COUNCIL COMMUNICATION

City Clerk Use Only #

DATE: June 23, 2014

TITLE: Request to Process the Placer Ranch Specific Plan in the City of Roseville

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Meeting Date: July 2, 2014

On June 23, 2014, the City Manager received a letter from Westpark Communities, requesting that the City of Roseville reinitiate the Placer Ranch Specific Plan (Attachment 1). This letter follows a formal collaboration process conducted between the City, Placer County and Westpark from December, 2013 to May, 2014. That process was aimed at achieving high level consensus on a conceptual land plan and identifies site planning constraints, infrastructure needs and fiscal impacts. The letter further requests that the project ultimately be annexed into the City.

The following summary recommendation reflects the conclusions drawn from a partially updated feasibility analysis (new fiscal and updated potential water supply options) and provides the necessary actions should the City Council direct staff to proceed.

SUMMARY RECOMMENDATION

It is recommended that the City Council take the following actions (A through K):

Feasibility Analysis

Confirm the following direction per the Feasibility Analysis:

Traffic

- A. Ensure that the project maintains the integrity of existing neighborhoods by meeting the City's adopted level of service policy.
- B. Require that Placer Ranch aid in regional traffic solutions including funding for improvements to Highway 65 and dedication for the future Placer Parkway alignment through the plan area.
- C. Direct staff to work closely with Placer County on the physical alignment of the Foothills Boulevard extension through the Sunset industrial Area and the alignment of Fiddyment Road through the Western Regional Landfill Authority site.

Water

Routing Approval:

- D. Direct staff to work with surrounding water agencies (PCWA, San Juan and Sacramento Suburban) to ensure the water supply for the Placer Ranch Specific Plan is secured for approval of the plan.
- E. Direct staff to work with surrounding water agencies to develop a long-term capital improvement plan to provide treatment, and transmission facilities to ensure the plan area meets the City's current levels of service.

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F. Direct that the Placer Ranch Specific Plan participate in long-term water supply strategies that improve water reliability for this plan area and the City by developing Aquifer Storage and Recovery facilities (i.e. groundwater well facilities), utilizing recycled water supply to offset potable water supply needs, and integrating water efficiency measures into the project.

Fiscal

- G. Reaffirm the Guiding Principle that any new development project have a fiscally positive or neutral impact on the City's General Fund and that, notwithstanding the fiscal impact model's margin of error, any negative balance must be made up in order for the project to be considered for approval.
- H. Ensure that the project will not have a negative effect on the existing neighborhoods in Roseville by burdening existing residents and businesses with the cost of development or inadequate phasing of infrastructure.

Specific Plan Processing

- I. Accept the application for processing.
- J. Direct staff to move forward with the specific plan and environmental review process for the Placer Ranch Specific Plan.
- K. Direct staff to move forward with a sphere of influence amendment and annexation.
- L. Direct staff to bring forward a funding agreement between City and applicant for City Council review and approval.
- M. Direct staff to bring forward any necessary environmental review consultant agreements for City Council review and approval.

Report Organization: To assist the City Council in reviewing staff's analysis of the request, a summary of the relevant information is provided in this report and a more detailed discussion and evaluation is included in Attachment 2.

BACKGROUND

Eli Broad originally began processing the Placer Ranch specific plan through Placer County in 2003. The plan area is approximately 2,200 acres, shares a 3 mile border with the City of Roseville to the south, and is a part of and abuts the Sunset Industrial Area to the east. To the north is the Western Regional Sanitary Landfill (WRSL) which represents a significant land use constraint on the property. The project has always promised to bring a 300-acre satellite campus of Sacramento State University. At build-out the university would accommodate 25,000 students and become an independent Cal State campus.

In 2007, the owners sought processing and annexation of the project to the City of Roseville. The City Council authorized acceptance of an application and project processing in 2007. In 2008, the applicant suspended processing of the application, as the economy declined. In 2013, Westpark Communities purchased the property. In December 2013, Westpark requested that both the City and County engage in a collaboration process to achieve high level consensus on the project, and whether the project would be processed in the City or County.

