

NOTICE OF SPECIAL MEETING

Pursuant to Section 54956 of the Government Code of the State of California, a Special meeting of the **Tracy City Council** is hereby called for:

Date/Time: **Tuesday, May 12, 2015, 5:00 p.m.**
(or as soon thereafter as possible)

Location: **Room 203, City Hall**
333 Civic Center Plaza, Tracy

Government Code Section 54954.3 states that every public meeting shall provide an opportunity for the public to address the Tracy City Council on any item, before or during consideration of the item, however no action shall be taken on any item not on the agenda.

1. Call to Order
2. Roll Call
3. Items from the Audience - *In accordance with Procedures for Preparation, Posting and Distribution of Agendas and the Conduct of Public Meetings, adopted by Resolution 2015-052 any item not on the agenda brought up by the public at a meeting, shall be automatically referred to staff. If staff is not able to resolve the matter satisfactorily, the member of the public may request a Council Member to sponsor the item for discussion at a future meeting.*
4. CITY COUNCIL WORKSHOP REGARDING THE TRACY HILLS PROJECT
5. Adjournment



Mayor

May 8, 2015

The City of Tracy complies with the Americans with Disabilities Act and makes all reasonable accommodations for the disabled to participate in public meetings. Persons requiring assistance or auxiliary aids in order to participate should call City Hall (209-831-6105), at least 24 hours prior to the meeting.

Any materials distributed to the majority of the Tracy City Council regarding any item on this agenda will be made available for public inspection in the City Clerk's office located at 333 Civic Center Plaza, Tracy, during normal business hours.

AGENDA ITEM 4

REQUEST

CITY COUNCIL WORKSHOP REGARDING THE TRACY HILLS PROJECT

EXECUTIVE SUMMARY

The public hearing process to consider the proposed development applications for the Tracy Hills project is anticipated to begin within the next few months. The purpose of this workshop is to provide City Council with an opportunity to review and discuss the project, receive input from the public, provide preliminary feedback, and ask questions. The focus of this meeting will largely be on the overall Specific Plan, the concepts for Phase 1A, and the Development Agreement.

BACKGROUND

The Tracy Hills Specific Plan was originally approved and annexed to the City in 1998. The 1998 project approvals included certification of an Environmental Impact Report, amendments to the City's General Plan and Zoning Ordinance, adoption of the Tracy Hills Specific Plan, and annexation of approximately 2,732 acres to the City of Tracy. The 1998 Tracy Hills Specific Plan anticipated up to 5,499 residential units in a mix of low, medium and high density neighborhoods, over five million square feet of non-residential land uses including office, commercial, and light industrial uses, in addition to parks, schools, and open space. The 1998 Specific Plan included very detailed grading, design, and development standards, regulating everything from lot placement, dimensions, lake frontage standards, etc. The 1998 Specific Plan also included approximately 3,500 acres of open space, south of Interstate 580, which was set aside by the developer for the purpose of habitat conservation and not annexed to the City of Tracy.

Since the 1998 project approvals, no development has occurred in Tracy Hills; however, several property owners have made improvements on their property such as orchard plantings and improvements to individual homes. During the past 17 years, the project has been subject to growth-related ballot measures, swings in the real estate market, an update to the City's General Plan, adoption of Citywide Infrastructure Master Plans, changes to the City's Growth Management Ordinance, and property ownership changes. Given these changes as a backdrop, the current owner/developer of the majority of the Tracy Hills property has proposed a comprehensive update to the Tracy Hills Specific Plan, and development of the first phase for which a Vesting Tentative Subdivision Map has also been submitted.

Though there are few proposed land use changes, the proposed update to the Specific Plan consists of an entirely rewritten Specific Plan because the extent of text modifications and changes to graphics and format are substantial. By approaching this amendment as a comprehensive update, the end product is intended to provide greater ease of use as a development document and removal of development standards deemed by the applicant as not applicable or desirable for their intended development.

