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Merced Vision 2030 General Plan
"Gateway to Yosemite"

Chapter 2
Urban Expansion

2.1 BACKGROUND & SETTING

The City of Merced is the largest incorporated city in Merced County. As such, County planning policies can influence City planning efforts. County policies also affect the rural and suburban areas immediately outside the City's incorporated limits.

Problems may result if there is no coordination between City and County planning policy efforts, including:

- Development or establishment of incompatible land uses in proximity to each other.
- Premature urban expansion without adequate supporting infrastructure or service.
- Development of low-density "suburban" type of housing in areas which could be more appropriately used for "urban" densities or uses.
- Inefficient land use and circulation patterns that can lead to increased public service costs.

The *Merced 2000 County General Plan* (also being updated), in response to the potential problems of uncoordinated development, has adopted and implemented the "Urban Centered Concept" for development in the unincorporated areas of the County.

The Urban Centered Concept establishes a County policy of focusing growth to cities and unincorporated communities or centers to accomplish anticipated urban expansion needs of the County. In general, the County's plan guides future growth into established "urban areas" based on the ability of the area to furnish public services.

The stated purpose of the County's Urban Centered Concept is to assure that:

- Growth occurs in an orderly and logical manner;
- Land is utilized efficiently;
- Agricultural operations are not eliminated prematurely;
- The County's planning efforts are complementary to those of the cities; and
- Urban development occurs where proper services are available.

The City of Merced is located within the Merced Specific Urban Development Plan (SUDP) area or "urban expansion area." The SUDP boundary is recognized as the City's ultimate growth boundary over the life of this plan. The City's Sphere of

Influence (SOI) is proposed to be the same boundary as the SUDP in the *Merced Vision 2030 General Plan*. Merced County policy states that all land within the SUDP is planned for eventual development through a mixture of urban and urban-related uses.

The City of Merced's General Plan builds on the County SUDP policies to provide a long term growth strategy for Merced's future expansion.

This Urban Expansion Chapter addresses the location and timing of new development in the City's planned expansion area. The policies of this Chapter address: 1) expected future growth, 2) density of future growth areas, and 3) the distribution of future growth.

This Chapter's policies and standards are based on projected population growth of the City. Various methods have been utilized in projecting the City's long term growth; however, timing of annexations within the growth area will be based upon actual development demand.

The overall approach of this General Plan is to identify and implement a strategy that accommodates future population growth in the most efficient manner possible. As a result, the policies of this chapter are primarily concerned with the density and distribution of projected future population growth.

Conservation and efficiency are the guiding philosophies of this Chapter. Like many other Central Valley cities, Merced's origins are tied directly to agricultural production. Agriculture is, and will continue to be, a major contributor to the overall economic health of the City.

As the City grows, expansion will inevitably encroach onto productive crop land. The *Merced Vision 2030 General Plan* includes policies to guide urban growth towards the least productive soils in the area.

2.2 LONG RANGE PLANNING

2.2.1 Historic General Plans

1959 General Plan

In 1959, when Merced was a small city with a population of 20,000, it adopted its first general plan. During the 20-year life of that general plan, it was expected that Merced would double its population. The land use map showed mostly single-family residential growth with some scattered multi-family in the area bounded by Black Rascal Creek to the north, McKee Road to the east, Gerard Avenue to the south, and Highway 59 to the west.

Major commercial areas were located downtown and along G Street with neighborhood commercial centers spread throughout the planning area. The map also showed industrial development along the west side of North Highway 59, in the area surrounding the Merced Airport, on both sides of South Highway 59, along 16th

Street, on the south side of the then proposed Highway 99 from north of Childs Avenue south to Mission, and south of Yosemite Park Way near Kibby Road.

The major street network consisted of a freeway on Highway 59, G, M, and R Streets, Parsons Avenue, and McKee Road in the north-south direction and Yosemite Avenue, Olive Avenue, Yosemite Park Way, a proposed elevated freeway (now Highway 99), Childs Avenue, and Mission Avenue in the east-west direction.

The major issues facing the framers of the 1959 General Plan included preserving of the City's neighborhoods, converting Main Street between K and M Streets into a pedestrian shopping mall, locating a new civic center across M Street from the County Courthouse (now the site of the County Administration building), and the rehabilitation of blighted areas, mostly on the south side of the City.

1968 General Plan

In 1967-68, the "Citizens Committee of 100" was formed to update the City's General Plan. Merced's population was 24,000 and was expected to reach 60,000 by 1990. The major focus of the plan was to have a clearly defined urban growth area in order to preserve prime agricultural land.

Changes to the land use map from 1959 to 1968 included the reduction of the amount of industrially-designated land and its concentration in three main areas--at Yosemite Park Way and Kibby, around the Merced Airport, and on the west side of Highway 59 from 16th Street to Santa Fe Drive; the designation of two major regional commercial centers--one in the downtown area near M and 18th and one in North Merced near Olive and M (the current site of the Merced Mall); a regional park and golf course in the Fahrens Park area; a new high school site immediately north of the existing Merced High School North Campus; the development of a Civic Center near 18th & M; and a system of greenways and strip parks along the three major creeks--Fahrens, Black Rascal, and Bear.

The circulation system remained relatively unchanged from 1959 except for a proposed rerouting of Highway 140 through the City. This proposed route would have swung north from Gurr Road to tie into Highway 99 at the Franklin Road interchange, followed the route of Highway 99 through the City, and then would have left Highway 99 at Mission Avenue and moved diagonally north and east until it met up with Yosemite Park Way east of the City near Orchard Road.

1981 General Plan

In 1981, the City had a population of 37,000 which again was expected to double during the 20-year life of the plan. This general plan focused most of the City's new growth to the north and south in order to preserve the prime agricultural lands to the City's west and east. The City's Specific Urban Development Plan (SUDP) or growth boundary was established and City/County cooperation on growth issues was emphasized. Preservation of agricultural areas, existing neighborhoods, and creekside open space remained a high priority.

Most of the land use plan still called for single-family residential, but higher densities were established in key areas of downtown and in the Merced Mall area where they would be close to services. Commercial areas in North Merced were

significantly expanded, especially for professional office; but concern for downtown led to policies against establishing any new regional commercial facilities unless the need could be clearly demonstrated. Many of the "surplus" industrial areas eliminated in the 1968 General Plan were now back.

The circulation element called for a clear hierarchy of streets, controlled access on major streets, and an expanded off-street bicycle path system incorporated into the creekside open spaces.

2.2.2 Merced 2030: How Should We Grow? and the Village Concept

Beginning in 1990 with the *Merced 2030: How Should We Grow?* process, the City began looking at the manner and direction of the City's future growth.

At that time, population projections indicated that the City could reach a population of 250,000 by the year 2030. Although subsequent events (Castle AFB's closing, the recession in the economy, etc.) tempered this projection, the assumption remained the same--the City would grow to be much larger and, if Merced is to avoid the pitfalls of other urban areas that size, we needed to start planning for accommodating that growth today.

The *Merced 2030* process evaluated four different growth scenarios in terms of future impacts on quality of life: efficient circulation, public services and facilities provision, environmental constraints, and estimated future costs.

"The Northern City"-- Scenario IV envisioned growth to the north and northeast around Lake Yosemite. This scenario sought to avoid environmentally-sensitive lands and allowed for the efficient and relatively inexpensive provision of public services. Of all the scenarios, Scenario IV fit in best with the possible location of a UC campus near the lake, which at the time had only been narrowed down to 20 sites throughout the Central Valley.

After much public discussion throughout 1990, Scenario IV, *"The Northern City,"* (***Figure 2.1***) was adopted along with the "Village Concept," which envisioned Merced's future growth in a series of mixed-use, self-sustaining, pedestrian-oriented neighborhoods.

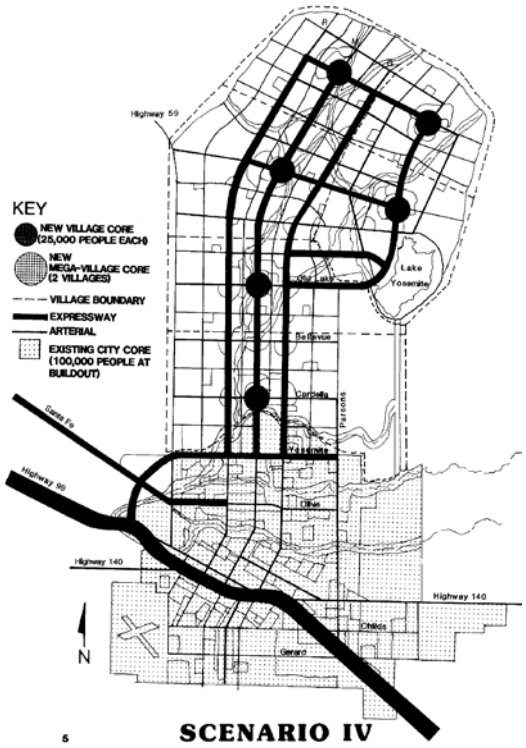


Figure 2.1

The Northern City

Subsequently, the *North Merced Conceptual Land Use Plan* for an 8,000-acre study area

in North Merced was completed in 1992. This plan refined the "Village Concept," defined design guidelines to implement the concept, and proposed a circulation system utilizing a mile-grid of arterials and an expressway along Highway 59. Each of the villages is to be anchored by a commercial center (or core) of varying sizes along a major arterial surrounded by higher-density housing within a 1/4-mile radius and single-family development beyond. This plan, with some modifications to allow more commercial development within the villages and to provide more employment opportunities along Highway 59, formed the basis for the *Merced Vision 2015 General Plan* Land Use Diagram for the City's northern growth area.

2.2.3 Merced Vision 2015 General Plan

The *Merced Vision 2015 General Plan* was the end result of the previous long-range planning efforts described in Section 2.2.2. The Land Use Diagram incorporated many aspects of each of these efforts, although it was not an exact copy of any of them.

