

CITY OF MERCED
Planning & Permitting Division

STAFF REPORT: #18-14

AGENDA ITEM: 4.3

FROM: Kim Espinosa,
Planning Manager

PLANNING COMMISSION
MEETING DATE: June 6, 2018

PREPARED BY: Julie Nelson,
Associate Planner

CITY COUNCIL
MEETING DATE: July 16, 2018
(Tentatively)

SUBJECT: **Annexation and Pre-zoning #15-01, General Plan Amendment #15-04, and Pre-Annexation Development Agreement**, initiated by Louann Bianchi, and Quad LLC, property owners. This application involves annexing 8.83 acres of land at the northwest and southwest corners of North Highway 59 and Santa Fe Drive into the City of Merced; changing the General Plan designation for the northwest corner from Open Space (OS) to Thoroughfare Commercial (CT) and pre-zoning the northwest corner as Thoroughfare Commercial (C-T) for the Thoroughfare Commercial development. The General Plan designation for the southwest corner would remain Industrial (IL) and this corner would be pre-zoned Light Industrial (I-L). *PUBLIC HEARING*

ACTION: **PLANNING COMMISSION:**

Recommendation to City Council

- 1) Environmental Review #15-36 (Mitigated Negative Declaration)
- 2) Pending Annexation Application #15-01
- 3) Pre-zoning Application #15-01
- 4) General Plan Amendment #15-04
- 5) Pre-Annexation Development Agreement

CITY COUNCIL:

Approve/Disapprove/Modify

- 1) Environmental Review #15-36 (Mitigated Negative Declaration)
- 2) Pending Annexation Application #15-01
- 3) Pre-zoning Application #15-01
- 4) General Plan Amendment #15-04
- 5) Pre-Annexation Development Agreement

SUMMARY

The is a request to annex and pre-zone approximately 8.83 acres of land generally located at the northwest and southwest corners of North Highway 59 and Santa Fe Drive (Attachment A). The

proposal also includes a General Plan Amendment for the northwest corner of North Highway 59 and Santa Fe Drive to change the General Plan land use designation from Open Space (OS) to Thoroughfare Commercial (CT). The proposed pre-zoning designations would be Light Industrial (I-L) for the southwest corner which is consistent with the current General Plan designation, and Thoroughfare Commercial (C-T) for the northwest corner which would be consistent with the General Plan designation if the proposed General Plan Amendment is approved.

The southwest corner of North Highway 59 and Santa Fe Drive is developed with a wholesale/retail landscape and irrigation distribution business (Horizon). No changes are proposed to the business or the site with this application. This use is consistent with the proposed Light Industrial General Plan and Zoning designations.

The northwest corner is currently vacant. Once annexed, a portion of the property would be developed with a commercial development (Attachment B). The first phase of development would consist of a gas station, mini-market, and car wash business, a fast-food restaurant, and a drive-thru coffee kiosk. The second phase could include another fast-food restaurant as well as additional retail uses (these uses are unknown at this time). For a list of uses that are appropriate for the Thoroughfare Commercial (C-T) zone, please refer to the table at Attachment C.

Staff has reviewed the proposed applications and is recommending the Planning Commission recommend approval of these applications to the City Council.

RECOMMENDATION

Planning staff recommends that the Planning Commission recommend approval of Environmental Review #15-36 (Mitigated Negative Declaration), Pending Annexation #15-01, Pre-zoning Application #15-01, and General Plan Amendment #15-01 (including the adoption of the Resolution at Attachment I) subject to the following conditions:

- *1) All new construction within the annexation area (including modifications to the developed site at the southwest corner of North Highway 59 and Santa Fe Drive) shall comply with all standard Municipal Code and Subdivision Map Act requirements as applied by the City Engineering Department.
- *2) All other applicable codes, ordinances, policies, etc. adopted by the City of Merced shall apply.
- *3) Approval of Pre-Annexation #15-01, Pre-zoning Application #15-01, and General Plan Amendment #15-04 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. 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

agreement to be approved by the City Council prior to the adoption of the ordinance, resolution, or minute action.

- *4) 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.
- *5) The developer/applicant shall construct and operate all future projects within the annexation area 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.