DISCUSSION

Project Overview

The Specific Plan area is located in the vicinity of the existing Corral Hollow Road interchange and the proposed Lammers Road interchange on Interstate 580. The proposed development applications include amendments to the City's General Plan and Zoning Ordinance, a comprehensive update to the Tracy Hills Specific Plan, a Vesting Tentative Subdivision Map for Phase 1A, a Development Agreement, and a new Storm Drain Master Plan for the entire Specific Plan area. The primary focus of this staff report is on the proposed update to the Specific Plan (Attachment A: Draft Tracy Hills Specific Plan).

The proposed development totals remain largely unchanged from the 1998 Specific Plan, and still include up to 5,499 residential units in low density neighborhoods with sites near commercial areas identified for high density housing. The Specific Plan also includes over five million square feet of non-residential land uses including office, retail, and light industrial uses, in addition to parks, schools, and open space.

With this update, the City limit line would remain unchanged. However, 3,500 acres of open space/ habitat conservation area is proposed to be removed from the Specific Plan because it is not located within the City limits and not proposed for development or future annexation. This is intended to reduce confusion as to whether or not this area is in the City. It is not common in Tracy to have a Specific Plan include acreage outside of the City limits. These 3,500 acres would remain in the City's Sphere of Influence and continue to be designated as Open Space by the City's General Plan, and held in conservation easements managed by the San Joaquin Council of Governments (SJCOG).

Land Use and Zoning

The proposed update to the Specific Plan includes changes such as redesignating portions of Medium Density Residential to Low Density Residential, creating a new zoning district of Mixed Use Business Park (MUBP), and modifying the location of certain zone districts. The MUBP zoning district would primarily replace portions of Light Industrial (M1) and Professional Office Medical (POM). The Professional Office Medical (POM), Neighborhood Shopping (NS), and Village Center (VC) zones would be eliminated, although their uses would be generally incorporated into the MUBP and General Highway Commercial (GHC) zones. Details of the lake and lake lots have been removed because according to the applicant, they are no longer desirable. The area previously designated for a golf course is now envisioned as approximately 180 acres of open space, potentially including a trail system and a Community Park.

Tracy Hills consists of three general areas defined by the physical characteristics of the site. The northern portion between the Delta Mendota Canal and the California Aqueduct is proposed to include light industrial uses and medium density residential, which is the same as approved in the 1998 Specific Plan. Staff is concerned about the compatibility of the land uses in this northern portion. Prior to development of this area, additional review of the land uses may be warranted. The central portion, south of the

California Aqueduct and north of I-580, is planned predominantly for single-family homes with parks and a school site, and mixed-use business park/commercial retail areas. The “finger” of industrial/business park property along I-580 raises similar concerns related to land use compatibility. The southern portion, south of I-580, is the area with rolling hills and steeper slopes. The southern portion is planned for residential neighborhoods with parks and schools, a large open space area (180 to 185 acres), and mixed-use business park/commercial retail areas. A specific concept for land use, circulation, and development of these areas should be further clarified as a requirement in Chapter 5, similar to the additional steps related to open space south of I-580.

Design Guidelines

Included in the proposed Specific Plan is the Chapter 3 Design Guidelines. The Design Guidelines are structured into three main parts: Residential, Mixed Use Business Park Zone District, and Landscape. These Design Guidelines are intended to build-on policies in the City’s General Plan and the City’s Design Goals and Standards. The Residential and Mixed-Use Business Park Design Guidelines would apply Specific Plan-wide. The Landscape Guidelines would also apply Specific Plan-wide, however, implementation details are only illustrated for Phase 1A. Subsequent phases would require additional details prior to approval of any post Phase 1A Tentative Subdivision Map.

The Specific Plan Design Guidelines are intended to ensure that development achieves a high standard of aesthetic quality. As proposed, future development that is subject to first receiving a Development Review permit, which would include approval of architecture for residential subdivisions, would be at the discretionary approval of the Development Services Director, based on findings of compliance with the Specific Plan. This is in contrast to the 1998 Specific Plan and subdivisions in Tracy that are zoned Planned Unit Development (PUD), which require Planning Commission and City Council approval. However, it is similar to the approval process required for the Ellis project and portions of Cordes Ranch.

