streets: 1) Coffee Street – east side of the street for the full length of Coffee Street between Gerard and Mission Avenue; 2) Gerard Avenue – south side of street for the full length between Coffee Street and Pluim Drive; and 3) Mission Avenue from Coffee Street to Pluim Drive. Refer to Figure 32 of the Merced Gateway Master Plan.
  - \*23) Full frontage improvements, including, but not limited to sidewalk, curb, gutter, street lights, and street trees, shall be installed along the frontage adjacent to each building or group of buildings at the time of construction. Additional areas may be required to be improved by the Site Plan Review Committee or as determined necessary by the Engineering Department at the time of building permit review.

- \*24) The project shall dedicate all necessary right-of-way along Coffee Street (Collector Street), Gerard Avenue (Arterial Street), Pluim Drive (future Collector Street), and Mission Avenue (Collector Street) to comply with City Standards or as determined by the City Engineer.
- 25) Prior to the construction of any phase which proposes direct access to Campus Parkway between Coffee Street and Pluim Drive, a traffic analysis shall evaluate the impacts of this access on the operation of SR 99 ramps ,and identify desirable driveway location and design. If required by Caltrans, dual right turn lanes for eastbound traffic on Campus Parkway into the western driveway access for the southern parcel shall be constructed.
- 26) “Interim” improvements to the SR 99 NB ramps / Mission Avenue and SR 99 SB ramps / Mission Avenue intersection shall be constructed with the first phase of development unless determined to be needed under an alternative schedule by an updated CTIPP. “Interim” improvements shall include:
  - a) restripe the northbound off ramp to include a shared left/through/right lane and an exclusive right turn lane. The outside (#1) right-turn lane shall be designated for northbound Coffee Street by appropriate signing and markings approved by Caltrans
  - b) restripe the southbound off ramp to have a shared right/through/left lane and an exclusive left turn lane.

All work within the State right of way shall be completed under an encroachment permit issued subject to Caltrans approval and shall be accompanied by a supporting traffic analysis subject to Caltrans approval which evaluates specific design requirements.

- 27) The project may be eligible for reimbursement for certain improvements subject to the provisions of the Merced Municipal Code (MMC).
- 28) Per the Merced Gateway Master Plan, an enhanced bicycle crossing should be considered at the intersection of Campus Parkway and Coffee Street. Additionally, an enhanced bicycle crossing should be considered at Campus Parkway and Pluim Drive. The developer shall work with the City Engineer and Director of Development Services to determine if such crossings are needed. If it is determined the enhanced crossings are needed, the developer shall work with the City Engineer and Director of Development Services to determine the design of the crossings. The crossings shall be subject to Caltrans approval.
- 29) Deceleration and acceleration lanes shall be constructed at all non-signalized entrances/exits to the project site along Campus Parkway. The length of these lanes shall be approved by the City Engineer and Caltrans.

### **Circulation and Parking**

- \*30) All uses within the Merced Gateway Master Plan area shall comply with the parking requirements set forth in Merced Municipal Code Section (MMC) 20.38 – Parking and Loading.
- 31) Sidewalks or pedestrian pathways shall be incorporated into the parking areas to provide pedestrian access from the parking areas to the buildings. Details shall be worked out with the Planning Department at the Site Plan Review stage.

- \*32) A minimum turning radius of 33 feet inside, curb-to-curb and 49 feet wall-to-wall for fire apparatus access must be provided throughout the project site. Refuse containers or other items shall not be permitted to be placed in the required clear space of the turning area.
- \*33) Bicycle parking shall meet the minimum requirements of the California Green Building Code and MMC 20.38.080.
- \*34) All driveways shall comply with the City of Merced Standard for commercial driveways and are to be reviewed by the Fire Department as part of the review of the improvement plan submittals.
- 35) The developer shall work with UC Merced (Cat Tracks) and the Merced Transit System (The Bus) to determine the best location for public transit facilities. The location of these facilities will be subject to review and approval by the Development Services Director and City Engineer or through the Site Plan Review process.
- 36) Consideration shall be given to circulation and vehicle stacking room for all uses with a drive-through window. Vehicles waiting in the drive-through aisle shall not conflict with the circulation on the site.
- 37) If the apartment complex or any other part of the project has gated entrances/exits, each entrance/exit shall be provided with a Knox-box that is equipped with “click-to-enter” technology for the Fire Department and Public Works Departments. Details to be reviewed by Fire Department at the building permit stage. The developer/owner shall provide the necessary remotes to operate the gates to the City.
- 38) If the apartment complex or any other part of the project is gated, pedestrian access gates shall be provided to allow pedestrian access to the public sidewalks as well as into the shopping center.

### **Construction**

- \*39) Prior to any demolition work, the applicant shall obtain all necessary approvals from the San Joaquin Valley Air Pollution Control District.
- \*40) The developer shall use proper dust control procedures during site development in accordance with San Joaquin Valley Air Pollution Control District rules.
- 41) All construction activity shall be conducted in accordance with City of Merced standards for times of operation.

### **Landscaping**

- \*42) All landscaping shall comply with the Section 20.36.040 – Landscape and Sprinkler Plans, of the City’s Zoning Ordinance in addition to all applicable state laws and the Merced Gateway Master Plan requirements.
- 43) Changes to the tree and plant list approved with the Merced Gateway Master Plan are subject to approval by the Planning Manager for any on-site landscape areas. All landscaping in the public right-of-way is subject to approval by the City’s Public Works Department.