The following conditions apply to new construction within the annexation area:

- *6) Community Facilities District (CFD) formation is required for annual operating costs for police and fire services as well as storm drainage, public landscaping, public landscaping within State rights-of-way, street trees, street lights, parks and open space. CFD procedures shall be initiated before final map or first building permit approval. 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.

The following conditions apply to the future development at the northwest corner of North Highway 59 and Santa Fe Drive:

- *7) All development shall be subject to the Mitigation Measures outlined in the Mitigation Monitoring Program for Initial Study #15-36.

- *8) Site Plan Review is required prior to construction on the northwest corner, the Site Plan Review Committee shall review the site design and determine which alternative at the western driveway is best to reduce the expected impacts. The alternatives may include those alternatives included in the traffic analysis or another alternative such as moving the driveway further to the west. The developer shall provide any additional documentation or studies needed for the Site Plan Review Committee to make this determination (Mitigation Measure TRA-1).
- *9) The southbound left-turn lane on SR 59 shall be lengthened as determined by the City Engineer and approved by Caltrans (Mitigation Measure TRA-1a).
- *10) The development shall contribute its fair share to the cost of improvements for the intersection of SR 59 and Olive Avenue (Mitigation Measure TRA-1b):
 - Reconstruct westbound Olive Avenue to provide dual left turn lanes on southbound SR 59; and,
 - Reconfigure the westbound right turn lane to create a combination through and right turn lane, and extend that through lane across SR 59 along the project's frontage; and,
 - Reconstruct the existing northbound right turn lane as a "free" right turn with a median island separating eastbound and right-turning traffic. Reconstruct the eastbound Santa Fe Drive approach to provide dual left turn lanes.
- *11) Prior to the issuance of a building permit, the developer shall work with the Merced County Transit Authority (aka: The Bus) to determine if a bus stop is needed at this location. If a bus stop is required, the stop shall be in an area to allow the bus to move completely out of the travel lanes. The location of all bus stops shall be subject to approval by the City Engineer and Caltrans if along SR 59 (Mitigation Measure TRA-6).
- *12) Any outdoor dining areas or other outdoor uses shall have the following setbacks to maintain an acceptable noise level of 70 dB for outdoor uses (Mitigation Measure NOI-2):
 - Road/Railroad - Required Setback
 - Santa Fe Drive - 54 Ft.
 - North Highway 59 - 89 Ft.
 - BNSF Railroad - 137 F
- *13) At the time of construction, all required public improvements shall be installed along the property frontage. This includes, but is not limited to, sidewalk, curb, gutter, street lights, and street trees.
- *14) The developer shall work with Caltrans and obtain all necessary permits for all work done within the state right of way.
- *15) All construction shall comply with Post Construction Standards in accordance with the requirement for the City's Phase II MS-4 Permit (Municipal Separate Storm Sewer System).
- *16) All new utilities serving the site shall be installed underground.

- *17) All City sewer, water, and storm drain lines serving the site shall be extended across the full frontage of the property unless it is determined by the Public Works Director that these lines are not likely to be extended to serve any other property (consistent with Merced Municipal Code Section 15.40.030).
- *18) All storm water shall be contained onsite and metered out to the City's storm water system in accordance with City Standards.
- *19) 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 or as required by the Fire Department.
- 20) The future commercial development shall provide pedestrian and bicycle access throughout the site. Connectivity throughout the site shall be provided by pedestrian pathways. Bicycle parking shall be provided as required by the City's Zoning Ordinance.
- 21) The developer shall use proper dust control procedures during site development in accordance with San Joaquin Valley Air Pollution Control District rules.
- 22) All landscaping shall be in compliance with the City's Water Efficient Landscaping and Irrigation Ordinance (Merced Municipal Code Section 17.60) and all state-mandated conservation and drought restrictions as well as the City's Zoning Ordinance Section 20.36 – Landscaping. This shall include the use of xeriscape landscaping as appropriate.
- 23) Irrigation for all onsite landscaping shall be provided by a low-volume system in accordance with the State's Emergency Regulation for Statewide Urban Water Conservation or any other state or city-mandated water regulations dealing with the current drought conditions.
- 24) All landscaping in the public right-of-way shall comply with the most recently adopted water regulations by the State and City addressing water conservation measures. If turf is proposed to be installed in medians or parkstrips, high quality artificial turf (approved by the City Engineer and Development Services Director) shall be installed.
- 25) 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 1 tree for every 6 parking spaces. A reduced number of trees may be required where there are carports with solar panels over the parking spaces. However, if all the parking spaces are covered by a carport with solar panels, then additional trees may be required at the discretion of the Development Services Director. Trees within the PG&E easement shall comply with the regulations of this easement which limits the height of trees to a maximum of 15 feet at full maturity.
- 26) All mechanical equipment shall be screened from public view.