The *Merced Vision 2015 General Plan* envisioned a growing community that preserves much of its small town flavor and social setting, a city that has an improved economy, adequate public services and cultural facilities, and a good overall quality of life for its residents. The *Merced Vision 2015 General Plan* relied on several assumptions regarding existing and anticipated future conditions within Merced's growth area, otherwise known as the Specific Urban Development Plan (SUDP). Specifically, these assumptions were:

1) The 10th University of California (UC) campus would be developed in the vicinity of Lake Yosemite on the northeastern edge of the Merced growth boundary or SUDP.
2) Future population growth in the Merced growth area would approach 145,000 by the year 2015 and 240,000 by the year 2035.
3) In order to accommodate efficient levels of service delivery, regional urban development (residential, commercial, and industrial) would be focused within the Merced City's growth area (SUDP) and not in the unincorporated areas surrounding the City.

The *Merced 2015 General Plan* aimed to achieve the following goals as well as many others:

- Expansion of the urban limit line (SUDP area) to accommodate expected growth
- Preservation of prime agricultural land around the City
- Continuation of the predominantly north-south growth pattern
- Expansion of the "Sphere of Influence" (ultimate urban growth boundary) to include rural residential centers east of the City and the UC campus site/Smith Trust property

- A joint City/County planning effort for the area around the future University of California campus
- *Economic Development:* Planning well in advance for industrial/business park uses and for the infrastructure needed to support such development
- A flexible and efficient circulation system which can accommodate all modes of transportation (private cars, public transit, bicycles, pedestrians, etc.)
- Mixed-use, transit- and pedestrian-friendly "urban villages" with direct access to commercial centers from surrounding neighborhoods
- Location of higher densities along transit corridors
- A diversity of housing types and opportunities
- Housing affordability
- *"Sustainable Development"* = The efficient use and management of land and other natural resources in order to conserve them for the use of present and future generations

2.2.4 Merced Vision 2030 Land Use and Growth Projections

The *Merced Vision 2030 General Plan* builds upon the City's previous long-range planning efforts, especially the *Merced Vision 2015 General Plan.* This plan recognizes and incorporates the valuable work that led to the "Village Concept," and proposes to continue with that vision. The Plan also acknowledges the reality of continued growth, and works to accommodate that growth in ways that are both positive and environmentally sound. Fortunately, the far-sightedness of previous plans and studies means that there will be no sudden change in policy, but rather a smooth continuation of vision and process that is already familiar to citizens and developers alike.

The primary issues addressed in this plan are how and where to direct new growth, based on physical land constraints surrounding Merced, and by the regulatory constraints that protect these same physical attributes.

The City recognizes that difficult choices must be made. It would not be possible to allow for continued growth and completely avoid every constrained area. The Land Use Diagram has been designed to take advantage of some opportunities presented by development plans, and the construction of the new U.C. Merced campus.

The Land Use Diagram will accommodate a population larger than what is projected in ***Table 2.1***. ***a***, which reflects projections done by the Merced County Association of Governments in 2004, and includes the projected population for the City of Merced and its SUDP/SOI along with the UC Merced campus and University Community (which includes both the University Community North and the University Community South). MCAG provides separate population projections for the UC area, which are included in the City's SUDP/SOI numbers in Table 2.1. (The 2030 population number was subsequently

reduced from 154, 961 to 137,779 by MCAG in July 2010 when new population projections were adopted. A 2035 population projection of 152,100 was also added. A new Table 2.1.b has been added to show the July 2010 population projections for both the City and UC Merced/University Community as well as Merced County.) This is beneficial in two ways. In the short term, it provides enough locational options that the market is free to operate. In the long run, the additional land within the plan will add to the useful life of the plan. Absent any significant change in circumstances, the plan provides for as much as 40 years' worth of growth.

Table 2.1
City of Merced Population Projections
(2000 to 2030)

Year	*City SUDP*	*Percent of County*
2000	63,893	30.4%
2005	74,010	30.7%
2010	85,798	31.1%
2015	99,463	31.6%
2020	115,305	32.1%
2030	154,961	33.7%

Source: Merced County Association of Governments, 2004

Table 2.1.b
City of Merced Population Projections (2010-2035)

Year	*City of Merced*	*UC Merced/ University Community*	*Merced + UC Merced/Univ. Community*	*County of Merced*	*Percentage of County (Merced & UC)*
2010	81,500	1,900	**83,400**	260,000	32.1%
2015	91,500	4,700	**96,200**	287,000	33.5%
2020	107,600	9,400	**117,000**	331,000	35.3%
2025	121,800	15,600	**137,400**	372,000	36.9%
2030	137,400	22,500	**159,900**	417,500	38.3%
2035	152,100	31,300	**183,400**	465,500	39.4%

Source: Merced County Association of Governments, July 2010

2.3 URBAN EXPANSION

2.3.1 Urban Expansion Constraints

Merced has a number of important physical growth constraints that will continue to limit the direction of future growth. These growth constraints include the following:

1) Growth is restricted around the Merced Regional Airport in the southwest corner of the City due to the noise and safety hazards associated with the flight path. Residential growth around the airport cannot easily be accommodated without jeopardizing both the developing area and the presence of the airport. Land around the airport is primarily proposed

for industrial uses, which are not as sensitive to noise and safety hazards.

2) Growth is limited south of Mission Avenue due to flooding potential, a high water table, and highly productive agricultural soils. Access and provision of public services also limit the growth potential of this area. However, limited growth is proposed along the south side of Mission Avenue to take advantage of this important transportation corridor.

3) Growth is limited to the east south of Yosemite Avenue and north of Highway 140 due to the existence of prime agricultural soil as well as a lack of access and public services. Campus Parkway will travel through this area, adding to growth pressures.

4) Growth to the northwest was once limited by the noise and safety hazards posed by Castle Air Force Base's flight path. Now that the Castle Airport is used for civilian uses, the approach zones for the airport are being re-evaluated, which may create opportunities for additional residential development.

5) Growth to the northeast is limited for environmental reasons. The UC Merced campus and the proposed University Community sit on the southeast side of Lake Yosemite, and a planned community ("Yosemite Lakes") is proposed for the northwest side. Further development north of the Lake would be limited by sensitive habitat and wetlands areas.

For many years, the City has focused future growth predominantly to the north. The City's *Merced Vision 2015 General Plan* directed growth away from more environmentally-sensitive areas in the City's east and west areas and towards the lesser agricultural soils and grazing land to the north. However, new knowledge of sensitive habitats and species in this area will likely limit the ability of the City to grow any further in this direction.

In addition to the physical constraints noted above, there are other constraints that affect the City's growth pattern. Because of the City's predominantly northern growth pattern, the circulation system has for many years concentrated on moving traffic in a north-south direction. Thus, there is not as much traffic-carrying capacity on east-west streets as on north-south streets. The Bellevue Road/Merced-Atwater Expressway will provide a significant improvement in east-west access (as well as north-south access). In the south, Mission Avenue will see substantial improvements, as well. The Circulation Element will discuss east-west circulation needs in more detail.

2.3.2 Specific Urban Development Plan (SUDP) and Sphere of Influence (SOI)

There are three basic boundaries which define the City in relation to the County - the City Limit Line (discussed under Section 2.4 which follows), the Specific Urban Development Plan (SUDP) boundary, and the Sphere of Influence (SOI).

<u>Specific Urban Development Plan (SUDP) Boundary</u>

Since 1978, the "Urban Centered Concept" has been the guiding land use principle for the County. According to the *Merced County Year 2000 General Plan*,

> *"…the urban centered concept is directed at utilizing cities and un-incorporated communities or centers to accomplish anticipated urban expansion in an orderly manner, based on the ability of these communities to*

> *furnish public services along with land needs based on population demands and in balance with employment-generating land uses"*

The goal is "to provide for intensive urban development and to protect agricultural and open space land from uncontrolled sprawling urban development."

The County applies the Urban Centered Concept through the designation of Specific Urban Development Plans (SUDP), Rural Residential Centers (RRC), Highway Interchange Centers (HIC), and Agricultural Services Centers (ASC). Of these, only SUDP's and RRC's relate to the City's planning efforts. Specific Urban Development Plans are intended to accommodate all classifications of urban land use (residential, commercial, industrial, and institutional).

> *"An SUDP has a boundary line which is recognized as the ultimate growth boundary of the community over the life of the Plan, and all land within the SUDP is planned for eventual development in a mixture of urban and urban-related uses." (Merced County Year 2000 General Plan)*

Each of Merced County's six incorporated cities and eighteen unincorporated communities are presently designated as SUDP's. The Merced SUDP, adopted in 1997, can be seen in ***Figure 2.2.a.*** It contains approximately 20,000 acres.

City/County Property Tax Sharing Agreement

In February 1997, the "Property Tax Sharing Agreement between the City of Merced and the County of Merced" was adopted by the Merced City Council and Merced County Board of Supervisors, which included various land use provisions described below.

Within the agreement, the County agreed to amend its General Plan to accommodate the growth of the City as follows:

A) Within the City's 1997 SUDP, the County agrees not to change the land use designation of territory from a rural to an urban classification and to maintain existing agricultural zoning within the area. For any development projects within areas currently zoned for urban development, City development standards will be required and the City will be given an opportunity to encourage the property owners to annex to the City.

B) Within existing Rural Residential Centers (RRC), projects will be limited to residential development of one unit per acre or less. The County will not expand existing RRC's.

C) Within the University Community SUDP, the County agrees to implement development consistent with the cooperative planning process described in the County General Plan and to refer all development projects to the City for comment.

D) Within areas inside the City's 1997 Sphere of Influence, but outside the City 1997 SUDP, the RRC's, and the University Community SUDP, the City and County agree not to approve any changes in land use designation from non-urban to urban without prior agreement of the other party.

This agreement was a critical landmark in City/County cooperation and granted the City some control over development within its SUDP. However, the agreement will need to be updated to reflect policies relating to the City's new SUDP/Sphere of Influence as well as outlining provisions regarding the Areas of Interest (see Section 2.3.3)

Sphere of Influence

In the *Merced Vision 2015 General Plan*, adopted in 1997, the City's Sphere of Influence was a larger area than the SUDP and covered approximately 37,300 acres (***Figure 2.2.b***). With the *Merced Vision 2030 General Plan*, Merced's SUDP boundary is also the "Sphere of Influence" (SOI) boundary. California Government Code (Section 56076) defines a Sphere of Influence as "a plan for the probable ultimate physical boundaries and service area for a local agency as determined by the Local Agency Formation Commission (LAFCO)." In order for an annexation to be approved by LAFCO, the territory must be within the Sphere of Influence. State law also requires that the City be notified of any proposed land use changes or developments within its Sphere of Influence and be given a chance to comment on those proposals.

