

RESOLUTION NUMBER PC 15-09

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF SHASTA LAKE RECOMMENDING CITY COUNCIL CERTIFY THE FINAL ENVIRONMENTAL IMPACT REPORT FOR THE MOUNTAIN GATE AT SHASTA AREA PLAN (SCH# 2012-042010); ADOPT THE FINDINGS OF FACT AND STATEMENT OF OVERRIDING CONSIDERATIONS; ADOPT THE MITIGATION MONITORING AND REPORTING PROGRAM; APPROVE GENERAL PLAN AMENDMENT 11-01 (LAND USE DESIGNATION AND PLAN LINE AMENDMENT); ADOPT THE MOUNTAIN GATE AT SHASTA AREA PLAN AND DESIGN GUIDELINES; APPROVE REZONE 11-02; APPROVE TENTATIVE SUBDIVISION MAP SD 11-01; AND APPROVE A DEVELOPMENT AGREEMENT BETWEEN THE CITY AND MOUNTAIN GATE MEADOWS, LLC.

WHEREAS, the City of Shasta Lake (City) received an application for General Plan Amendment GPA 11-01 (land use designation change and plan line amendment); Rezone Z 11-02, including the Area Plan and Design Guidelines; and Tentative Map SD 11-01 filed by Mountain Gate Meadows, LLC (Project); and

WHEREAS, the subject property is identified as Assessor's Parcel Numbers 007-400-037, -052, -053, -054; 307-210-028, -031, -032, -033, -034, -035, -036, -037; 307-220-001, -002, -003, -004; 307-240-001; 307-380-001, -002, -003, located generally in the northeast section of the City of Shasta Lake, generally south of the Mountain Gate/I-5 interchange and north of the Shasta Dam Boulevard/I-5 interchange on the west side of I-5; and

WHEREAS, pursuant to the California Environmental Quality Act (CEQA) (Public Resources Code sections 2100 *et seq.*) and the CEQA Guidelines (California Code of Regulations, Title 14, Chapter 3, sections 15000 *et seq.*), the City of Shasta Lake (City) as Lead Agency determined an Environmental Impact Report would be prepared for the Project; and

WHEREAS, scoping meetings were held on November 9, 2005, and April 16, 2012, to receive comments from the public regarding issues to be addressed in the EIR; and

WHEREAS, a Notice of Preparation (NOP) was prepared on April 3, 2013, and distributed through the State Clearinghouse for public agency review; and

WHEREAS, a Notice of Availability of the DEIR and the June 5, 2014, Public Hearing was published in the Redding Record Searchlight, made available at City Hall and the Shasta Lake Gateway Library, posted at designated locations throughout the City, posted on the City's website, and mailed to surrounding property owners; and

WHEREAS, the public comment period was held from April 18, 2015 through June 18, 2015 (60 days), and comments on the adequacy of the DEIR were received from 18 individuals and agencies during the public review period; and

WHEREAS, a Final Environmental Impact Report (FEIR) was prepared by the City in conformance with CEQA and is comprised of the DEIR (April 2014) and all appendices thereto, the comments and responses to comments on the DEIR (FEIR Section 2.0), and minor textual changes and amendments (FEIR Section 3.0); and

WHEREAS, a Findings of Fact, Statement of Overriding Consideration and a Mitigation Monitoring and Reporting Program were prepared pursuant to CEQA and were considered by the Planning Commission in their deliberations; and

WHEREAS, a Development Agreement between the City and Mountain Gate Meadows, LLC, was prepared pursuant to Government Code Section 65864 *et seq.*, and was considered by the Planning Commission in their deliberations and found to be consistent with the FEIR and Project; and

WHEREAS, a duly noticed public hearing was conducted on October 15, 2015, to obtain public comments, and action was continued to the November 19, 2015, meeting; and

WHEREAS, the Planning Commission has reviewed all environmental documentation comprising the FEIR and has found the FEIR considers all environmental effects of the Project; is complete and adequate and fully complies with all requirements of CEQA; and reflects the City's independent judgment and analysis; and

NOW, THEREFORE, BE IT RESOLVED by the City of Shasta Lake Planning Commission as follows:

SECTION 1: FINDINGS AND DETERMINATIONS

The Planning Commission of the City of Shasta Lake hereby finds and determines the above recitals are true and correct and have served as the basis, in part, for the recommendations set forth below.

SECTION 2: RECOMMENDATION: Certification of Final Environmental Impact Report

After hearing testimony, considering the evidence presented, and engaging in due deliberation of the matters presented, the Planning Commission hereby recommends that the City of Shasta Lake City Council, in the exercise of its independent judgment, and taking into consideration the comments and responses to comments included within the Final Environmental Impact Report (FEIR):

- a. Certify the FEIR prepared for the Mountain Gate at Shasta Area Plan attached as **Exhibit A** to this Resolution, finding that the FEIR is complete and in compliance with the California Environmental Quality Act (Public Resources Code Sections 21000 *et seq.*) and CEQA Guidelines (California Code of Regulations, Title 14, Section 15000 *et seq.*); and
- b. Adopt the proposed Findings of Fact and Statement of Overriding Considerations Attached as **Exhibit B** to this Resolution; and
- c. Adopt the Mitigation Monitoring and Reporting Program attached as **Exhibit C** to this resolution; and,

SECTION 3: RECOMMENDATION: General Plan Amendment, Rezone, Tentative Map, Development Agreement

After reviewing and considering the General Plan for the City of Shasta Lake, and the Mountain Gate at Shasta Area Plan project, the Planning Commission recommends that the City of Shasta Lake City Council:

- a. Approve General Plan Amendment GPA 11-01, which consists of:
 - 1. Adoption of the Mountain Gate at Shasta Area Plan, attached as **Exhibit D** to this resolution; and,
 - 2. Adoption of a Plan Line Amendment for the southerly extension of Wonderland Boulevard to connect to Cascade Boulevard rather than Shasta Way as shown on **Exhibit E**, finding that the Plan Line Amendment is a preferable route due to traffic safety concerns at the intersection of Shasta Dam Boulevard and Shasta Way. The proposed alignment also impacts fewer privately-owned properties than the current General Plan alignment.
- b. Approve Rezone Z 11-02 approving the Mountain Gate at Shasta Planned Development Zone District, attached as **Exhibit F** to this resolution; and,
- c. Approve Tentative Subdivision Map SD 11-01 for the creation of 21 parcels, attached as **Exhibit G** to this resolution.
- d. Approve a Development Agreement between the City and Mountain Gate Meadows, LLC, attached as **Exhibit H** to this resolution.

DULY PASSED AND ADOPTED this 19th day of November 2015 by the following vote:

AYES: HUEY, KERR, KIRKLAND, PALMER, TIEDGEN, WALTER, VAN WYHE
NOES: NONE
ABSENT: NONE



RICHARD VAN WYHE, Chair
 Planning Commission, City of Shasta Lake
 State of California

ATTEST:


CARLA L. THOMPSON, AICP
 Planning Commission Secretary



CITY OF SHASTA LAKE
Planning Commission Staff Report

Meeting Date: October 15, 2015

Staff Assigned: Carla L. Thompson, AICP
Development Services Director

Project :	Mountain Gate at Shasta Area Plan
Assessor's Parcel #s:	007-400-037, -052, -053, -054; 307-210-028, -031, -032, -033, -034, -035, -036, -037; 307-220-001, -002, -003, -004; 307-240-001; 307-380-001, -002, -003
Location:	In the northeast section of the City of Shasta Lake, generally south of the Mountain Gate/I-5 interchange and north of the Shasta Dam Boulevard/I-5 interchange on the west side of I-5.
Property Owner and Applicant	Mountain Gate Meadows, LLC
Representatives	Mark Hanson David Temblador Ron Alvarado
Environmental Determination:	Environmental Impact Report

PROJECT DESCRIPTION:

The proposed project is a request for approval of:

- 1. General Plan Amendment (GPA 11-01)** changing the land use designation for approximately 141 acres of the project area to Mixed Use (MU) to be consistent with the remaining 449 acres of the site; and amending the General Plan road alignment for the extension of Wonderland Boulevard to connect to Cascade Boulevard rather than Shasta Way.
- 2. Rezone (Z 11-02)** of the entire 590-acre project site from Planned Development - Specific Plan (Peri Project) to Planned Development (PD) to reflect the Mountain Gate at Shasta Area Plan.
- 3. Tentative Map (SD 11-01)** for the creation of 21 parcels. Future development of the site will require additional tentative maps.
- 4. Area Plan** for a mixed-use development on the 590-acre property with approximately 1,604 housing units, 195,584 square feet of commercial uses/professional offices, and 236 acres of open space, parks and trails.
- 5. Development Agreement** between the Applicant and the City establishing development rights and obligations for a proposed period of 25 years.

