



# County of Yolo

## PLANNING, RESOURCES AND PUBLIC WORKS DEPARTMENT

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**TO:** THE HONORABLE FRANK SIEFERMAN JR., Chair,  
and Members of the Board of Supervisors

**FROM:** JOHN BENCOMO, Director  
DAVID MORRISON, Assistant Director of Planning  
HEIDI TSCHUDIN, General Plan Project Manager  
Planning, Resources and Public Works Department

**DATE:** September 19, 2006

**SUBJECT:** County General Plan Update – Receive staff presentation and acknowledge continued use of interim policy guidelines; direct staff to continue to use the four land use alternatives; direct that the alternatives not be modified at this time to include project-specific development proposals; direct staff to pursue identified topics for further evaluation of the alternatives; direct staff to integrate economic development strategy; receive and file two background reports; and accept public comment. (General Fund impact: \$1,065,223 has been included in the budget).

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### **RECOMMENDED ACTIONS**

1. **RECEIVE** a staff presentation on the process underway to update the general plan and acknowledge the interim policy guidelines reflected in documents below (see Attachment C):
  - a. Draft List of General Plan Issues, June 2004
  - b. Draft General Plan Stakeholders List, June 2004
  - c. General Plan Vision Statement, June 2004
  - d. General Plan Vision/Principles/Policy Definition, October 2004
  - e. General Plan Land Use and Circulation Conceptual Alternatives, January 2005
  - f. General Plan Update Background Report, January 2005
  - g. Preliminary Goals and Objectives of Rural Sustainability, June 2005.
2. **DIRECT** staff to continue to use the four land use alternatives (see Attachment A):
  - a. Alternative 1 -- City focused growth
  - b. Alternative 2 -- Town focused growth
  - c. Alternative 3 -- New town
  - d. Alternative 4 -- Rural sustainability
3. **DIRECT** that the four alternatives shall not be modified at this time to include project-specific development proposals.
4. **DIRECT** staff to explore the following list of issues to be assessed and compared for the later determination of a preferred alternative:

- a. Market feasibility
  - b. Fiscal impacts
  - c. Jobs/housing balance
  - d. Infrastructure needs
  - e. Transportation impacts
  - f. Flood issues
  - g. Agricultural soils
  - h. Smart growth issues/healthy design
  - i. Other environmental concerns
5. **DIRECT** staff to integrate the recommendations of the Economic Development Panel for County economic development strategy into the General Plan Update.
6. **RECEIVE** and file the two attached reports:
- a. Alternatives Overview and Analysis (see Attachment A)
  - b. Market and Fiscal Considerations (see Attachment B)
8. **ACCEPT** public comment.

### **FISCAL IMPACTS**

The cost for the General Plan Update is a general fund item. The staff and consultant team are operating under scopes of work and budgets approved by the Board of Supervisors in previous actions. At present the General Plan Update process has a total budget of \$1,065,223 of which between 40 and 50 percent has been expended.

The policies and land use decisions that are ultimately adopted as a part of the General Plan Update will have fiscal implications both areawide and countywide. The staff will continue to explore fiscal issues relevant to the General Plan as we progress through the Update process.

This staff report includes Attachment A that examines Market and Fiscal Considerations relevant to the requested actions.

### **REASON FOR RECOMMENDATION**

In recognition of the considerable work that has been completed in earlier stages of this update of the general plan and the time delay between initial decisions and the current process, it is appropriate to review and validate earlier assumptions and policy directions. In addition, further work has been completed on the analysis of the alternatives and on the market and fiscal conditions in Yolo County and the region.

### **OVERVIEW**

As has been recognized and articulated by many, Yolo County is at a philosophical, political, and economic crossroads. Located between the burgeoning Sacramento region and the expanding Bay Area, the County is experiencing significant land use pressures to convert agricultural and open space land for primarily residential growth. For decades, Yolo has led the State in practices that successfully preserve agricultural land and comprehensively support the regional agricultural economy. Key to this effort has been the leadership of the Board of Supervisors in sustainable planning practices, including directing growth into the incorporated cities where services are available and where development can occur more efficiently.