(*) Denotes non-discretionary conditions.

PROJECT DESCRIPTION

The proposed annexation area consists of three parcels containing approximately 8.83 acres of land. Approximately 7.83 acres is located at the northwest corner of North Highway 59 and Santa Fe Drive and the remaining 1.0 acre is located at the southwest corner of the intersection (Attachment A). The original annexation application was only for the northwest corner. However, in consultation with LAFCo (Local Agency Formation Commission), it was determined that a “logical boundary” should include the southwest corner as well.

The annexation area is bounded by Black Rascal Creek to the north, the Burlington Northern Santa Fe (BNSF) Railroad to the south, and North Highway 59 to the east. Vacant county land is located to the west of the annexation area. The annexation area is divided by Santa Fe Drive splitting the northern portion of the annexation area (7.83 acres) from the southern portion (1.0 acre). The property located at the southwest corner of North Highway 59 and Santa Fe Drive (3065 N. Hwy 59) is developed with a wholesale/retail business (Horizon). The 7.83 acres of land at the northwest corner of North Highway 59 and Santa Fe is currently vacant. The vacant land is comprised of two separate parcels – Assessor’s Parcel Number (APN): 057-200-067 contains 7.4 acres and APN: 057-200-029 contains 0.43 acres.

The owner of the property at the northwest corner is in contract with a developer to purchase and develop approximately 2.5 acres of the existing 7.4-acre parcel. The 7.4 acres would be subdivided into three separate parcels (refer to the Tentative Map at Attachment D) with the developer purchasing Parcel 1 and Parcel 4 for development (Phase One). The remainder of the property would be developed in the future as Phase Two. Phase One of the development would consist of a 3,764-square-foot convenience market (AM/PM), a gas station with 8 pumps (16 fueling positions), a car wash, and a 3,462-square-foot fast food restaurant with 110 seats and a drive-thru (refer to the Site Plan at Attachment B). Parcel 4 would be developed with a drive-thru coffee shop/kiosk.

Phase Two could include a 2,695-square-foot fast-food restaurant at the western edge of the site on Parcel 2. The remainder of the site would be for the future development of commercial space totaling approximately 32,000 square feet. Development of Phase Two remains speculative at this time. The owner does not have a developer interested in constructing Phase Two. However, for CEQA Environmental Review purposes, uses were identified and analyzed as part of the annexation.

Uses allowed within the remainder of the development would be consistent with the Thoroughfare Commercial (C-T) zone and could include:

- Retail, General (i.e., drug stores, general merchandise stores, pet stores, department stores, etc.)
- Business Support Services
- Indoor Commercial Recreation, except multi-screen (6 or more) movie theaters
- Vehicle Sales
- Warehousing, Wholesaling, and Distribution

For a full list of permitted uses as well as conditional uses and uses allowed with Site Plan Review, refer to the Table at Attachment C.

No development is planned for the 0.43-acre parcel at the northeast corner of the site. This area would be used for storm drain retention for the site once it's developed.

Two driveways are proposed for Santa Fe Drive. The driveway serving Parcel One would be a right-in/right-out driveway only. This driveway would be approximately 170 feet west of the intersection of North Highway 59 and Santa Fe Drive. A second full access driveway is proposed approximately 500 feet west of the intersection. An additional right-in/right-out driveway would be provided approximately 250 feet north of the intersection on Highway 59.

The existing use at the southwest corner of North Highway 59 and Santa Fe Drive will remain unchanged. The pre-zoning designation for the site is Light Industrial (I-L) which is consistent with the current General Plan designation of Industrial (IL). For a full listing of uses allowed within the I-L zone, please refer to the table at Attachment E.