BACKGROUND

Various land use proposals have been considered for this property for over 30 years. In 1981, a mixed-use development with a golf course, known as Mountain Gate Meadows, was proposed by F.E. Peri, Inc. The property was rezoned at that time to Planned Development-Specific Plan to reflect the Mountain Gate Meadows project. The project included 1,150 homes (161 acres); a 210-room hotel/motel with restaurants and meeting space (15 acres); 80,000 square feet of neighborhood commercial (25 acres); community commercial uses or 200 townhouse/condominium units (35 acres); a 27-hole golf course with a club house, pool and tennis facilities (250 acres); a school site (10 acres); and 51 acres of open space.

Prior to approval of the Mountain Gate Meadows Specific Plan in 1983, 325 acres of the site was zoned for industrial use. A total of 246 acres was zoned for rural residential-mobile homes; 12 acres was zoned for single-family residential, and 9 acres was zoned for general commercial uses.

In 2005, a project similar to the Mountain Gate at Shasta project was proposed on this property. An Initial Study/Notice of Preparation (IS/NOP) was circulated from October 21, 2005, to November 21, 2005, and a scoping meeting was held on November 9, 2005. Most of the technical studies were completed and an Administrative Draft Environmental Impact Report was prepared. However, the DEIR for the project was neither fully completed nor circulated publicly, and the original project applicant is no longer involved. The proposed project is smaller in terms of housing units and commercial space than the 2005 submittal.

DRAFT ENVIRONMENTAL IMPACT REPORT

A public Scoping Meeting was held on April 16, 2012, to receive comments from the public regarding issues to be addressed in the EIR. A Notice of Preparation (NOP) was prepared on April 3, 2013, and distributed through the State Clearinghouse for public agency review. A Notice of Availability of the DEIR and the June 5, 2014, Public Hearing was published in the Redding Record Searchlight, made available at City Hall and the Shasta Lake Gateway Library, posted at designated locations throughout the City, posted on the City's website, and mailed to surrounding property owners. The public comment period was held from April 18, 2015 through June 18, 2015 (60 days), and comments on the adequacy of the DEIR were received from 18 individuals and agencies during the public review period.

FINAL ENVIRONMENTAL IMPACT REPORT

The EIR includes both a programmatic analysis of the proposed project (Area Plan and PD Zone District) and a project-specific environmental analysis for the Tentative Subdivision Map (21 large-lot subdivision parcels) pursuant to California Code of Regulations, Title 14, Chapter 3 (CEQA Guidelines).

CEQA Guidelines Section 15160 identifies several types of EIRs, each applicable to different project circumstances. A program EIR is appropriate for land use decision-making at a broad level that contemplates further, site-specific review of individual development proposals. Project EIRs are appropriate for specific proposed projects that will not require additional site-specific environmental review.

The program-level analysis considers the broad environmental effects of the overall plan for the project site, such as impacts on circulation and traffic, water quality, biological resources, land use compatibility, air quality, and major utilities. In addition, the program-level analysis addresses the cumulative impacts of development of the proposed project.

The City anticipates that the proposed project will be constructed in three or more phases of development. In order to move forward with a specific phase, the project applicant will be required to submit a Tentative Subdivision Map, discretionary permit application, and/or development site plan for each phase. At that time, the City will prepare a site-specific analysis of the development phase's impacts, particularly with respect to that phase's compliance with the analysis set forth in the DEIR (CEQA Guidelines Sections 15168 and 15183).

The EIR also includes a more detailed project-level analysis for the tentative subdivision map, which creates 21 large lots and identifies the preliminary circulation and infrastructure plans.

The FEIR serves as an informational document with the purpose of identifying potential environmental impacts, project alternatives and mitigation measures (MMs). The decision to certify the FEIR is based on whether it was completed in compliance with CEQA, whether it adequately analyzes the potential environmental impacts associated with the proposed project, whether it sufficiently evaluates project alternatives, and whether it identifies all feasible MMs to lessen the project's impacts on the physical environment. The decision to certify the FEIR should be based on this criteria, regardless of any opinion in support of or in opposition to the project. It is an option to certify the FEIR but deny the project.

The Final Environmental Impact Report includes the following:

SECTION 2.0 COMMENTS AND RESPONSES TO COMMENTS

CEQA requires lead agencies to evaluate all comments that address the adequacy of the DEIR and prepare a written response. The response must address the significant environmental issue raised and must be detailed, especially when specific comments or suggestions such as additional or revised MMs are not incorporated by the City.

In evaluating the comments, the City determined certain MMs needed to be amended, and some MMs needed to be added. These revisions are included in FEIR Section 3.0, Minor Revisions.

The City's Responses to Comments was provided to all public agencies and individuals who submitted written comments on the DEIR. As of October 9, 2015, the following comments were submitted addressing the City's responses. The comment letters/e-mails are attached:

1. **Letter submitted by James H. Harrell, Superintendent, Gateway Unified School District**

The School District would like additional time to review the City's response and requests the item be continued to the December Planning Commission meeting.

On October 7, 2015, the Development Services Director and City Manager met with Mr. Harrell and Jack Schreder, consultant for GUSD, to discuss the School District's concerns. The District expressed their desire for the developer to donate 20 acres within the Plan Area for a future school.

Based on GUSD's comments on the DEIR, MM 4.11.3.1 was amended as follows:

MM 4.11.3.1 The applicant shall set aside 10 acres within the Area Plan for potential future development of a new school by the Gateway Unified School District (GUSD).
~~The 10 acres shall be made available for purchase by the GUSD for a~~

~~period of three years from the date of the approval of the first small-lot tentative map.~~

The City shall consult with GUSD at the time of submittal of an application for subsequent small-lot tentative maps to determine if a school site is warranted.

Prior to approval of the 500th residential unit by subsequent tentative maps, the 10 acres shall be identified by GUSD and reserved for a period of three years from the date of approval of the applicable small-lot tentative map.

In the event the GUSD elects not to purchase the **ten acres within the three-year reservation period**, the applicant shall be permitted to subdivide the site for future development consistent with the Area Plan.

While the City fully supports GUSD's goals for future schools and recognizes the importance of providing local schools within safe walking distance of residential neighborhoods, the City is guided by the California Government Code in establishing mitigation for school impacts.

California Government Code Section 65995 states payment of the School District Developer Impact Fee shall be considered full mitigation for impacts a development (any legislative or adjudicative act) may have on schools.

In fact, the Government Code specifically prohibits a City from denying or refusing to approve a legislative or adjudicative act on the basis of a developer's refusal to provide school facilities.

Government Code Section 65970 *et seq.* allows a City to require the dedication of land for schools if the School District first finds that conditions of overcrowding exist; however, no such conditions currently exist.

Government Code Section 66478 also allows a City to require any subdivider to dedicate land to the School District. However, under this Section the dedication occurs as a condition of approval of the tentative map. The School District must enter into a binding contract within 30 days of approval of the tentative map or the requirement is null and void.

This Code Section also states the School District must repay to the subdivider or his successors the original cost of the dedicated land, plus a sum equal to the total of the costs of any improvement to the dedicated land; any taxes assessed against the land; and any other costs incurred by the subdivider for maintenance, including and interest costs incurred on any loan covering the land. If the land is not used by the school district, as a school site, within 10 years after dedication, the subdivider shall have the option to repurchase the property from the district for the amount paid.

