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To: Planning Commissioners
From: Darryl Boyd and Richard James, AICP
Date: January 4, 2019 for January 16, 2019 PC Meeting

Re: Information Requested at the October 17, 2018 Planning Commission Meeting regarding the U.S. Highway 101 Commercial Nodes Zoning and General Plan Amendment

This memo presents information the Planning Commission or public requested at the October 17th meeting regarding the informational item on the U.S. Highway 101 Commercial Nodes C-3 zoning and General Plan Amendment.

Status of the Livestock 101 Node

The Livestock 101 node does not appear on maps in the County's adopted 2035 General Plan (General Plan). Staff has reviewed the tape from the July 21, 2015 Board of Supervisors hearing at which the general plan was adopted, and although there is discussion regarding removal of a commercial node at U.S. Highway 101 and State Route 156, there is no discussion regarding the inclusion of a commercial node at the Livestock 101 site. The errata materials prepared for the Board of Supervisors, reflecting Planning Commission recommendations on the general plan update, do not include a reference to inclusion of a commercial node at the Livestock 101 site. The exclusion may have been a staff oversight, or due to the fact that a portion of Livestock 101 was already zoned as C-2 commercial, with the result being that this site did not specifically get designated as a commercial node on the general plan update map. The Livestock 101 site was certainly discussed by the Planning Commission during their deliberations on the general plan update. In order to create a clear record for the County, staff concludes that processing a general plan amendment to designate the Livestock 101 site as a commercial node would be

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appropriate, assuming the Planning Commission and the Board of Supervisors desire to include the Livestock 101 site as a commercial node and re-zone the site, or a portion of it, to C-3.

Node Topography

To better understand the physical characteristics of the site, the Planning Commission requested that maps showing topography for each of the nodes be prepared. Those maps are attached.

Traffic

Members of the public expressed concern that development of commercial uses would bring increased traffic to U.S. Highway 101 and the roads adjacent to the commercial nodes. Primary circulation is north and south on Highway 101 with east-west traffic on Highway 156 to Hollister and Highway 129 to Watsonville. San Juan Road is a local alternative route to Watsonville. Local roads form a network in the hills west of Highway 101, bounded by Highway 129 and San Juan Road: Cole Road, Anzar Road, Searle Road, Aromitos Road, Quarry Road, Carr Avenue, Carpenteria Road, Aromas Road, and Rogge Lane.

About 7.5 miles of U.S. Highway 101 are located within San Benito County with average daily traffic volumes of approximately 70,000 vehicles at the Monterey County line and approximately 60,000 vehicles at the Santa Clara County line. The traffic analysis for the General Plan indicated that traffic flow on U.S. Highway 101 would be generally better than the Caltrans Level of Service D standard for the highway. The primary intent of most of these future commercial developments is to capture existing U.S. Highway 101 “pass-by” traffic rather than creating new destination commercial centers; the one exception is Livestock 101, which could serve this purpose for southbound traffic, but may otherwise be best suited to overnight or day-long destination uses.

Water Supply

The public expressed concerns about water supply to serve new commercial development. Most of the existing residential and commercial uses, and all of the existing agricultural uses within and adjacent to the proposed nodes currently rely on individual or small water system groundwater wells. An exception is Ballantree Estates, south of the Rocks Road node, which has been served by the Aromas Water District since approximately 1998. The Livestock 101 node, Rocks Ranch node, and most of the Highway 129 node, are within the sphere of influence of the Aromas Water District, but not annexed. Aromas Water District mains run through the

Livestock 101 node, and pass close to the Rocks Ranch node. Staff has not determined the exact location of the water mains as of the date of this report, but will present the information at the meeting if available. The remainder of the Highway 129 node (north of Highway 129) is within Zone 6 of the San Benito County Water District. The Betabel node is not within a water district.

The Aromas Water District serves six non-contiguous areas: most of the town of Aromas and the surrounding residential area (spanning from San Juan Road to Highway 129 at School Road; the aforementioned Ballantree Estates, the Monterey Vacation recreational vehicle park along northbound Highway 101, the Rancho Larios subdivision (since 2000); the Orchard Acres Subdivision off Cannon Road (since 2008); and the Oakridge and Via del Sol subdivisions off San Juan Road (since 2014). The 2008 and 2014 service area acquisitions were obtained from smaller water companies when their local wells were unable to provide an adequate water supply.

