

**CITY OF GRASS VALLEY
MEMORANDUM FOR
CITY COUNCIL MEETING OF SEPTEMBER 13, 2005**

TO: Members, City Council
VIA: Gene Haroldsen, City Administrator

FROM: Joe C. Heckel, Community Development Director

SUBJECT: Release and Review of Special Study to Evaluate Economic / Fiscal Conditions and Future Land Use Scenarios for City of Grass Valley into Year 2020

RECOMMENDATION: Provide direction as to a preferred process for evaluating the “Economic and Fiscal Conditions Study for Grass Valley”

BACKGROUND: On January 12, 2004, the City executed a contract with the firm of Applied Development Economics (ADE) to prepare a study that evaluates the market, fiscal and job-housing conditions for the City and Western Nevada County. The study, entitled the “Economic and Fiscal Conditions Study for the City of Grass Valley”, has been completed and set for release by or on September 13, 2005. The intent of this report is to forward the study to the Council and set a process for its review.

The study projects the levels of growth envisioned for the commercial, business park and residential sectors into the year 2020. The projections included in this study borrow from demographic and employment projection models produced by the U.S. Bureau of Economic Analysis and California Department of Finance. This information allowed ADE to more narrowly project growth for Western Nevada County and the City using data on historic trends. This study is an informational report, not a policy document, so it is not necessary to formally adopt or approve it. However, the projections identified within this Study may prompt a further discussion and review of the City’s 2020 General Plan and the land use mix proposed by the Special Development Areas (SDA).

OPTIONS FOR REVIEW OF STUDY: The contract with the consultant who prepared the report provides for a presentation of its findings to the Council. Some options to consider for how the study would be presented before the Council are:

- 1) *Review Report at Regular Meeting of Council.* This option is not recommended in light of importance and implications of this Study.
- 2) *Review at Special Meeting or Workshop of Council.* This option is recommended to allow for sufficient opportunity for review, discussion and public participation. Staff would work with the Council Subcommittee in developing this agenda. Suggested dates include **September 21**, **October 4** or **October 27**. It is important to have all Council members present for this meeting.

Beyond this special meeting, the Council may elect to schedule subsequent workshop(s) and/or meeting(s) for further discussion and to gain additional public input. A section of this report discusses some of the potential steps beyond the initial consideration of this study that the Council may consider.

WHY WAS THIS STUDY PREPARED?

The study was prompted after the City became aware there was interest from the SDA applicants in changing their land use mix from what is shown in the 202 General Plan for the SDA's. Such changes were illustrated during two study sessions held on February 12 and 26, 2003. Mayor Patti Ingram and Vice-Mayor Dee Mautino had signed and directed a letter to each of the four SDA applicants indicating the City's interest in having an analysis completed of the potential effects that would be caused from the land use changes being contemplated for these SDA's. The analysis or study would provide the necessary information to the City Council to determine whether such alterations would be viewed as acceptable. A Council subcommittee of Mayor Gerard Tassone and Councilmember Dean Williams has been involved in the review and preparation of this study.

On October 12, 2004, the City Council directed that the SDA Study will need to be completed and the preference for initiating any General Plan amendments resolved by the Council prior to any of the SDA applications being processed or formally considered. Subsequently, all SDA applicants were notified that their applications were to be temporarily suspended until the Study was complete and direction given by Council.

FORMAT AND SCOPE OF STUDY:

The contract between ADE and the City for preparing this Study was reviewed and approved by the City Council on November 25, 2003. All four SDA applicants provided a proportional payment to the City that fully funded the study and a vacant land survey that was conducted in 2005. The scope of work for the report was divided in three distinct phases as listed below:

- I. Conduct Baseline Analysis of Market and Jobs-Housing Conditions. *Conduct a "baseline" report that will quantify the jobs/housing balance, analyze the market demand for land uses, and review the capacity of General Plan to absorb the projected growth.*
- II. Conduct Fiscal Impact Analysis. *The fiscal analysis will estimate the public costs and revenues accruing to the City and separate the impacts by evaluating variations in land uses, density, or location.*
- III. Conduct Comprehensive Impact Analysis. *This "analysis" constitutes the "Study" being forwarded for review. While utilizing the market/fiscal/jobs-housing balance information from Phases I-II, measure the impacts of the following scenarios: a) Build-out of 2020 General Plan; b) Build-out of City with the land use changes being proposed to the 2020 General Plan by SDA's. Based on the information in scenarios a-b, the consultant would recommend a land use mix that demonstrates an effective jobs/housing balance, achieves market demand and is fiscally positive, while recognizing the General Plan and options for phasing and allocating future growth.*

The Phase I and II reports were released, distributed and posted on the City's website. The Phase III or final report was designed to be the document that was to undergo public review and discussion. The contract allows for the consultant to participate in one community meeting.

STATUS OF APPLICATIONS FOR SDA's AND FUTURE STEPS: The status of the applications has not changed since a status report was provided on April 26, 2005. The Council directed that applications for the SDA's could be filed and reviewed by the City while the Study is underway, but any public review or processing of an SDA application would be deferred. In light of this directive, a brief report on these applications is provided below:

<u>Application/SDA</u>	<u>Status</u>
Southhill Village Master Plan	Application Filed. EIR under preparation.
Northstar Specific Plan	Application Filed. Initial Study released for review.
Loma Rica	Application Filed.
Kenny Ranch	Preliminary proposal filed.

The Council has considered the completion of this Study as a priority for the City and its staff. Any changes to current land use policy or procedure relative to the SDA's would need direction from the Council. This direction would need to be gained beyond the initial presentation and discussion of the study. In order to evaluate and address the policy questions raised by the SDA's and the information contained in the Study, the following series of steps could be utilized:

1. The Council completes a review process of the Study (per Page 1 of this report).
2. The Council accepts the findings of the Study upon its final revisions.
3. The Council considers and provides direction to one of the following options:
 - A. Maintain land use mix per 2020 General Plan, or
 - B. Maintain land use mix per 2020 General Plan and strengthen Growth Management Program policies per study conclusions, or
 - C. Consider changes to General Plan per Study conclusions and incorporate:
 - Phasing and Growth Management policy measures
 - Alteration of land use mix for General Plan (and SDA's)
 - D. Consider changes to General Plan per requests of current SDA proposals.

The selection and resolution of any of the above options would provide clear direction to the SDA applicants and the community as to how their proposals will be evaluated by the City. Options "B" to "D" could trigger subsequent amendments to the City's 2020 General Plan. Depending on the severity of the General Plan changes, the Council could defer the analysis of these changes to any EIR that would be prepared for a Specific Plan of a SDA. Any amendment to the City General Plan, whether initiated by the City Council or by an SDA applicant, will require considerable City effort and prompt environmental review, public input and noticed meetings.

If you should have any questions, please do not hesitate to contact me.

Cc: Members, Planning Commission SDA Applicants/Representatives City Department Heads	Steve Wahlstrom, Siefel and Associates Doug Svensson, ADE Members, Planning Division
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