CITY OF CERES
PLANNING COMMISSION
MINUTES

May 16, 2011

MEETING CALLED TO ORDER: 6:00 p.m.

ROLL CALL:

PRESENT: Del Nero, Kachel, Kline, Molina, Smith

ABSENT: None

ALSO PRESENT: Deputy City Manager Sheila Cumberland, City Attorney Michael Lyions, Director of Public Works Michael Brinton, Planning, Building & Housing Division Manager Tom Westbrook, Associate Planner James Michaels, Secretary Ann Montgomery

PLEDGE OF ALLEGIANCE:

The Pledge of Allegiance was led by Chairperson Kachel.

APPROVAL OF MINUTES:

None

CONFLICT OF INTEREST DECLARATION:

None

CITIZEN COMMUNICATION:

None

APPROVAL OF AGENDA AS POSTED (OR AMENDED) AND CERTIFICATION OF POSTING:

It was moved by Commissioner Kline, seconded by Commissioner Smith, to approve the agenda as posted. Carried 5/0.

CONSENT CALENDAR:

None

NEW BUSINESS:

None

PUBLIC HEARING(S):

1. 07-34 ANNEX/07-35 GPA/07-36 PZ/07-37 WLSP; Public Hearing to consider a proposal for an Annexation, Prezoning, General Plan Amendment, Specific Plan and Finance Plan for the proposed West Landing Specific Plan project along with certification of an Environmental Impact Report. The proposal includes the annexation and development of the entire area bounded by Whitmore Avenue on the north, Ustick Road on the west, Service Road on the south, and the Union Pacific Railroad right-of-way on the east, and includes all parcels within the described area of approximately 960 acres. B.S. Boyle, Jr. Family, L.P., G3 Enterprises, Inc. and Rutland Properties, Inc., applicant.

Mr. Westbrook presented correspondence to the Planning Commission that he received late this afternoon; an email message from Jaymes Michelena.

Mr. Westbrook introduced the people who were instrumental in the development of the Environmental Impact Report and/or the Specific Plan:

- George Osner – Planning Consultant with the City
- Rebecca Gordon – EIR Consultant; from Lamphier Gregory
- Mark Rogers – of Wood Rogers
- Paul Musier – of Wood Rogers
- Amy Lapin – Financing Plan Consultant; from EPS

Mr. Westbrook explained that he may call on these individuals to answer specific questions that the Commission may have later in the meeting.

Planning, Building and Housing Division Manager Tom Westbrook presented the Staff Report.

The project presented with recommendation of staff for approval is the West Landing Specific Plan. The West Landing Specific Plan will guide the development of 960 acres on the west side of Ceres. In addition to the Specific Plan, there will be a prezoning and general plan amendment. The prezoning involves the western portion of the project area, which will also include a Sphere of Influence Amendment and ultimate annexation of the property. The Financing Plan that is proposed for adoption would guide the financing of the public facilities required for the project, the public facilities being the development of the roadways, the sewer, the water, the backbone sewer and water infrastructure, in addition to storm drainage.

Once the Planning Commission makes recommendation, the project will move on to the City Council, who would then make their decision regarding the project. Then it would

move on to Stanislaus LAFCO for the Sphere of Influence amendment in addition to the annexation itself.

As mentioned by the chair, this project covers 960 acres. (Exhibit shown on screen) A portion of the area to the east of Crows Landing is already developed. The portion in gray is controlled by G3 Enterprises. They have some facilities located there. A portion of that property is already developed. South of that, the portion in blue is the area known as the Ag Center, which has County Ag Center, the jail, Social Services building and the new Animal Shelter.

The west side of Crows Landing Road is largely in production of some type of agriculture, either row or tree crop. In addition there is a residential subdivision along Carol Lane; predominantly ranchette style homes. This is south of Whitmore and west of Crows Landing.

There will be a number of applications that would proceed with this project. Those would be the annexation, a prezoning and general plan amendments. The northern portion of the area, east of Crows Landing already has a prezoning designation, and it's General Industrial, which is consistent with the operations of G3 Enterprises. The area to the south is Community Facilities. That would be consistent with the Ag Center, the jail and Social Services building. The area to the west will be prezoned with what Staff refers to and what is known in the zoning code as Planned Community. The Planned Community is an overlying area, and the Planned Community we'll refer back to, if adopted, the West Landing Specific Plan. The land uses that are shown are being proposed and those will be within the Specific Plan itself. Those include: Regional Commercial, Neighborhood Commercial, Community Commercial, in addition to some Business Park, some office use, mixed use, and the residential designations, which go from the Carol Lane, very low density residential, then progresses to low density, medium density, and two classifications of high-density residential (HDR-1 and HDR-2).

Additionally, there are general plan amendments that will be associated with this development. The land uses that you see; the general plan amendments are consistent with the exhibit shown on the screen.

The project is 960 acres in total. The area east of Crows Landing Road is about 320 acres, and consists of the existing development, in terms of the G3 Enterprises in addition to the Stanislaus County facility. The area to the west is 640 acres or 1 square mile. Other than the agricultural uses that dominate the area, the primary existing development is the residential area on Carol Lane.

The uses that are proposed in the area west of Crows Landing include areas for employment, shopping, in addition to residential neighborhoods. The residential neighborhoods would be surrounding a community park and two school sites. One of the things that has been accomplished as part of this project, and was an effort that was led by the developer, is formerly, when this project started in 2007, this area, west of Crows

Landing Road, south of Whitmore Avenue, was within the Modesto City Schools jurisdiction. Since that time, there have been efforts, and has been accomplished and now this area will be served by the Ceres Unified School District. That was at the direction of the City Council, when they were proposed with the land use concept in December 2008, that was one of the big things they wanted to make sure happened; and it has happened.