There is no provision that would allow the City to require the developer to dedicate the land at no cost to the School District.

The proposed MM is over and above the State's minimum requirement to pay developer impact fees. The language was developed during discussions with the applicant on the Development Agreement. The Developer has also had several meetings and discussions with the School District over the past few years regarding dedication of land for a school site.

See FEIR Section 2.0, Letter A, for more information.

2. Email submitted by Marcelino Gonzalez, Caltrans

Caltrans is concerned with the City's response and revised MM regarding Regional Traffic Fees.

MM 4.3.3 and the Development Agreement commit the applicant/developer to pay, on a fair share basis, a Regional Transportation Fee for improvements to Interstate 5, provided a nexus study in compliance with the Mitigation Fee Act is prepared. The amount of the fee would be based on the fee adopted by the City and the jurisdiction in which the impact is being mitigated.

Caltrans is concerned because the MM does not commit the City or Caltrans to ever prepare the nexus study or adopt regional transportation fees. Caltrans suggests a fair share payment be calculated and a traffic mitigation or cooperative agreement be developed providing assurances of how the fair share payment would be used. See FEIR Section 2.0, Letter D, for more information.

3. Email submitted by Tony Juncal, resident

Mr. Juncal's comment on the DEIR (Letter 1) stated he was in support of the project. His September 30, 2015, email expresses after further review of the project, he is no longer in support.

SECTION 3.0 MINOR REVISIONS TO THE DRAFT EIR

This Section includes minor revisions to the DEIR based on comments submitted on the DEIR which led to revised and additional MMs. In some cases, the revised and/or additional MMs resulted in a need to revise the language in certain sections of the DEIR. Section 3.0 includes a revised Table 2.0-1 (Summary of Impacts and Mitigation Measures), which includes all impacts, mitigation measures and levels of significance as amended. In addition, minor typographical errors are corrected. The revisions do not constitute new significant information or alter the conclusions of the environmental analysis.

FINDINGS OF FACT AND STATEMENT OF OVERRIDING CONSIDERATIONS; MITIGATION MONITORING AND REPORTING PROGRAM

CEQA (Public Resources Code Section 21081 et seq.), and the CEQA Guidelines (CEQA) (14 California Code of Regulations, Section 15091 et seq.), state that a public agency cannot approve or carry out a project for which an EIR has been certified which identifies one or more significant environmental effects of the project unless the public agency makes one or more written findings for each of those significant effects, accompanied by a brief explanation of the rationale for each finding. The possible findings are:

1. Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the FEIR.
2. Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.

3. Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or project alternatives identified in the final EIR.

Included with the staff report are the Findings of Fact (Findings) and Statement of Overriding Considerations (SOO), and the Mitigation Monitoring and Reporting Program (MMRP). The MMRP reflects the MMs adopted by City Council.

As explained in the Findings, although inclusion of certain mitigation measures will reduce the majority of the significant impacts to a less than significant level, development of the project would result in significant and unavoidable impacts related to transportation and circulation, air quality, noise, and utilities. These are detailed in Section 7.0 of the Findings/SOO.

For those significant effects that cannot be mitigated to a less than significant level, the City is required to find that specific overriding economic, legal, social, technological, or other benefits of the proposed project outweigh the significant effects on the environment (Public Resources Code Section 21081(b)). The CEQA Guidelines state in Section 15093: *“If the specific economic, legal, social, technological, or other benefits...of a proposed project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered ‘acceptable.’”*

Water Supply

One issue addressed in the SOO is water supply. As stated in the FEIR, while there is sufficient water supply during normal water years to serve the project at build-out, severe drought conditions may result in insufficient water to meet existing demand.

The City’s water supply is a combination of a long-term (40-year) contract with the United States Bureau of Reclamation (USBR) and long- and short-term agreements with surrounding agencies and water suppliers. The City has interties with the City of Redding and Bella Vista Water District (BVWD) in which transfers of water can be made.

In addition to the City’s contract with the USBR, which provides 4,430 acre feet (AF) per year, the City entered into an agreement with the Anderson-Cottonwood Irrigation District (ACID) for the long-term (40-year) transfer of 2,000 AF of water to the City of Shasta Lake. An agreement was also reached with MCM Properties, Inc. (MCM) for the long-term (40-year) transfer of up to 325 AF of water. Including the USBR allocation of 4,430 AF, the ACID transfer of 2,000 AF, and 325 AF from MCM, the City’s total long-term water supply is 6,755 AF per year. However, due to cold water pool issues, USBR has not approved the ACID or MCM transfers.

USBR Allocation - Drought Reductions

Pursuant to USBR’s Water Shortage Policy (2005), USBR may temporarily reduce the City’s allocation of CVP water during any year based on the average of the most recent three years of water deliveries. The reduction may also be adjusted based on population growth and demands of industrial, commercial and other entities to address demand increases that might not be reflected in the three-year average. In addition, the reduction may be adjusted for extraordinary water conservation measures and to address health and safety issues.

For example, for the 2015 water year, USBR reduced the City’s water allocation by 75% to 1,237 AF based on the City’s historical use over the past three years. Combined with the City’s purchase of 900 AF of water from the McConnell Foundation, the City’s available supply for water year 2015 is 1,524 AF.

Subsequently, on April 21, 2015, City Council declared a Stage 4 Severe Water Shortage Emergency, based on the City's available water supply. Council enacted all Stage 1 through 4 measures as mandatory water use restrictions. The Stage 4 declaration has a demand reduction goal of 40 percent. In Stage 5 (Critical Water Shortage Emergency) no new residential development is permitted.

On January 17, 2014, Governor Brown Declared a Drought State of Emergency and called on all Californians to reduce their water usage by 20 percent. In response, the State Water Resources Control Board (Water Board) adopted Resolution 2014-0038 imposing emergency regulations to increase water conservation by all Californians, which became effective on July 28, 2014. The State also recently adopted more stringent standards for Water Efficient Landscaping, which will significantly reduce outdoor water use throughout the State.

City's Water Shortage Contingency Plan

On August 19, 2014, City Council approved the updated Urban Water Management Plan (UWMP), which included an updated Water Shortage Contingency Plan and five-stage water rationing program. The first stage includes voluntary water use restrictions, which become mandatory in stages 2 – 5. Each stage includes additional water use restrictions intended to reduce the use of potable water in response to cutbacks in the City's water allocation and in consideration of whether the City is able to purchase supplemental water from another source.

Estimated Project Water Use

FEIR Table 4.10-2 indicates the City's five-year average (2010-2014) was 2,511 AF for water production and 2,226 AF delivered to customers. Water demand in 2014 was the lowest over the past five-year period (1,861 AF delivered to customers). This is likely due to the City's enacted water use restrictions, excess water use penalties, Water Efficient Landscape Ordinance and water conservation programs.

The DEIR estimated demand on the City's water system from the proposed project and other approved projects is between 1,174 and 1,761 acre-feet per year at full buildout. This calculation is based on the current Master Water Plan estimate of 800 gallons per household per day (GPHD). This is less than the estimated 1,919 acre-feet demand for the proposed project site assumed in the Master Water Plan and less than the City's CVP water allocation of 4,430 acre-feet per year.

The total estimated water demand from the project and additional proposed projects (high demand) plus the existing five-year average for current customers is 3,987 AF per year, which also is less than the current USBR allocation of 4,430 AF per year

In addition, based on the Area Plan's provision to limit community-wide water use to an annual average of 400 GPHD, total demand from the Project would be between 500 – 794 AF per year. The Area Plan (p. 20) requires developers to implement all reasonable and sustainable water conservation measures in place at the time of design review approval or issuance of a building permit to determine compliance with the Area Plan's Water Conservation Policy. Compliance will be calculated on an Area Plan-wide basis. The intent of this requirement is to ensure that water conservation is considered and incorporated into each new home and commercial use constructed within the Area Plan.