- 44) Full landscape and irrigation plans shall be submitted at the time of building permit application. Landscaping is required with each building at the time of construction and in common areas connecting buildings as these areas are constructed, as well as the public right-of-way adjacent to each building. Additional areas may be required to be landscaped at the time of building permit review or by the Site Plan Review Committee.
- \*45) Parking lot trees shall be installed per the City's Parking Lot Landscape Standards. Trees shall be a minimum of 15-gallons, and be of a type that provides a 30-foot minimum canopy at maturity (trees shall be selected from the City's approved tree list). Trees shall be installed at a ratio of at least one tree for each six parking spaces. The trees may be located in planter areas that protrude into the parking areas, or which run along the edge of the parking areas and shall be located to accommodate any carport or shade structures (details to be worked out with Planning Staff).

### **Safety and Lighting**

- 46) All walking paths, bicycle and vehicle parking areas, and recreational areas shall be provided with sufficient lighting to ensure a safe environment.
- 47) Lighting near the apartment complex at the northwest corner of the site or across the street from residential uses shall be oriented and/or shielded in such a way as to not spill-over into the apartment units.

### **Utilities and Storm Drainage**

- \*48) The project shall comply with the Post Construction Standards in accordance with the requirement for the City's Phase II MS-4 Permit (Municipal Separate Storm Sewer System).
- \*49) All storm water shall be retained onsite and metered out to the City's storm water system in accordance with City Standards. The storm drainage plan proposed by the Merced Gateway Master Plan is conceptually approved. The City Engineer shall approval final design of the storm drain system prior to construction.
- \*50) The use of the County of Merced-owned terminal drainage basin at the intersection of Mission Avenue and Coffee Street is approved subject to the approval of a license agreement with Merced County and approval of the Local Agency Formation Commission (LAFCo).
- \*51) A 16-inch water line shall be installed in Mission Avenue along the full frontage of the project site. A 12-inch water line (or a size determined to be acceptable by the Public Works Director) shall be installed in Plum Drive. All water lines shall be installed per City Standards. The developer may be eligible for reimbursement from the adjacent property owner and for any over-sizing of the water lines in accordance with the Merced Municipal Code.
- \*52) The developer shall work with the Public Works Director to determine if a sewer line is required in Mission Avenue and Plum Drive. If sewer lines are required, they shall be installed per City Standards. The developer may be eligible for reimbursement from the adjacent property owner and for any over-sizing of the water lines in accordance with the Merced Municipal Code.

- \*53) All new utilities (including electrical lines) shall be installed underground.
- \*54) A backflow prevention device shall be provided for all water services (i.e., domestic, irrigation, and fire).

### **Signage**

- 55) All signs shall comply with the sign requirements adopted with the Merced Gateway Master Plan. Single and multi-tenant buildings shall be permitted two square feet of sign area for each linear foot of building frontage. Primary anchor tenants (30,000 square feet or larger) shall be permitted up to one square foot of sign area for each linear foot of building frontage. Modifications to the sign program may be approved by the Director of Development Services.

### **Flood Control**

- \*56) The project shall comply with all FEMA Flood Zone requirements and with the California 200-year Urban Level of Flood Protection requirements.

### **General Conditions**

- \*57) The applicant shall work with the City's Refuse Department to determine the best location for the refuse enclosures serving each building or group of buildings. The enclosures shall be constructed per City Standards.
- \*58) The premises shall remain clean and free of debris, weeds, and graffiti at all times.
- \*59) Fire Hydrants shall meet minimum fire-flow requirements and be located in accordance with City of Merced codes and standards. The maximum spacing between hydrants is 500 feet. The placement of fire hydrants and the number of hydrants for the site is to be worked out with the Fire Department no later than the review of building permit plans.

(\*) Denotes non-discretionary conditions.

### **PROJECT DESCRIPTION**

The proposed project includes a General Plan Amendment, Zone Change, Establishment of Planned Development (P-D) #74, and the adoption of the Merced Gateways Master Plan. The approval of these applications would be the first step toward the development of a mixed-use development containing approximately 601,127 square feet of commercial space, 178 multi-family dwelling units, and a site for a future fire station. The project site is bounded by Gerard Avenue to the north, Mission Avenue to the south, Coffee Street to the west, and the future construction of Pluim Drive on the east side of the site would provide streets on all sides of the project site (Attachment A). The development would be done in phases over approximately 10 years. The tables below show the proposed development on the north and south sides of Campus Parkway. The Site Plan and table at Attachment F shows the proposed locations for the specific uses identified in the tables below.

**North Area Development**

<b>Use</b>	<b>End Uses</b>	<b>Characteristics</b>
Residential	Multi-Family Residential	178 Dwelling Units
Commercial	Restaurants (5)	26,615 square feet
	Grocery Store	54,176 square feet
	Retail Shops (13)	236,971 square feet
	Movie Theatre	38,773 square feet
	Transit Center	2,000 square feet
Public Facility	Fire Station	9,209-square-foot fire station
<b>Total</b>		367,744 square feet (Non-Residential) 178 Dwelling Units (Residential)

**South Area Development**

<b>Use</b>	<b>End Uses</b>	<b>Characteristics</b>
Commercial	Restaurants (5)	25,780 square feet
	Retail Shops (4)	160,607 square feet
	Gas Station, Convenience Market, Car Wash	6,305 square feet
	Hotel	49,900 square feet 81 rooms
<b>Total</b>		242,592 square feet (Non-Residential)

**Surrounding Uses**  
(Attachment A)

<b>Surrounding Land</b>	<b>Existing Use of Land</b>	<b>Zoning Designation</b>	<b>City General Plan Land Use Designation</b>
North	Single Family Residential (across Gerard Ave.)	R-1-5/R-1-6	Low Density Residential (LD)
South	Single Family & Agriculture (across Mission Ave.)	Merced County	Commercial Reserve (Com-R)
East	Vacant Ag Land	A-1-20	Business Park (BP)
West	Pioneer School, Vacant Commercial (across Coffee Street)	R-1-6/ P-D #35	School/Thoroughfare Commercial (CT)

**BACKGROUND**

The project site was annexed into the City as part of the Weaver Annexation No. 1 in 1998. At which time proposed uses included multi-family and retail commercial. Historical records indicate the property was used for row crops from 1946 until around 2005-2006.