One of the things to note is that this Specific Plan and project and its EIR are not actually approving any development. This is studying the land uses and getting an idea of the densities, the number of units and homes and square footages that could be proposed within this area. There's not an actual development to look at in terms of a residential subdivision or a commercial building. It's establishing the parameters, so after annexation, if a property owner decides to move forward, it would come back to this body with any requests for an actual project.

Some of the Main Circulation patterns for the Specific Plan area already exist:

- Service Road – expressway in the south
- Ustick Road – arterial in the west
- Whitmore Avenue - major arterial at the north
- Crows Landing – bisects 2/3 to 1/3 of the proposed Specific Plan area

The Specific Plan itself, after the conceptual land use was approved, the concept was bought into by the City Council at a joint City Council/Planning Commission meeting in December 2008. That's when the land uses became more solidified, so that the environmental consultant could start doing the analysis based on the unit count, the square footages for the commercial, the industrial and so forth.

Another thing that the Specific Plan does, is identifies the larger infrastructure needs that would be required to serve this area. Those include: domestic water, which includes the water wells, the need for water wells and the potential storage tanks for those locations. That's all based upon water demand for residential and commercial uses; for all the uses involved.

One of the things this plan does, which is not included anywhere in the city, so far; is that there will be the installation with some of these major improvements, of a recycled water system. At some point in time in the future, it is expected that the City of Ceres Waste Water Treatment Plant will come to tertiary level treatment system. That water could then be conveyed to the Specific Plan area to irrigate park sites and public landscaping that are included within this area. In the interim, that system does not exist at our treatment plant; however it is expected that some of the ag wells that are already included in this area would be converted to that recycled water system to include the parks. The benefit of that is, the production of potable water can be expensive, so we want to make sure that with irrigating our park sites, we're using non-potable water. This already happens in the City; some of our larger park sites already have wells, that are including water to irrigate those facilities that we don't include in our system and deliver to our

customers.

There's a section within the Specific Plan entitled "Design Guidelines." No specific project is being approved tonight, in terms of the location; it's just the general concept. However, when a project is submitted, those design guidelines will guide the design. There are Commercial Design Guidelines, Industrial Design Guidelines, in addition to Residential Guidelines. When a project comes back, ultimately, whenever that may be, those developments will need to adhere to the guideline requirements.

The EIR was prepared for this project. There are some of the impacts, which are called significant and unavoidable, which means there's no feasible mitigation to deal with some of the impacts.

- One of those is a conversion of prime farmland. This area has farmland available in it; some are under Williamson Act contracts, some are not. The conversion of farmland was addressed in the City's 1997 General Plan, which showed this area for ultimate development. There are no feasible mitigation measures for the loss of farmland. Those impacts were already overridden in the 1997 General Plan, but they will also need to be overridden in the resolution that would certify the Environmental Impact Report tonight.

- Also, there are air quality and greenhouse gas emissions that cannot be mitigated. Primarily that stems from the fact that there is no development here and with development, there will be contribution to the region's overall declining air quality. The difference here, is that the circulation pattern, having the shopping next to the residential units, encouraging pedestrian and bicycle activities through larger corridors, staff is recommending that this outweighs the negative impacts and the project is a benefit to the area. So, the air quality would also need to be overridden as an environmental impact.

- Noise – Generally the noise associated with this project will be during the construction phase. There will also be noise impacts associated as the area develops and as the vehicles are placed on adjacent roadways. There are a number of walls that will placed to mitigate that, but there are certain locations where full mitigation is not feasible. So those noise impacts will need to be overridden.

- Traffic - When it comes to traffic, this is the last segment of the EIR that has significant and unavoidable impacts. The real big thing that makes them significant and unavoidable is the fact that they are not under the City of Ceres control. For example, there may be an intersection that was analyzed within the Traffic Study of the Environmental Impact Report that is an intersection within the City of Modesto. City of Ceres has no control over when or how the City of Modesto addresses that impact. Additionally, there are intersections in the City of Ceres that would need to be improved. These intersections are the responsibility of the City of Ceres. If it's not specifically within the plan area, then the City will determine when those

improvements can be made. There are a number of traffic improvements that will be made with the project itself. As the Planning Commission is aware, generally when projects develop, the developers at that time, depending upon the location, will be required to make improvements to the frontages of their property, which is consistent with City Standards. As noted in the findings, several traffic impacts will require to be overridden

Phasing - In terms of this project, it is 960 acres. It's single handedly the largest annexation that's ever been proposed in the City of Ceres. The last one that was done in 2000 was the Eastgate annexation and that one touched just about 370 acres. A large portion of that project is already developed and there isn't a lot of capacity for additional growth. The area west of Crows Landing Road is 640 acres in size. With using the max dwelling unit count that was used within the EIR, and that is included in the Specific Plan, that's about 3600 new units. That's the maximum amount, so that assumes that everything would develop at the maximum density. If you apply population numbers to that, you are roughly looking at about 10,000 new residents. The City of Ceres population today is approximately 45,000, so you can get kind of a perspective of when this area fully develops, of what kind of population may be expected in that area.