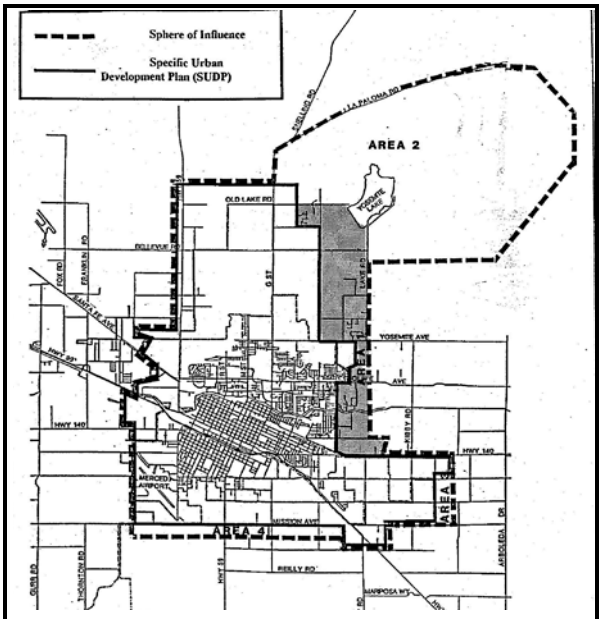


Figure 2.2.b

Merced Vision 2015 General Plan (1997) Sphere of Influence

Modifying the SUDP/SOI

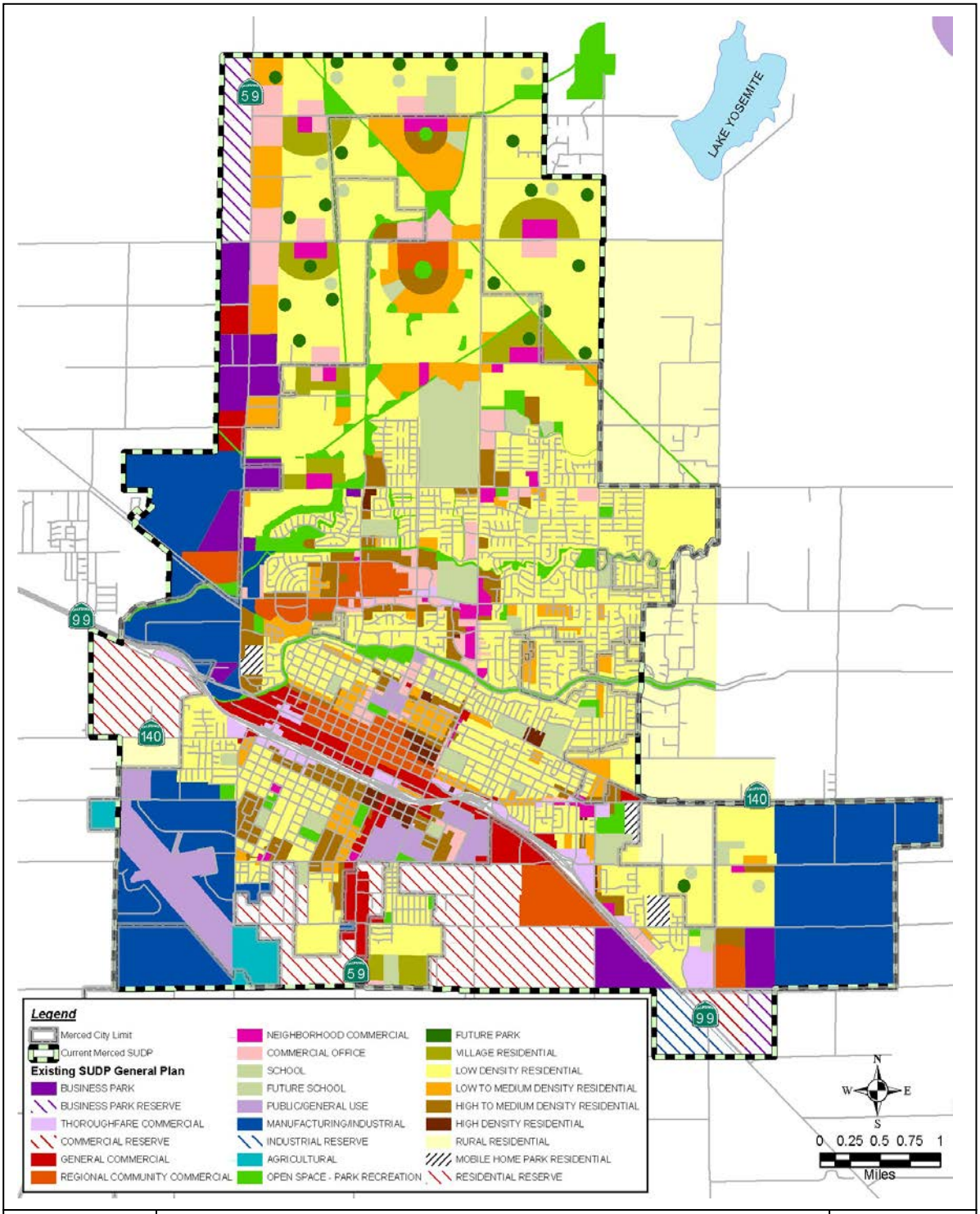
As part of the *Merced Vision 2030 General Plan*, the City is proposing a change to its SUDP boundary and Sphere of Influence (***Figure 2.3***). This change is necessary to accommodate the City's growth over the next 20 years (the usual life of a general plan) and to plan for potential urban growth over the longer term. Although in the past, the SOI boundary was different than the SUDP boundary, they are coterminous in this Plan. Additional lands that would logically be incorporated within the City at some point in the future are identified in the "Area of Interest," which is defined below. A detailed discussion of the justification for the modified SUDP/SOI follows.

In 1994, the Merced County LAFCO adopted a set of Goals, Objectives, and Policies to address local concerns and priorities regarding annexations. These policies spell out criteria which will be applied to cities requesting an amendment to their Sphere of Influence. The *Merced Vision 2030 General Plan* addresses the criteria as follows *(indicated in italics)*:

1) Identification of the City's desired Sphere of Influence boundary and all planned land uses in the expanded Sphere--*(See Land Use Diagram for all proposed uses within the SUDP.)*

2) Policy regarding the phasing of future annexations--*(See Urban Expansion Policies UE-1.1, UE-1.2, UE-1.3, and UE-1.6.)*

3) Policies regarding the timing of conversion of agricultural and other open space lands and the avoidance of conversion of prime soils--*(See Urban Expansion Policy UE-1.1 and Open Space Policies OS-2.1 and OS-2.2.)*



MERCED 2015 SPECIFIC URBAN DEVELOPMENT PLAN (SUDP) BOUNDARY

Figure 2.2.a

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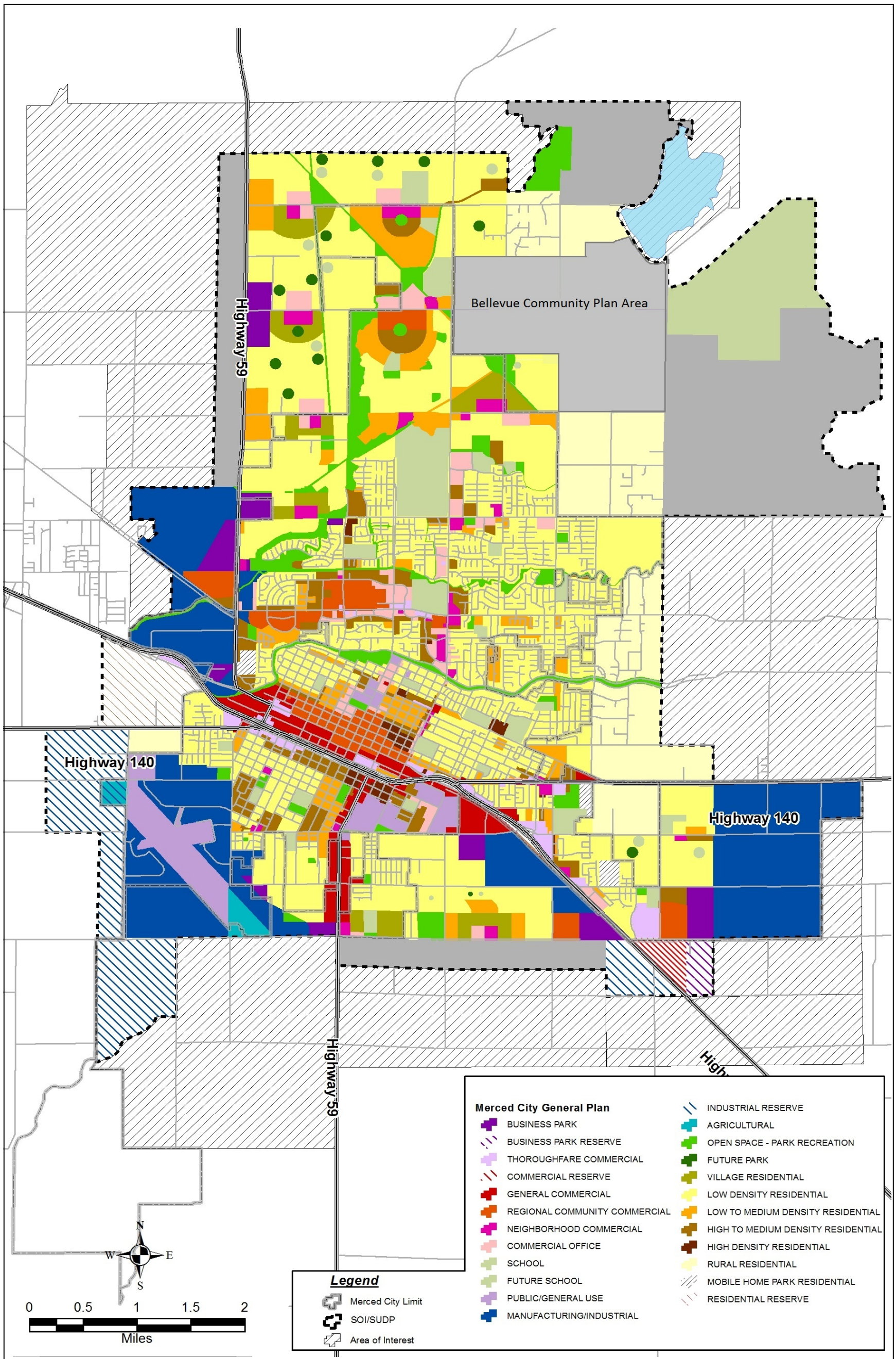