The City received applications for development of this site in 2007, 2009, and 2011 that were never entitled. In 2015, the Planning Department received the current application under review. An Environmental Impact Report was prepared from 2015 to 2017.

## **FINDINGS/CONSIDERATIONS:**

### **General Plan Compliance and Policies Related to This Application**

- A) The proposed project would comply with the General Plan designations of Regional/Community Commercial (RC) and High Medium Density Residential (HMD) if amended as proposed. The project would also comply with the zoning designation of Planned Development (P-D) if the establishment of Planned Development (P-D) #74 is approved.

The proposed project would help achieve many goals and policies of the *Merced Vision 2030 General Plan*. For a list of the goals and policies and an analysis of the consistency of the proposed project to the General Plan, please refer to the table excerpted from the Draft Environmental Impact Report and found at Attachment H.

### **Traffic/Circulation**

- B) The proposed circulation plan for the project provides internal circulation and includes multiple points of access to the surrounding roadways. These access points include a main entry point as the extension of Parsons Avenue, two secondary access points along Coffee Street for the North Parcel, and one for the South Parcel. Access off Gerard Avenue is accomplished by two access points into the shopping center area, one approximately midway between Coffee Street and Pluim Drive and the second at the intersection of Gerard Avenue and Pluim Drive. Along Campus Parkway, two right-in-right-out entrances provide access to the South and North Parcel areas. Additional access is provided at the intersection of Campus Parkway and Pluim Drive, which will be signalized. The project will provide roadway improvements as required along all existing roadways and will construct Pluim Drive from Gerard Avenue to Mission Avenue.

A traffic study was prepared in conjunction with the Draft Environmental Impact Report [refer to Chapter 3.11-Transportation on page 3-11.1 of the Draft EIR, previously provided to the Planning Commission. (Please ask staff if you need another copy.)]. The traffic study analyzed the following scenarios: 1) existing conditions; 2) existing plus approved projects plus project conditions; and, 3) cumulative conditions plus project conditions. As a result of the traffic analysis, mitigation measures are being recommended along with a Circulation Transportation Improvement Phasing Plan (Attachment I).

The traffic study and Circulation Transportation Improvement Phasing Plan (CTIPP) analyzed 20 intersections (including access to the project site) and 9 roadways surrounding the site. If the phasing of the project does not proceed as proposed by the Master Plan, the CTIPP may be modified by the Director of Development Services based upon evidence supporting the proposed changes (Condition #16).

***Acceptable LOS:***

Level of Service (LOS) analysis provides a basis for describing existing traffic conditions and for evaluation the significance of project traffic impacts. Level of Service measures the quality of traffic flow and is represented by letter designations from A to F, with a grade of A referring to the best conditions, and F representing the worst conditions. *Merced Vision 2030 General Plan*, Policy T-1.8, establishes an acceptable Level of Service (LOS) of “D” for intersection and roadway operations.

In order for all roadways and intersections to function at LOS D or better as required by the General Plan, the traffic analysis identified mitigation measures necessary to ensure the roads and intersections meet this requirement. These Mitigation Measures are identified in the Mitigation Monitoring Program found at Exhibit B of Planning Commission Resolution #3083 [Attachment M (see Section 3.11-Transportation beginning on Page 14).].

The CTIPP (Attachment I) outlines the necessary improvements to be constructed with each phase of construction to ensure the LOS operates at a D or better. Table 2 found on page 4 of the CTIPP describes the trip generation forecasted for each phase of development. Tables 3 through 8 of the CTIPP describe the improvements required for each phase.

***Pluim Drive***

Pluim Drive is the future north/south collector road running along the eastern side of the property. This street would be required at the time the eastern-most driveway access is needed (see Condition #17). The developer has worked with the adjoining property owner, who has agreed to provide the necessary right-of-way needed to construct Pluim Drive to its full ultimate width (74 feet right-of-way). The traffic signal at Pluim Drive and Campus Parkway would be required at the time Pluim Drive is constructed (Condition #18).

***Campus Parkway***

Campus Parkway is a 4-lane expressway that will eventually connect Highway 99 with Yosemite Avenue. The proposed mixed-use development would have limited access to Campus Parkway, only allowing right-in and right-out movements, except at the signalized intersections of Coffee Street and Pluim Drive. The right-in and right-out driveways located near the center of the shopping center on both the north and south parcels would have deceleration and acceleration lanes to allow traffic to continue to flow on Campus Parkway while allowing vehicles to turn into the shopping center (Condition #29).

***Coffee Street***

Coffee Street currently extends south from Gerard Avenue and stops at a cul-de-sac prior to reaching Parsons Avenue along the Pioneer School frontage. South of the cul-de-sac, Coffee Street continues until the intersection at Mission Avenue where it turns into Marino Way. The cul-de-sac along the Pioneer School frontage would remain in place to help reduce traffic impacts to the school. Coffee Street would be improved to the City’s Standard for local roads from Gerard Avenue to the end of the cul-de-sac. The rest of Coffee Street would be improved to meet City Standards for a collector street, including a Class II bike lane on the east side for the full length of Coffee Street along the project frontage.

### ***Parsons Avenue***

Parsons Avenue would align with the main project entrance on Coffee Street. Parsons Avenue extends through the site to connect with the future Pluim Drive on the east side of the project. This street section would be pedestrian oriented with sidewalks, landscaping, and connections to adjacent commercial uses. Final design of Parsons Avenue would be approved at the Site Plan Review and Building Permit stages (Condition #21). The traffic signal would be required at the time Parsons Avenue is extended and the shopping center entrance constructed unless otherwise approved by the Development Services Director and City Engineer.