Carol Lane – This is an older county subdivision with more of the Ranchette style homes. Properties are half acre or acre in size; some are a bit larger than that. There's a church at the corner of Whitmore and Carol Lane as well. To be sensitive with the Specific Plan with the existing Carol Lane neighborhood, is there were some meetings that were held directly with the Carol Lane residents. If you've read in the Specific Plan document itself, Exhibit A is a section that specifically deals with Carol Lane and talks about what kind of buffers would be on the west side, proposed as commercial. There's landscape buffers, walls, etc. to the south. There's actually going to be the creation of two lots, that would mimic the Carol Lane size lots in terms of its depth, not necessarily its width, but to provide a buffer along the south and then also to the residential uses to the west, that would remain to be developed at some future point. There will be walls along that side. The Specific Plan takes measures to the extent possible, to buffer those Carol Lane residents, so they can continue with the quality of life they have enjoyed for many years. In terms of improvements for the Carol Lane residents, we heard at some of the meetings with them directly, that they wanted more of a country lane feel, so their roadway won't have sidewalks, when it is ultimately developed. There would be kind of a soft swale. In addition, when development reaches that area, there will be the installation of sewer and water lines. The Carol Lane residents ultimately will have access to the city sewer and water system; currently they are on well and septic tanks. At some point in the future, if they have a failure in their well or septic tank, those City services would be available through the development of the plan. Mr. Westbrook has no timeline as to when that may or may not happen.

This project was reviewed through CEQA. The Planning Commission is now well versed on the California Environmental Quality Act. This project does have an Environmental Impact Report. There are some impacts that can not be mitigated, so we need the

overriding considerations; that was with the traffic, the noise, the conversion of the ag land to non-ag land use, in addition to some of the air quality aspects of it. With the submission of the packet, there is a resolution for the recommendation of certification of the Environmental Impact Report to the City Council that includes those overriding mitigations for the impacts that Mr. Westbrook identified.

Staff recommends that the Commission certify the final EIR for the project and the Draft Resolution PC 11-10 and approval of the project, the Specific Plan, General Plan Amendment, Prezoning and Financing Plan, subject to the findings and conditions in Draft Resolutions 11-11, 11-12, and 11-13.

Mr. Westbrook offered to field any questions that the Commission may have. Some of them may require the expertise of the panel of consultants that are here, so he may call on them.

Questions/Comments from Commissioners:

Commissioner Kline asked about the EIR, being for the annexation, and not for a specific project.

> Mr. Westbrook explained the annexation of this whole area, is what the EIR is for. A lot of the development within this area will be covered by the EIR itself. There may be a specific project; any project that comes in, staff will have to evaluate, this was covered by the EIR or it was not covered by the EIR. We would not expect any development in this area would require an additional EIR; however, some may require initial study or a mitigated negative declaration, which is an independent analysis, and that's generally a project level review. In some cases, there may exemptions through CEQA, where environmental review would not need to be done at all.

Commissioner Kline stated because this is for annexation, and this is basically, a rough draft of what could be proposed or developed, could they come back and alter any portion of this? For example, Commercial Regional is in north end at Crows Landing and Whitmore, they could propose that for the south end?

> Mr. Westbrook replied that generally the EIR analyzes what's on the screen and what you see. If there is a significant change; if this plan and what's on the screen, encompasses 41 acres of Regional Commercial, and it comes back and the property owner has a project and it's 41.5 or 42 acres, it wouldn't necessarily mean that now we have to start this environmental process over. Relocation and shuffling of the land uses in a dramatic fashion, would probably necessitate some review from staff. It may include updating the EIR. This project started in December 2007, and a considerable amount of time and energy has been put into the plan that you see now. He would not expect that things would change from what is included on the screen.

Commissioner Kline asked about traffic – On page 127 of the Staff Report, Impact Traffic #2 - westbound Whitmore, from Crows Landing to Carpenter Road. Once this thing gets annexed, wouldn't portions of that road (Whitmore Avenue) be considered, like the south side of Whitmore, City of Ceres, the north side, Modesto?

> Mr. Westbrook clarified. The actual intersection of Carpenter and Whitmore Avenue will still not be in the city limits. The intersection at Whitmore and Ustick Road would be. The expectation with the annexation, is yes, a portion of the roadway, would now be the City of Ceres.

Commissioner Kline inquired about Carol Lane services; it states that services will be readily available, sewer, water, etc. He clarified that the homes are currently on wells and septic tanks. If there are well or septic tank failures, because they are annexed in the city, would they then be required to hook up to the City of Ceres or have the choice to fix their well or septic tank?

> Mr. Westbrook clarified. Today Carol Lane is a rural residential neighborhood that's in Stanislaus County. If their septic system fails, and it needs to be replaced, they get the permit through the Department of Environmental Health. That's the way it is today. Let's assume that annexation takes place tomorrow and the same circumstance happens, where the septic system fails. There are no utilities, in terms of City of Ceres utilities, in that area. They would still go to the Dept. of Environmental Health, and replace the septic system pursuant to the Department of Environmental Resources standards. That circumstance changes when the services that the City of Ceres provides are in place. This project will develop over time and eventually as development takes place, there will be water and sewer lines that will be extended up Carol Lane. Once those water and sewer lines are in place, if their septic system failed, they would be required to connect to the City's system, once the services are there.

Commissioner Molina – had a question regarding part number 3 of the letter from LAFCO where they addressed water waste and storm drainage. The EIR states that the existing wastewater treatment plant is projected to be able to accommodate growth until 2015, including the project's demand. He said that in looking at the answer that was given to them, "The comment was noted, prior to LAFCO's consideration of approval of annexation to the City of Ceres, will finalize and submit a Municipal Services Review including the wastewater plan illustrating that the city will have the necessary services to serve the proposed annexation area." He didn't really understand the answer; are we going to be able to have enough supply?