MERCED 2030 SPECIFIC URBAN DEVELOPMENT PLAN BOUNDARY (SUDP)/SPHERE OF INFLUENCE (SOI)

Figure 2.3

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4) Demonstration of the present and probable need for public facilities and community services (including the sequence, timing, and probable costs) within the sphere--*(See Urban Expansion Policy UE-1.3 and Public Services and Facilities Policies P-1.1, P-1.2, P-1.3, P-2.1, P-3.1, P-4.1, P-5.1, and P-7.1.)*

5) Identification of any social or economic communities of interest within the planning area, such as the relationship between any adjacent or nearby cities or special districts which provide urban services, which may affect the boundaries of the proposed sphere--*(See Urban Expansion Policies UE-1.1, 1.4, and 1.5.)*

Once LAFCO has approved the City's Sphere based on the above criteria, future annexation requests from the City for areas inside the Sphere will require only a limited review by LAFCO. This review will deal with the appropriateness and efficiency of the boundary and conformance with the City's General Plan, including relevant phasing policies and public service availability.

Proposed SUDP/SOI Changes

With this General Plan, the City is planning to have a coterminous SUDP and SOI, whereas the 1997 SUDP and SOI were different boundaries. The 1997 SUDP has been expanded to include some of the areas within the 1997 SOI (i.e. the Rural Residential Centers between Gardner and Lake, the UC Merced Campus, etc.), but also adding other areas outside the 1997 SOI (such as the University Community) and deleting some areas that were inside the 1997 SOI (much of the Smith Trust lands north of the UC Merced Campus). However, the net change in absolute size is minimal (***Figure 2.3***) with the proposed SUDP/SOI being 28,576 acres while the SOI in 1997 was approximately 33,700 acres. The relocation of the UC Merced campus and University Community after the *Merced Vision 2015 General Plan* was adopted in 1997 has resulted in over 7,000 acres that were within the SOI northeast of Lake Yosemite being removed from the SOI.

Draft SUDP/SOI Boundary

The City's current Specific Urban Development Plan (SUDP) and Sphere of Influence (SOI) boundaries are different boundaries. The Sphere of Influence (SOI), adopted in 1997, is larger (approximately 33,700 acres) and includes all of the 1997 SUDP (20,540 acres), plus the large area north and east of Lake Yosemite, which was originally the location of the UC Merced Campus and University Community, and the Rural Residential Centers west of Lake Road and Lake Road-extended.

With the *Merced Vision 2030 General Plan*, the SUDP and SOI will be the same boundary. Some, but not all of the areas in the 1997 SOI, are included in the Draft SUDP/SOI as shown on the Draft General Plan Land Use Diagram, since the large wetlands preserve north and east of Lake Yosemite (10,625 acres) will be deleted from the proposed SUDP/SOI. Other areas within the 1997 SOI, such as the UC Merced Campus and the Rural Residential Centers, have been included in the proposed SUDP/SOI. In addition to these areas, other areas outside of the 1997 SUDP and 1997 SOI have been proposed for inclusion.

At the beginning of the General Plan process, areas that were being analyzed for possible inclusion in the City's growth boundary were given individual area identifiers. For example, the UC Merced

Campus was designated as "Area 2" and the University Community was designated as "Area 3." A map of these study areas can be found at ***Figure 2.4.a.***

An outline of the areas proposed for inclusion in the Draft SUDP/SOI, which is approximately 28,576 acres, can be found below.

1) Areas within the Existing Sphere of Influence(SOI):
   - Deletion of Approx. 10,625 Acres, North and East of Lake (Area 1)
   - Area 2 (UC Merced Campus)
   - Area 3A (Yosemite Lakes)
   - Area 3B (between Bellevue & Cardella)
   - Area 3C (between Cardella & Yosemite)
   - Portion of Area 4A (west of Lake Road Extended)
2) New Areas within the Expanded SOI:

   2.1 <u>Special Communities of Interest:</u>

   - Area 3 (University Community Plan)

   2.2 <u>Community Plan Areas:</u>

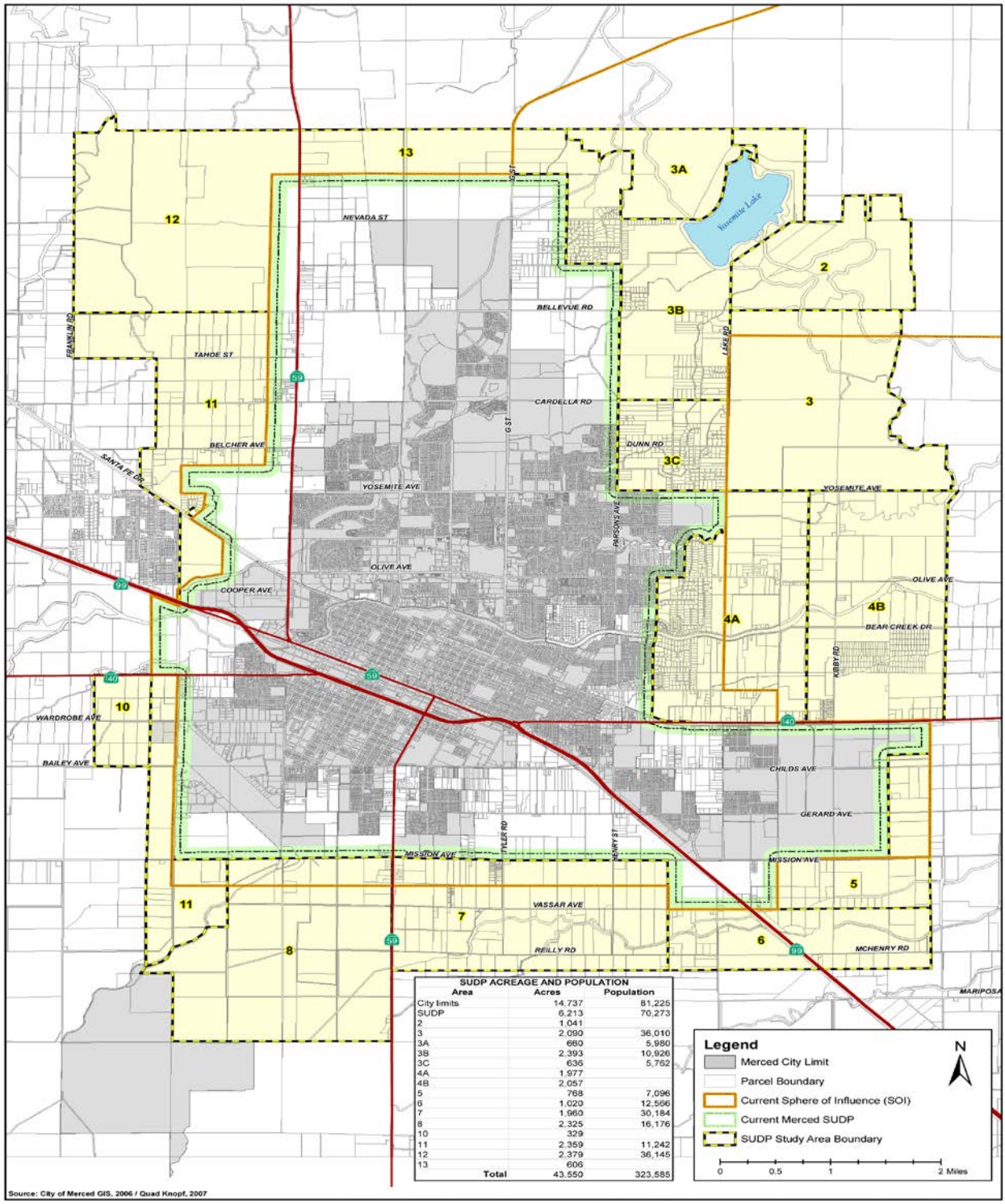
   These areas have conditions that must be met prior to annexation in order to address LAFCO policies regarding phasing and plans for services and public facilities. These are proposed master planned communities with planning in process (See Section 3.7 of the Land Use Element):

   - Portion of Area 7 (South Merced Community Plans) - A portion of Area 7 is proposed to be included in recognition of (a) the new Mission Interchange and the widening of Mission Avenue from the interchange to Highway 59 and (b) the new South Merced Community Plan for the area north of Mission Avenue. The South Merced Community Plan will guide the change from agricultural land to residential, commercial and industrial development. In order to allow this area to develop logically, and not encourage "leap-frog" development, the portion of Area 7 within the 1997 SOI (approximately ¼ mile south of Mission) has been designated "Community Plan." This will permit planning an orderly progression of development to the south.

2.3 <u>Reserve Areas</u>:

These areas will not likely develop within the next 20 years but should be reserved for future City expansion. No change in land use designation will be allowed until a Community or Area Plan is developed.

- Portion of Area 11 North: A portion of this area, approximately ¼ mile west of the Highway 59 corridor, is already included in the 1997 SUDP as is a similar ¼ mile wide portion of Castle Farms. The rest of the area would likely open for development if Castle Farms (Area 12) were to extend a sewer line through the area down to the City's WWTP in order to serve the Castle Farms area. As such, it depends on the development of Area 12, the majority of which is included in the Area of Interest and not the SUDP/SOI. This area is also heavily influenced by Castle Airport and a Community Plan would not be adopted until the County completes an update to the Airport Land Use Compatibility Plan. The rest of Area 11 North has been included in the Area of Interest (Section 2.2.3) as is the portion of Area 12 (Castle Farms) which is not within the 1997 SUDP or the 2012 SUDP/SOI.