This collaborative approach recognized the shared interest and benefit of the project to both jurisdictions. Significant strides were made in this process to develop a shared vision not only for the Placer Ranch land use plan, but also for the abutting Sunset Industrial Area. The collaboration process also specifically examined the future implications of the landfill and identified both Fiddyment Road realignment and a review of landfill management and operation polices to assure

the on-going viability of the land fill and facilitate successful, long-term development in this project and Sunset Industrial Area.

Following conclusion of the collaboration process, the applicant is requesting that the project be processed and annexed into the City. This is primarily due to the fact that Roseville is a full-service city and has the ability to provide a high level of public services, that are cost effective. There are several existing infrastructure points of connection to the south in the City and the ability to extend municipal services without constructing new civic capital facilities. The facilities currently exist in the City and are not proximal in the County (i.e. corporation yard, police station, libraries, fire stations, etc.) The preliminary fiscal analysis prepared for both agencies also exhibited a smaller fiscal gap when developed in the City. Consistent with existing City policy, this fiscal study showed that when developed in the city, the project could reach a fiscally neutral status.

Going forward, the applicant is eager to maintain ongoing City/County collaboration on the project. Service points of connection, Placer Parkway, the interrelation with the Sunset Industrial Area and coordination on the land use plan in relation to the landfill are key areas of shared interest and of mutual benefit to the City, County and the project.

In addition to analyzing the feasibility of processing and locating the project in Roseville, staff previously evaluated the advantages of processing the project in Roseville and the benefits that the project could bring to the City and the South Placer region. Although some time has passed since the original submittal, the following items still hold true:

- The project area was deemed desirable as the next potential sphere of influence expansion by the Growth Management Visioning Committee (GMVC) in it is recommendations to the City Council in June 2005. Its location adjacent to Roseville and the City's ability to influence and manage impacts from development adjacent to the City were cited in support of the recommendation.
- There are opportunities to enhance City services including fire service with proposed fire stations, and electric reliability with a new substation as part of the project. The City can also ensure that its levels of service policies are maintained.
- 3. A large segment of Placer Parkway, an important regional facility, is planned through the project area, which, in the long term is planned to connect Highway 65 with Highway 70/99 in Sutter County. Although the construction of Placer Parkway is ultimately needed to serve the plan area at build-out, it could provide even more benefit to Roseville near term by reducing traffic volumes on the City and Placer County's existing roadways.
- 4. The land use plan includes significant non-residential uses that would generate jobs and other economic benefits to Roseville and the South Placer region. This will also enhance the viability of the adjacent Sunset Industrial Area.
- Finally, the project includes a California State University campus. This would bring a desired and needed higher learning institution for approximately 25,000 students and provide many associated economic development and other benefits.

Proposed Project

As currently proposed, the preliminary concept plan includes 2,213-acres located in unincorporated Placer County, immediately west and south of the County's Sunset Industrial area,

south of the Western Regional Sanitary Landfill (WRSL), and north of the City of Roseville (see Attachments 3 and 4). The draft land use plan includes the following features:

- 300 acre California State University Sacramento branch campus that would accommodate up to 25,000 full-time equivalent students;
- A mix of residential units at a variety of densities;
- Student and faculty units associated with the university;
- Placer Parkway;
- Commercial, office, and light industrial land uses;
- Parks and open space; and,
- One middle school and one or two elementary schools

If Council's direction is to process the specific plan, staff will work with the applicant to develop a draft land use plan that is consistent with the City's growth management, level of service, and other General Plan policies. The following is a summary of preliminary policy or land use considerations that may affect the land use plan. Staff will work with the applicant and the County to assure the plan addresses these areas:

- Location of electric substation, water, recycled water, and wastewater facilities, fire stations, school/park combinations, location and amount of park acreage, etc.
- The Peaker Power Plant (City-controlled property) is located in the southeast portion of the site, immediately surrounded on all sides by the proposed project. Land use compatibility with this existing facility including noise and air quality impacts must be analyzed.
- A portion of Placer Parkway approximately three miles in length traverses the site in an east west alignment on the northern edge of the project and would connect to the Amourso Ranch Specific Plan on its western boundary. An interchange at Foothills within the Placer Ranch project boundaries is proposed.
- An extension of Foothills Boulevard north of its terminus is proposed. A
 realignment of Foothills Boulevard, south of the project site is being considered
 which may necessitate offsite improvements and interagency land acquisition.
 Staff will need to review this and other proposed roadway connections to ensure
 they meet the City's objectives and are also logical extensions to the Sunset
 Industrial Area.
- A significant portion of the project abuts existing and future Roseville neighborhoods. Staff will need to review the land use plan for compatibility with these residential uses.
- A significant portion of the site includes wetlands. Staff will coordinate with outside resource agencies and develop a plan that is consistent with the City's current open space and resource conservation policies, and consideration of the project's collaboration in the Placer County Conservation Plan (PCCP).
- Applicable policies, compatibility of land uses adjacent to the Western Regional Sanitary Landfill, and potential mitigation strategies will need to be examined.

As is the case with all specific plan projects, any issues that require policy direction or clarification will be brought forward for discussion and/or direction by the City Council.

EVALUATION

The following is a brief summary of the conclusions from the feasibility analysis and staff's analysis of the request. For a full discussion and evaluation please refer to Attachment 2 – Detailed Evaluation and Feasibility Analysis Report.

Feasibility Analysis

As discussed above, staff focused the feasibility analysis on three critical areas, transportation, water supply and fiscal.

Transportation

Based on previous information, the feasibility analysis for traffic concludes that with the addition of the project, the City will be able to maintain its level of service policy through the year 2025. Beyond 2025 traffic projections identify the need to construct regional facilities such as Placer Parkway in order for Roseville to maintain its level of service policy. Placer Parkway is a planned facility within this project area. Staff will work with the applicant to ensure that Placer Parkway is dedicated and the plan pays Tier Two traffic impact fees to aid in funding regional roadways.

Water Supply

In order to determine water supply options, four possible water supply alternatives and optional delivery strategies were analyzed. These alternatives include:

- Placer County Water Agency raw water supply utilizing Roseville Aquifer Storage and Recovery to minimize infrastructure impacts;
- Placer County Water Agency treated water supply;
- San Juan Water or Sacramento Suburban District purchased water supply.
- Sacramento River Diversion

<u>Placer County Water Agency Raw Water Supply with Roseville Aquifer Storage and Recovery</u> Placer County Water Agency (PCWA) raw surface water supply combined with Aquifer Storage and Recovery (ASR) is identified as a feasible water supply option because raw water may be available for purchase from PCWA. The City could treat the raw water during low demand periods, which would then be stored within the local groundwater basin for extraction during peak demand periods later in the year.

Based on preliminary discussion with PCWA, PCWA prefers the City purchase a treated water supply (discussed further below) in lieu of supplying the City with raw water, from the City's existing diversion point at Folsom Lake. The cost to purchase a raw water supply from PCWA is unknown at this time.

San Juan/Sacramento Suburban Water District Purchased Water Supply – This alternative would require acquisition of additional water supplies from San Juan Water District and acquisition of transmission capacity from Sacramento Suburban Water District to meet short-term wet-year water supply needs. This alternative is identified as feasible because existing water transfer locations are already in place, and another alternative location has been identified that could be developed relatively easily. This location would allow the delivery of SJWD supply to Roseville in the southwest portion of the City, which from a hydraulic perspective would be advantageous to increase overall system reliability. It is unknown what the capital contribution would be to implement this alternative. Past discussions with SJWD have indicated capital contribution could be substantial when compared to the cost of the City's current supplies and that supplies would only be made available during normal and wet years. During dry conditions, the project would need to rely on alternative water supplies such as groundwater.