As a reward for its efforts the County is facing a crippling economic situation. The County has recently faced budget shortfalls of over four million dollars per year. The County property tax capture rate is the second lowest in the State and its sales tax capture rate ranks among the lowest. This situation has been exacerbated, if not created, in recent years by the State's increasing reliance on local government revenues to balance its own budget.

The County's General Plan Update is timely in that it invites a discussion of whether and how future land use decisions can, in whole or in part, address the County's fiscal situation. Commercial growth, and some limited types of industrial growth can bring jobs, tax revenues, and economic spin-off with few of the service issues associated with residential growth. Residential growth, in contrast, requires services and a delivery structure generally not available within the County and usually does not result in fiscal benefits. Depending on the circumstances, residential growth does not generally start to show fiscal benefits until average home values approach \$500,000. However, focusing solely on high-end housing creates issues regarding equity, exclusivity, and affordability. A healthy community requires both jobs and houses. Ideally they are matched to one another meaning that family income is sufficient to afford local home prices.

Regardless of fiscal impacts, growth raises a number of quality-of-life concerns such as the loss of agricultural land, loss of habitat, exposure to flooding, and impacts to roads and highways. How growth is organized (density and location) is critical to the discussion. The effects of sprawling development are well known. Community facilities and utilities cannot efficiently serve scattered development. Remaining land becomes so fragmented that it cannot be economically farmed and has little public value as open space. Moreover, while rural residences on large properties are popular, the occupants of these homes are often not involved in the agricultural economy and do not always appreciate the agricultural practices of neighboring farmers. By increasing densities where development is allowed service delivery is more cost effective, a greater range of economic development can be accomplished, and the undeveloped areas between communities can be better protected and preserved.

On top of all this, the County's demographics are projected to change dramatically. Our 2030 demographic profile shows an older population (with fewer children), organized into smaller family units (one and two person households), comprised of increasingly mixed ethnicity and race. The needs of seniors, smaller families, and a changing ethnicity have implications for both our land use decisions and service structure.

The General Plan Update needs to address all these issues. This agenda item will allow the Board of Supervisors to re-initiate its exploration of these items and to give preliminary direction on alternatives to be explored in the Update process.

### **GENERAL PLAN BASICS**

Land use planning is defined as the process by which governmental agencies determine the intensity and geographical arrangement of various land uses in an area. The General Plan is the basic document used by local government in land use planning. All cities and counties are required to have one. It provides the comprehensive long-term plan for the physical development of the County, and is often referred to as "the constitution" of the County.

State law sets the contents of the General Plan (Government Code Section 65300). The State Office of Planning and Research also publishes the State General Plan Guidelines, which is a more detailed advisory document. Under State law, general plans are required to have the following seven mandatory elements: land use, housing, open space, safety, circulation, conservation, and noise. The housing element is the most heavily regulated and includes a requirement for five-year updates and State certification (Government Code Section 65580).

There are no similar requirements for the other elements. Cities and counties are allowed to adopt other optional General Plan elements to address issues of local relevance.

The Yolo County General Plan was last comprehensively updated in 1983. It includes the following elements: land use, circulation, safety and seismic safety, noise, open space, conservation, scenic highways, recreation, historical preservation, housing, energy, and administration. The County has adopted a number of additional components of the General Plan:

- Agriculture Element
- Airport Master Plan
- Cache Creek Area Plan
- Capay Valley Area Plan
- Clarksburg General Plan
- Davis Area General Plan
- Delta Protection Plan
- Dunnigan General Plan
- East Yolo Area General Plan
- Esparto General Plan
- Knights Landing General Plan
- Madison General Plan
- Monument Hills Area Plan
- Southport Area General Plan
- Watts-Woodland Airport Plan
- Winters Area General Plan
- Woodland Area General Plan

The most recent amendments to the components of the Yolo County General Plan were: Dunnigan General Plan (2001), Clarksburg General Plan (2002), Cache Creek Resources Management Plan Update (2002), Agriculture Element (2002), Open Space and Recreation Element (2002), and Housing Element (2003). In addition, there have been several general plan amendments in recent years regarding specific properties and the land use designations of those properties: Canyon Creek Resort (2003), Royal Oaks Mobile Home Park (2003), and Capay Hills Golf Course (2005). There are also pending applications for the Old Sugar Mill Specific Plan, Orcioli Subdivision, and Half Moon Fruit Lot Line Adjustment.