SUDP ACREAGE AND POPULATION

Area	Acres	Population
City limits	14,737	81,225
SUDP	6,213	70,273
2	1,041	
3	2,090	36,010
3A	660	5,980
3B	2,393	10,926
3C	636	5,762
4A	1,977	
4B	2,057	
5	768	7,096
6	1,020	12,566
7	1,960	30,184
8	2,325	16,176
10	329	
11	2,359	11,242
12	2,379	36,145
13	606	
Total	43,550	323,585

GENERAL PLAN STUDY AREAS

Figure 2.4a

- Areas 10 and 11 South (Industrial Reserve) are designated as "Industrial Reserve" in recognition of the need for additional industrial land in the future and to protect the Merced Regional Airport from incompatible residential development.

Phasing of Development Within SUDP/SOI

In terms of phasing, the City's intent is that development/annexation will occur in both the short and long term and the SUDP/SOI areas fall into these two categories:

Short Term Development	Long-Term Development
• Area 2 (UC Campus)	• Area 7 (South of Mission Avenue)
• Area 3 (University Community)	• Portion of Area 11 North (depends on Area 12 development)
• Areas 3A, 3B, & 3C	• Areas 10 & 11 South (depends on industrial land needs)
• Portion of Area 4A	• Portion of Area 12 (portion within SUDP/SOI only)

These areas referenced above represent logical expansion areas for the City, primarily because they are adjacent to major road improvements (Merced-Atwater Expressway, Mission Avenue corridor, etc.). They also encompass areas needed for long-term commercial and industrial development. The residential areas included in this expansion were for the most part large tracts with significant planning efforts currently underway. Given the environmental and physical limitations elsewhere around the City, these are the most logical areas for the next phase of expansion. These areas will give the City enough land to accommodate expected growth over the next 20 to 40 years.

2.3.3 Area of Interest

Some of the original General Plan Study Areas (***Figure 2.4.a***) were found to have constraints which limited their development potential within the current plan timeline. In the interest of flexibility, and to provide interested property owners with some options, certain Study Areas have been designated as being within the Area of Interest (AOI). These are areas of interest to the City, as it is likely going to be the location of City expansion in the next general plan update, 20-40 years hence. Should it be found that some property within the AOI can be developed sooner, criteria have been developed which would allow land to be incorporated within the SUDP/SOI when appropriate, and ultimately annexed. Implementing Action 1.6.a of Policy UE-1.6 provides the criteria.

In addition, including these areas in the AOI would allow the City to comment on any development proposals which might occur in these areas and impact current and future City development patterns, public service provision, and circulation routes. The City is interested in a joint planning effort with the County. However, these areas are not considered for urban development within the 20-year planning horizon, but represent areas that may see growth in the next 20 to 40 years. However, that may change over time so the criteria described above was developed. The AOI can be seen in ***Figure 2.4.b.***

2.3.4 Fringe Development

Rural Residential Centers

According to the *Merced County Year 2000 General Plan*, "in contrast to SUDP's, Rural Residential Centers (RRC) provide for urban or suburban residential development at lower densities (along with some accessory agricultural uses such as livestock pasturing, stables, and hobby farming, and some recreational and institutional uses) and generally without the full urban services provided in a SUDP."

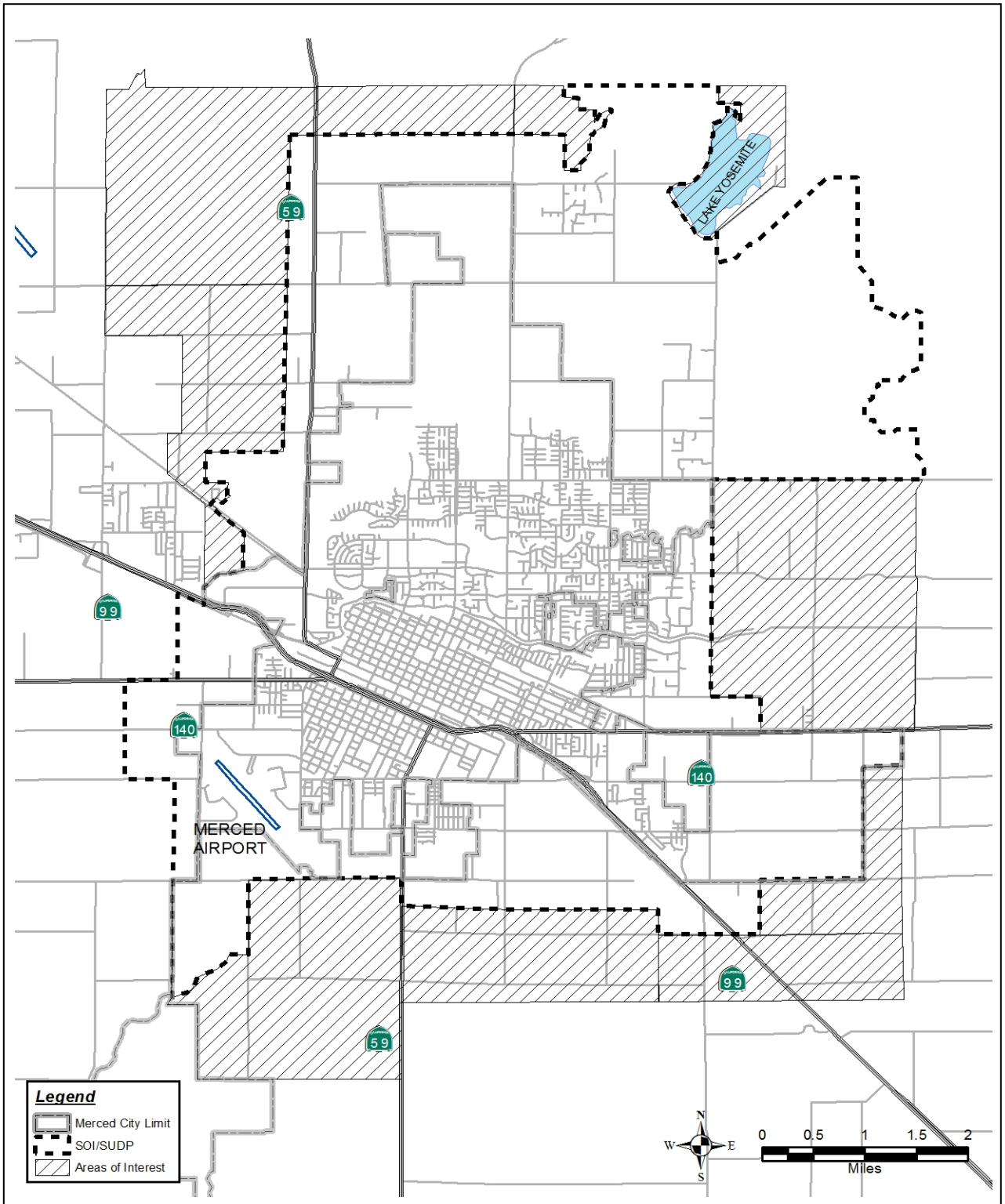
The County General Plan recognizes that "there are many problems with the continued traditional build-up of RRC's," and "no new RRC's are needed and the expansion of RRC boundaries should be strictly scrutinized by reviewing the development options in existing established urban centers." The City strongly supports this view.

Problems with Rural Residential Centers include the RRC's "extremely inefficient land use in terms of agricultural land conversion and service delivery costs to the County;" "the location of large A-R zoned areas north of Merced…which does not serve as a realistic buffer because they are not adjacent to high density urban areas;" the potential for ground water contamination from the concentration of septic tanks on one-acre lots; and the increasing difficulty in obtaining potable drinking water from individual wells due to stricter standards. An increase in density for RRC's, which allows up to three units per acre if community water and sewer systems are established, was incorporated into the County General Plan in 1990.

The Rural Residential Centers west of Lake Road and Lake Road extended were incorporated into the City's Sphere of Influence (SOI) in 1997. These areas are now included within the proposed SUDP/SOI because of the link they provide between the City and the UC Merced Campus and University Community.

Some of the RRC's are already developed and subdivided into one to two-acre lots which would make redevelopment or redesignation of these properties unlikely. Most of the existing RRC's are, therefore, designated as "Rural Residential" on the proposed Land Use Diagram. However, the Land Use Diagram shows a mixed-use designation with higher intensity uses in the Bellevue Corridor given the major water and sewer lines, the large parcels along that corridor, and the potential for job-generating uses in proximity to UC Merced.

In the 1997 City/County Property Tax Sharing Agreement (Section 2.3.4), the County agreed that projects within the existing RRC's would be limited to residential development of one unit per acre or less and that the County would not expand the existing RRC's into the City's proposed Sphere of Influence outside of the University Community SUDP (Section 2.6.1).



CITY OF MERCED AREA OF INTEREST (AOI)

Figure 2.4.b

Franklin-Beachwood SUDP

The Franklin-Beachwood SUDP is located directly adjacent to the Merced SUDP/SOI's western boundary between Merced and Atwater north of Highway 99 ***(Figure 2.5).*** This unincorporated SUDP covers approximately one square mile and has its own sewer and water system, but relies on the County for the rest of its urban services.

The area includes a mixture of industrial uses adjacent to the City's SUDP/SOI boundary and along Santa Fe Drive, commercial uses along Santa Fe Drive and Ashby Road (Highway 99 frontage road), and low-density residential uses along Franklin Road and Beachwood Avenue. The County has adopted a "Community Specific Plan" for the area.