<u>Sacramento River Diversion</u> – This water supply option would rely on constructing a new water supply diversion from the Sacramento River along with a water treatment plant and transmission

facilities to meet long-term wet and dry year water supply needs; collectively the "Sacramento River Diversion". A Sacramento River Diversion project would increase water supply reliability through access to existing surface water entitlements that are currently inaccessible from the City's Folsom Lake water division as agreed to as part of the City's Water Forum Agreement. Access to this water, however, would require a transfer of diversion point and potentially contract type. A similar project for a new Sacramento River diversion was previously contemplated and plans went as far as preparing initial environmental review documents when that project was suspended during the economic downturn. While this potential supply alternative will not be available within the processing timeframes of the Placer Ranch project, it does represent a long-term supply and city-wide water supply reliability source.

<u>Long-Term Water Supply Reliability</u> – Consistent with other recent specific plans, the project would participate in the City's ASR program, use recycled water supplies and incorporate water efficiency measures into the project design. Groundwater wells would be provided onsite with the capability of injecting surplus treated surface water into the groundwater basin so that it could be made available during peak demand times and/or during dry conditions. With additional ASR wells, use of recycled water to offset potable water supply needs, and the increased use of water efficiency measures, long-term water supply reliability should be enhanced within the project and City-wide.

Fiscal

The feasibility analysis for fiscal concludes that there will be a neutral fiscal impact on the City. The analysis indicates that the project would have a net deficit of \$381,000 a year at build out. Because the estimated annual fiscal deficit equals approximately 3 percent of annual expenditures, the results are considered neutral given the margin of error for the model. It is expected that the project could be augmented with project-based revenue sources such as services districts for park maintenance, storm water management, etc. The fiscal model prepared for the County during the collaboration process also showed a shortfall whether developed in the County or the City.

The City and County must negotiate a tax sharing agreement prior to annexation of the project. The outcome of the negotiations will affect the ultimate fiscal impact. While it is acknowledged that there is a projected shortfall, as described in Attachment 2 there are funding mechanisms and other methods that the applicant and the City can explore to make the project neutral or positive.

It should be noted that the University is being handled differently for fiscal impacts and was not directly included in the Feasibility Analysis. Universities bring unique benefits, including the fact that they are self-contained - they have their own services on site (security, library, recreation facilities, etc.). Therefore, it is impossible to assume the same service level impacts as other land uses. Staff will work with the applicant as the project moves forward to identify revenue sources and costs to serve the university portion of site.

CONCLUSION

While there are constraints regarding transportation, water supply and fiscal, based on staff's review of the project, there are no fatal flaws that would preclude moving forward with processing the Placer Ranch specific plan at this time. The next step would be to conduct more detailed analysis of the project. As the project moves forward, if there are areas that do not appear to meet City policy, those issues would be brought back to the City Council for direction.

FISCAL IMPACT

As with all specific plan projects, the project applicant will be responsible for the full costs of processing the specific plan. The Placer Ranch Specific Plan will require a commitment of City staff resources to process the project. Should the City Council direct staff to proceed with processing Placer Ranch, a work program, budget adjustment, and consultant contracts will be brought back to the Council for consideration.

ENVIRONMENTAL REVIEW

Direction to proceed with the specific plan are not considered "projects" as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines §15378). Consequently no CEQA action is required.

It is anticipated that environmental analysis, which includes both an Environmental Impact Report (EIR) per the California Environmental Quality Act (CEQA), as well as environmental review for the federal 404 wetlands permit consistent with the National Environmental Policy Act (NEPA) will be needed as the project moves forward.

RECOMMENDATION

It is recommended that the City Council take the following actions (A through K):

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- O. Direct staff to bring forward a funding agreement between City and applicant for City Council review and approval.
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ATTACHMENTS

- 1. Letter Requesting Processing the Placer Ranch Specific Plan
- 2. Feasibility Analysis Report
- 3. Proposed Conceptual Land Use Plan