The Merced Gateway Master Plan states that Parsons Avenue would be a public street. The Master Plan also shows the primary project entrance to be Parsons Avenue and Coffee Street (a signalized intersection). As shown on the site plan, Parsons Avenue would have a meandering path of travel with decorative roadway features at the entrance and a Towne Square in front of the proposed movie theater and would then connect to Pluim Drive. While the decorative features and Towne Square create a nice environment and are aesthetically pleasing, this could present challenges for maintenance of this section of roadway. Therefore, Condition #21 has been included which states the following:

*“Parsons Avenue shall extend through the shopping center and connect to Pluim Drive. However, the design shown on the proposed Site Plan and Merced Gateway Master Plan are not approved as proposed. The developer shall work with the City Engineer, Public Works Director, and Director of Development Services to determine the alignment and design of Parsons Avenue. The City Engineer and Public Works Director shall also determine if public utilities would be needed in this section of Parsons Avenue and if the applicant will be responsible for maintenance of the roadway.”*

### ***Gerard Avenue***

Gerard Avenue is an east/west collector street running along the northern boundary of the project site. Across Gerard Avenue to the north is a single-family subdivision. The primary entrance into the development from Gerard Avenue would align with Daffodil Drive to the north. This entrance would give access to the proposed fire station and multi-family residential development at the northwest corner of the site. Gerard Avenue would be improved to meet City Standards for a collector street, including a Class II bike lane on the south side for the full length of the project frontage. In addition, Mitigation Measure TRANS-1a requires the pedestrian crossing at the intersection of Gerard and Coffee Street be enhanced to include design elements to call attention to school pedestrian activity (e.g., signage, high visibility street markings, warning devices, etc.). Mitigation Measure AIR-7c requires a protected multi-use path on Gerard Avenue connecting Daffodil Drive with the project's main driveway on Gerard Avenue.

### ***Mission Avenue***

Mission Avenue is designated as a Divided Arterial with a 118-foot right-of-way. There would be two driveways into the southern parcel of the development as well as a service-type entrance at the dead-end intersection of Pluim Drive (future) and Mission Avenue.

Mission Avenue would be constructed to meet City Standards for a Divided Arterial, including the construction of a Class II bike lane on the north side of Mission Avenue along the full length of the project frontage.

### ***Bicycle Circulation***

Bicycle access to and from the Shopping Center would be provided through Class II bicycle lanes along Gerard Avenue, Coffee Street, future Pluim Drive, and Mission Avenue. Existing Class II bicycle lanes are located in Parsons Avenue and on the west side of Coffee Street from Parsons Avenue south to Campus Parkway (see Attachment J). Bicycle parking would be provided on site as required by the Merced Municipal Code and California Green Building Code. The multi-family component of this project would have interior bicycle parking/hangers to encourage alternate transportation. Bicycles would be able to cross Campus Parkway at the traffic signals at Coffee Street and Pluim Drive once those signals have been installed. The Master Plan calls for enhanced bicycle crossings to be considered at the intersection of Campus Parkway and Coffee Street. An enhanced crossing should also be considered for the intersection of Campus Parkway and Pluim Drive. The developer would work with the City Engineer and Planning Department to determine if an enhanced intersection is necessary and if so, how the intersection should be designed. The design of the intersection would be subject to Caltrans approval since Campus Parkway is partially under their jurisdiction. Additionally, Mitigation Measure AIR-7a requires safe bicycle crossing be provided on internal streets within the project site.

The Bicycle Advisory Commission (BAC) reviewed the proposed plan at their meeting of October 27, 2015. The BAC suggested some design changes that were incorporated into the final design or were made a condition of approval.

### ***Pedestrian Circulation***

It is anticipated that pedestrian traffic would be generated from the single-family neighborhoods in the area. As described above, an enhanced crosswalk is required at the intersection of Gerard Avenue and Coffee Street and a multi-use path is also required at Gerard and Daffodil to provide safe pedestrian access to the shopping center. Condition #31 requires sidewalks or pedestrian pathways to be provided throughout the parking areas to provide access from the parking areas to the buildings.

## **Parking**

- C) The Merced Gateway Master Plan addresses parking requirements for the proposed uses. However, because the exact uses have not yet been identified, the requirements identified in the Master Plan are considered conceptual at this point. All uses within the shopping center would be required to meet the parking requirements of Merced Municipal Code Section 20.38 (Condition #30). As shown in the Master Plan, the site offers sufficient parking to meet these requirements. The Site Plan Review Committee would review compliance with the parking requirements prior to the approval for any building or group of buildings to be constructed. Reductions in parking (based on mixed-use, provision of transit facilities, etc.) may be granted in compliance with Chapter 20.38.050 of the Zoning Ordinance.

### **Public Improvements/City Services**

- D) The project would be responsible for installing all new, missing or damaged public improvements. As described in the Transportation/Circulation section above, the roadway improvements are required with the different phases of development. In addition to any required traffic signals or other traffic control devices, roadway improvements would include, but are not limited to, street, curb, gutter, sidewalk, street lights, and street trees.

The project would also be responsible for extending any necessary sewer and water lines needed to serve the project site. Currently, there are water and sewer lines in Gerard Avenue and Coffee Street. A 16-inch water line would be required in Mission Avenue and a 12-inch water line would be required to be installed with the construction of Pluim Drive (Condition #51). The developer may be eligible for reimbursement per the requirements of the Merced Municipal Code.

Sewer lines may be required in Pluim Drive and Mission Avenue. The developer shall work with the Public Works Director to determine if sewer lines are required in these streets (Condition #52). If they are required, the developer shall install the lines along the full project frontage on Pluim Drive and Mission Avenue or as determined by the Public Works Director.

