Introduction

- Consultant Team
  - Ron Sissem, *EMC Planning Group*
  - Shoshanna Wangerin, *EMC Planning Group*
  - Candy Ingram, *The Ingram Group – Community Relations*
  - Kristin Olsen, *California Strategies – Community Relations*
  - Other team members
    - Applied Development Economics - *Economic Consulting*
    - Stantec Engineers - *Wastewater Planning*
    - KD Anderson & Associates - *Traffic Planning*
    - Northstar Engineering - *Infrastructure Planning*
Community Meeting Purpose

- Present information about City planning for future development within the North Merced Study Area
- Receive your input on issues, concerns, and interests
- Use your input during preparation of the North Merced Annexation Feasibility Study

**Purpose of Feasibility Study:** provide recommendations to City Council for considering future annexation/development requests through a structured, predictable process

**The Feasibility Study is not an annexation proposal** – solely guidance for considering future annexations/growth in North Merced.
Community Meeting Format

- Workshop format
  - Presentation
  - Questions and answers
- Available workshop materials
North Merced Development Planning Context

- North Merced identified as a destination for future growth in the Merced Vision 2030 General Plan - adopted in 2012
- General plans commonly provide development guidance for a 20- to 30-year period
- Full development of all areas addressed in a general plan rarely, if ever, occurs within this timeframe
- City completed the Bellevue Corridor Community Plan (BCCP) in 2015 – more detailed planning for a portion of the North Merced Study Area – a factor going forward
- County approved the University Community Plan in 2004 – development plan south of UC (in North Merced Study Area)
North Merced Study Area Characteristics

- Currently within Merced County
- Approximately 7,600 acres
- Approximately 700 parcels/600 property owners
- Significant vacant land acreage
- A number of homes on lots of 1-3 acres
- UC Merced a major existing land use
- City assigned future land uses in the General Plan
North Merced Study Area
North Merced Study Area
Traditional First Step to Development - Annexation

- Annexation = process of bringing County land into city limits to be governed by the City and provided with city services
- Annexation required before land can be developed at urban intensities per the General Plan
- Urban development is enabled as a result of City providing water and sewer utilities and public services (fire, police, parks, etc.)
Annexation Process

- An annexation is typically initiated by a landowner or landowner representative
- Landowner submits application to the City
  - City review and evaluation, including consistency with General Plan policies regarding annexations
  - Analysis of City ability to provide services and utilities
  - Environmental review process
  - Opportunities for public comment
  - City Council approves or denies
- If City approves, application sent to Merced County Local Agency Formation Commission (LAFCO)
Annexation Process

- LAFCO consideration process
  - LAFCO review for consistency with LAFCO policies and General Plan policies
  - Opportunities for public comment
  - LAFCO approves or denies
  - If LAFCO approves, opportunity may exist for landowners or registered voters to protest the LAFCO decision

- Entire annexation and development approval process – commonly 2 years minimum, often more. Physical development could then occur
Annexation Approval/Protest/Election Criteria

State law, the Cortese-Knox-Hertzberg Act of 2000, sets forth procedures for annexations, including approval, protest and election criteria.

If the City first approves an annexation application, the application then goes to LAFCO for consideration. If LAFCO then approves, three basic processes/outcomes are possible:

1. Annexation is recorded (legally filed) if:
   
   A. 100% of landowners within the annexation boundary agree with and sign the annexation request application or sign a petition in support of annexation.
   
   B. Conditions of approval (requirements placed on the project by the City or LAFCO) are satisfied.
Annexation Protest Criteria

2. When the approved annexation area is “uninhabited” (less than 12 registered voters) and one or more landowners within the approved boundary have not signed the application or petition in support of annexation:

A. LAFCO’s annexation approval is subject to a protest hearing

B. If landowners owning more than 50% of the assessed land value formally protest, the annexation is not recorded

C. If landowners owning less than 50% of the assessed land value formally protest, the annexation is recorded
Annexation Protest/Election Criteria

3. When the approved annexation area is “inhabited” (more than 12 registered voters) and one or more landowners within the approved boundary have not signed the annexation application or petition in support of annexation:

A. LAFCO’s annexation approval is subject to a protest hearing

B. If more than 25% but less than 50% of registered voters OR if landowners representing more than 25% but less than 50% of the assessed land value protest, an election is required. Only registered voters can vote. If more than 50% vote against, the annexation is not recorded

C. If less than a 25% of registered voters OR if landowners representing less than 25% of the assessed land value file a written protest, the annexation is recorded
Annexation Implications for Residents/Landowners

- **Potential Opportunities**
  - Higher level/quality of services – e.g. police and fire
  - Access to City water and sewer services – reliability/quality
  - Amenities (commercial services, schools, parks)
  - Potential increase in property value – diversity of uses/increase in development intensity

- **Resident/owner commitments and changes**
  - May be required to participate in funding City services (e.g. sewer collection or treatment)
  - Changes in land use intensity from rural to urban

- Most uses/activities allowed in County are allowed to continue until property is proposed for urban development

- See Annexation “Questions and Answers” handout
North Merced Feasibility Study – Why?

