



## Legislation Details (With Text)

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<b>Type:</b>	Public Hearing Item	<b>Status:</b>		Passed	
<b>File created:</b>	5/12/2017	<b>In control:</b>		City Council/Public Finance and Economic Development Authority/Parking Authority	
<b>On agenda:</b>	8/7/2017	<b>Final action:</b>		8/7/2017	
<b>Title:</b>	SUBJECT: Public Hearing - General Plan Amendment #15-03, Zone Change #422, Establishment of Planned Development (P-D) #74, and Certification of a Final Environmental Impact Report (EIR) for the Development of a 601,127-Square-Foot Retail Shopping Center, 178 Apartments, and a Fire Station on 77 Acres Located at the Northeast and Southeast Corners of Campus Parkway and Coffee Street				

### REPORT IN BRIEF

The City Council is being asked to consider various actions, including the certification of an Environmental Impact Report, to approve the future construction of a 601,127-square-foot regional shopping center (including retail, restaurants, a hotel, gas station, etc.), 178 multi-family units, and a fire station site on 77 acres, bounded by Gerard Avenue, Coffee Street, Mission Avenue, and Pluim Drive.

### RECOMMENDATION

City Council - Adopt a motion:

A. Approving Resolution 2017-43, a Resolution of the City Council of the City of Merced, California, adopting Findings of Fact, a Statement of Overriding Considerations, and a Mitigation Monitoring Program, and certifying the Final Environmental Impact Report for the Merced Gateway Master Plan, including General Plan Amendment #15-03, Zone Change #422, and Planned Development (P-D) Establishment #74; and,

B. Approving Resolution 2017-44, a Resolution of the City Council of the City of Merced, California, approving General Plan Amendment #15-03, which amends the General Plan designation for property generally located at the northeast corner of Coffee Street and Campus Parkway by reconfiguring and reducing the area by approximately 12 acres designated as High-Medium Density Residential (HMD), changing the General Plan designation to Regional/Community Commercial (RC), and amending the Circulation Element; and,

C. Introducing Ordinance 2478, an Ordinance of the City Council of the City of Merced, California, establishing Planned Development (P-D) #74 and amending the official Zoning Map by rezoning approximately 20 acres of land from R-3-2 to Planned Development (P-D) #74 and approximately 57.5 acres of land from Central Commercial (C-C) to Planned Development (P-D) #74, generally located at the northeast and southeast corners of Coffee Street and Campus Parkway; and,

D. Authorizing the City Manager or Assistant City Manager to execute the Legislative Action Agreement (formerly known as a Developer Agreement).

### Sponsors:

### Indexes:

### Code sections:

**Attachments:** 1. Location Map\_7-18-17.pdf, 2. Current General Plan Designations.pdf, 3. Current Zoning Designations.pdf, 4. Proposed General Plan Designations.pdf, 5. Proposed Zoning Designations.pdf, 6. Site Plan.pdf, 7. Findings for P-D #74.pdf, 8. Merced Gateway Phasing Analysis 6 1 2017.ltr + attachments.pdf, 9. Proposed Biekway Plan.pdf, 10. Proposed Storm Drainage Plan.pdf, 11. Res

3083 Merced Gateway & FEIR #15-18 - EIR Resolution.pdf, 12. Res #3084 GPA #15-03\_ZC#422\_Est of PD #74\_CUP #1203 & FEIR #15-18 (Merced Gateway) - GP Resolution.pdf, 13. PC Minutes 06-21-17 Item 4.1 (Merced Gateway Master Plan)draft.pdf, 14. SR 17-11 - GP #15-03\_ZC #422\_PD Est #74\_CUP #1203.pdf, 15. CC Res for EIR.pdf, 16. CC Res - GPA #15-03.pdf, 17. Draft Ordinance.pdf, 18. Legis Action Agrmt.pdf, 19. Enclosure 1 - Merced Gateway FEIR.pdf

Date	Ver.	Action By	Action	Result
8/7/2017	1	City Council/Public Finance and Economic Development Authority/Parking Authority	approved	Pass

*Report Prepared by: Julie Nelson, Associate Planner, Planning Department*

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D. Authorizing the City Manager or Assistant City Manager to execute the Legislative Action Agreement (formerly known as a Developer Agreement).