> Mr. Westbrook responded, yes we are. What is referred to in the letter from LAFCO, is the Municipal Services Review. That's being done in parallel, in conjunction. It's a requirement that the City must do, he thinks every five years. So that's being done outside this project. It relates to it, but the Municipal Services

Review suggests that we can serve this project and we can serve the needs of the existing city. So, we are addressing LAFCO's concern. The Municipal Services Review is not something that needs to be approved by the Planning Commission, so that's why it's not being presented.

The public hearing was opened at 6:30 p.m.

- Dale Kettner – 2725 Carol Lane, Ceres, CA

Several concerns that he and the Carol Lane residents have about this annexation and development:

- Traffic is one of the largest concerns – the addition of 10,000 people in the area; he doesn't see enough roads to accommodate 10,000 more people moving around this area.
- It's going to be developed slowly, over several years. He would hope that as the development goes forward, that what's decided now, will not be too little to handle what's going to actually happen.
- Traffic down Whitmore, in front of Fairview School is an issue. There are parts of the day where you can barely walk in front of the school, let alone drive.
- Traffic is a big issue for us, especially on our little street. We like our area; our quiet neighborhood. Most of us have been there 20 plus years.
- We've had our meetings and discussions with the developers, and have pretty well hashed out what we think is a plan which everybody can live with. We hope that as the development goes forward, that they are not altered severely. He thinks what our biggest issue is, that what we've put in place, and what we pretty much agreed will be livable, is not altered to the extent that it impacts our little street negatively.
- We're still waiting back on a TID report about right of way and stuff as far as our irrigation area behind us, which would be on the West side of Carol Lane residents. There's got to be some type of a right of way there. We don't know what that is yet. We hope it's not going to be an area which is going to attract trash and unsavory characters, passing between Whitmore and whatever else is going on behind us.
- Most everything else we've hashed out, what we think is the least amount of impact on us, and we hope the Planning Commission takes note of that. We hope there's not a lot of change between now and the time this project is completed.

Chairperson Kachel asked Mr. Kettner if he had a chance to read the EIR.

Mr. Kettner responded that he glanced through it online the other day, just to see what was in there. He didn't read a whole lot of specifics, as far as the traffic. But there's going to be a point in time when Whitmore is going to be two lanes from Ustick down to Carpenter. Right now, driving on Crows Landing Road, there are

times it takes you 15 minutes to go from Whitmore to the freeway, which is a matter of a couple miles.

Chairperson Kachel stated that it sounds like Mr. Kettner was to look at the sections that were relevant to his comments tonight.

Mr. Kettner replied that we've discussed it during our ongoing meetings the past couple years. He glanced at it the other day, knowing the meeting was coming up and went through some of the reports. Being the only Carol Lane resident here tonight, he thought he should get his say in and get his information out, that they're concerned with. When the gentleman said that they're going to put 10,000 people in that area, it was the first time he had heard that number. That's a big number, especially for us; there are 26 of us residents on that street, and that's a lot of impact on our way of life. We're trying to mitigate that the best we can.

Commissioner Kachel told Mr. Kettner he appreciated him being here.

Commissioner Molina asked Mr. Kettner, when you say you hope that not a lot of changes happen between now and then; are you saying that you're comfortable with what's being proposed, as of now?

Mr. Kettner responded that they've been working with Rebecca; we've had several meetings and we've put out there what we would like to see happen. They've said, this is a proposal that we see can happen. We are pretty well satisfied with what we've come up with as far as a minimal impact on us. He knows that they can't isolate us from this development. There is going to be impact, we understand that; we're just trying to make it as minimal as possible.

Commissioner Molina asked Mr. Kettner, when Mr. Westbrook stated that it is expected that minimal or no changes will happen, then that should kind of give you some comfort, right?

Mr. Kettner replied that the only thing he is concerned about is that maybe this project is going to take 10 years. He doesn't expect to see any of the Commissioners here in 10 years, because things change. When this project originally started in 2007, the City of Ceres came in, they had a meeting and said this is what we're going to do and you have no choice. At that time we had almost everybody that lived on that street at that meeting. We were ready to take a vote; LAFCO was there. We were ready to take a vote and shut this project down completely at that time because we were the majority land owners. The numbers were on our side; let's put it that way because most of the landowners are farmers, large acreage with the one vote, as opposed to Carol Lane, with our votes of 26. We had the numbers; we could have shut the project down then. Then they decided to take a step back and said, "Wait, let's not do that." Since then they've changed; the Council and everybody has changed, as far as he can tell. They've taken a

different approach with us now. They've said we're going to try to work with you guys to make this minimal. That's where we're at, at this point. We're very happy that that has come about the way it has. We know there will be development because originally, the development considered was going to be Commercial around us. That was pretty much unacceptable to everybody, because to have that small neighborhood encompassed by Commercial, it would've been an extreme impact on us, just with noise and traffic and being in the middle of a Commercial area. That has since been reconsidered. The plan that we have now is basically what we've worked out over several meetings. It's something he thinks we can live it, just as long as things develop. He's sure the Planning Commission will have different plans brought to them, with people not wanting to spend the money on the sound walls, or the offsets or traffic patterns won't fit with their business. He feels that the Planning Commission will be hammered with a lot of different deals to change things. He hopes that they'll take us (Carol Lane residents) into consideration. As this develops, he plans on trying to attend all of the meetings that he can, so we'll have a voice with what's going on. He reiterated that "minimal impact" is what we're looking for.

Commissioner Kline asked staff in regards to Mr. Kettner. One of the questions Commissioner Kline brought up was on page 127, with the traffic impacts. The way he interprets it, is that it is projected for Whitmore to be four lanes. He found that in the Facts that Support Finding. How much would this project have an influence on Whitmore going four lanes from Crows Landing to Carpenter? I'm not saying that City of Ceres can do that because part of it's City of Modesto and County, but what kind of impact would this project, would be to widen Whitmore?