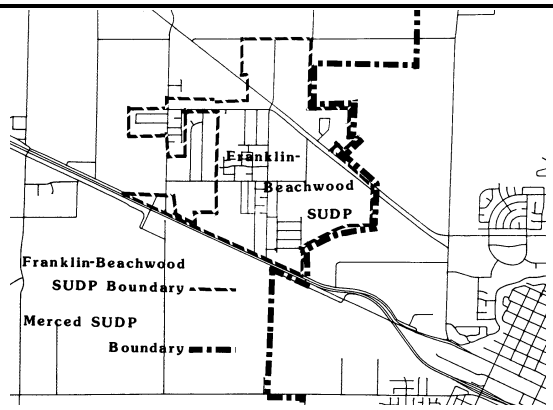


Figure 2.5

Franklin-Beachwood SUDP

The City of Merced respects the Franklin-Beachwood area's separate identity and does not foresee annexing the area to the City in the future. However, the City would not like to see the Franklin SUDP area increase significantly in size or intensity. Merced's proposed SUDP/SOI respects the Franklin-Beachwood SUDP boundaries.

2.4 ANNEXATIONS

All property enclosed within the Merced City limits (or boundary) are part of the City and under the jurisdiction of the City Council. All decisions regarding land use, circulation, public services, etc. within the City limits are made by the City Council. Although the City is still part of the County, the County Board of Supervisors has no direct decision-making authority regarding land use matters within the City limits. The services that the City and County each provide to their citizens are defined by the state. In 2010, there were approximately 23 square miles of land within the City limits.

When property is annexed, the City limit line is changed to include that property. Annexations must be approved by the City Council and the Local Agency Formation Commission (LAFCO). LAFCO's were created by the state to oversee changes in jurisdictional boundaries. Locally, Merced County LAFCO is composed of two members of the Board of Supervisors, two members that represent the six incorporated cities in Merced County, and one independent public member.

According to General Plan policies, a property must be within the City's SUDP/SOI boundary and contiguous (directly adjacent) to the City limit line to be eligible for annexation to the City. If the City agrees to annex the property, it is agreeing to provide City services (i.e. sewer, water, police, fire, garbage, etc.) to the property.

The City usually annexes land at the request of property owners who are ready to develop their property in the near future. Large areas are usually not annexed until a master development plan which addresses infrastructure, circulation, and land use needs has been developed (see Policy UE-1.3). Some commercial and industrial properties may need to be annexed years in advance of development in order to be sure that needed infrastructure is in place to support a competitive development when the time comes.

2.4.1 Unincorporated Islands

Within the Merced area, there exists several unincorporated areas or "islands" which are completely surrounded by City development.

Such development often results in problems with public protection service delivery, in addition to posing potential long term problems with respect to maintenance of on-site water systems and wastewater disposal (septic) systems. Additionally, residents of these areas, while directly impacted by the City's planning decision-making process, have no direct voice in municipal affairs. In the interest of both the City and these residents, these developed areas should be annexed to the City of Merced.

Attempts to annex such areas in the past have been met with considerable reluctance from property owners in the affected areas due to concerns about potential loss of existing "rural" way-of-life, possible City restrictions on the keeping of farm animals, the cost of connecting to City sewer and water, and the possible imposition of greater public improvement standards. (The often stated fear of "higher City taxes" is not accurate--there is no difference in property tax rates for the City versus the County.)

These concerns, though valid to a degree, do not negate the fact that this is not an efficient or cost-effective manner of providing public services, which ultimately affects all City and County residents. It should also be noted that through existing cooperative agreements, residents of these areas often benefit from City fire and police services and also rely on City streets and commercial services paid for by City residents.

To promote the annexation of these areas, the City is proposing a number of policies and actions to make annexation more attractive to area residents (see Policy UE-1.5).

2.5 URBAN EXPANSION GOALS, POLICIES, AND ACTIONS

Goal Area UE-1: Urban Expansion

GOALS

- **A Compact Urban Form**
- **Preservation of Agriculturally Significant Areas**
- **Efficient Urban Expansion**

POLICIES

UE-1.1 Designate areas for new urban development that recognize the physical characteristics and environmental constraints of the planning area.

UE-1.2 Foster compact and efficient development patterns to maintain a compact urban form.

UE-1.3 Control the annexation, timing, density, and location of new land uses within the City's urban expansion boundaries.

UE-1.4 Continue joint planning efforts on the UC Merced and University Community plans.

UE-1.5 Promote annexation of developed areas within the City's Specific Urban Development Plan (SUDP)/Sphere of Influence (SOI) during the planning period.

UE-1.6 Consider expansion of the City's SUDP/SOI boundary for areas within the Area of Interest when certain conditions are met.

Policy UE-1.1
Designate Areas For New Urban Development That Recognize the Physical Characteristics and Environmental Constraints of the Planning Area.

The City of Merced is situated in an area which contains physical characteristics and environmental constraints that would be adversely impacted by a poor urban expansion policy. It is in the long term interest of the City to promote urban expansion policies which protect and promote avoidance of sensitive environmental and resource areas.

Implementing Actions:

1.1.a Direct development away from significant concentrations of "Prime" agricultural soils and give priority to the conversion of non-prime agricultural land if reasonable alternatives exist.

Urban expansion should be directed away from significant concentrations of "prime" soils and where agricultural use can still be realistically and economically sustained. Development within the City's SUDP/SOI should be developed in such a manner as to minimize impacts on "prime" soils along the City's urban fringe. It is recognized that it is not possible to avoid all "prime" soils. The UC Merced Campus and University Community are located on prime farmland to avoid sensitive wetlands habitat. Some areas that contain prime soils are adjacent to important circulation and employment corridors and will need to be developed for urban use in order to achieve critical City economic development and circulation goals. Accommodating growth in a compact form within the City's growth area will decrease the pressure to develop outside urban areas where more prime soils and intensive agricultural operations now exist.

1.1.b Limit development and development related impacts on agricultural lands along the City's urban fringe.

The level and intensity of development adjacent to agricultural areas must be carefully considered to limit the impacts on those agricultural areas along the City's fringe, which likely won't be developed in the long-term. The City may consider adopting a "right-to-farm" ordinance to protect existing agricultural operations by notifying homeowners moving to areas adjacent to these operations of the continued use of agricultural chemicals and the operation of heavy farming equipment.

1.1.c Incompatible urban development should not be approved which would endanger the continued operations of the Merced Regional Airport.

It is in the City's interest to protect the Merced Regional Airport from incompatible developments which might interfere with its current operations and future expansion. To this degree, the City should consider the designated Land Use Compatibility Zones within the Merced SUDP/Sphere of Influence (SOI) with the intention of establishing land use policy which limits residential development while allowing some industrial and commercial development which would not interfere with airport operations.

1.1.d Work with Merced County to establish policies to protect prime agricultural areas around the SUDP/Sphere of Influence, including the areas north of Highway 140 and east of the proposed Campus Parkway, from future development. This process should include consideration of:

a) A process to implement techniques (transfer of development rights, agricultural easements, Farmland Trusts, etc.) in order to establish a limited access Campus Parkway with no adjacent urban development outside of the Merced SUDP/SOI.

b) Designation of an "Area of Interest (AOI)" or other process to require referral for comment to the City of any proposed development projects within the AOI boundary.

c) Limiting the expansion of the existing Rural Residential Centers and SUDP's into prime agricultural areas around the SUDP/Sphere of Influence.

The agricultural areas north of Highway 140 and east of the proposed Campus Parkway are not included in the City's SUDP/SOI but are included in the City's Area of Interest. However, the City does retain an interest in seeing that this area remains agricultural. The City has for many years sought to direct urban development away from this area in order to preserve its prime agricultural soils. The City will work with Merced County to establish policies which reinforce this goal and which seek to protect prime agricultural land around the City's SUDP/Sphere of Influence.

1.1.e Explore techniques to preserve areas of significant agricultural soils, aircraft noise and safety zones, buffers between cities, scenic areas, flood plains, endangered species habitats, etc. from incompatible urban development.

The City's growth has been directed mostly to the north and south for many years by General Plan policy in order to protect agriculturally-significant lands and/or aircraft noise and safety zones to the City's east and west from incompatible urban development. However, the location of the UC Merced Campus to the east of the City and the location of significant wetlands areas to the north of the City has led to a reconsideration of the predominant north-south growth pattern. The City should work in cooperation with agricultural interests, such as the Merced County Farm Land and Open Space Trust, the Merced Farm Bureau, and Merced County to explore alternatives for assuring the continued preservation of significant agricultural and other such areas, including transfer of development rights, agricultural easements, aircraft approach protection easements, etc.

1.1.f Work with Merced County and the other cities in the County to develop a County-wide agricultural land preservation policy.

A number of years ago, there was an effort to establish a Countywide Agricultural Preservation Strategy (CAPS) in which the cities in Merced County and the County worked on ways to address preservation of prime agricultural land. That effort ultimately failed and the County of Merced has imposed agricultural mitigation on certain large development projects, such at the University Community, on a case-by-case basis. However, in order to assure fairness and to be truly effective, a comprehensive strategy for dealing with agricultural preservation needs to be established Countywide. The City of Merced is committed to working with the County and the other cities to resolve this issue.

(Chapter 7--Open Space, Conservation, & Recreation contains additional policies (Policy OS-2.1) regarding the preservation of agricultural land.)

Policy UE-1.2
Foster Compact and Efficient Development Patterns to Maintain a Compact Urban Form.

Through the promotion of compact urban form, the City of Merced can achieve several important environmental and community planning goals. Through the concentration of urban development within the City's SUDP/SOI, impacts on surrounding agricultural resource lands can be reduced and important prime soils preserved. Additionally, through compact urban development, efficient public transit systems can operate to protect the region's air quality and pedestrian and bicycle use is encouraged. Compact urban development also reduces public infrastructure development and maintenance costs to the City and its residents.

Implementing Actions:

1.2.a Encourage development on in-fill sites by amending the Zoning and Subdivision Ordinances to better accommodate such requests.

There are areas within the existing incorporated limits of the City which are undeveloped or under-developed. These areas provide development opportunities which will somewhat relieve the need to expand the City's urban limits. Many of these sites are vacant and/or undeveloped due to their unique site constraints. A review and possible revision of City policies and standards, relative to these sites is appropriate. Redevelopment is also a tool that can be used to encourage in-fill development in Project Area #2 (Downtown) and Gateways Redevelopment Areas (see Chapter 3).

