COUNCIL COMMUNICATION

City Clerk Use Only #

DATE: October 22, 2007

TITLE: REQUEST TO PROCESS THE PLACER RANCH SPECIFIC PLAN IN THE

CITY OF ROSEVILLE

CONTACT: Chris Burrows, Planning Department, 774-5367 cburrows@roseville.ca.us

Meeting Date: November 14, 2007

On October 17, 2007, the City Manager received a letter from Placer Ranch, Inc. requesting that the City Council consider processing the Placer Ranch Specific Plan in the City of Roseville (Attachment 1). The letter further requests that the project ultimately be annexed into the city. For the past four years the project has been seeking entitlements through Placer County.

In response to the request, staff has prepared a feasibility analysis to determine if there are any fatal flaws in the proposed project in the areas of transportation, water and fiscal that would prevent the City from being able to accommodate and provide services to the project.

The following summary recommendation reflects the conclusions drawn from the feasibility analysis 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 C):

A. Specific Plan Processing

Direct staff to begin processing the Placer Ranch Specific Plan (PRSP) and the
associated environmental analysis in accordance with the requirements of the
California Environmental Quality Act (CEQA) and the National Environmental
Policy Act (NEPA), and to concurrently process a sphere of influence
amendment and annexation of the PRSP project area (Exhibit A).

B. Funding Agreements

- 1. Approve a budget adjustment to fund the processing of the Placer Ranch Specific Plan (Exhibit B).
- 2. Approve the funding agreement with Placer Ranch Inc., to fund all staff and consultant costs associated with processing the specific plan (Exhibit C).
- 3. Approve the professional services agreement with North Fork Associates to prepare the environmental analysis for the project (Exhibit D).

C. Feasibility Analysis

Traffic

- 1. Ensure that the project maintains the integrity of existing neighborhoods by meeting the City's adopted level of service policy.
- 2. Require that Placer Ranch aid in regional traffic solutions including funding for improvements to Highway 65 and Placer Parkway.

Water

- Direct staff to work with the Placer County Water Agency to ensure the water supply for the Placer Ranch Specific Plan is secured for approval of the plan and to work with PCWA 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.
- 2. Require the Placer Ranch Specific Plan to participate in the Sacramento River Diversion Project.

Fiscal

- Reaffirm the Guiding Principle that any new development project have a fiscally
 positive or neutral impact on the City's General Fund and that not with standing
 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.
- 2. 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.

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

As mentioned above, Placer Ranch has been processing the specific plan through Placer County since 2003. Substantial work including a draft land use plan, a draft specific plan, and preparation of an administrative draft EIR has occurred. But as described in Attachment 1, as the project moved forward, it became evident to the applicant and sole landowner, Placer Ranch Inc., that the cost of public services in the County poses a significant challenge to the success of the project.. Therefore, the applicant is seeking to process their project in Roseville.

While the request to process the plan in Roseville is recent, city staff has been closely monitoring the project as it was being processed by the County as we do all large scale projects that are adjacent to the City's borders. Staff has been meeting monthly with both Placer County and Placer Ranch representatives to discuss the findings of the numerous technical studies that have been performed to evaluate the project's impacts on the County and on Roseville. In addition, Placer Ranch has been included in other studies such as a regional sewer study and a regional traffic study. Staff's on-going familiarity with the project made it easier to prepare the feasibility analysis, but there is still significant work to be done to fully analyze the project for consistency with the City's goals, policies and objectives.

In addition to analyzing the feasibility of processing and locating the project in Roseville, staff also evaluated the advantages of processing the project in Roseville and the benefits that the project could bring to Roseville and the south Placer region:

- 1. Approximately 56 percent of the project area is currently within the City's Sphere of Influence (SOI).
- 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 to support the recommendation.

- 3. Consistent with the GMVC recommendation, the Council approved a work program to begin analyzing a first phase of sphere expansion for the area that includes Placer Ranch. However, before this effort got underway, the City began processing the Sierra Vista and Creekview specific plans.
- 4. There are opportunities to enhance city services including fire service with two proposed fire stations, and electric reliability with a new substation as part of the project. The city can also ensure that its level of service policies are maintained.
- 5. A large segment of Placer Parkway is planned through the project area. 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 our existing roadways. By controlling the rate of development within the plan area and the timing of key regional transportation facilities, including Placer Parkway, we would be in a much better position to address regional traffic impacts on our existing roadway system.
- 6. The land use plan includes approximately nine million square feet of non-residential uses that would generate approximately 20,000 jobs and other economic benefits to Roseville and the south Placer region.
- 7. Finally, the project includes a California State University Sacramento branch campus to Roseville. This would bring a desired and needed higher learning institution to the region and provide many economic development and other benefits.

Proposed Project

As currently proposed the project 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 West Roseville Specific Plan, North Roseville Specific Plan, and the North Industrial Planning Area (see Attachments 3 and 4). The draft land use plan includes the following features:

- A 297 acre California State University Sacramento branch campus that would accommodate up to 25,000 full-time equivalent students;
- 5,000 Residential units at a variety of densities;
- 1,740 Student and faculty units associated with the university:
- Placer Parkway:
- Commercial, office, and light industrial land uses that could accommodate up to nine million square feet;
- Parks and open space; and,
- Two elementary schools and one middle school.

If Council's direction is to process the specific plan, staff will analyze the draft land use plan for consistency with the City's growth management, level of service, and other General Plan policies. Some changes to the land use plan will need to occur to achieve consistency with these policies.