Mr. Westbrook replied, in the Specific Plan, there is a diagram that shows what the proposed improvements would be to Whitmore Avenue. It's on page 5-12. You can see Arterial B, which is the bottom of the page. It has the landscape median in addition to the travel lanes, and so forth. If he is understanding Commissioner Kline's question, at the project site, so Ustick Road moving to Crows Landing Road and then pretty much, the Whitmore Avenue is developed to its ultimate right of way from Crows Landing Road to the east, to the railroad tracks. This cross section at the bottom of screen, is what Whitmore Avenue would look like. Your question is, what would the cross section be, moving from Ustick Road to Carpenter Road. Because what is suggested in the Overriding Considerations, is that would be a four lane roadway, but that's not under the jurisdiction of the City of Ceres.

Commissioner Kline asked, from the west edge of the project to Crows Landing, that could be four lanes? That's what the impact of this project would have?

Mr. Westbrook responded, this arterial B, that's noted below. That's what it's going to look like. And that's a cross section, so that's basically, if I were standing in the middle of the road, what it would look like when it developed. As you can see, it has a median, it has travel lanes, a bike lane, a sidewalk, in addition to

landscape medians. The north half of that is what is the existing roadway in the City of Modesto.

Commissioner Kline stated, the way he interprets this, there would be some relief from the west edge of this project to Crows Landing?

Mr. Westbrook replied correct, this is how the street would develop.

Commissioner Kline further asked, and then going west from the edge, Ustick, past Fairview, it's still going to stay, because we have no influence; it's all County and City of Modesto, so it would basically stop four lanes right there.

Mr. Westbrook replied, that is correct.

Commissioner Kline asked, since we're looking at this, and the gentleman lives on Carol Lane, with the proposed median down the middle; they would be able to turn on Carol Lane?

Mr. Westbrook replied, that is correct, there would be an opening in the Median for Carol Lane.

Mr. Kettner added that he remembered seeing a drawing, where that median was not open in front Carol Lane. That would've been another issue there.

Mr. Westbrook clarified, there will be an opening in that landscape median, so that the residents can turn to their homes down Carol Lane.

Mr. Kettner said he thinks there were two or three other streets coming out of that residential area.

Mr. Westbrook responded yes, further to the west.

Commissioner Kline commented, that does give you some relief there.

Mr. Kettner commented that the biggest issue that he is seeing is, going from the four lanes, everything that is part of this development looks real good. Once we get out of this development and onto Crows Landing Road, there's already traffic issues now. You get on the other side of Crows Landing Road on Whitmore, you already have traffic issues now. It's not bad headed down to Service because it's developed, it's opened up. You can get all the way down to Service without too much trouble. Going back towards Carpenter, once you get out of those four lanes, headed towards Carpenter, you're going to back up two lanes of traffic into one. You're going to go past the school and then Carpenter. City of Modesto, we have no idea when they're going to develop that, do we? Have they got a plan?

Mr. Westbrook replied that he does not know when the City of Modesto is going to develop that.

Mr. Kettner commented that this development might be done in 10 years, and it might be 20 years before the City of Modesto decides that they have enough money to develop their part of it. We're hoping that as this development goes forward, that the City of Modesto will see traffic issues in that corner, but he doesn't know, there's no way to say that they will help alleviate traffic issues in that corner. Granted, he doesn't expect a whole lot to happen within the next ten years the way things are rolling right now. Nobody can see the future, and who knows maybe the economy booms, and all of a sudden in the next five years, we have this development going. The major concern we have here are traffic issues and minimal impact.

- Dave Sunday - 2719 W. Keyes Road; one of the directors for the Westport Fire Protection District

He just has a question with regards to the application for annexation to LAFCO, because his concern for the Fire Protection District and the funding. "Is it the intent of the Commission to apply for this annexation with detachment or without?"

Chairperson Kachel stated that he thinks this is a question that staff can answer for us. The question is the status of the Westport Fire District, as the City cuts into it, how is it affected financially?

Mr. Osner responded that the intent is to apply for annexation with detachment from the district. Actually there have already been some discussions with the chief, about attempting to keep the district whole.

Mr. Sunday stated he was aware of that. The chief couldn't make it and he wanted to be sure, he looked through the report and didn't see specific mention. He realizes it needs to go to LAFCO for their decision and ultimately they will make that decision. However, it has some bearing with regard to the application, if he understands the process correctly, how you submit the application. If the intent is to keep Westport whole at our current funding levels, then the additional funding levels that he's sure the development will ultimately be for the benefit for Ceres.

- Dave Romano

On behalf of the Project Development Team, he just wanted to say a few words. It's been a long process. As your staff has told you, we started in about 2007; about three and half years. A substantial amount of resources, time and effort has gone into this. He wanted to take the opportunity to thank your staff and the team that they put together. They worked diligently on this project. As Mr. Kettner mentioned, an initial project was started by the City in about 2006, with respect to at least 320 of the acres on the west side of Crows Landing Road. It surrounded Carol Lane with light industrial type uses, the

