



STAFF REPORT AND RECOMMENDATION

CITY COUNCIL

Chris Vierra, Mayor
Ken Lane Bret Durossette
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MEETING DATE: March 6, 2017

TO: Planning Commission

FROM: Tom Westbrook, Director of Community Development,
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SUBJECT: Consideration of a Preferred Land Use Alternative

INTRODUCTION

Staff is requesting that the Planning Commission provide a recommendation to the City Council regarding a Preferred Land Use Alternative to form the basis for the General Plan Update. The Planning Commission's recommendation will be forwarded to the City Council, who will provide final direction on the Preferred Land Use Alternative at their March 27, 2017 meeting. Once the Preferred Land Use Alternative is selected, the consultant will begin preparing the Draft General Plan and the necessary environmental review to support it.

BACKGROUND

As part of the General Plan Update process, one of the most important decisions the community will make about potential future growth is the location and intensity of new land uses. The land use alternative phase of the General Plan Update process informs the discussion regarding the selection of a preferred land use scenario as the basis for the updated General Plan Land Use Element. The three land use alternatives were created using the 1997 Land Use Diagram as a base. As the Planning Commission is aware, the boundaries for the updated General Plan are consistent with the boundaries of the 1997 plan. Among the three alternatives, various changes in land uses (type and location) are being considered. Changes reflected in those alternatives are driven largely by future regional transportation projects; one of which is the Service/Mitchell Interchange at State Route 99. The other transportation project with the greatest potential to influence future land use is the development of the Faith Home Road bridge across the Tuolumne River, which will ultimately connect State Route 132 with State Route 99.

Three Proposed Alternatives

Alternative 1: Modified Existing General Plan. This Alternative would retain most aspects of the existing General Plan land use diagram, with an adjustment to take advantage of the interchange reconstruction at Service Road by designating land around the interchange as Regional Commercial (in place of the current Business Park and Commercial Recreation designations). The Regional Commercial designation is also expanded to include more flexibility in allowable uses. The area affected by this change is primarily the area south of Service Road and west of State Route 99.

Alternative 2: Southern Industrial Cluster. This Alternative, in addition to the Regional Commercial changes proposed in Alternative 1, would create a cluster of industrial uses within the southeast portion of the Planning Area. This change would provide greater industrial development opportunities close to the freeway on a wider variety of parcel sizes than currently exists. The new southern industrial cluster would take the place of currently designated (but undeveloped) residential uses. Parcels along SR-99 have been designated Regional Commercial and further along SR-99 are designated as Service Commercial. A large area in the southern portion has been designated as General Industrial rather than Residential. The area affected by this change is primarily the area south of Service Road and west of State Route 99.

Alternative 3: Eastern Industrial Corridor. This Alternative would establish a future industrial corridor on the eastern edge of the Planning Area, and would focus new residential development in the south. Like the first two alternatives, Alternative 3 proposes designating most of the land in the southeast as Regional Commercial in order to best position the City for future economic development opportunities associated with the freeway interchange reconstruction. Parcels along the eastern side of Faith Home Road are designated Industrial Reserve (Reserve designations indicate a lower likelihood of development within the planning horizon – through 2035), while two parcels north of Faith Home Road are designated as General Industrial, anticipating their nearer-term development. Parcels south and southeast of the Wastewater Treatment Facility have been designated as Regional Park and Residential, instead of Industrial Reserve. Alternative 3 would also lend itself to a hard eastern edge for the City of Ceres with a quarter-mile wide strip of Industrial Reserve, and Agriculture on the east side of Faith Home Road, but would still allow for connection to the Beard Industrial Park in Modesto via improvement of Faith Home Road and a future bridge across the Tuolumne River.

Community Input on the Alternatives

The development of the three proposed land use alternatives included the following:

- On November 15, 2016, the City Council and Planning Commission held a joint workshop to provide input on the selection of three preliminary proposed land use alternatives for future growth to be studied in the General Plan Update. At that meeting the Council and Commission directed staff to move forward and study three proposed land use alternatives, as presented by the consultant.
- Two community workshops were held on January 25th (English) and February 1st (Spanish), to garner community comments on the proposed three land use alternatives. The January 25th workshop had 55 participants, while the February 1st workshop had 34 participants. Notice for each workshop was provided in the Ceres Courier. In addition, property owners potentially affected by a land use change in any alternative were mailed a notice about the January 25th workshop so they could have an opportunity to participate.
- E-mail “blasts” and the General Plan Update website: www.ceresgeneralplanupdate.com also provided ongoing updates regarding the General Plan process.