The Area Plan recognizes, due to the area's climate during the hot summer months, the majority of water use is directed toward outdoor irrigation during this time of the year. For this reason, conservation methods could include limiting landscaping to drought tolerant/low water

use plants served by drip systems, forgoing installation of irrigation systems, using reclaimed water if available, installing gray water systems or rain barrels, and /or installing rain gardens.

The proposed project includes subdivision of the property into 21 large lots but does not allow for residential development without further entitlements (e.g., additional tentative subdivision maps or other discretionary approvals).

If a project is proposed during a water shortage emergency, the City has the ability to deny or delay the approval until water supply is assured. Prohibiting future development would reduce the demand for water during the water emergency and would not result in further impacts to the City or the water system.

The project has been designed to incorporate all feasible mitigation measures, including mitigation measure **MM 4.10.1.1**. This mitigation measure, however, does not increase the amount of water or reduce the water demand to the levels discussed in this section. Additional feasible mitigation that would reduce the impact of the proposed project to a less than significance level does not exist; therefore, this impact would be considered significant and unavoidable.

Mitigation measure **MM 4.10.1.1** addresses impacts on the City's water supply.

MM 4.10.1.1 Prior to approval of subsequent development (i.e., further division of the property, conditional use permit, etc.), the project applicant must demonstrate water supply availability. The City may delay or deny subsequent projects based on water availability or drought conditions in effect at the time of project consideration.

The Statement of Overriding Considerations is found in Section 12.0, pages 111-117 and includes a discussion of the benefits the project would have to the City, its residents, business owners and employees in the City. In summary, implementation of the proposed project would result in access to affordable housing, which assists the City in meeting its Regional Housing Needs Allocation (RHNA) established by the State; the project would create jobs and allow residents within the City to live and work locally; the project implements measures included in the City's Community Health Impact Assessment by providing new opportunities for social interaction available to all residents of the City and promoting physical activity, healthy eating, and the health benefits of social interaction; the project will establish a circulation system that accommodates a variety of transportation modes, including off-street trail systems and on-street bicycle lanes, which reduces dependence on vehicles; a community park, neighborhood and park and extensive trails system will be developed and would be available to all residents within the City; the project assists the City in meeting its urban water use targets and renewable energy goals by incorporating green and sustainable development measures; the project would generate surplus revenue to the City's general fund, which would assist the City in satisfying other General Plan objectives and implementation measures for the benefit of the community.

PLANNED DEVELOPMENT ZONE DISTRICT

The proposed Rezone establishes the Mountain Gate at Shasta Planned Development (PD) Zone District, which will be codified as Zoning Code Chapter 17.63. The purpose of the PD Zone District is to implement the Mountain Gate at Shasta Area Plan, which includes detailed design guidelines that will guide all development within the Plan Area.

Table 17.63.050a identifies uses permitted outright; uses permitted pursuant to issuance of a Use Permit or Administrative Permit; and uses permitted after review and approval of a Zoning/Site Development Permit pursuant to Section 17.63.080 of the Chapter. Site and building development standards regulating lot size, Floor Area Ratios (FAR), height limits and setbacks are included in Table 17.63.100a.

Because the development supports clustered housing in order to avoid development on hillsides and other sensitive habitats identified through future biological analyses, flexibility is allowed for clustered housing to allow reduced lot sizes. In addition, Section 17.63.140 allows the Development Services Director to approve administrative modifications if it is determined the request is in substantial conformity with the provisions and intent of the Area Plan. A fifteen percent (15%) or less adjustment to quantifiable or measurable standards contained in the Area Plan or Development Standards may be approved.

The PD Zone states all applications for future development within the Plan Area must be reviewed for compliance with CEQA. The certified FEIR for the Area Plan will serve as the base environmental document for future review. The Development Services Director is responsible for determining the appropriate level of environmental review for subsequent projects.

The rules governing the extent of any future environmental review are set forth in Sections 15183 and 15183.5 of the State CEQA Guidelines. Under this section of the State CEQA Guidelines, projects that are consistent with the development density established by existing zoning, community plan or general plan policies for which an EIR was certified shall not require additional environmental review, except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or its site.

The Director will consider environmental effects that were not analyzed as significant effects in the certified EIR for the project, or if there are potentially significant off-site impacts and cumulative impacts which were not discussed in the certified FEIR. In addition, the City will consider whether there are previously identified significant effects which, as a result of substantial new information which was not known at the time the EIR was certified, are determined to have a more severe adverse impact than discussed in the prior EIR.

Area Plan and Design Guidelines

The purpose of the Mountain Gate at Shasta Area Plan is to guide and regulate land uses and development in the Plan Area. The Area Plan includes a description of required infrastructure (water, sewer, electric, storm drainage, streets, etc.); services (law enforcement, fire protection, schools, parks and trails); a phasing plan; finance mechanisms for construction and maintenance, architectural and design standards; and other required criteria.

Design guidelines are included in the Area Plan and were developed in consideration of the City's history and climate. The Design Guidelines incorporate the following objectives for all development within the Plan Area:

- Encourage originality, flexibility and innovation in site planning and development, including the architecture, landscaping and design of proposed developments in relation to the entire city and/or surrounding areas.
- Discourage monotonous, drab, unsightly, dreary and inharmonious developments, minimize discordant and unsightly surroundings and visual blight, and avoid inappropriate and poor quality design.

- Aid in assuring that structures, signs and other improvements are properly related to their sites and the surrounding sites and structures, with due regard to the aesthetic qualities of the natural terrain and landscaping and that proper attention is given to exterior appearances of structures, signs and other improvements.

City Staff will review all future development proposals to determine consistency with these design guidelines.

PLANNING COMMISSION OPTIONS

The Planning Commission has several options with respect to the proposed project:

1. Adopt the proposed Resolution making a recommendation to City Council.

The Planning Commission would direct staff to report the recommendations to City Council. Staff would schedule a City Council public hearing at which time City Council will consider taking action on the items included in the Planning's Commission's Resolution. Prior to the public hearing, staff would prepare a public notice of the hearing for publication, posting and direct mailing to surrounding property owners, interested parties, and regulatory agencies.

2. Determine the EIR has not been completed in accordance with CEQA and does not adequately analyze impacts the project may have on the physical environment and recommend the FEIR not be certified and the discretionary actions not be approved.
3. Recommend certification of the FEIR and denial of the discretionary actions.
4. Continue Action and direct Staff to provide additional information

The Planning Commission may desire additional information or further investigation by Staff. The Commission has the option to continue the matter to a certain future date in order for staff to obtain any additional information. The next Planning Commission meeting is November 19, 2015, and additional information could be presented at that meeting if an excessive amount of information or research is not required.

STAFF RECOMMENDATION

Staff recommends the Planning Commission approve the proposed Resolution recommending to City Council:

1. Certification of the Final Environmental Impact Report (SCH# 2012-042010)
2. Adoption of the Findings of Fact and Statement of Overriding Considerations
3. Approval of the Mitigation Monitoring and Reporting Program
4. Approval of General Plan Amendment GPA 11-01 (land use and plan line amendment)
5. Approval of Rezone Z 11-02 (Mountain Gate at Shasta Planned Development)
6. Approval of Area Plan and Design Guidelines
7. Approval of the Tentative Map subdividing the property into 21 parcels
8. Approval of the Development Agreement between the City and Developer

ATTACHMENTS:

- Proposed Resolution of Approval
- Final Environmental Impact Report
- Mitigation Monitoring and Reporting Program (MMRP)
- Mountain Gate at Shasta Planned Development Zone District
- Findings of Fact and Statement of Overriding Considerations
- Final Draft Development Agreement
- Fiscal Impact Analysis, DPF, September 24, 2012
- Letter, James H. Harrell, Superintendent, Gateway Unified School District, October 7, 2015
- Email, Marcelino Gonzalez, California Department of Transportation (Caltrans), October 5, 2015
- Email, Tony Juncal, September 30, 2015

JAMES M. HARRELL
Superintendent



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Gateway Unified School District

Providing Excellence in Learning: Every Student, Every Day

4411 Mountain Lakes Blvd. ■ Redding, CA 96003 ■ (530) 245-7900 ■ (530) 245-7920
www.gateway-schools.org

October 7, 2015

City of Shasta Lake
c/o Planning Commission
PO Box 777
Shasta Lake, CA 96019

Dear Shasta Lake Planning Commission Members:

We have received responses to our comments regarding the EIR for the Mountain Gate at Shasta Area Plan development project. We are in the process of reviewing the responses and request a continuance of this item that has been scheduled for October 15, 2015 until the December meeting of the planning commission.