Design of Phase 1A

The proposed Design Guidelines include details for the development of the Phase 1A area, which consists of approximately 417 acres, generally bordered by the California Aqueduct to the north, Interstate 580 to the south, Corral Hollow Road to the east, and near the future Lammers Road interchange to the west. Such details for the Phase 1A area include the roadway network and neighborhood plan, street sections, edge conditions, parks and landscaping, community monumentation/signage, walls/fences, and lighting. A community gateway icon is planned to be located in the eastern portion of Phase 1A, near the interchange of Corral Hollow Road and I-580. The community gateway icon is conceptually envisioned as a modern barn-like building coupled with an updated windmill structure, intended to convey the agricultural heritage of the project site and serve as a “Welcome Home” center, according to the applicant.

The proposed layout for Phase 1A consists of approximately 1,160 single-family lots with approximately 50 acres of mixed-use business park/commercial retail area, three public parks, and a school site (Attachment B: Proposed Layout of Phase 1A).

Development Agreement

On January 15, 2013, City Council authorized staff to negotiate a Development Agreement (DA) with The Tracy Hills Project Owner, LLC. Given the location and size of the Tracy Hills project, initial infrastructure investments will be costly. A DA is an appropriate mechanism to provide clarity and certainty to the developers for the phasing of the infrastructure. The DA negotiations are still on-going. Here is a brief list of some of the points that may be included in the DA:

- Would extend to the developer, the right to build the project as approved for the term of the DA, 25 years
- Would prioritize the majority of transportation master plan fees collected from the Tracy Hills development to specific roadway projects directly benefitting the Tracy Hills project
- Would identify Tracy Hills as the location for a 30-acre community park, which would receive improvement funding collected from residential projects throughout the City. The land for the proposed 30-acre community park would be offered at no cost.
- Public benefit payment of \$5 million

Environmental Document

The City has prepared a Draft Subsequent Environmental Impact Report (EIR) for the Tracy Hills Specific Plan Project (State Clearinghouse No. 2013102053), pursuant to the California Environmental Quality Act (CEQA) and the CEQA Guidelines. A Notice of Availability of the EIR was distributed to public agencies and interested parties, which started a 45-day public review and comment period on December 23, 2014. The comment period, which was originally set to end on February 10, 2015, was extended by 21 days to March 3, 2015, due to public agency requests. The City is currently preparing the Final EIR, which will include responses to comments received.

Planning Commission Discussion

The Planning Commission conducted a discussion agenda item regarding the Tracy Hills project on February 25, 2015 and study sessions on March 11, and March 25, 2015. These meetings were each approximately two hours in length and involved comments and discussion between Commissioners, staff, the developer, neighboring property owners, and other members of the public. The discussion included topics such as the view of the project from Interstate 580, the Phase 1A subdivision design, circulation, infrastructure, landscaping, future phases, and permit process.

FISCAL IMPACT

There are no impacts to the General Fund as a result of this workshop.

RECOMMENDATION

Staff recommends that City Council conduct a workshop regarding the Tracy Hills project.