The project would be required to provide a storm drainage system for the site. As proposed, the storm drainage system would include a system of bio-swales and storm drain lines to take the water runoff from the site to the proposed storm drainage basin located at the southwest corner of Coffee Street/Marino Way and Mission Avenue (Attachment K). This basin is located outside the City Limits and is owned by Merced County. Therefore the City has obtained an easement deed from the County for the storm drainage purposes. The storm water system shall be approved by the City Engineer (Condition #49).

### **City Funding Obligations/Reimbursements**

- E) The project will be responsible for the installation/construction of the following public improvements, among others:
- 1) The project shall dedicate all necessary right-of-way along all frontages to meet City Standards for roads and public improvements.
  - 2) The project shall be responsible for widening all roadways to their ultimate width as required by City Standards and the *Merced Vision 2030 General Plan*.
  - 3) The project shall construct Pluim Drive from Gerard Avenue to Mission Avenue.
  - 4) Traffic signals will be required at the intersections of Coffee Street and Campus Parkway, Coffee Street and Parsons Avenue, and Campus Parkway and the future Pluim Drive. According to the Transportation Circulation Improvement Phasing Plan, the signal at Coffee Street and Campus Parkway would be necessary after Phase 3 of the project. Pluim Drive and the signal at the intersection with Campus Parkway would be required at the time the eastern driveway is installed. The signal at Parsons Avenue and Coffee Street would be required at the time Parsons Avenue is extended and the main entrance from Coffee Street is constructed, unless otherwise approved by the Development Services Director and City Engineer.



For the above improvements, the developer may be eligible for reimbursement/ credit from the City per the procedures in the Merced Municipal Code. Projects eligible for reimbursement/credit, include street oversizing (per MMC 17.58); Public Facilities Impact Fee (PFIF) projects (per MMC 17.62); and Park Dedication (per MMC 18.40). The developer may also be eligible for sewer/water oversizing improvements per MMC 15.08 and MMC 15.40.

In particular, the developer will likely be eligible for reimbursement for: traffic signals at Coffee Street and Campus Parkway, and at Plum Drive and Campus Parkway (50% reimbursement from the PFIF program for arterial/collector intersections). The amount of fee credit/reimbursement will be based on the cost of the improvements and shall be determined at the building permit stage.

### **Building Design**

- F) The Merced Gateway Master Plan defines certain development standards that address building height, setback, lot area, lot coverage, etc., with specific standards for the residential component of the project as well as the commercial component. The Development Standards also address standards for the building facades, window glazing, and compatibility with the surrounding area. The maximum height for a residential building would 40 feet and 60 feet for a commercial building. Both commercial and residential buildings would require a minimum 20-foot setback from a public street and 15 feet between buildings. Sections 4 and 5 of the Merced Gateway Master Plan contain Tables defining the standards and architectural design concepts (refer to pages 12-15 of the Merced Gateway Master Plan at Attachment G for details).

Prior to construction, the Site Plan Review Committee would review all building designs for compliance with the Merced Gateway Master Plan standards (Conditions #2 and #3). Conceptual building elevations have been provided in the Master Plan and are available on pages 13-15 of Attachment G.

### **Site Design**

- G) The project site is bounded by Gerard Avenue to the north, Coffee Street to the west, Mission Avenue to the south, and future Plum Drive to the east. Campus Parkway bisects the project site creating a northern and southern area. The site plan proposes access from all sides of the project. However, access from Campus Parkway would be limited to right in/right out except at the signalized intersections.

The site plan is considered conceptual at this point and may be modified as development proceeds. Changes to the site plan could be approved by the Site Plan Review Committee. As proposed, the northern parcel would contain the future fire station, 178 multi-family units, and approximately 368,744 square feet of commercial development. The southern parcel would contain approximately 242,592 square feet of commercial development.

The site plan shows several fast food restaurants on the southern parcel fronting Campus Parkway. While the City is not opposed to the location of the restaurants, consideration would need to be given to the ability for cars to having stacking room while waiting in a drive-through line and still allow other vehicles to circulate through the site. The final

design of the site plan would be approved by the Site Plan Review Committee. Refer to Conditions #2 and #3.

### **Landscaping**

- H) The Merced Gateway Master Plan contains detailed information regarding the proposed landscaping areas, the plants and trees proposed, as well as defining specific guidelines for landscaping throughout the project area. The specific details of the landscaping would be approved by the Site Plan Review Committee. All plant and tree species used in the public right-of-way would be subject to approval by the City Public Works Department. The development would be required to annex into the City's Community Facilities District (CFD) for services to cover the cost of landscape maintenance in the public right-of-way. All landscaping on private property would be maintained by the developer.

Details on the proposed landscaping may be found on pages 16 through 22 of the Merced Gateway Master Plan at Attachment G. All landscaping would be required to comply with Conditions #42 through #45.

### **Neighborhood Impact/Interface**

- I) The proposed project would significantly change the site taking it from vacant land to a large mixed-use development. With the development of the site, the surrounding neighborhood would see additional traffic, light and glare, noise, and other possible impacts. As shown in Attachment A, there are residential uses to the north of the site across Gerard Avenue, a school to the west across Coffee Street, and vacant land to the east and south of the site. There is one single family dwelling to the south across Mission Avenue and a residential subdivision on Lawndale Avenue across Mission Avenue near the southeast corner of the site.

#### ***Noise***

Noise impacts would be both operational and construction related. The EIR for this project provides some mitigation measures to help address the construction related noise impacts, but operational noise would be difficult to mitigate. Efforts have been made in the design of the project to keep the commercial uses as far away as possible from the residential uses across Gerard Avenue. The subdivision directly across Gerard Avenue has a 6-foot-tall block wall along Gerard Avenue which would help shield the residential uses from noise. The homes located at the northwest corner of Coffee Street and Gerard Avenue would be shielded from the commercial uses by the apartment buildings proposed at the northwest corner of the project site. The same is true for Pioneer Elementary School.