The Betabel and Highway 129 nodes are within the San Juan sub-basin of the Gilroy-Hollister Valley Groundwater Basin. A map will be provided during the staff presentation. In addition to natural recharge from rainfall, the Gilroy-Hollister Valley Groundwater Basin has managed groundwater recharge from stored rainwater, and receives water imported from the Central Valley Project. This basin is not listed by the Department of Water Resources as a critically over-drafted basin. A 40-year record of groundwater elevations is available for the several sub-basins. The San Juan sub-basin's recorded low point came in 1978 at about 55 feet above mean sea level. Central Valley Project water deliveries began in 1987. During the period of about 1998 to 2010 the elevation was relatively stable at a recorded high point of between 170 and 180 feet above mean sea level. The recent drought resulted in a drop to about 125 feet above mean sea level in 2016, and the current elevation is about 145 feet above mean sea level. Near the Betabel and Highway 129 nodes, ground water elevations have varied from about 95 to 130 feet above mean sea level, and are currently about 125 feet above mean sea level, and about 20 feet below the ground surface. The nearest sea water intrusion is about 12 miles from the Betabel and Highway 129 nodes, within the adjacent Pajaro Valley Groundwater Basin.

The Livestock 101 and Rocks Ranch nodes are within the Pajaro Valley Groundwater Basin, although outside the boundaries of the Pajaro Valley Water Management Agency. A map will be provided during the staff presentation. This basin is listed by the Department of Water Resources as a critically over-drafted basin. Information about groundwater near these two

nodes is not as detailed as that available for the Betabel and Highway 129 nodes. In general, the Pajaro Valley Groundwater Basin is significantly over-drafted, and has suffered from sea water intrusion as much as two miles inland from Monterey Bay. The nearest sea water intrusion is about eight miles from the Livestock 101 and Rocks Ranch nodes. The zoning standards the County is currently writing for the commercial nodes, could address water supply concerns, for example by restricting landscape irrigation, requiring interior water conservation beyond standard requirements, or limiting the size of development.

Rocks Ranch Flooding

Questions arose about potential flooding at the lower portion of the Rocks Ranch site. The Rocks Ranch site that is adjacent to Highway 101 is level and sits at the base of a hill, with a vegetated drainage along the western edge near the highway. The site is not within a Flood Insurance Rate Map flood zone, but there were reports during the meeting, and confirmed by Commissioner Egland, that the area is subject to local flooding during periods of higher rainfall. Staff does not believe this constraint precludes re-zoning the site for commercial development, but future development would need to address flooding concerns in project designs. Note that County Code Chapter 19.15, Flood Damage Prevention, is applicable in locations that are “areas of flood-related erosion hazards,” in addition to those locations identified on the Flood Insurance Rate Map, so the provisions of this chapter could be applied to development at the Rocks Ranch node.

Modifications to Node Maps

There were suggestions to add parcels to the Highway 129 node (see attached map) and to reduce the size of the Livestock 101 node. These are discussed in the following paragraphs:

Highway 129 Node - Parcels to the north of Highway 129. The addition of two parcels north of Highway 129 was suggested by property owner Kim Lavagnino during the meeting. A portion of this property (5.5 acres immediately adjacent to the highway) is currently included within the node boundary. The remaining property comprises 176.62 acres. Much of the property is prime farmland and a riparian corridor separates the additional area from the area already included. An existing dirt road connects the proposed addition to the included area; this dirt road could be expanded for commercial access with minimal disturbance; however, a secondary access would likely be required would encroach on riparian habitat. The riparian corridor and the portions of the parcels farthest from Highway 101 are within a FEMA flood zone (as is most of

the 5.5 acres that are included). Staff has a concern with adding this additional land in proximity to the Betabel node, which could change these areas from nodes to an extended commercial development. General Plan Policy LU-5.5 discourages strip commercial development. Staff does not support this addition, but if the Planning Commission wants to include additional lands, staff suggests limiting the addition to about 14 to 15 acres nearest to U.S. Highway 101 to reduce the need for a second access, preserve farmland, and avoid additional flood zone development.

Highway 129 Node – Elma Burke Parcels along Searle Road. The addition of all or a portion of this parcel was suggested to County staff after the October Planning Commission meeting on behalf of landowner Elma Burke. This parcel is 17.88 acres, and about eight acres of this parcel is already within the proposed node boundary. Staff had considered the entire parcel for inclusion, but did not include portions of the parcel due to steeper terrain toward the south end of the parcel and distance from the intersection of Searle Road and Highway 129. Staff does not recommend adding additional acreage from this parcel, although a minor adjustment to the boundary could be acceptable.

Highway 129 Node – “Quarry” parcel east of Highway 101. This parcel was suggested by the Planning Commission and is 34.17 acres. About two-thirds of the parcel is developed with a construction yard. The remaining one-third of the parcel (nearest the road) is prime farmland. The site is across Chittenden Road/San Juan Highway from Anzar High School. Staff had initially excluded this parcel due to the prime farmland and separation from the other parcels. Inclusion of this parcel is acceptable to staff and is a matter of Planning Commission preference.