Surrounding Uses
(Attachment A)

Surrounding Land	Existing Use of Land	Zoning Designation	City General Plan Land Use Designation
North	Black Rascal Creek/Vacant Land	Merced County	Regional/Community Commercial (RC)
South	BNSF Railroad/Industrial Uses	I-L	Industrial (IL)
East	Vacant Land (across SR 59)	P-D #12 and R-1-6	Commercial Office (CO) and Industrial (IL)
West	Vacant Land	Merced County	Regional/Community Commercial (RC) and Industrial (IL)

BACKGROUND

The annexation area is comprised of the northwest corner and southwest corner of North Highway 59 and Santa Fe Drive. The northwest corner of Santa Fe Drive has been vacant for many years. This property was previously identified by FEMA as an area within a floodway. Therefore, development on this property was not feasible and the property was given a General Plan designation of Open Space (OS). However, in 2014, FEMA revised the floodway and removed the majority of this property out of the floodway making it possible to be developed (Attachment F).

The southwest corner has been developed for many years with similar retail/wholesale businesses operating from the site.

FINDINGS/CONSIDERATIONS:

General Plan Compliance and Policies Related to This Application

- A) The proposed annexation complies with the General Plan designation of Industrial (IND) for the southwest corner. The northwest corner of the annexation area would comply with the General Plan designation of Thoroughfare Commercial (CT) upon approval of General Plan Amendment #15-04. The southwest corner would also comply with the zoning designation of Light Industrial (I-L) and the northwest corner would comply with the designation of Thoroughfare Commercial (C-T) if the recommended pre-zoning is approved.

<i>Policy UE-1.3</i>	
<i>Control the annexation, Timing, Density, and Location of new Land Uses Within the City's Urban Expansion Boundaries.</i>	
<i>Implementing Actions:</i>	
1.3.a	The City should continue to require that all new urban development and annexations be contiguous to existing urban areas and have reasonable access to public services and facilities.
1.3.c	The City shall encourage phasing of new development.
<i>Policy UE-1.5</i>	
<i>Promote Annexation of Developed Areas Within the City's Specific Urban Development Plan (SUDP)/Sphere of Influence (SOI) During the Planning Period.</i>	
<i>Implementing Actions:</i>	
1.5.a	<i>The City should continue to promote the annexation of unincorporated urban areas within the urban expansion boundaries, which cause a duplication of public services and hinder extension of City services to new development, if they are financially feasible.</i>

General Plan Policy UE-1.3 and Implementing Action 1.3.g requires that annexation requests be evaluated against certain criteria. Below is an evaluation of the proposed annexation against those criteria:

Criteria 1

Is the area contiguous to the Current City Limits and within the City's Specific Urban Development Plan (SUDP)/Sphere of Influence (SOI)? Do the annexed lands form a logical and efficient City limit and include older areas where appropriate to minimize the formation of unincorporated peninsulas?

Evaluation

The proposed annexation area is contiguous to the existing City Limits to east and south (see map at Attachment A). The annexation area is on the western edge of the City Limits. The annexation would form a logical and efficient boundary and does not create any new islands or peninsulas.

Criteria 2

Is the proposed development consistent with the land use classification on the General Plan Land Use Diagram (Figure 3.1)?

Evaluation

The property at the southwest corner of the annexation area is consistent with the land use classification (IND) of the General Plan diagram. The northwest corner is currently designated as Open Space. However, the proposed General Plan Amendment would change the designation to Thoroughfare Commercial (CT) which would be consistent with the proposed development on that site.

Criteria 3

Can the proposed development be served by the City water, sewer, storm drainage, fire and police protection, parks, and street systems to meet acceptable standards and service levels without requiring improvements and additional costs to the City beyond which the developer will consent to provide or mitigate?

Evaluation

The City would be able to provide all services to the annexation area. All new development within the annexation area would be required to annex into the City's Community Facilities District (CFD) for services which would cover the costs of Police and Fire protection. Public Facilities Impact Fees would also be paid that would help fund future police and fire stations, parks and street improvements.

Criteria 4

Will this annexation result in the premature conversion of prime agricultural land as defined in the Important Farmland Map of the State Mapping and Monitoring Program? If so, are there alternative locations where this development could take place without converting prime soils?