The Fire Station would also add to the noise impacts in the area. During normal operations, the fire station would not generate much noise. However, when a fire engine is dispatched to a call, sirens are sounded and this noise would carry throughout the neighborhood. Although this may be a nuisance, the benefits to having a fire station so close should outweigh the nuisance issues.

### ***Traffic***

The proposed project would significantly increase the amount of traffic in the area. However, mitigation measures and conditions of approval requiring traffic signals, street widening, and bicycle lanes would help reduce the impacts. The residential uses across Gerard Avenue have access to the project from Childs Avenue via Coffee Street and Campus Parkway as well as from Gerard Avenue. Because the first phase of construction is likely to be on the southern parcel, impacts to the neighborhood won't likely be seen until later phases of development. The site has been designed to provide multiple access points along all four sides of the development. This will help disperse the traffic throughout the area and help prevent major impacts on Gerard Avenue. In addition, the majority of the commercial uses are closer to Campus Parkway which may make access from Highway 99 and Campus Parkway more appealing than using surface streets. Although impacts from traffic cannot be completely mitigated, the implementation of the mitigation measures and conditions would reduce these impacts to a reasonable level.

### ***Light***

Additional lighting would be part of the development of the project. The site would include parking lot lighting, building lighting, and illuminated signs. A condition has been included to require lights to be shielded or oriented in such a way so the light does not spill-over onto adjacent property (Condition #47). However, it is still likely that some light and glare would affect the residential uses closest to the site. Again, the design of the site has taken the residential uses into consideration and tried to orient the buildings in a way that would have the front of the buildings where most of the lighting is located facing away from the residential uses. The closest building to the residential uses would be over 100 feet away given the road width and required setbacks.

### **Signage**

- J) The Master Plan includes a sign program for the project site. The sign program includes a freeway oriented sign, four large shopping center signs, a small shopping center sign, four monument signs, eight directional signs, and tenant signs on the buildings. The site plan for signs provided at Attachment L shows the conceptual location of each of these signs. The Master Plan includes design guidelines that address content, materials, location, and other design elements of the signs. The Master Plan also sets forth the size of each of the shopping center signs and monument signs allowed. Wall signs shall be in addition to the signs on the shopping center or monument signs. Single and multi-tenant buildings shall be permitted two square feet of sign area for each linear foot of building frontage. Primary anchor tenants (30,000 square feet or larger) shall be permitted up to one square foot of sign area for each linear foot of building frontage. Each sign would require a building permit be issued prior to installation. Modifications to the sign program can be approved by the Director of Development Services (Condition #55).

**Planned Development Standards/Master Plan**

- K) The Zoning Ordinance requires specific findings be made in order for the City Council to approve a Planned Development. The Planned Development Standards are also in the Merced Gateway Master Plan. Below are the required findings and explanations as to how the proposed project would comply with the findings:

- 1) *The proposed development is consistent with the goals, policies, and actions of the General Plan and any applicable specific plan and community plan.*

The proposed project is consistent with the goals, policies, and actions of the General Plan. As described in Finding A above, the proposed project would help achieve several goals, policies, and actions of the General Plan. There are no other applicable specific or community plans for this area.

- 2) *The site for the proposed development is adequate in size and shape to accommodate proposed land uses.*

The proposed project would sit on approximately 77.5 acres of land. As shown on the site plan at Attachment F, the proposed project provides ample setbacks, open space and recreational areas, as well as parking. The site is of sufficient size to accommodate the proposed development.

- 3) *The site for the proposed development has adequate access considering the limitations of existing and planned streets and highways.*

The proposed project is bounded by Gerard Avenue, Coffee Street, Campus Parkway, Mission Avenue, and future Pluim Drive. Access to the development would be provided from each for these roadways. Coffee Street has four access points, Gerard Avenue has one, and Campus Parkway has access at the signalized intersections as well as right-in/right-out access mid-block. Access is also from future Pluim Drive for the northern parcel. The site provides sufficient access to serve the proposed project.

- 4) *Adequate public services exist or will be provided to serve the proposed development.*

The site would be served by the City's water and sewer facilities. Sufficient capacity is available for both water and sewer to serve this project. A water line exists in Gerard Avenue and Coffee Street and extends the full length of the project frontage on both streets. This line is of adequate size to serve the proposed development. Additional lines would be installed in Mission Avenue and Pluim Drive to serve the site.

A sewer line is available in Gerard Avenue and in a portion of Coffee Street from Parsons Avenue south to Mission. This line would be sufficient to serve the project. Additional water and sewer lines may be installed in Pluim Drive when constructed.

The storm drain basin would be provided off-site at the southwest corner of Mission Avenue and Marino Way (a County-owned facility). All agreements are in place for this project to use a County-owned facility that is outside the City Limits for containment of storm drain runoff.

The developer would be required as a condition of approval (Condition #9) to annex into the City's Community Facilities District for Services (CFD) #2003-2. Revenue collected from the CFD would help pay for police, fire, landscape maintenance, and storm drain facilities.

- 5) *The proposed development will not have a substantial adverse effect on surrounding property, will be compatible with the existing and planned land use character of the surrounding area, and will enhance the desirability of the area and have a beneficial effect.*

The proposed project is not expected to adversely effect the surrounding property. Certain impacts are to be expected when developing vacant land. However, the developer has been sensitive to the surrounding uses with the proposed design. The large setbacks, orientation of buildings, and placement of more intense uses away from the residential areas would help reduce any adverse effects the project might have. Although there may be certain impacts from the development, it would also bring a certain level of shopping convenience to the area. Currently there are no retail uses, grocery stores, restaurants, or gas stations nearby (the nearest retail uses are at Childs and Carol Avenue, about 1 mile away).