neighbors were not happy with it and that project stopped. The project had been in the City's Sphere and in the General Plan since 1997, and so it was an area that was ready for development. We put this team together; we worked with your staff to hire consultants who would assist us with the process. And the first thing Wood Rogers and Lamphier Gregory did was put together a number of land use plans, held community meetings, met with the neighborhood, took testimony and listened. They listened to what the community said; they listened to what people said and they tried their very best., though it's impossible always to make everyone happy with a project of this magnitude, they tried their very best to solve concerns. He commended Mr. Kettner; he has been at every single meeting! Mr. Romano has seen him at every meeting, from the Council/Planning Commission Workshop to the Community Meetings at the County Center to the meetings at Carol Lane. He's been diligent, he's been thorough and we, on behalf of the Development Team know, that as we come to you in the future, he's going to be diligent and he's going to hold us to what we've promised to you, and we expect that. Lamphier Gregory, especially Rebecca Gordon spent a lot of time out at Carol Lane; meeting with Carol Lane, talking to them and listening to them, and we're very appreciative of that effort. We're also appreciative of Mr. Westbrook's effort and Mr. Osner getting on board with his wealth of experience in projects like this, and helping us go through what is long, time consuming and complicated, and bring it to you in a thoughtful way, that's easy to understand, and easy to digest. We appreciate all of their hard work. Mr. Romano stated that he appreciates his partners. He is working on behalf of Rutland Properties, Souza Real Estate and Development of behalf of Boyle Properties and G3 Enterprises, Inc. all have had a substantial amount of financial input, input with expertise, knowledge, experience and represent about 500 + acres of the area that is going to be moving into the city. We appreciate them as well.

Mr. Romano does want to admit to this Commission that we promised Mr. Kettner and the people on Carol Lane information about the TID. He got some information, and he didn't get back out like he promised to share that with them, but he will share that with them. There are existing irrigation lines that irrigate those lots on Carol Lane. We are going to be required to keep those in place. That's never really been an issue; what's been an issue is as we keep them in place, do they remain on property line, where's the wall, are they moved onto the Carol Lane properties, so that ultimately they're secure, the people on Carol Lane can continue to get water, but we don't create some kind of a ten foot separation between walls for new residents and walls for Carol Lane, where there's kind of like an alley way that could be unsafe. The belief today is that there will be some type of a wall on property line or behind the irrigation line if it's right on property line. There'll be one common wall. The irrigation line will be in a location that will be accessible to those on Carol Lane. The west side, which is new development, clearly wouldn't have need for irrigation water, and he'll follow up with that. That's on us, that we told them we'd look into that, and we just didn't finish that.

Mr. Romano stated with respect to the Westport Fire District, he wanted to mention that we've spent a lot of time talking to the chief out there. We've made a commitment on behalf of the project that this won't have any diminution of revenue to the Westport Fire

District. We hope to do that with detachment, but if we do it without detachment, that is still a possibility. The bottom line is that Westport is a small district with a limited amount of revenue, and they need to maintain what they have, even if they lose a little bit of area. In fact, the City recognized that previously when they moved the sphere to Crows Landing Road, which was done years ago through some agreements. So, the City is assisting Westport and this project will help to continue to make sure that they are fully funded and kind of move the services required; assist Westport in serving maybe a little smaller area, but make sure that they still have adequate resources. We would be happy to talk to the Board Member who is here as well.

Mr. Romano stated, finally, one thing that we're a little bit proud of, is when we started this process; he thinks it was at the Joint Commission/Council Hearing, where two or three of the Council Members looked at us and said, it sure would be nice if we could move that school district boundary. In fact, it would be more than nice, and we kind of expect you to do that, if you can. It's a complicated thing. It's not something that's been done often around here. But, Modesto School District was good to work with and Ceres was great to work with. We worked diligently; we worked hard. It took us a long time, but about two or three months ago, that was completed. This project will be in the Ceres Unified School District. All of the students that are generated from this property not only will see Ceres Police Officers drive through their neighborhood, but will see Ceres Parks and Recreation at their park, but will know they are a part of Ceres, will go to Ceres Schools, and will have that interconnection to the community. As a part of that, Ceres and Modesto City Schools have agreed that for existing students within the neighborhood, they will get to make an election. They currently go to Modesto Schools, if they want to continue going to Modesto Schools, Ceres will absolutely release them, no questions asked. We weren't intended to force that on them, but for the new students, they will be expected to participate in the Ceres Schools, and these will be two new Ceres Schools.

That was a little more than I expected to say, but we appreciate everybody's hard work on this process, your deliberation and we ask you for your approval. And we'll do our best as well, if you have any specific questions of us.

Commissioner Smith asked if he can work with the Post Office to get her mailing her address changed to Ceres please?

> Mr. Romano said that working with cities, working with the counties and working with local school districts, I'm pretty good at that, but when it gets to be the federal government, it's very difficult.

Chairperson Kachel asked Mr. Romano: there's three Williamson Act parcels in here, one has filed a notice of non-renewal and two have not. He said he's a little behind on what's going on with the Williamson Act now, although now he thinks they've stopped funding refunds back to the counties. But, what will happen to these contracts, in your estimation, based on what you know about the timing? He thinks one is due to expire in

2016, the others, he doesn't know if they were protested and upheld or not. He didn't see that.

> Mr. Romano replied that he doesn't believe, unless Mr. Westbrook can tell you differently, that those were protested. The Verdegaal property contract has had a notice of non-renewal filed on them. With respect to existing contracts, they will come into the City under contract, they will remain under contract, they will get the benefits of being under contract, the City will have to put in place "Implementing Rules." There are some very basic "Implementing Rules," where you adopt a four or five page set of implementing standards. They talk about how you manage a contract. Now you, like the County Board would, for other contracts have to determine if somebody wants to cancel it; do an immediate cancellation, what the findings are. So, they'll move into the City, and they'll continue to be under contract. The City Council will act like the Board of Supervisors. It will be within their authority to let that contract remain in place for as long as they want. Landowners can file notices of non-renewal, can file requests for tentative cancellations. So, it shouldn't change for the landowner, but the City will get something maybe a little bit new, which is a requirement to manage contracts.