Your cooperation regarding this issue is greatly appreciated.

Sincerely,

James M. Harrell
Superintendent

cc: Carla Thompson
John Duckett
Jack Schreder, Schreder & Associates
GUSD Board of Trustees

**BUCKEYE SCHOOL
OF THE ARTS**
3407 Hiatt Drive
Redding, CA
96003
(530) 225-0420

**CENTRAL VALLEY
HIGH SCHOOL**
4066 La Mesa Avenue
Shasta Lake, CA
96019
(530) 275-7075

**GATEWAY
EDUCATIONAL OPTIONS**
3500 Tamarack Drive
Redding, CA
96003
(530) 245-7960

**GRAND OAKS
ELEMENTARY**
5309 Grand Avenue
Shasta Lake, CA
96019
(530) 275-7040

**MOUNTAIN LAKES
HIGH SCHOOL**
17752 Shasta Dam Blvd.
Shasta Lake, CA
96019
(530) 275-7000

**SHASTA LAKE
SCHOOL**
4620 Vallecito Street
Shasta Lake, CA
96019
(530) 275-7020

Carla Thompson

Subject: FW: Mountain Gate at Shasta

From: Gonzalez, Marcelino@DOT [mailto:marcelino.gonzalez@dot.ca.gov]
Sent: Monday, October 05, 2015 9:54 AM
To: Carla Thompson
Cc: Grah, Kathy M@DOT
Subject: RE: Mountain Gate at Shasta

Hi Carla,

We reviewed the revised Mitigation Measure 4.3.3. Since the measure does not identify if a regional fee is not adopted we will be submitting the following comments in a letter to the City.

We are available to discuss the mitigation concern.

Our remaining concern is that the measure does not clearly commit the City to prepare the referenced nexus study or adopt the Regional Transportation Fee Program in a specified and reasonable timeframe. Nor does the measure discuss what will be done to mitigate if no nexus study or Regional Transportation Fee Program is adopted by the time a building permit is issued. Please be aware that nothing in CEQA requires the adoption of a contribution program before fair share payments can be considered adequate mitigation. All that is required is that the mitigation be part of a reasonable plan of actual mitigation that the relevant agency commits itself to implementing. Here, specific mitigation measures were identified in consultation with Caltrans and a fair share payment for those measures can be easily calculated. Caltrans is willing to commit to work with the City, other local partners, and other developers to secure the additional funding to implement these or comparable measures, subject to future CEQA clearance, if required. Thus, we request that additional language clarifying this alternative mechanism be included in the measure.

If the City desires additional assurances about how the fair share contributions received through this alternative mechanism will be used, those details can be worked out in a traffic mitigation agreement or cooperative agreement. Please let us know if you would like to explore those options. Please be aware, however, that Caltrans would disagree with any suggestion that the identified mitigation is infeasible if no mitigation fee program is adopted. And the fact that the FEIR does not examine this alternative mechanism demonstrates that such a conclusion would be unsupported by substantial evidence.

From: Carla Thompson [mailto:cthompson@cityofshastalake.org]
Sent: Monday, October 05, 2015 7:18 AM
To: Gonzalez, Marcelino@DOT
Cc: Grah, Kathy M@DOT
Subject: RE: Mountain Gate at Shasta
Here is Section 3.0.

From: Gonzalez, Marcelino@DOT [mailto:marcelino.gonzalez@dot.ca.gov]
Sent: Thursday, October 01, 2015 10:34 AM
To: Carla Thompson
Cc: Grah, Kathy M@DOT
Subject: RE: Mountain Gate at Shasta
Importance: High
Thank you Carla.
Can you sent me Section 3.0 of the FEIR to see the amendments?
Mitigation measure MM 4.3.3, as amended (see Section 3.0 of the FEIR),

From: Carla Thompson [mailto:cthompson@cityofshastalake.org]
Sent: Wednesday, September 30, 2015 12:26 PM
To: Gonzalez, Marcelino@DOT
Cc: John Duckett
Subject: Mountain Gate at Shasta

Hi Marci:
Attached is the Response to Comments section for the Mountain Gate at Shasta FEIR. Your comments are included as Letter D. Also attached is the notice for the Planning Commission public hearing on Thursday, October 15, 2015.
Please let me know if you have any questions or would like to meet to discuss the responses.
Thank you.

Carla L. Thompson, AICP
Development Services Director
City of Shasta Lake

Carla Thompson

From: Tony Juncal <tony_juncal@sbcglobal.net>
Sent: Wednesday, September 30, 2015 3:47 PM
To: Carla Thompson
Subject: From Letter #1 of Tony Juncal

Dear Carla:

After reading the City's description of this project DEIR, of the environmental report, a different vision comes to mind. All I can see is more unnecessary traffic, a gathering of more, unnecessary people on this wonderful and peaceful area in which we live at the moment. It would not take much of our Mountain Gate territory, today so peaceful, to be suddenly become a part of the Redding suburb. Sorry for the change of mind but as today, September 29th, 2015, I will not agree any longer with the project.

Respectfully
Tony G. Juncal



CITY OF SHASTA LAKE
Planning Commission Staff Report

Meeting Date: November 19, 2015

Staff Assigned: Carla L. Thompson, AICP
Development Services Director

Project : Mountain Gate at Shasta Area Plan

Continued from October 15, 2015, Meeting

Location: In the northeast section of the City of Shasta Lake, generally south of the Mountain Gate/I-5 interchange and north of the Shasta Dam Boulevard/I-5 interchange on the west side of I-5.

Property Owner and Applicant Mountain Gate Meadows, LLC

Representatives Mark Hanson
David Temblador
Ron Alvarado

Environmental Determination: Environmental Impact Report

PROJECT DESCRIPTION

The proposed project is a request for approval of:

1. General Plan Amendment (GPA 11-01) changing the land use designation for approximately 141 acres of the project area to Mixed Use (MU) to be consistent with the remaining 449 acres of the site; and amending the General Plan road alignment for the extension of Wonderland Boulevard to connect to Cascade Boulevard rather than Shasta Way.
2. Rezone (Z 11-02) of the entire 590-acre project site from Planned Development - Specific Plan (Peri Project) to Planned Development (PD) to reflect the Mountain Gate at Shasta Area Plan.
3. Tentative Map (SD 11-01) for the creation of 21 parcels. Future development of the site will require additional tentative maps.
4. Area Plan for a mixed-use development on the 590-acre property with approximately 1,604 housing units, 195,584 square feet of commercial uses/professional offices, and 236 acres of open space, parks and trails.
5. Development Agreement between the Applicant and the City establishing development rights and obligations for a proposed period of 25 years.

BACKGROUND

On October 15, 2015, the Planning Commission conducted a public hearing and considered making a recommendation to City Council on the proposed project. The Planning Commission, by unanimous vote, continued action to the November 19, 2015, meeting in order to consider comments submitted prior to and during the public hearing.

ISSUES DISCUSSED AT OCTOBER 15, 2015, MEETING

Gateway Unified School District Comments

During the meeting, staff discussed the comment letter submitted by Jim Harrell, Superintendent of the Gateway Unified School District. In response to the District's comments, **Mitigation Measure 4.11.3.1** was revised to address one of the School District's concerns. The revised Mitigation Measure states:

The applicant shall set aside 10 acres within the Area Plan for potential future development of a new school by the Gateway Unified School District (GUSD). The City shall consult with GUSD at the time of submittal of an application for subsequent small-lot tentative maps to determine if a school site is warranted.