1.2.b Work with Merced County to ensure that existing unincorporated Rural Residential Centers in the Merced area are not expanded and no new Rural Residential Centers are established.

RRC's are not efficient uses of land and have not proven to be ideal buffers between urban and agricultural uses. Existing RRC's can remain but should not be enlarged and no new RRC's should be established in accordance with County (and City) General Plan policy and provisions of the existing City/County Property Tax Sharing Agreement adopted in 1997 (Section 2.3.4). The City will work with the County on service issues relating to the RRC's. Industrial and business park development do provide good buffers adjacent to agricultural land and are designated along the City's SUDP/SOI to the west, south, and east (south of Highway 140).

1.2.c Continue to limit the expansion of City utilities to only those areas within the established urban boundary.

Proposals for urban development within the City's SUDP/SOI shall be considered only after annexation has taken place. To be eligible for annexation, a property must be contiguous to the City Limits and be located within the SUDP/SOI. City utilities should not be extended outside of the City limits except in cases where public health and safety are threatened or a significant public interest (such as the UC campus) is served. If it is necessary for technical/economic reasons to allow utilities to cross unincorporated territory (i.e. water/sewer main extensions), actual access to such utility services will be restricted to those inside the City limits until such time as annexation occurs. Annexation agreements would be utilized in these cases to address relevant issues and service costs.

1.2.d Promote higher residential densities within the Merced urban area.

The City will continue to promote the use of higher residential densities, especially small-lot single-family residential and multi-family residential, in order to make the most efficient use of land and maintain a compact urban form. The highest densities should, in general, be directed toward central areas of the City and not along the urban fringes unless they are in Community Plan areas, where higher densities may be justified.

(Chapter 3--Land Use contains additional policies regarding the promotion of a compact urban form.)

Policy UE-1.3
Control the Annexation, Timing, Density, and Location of New Land Uses Within the City's Urban Expansion Boundaries.

Implementing Actions:

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.

"Leap-frog development" tends to be cost-prohibitive in these times due to the high up-front costs of extending utility lines, streets, etc., across undeveloped properties to outlying areas. Such development should be discouraged in most cases because of the service inefficiencies it creates. Exceptions can be made for industrial areas which for business recruitment reasons often need to provide infrastructure and services prior to development. Other exceptions may be made, with strong justification on a case-by-case basis, for other areas which may serve the public interest through early development.

1.3.b The City should adequately plan for public improvements/services to support designated land uses for all areas as they become suitable for development and/or proposed for annexation.

The City should continue to revise master plans for providing sewer, water, fire protection, police protection, drainage, and other municipal services for all new growth areas after the adoption of the General Plan. Refer to Chapter 5--Public Services and Facilities for specific policies regarding each of these areas.

1.3.c The City shall encourage phasing of new development.

Phasing of new development will prevent the premature conversion of agricultural land, and permit the efficient and cost effective extension of services. (Care must be taken, however, to ensure that citizens are aware of which land will likely stay in agricultural use and which areas will eventually be developed.) When approving General Plan Amendments and Specific/Community Plans for large areas, the City should consider applying phasing to the development tied to the ability of the City to provide infrastructure and municipal services to new development and/or consider designating certain areas for development within 10-year time frames. These policies can be implemented through the Pre-Annexation Development Agreement process with property owners who seek these land use entitlements. The City will also consider policies to encourage the completion of vacant subdivisions (over 2,500 vacant lots were available for development within the City limits in 2009).

1.3.d The City shall continue to utilize and refine systems to evaluate the cost of providing various municipal services to new development and/or areas proposed for annexation and establish clear policy for meeting those costs.

The City has developed appropriate tools and techniques for evaluating the fiscal impacts of new development, including the costs of providing municipal services and needed infrastructure. Policies (such as those contained in the Public Services and Facilities Chapter of this plan) should continue to be enforced to insure that new development pays for the impacts it causes, ensuring that an unfair burden does not fall on current City residents. The City will continue to use Pre-Annexation Development Agreements to bring County infrastructure up to City standards upon annexation.

1.3.e The planning for land uses in newly developing areas should reflect a mix of land uses which will support a neighborhood, including a variety of residential densities and price ranges, neighborhood and convenience shopping facilities, job creation, and public facilities such as schools and parks.

The City will continue to promote the use of the mixed-use, pedestrian- and transit-friendly neighborhoods ("Urban Villages") in all new growth areas of the City as much as feasible.

1.3.f Work with the County to implement the land use provisions of the "Property Tax Sharing Agreement between the City of Merced and the County of Merced" (Section 2.3.4) and negotiate a new agreement that reflects the SUDP/Sphere of Influence (SOI) and Area of Interest (AOI).

The City will work closely with the County to implement the land use provisions of the agreement, which include a) maintenance of existing agricultural zoning within the SUDP/SOI and no expansion of the existing County Rural Residential Centers; b) requirements and procedures for areas currently zoned for urban development; and, c) cooperative planning and referral of projects within the University Community SUDP. A new agreement will need to be negotiated to adopt land use provisions that relate to the new SUDP/SOI and AOI and that address financial inequities that make annexation difficult for the City.

1.3.g Evaluate future annexation requests against the following conditions:

a) 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?

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

c) 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?

d) Will this annexation result in the premature conversion of prime agricultural land as defined on 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?

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

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

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

2) Does the area contain significant amounts of job-generating land uses, such as industrial, commercial, office, and business/research & development parks?

3) 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.?

Future annexation requests will be evaluated against the above criteria as well as against the Policies and Implementing Actions of the *Merced Vision 2030 General Plan*, including but not limited to the following:

a) Urban Expansion Policies--UE-1.1, UE-1.2, and UE-1.3.
b) Land Use Policies--L-1.1, L-2.1, L-2.7, L-3.1, and L-3.2.
c) Transportation and Circulation Policies--T-1.1, T-1.3, T-1.8, T-2.2, and T-2.4.
d) Public Facilities & Services Policies--P-1.1, P-1.2, P-1.3, P-2.1, P-3.1, P-4.1, P-5.1, & P-7.1.
e) Open Space & Conservation Policies--OS-1.1, OS-1.2, OS-2.1, OS-2.2, OS-3.1, and OS-4.1.

Policy UE-1.4
Continue Joint Planning Efforts on the UC Merced Campus and University Community Plans.

The University Community Plan area is planned as an urban area requiring urban services. Consideration has been given to making this area part of the incorporated City of Merced. Cooperative planning efforts will be necessary to ensure the effective development of this area for all interested and affected parties.

Implementing Actions:

1.4.a Incorporate the UC Merced campus area as part of the City's SUDP/Sphere of Influence and begin planning for the eventual annexation of the Campus.

This designation within the SUDP/SOI would facilitate the eventual incorporation of the Campus into the City. The City should begin the process of planning for the eventual annexation of the Campus to the City, including evaluating various corridors for possible annexation in order to bridge the gap between the current City limits and the Campus boundary. Planning of the land uses along those corridors should also begin as well, including possible locations for research and development parks.

1.4.b Working in cooperation with the County, implement the following policy statement from City Council Resolution #2006-89 regarding the University Community Plan Area.

MERCED CITY COUNCIL: UNIVERSITY COMMUNITY POLICY STATEMENT

The City Council establishes the following as the City of Merced's position regarding the development of the University community.

Long-term Land Use and Governance

The University Community should be incorporated into the City of Merced, and should not be part of the unincorporated County, or a separate City.

- It is in the public interest that the University Community's development not result in the creation of a new city or other jurisdiction.
- Multiplication of jurisdictions can lead to conflicts, which should be avoided. A separate City on Merced's border is inherently undesirable.
- The University Community is expected to develop at an urban density. Merced County does not currently provide urban services. The City is already serving the University of California campus, and it is logical for the City to serve the adjacent area as well.
- No separate wastewater treatment plant should be allowed or constructed in the area, given the risks to the City's groundwater supply that could result, and competition for qualified licensed operators. This statement does not, however, preclude consideration of innovative methods of wastewater treatment for the area which are reasonably viable from an economic perspective.

The University Community should be developed with the use of annexation agreements and phased annexations, not through the creation of a County services district, either as an interim or permanent measure.

Phasing of Development and Services

The City of Merced is willing to provide interim sewer and water services from existing sewer and water lines along Bellevue Road that serve the University campus, provided that certain conditions are met:

- Interim services to the University Community require compliance with environmental law and permitting, including the California Environmental Quality Act (CEQA) and approval by the Local Agency Formation Commission (LAFCo).
- Prior to providing interim services, the City must receive an acceptable plan for long term service provision, enforceable commitment for annexation, and financial planning and commitments necessary to fund long term services.

The City should encourage annexation along the Bellevue Corridor to provide contiguity between the University Community and the City of Merced.

- The Bellevue corridor is expected to become a major regional transportation arterial. Bellevue Road also contains sewer and water lines which have been extended from the City to the University of California campus. The western half of the Corridor, from G Street to Golf Road, is already within Merced's SUDP, and annexation proposals are pending. East of Golf Road, the area along Bellevue Road is held in large tracts by a few land owners, and is mostly undeveloped. It is realistic to expect development proposals in this area in the near term.
- Phasing of the University Community's development should provide for logical extension of urban services.
- The Merced County "Rural Residential Center" bounded by Lake Road, Cardella Road, Yosemite Avenue, and Golf Road (extended) should be annexed into the City of Merced as well. However, this area, which is already developed to a large extent, should be allowed to retain its rural character, with a special plan Designation to be worked out through the General Plan update process.

Planning Processes

The City accepts the University Community Plan adopted by Merced County on December 21, 2004 as a general conceptual framework for the planning of the University Community.

- That existing plan can be used as foundational work for further planning for the area, with the City as lead agency in the planning process.
- If a special planning process or framework is used for the development of the University Community, then the costs of that planning process shall be borne by applicants and developers, not by Merced residents.

The City should revise all of its various planning documents to accommodate the incorporation of the University Community into the City of Merced. These include not only the General Plan, but also plans for wastewater treatment, water, storm drainage, parks, fire protection, and other services

Policy UE-1.5
Promote Annexation of Developed Areas Within the City's Specific Urban Development Plan (SUDP)/Sphere of Influence (SOI) During the Planning Period.