The following is a summary of preliminary policy or land use considerations staff has identified that may affect the land use plan:

- Location of electric substation, 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 is located offsite in the vicinity of the proposed interchange at Foothills Boulevard. This portion of Placer Parkway is not under the ownership of Placer Ranch Inc., and may necessitate offsite improvements.
- A realignment of Foothills Boulevard, south of the project site is proposed which
 may necessitate offsite improvements. Staff will need to review this and other
 proposed roadway connections to ensure they meet the city's objectives.
- Applicable policies, compatibility of land uses adjacent to the Western Regional Sanitary Landfill, and potential mitigation strategies will need to be examined.
- Approximately 635 acres located on the west side of the project area are under Williamson Act contracts with the County. Staff will need to review the status of those contracts to determine the appropriate mechanism for termination of those contracts.

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.

Specific Plan Processing

The work program prepared for the project includes the typical steps involved in processing a specific plan and annexing it to Roseville. We have historically used the specific plan process because it is a comprehensive planning tool and has served the City well. Consistent with past Council policy direction in new growth areas, the work program requires that the plan be developed consistent with the guiding principles, the GMVC policies, and the Blueprint Implementation Strategies as outlined in Attachment 2.

Feasibility Analysis

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

Transportation

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. Staff will work with the applicant to ensure that Placer Parkway is funded and constructed through the project site in a timely manner and that funding contributions for other regional roadways are secured.

Water

The feasibility analysis for water concludes that adequate water supplies exist under PCWA's water budget to allow the City to obtain wholesale water service for the PRSP area. PCWA and City systems would need to be expanded to ensure that adequate capacity exists to provide the expected level of service that Roseville customers enjoy.

PCWA provides water system capacity to their customers on a First Come First Serve basis, with no guarantee of service until a project's water connection charges are paid. The agency's methodology is somewhat different from Roseville in that the City acquires a water supply prior to land use approval ensuring that the water supply is available when the property develops. Roseville and PCWA both implement long-term capital programs to provide treatment, transmission and storage for their customers. Staff will work with the applicant and PCWA to ensure that the plan area has a secure water supply prior to bringing the proposed land use action forward for approval.

Fiscal

The feasibility analysis for fiscal concludes that there will be a negative fiscal impact unless the project is augmented with project-based revenue sources such as services districts, park maintenance, storm water management, etc. The fiscal impact conclusions are based on assumptions regarding the property tax sharing agreement that will be negotiated between the City and County. 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 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.

While there are constraints regarding transportation, water and fiscal, based on staff's review of the Feasibility Analysis, there are no fatal flaws that would preclude moving forward with processing 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.

Funding Agreements

Specific Plans are full cost projects, meaning that all costs associated with processing these projects are borne by the applicant. These costs include both staff time and consultant costs. A Funding Agreement has been attached to this report and it requires reimbursement from Placer Ranch Inc., for all staff and consultant costs (Exhibit C). The agreement specifies an estimated reimbursement obligation of \$1,146,000 in staff processing costs per year which is consistent with the amount identified for the Sierra Vista and Creekview plans. Some staff resources are being reorganized to provide support to the PRSP. As separate staff team for PRSP has been assembled in order to ensure that the Sierra Vista and Creekview specific plans will not be impacted by this project.

The agreement also specifies \$836,280 in estimated EIR consultant costs plus a ten percent contingency. Although substantial work has been completed, additional environmental work is necessary. Some of the estimated costs are associated with the potential for changes to the land use plan to respond to city policies, project level analysis needed for offsite improvements, a potential need to re-issue the notice of preparation (NOP) since the City will be the new lead agency, and increased meeting coordination with regulatory agencies. Both the City and the

landowners understand that the Funding Agreement amount is only an estimate and landowners are obligated to pay actual costs.

A professional services agreement including the scope of work between the City and North Fork Associates has been attached to this report (Exhibit D). North Fork is an environmental consulting firm that has extensive land use and environmental experience in south Placer County. As part of the proposal, URS Corporation would be a sub-consultant as part of the EIR team. Staff believes that this will ensure a consistent approach to environmental review for both the Creekview (North Fork is the EIR consultant) and Placer Ranch specific plans. Other sub-consultant work associated with the agreement includes DKS and Fehr and Peers for transportation.

FISCAL IMPACT

As with all specific plan projects, the project applicant will be responsible for the full costs of processing the specific plan. As outlined in the work program, the Placer Ranch Specific Plan will require a commitment of City staff resources to process the project. Some staff resources are being reorganized to provide support to the project and the existing staff on the Sierra Vista and Creekview specific plans will not be impacted by this project. A funding agreement and a budget adjustment are attached for the Council's consideration and action.

ENVIRONMENTAL REVIEW

Direction to proceed with the specific plan and approval of a budget adjustment and consultant contracts 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. It is expected that the CEQA/NEPA process occur concurrently during the City's specific plan process. If the U.S. Army Corps, as the lead agency under NEPA, determines that an Environmental Impact Statement (EIS) is required, staff will bring a scope of work for the EIS forward to the City Council at that time.

RECOMMENDATION

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

A. Specific Plan Processing

1. Direct staff to begin processing the Placer Ranch Specific Plan (PRSP) and the associated environmental analysis in accordance with the requirements of the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA), and to concurrently process a sphere of influence amendment and annexation of the PRSP project area (Exhibit A).

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Respectfully Submitted,		
Chris Burrows Senior Planner		
Paul Richardson Director, Planning and Redevelopmen		
APPROVED:		
W. Craig Robinson City Manager		

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2.	Detailed Evaluation and Feasibility Analysis Report	10
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4.	Proposed Land Use Plan and Land Use Table	62

EXHIBITS

- A) Work Program: Flowchart Summary of Process
- B) Budget Adjustment
- C) Funding Agreement with Placer RanchD) Professional Services Agreement with North Fork Assoc.

Resolution Approving an Agreement Between the City of Roseville and Placer Ranch, Inc. Resolution Approving an Agreement Between the City of Roseville and North Fork Associates