## ALTERNATIVES

1. Approve the request as recommended by the Planning Commission and staff; or,
2. Approve subject to modifications as conditioned by the City Council; or,
3. Deny the request; or,
4. Refer back to staff for reconsideration of specific items (specific items to be addressed in the motion); or,
5. Continue to a future meeting (date and time to be specified in the motion).

## AUTHORITY

Title 19 of the Merced Municipal Code outlines environmental review procedures and California Government Code Section 65358 (a) grants authority to amend all or part of an adopted General Plan. The legislative body may amend the zoning pursuant to California Government Code Section 65583.

## CITY COUNCIL PRIORITIES

Coordinating with the developer of the retail center at Campus Parkway/Highway 99 has been listed as a City Council priority for several years.

## DISCUSSION

### 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 1). 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 2, 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 3).

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 (refer to Exhibit D of the Draft Ordinance at Attachment 17) 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 4). The Zone Change would change the zoning for the entire site to Planned Development (P-D) #74 (Attachment 5).

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 6 for the proposed location of each of these uses. The tables below show the proposed uses for the northern portion and southern portion of the project. 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 Exhibit D of the Draft Ordinance at Attachment 17.

#### North Area Development

Use	End Uses	Characteristics
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

Use	End Uses	Characteristics
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)

#### Planned Development Standards

The proposed Zone Change would change the zoning to Planned Development (P-D) #74. The purpose of the Planned Development (P-D) zoning is to allow for a high quality development that deviates from standards and regulations applicable to other zoning districts. The Planned Development zoning district is intended to promote creativity in building design, flexibility in permitted land uses, and innovation in development concepts. In the case of the proposed development, the use of the Planned Development zoning allows the project to be a “mixed-use” project that includes both residential uses and commercial uses within the same zone. It also allows for the adoption of the Merced Gateway Master Plan that defines design standards, including general building design, landscaping, sign allowances, etc., that will be specific to Planned Development (P-D) #74 (refer to the Master Plan at Exhibit D of the Draft Ordinance at Attachment 17 for details).

The Zoning Ordinance requires specific findings be made in order for the City Council to approve a

Planned Development. These Findings are found at Attachment 7. The Findings and Standards would be adopted as part of the Ordinance establishing Planned Development (P-D) #74.

### Traffic and Circulation

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 from Gerard Avenue is accomplished by two access points into the shopping center, 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 North and South 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. Refer to the Site Plan at Attachment 6 for details on the proposed access to the project site.

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 City Council. (Please ask staff if you need another copy.)]. As a result of the traffic analysis, mitigation measures are being recommended along with a Circulation Transportation Improvement Phasing Plan (Attachment 8).

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 (refer to Condition #16 of Planning Commission Resolution #3084 at Attachment 12).

#### *Acceptable LOS:*

Level of Service (LOS) analysis provides a basis for describing existing traffic conditions and for evaluation of 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 11 (see Section 3.11-Transportation beginning on Page 14)].

The CTIPP (Attachment 8) 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 of Planning Commission Resolution #3084 at Attachment 12). 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 of Planning Commission Resolution #3084 at Attachment 12).

### *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 of Planning Commission Resolution #3084 at Attachment 12).

### *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 of Planning Commission Resolution #3084 at Attachment 12). 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 of Planning Commission Resolution #3084 at Attachment 12 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 9). 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 of Planning Commission Resolution #3084 at Attachment 12 requires sidewalks or pedestrian pathways to be provided throughout the parking areas to provide access from the parking areas to the buildings.

### Public Improvements/City Services

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 of Planning Commission Resolution #3084 at Attachment 12). 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 of Planning Commission Resolution #3084 at Attachment 12). 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 10). 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 storm drainage purposes. The storm water system shall be approved by the City Engineer (Condition #49 of Planning Commission Resolution #3084 at Attachment 12).

### City Funding Obligations/Reimbursements

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); and Public Facilities Impact Fee (PFIF) projects (per MMC 17.62). 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 Pluim 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.

#### Neighborhood Impact/Interface

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 1, 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 of Planning Commission Resolution #3084 at Attachment 12). 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.

### Building and Site Design and Signing

The Merced Gateway Master Plan provides guidance and standards for building and site design (including landscaping) and sign regulations. More information on these issues refer to the Merced Gateway Master Plan at Exhibit D of the Draft Ordinance at Attachment 17 and the Planning Commission Staff Report at Attachment 14.