- Dale Kettner – 2725 Carol Lane, Ceres, CA

Mr. Kettner asked about the time frame – If it gets approved this evening, when can we see the annexation be complete, and at what time will we see the City of Ceres services impact us, as far as what public services?

> Mr. Westbrook responded that may be a question that he needs to answer a portion of and then perhaps Mr. Romano can answer the balance of it. In terms of process that we're at this evening, the applications before the Planning Commission are for recommendation to the City Council. It is his hope that the City Council would be presented with this project in June of this year. From that point, assuming that this body moves forward with a positive recommendation and it moves forward to the City Council; with their positive recommendation, application will be submitted to LAFCO. Generally, once an application is submitted, there is a 2-1/2 to 3 month lead time. The expectation is probably in the early fall. The project, the West Landing Specific Plan, would be for annexation at the Stanislaus LAFCO. Depending upon their determination, the project would be annexed after that point. After that point, then this area would fall under the City Services; therefore, if you called for Police assistance, Ceres would respond, in terms of some of the basic services. If you're talking about when this area might develop, Mr. Romano may have a better answer than he would, in terms of what project may develop first, whether it's a residential or commercial piece. Mr. Westbrook stated that he can not answer that.

Mr. Kettner inquired/clarified that we're looking probably at fall or winter before this is finished, as far the annexation is concerned?

Mr. Westbrook replied, yes sir.

Mr. Romano stated that with respect to the annexation, certainly our hope is that it would be to LAFCO in September or October. We're on a schedule to be to Council sometime in June, make application in July. It takes about three months to get to LAFCO. We're hopeful for September or October, but as we find with any planning process, things take time. But our expectation is late this year, we'll be through LAFCO. There's 30/60 days, then you have to file a Notice of Completion. It's just a bureaucratic process; makes it realistic that the annexation won't be complete probably until early 2012. At that point, when it's complete, all public services will be provided by the City of Ceres. So if you call, a Ceres Police Officer will come, that address will now be a Ceres address, and 911; they'll know to send Ceres Police, Fire out. Check with your Fire Insurance provider, as your ISO rating will change because you'll have a little higher level of fire service. As far as public services; water and sewer, that's tied to the phasing of development of the project. And that's clearly the most difficult decision. If you have a big, gigantic project, and you have a lot of money, and you're going to build one building to do one project, you can control a little more of the timing of that and what's going to happen. But here, it's really kind of market driven. We have a sense that the Commercial area may go soon; that there's some demand there. But again the tenants need to come, and they'll need to talk to the owner of that property, they'll need to put together some kind of a deal, and they'll need to come to you with a site plan and do that. The residential market right now is relatively soft; there's not a lot of new development. And the office market is relatively soft as well. So this is really a project that's been planned through the slow time to be in place and be ready to go as things pick up. His best guess is that we're probably not going to see much out there for the next 3 to 5 years, in the way of substantial type development. If there is some retail type development, you'll see it. But he wouldn't expect 2012/2013; it's just going to be burning stuff up. For a while it's going to look pretty much like it looks; the boundary will have moved, and when you call, you'll get a policeman instead of a sheriff. But, it will typically be what you see for a while and then you'll start to see a little bit of activity. As that picks up, the financing plan starts to collect some money as you start to have development. And they're going to collect a portion of the money that is needed to complete Carol Lane, which is the road, the sewers, the water, all the things they need to get that type of service. And that's kind of the midpoint of the project. It is the expectation that the City will collect about half of the money to do that, and then the next developer at a certain threshold will have to front the other half, and that road will be completed at one time. It's about a half million dollars worth of improvement to Carol Lane for the benefit of the Carol Lane neighbors on the back of the developers, but it's needed to bring it up to City Standards. They're moving into the City, they need City Standard services, they need to look like a road that's in the City with a few minor tweaks that we did for them. Mr. Romano knows that this is kind of a real "mushy" answer, but if you would've asked him three years

ago, he would've said three years. It's a little deeper and longer than any of us expected. We're hopeful soon, because we have a lot of money invested, but it's going to be a little while.

The public hearing was closed at 7:06 p.m.

Commissioner Kline wanted to thank the staff for answering all of his questions that he submitted in advance. He stated that there was one that he wanted to read and it was about financing for the project. The financing mechanism was a Community Facilities District, also known as Mello-Roos. He did ask the question whether the residences or businesses that are already in occupancy there, would be exempt from this tax. The staff did comment and say that they are exempt from the tax and they will not be taxed on the Community Facilities District. He then asked if he was correct.

Mr. Westbrook responded that the residents that live along Carol Lane would be exempt. Properties that develop will not be exempt.

Commissioner Kline asked another question: Suppose a gentleman on Carol Lane sells his house to him; now would he (the new owner) have to pay that tax?

Mr. Westbrook replied that no, he would not.

Commissioner Kline asked about the right-to-farm, and he understands that the question he asked previously was about the farming surrounding it, west of Ustick. People on Carol Lane; let's say they have 4 or 5 chickens in their yard because that is considered rural county. He asked, once it's annexed, would they have to get rid of their chickens?

Mr. Westbrook replied that the uses that the current residents of Carol Lane have today, they can continue. The deeded right-to-farm act is a notification primarily for the future residents in that area, because perhaps they aren't driving through those country roads and see almond trees or alfalfa or corn or something like that. It's just a protection, it's a notification that you're buying a home that's within an area that has legally permitted agricultural uses that may have dust, flies, odors, etc. So, it's a disclosure that is signed before they buy the home, letting them know that they're within an area that these legally permitted uses exist. The folks along Carol Lane would be able to retain what they have.