Evaluation

The annexation area is not listed as Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency.

Criteria 5

Will a non-agricultural use create conflict with adjacent or nearby agricultural uses? If so, how can these conflicts be mitigated?

Evaluation

The proposed development would not conflict with any nearby agricultural uses. The land directly to the north of the site is currently vacant. Beyond the vacant land is property planted with almond trees. Other than this use, there are no other agricultural uses nearby. Therefore, there would be no conflict with ag uses.

Criteria 6

Does the annexation area help the City reach one of the following goals?

- a) Does annexation of the area bring the City closer to annexation of the UC Merced campus and University Community?

- b) Does the area contain significant amounts of job-generating land uses, such as industrial, commercial, office, and business/research and development parks?
- c) Does the project provide key infrastructure facilities or other desirable amenities such as the extension of major roads, utility trunk lines, parks and recreational facilities, etc.?

Evaluation

- a) The proposed annexation does not bring the City closer to annexation the UC or UC Community area. This annexation is on the western edge of the City approximately 7 miles from UC Merced.
- b) The proposed commercial development at the northwest corner of North Highway 59 and Santa Fe would generate a small number of jobs within the City. The first phase of the development would include a fast-food restaurant, gas station/mini-market/car wash, and drive-thru coffee kiosk. The jobs generated by these uses would typically be part-time jobs, but would include some full-time jobs. The future development of Phase Two would most likely include more retail-type uses. The exact number of jobs created is not currently available, but it is certain that new jobs would be available due to development of this site.
- c) The development proposed for the northwest corner of North Highway 59 and Santa Fe Drive would be required to extend utility services across the full length of the project frontage as development occurs.

Traffic/Circulation

- B) *The following is a summary. For more details regarding the traffic analysis, please refer to Section O of Initial Study #15-36 at Attachment G.*

Substantial Increase in Traffic Levels: Thresholds are established for arterial and collector type roadways. Customarily, traffic studies prepared for the City established a threshold of significance at 5% or more of existing traffic amounts contributed by the Project to an “arterial roadway” that is, or will be, operating at an unacceptable level of service (LOS) “E” or “F.” KD Anderson and Associates prepared a traffic analysis for the proposed development (Attachment L) of Initial Study #15-36 (Attachment G). This analysis concluded the following:

All the roadway segments studied (SR 59, Santa Fe Drive, and Olive Avenue) are arterial roadways. Thus, the threshold of significance would be the addition of 5% of the current ADT for roadways operating at LOS “E” or “F.” As shown in the table below, SR 59 from Olive Avenue to W. 16th Street is currently operating at LOS F.

Existing Roadway Segments Volumes and Levels of Service				
Street	From	To	Daily Volume	LOS
SR 59	Buena Vista Dr.	W. Olive Ave	13,379	D
	W. Olive Ave.	BNSF RR	21,954	F
	BNSF RR	W. 16 th St.	20,462	F
Santa Fe Dr.	Beachwood Dr.	SR 59	19,733	C
W. Olive Ave	SR 59	Loughborough Dr.	25,131	C

Phase One of the proposed development at the northwest corner of North Highway 59 and Santa Fe Drive would add approximately 1,116 daily trips to the area. Phase Two would add an additional 1,924 trips for a total of 4,040 daily trips at full build-out of the project. The table on the following page shows the comparison of the existing traffic volumes to the expected traffic volumes with build-out of the project. As shown, the additional traffic generated from the project would not decrease the level of service for these roadway segments below the existing LOS. As shown below, no segment of the SR 59 that currently operates at LOS F exceeds a 5% increase in traffic volume. Therefore the project would not result in a significant impact.