Prior to approval of the 500th residential unit by subsequent tentative maps, the 10 acres shall be identified by GUSD and reserved for a period of three years from the date of approval of the applicable small-lot tentative map.

In the event the GUSD elects not to purchase the ten acres within the three-year reservation period, the applicant shall be permitted to subdivide the site for future development consistent with the Area Plan.

John Duckett, City Manager, and Carla Thompson, Development Services Director, met with Mr. Harrell and his consultant prior to the October 15, 2015, public hearing after they had a chance to review the City's response to their letter. They reiterated their desire for the developer to dedicate 20 acres at no cost to the school district.

During the October 15, 2015, public hearing, Mr. Harrell stated he had not had adequate time to review the City's response to his comment letter in detail and asked for an additional 60 days to review and respond to the City's comments.

As discussed during the October 15, 2015, meeting, the California Government Code states payment of the School District Developer Impact Fee is considered full mitigation for impacts a development may have on schools. The Government Code specifically prohibits a City from denying or refusing to approve a legislative or adjudicative act on the basis of a developer's refusal to provide school facilities. The Government Code allows a City to require the dedication of land for a school if the School District finds that conditions of overcrowding exist; however, such findings have not been made.

Staff provided an estimate of school fees that might be generated from this project. Assuming 1,604 dwelling units with an average of 1,400 square feet of living space at the current school fee rate of \$3.36 per square foot, about \$7.5 million would be generated from residential uses. Assuming 195,584 square feet of commercial uses at the current school fee rate of \$0.51 per square foot, approximately \$99,748 would be generated from commercial uses.

Following the October 15, 2015, Planning Commission meeting, the developer had several discussions with the School District regarding a future school site. A Memorandum of Understanding (MOU) between the developer and school district was drafted. Staff met with the developer on November 4, 2015, to discuss the School District's concerns and reviewed a copy of the Draft MOU.

The Draft MOU sets forth the terms under which the school site would be identified and conveyed to the School District. The Draft MOU identifies the size of the future school site at 15-acres and states prior to approval of the first small lot tentative map, the School District is required to identify the location of the school site. It is proposed at the time utilities and streets are stubbed to the school site, the School District and developer will establish the purchase price for the school site and convey the property to the School District. It is anticipated 50 percent of the purchase price will be funded by reimbursement funds from the state

The Draft MOU states upon issuance of the 700th building permit and the provision of infrastructure to the school site, the School District is obligated to commence construction on the School Site. If construction does not commence as required by the MOU, the developer has the right to repurchase the entire School Site or any unused portion.

The Draft MOU will be presented to the School District Board of Trustees on Wednesday, November 18, 2015, for approval. Mr. Harrell is recommending approval of the MOU. Staff will provide an update during the Planning Commission meeting.

Staff concurs the issue regarding a future school site would be best resolved by an agreement between the developer and School District and recommends deleting Mitigation Measure 4.11.3.1. It is not in the Planning Commission's purview to require or approve the amount of land set aside for a school, and state law establishes that payment of School Developer Impact Fees is considered full mitigation of impacts from the development. For this reason, additional mitigation is not required.

Several sections of the EIR have been modified to reflect the deletion of this Mitigation Measure as further described in the Revisions section below.

Caltrans Comments

During the meeting, staff discussed the DEIR comment letter submitted by Caltrans regarding Mitigation Measure 4.3.3, which states:

The project applicants/developer(s) shall pay, on a fair share basis, a Regional Transportation Fee for improvements to Interstate 5, as determined by an approved nexus study prepared in compliance with the Mitigation Fee Act and other applicable law. The amount of the fee shall be based on the Regional Transportation Fee adopted by the City and the jurisdiction in which the impact is being mitigated. This mechanism will ensure that the collected mitigation funds will be spent on the measures identified in the nexus study.

Caltrans is concerned because there is no guarantee a nexus study will ever be prepared or that the City or other jurisdictions will adopt the regional transportation fee. The applicant is concerned they may be the only ones required to pay the fee, and the fees could be used to complete improvements outside of our City.

During the October 15, 2015, meeting, Marcelino Gonzalez, representing Caltrans, addressed the Commission. He explained Caltrans relies on the CEQA process to require payment of a proportionate fair share of improvements to Caltrans facilities, especially in light of the fact there is no adopted

regional transportation fee or other mechanism, such as a sales tax measure, to fund these improvements. Caltrans would like this project to pay their fair share and have this reflected in the Mitigation Measure and Development Agreement. Mr. Gonzalez confirmed no jurisdiction is paying for mainline improvements at this time.

During the October 15, 2015, meeting, staff briefly discussed the previously proposed Fix 5 Regional Transportation Fee (Impact Fee). An Impact Fee Nexus Study was prepared in 2009 to analyze required improvements to Interstate 5 and other regional local improvements required to support future development within Shasta County. The proposed Impact Fee was \$1,697 per equivalent dwelling unit and would be paid at the time a building permit was issued.

As stated in the Nexus Study, only 10 percent of these fees would be used to help fund mainline I-5 improvements, which included adding two additional lanes to a 24.8-mile span, at an estimated cost of \$232 million. At that time, anticipated state and federal contributions would fully fund the I-5 mainline improvements. The remaining 90 percent of the Impact Fee would have been dedicated to local improvements, which included an estimated \$4.6 million to be used toward the extension of Shasta Gateway Drive to Cascade Boulevard, the permanent secondary access road for the Shasta Gateway Industrial Park. City Council recognized this road is critical for additional development of the Industrial Park expansion area and supported the fee.

As stated in the Nexus Study, the project would have been implemented only if all four jurisdictions (Shasta County and the cities of Anderson, Redding and Shasta Lake) approved the program. Shasta Lake was the only jurisdiction who approved the fees. Shasta County did not consider adoption because the cities of Anderson and Redding declined to approve the fees.

As described in Exhibit C, the developer would construct off-site roadway improvements within the City and also pay a proportionate fair share of improvements both within the City and outside the City. The current estimate for construction costs for the improvements to be installed by the developer is \$2.56 million. The total proportionate fair share contribution is \$663,100, which will be increased annually based on the Construction Cost Index (CCI).

Reclaimed Water

During the October 15, 2015, meeting, Commissioner Walter stated the developer should extend the reclaimed water line at this time because it would be cost prohibitive to install the line in the future.

As the Commission is aware, on December 20, 2013, the Regional Water Quality Control Board issued a Time Schedule Order (TSO) for the City's Waste Water Treatment Plant (WWTP) due to the State changing certain parameters of the City's NPDES Permit. The dilution rate doubled, limiting the amount of reclaimed water that could be discharged into Churn Creek.

The TSO provides a five-year time schedule for completion of various upgrades to the WWTP that are required to treat raw wastewater to a level that is compliant with the State's new requirements. Pursuant to the TSO time schedule, funding for the project will be secured for final design, construction and operation of the facility by December 31, 2016. The anticipated construction year is 2017.

The City previously completed several studies and explored options for the disposal of reclaimed water. This included extensive discussions with the Bella Vista Water District and Tierra Oaks Golf Course regarding extending the reclaimed water line to the golf course for irrigation purposes. This option proved cost prohibitive, and the City Council approved completion of the upgrades to the WWTP.

With the WWTP upgrades, the existing reclaimed water users (Knauf Insulation, Sierra Pacific Industries, and Caltrans) would continue to be served using effluent that would be stored for short-term in the existing chlorine contact basin. The existing utility pumps would provide the pressure to distribute the reclaimed water. The existing 400-acre foot reclaimed reservoir would be taken offline and abandoned in place. At that time, reclaimed water would not be available for other uses.

On March 19, 2015, the Planning Commission adopted an Environmental Determination of Mitigated Negative Declaration (Resolution PC 15-01) pursuant to Section 15070 of the California Environmental Quality Act Guidelines, finding the project will not have a significant adverse affect on the environment which could not be mitigated.