The expected traffic impacts would be mitigated as required by the EIR and conditions of approval.

- 6) *The proposed development carries out the intent of the Planned Development zoning district by providing a more efficient use of the land and an excellence of site design greater than that which could be achieved through the application of established zoning standards.*

The proposed development provides a very efficient use of the land by providing a mixed-use development that incorporates multi-family dwellings with a variety of retail uses, including a grocery store, hotel, theater, and multiple restaurants. The design of the project includes design features to incorporate a pedestrian plaza area and town square for public events. The design of the site and structures would be of high standard and implementing many environmentally-friendly features throughout the buildings and site. Some of the components of the Merced Gateway Master Plan would have to be modified under established zoning standards (i.e., building heights, sign requirements, etc.). Therefore, the use of Planned Development Zoning is appropriate for the proposed project. The buildings would be of high-quality materials and the site would be designed and maintained in an aesthetically pleasing manner to help enhance the site and surrounding area.

- 7) *Each individual unit of the proposed development, in each phase as well as the total development, can exist as an independent unit capable of creating a good environment in the locality and being in any stage as desirable and stable as the total development.*

Each component of the mixed-use development would be able to exist independently of each other. While the commercial component of the project would be a convenience to the apartments on the site, the commercial component would still be able to exist without the apartments due to the other residential uses in the area and the proximity to the freeway.

The apartments would be able to exist without the commercial component. This site is adjacent to residential uses and a school making it ideal for higher density residential uses.

- 8) *Any deviation from the standard ordinance requirements is warranted by the design and additional amenities incorporated in the development plan, which offer certain unusual redeeming features to compensate for any deviations that may be permitted.*

The proposed project deviates from the standard zoning requirements by the use of a mixed-use development which combines both residential and retail uses in one development. Additionally, the building heights and sign requirements differ from those allowed under standard zoning. In exchange for allowing these deviations, the developer has incorporated several nice amenities into the complex, such as a Towne Square, pedestrian plaza, decorative entrance on Parsons Avenue, and the use of high-quality materials and design standards. The owner would also dedicate land for a future fire station along Gerard Avenue.

- 9) *The principles incorporated in the proposed development plan indicate certain unique or unusual features, which could not otherwise be achieved under the other zoning districts.*

The proposed project incorporates a mixed-use design that could not be achieved in other zoning districts. While other zoning districts may allow these same uses individually, the Planned Development zone allows the uses to be designed as one cohesive development and allows for the deviation of the height restriction and more generous allowances for signs within the project area.

### **Environmental Clearance**

#### **Draft Environmental Impact Report**

- L) The Draft EIR analyzed two alternatives: 1) the proposed project without the construction of Plum Drive on the east side of the project site (referred to as “the Project”); and, 2) the proposed project with the construction of Plum Drive (referred to as “the Circulation Element Alternative”).

The Draft EIR for the proposed Merced Gateway Master Plan was distributed to interested agencies and the public for a 45-day-period (beginning on July 15, 2016, and ending on

August 29, 2016). The City received 11 letters commenting on the DEIR. Those letters can be seen in their entirety in Section 2 of the Final EIR (distributed to the Planning Commission on June 7, 2016). Responses to comments contained in those letters are located immediately following each letter in Section 2 of the Final EIR.

As required per Section 21092.5(a) of the State of California Public Resources Code, a copy of the response to comments was sent to each public agency who had submitted a letter on June 7, 2017 (at least 10 days prior to the Planning Commission hearing). A notice was also sent to all those individuals who had commented on the DEIR regarding the availability of the Final EIR, including the Responses to Comments, on June 7, 2017. (The DEIR commenters were also mailed public hearing notices for the June 21, 2017, Planning Commission hearing on June 8, 2017, which indicated that the Final EIR would be available on June 12, 2017.) The Final EIR was made available for public review at City offices, the Main Branch of the Merced County Library, and the City's website on June 8, 2017. Printed copies and copies on CD-ROM were also made available.

The Final EIR for the proposed Merced Gateway Master Plan also contains minor modifications to the text and mitigation measures in response to the comments received (see Section 3 of the Final EIR).

### **Impacts Identified from the Project**

- M) The Draft EIR for the proposed Merced Gateway Master Plan has identified potentially significant physical environmental impacts that are expected to result from the Project and from the Circulation Element Alternative. The EIR also provides appropriate measures to mitigate the impacts and to reduce anticipated physical environmental impacts to less than significant levels. Significant Environmental Effects Requiring Mitigation include impacts on air quality/greenhouse gas emissions, biological resources, cultural resources, hydrology and water, noise, and transportation/traffic. Details on these impacts and mitigation measures are found in the Mitigation Monitoring Program (Exhibit B of Planning Commission Resolution #3083 at Attachment M).
- N) The EIR for the proposed Merced Gateway Master Plan identified Unavoidable Significant Environmental Effects related to traffic under the "Project" scenario (summarized in Section 5.1.1, starting on page 5-1 of the Draft EIR). Under the Project scenario six intersections would have operated at an unacceptable level of service. However, the Circulation Element Alternative would have fewer significant and unavoidable impacts to traffic (see Section 5.4 starting on page 5-3 of the Draft EIR) resulting in significant and unavoidable impacts at two intersections instead of 6 under the Project scenario. In 2017, the project applicants modified their project (as analyzed by the Draft EIR) to conform to the General Plan Alternative.

### **Findings of Fact and Statement of Overriding Considerations**

- O) The Environmental Impact Report (EIR) for the Merced Gateway Master Plan identified significant impacts associated with the Project. Approval of a Project with significant impacts requires that findings be made by the City pursuant to the California

Environmental Quality Act (CEQA) and State CEQA Guidelines. These findings must state that significant impacts of the Project would either: 1) be mitigated to a less-than-significant level pursuant to the mitigation measures identified in this EIR; or, 2) mitigation measures notwithstanding, have a residual significant impact that requires a Statement of Overriding Considerations.