CONSULTANT REPORTS

Alternative Plans Evaluation Report

This document (attached) includes an Executive Summary and includes a comparison of potential growth findings, such as potential development, population, jobs, transportation, fiscal, and infrastructure impacts, for each of the three Land Use Alternatives.

Evaluation of the Three Land Use Alternatives

Within the Alternative Plans Evaluation Report, there is information regarding projections related to population, jobs, transportation and fiscal impacts, farmland and utilities of each alternative. While the “horizon year” for the General Plan Update is 2035, it is extremely important to note that it is very unlikely that any of these growth projections would be realized by the year 2035. While the City may take actions to influence economic development and housing production, the actual amount of new housing and new jobs created through the year 2035 is subject to broader market conditions and other factors outside of the City’s control. Rather, these projections illustrate the *capacity* of the land uses in the Planning Area to support development, and provide an analysis of what might happen if all of the General Plan Study area were developed sometime past the 2035 time horizon.

- New Development: Each Alternative has the capacity for new development, especially for new office, commercial, and industrial uses. According to build-out assumptions, each Alternative could support approximately a 50 percent increase in housing units, four times the amount of existing office development, six times the amount of existing commercial development, and two times the

amount of existing industrial development in the City. Alternative 2 could accommodate the most commercial development, while Alternative 3 could accommodate the most new industrial development. Again, it is important to note that the actual amount of development that will occur in Ceres during this planning horizon (through 2035) is dependent on many factors, and this analysis should not be considered a prediction of growth. Instead, the purpose of the build-out estimate is to compare the potential development that could be accommodated under each Alternative.

- Population and Jobs: Based on the land supply for new residential and nonresidential development, each Alternative has the capacity to accommodate a 50 percent increase in the population of Ceres and a 400 percent increase in the number of jobs. Again, it should be noted that for each Alternative, while land use designations allow for growth, broader market forces will determine the actual number of new housing units and jobs created in Ceres over time, and that these population and job capacity projections represent more growth than Ceres is expected to see by the 2035 General Plan horizon. Based on the land uses of each Alternative, new jobs would be relatively evenly split between commercial and industrial jobs, although Alternative 3 could accommodate more industrial jobs than the other two Alternatives.
- Fiscal Health: Due to the focus on commercial and industrial growth, each Alternative is expected to result in an annual budget surplus for the City of approximately 1.7 million to 2.2 million dollars, with Alternative 2 and 3 being the most fiscally favorable. In addition, each Alternative accomplishes certain policy objectives, such as an improved employment to housing balance and more opportunities for regional retail.
- Farmland: Farmland can be impacted directly through the conversion of agricultural land and indirectly through the introduction of new incompatible uses adjacent to agricultural land. This analysis assesses the potential direct impacts of each Alternative by comparing proposed changes to land use designations. Alternative 1 would not change the amount of land designated for Agriculture. Alternative 3 would redesignate the most amount of land from Agriculture to urban land uses, suggesting that it could have the greatest potential for direct impacts to farmland.
- Transportation: Each Alternative would increase demand for travel throughout Ceres and the surrounding area. Vehicle miles traveled (VMT) per capita for travel within the Planning Area would decrease, indicating that the provision of increased jobs, retail opportunities, and housing would provide greater opportunities for people within the local area to meet their daily needs with less vehicle travel. In comparison, VMT per capita based on the full length of trips would increase, indicating that the new retail and employment opportunities under each Alternative would attract people from outside of Ceres to travel into the Planning Area.