Livestock 101 Node. Members of the public suggested that the commercial node at Livestock 101 should be limited to the area of the existing commercial operations. That portion of the site currently has a Neighborhood Commercial zoning for that area, which allows a variety of retail uses, offices, and banks with an administrative permit; and food, appliance, and hardware stores, restaurants, swimming pools, recreational vehicle parks, mobile home parks, other residential uses, and public buildings with a conditional use permit.

The current zoning for the remainder of the property is Rural, which allows the existing residential and agricultural uses by right, and the following potentially applicable conditional uses: commercial recreation, private clubs, and guesthouse. It should be noted that if the current zoning stays in place, the site will not be subject to any new use restrictions or design

regulations developed for the C-3 district. For cohesiveness of overall site planning, a single zone would be more suitable than two different zones. Because the C-3 zoning will contain specific development standards for each of the nodes, staff recommends that the entire land ownership be included in the node, and that neighborhood concerns be addressed through those regulations and standards contained in the zoning code. The amount of new development can be limited and the location can be specified by the new zoning requirements.

General Comments on Node Boundaries and Size. Staff has prepared the following tables to provide context to the discussion of node boundaries and potential additions or reductions. The tables summarize the size of the nodes, potential development area given site constraints, and an estimate of total potential development capacity.

Commercial Node	Total Site Area	Development Capacity Constraints
Betabel	55.5 acres	Riparian setbacks will be required. Flood plain will reduce potential.
Highway 129	39.7 acres	Riparian setbacks will be required. Flood plain and hillsides will reduce potential.
Highway 129 Additions	220.7 acres	Riparian setbacks will be required. Flood plain will reduce potential
Livestock 101	159.3 acres	A much-reduced density will be required on hillsides. Existing residences may limit development in adjacent areas.
Rock's Ranch	280.0 acres	Riparian setbacks will be required; Hillside and most oak woodland will have no development potential.
Total	534.5 acres (755.2 with additions)	

At a typical commercial floor area ratio of 0.25 (one square foot of building area per four square feet of site area), and accounting for acreage reductions due to site constraints, the four nodes could accommodate the commercial floor space shown in the following table.

Commercial Node	Site Adjustment	Estimated Development Area	Floor Area at 0.25
Betabel	Assumes 10 percent reduction	50.0 acres	554,500 square feet
Highway 129	Assumes 20 percent reduction	31.8 acres	346,300 square feet
Highway 129 Additions	Assumes 40 percent reduction	132.4 acres	1,442,000 square feet
Livestock 101	Assumes 75 percent reduction	39.8 acres	433,700 square feet
Rock's Ranch	Assumes 75 percent reduction	70.0 acres	762,300 square feet
Total		191.6 acres	2,086,500 square feet
Total with Additions		314.0 acres	3,419,800 square feet

While a market study for the U.S. Highway 101 corridor through San Benito County has not been conducted, it is not likely that passing traffic and the local resident customer base would be sufficient to support this much development. As a point of reference, the Westfield Valley Fair Shopping Center in San Jose/Santa Clara is approximately 1.5 million sq. ft. in size. Staff recommends that the commercial nodes include open space, development clustering, view shed, and/or buffer requirements, and square footage limitations to significantly reduce development capacity from the potential levels shown in the table. The existing shopping centers east and west of U.S. Highway 101 in Prunedale are approximately 70,000 to 100,000 square feet each, and planning for development of similar square footage at the four commercial nodes may be appropriate.

Approval Process

Planning Commission expressed a desire that most development applications come before the Commission for consideration, so that the Commission may have the opportunity to review design and compatibility. It is important to recognize there are time, cost and public participation trade-offs with the various decision making options, including the appeal process. The existing County Zoning Code has three established review and approval levels: Site Plan Review (Planning Director); Administrative Permit (Planning Director), and Conditional Use Permit (Planning Commission). These three levels are included in the current draft of the C-3 code. There are three approaches to expand Planning Commission review of applications: shift the administrative approvals to a Conditional Use Permit approval, or establish an additional Planning Commission approval provision, summarized as follows:

Option 1: Administrative Permits and Conditional Use Permits

Option 2: Administrative Permits, Design Review Permits, and Conditional Use Permits

Option 3: Maintain the proposed three levels, but require the first approval be a CUP for a comprehensive master development plan that would be used for subsequent staff determinations of conformance to using the other two levels as appropriate.

Staff is not making a formal recommendation on the process at this time. However, staff is inclined to recommend the latter approach in which case staff suggests that the three tiers of approval be retained as they are, and that the first approval be re-classified to require Planning Commission master plan and design review approval consistent with language in Policy LU 5.3.