First Carbon Solutions (FCS), the firm that prepared the EIR, in consultation with City staff has prepared Draft "Findings of Fact and Statement of Overriding Considerations" (Exhibit B of Planning Commission Resolution #3083 at Attachment M).

- P) All significant impacts associated with the Project have been mitigated to a level of insignificance except those described in Finding N. Therefore, a Draft Statement of Overriding Considerations (Exhibit B of Planning Commission Resolution #3083 at Attachment M) has been prepared.

PLEASE BRING YOUR COPY OF THE DRAFT AND FINAL EIR'S TO THE MEETING. IF YOU NEED ANOTHER COPY, PLEASE CONTACT STAFF.

Attachments:

- A) Location Map
- B) General Plan Designations
- C) Zoning Designations
- D) Proposed General Plan Designations
- E) Proposed Zoning Designation
- F) Site Plan and Table of Proposed Uses
- G) Merced Gateway Master Plan
- H) General Plan Consistency
- I) Circulation Transportation Improvement Phasing Plan
- J) Bicycle Plan
- K) Storm Drainage Plan
- L) Site Plan for Signs
- M) Draft Planning Commission Resolution #3083 approving the EIR (including Findings of Fact and Statement of Overriding Considerations at Exhibit B and the Mitigation Monitoring Program at Exhibit C)
- N) Draft Planning Commission Resolution #3084 approving the Project

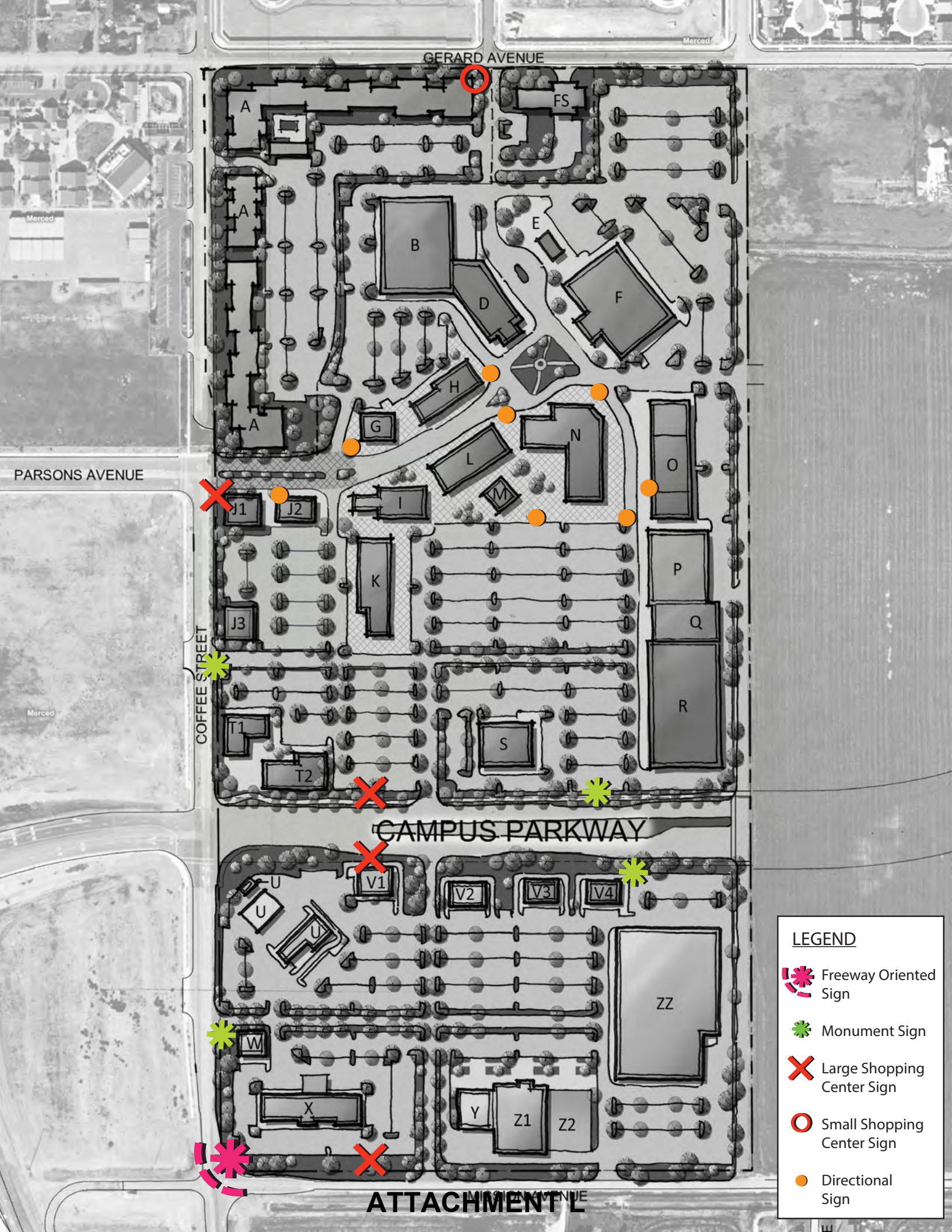
Refer to Attachments 1 through 13 of the Administrative Report for Attachments A through K and Attachments M and N of Staff Report #17-11.

Enclosures:

- 1) Final Environmental Impact Report

Final EIR previously provided.





GERARD AVENUE






PARSONS AVENUE

COFFEE STREET

CAMPUS PARKWAY

ATTACHMENT L

**LEGEND**

-  Freeway Oriented Sign
-  Monument Sign
-  Large Shopping Center Sign
-  Small Shopping Center Sign
-  Directional Sign