Commission Kline stated that coming into tonight, he was against the project. But, with the gentleman from Carol Lane coming in and saying that they have met numerous times with the developer, they've worked through certain things, his questions, as far as the relief of the traffic. There's nothing you can do to relieve the traffic on Crows Landing, just like you can't relieve the traffic by his house on Mitchell Road. Those things are very tough to do. With that being said, he stated that he supports this project going forward. Hopefully it will be developed and maintained. He knows that the Eastgate area is still pretty well underdeveloped. His last comment is, coming in, he didn't

support it, but he does support it now.

Chairperson Kachel asked staff, what are your plans for dealing with the current status and conditions pertaining to El Rematito?

> Mr. Westbrook responded that there is a segment of the Specific Plan; Appendix D, that will deal with them. El Rematito throughout this process, even though they may not be here this evening, is fully aware of this project, fully aware of what it understands, kind of what it means. What is written in here, are the conditions imposed by the County, will be the conditions that are imposed by the City. Once they are annexed, if they do propose any expansions, that comes before the Planning Commission, to address any development issues they may have. One of the things that staff conveyed early on in the process to the folks at the El Rematito, is that largely, their flea market is an open-air flea market that doesn't have a lot of buildings or structures. Perhaps at some future point, as Mr. Kettner pointed out, won't be here in thirty years. Let's say in thirty years' time, someone comes to the El Rematito folks and says they want to buy that property to develop it commercially. They may decide that the price is right and move away, but they're not required to. The conditions have imposed by Stanislaus County for their expansion efforts that kind of have been taking place over a number of years. Those conditions would remain in effect when it's transferred to the City of Ceres.

Commissioner Kachel stated that he as he recalls, the County developed, at least the appearance along the roadway, consistent with Ceres City Standards at that time, because it was in the sphere As you know, it was a very long ongoing process out there.

> Mr. Westbrook said that he was correct. The frontage along Crows Landing Road, as it exists today, at El Rematito are kind of the standards that were in place. With the Specific Plan as proposed, would be a little bit more stringent standard. What he means by that is the right-of-way gets a little wider and there are some other improvements in terms of a separated pedestrian path from the roadway, so you'll have some landscaping along that. And evidence of that is shown in Exhibit A on the screen. There will be some additional improvements if El Rematito decides to expand properties that they own.

Commissioner Kachel wanted to second what Mr. Kline said. He said he thinks he came on the Commission in 2008, and attended three of the community meetings at the Community Center. It was a really nicely done exercise by the City at the time, by the developers at the time and the neighbors at the time. He believes the Fire District was also in attendance, talking about their needs at the same time. This was a really nice example of people coming together to try to meet everybody's needs. Everybody involved deserves a tip of the hat from us, for presenting something here to us that's pretty well packaged and pretty well agreed to. The traffic issues and implementations of traffic mitigations are difficult at best, particularly when you have three agencies involved. The land to the west of this is zoned and general planned for agriculture. On

the south side of Service, is not likely to be widened on that side based on current plans. So the issues will remain for some time, but hopefully in the more developed areas, we will see change. He just wanted to pay everybody a complement. He attended all three of those meetings, and then we heard silence for a long time, and then we had one presentation before us, a while back and now this. He was really pleased to see everything that has come together so nicely, and Mr. Kettner has represented his neighbors and his street and himself in an extraordinarily fine manner, as has everybody else.

Commissioner Smith wanted to echo almost everything that Chairperson Kachel said. She was very impressed with the plan, thanks to staff, the consultants and Mr. Romano. She was around in 2007 and did participate in the City Council/Planning Commission Joint Workshop. She remembered the discussion about the School District, specifically because she was so unhappy that we weren't going to be able to negotiate a deal. So, as she was reading through this, she kept thinking that can't be right, because everyone at the City of Modesto told her, oh no, the School District will never give up their turf. She called Mr. Westbrook, and asked did this really happen, and he said yes it did. The process was thorough, the Carol Lane residents were included, which is mandatory and she is grateful that Mr. Kettner is here, to let us know your support of the project. She knows there's some work to be done, in terms of bringing this to LAFCO, but she is pleased with it and looks forward to supporting it.

Chairperson Kachel wanted to acknowledge and thank the six people on the side of the room, who haven't received much credit tonight, but have worked their tails off getting all of this done. He knows that they're behind the scenes, but we thank you very much. We couldn't do this without you.

Comm. Molina thanked Mr. Kettner for taking the time to follow through, and attending. He really appreciated it!

It was moved by Commissioner Molina; seconded by Commissioner Smith, to adopt PC Resolution 11-10. Carried 5/0.

It was moved by Commissioner Molina; seconded by Commissioner Smith, to adopt PC Resolution 11-11. Carried 5/0.

It was moved by Commissioner Molina; seconded by Commissioner Smith, to adopt PC Resolution 11-12. Carried 5/0.

It was moved by Commissioner Molina; seconded by Commissioner Smith, to adopt PC Resolution 11-13. Carried 5/0.

It was moved by Commissioner Kline; seconded by Commissioner Smith, to recommend that the City Council initiate proceedings for Sphere of Influence Amendment Annexation by filing application with LAFCO. Carried 5/0.

This will go on to the City Council at a date yet to be determined in June.

PUBLIC MEETING(S):

None

UNFINISHED BUSINESS:

None

MATTER INITIATED BY PLANNING COMMISSION AND STAFF

None

REPORTS:

None

ADJOURNMENT:

The Commission adjourned at 7:19 p.m. to the next regularly scheduled meeting of June 6, 2011.

APPROVED:

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Bob Kachel, Chairperson

ATTEST:

_____
Tom Westbrook, Secretary