The County Code does not currently include a general provision for Planning Commission design review of new development, other than for the adopted specific plans. For these C-3 Regional Commercial project reviews as required by the General Plan, staff suggests that the Planning Commission purview would include approval of project design guidelines. The design review authorization could be contained within the C-3 zoning, or could be a standalone code section that would more broadly apply within the County if authorized by other code amendments.

Future Re-zones

A question was raised regarding the zoning of additional sites to C-3 in the future. The C-3 code will include specific development standards for each of the nodes that are included. If additional nodes are added, to the zoning map, development standards specific to that node will need to be added to the code. The code will include a process for re-zoning land to C-3.

Scenic Views

A concern regarding the potential for adverse visual effects in scenic countryside was raised. Although Highway 101 and Highway 129 are not state-designated scenic highways, both are designated by the County as scenic routes in the General Plan. The General Plan protects views from scenic highways in several policies. Policy LU-5.3 includes scenic protections as part of its direction to establish regional commercial nodes. A dozen policies in the Natural and Cultural Resources Element protect visual qualities. Of particular note, are Policy NCR-8.1 protecting scenic corridors, Policy NCR-2 regulating signs, Policy NCR-8.3 restricting grading on hillsides, Policy NCR-8.4, NCR-8.5, and NCR-8.6 addressing building design and placement, and Policy NCR-8.9 protecting the scenic qualities of hillsides and ridgelines.

San Benito County Code Chapter 25.15 includes standards for scenic corridors. Section 25.15.060 defines the scenic corridors as all land outside of rights-of-way and within 400 feet of the Highway 101 centerline and within 340 feet of the centerline of Highway 129. Development within these areas is limited to agricultural buildings, residences, and certain signs. Staff reviews conformance of applications with this chapter.

The C-3 code will include general and/or specific scenic view protection standards to ensure that development within the C-3 district does not impinge on the scenic beauty of the area.

Cultural / Sacred Resources

Pinecate Peak was identified as a Native American sacred place during the meeting. Pinecate Peak itself is outside the area shown on the Rocks Ranch node map, being the high point, which is nearer the campground along Highway 101; however, the node map does include the lower knoll to the south, which is effectively the shoulder of Pinecate Peak. A sacred lands file search was conducted and the Native American Heritage Commission indicated there is at least one sacred site within the boundaries provided (which included the additional Highway 129 parcels under consideration). The Tribes identified by the Native American Heritage Commission have been contacted for information, but replies have not yet been received. Full archeological records research has not been conducted. Staff recommends that this level of cultural resources review be completed at project level.

Regional Drainage and Water Quality

Members of the public pointed out that the sites drain to Elkhorn Slough and Monterey Bay, and expressed concerns about polluted run-off affecting water and biological resources. The Betabel and Highway 129 nodes are located near the confluence of the San Benito and Pajaro rivers, and drain via the Pajaro River to Monterey Bay. The Livestock 101 and Rocks Ranch nodes drain via Carneros Creek to Elkhorn Slough and Monterey Bay. Water in Carneros Creek flows northward from the vicinity of the Livestock 101 and Rocks Ranch nodes, more or less following San Juan Road and later Hall Road in Monterey County. Development within the commercial nodes will follow the required water quality standards that are enforced through permits from the Central Coast Regional Water Quality Control Board, and staff does not recommend additional water quality controls are necessary.

Noise pollution

The public suggested that the commercial nodes would result in noise at neighboring houses. The primary source of noise in the vicinity is traffic on Highway 101. The general plan classifies exterior noise levels up to CNEL 65 dB as acceptable at residences. General Plan Draft EIR Figures 15-1 and 15-2 indicate that existing and future noise levels up to 65 dB will extend beyond the Highway 101 right-of-way. The additional noise from traffic accessing the commercial nodes, or from activities occurring on the sites, would not exceed 65 dB, so would not contribute to increases in the ambient noise conditions.

Light pollution

The potential for light from the developments to intrude at residences, or affect the darkness of the night sky was raised. General Plan Policy NCR-9.1 requires continued enforcement of the development lighting ordinance. County Code Chapter 19.31 regulates development lighting throughout the County. The ordinance establishes three zones, each allowing different intensity of lighting, with the most restrictive zones located to provide dark-sky protection for Pinnacles National Park and Freemont Peak State Park. The commercial nodes are located in Zone 2. Staff recommends extending the more strict Zone 1 standards to cover the commercial nodes.

Attachments:

Topographic maps of each of the U.S. Highway 101 Commercial Node sites (**4 maps**)

Map of additional parcels considered for the Highway 129 Node