Assuming certain roadway improvements to accommodate additional travel, including a Faith Home Road Expressway, each Alternative could result in greater congestion on State Route 99, Crows Landing Road near State Route 99, Carpenter Road around Whitmore Avenue, some segments of Mitchell Road, and Whitmore Avenue near State Route 99. Under Alternative 3, portions of Hatch Road would also degrade. In addition, an analysis of roadway conditions without the construction of the Faith Home Road expressway was also constructed for Alternative 1. Under this scenario, there would be further congestion on Mitchell Road, Carpenter Road, State Route 99, and segments of Hatch Road. Travel demands are based upon full build-out of the General Plan.

- Infrastructure (stormwater, water, wastewater): The estimated capital costs for new stormwater infrastructure, including construction costs and other fees and services, to serve the three Alternatives range from approximately \$37 to \$45 million. Alternative 2 has the largest stormwater infrastructure requirements and the highest infrastructure costs, because this Alternative has the largest areas of high intensity land use designations such as General Industrial and Service Commercial.

The cost of water system infrastructure is similar for each Alternative ranging from approximately \$111 million for Alternative 1 to \$114 million for Alternative 3. Alternative 2 would require slightly more large-diameter pipelines to serve the high intensity land uses in the General Industrial and Service Commercial designations, and Alternative 3 would require the installation of pipelines to serve any new industrial uses in the southeast part of the Planning Area.

The cost of wastewater infrastructure is similar for each Alternative and falls within the margin of error of the cost estimates of the City's 2013 Sewer System Master Plan.

Community Workshops Alternatives – Summary Report

The Community Workshops Alternatives Summary Report (attached) highlights the input received from two community workshops: one held in English (January 25, 2017) and the other in Spanish (February 1, 2017). Both workshops focused on exploring community members' responses to three proposed land use alternatives.

Although there was a diversity of opinions shared, a few common themes emerged from both workshops including: infill development and focus on the downtown; agricultural land; conservation and incompatible uses; infrastructure and public service costs; job growth; and health and safety.

Participants at the January 25th workshop had the strongest reactions to Alternative 3. Some of the participants supported the idea of leveraging the potential transportation investments in Faith Home Road to support new, good jobs in Ceres and to divert truck

traffic from Mitchell Road; if the bridge over the Tuolumne River is not built, they would prefer a greenbelt between Hughson and Ceres.

Another group discussed their support for industrial development along Faith Home Road rather than in the proposed location of Alternative 2.

Planning Commission's Task Regarding the Three Land Use Alternatives

The Planning Commission's task is to review and comment on the three Land Use Alternatives, as outlined above and to make a recommendation to the City Council for a preferred Land Use Alternative.

The Planning Commission may recommend one of the land use alternatives that have been studied, or a hybrid land use approach utilizing portions of the three alternatives. In making a decision it is suggested that the Planning Commission:

- Consider the analysis, public input that has been gathered to date and public testimony at the meeting; and
- Consider the community's vision and goals that have been developed through the General Plan Community Workshop process.

Next Step – City Council to Select Preferred Alternative

The selection of a preferred alternative is by no means the final decision on the land use plan that will be included in the General Plan Update. Once the City Council has selected the Preferred Alternative, it will be utilized as a basis for preparing the detailed General Plan land use and circulation diagrams, General Plan goals, programs, policies and implementation programs, as well as conducting environmental review (i.e., preparation of an Environmental Impact Report or EIR).

CEQA

The recommendation of the Planning Commission will be forwarded to the City Council for their consideration. Once that step is complete, the establishment of the preferred alternative and the drafting of policies, an Environmental Impact Report (EIR) will also be completed.

REQUIRED ACTION

Following the Public Hearing, Staff requests that the Planning Commission select a Preferred Land Use Alternative and forward their recommendation to the City Council for their consideration.

Attachments: Alternative Plans Evaluation Report (*includes technical memoranda documents*)
Community Workshops Alternatives Report (*includes notes from both Workshops*)
Figure 3-2: Proposed Change Areas in Alternative 1
Figure 3-3: Alternative 1 – Modified Existing General Plan
Figure 3-4: Proposed Change Areas in Alternative 2
Figure 3-5: Alternative 2 – Southern Industrial Cluster
Figure 3-6: Proposed Change Areas in Alternative 3
Figure 3-7: Alternative 3 – Eastern Industrial Corridor