Prepared by: Scott Claar, Associate Planner

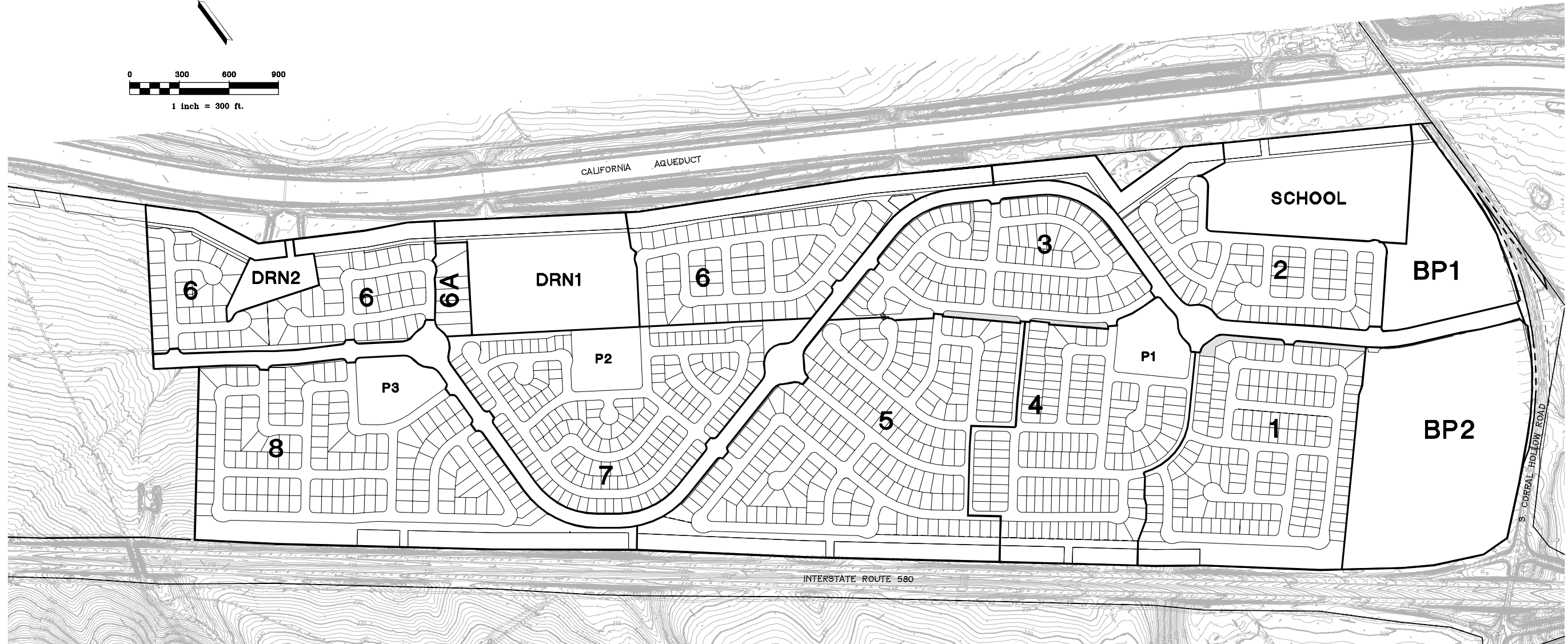
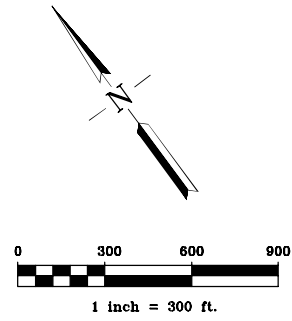
Reviewed by: Alan Bell, Interim Assistant Development Services Director
Bill Dean, Interim Development Services Director
Andrew Malik, Interim Assistant City Manager

Approved by: Troy Brown, City Manager

ATTACHMENTS

A - Tracy Hills Specific Plan – Proposed December 2014 (*Available for public inspection in the City Clerk's office, City Hall, 333 Civic Center Plaza, Tracy and on the City of Tracy website: <http://www.ci.tracy.ca.us/?navid=595>)*

B - Proposed Layout for Phase 1A



LOT SUMMARY			
NEIGHBORHOOD	ACRES	LOT COUNT	TYPICAL LOT SIZE
1	35.9	160	55'x90'
2	27.3	74	55'x100'
3	25.3	105	55'x100'
4	35.1	150	50'x100'
5	51.8	198	60'x100'
6	54.7	146	70'x100'
6A	2.7	6	70'x100'
7	36.3	182	50'x80'
8	48.0	139	65'x100'
TOTAL	317.1	1,160	-

TRACY HILLS NEIGHBORHOOD PLAN

CITY OF TRACY, SAN JOAQUIN COUNTY, CALIFORNIA
FOR: INTEGRAL COMMUNITES

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