The City recently solicited proposals for a consultant to provide services related to the final design and services during construction of the WWTP Upgrade Project. The deadline for responding to the RFP was November 6, 2015, and the City received one response from Waterworks Engineers. The City is pursuing funding for completion of the project, including funding through the State Revolving Loan Program (SRF).

The Area Plan includes Design Guideline DG 12, which states: *Reclaimed water shall be used in the irrigation system if available.* Because it is not known if reclaimed water will ever be available, it is difficult to justify requiring the developer to extend the reclaimed water line at this time.

Affordable Housing

Comments were made regarding siting affordable housing only at the southerly boundary of the site. While it is correct that Area R was previously rezoned to accommodate the City's Regional Housing Needs Allocation (RHNA) for affordable housing, other areas of the Plan Area also support affordable housing. The Housing Element recognizes that in order for properties to generate affordable housing, the densities must be higher to account for increased costs. Housing Element Implementation Program 1.11 states the allowable density for all multi-family residential will be increased to 20 units per acre.

Area H at the northerly section of the site allows densities up to 20 units per acre. The Area Plan estimates probable maximum units for Area H at 215, which is higher than the 122 probable maximum units identified for Area R. Allowable uses in Area H include apartments, townhomes, alley loaded and green court homes, which are considered affordable to a wide range of income levels.

REVISIONS

Due to the deletion of Mitigation Measure 4.11.3.1, the following amendments have been made to the Final EIR and associated documents:

FEIR Section 3.0 Minor Revisions

DEIR Page 3.0-66. Mitigation Measure 4.11.3.1 regarding reservation of a school site is deleted.

DEIR Page 4.11-15, Table 4.11.2-1, Project Consistency with City of Shasta Lake General Plan Schools, is amended as follows for General Plan Objective PF-10:

General Plan Objectives & Policies	Consistent with General Plan?	Analysis
Schools - Objectives		
<p>PF-10 Develop a land use pattern that can be adequately served with community facilities such as schools, libraries, and community recreation facilities.</p>	Yes	<p><u>The Mountain Gate at Shasta Planned Development Zone District and Area Plan identify libraries, performance art centers and similar cultural institutions as permitted uses within the commercial and mixed-use sub-areas. Park and Recreation Facilities such as public parks, swimming pools, sports fields, are also allowable uses within several sub-areas of the Area Plan. Sub-area C is specifically identified as a neighborhood park; Sub-areas J and K are identified for a future community park.</u></p> <p><u>The trail system will link all areas together to ensure safe pedestrian and bicycle access.</u></p> <p><u>The Applicant is working with the Gateway Unified School District with the goal of entering into a Memorandum of Understanding to set aside up to 15 acres for a future school site. K-12 schools are allowed in the commercial areas and medium- high density areas of the site.</u></p> <p>The Area Plan states ten acres shall be set aside within the Area Plan for potential future development of a new school by the Gateway Unified School District. A specific location for a future school is not identified on the Area Plan map; however, a school may be located in any sub area of the project. Each sub area will be master planned at the time a subsequent tentative subdivision map is submitted to ensure a school is properly sited.</p>

DEIR Page 4.11-18 is revised as follows:

The paragraph above the Mitigation Measure is amended to read:

During the meeting, the District clarified that they were in the process of updating their master plan and evaluating their overall facility needs and that they did not currently know whether a school site would be required, or if required, the size and configuration of the site (Appendix 4.11-2). ~~Because additional subdivision of the land is required before any new homes can be built, the City and the district agreed to continue working together, but to determine the need for the additional school properties during subsequent entitlement phases.~~

The City does not have an Ordinance requiring the dedication of land and, pursuant to Government Code Section 65995, the City may not deny or refuse to approve a legislative or adjudicative act on the basis of a person’s refusal to provide land for future school facilities. However, the Developer has had several discussions with the District regarding reserving up to 15 acres within the boundaries of the Plan Area for a future

school. This will be reflected in a Memorandum of Understanding or other agreement between the Developer and the District.

Because payment of school fees is considered full mitigation for the project, no additional mitigation is required. This impact is considered less than significant.

MM 4.11.3.1 has been deleted.

The last sentence under MM 4.11.3.1 has been deleted.

Area Plan, Page 25:

11. Other Public Services

Schools

The Gateway Unified School District (GUSD) has established fees for new development, in accordance with state regulations, to be used to construct school facilities. School impact fees are paid directly to the Shasta County Office of Education. In addition, the school district receives money from various state funding sources and bond measures for the construction and improvement of school facilities.

Development within the Plan Area will contribute fees to the GUSD for the construction and improvement of school facilities. **The District will be included in review of the first small-lot tentative map and be given the opportunity to identify up to 15 acres for a school site. Specific terms under which the school site would be identified and conveyed will be identified in a Memorandum of Understanding and subsequent agreements between Mountain Gate Meadows LLC and GUSD.**

~~The District will be included in review of all subsequent tentative subdivision maps within the Area Plan and may request a school site if needed as a result of the development proposal, or other development in the District. A school site can be located anywhere within the Area Plan.~~

Mitigation Monitoring and Reporting Program

Mitigation Measure 4.11.3.1 has been deleted

Findings of Fact and Statement of Overriding Considerations

Section 6.0 (Less than Significant with Mitigation Incorporated), Page 40.

The following Impacts have been moved to Section 5.0 (Less than Significant Impacts) under Public Services on Page 16.

- Impact 4.11.3.1 - Provision of New School Facilities in Order to Maintain Service (Standard of Significance 1) (pp. 4.11-16 through -18)
- Impact 4.11.3.2 - Cumulative Impacts to School Facilities p. 4.11-19 (p. 4.11-19)

Section 6.0, (Less than Significant with Mitigation Incorporated), Pages 75 – 76.

The language under Impact 4.11.3.1 (Provision of New School Facilities in Order to Maintain Service) and the language under Impact 4.11.3.2 (Cumulative Impacts to School Facilities has been deleted.

Section 5.0 (Less than Significant), Page 34

The following language has been added under Section 5.11, Public Services:

Impact 4.11.3.1 - Provision of New School Facilities in Order to Maintain Service
(Standard of Significance 1) (pp. 4.11-16 through -18)

The DEIR identifies the proposed project’s potential impacts related to new school facilities in order to maintain service. This environmental impact is identified by the DEIR as Less than Significant.

Finding

No changes or alterations are required to mitigate or avoid significant effects on the environment.

Facts in Support of Finding

California Government Code Section 65995 states payment of the School District Developer Impact Fee shall be considered full mitigation for impacts a development (any legislative or adjudicative act) may have on schools. All new development is required to pay the school fee prior to issuance of a building permit.

The City does not have an Ordinance requiring the dedication of land; and, pursuant to Government Code Section 65995, the City may not deny or refuse to approve a legislative or adjudicative act on the basis of a person’s refusal to provide land for future school facilities.

Because payment of school fees is considered full mitigation for the project, no additional mitigation is required. This impact is considered less than significant.

(Initial Environmental Study p. 4.0-29; DEIR pp. 4.11-16 through -18; Planning Commission Public Hearing _____, 2015; City Council Public Hearing _____, 2015)

Impact 4.11.3.2 - Cumulative Impacts to School Facilities (p. 4.11-19)

The DEIR identifies the proposed project’s potential impacts related to cumulative impacts to school facilities. This environmental impact is identified by the DEIR as Less than Significant.

Finding

No changes or alterations are required to mitigate or avoid significant effects on the environment.

Facts in Support of Finding

The proposed project would contribute cumulatively to increasing demands and capacity constraints on the local school district. However, California Government Code Section 65995 states payment of the School District Developer Impact Fee shall be considered full mitigation for impacts a development (any legislative or adjudicative act) may have on schools. All new development is required to pay the school fee prior to issuance of a building permit.

The City does not have an Ordinance requiring the dedication of land; and, pursuant to Government Code Section 65995, the City may not deny or refuse to approve a legislative or adjudicative act on the basis of a person's refusal to provide land for future school facilities.