Existing Roadway Segments Plus Project Volumes and Levels of Service							
Street	From	To	Existing Daily Volume	Project Daily Volume	Total Daily Volume	Percent Increase	LOS
SR 59	Buena Vista Dr.	W. Olive Ave	13,379	1,010	14,749	7.0%	D
	W. Olive Ave.	BNSF RR	21,954	808	22,762	3.7%	F
	BNSF RR	W. 16 th St.	20,462	404	20,866	2.0%	F
Santa Fe Dr.	Beachwood Dr.	SR 59	19,733	606	20,339	3.1%	C
W. Olive Ave	SR 59	Loughborough Dr.	25,131	2,015	27,146	8.0%	C

Intersections

Although SR 59 between Olive Avenue and W. 16th Street would continue to operate at an LOS F, the existing off-site intersections studied would all operate at an LOS D. However, the proposed western driveway is forecasted to operate at an LOS F in the p.m. peak hour (4-6 p.m.) In order to improve this condition, the traffic analysis offers three possible alternatives. Each scenario would have ramifications on the project.

Similarly, the SR 59 access is expected to occasionally be blocked by the queue of southbound traffic extending from the Santa Fe Drive traffic signal. Alternative measures to alleviate this issue are also noted, along with their ramifications on the site. The traffic analysis recommends Alternative #1 as the preferred mitigation measure for this impact.

Western Driveway Alternatives

Alternative	Ramification
Install a Two-Way Left-Turn lane on Santa Fe Drive.	Requires moving driveway or reconstructing SR 59 intersection.
Prohibit outbound left turns.	Exacerbates problem at SR 59 driveway.
Install traffic signal.	Location is problematic and would likely require moving the driveway.

SR 59 Access Alternatives

Alternative	Ramification
Lengthen southbound left turn lane.	Facilitates access, but does not shorten queues (<i>mitigation recommended by traffic analysis</i>).
Move access to the north.	Affects Black Rascal Creek as well as property not included in project.
Close SR 59 access.	Exacerbates issues at western access and makes site untenable as a retail center.

The additional traffic on the roadways does not reach the level of significance since the amount of traffic added to the sections of road currently operating at LOS F are less than 5%. However the on-site impacts described above would require mitigation to reduce them to a less than significant level.

Cumulative Conditions

The analysis of the Cumulative Plus Project analysis determined that in order to improve the level of service at SR 59 and Olive Avenue, improvements would be needed. As mitigation for the project's proportional impact on this roadway segment, the analysis determined the development should contribute its fair share to the cost of intersection improvements.

The following Mitigation Measures have been recommended in order to reduce traffic impacts to a less than significant level. These mitigation measures are also included as Conditions #8, 9, and 10.

Mitigation Measure TRA-1

Prior to construction, the Site Plan Review Committee shall review the site design and determine which alternative at the western driveway is best to reduce the expected impacts. The alternatives may include those alternatives included in the traffic analysis or another alternative such as moving the driving further to the west. The developer shall provide any additional documentation or studies needed for the Site Plan Review Committee to make this determination.

Mitigation Measure TRA-1a

The southbound left-turn lane on SR 59 shall be lengthened as determined by the City Engineer and approved by Caltrans.

Mitigation Measure TRA-1b

The development shall contribute its fair share to the cost of improvements for the intersection of SR 59 and Olive Avenue:

- *Reconstruct westbound Olive Avenue to provide dual left turn lanes on southbound SR 59; and,*
- *Reconfigure the westbound right turn lane to create a combination through and right turn lane, and extend that through lane across SR 59 along the project's frontage; and,*
- *Reconstruct the existing northbound right turn lane as a "free" right turn with median island separating eastbound and right-turning traffic. Reconstruct the eastbound Santa Fe Drive approach to provide dual left turn lanes.*

Caltrans is currently working on improvements to the intersection of Olive Ave./Santa Fe Dr. and Highway 59. Caltrans would be consulted prior to any mitigation measures being constructed at this intersection.

Parking

- C) The annexation does not directly produce a need for parking. However, the subsequent development would require parking to serve the future uses on the site. Parking requirements would be evaluated at the Site Plan Review and/or Building Permit phase of development.

Public Improvements/City Services

- D) Streets/Sidewalks/Curb/Gutter

Santa Fe Drive and North Highway 59 shall be widened to the full width along the north side of Santa Fe Drive and the west side of Highway 59 as part of the development of the retail center. All public improvements shall be installed in this area including, but not limited to, sidewalk, curb, gutter, street lights, and street trees (Condition #13). The developer shall work with Caltrans and obtain all necessary permits for all work done within the state right of way (Condition #14).