- Multiple landowners in Study Area interested in development
- City/LAFCO seeking a logical, structured approach to considering annexations/growth proposals – not ad hoc
- Consistency with General Plan and LAFCO growth policies is important
- “Logical” - must consider City ability to provide services
- Some development opportunities related to UC Merced may exist near the UC - not directly adjacent to the city limits

**Purpose of study:** provide recommendations to City Council for considering future annexation/development requests through a structured, predictable process
Feasibility Study – Primary Content/Scope

- Environmental constraints to development (e.g. biological resources, agricultural land quality, hazards)
- Input from landowners/stakeholders interested in annexation/development
- Input from residents/voters
- Technical studies
  - Sewer analysis
    - Collection system capacity/costs/phasing/funding
    - Treatment plant capacity/costs/phasing/funding
  - Economic analysis
    - How much land demand for new development?
    - Costs to develop as a constraint?
    - Alternatives for funding costs of services/utilities
Consider Out-of-Boundary Service Agreements as an alternative to annexation as a tool for enabling growth

- Area proposed for development not adjacent to city limits
- City provides specified utilities/services such as water, sewer, police and fire with developer paying costs
- Area remains in County, but must annex in the future

Input from City Council, Board of Supervisors, agencies, etc.

Evaluation of General Plan policies and LAFCO policies – recommendations for changes, if any

Recommendations about annexation “pathway” options and annexation/growth phasing over time
Initial Annexation/Growth Options Concepts

- Preliminary ideas for annexation/growth concepts to be considered in the Feasibility Study:
  - Infill on vacant parcels already within the City
  - Combination of infill and traditional annexation
  - Traditional annexation
  - Out-of-boundary service agreement(s)
  - Combination of traditional annexation and out-of-boundary service agreement(s)

The Feasibility Study is not an annexation proposal – solely recommendations for considering future annexations
Overview of Community Meeting #1 Comments

- Approximately 160 participants. Most comments from Hillcrest, Lake and Bellevue area homeowners.

- Major comment themes:
  - Annexation process and opportunities for input
  - Impacts on quality of life from new urban development
  - Defining annexation boundaries and rights of individual homeowners to affect annexation proposals
  - Requirements for connecting to city water and sewer and related costs/ability to retain existing septic and wells
  - Property tax changes
  - Need for and capacity of City (e.g. water supply, police, fire) to accommodate new growth in North Merced
Existing wastewater treatment plant (WWTP) capacity = 10.8 million gallons per day (mgd)

Existing connections in city + existing UC = 75% of capacity

25% of existing capacity remains available (unused)

To meet existing City commitments to approved projects + vacant parcels in the N. Merced Assessment District + UC buildout, a 7.0 mgd WWTP expansion is needed

The City has begun planning to expand the WWTP

Possibly many years before existing commitments must be met – development is economy driven

Further WWTP expansion will be required to accommodate new growth in North Merced
Market Study/Land Demand Study Summary

- Potential future demand for development in North Merced?
- Residential

  - Merced County Association of Governments (MCAG) projects demand for 500-600 dwelling units/year to 2050 or nearly 15,000 units for City of Merced
  
  - About 5,500 approved/unbuilt dwelling units within city = up to 10 years of existing inventory? Do these match with future demand - location, types, densities, etc.?
  
  - Unmet need for +/-9,500 units within city limits/SOI boundary
  
  - North Merced capacity in current plans - BCCP (6,675 units) + University Community (10,488 units) = 17,163 dwelling units
  
  - Plus significantly more capacity within city limits/SOI
  
  - Conclusion: significantly more capacity than demand to 2050
Market Study/Land Demand Study Summary

- **Non-Residential** (Commercial, Office, Institutional uses)
  - MCAG projects **6.6 million sq. ft.** of building demand in Highway 99 corridor to 2045 (including UC)
  - Planned capacity within North Merced Study Area:
    - BCCP = 2.8 million sq. ft.
    - University Community North = 2.3 million sq. ft.
    - UC Merced buildout = 1.1 million sq. ft.
    - Total = **6.2 million sq. ft.** (nearly 100% of total demand)
  - Additional capacity:
    - General Plan = 6 million sq. ft. (some active/approved)
    - Castle Commerce Center = 8 million sq. ft.
    - Atwater = several million sq. ft.
Market Study/Land Demand Study Summary

- Non-Residential (cont.)
  - **Conclusion**: significantly more capacity than demand to 2045
  - North Merced will have to compete with other areas of substantial non-residential development capacity including rest of Merced, Castle, Atwater to capture future demand
  - Does North Merced have advantages due to UC as a market driver? Disadvantages for other non-residential?
  - Market (including UC) will influence if, where, and how much non-residential is possible in North Merced over time

- This information will be used to help determine market absorption scenarios for different annexation options in the final Feasibility Study
Next Steps/Schedule

- Interviews/information gathering
- Technical studies
- Continued input from community
  - Joint Planning Commission/City Council workshop planned in November – public input welcome
  - Email/written comments
  - Contact information/documents/handouts/ on City project website
- Framework annexation/growth options evaluation
- Draft Feasibility Study
- Goal: Draft Feasibility Study to the City Council in December 2019
Questions and Answers

- Thank You for Coming!

Contact:

Kim Espinosa, Planning Manager
City of Merced
678 West 18th Street
Merced, CA 95340
(209) 385-6858
planningweb@cityofmerced.org

(Comments and responses may be recorded to ensure accuracy of input)

Presentation available at: www.cityofmerced.org/depts/cd/planning/north
merced annexation feasibility study (2019).asp