Because payment of school fees is considered full mitigation for the project, no additional mitigation is required. This impact is considered less than significant.

(DEIR p. 4.11-19; Planning Commission Public Hearing _____, 2015; City Council Public Hearing _____, 2015)

Development Agreement

Page 13. Item 5.7 (School Site Reservation) has been deleted

Standard Conditions of Approval

In addition to the Mitigation Measures, the City's standard conditions of approval would apply to this project. The standard conditions are attached as **Exhibit A**.

PLANNING COMMISSION OPTIONS

The Planning Commission has several options with respect to the proposed project:

1. Adopt the proposed Resolution making a recommendation to City Council.

The Planning Commission would direct staff to report the recommendations to City Council. Staff would schedule a City Council public hearing at which time City Council will consider taking action on the items included in the Planning's Commission's Resolution. Prior to the public hearing, staff would prepare a public notice of the hearing for publication, posting and direct mailing to surrounding property owners, interested parties, and regulatory agencies.

2. Determine the EIR has not been completed in accordance with CEQA and does not adequately analyze impacts the project may have on the physical environment and recommend the FEIR not be certified and the discretionary actions not be approved.

3. Recommend certification of the FEIR and denial of the discretionary actions.
4. Continue Action and direct Staff to provide additional information

The Planning Commission may desire additional information or further investigation by Staff. The Commission has the option to continue the matter to a certain future date in order for staff to obtain any additional information. The next Planning Commission meeting is December 17, 2015, and additional information could be presented at that meeting if an excessive amount of information or research is not required.

STAFF RECOMMENDATION

Staff recommends the Planning Commission approve the proposed Resolution recommending to City Council:

1. Certification of the Final Environmental Impact Report (SCH# 2012-042010)
2. Adoption of the Findings of Fact and Statement of Overriding Considerations
3. Approval of the Mitigation Monitoring and Reporting Program
4. Approval of General Plan Amendment GPA 11-01 (land use and plan line amendment)
5. Approval of Rezone Z 11-02 (Mountain Gate at Shasta Planned Development)
6. Approval of Area Plan and Design Guidelines
7. Approval of the Tentative Map subdividing the property into 21 parcels
8. Approval of the Development Agreement between the City and Developer

Attachments:

- Proposed Resolution of Approval
- Exhibit A: Standard Conditions of Approval
- Letter, Celeste Draisner, November 12, 2015

Date: November 13, 2015
To: **Shasta Lake Planning Board**
Cc: **Shasta Lake City Council**
Re: Mountain Gate at Shasta project

Dear Shasta Lake Planning Board,

Many local citizens have expressed concerns about Charles M. Somers and this project, since it was first disclosed to the public back in April of 2012.

According to the California Secretary of State, Mountain Gate Meadows, LLC gives its headquarters at 5241 Arnold Ave in McClellan, California.

Mountain Gate Meadows, LLC lists three other companies as "officers" in their company. These companies include Onederland, LLC and the Charles Somers Living Trust (self-settled trust).

A self-settled trust is a type of irrevocable trust in which the grantor is also the primary beneficiary. To maximize the trust's usefulness in protecting the grantor's assets, its structure must prohibit the grantor, or his or her creditors, from accessing trust assets.

Although it is legal for a company to hold a position in another company, why do you think Charles M. Somers has decided to do this?

Charles M. Somers has many companies that also use the McClellan Mountain Gate Meadows, LLC as their address, such as:

Sbm Site Services, LLC

Somers Building Maintenance, Inc.

Asp Properties, LLC

Grantline Pilatus, LLC

Montelena Douglas, LLC

Sbm Facility Services, LLC

Sbm Management Services, Lp

West Sacramento Development, LLC

Csre Development LLC

What does this tell you about Charles M. Somers and any long-term plans he may have for Shasta Lake? Why would a developer create so many different companies, and yet have them share the same address?

The proposed plans of Mountain Gate Meadows, LLC, as told to the public, include some 1,600 housing units ranging from apartment buildings to large, single-family homes. Designs have also discussed 200,000 square feet for a large shopping center and other retail spaces.

Where is the water for this project to come from? If citizens in Shasta Lake already face water shortages and rationing, how will this proposed development affect water availability when Shasta Lake does not possess any pre-1914 Riparian water rights of their own?

According the October 2015 **Mountain Gate at Shasta Final Environmental Impact Report Findings of Fact and Statement of Overriding Considerations**"...the City finds that the following environmental effects of the project are significant and unavoidable. Although mitigation measures have been adopted, these environmental effects cannot be reduced through those mitigation

measures to a less than significant level."

Air Quality

"Impact 4.4.3 - Long-Term Operational Emissions of Air Pollutants Resulting in Violation of Air Quality Standards or Contributing to Existing Violations (Standard of Significance 2) (pp. 4.4-22 through -24)"

Please consider the cumulative impacts of air quality, especially with regard to the frequent forest fires Shasta Lake citizens must endure during summer and fall months.

According to the California Air Resources Board, "Asthma is a serious chronic lung disease that appears to be on the rise in California, the United States and many other countries around the world. The prevalence of asthma in the U.S. has increased by more than 75% since 1980; children ... have experienced relatively greater increases in asthma prevalence ... Nearly 667,000 school-aged children in California have experienced asthma symptoms during the past 12 months. Asthma causes breathing problems due to a narrowing of the airways causing the lungs to get less air. Attacks are characterized by a tight feeling in the chest, coughing and wheezing."

How many people living in Shasta Lake suffer from asthma and other lung ailments due to poor air quality from existing pollution sources, including LeHigh, Sierra Pacific Industries and Knauf Insulation?

Biological Resources

"Impact 4.6.9 Buildout of the proposed project will result in the loss of oak woodland habitat (Standard of Significance ***) (pp 4.6-35 through 4.6-36)"

The woodland habitat includes wetlands, which deserve greater study than currently granted in this EIR.

Wetlands are the link between land and water, and are some of the most productive ecosystems in the world. Depending on the type of wetland, it may be filled with rare trees, grasses, shrubs, moss and flowers.

According to the US EPA, "Wetlands are part of the foundation of our nation's water resources and are vital to the health of waterways and communities that are downstream. Wetlands feed downstream waters, trap floodwaters, recharge groundwater supplies, remove pollution, and provide fish and wildlife habitat. Wetlands are also economic drivers because of their key role in fishing, hunting, agriculture and recreation."

How will this project change the Shasta Lake watertable?

Destroying these wetlands impacts more than the natural beauty of Shasta Lake, it also negatively affects an important and precious resource - our future water quality.

Utilities and Service Systems

"Impact 4.10.1.1 - Available Water Supplies Available to Serve the Project (Standard of Significance 1) (pp. 4.10-8 through -15)"

Again, where is the available water supply for this project to come from?

What will happen during extended drought years?

This serious issue must be addressed with greater foresight and care.

Proposed 3M Quarry

In addition to the above inadequacies listed in this Final EIR, the lack of study regarding the cumulative impacts of the proposed 3M Moody Flats Quarry Project and this project remain painfully absent.

According to a September 18, 2015 Record Searchlight article, 3M will continue to push the impacts of their open pit mine on Shasta Lake.

Although 3M put the 1,850-acre quarry on hold, they intend to move forward.

John Lowery, Moody Flats project manager for 3M, confirmed that the project would continue. "We are not withdrawing our application or the EIR report. We're holding it at its current status. At this point we don't plan to change the scope of the project, but we are not prepared to move forward at this time," Lowery said

If 3M still hopes to develop an 800' deep open pit quarry mine directly north of Shasta Lake (and bordering the Mountain Gate at Shasta project), then that fact must be considered in this project here.

The cumulative impacts to human health, air quality, wetlands, water availability and natural resources must be properly addressed before granting final approval.

Thank you for your consideration in this matter.

Celeste Draisner
Media Affairs Specialist
Citizens For Clean Air
(530) 768-6166