Unincorporated suburban development within the City's SUDP/SOI has resulted in problems of public protection (police and fire) service delivery to residents in addition to posing potential long term problems to residents with respect to maintenance of on-site water systems and wastewater disposal (septic) systems. Such problems could also threaten the City's future water quality. Also, residents of these areas, while directly impacted by the City's planning decision making process, have no direct voice in municipal affairs. In the long-term interest of both the City and the residents, these unincorporated suburban areas should be annexed to the City of Merced.

Implementing Actions:

1.5.a 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.

To make annexation more attractive to these areas, the City will explore different options regarding the cost of connecting to City sewer and water (in 2006, the City removed the requirement that previously required that connections to City services take place within a certain period of time), the financing of public improvement standards, and the establishment of a "rural agricultural overlay" zone for limited areas where the keeping of farm animals may be allowed within the City limits. (Implementation of the "rural agricultural overlay" has occurred on some newly annexed areas on a case-by-case basis.) Care must be taken, however, to ensure that these annexations are financially feasible and do not create an unfair burden on existing City residents.

1.5.b Review relevant City improvement and development policies to remove unnecessary obstacles to annexation.

The formation of Community Facilities Districts or other equivalent funding mechanisms to pay for needed infrastructure improvements and City services should be utilized. City policies relative to mandatory connection to the City's sewer and water system should be reviewed. Consideration might be given to establishment of policies which would allow residents, presently served by private sewer and water systems, to remain on these systems unless they pose a problem to public health and safety.

1.5.c Provide assistance to residents of unincorporated areas to address public health and safety concerns of on-site water and sewer systems.

The City may assist residents with coordinated expansion of utility service, where desired by the residents, and in support of an annexation petition.

1.5.d Establish annexation policies and outreach program regarding the annexation of the existing Rural Residential Centers (existing development on one-acre lots)

With the inclusion of many of the existing Rural Residential Centers within the SUDP/SOI, the City will need to establish policies and possibly an outreach program to address when those areas should be annexed and the level of services to be provided. The City will consider establishing a 'Rural Residential' (R-R) zoning district, which can be used in these areas upon annexation. The R-R district would address standards for existing private wells and septic systems, the keeping of animals and livestock, the level of public improvements in such areas (i.e. the possible omission of sidewalks, etc.), and other issues that often arise when such developed areas are proposed for annexation." Modifications to the current City/County Tax-Sharing Agreement will be necessary to make annexation of these areas financially feasible for the City.

1.5.e Provide information to interested unincorporated area residents on the benefits of annexation.

The City can develop and distribute information to county residents within the SUDP/SOI on the pros and cons of annexation, including comparisons of costs of City vs. County services, taxes (no difference), development standards, etc. City staff can attend meetings with neighborhood groups in unincorporated areas to explain the annexation process and City policy regarding annexing unincorporated areas.

1.5.f Target the State Route 59 (South) Corridor as a priority annexation area.

This area is predominately built-out with land uses and forms an large peninsula of unincorporated lands. Residential neighborhoods have been developed or have been permitted on either side of this corridor. As more residents are added to the area, demand will increase for more neighborhood serving commercial land uses along this highway. Annexation will also remove obstacles for future annexations south of Mission/Dickenson Ferry Road.

Policy UE-1.6
Consider Expansion of the City's SUDP/SOI boundary for Areas within the Area of Interest When Certain Conditions are Met.

Some of the original General Plan Study Areas were found to have constraints which limited their development potential within the current plan timeline. In the interest of flexibility, and to provide interested property owners with some options, certain study areas have been designated as being within the Area of Interest (AOI). This area is of interest to the City, as it is likely going to be the location of City expansion in the next general plan update, 20-40 years hence.

Implementing Actions:

1.6.a For areas within the City's Area of Interest (AOI), these areas can be considered for future inclusion in the City's SUDP/SOI as long as they are consistent with the criteria below:

a) City SUDP/SOI boundary is contiguous, and no "islands" are created;

b) A Community or Area Plan is approved that addresses land use, circulation, public facilities, infrastructure, and phasing of development;

c) The Public Facilities Financing Plan has been updated to include the area with revenue sources identified;

d) The property owner is committed to finance the City's Wastewater Treatment Plant & capacity is available;

e) New sewer trunk lines are planned and have capacity;

f) The developer agrees to install all off-site intervening infrastructure;

g) Community or Area Plans need to include adjacent areas within the SUDP/SOI that are affected by the development of Master Plans;

h) The inventory of vacant land within the City's SUDP/SOI has reached a certain level as determined by the City Council to ensure that development within the Area of Interest will not unduly delay development within the SUDP/SOI.

Areas within the City's Area of Interest can be added to the City's SUDP/SOI in the future if the criteria described above has been satisfactorily addressed. The purpose of these criteria is to ensure that including additional land within the City's SUDP/SOI will not interfere with the timely development of lands that are currently within the City's growth boundary. Additional criteria may be added to this list at the discretion of the City Council.

1.6.b Work with Merced County to define a process of dealing with properties proposed for development within the City's Area of Influence prior to being included in the City's SUDP/SOI boundary.

Although most of the land within the City's Area of Influence is designated and utilized as agricultural land, it is possible that some of that land might be proposed for limited development (generally not residential or commercial development) prior to being included in the City's SUDP/SOI boundary. The City will need to work with Merced County to develop policies of how to deal with these properties so that limited development could occur without conflicting with future City development or encouraging large-scale developments to occur outside of the City limits. The types of land uses that will be allowed within these "Reserve" areas will also need to be defined. The current City-County Tax Sharing Agreement (adopted in 1997) defines these land use policies for those areas within the City's SUDP/SOI, but currently they do not address the Area of Influence.

2.6 REGIONAL PLANNING ISSUES

2.6.1 UC Merced Campus and University Community

The University of California, Merced campus, the 10th University of California campus, opened in Fall 2005. By the year 2012, Campus population is expected to reach 5,000 students. The UC Merced Campus is expected to reach its ultimate capacity of 25,000 students and 9,200 employees by the year 2035.

Approximately 800 acres of the Campus site is expected to be used for classrooms and instructional laboratories, faculty offices, libraries, research facilities, administrative offices, student services, performing arts, athletic and recreation facilities, a student center, on-campus housing, food services, support services, and parking.

The approved UC Merced Campus and University Community are planned to occupy approximately 3,100 acres. Two new roads are planned to provide north/south access to the campus from Highway 99: The Campus Parkway on the east side, and the Atwater-Merced

Expressway, on the west side. Services will likely be provided by the City. The goal is for the Campus to be self-sufficient to a great extent.

The area between the Campus and current City limits have been incorporated within the SUDP/SOI. Land uses within this area have been tailored to provide support to the campus, from housing to a "technology park." The Bellevue Corridor and Merced-Atwater Expressway will be constructed as multi-modal transportation corridors, providing access to both Downtown Merced and the City of Atwater and Castle Airport.

2.6.2 Castle Airport

Castle Air Force Base was officially closed on September 30, 1995 after over 50 years of military service. A Joint Powers Authority (JPA) between the cities of Atwater and Merced and Merced County, was formed to take over the area.

In 1996, a Castle Reuse Plan was adopted. This plan calls for the development of a variety of public and private uses, including aviation and industrial uses, the existing Castle Air Museum, the Challenger Learning Center, a federal prison, and various commercial and business park uses.

Also in 1996, the renamed Castle Airport Aviation and Development Center was designated as a Local Agency Military Base Recovery Area (LAMBRA), which qualifies businesses locating at Castle for state tax credits and incentives.

The JPA was dissolved in 2000, and the County has assumed control over development and operations.

The primary impact of Castle on the City of Merced is through the Airport Land Use Plan, which imposes various restrictions on the development of land around the runways. The effect of these restrictions range from negligible to severe, depending on the location in relation to the runway.

2.7 ISSUES FOR FUTURE STUDY

2.7.1 Area of Interest

At the beginning of the General Plan process, a General Plan Study Area was designed to cover at least 20 years of City growth along with adjacent agricultural or open space lands which should be preserved but planned for potential long-term (20-40 years) needs. This study area formed the basis for the City's proposed SUDP/SOI and Area of Interest (AOI). Those areas within the AOI that are not included in the proposed SUDP/SOI will need further study (some time after the adoption of the General Plan) to determine appropriate land uses and the appropriate timing for those areas to be added to the SUDP/SOI.

2.7.2 Campus Parkway Corridor

The agricultural areas north of Highway 140 and east of Lake Road and Lake Road (extended) are not included in the City's SUDP/Sphere of Influence. The Campus

Parkway is planned to travel through this area on its way to the UC Merced Campus and University Community from Highway 99. Although designated as a limited-access expressway, there will be development pressures along this Campus Parkway Corridor. However, the City does retain an interest in seeing that this area remains mostly agricultural without extensive development along the Corridor. The City has for many years sought to direct urban development away from this area in order to preserve its prime agricultural soils. For this reason, the area has been designated an "Area of Interest." It is anticipated that any development that takes place in this area will be through a joint planning arrangement with Merced County.

The City will work with Merced County to establish policies to protect these areas from urban development. This process should include: a) exploring agricultural preservation techniques as part of the Campus Parkway Corridor in order to establish a limited access parkway; b) designation of an "Area of Interest" or other process recognized by Merced County and LAFCO to establish a requirement for referral for comment to the City of any proposed development projects within the AOI boundary; and, c) limiting the expansion of the existing Rural Residential Centers, or the creation of new ones in this area**.**

2.7.3 Highway 59 Corridor

The City had proposed to develop an employment corridor with a mix of commercial, industrial, and business park uses along the Highway 59 expressway within the City's 1997 SUDP. This area, which is mostly unincorporated, already contains some light industrial type uses. With the advent of the Atwater-Merced Expressway, it is no longer necessary for the current Highway 59 alignment to be planned as an expressway. It will be re-designated as a major arterial. It will still remain a significant route providing access to downtown Merced for the various developments which are planned for the northwest part of the City. However, the land uses along the corridor may need to be re-evaluated to allow more residential uses rather than industrial and commercial due to the lack of direct access to the freeway.