- E) Sewer/Water

The City's current water and wastewater system is capable of handling the annexation area and future development of the proposed project at the northwest corner of North Highway 59 and Santa Fe Drive. There is an existing sewer line in Olive Avenue. The project would be required to extend the main line to their site and across the entire frontage of their property (approximately 1,000 feet) as development occurs. A sewer line also exists in Highway 59, south of Olive Avenue that would serve the existing development in that area.

There is a water line in North Highway 59 which extends along the property frontage within the entire annexation area. This water line would serve both the existing development and future development.

- F) Storm Drainage

Any future development within the annexation area would be required to provide on-site storm drainage facilities that would connect to the City's storm drain system (Condition #18). Details regarding this system would be addressed prior to issuance of any building permits for development. Prior to the issuance of a building permit for this project, the

applicant shall demonstrate to the City that proposed storm drainage facilities are adequate to meet the Project demands and that improvements are consistent with the City's Storm Drainage Master Plan and the Post Construction Standards for the City's Phase II MS4 permit (Mitigation Measure HYD-5 and Condition #15).

Additionally, the developer would be required to submit a Storm Water Pollution Prevention Plan (SWPPP) and a Storm Water Mitigation Plan (SWMP) for review and approval prior to construction (Mitigation Measures HYD-1a and 1b).

G) *Police and Fire Protection*

The annexation area is located within the City's Police and Fire emergency response times. All new construction within the annexation area would be required to annex into the City's Community Facilities District (CFD) for services which helps cover the cost of Police and Fire response. In addition, all new development would be required to pay the City's Public Facilities Impact Fees to help fund future Police and Fire stations.

H) *Parks and Recreation*

The existing use and proposed uses within the annexation area are all commercial or industrial in nature. These uses would not produce a need for additional parks and recreation facilities. However, a portion of the PFFP fees paid go towards the development of new parks within the City.

Building Design/Site Design/Landscaping/Signs

- I) The annexation process does not get into the detail of building and site design, landscaping, or signs for projects. These issues would be addressed during subsequent reviews for new development.

Neighborhood Impact/Interface

- J) The annexation area is not adjacent to any developed residential areas. The nearest residential uses to the annexation area are approximately 1,000 to 1,500 feet away. Public hearing notices were mailed to all property owners within 300 feet of the annexation area. To date, no one has expressed any concerns with the proposed annexation or subsequent development.

Timeliness of Annexation

- K) This annexation would be the first since the Mather Road Annexation in 2009. In 2016, the City and County reached an agreement for a new Revenue Sharing Agreement which paved the way for new annexations.

Pre-Annexation Development Agreement

- L) Section 20.86.150 of the Zoning Ordinance requires a property owner to enter into a Pre-Annexation Development Agreement prior to annexation. This agreement shall not become operative unless annexation proceedings are completed by the Local Agency Formation commission (LAFCO). A Draft Pre-Annexation Development Agreement

(Attachment H) has been provided for the Commission to make a recommendation on to the City Council as required by Section 20.86.060 of the Zoning Ordinance. The Pre-annexation Development Agreement is only with the owner of the vacant land and binds the owner and her successors to certain conditions and requirements related to the development of the land. The property owner has reviewed the draft agreement and has verbally agreed to sign it prior to City Council taking final action on the agreement.

Environmental Clearance

- M) The Planning staff has conducted an environmental review (Initial Study #15-36) of the project in accordance with the requirements of the California Environmental Quality Act (CEQA), and a Draft Mitigated Negative Declaration (i.e., no significant effects in this case because of the mitigation measures and/or modifications described in Initial Study #15-36 is being recommended (Attachment G).

Attachments:

- A) Location Map
- B) Site Plan
- C) Zoning Table – Commercial Uses
- D) Tentative Map
- E) Zoning Table – Industrial Uses
- F) Flood Zone
- G) Initial Study
- H) Draft Pre-Annexation Development Agreement
- I) Draft Planning Commission Resolution

Ref: N:\SHARED\PLANNING\STAFFREP\SR2018\SR 18-14 Annex & Pre-Zone .docx

REFER TO ATTACHMENTS 1 THROUGH 8 OF THE ADMINISTRATIVE
REPORT FOR ATTACHMENTS A THROUGH I OF STAFF REPORT #18-14.