### Flooding

State law requires the City make a finding related to the California Urban Level of Flood Protection (200-year Flood) for all new development within any Special Flood Hazard Area (SFHA) as defined by FEMA. The project site is located in a FEMA Flood Zone AO-1. According to the Urban Level of Flood Protection Summary Report prepared for the City in November 2015, projects within this FEMA Flood Zone are only required to meet the FEMA Standard of Flood Protection in order to comply with the California Urban Level of Flood Protection requirements. Condition #56 of Planning Commission Resolution #3084 at Attachment 12 requires the project to comply with all FEMA and Urban Level of Flood (California 200-year flood) requirements.

### Reduction in Land for Housing

In compliance with state requirements, the City is required to maintain sufficient land available to meet the allocation for affordable housing as determined by the Regional Housing Needs Assessment (RHNA). Typically, land designated for multi-family use is more suitable for affordable housing and is often included in the City's calculation to meet the requirements of the RHNA. However, because staff was processing this application at the time of the Housing Element update and recognized the potential for the land use change, the project site was not included in the calculation of land available for affordable housing. Therefore the proposed change would not affect the City's ability to meet its obligation for affordable housing as determined by the Regional Housing Needs.

## Environmental Review

### *Draft Environmental Impact Report*

The Draft EIR analyzed two alternatives: 1) the proposed project without the construction of Pluim Drive on the east side of the project site (referred to as "the Project"); and, 2) the proposed project with the construction of Pluim 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 City Council 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*

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 Draft City Council Resolution at Attachment 15).

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 Circulation Element Alternative.

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

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 A of the Draft City Council Resolution at Attachment 15).

All significant impacts associated with the Project have been mitigated to a level of insignificance except those described above. Therefore, a Draft Statement of Overriding Considerations (Section VIII beginning on Page 33 of Exhibit A of the Draft City Council Resolution at Attachment 15) 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.

### Planning Commission Action

The Planning Commission held a duly noticed public hearing on this matter on June 21, 2017. At the meeting, five people spoke in favor of the project and two people were neutral, but expressed concerns regarding traffic impacts on Pioneer School. No one spoke in opposition of the project. After hearing the public testimony, the Planning Commission voted unanimously to recommend approval of this project to the City Council. Planning Commission Resolution #3083 (recommending approval of the Merced Gateway Master Plan EIR) and Resolution #3084 (recommending approval of the Merced Gateway Master Plan) are provided at Attachments 12 and 13, respectively. An excerpt of the Planning Commission Minutes is provided at Attachment 13, and the Planning Commission staff report is provided at Attachment 14.

### City Council Action

The City Council would need to take four actions to approve this request:

1. Adopt the Findings of Fact and Statement of Overriding Considerations and Mitigation

Monitoring Program and certify the Final Environmental Impact Report for the Merced Gateway Master Plan by adopting the Draft Resolution at Attachment 15; and,

2. Approve General Plan Amendment #15-03 by adopting the Draft Resolution at Attachment 16; and,
3. Approve Zone Change #422, the Establishment of Planned Development (P-D) #76, and the Merced Gateway Master Plan by adopting the Draft Ordinance at Attachment 17; and,
4. Authorize the City Manager or Assistant City Manager to execute the Legislative Action Agreement at Attachment 18.

## **IMPACT ON CITY RESOURCES**

The project is required to annex into the City's Community Facilities District (CFD) #2003-2 for services. The funds collected through the CFD would help cover the costs of Police and Fire protection as well as landscape maintenance for landscaping in the public right-of-way, as well as storm drain maintenance. No other impacts to City services are anticipated.

## **ATTACHMENTS**

1. Location Map
2. Current General Plan Designations
3. Current Zoning Designations
4. Proposed General Plan Designations
5. Proposed Zoning Designation
6. Proposed Site Plan
7. Findings for the Establishment of Planned Development (P-D) #74
8. Circulation Transportation Improvement Phasing Plan
9. Bicycle Plan
10. Storm Drainage Plan
11. Planning Commission Resolution #3083
12. Planning Commission Resolution #3084
13. Planning Commission Minutes Excerpt
14. Planning Commission Staff Report #17-11
15. Draft City Council Resolution certifying the Final and adopting Findings of Fact, a Statement of Overriding Considerations, and a Mitigation Monitoring Program
16. Draft City Council Resolution approving General Plan Amendment #15-03
17. Draft Ordinance approving Zone Change #422, Planned Development (P-D) Establishment #74, and the Merced Gateway Master Plan
18. Legislative Action Agreement

## **ENCLOSURES:**

1. Final Environmental Impact Report