## **BACKGROUND, WORKSHOPS, AND THE PUBLIC “VISIONING” PROCESS**

After several years of deliberation and preparation, the Board of Supervisors in May of 2004 began the process of updating the County General Plan. It is important to note that the Yolo County Supervisors consciously chose to publicly fund the General Plan Update effort rather than solicit private funding through the development community. It is not an uncommon model these days to see local governments solicit development interests as a precursor to a General Plan Update and then negotiate with those interests to fund the update process. While this method is enticing from a budgetary point of view it is often accompanied by the perception that a certain “pro-development” outcome is inevitable. To the contrary, Yolo County has a long history of engaging in policy-based planning rather than project-based planning. This allows for land use decisions to be made based on broad-based policies and good planning practices, rather than ancillary issues like ownership.

At the outset of the process, the Board of Supervisors elected to undertake an extensive process of public outreach and involvement. The first workshop, a joint meeting of the Board of Supervisors and Planning Commission, was held in May 2004. That workshop focused on the

schedule and process for the General Plan Update. In August 2004 five workshops were held in Clarksburg, Dunnigan, Esparto, Knights Landing, and West Plainfield to hear public comments on what the General Plan should include. A second joint workshop of the Board of Supervisors and Planning Commission was held in September 2004. The focus of that workshop was key issues, guiding principles, and vision statements. In October, four more workshops were held in Davis, West Sacramento, Winters, and Woodland. At these workshops the public was asked about whether and how the County should develop over the next 20 years.

Based on public comments and direction from the Board of Supervisors and Planning Commission, staff and the consulting team prepared three General Plan land use alternatives for public review: Alternative 1 (City Focused Growth), Alternative 2 (Town Focused Growth), and Alternative 3 (Dunnigan New Town). These were released in January 2005. A comprehensive Background Report was also published at that time. In March 2005 four more public workshops were held in Davis, Dunnigan, Esparto, and Woodland to take public comment on the alternatives. A fifth workshop (the General Plan "Summit") was held in April 2005 with the Board of Supervisors and the four City Councils of Davis, West Sacramento, Winters, and Woodland to hear the perspective of the city officials regarding the alternatives. In response to public comment the staff and consultant team developed a fourth alternative. Alternative 4, Rural Sustainability was released in June 2005.

In June 2005 the Board of Supervisors and Planning Commission met again in joint session to deliberate a "preferred" alternative among the four under consideration. The Board of Supervisors ultimately determined that they did not have enough information to choose a preferred land use alternative at that time; however various members expressed support for the following concepts:

- Agricultural preservation and enhancement
- Revenue neutrality/revenue enhancement
- Locating growth in the Dunnigan area
- Partnerships and relationships with "stake holders" (e.g. cities, farmers, etc)
- Sustainable growth (basic infrastructure and community services)
- Smart growth (design review)
- Controlling and directing growth
- Standards for rural residential development

Work on the General Plan Update slowed significantly after June of 2005, due in part to high staff turnover in the Planning, Resources, and Public Works Department. As a result, the County hired a General Plan Project Manager and made changes to the General Plan consultant team in April of 2006. In May of 2006 the Update process resumed.

## **GENERAL PLAN DOCUMENTS AND INFORMATION PRODUCED TO DATE**

In 2004 and 2005 many documents were produced that will continue to guide the General Plan process:

- Draft List of General Plan Issues, June 2004
- Draft General Plan Stakeholders List, June 2004
- General Plan Vision Statement, June 2004
- General Plan Vision/Principles/Policy Definition, October 2004
- General Plan Land Use and Circulation Conceptual Alternatives, January 2005
- General Plan Update Background Report, January 2005
- Preliminary Goals and Objectives of Rural Sustainability, June 2005.

These documents are all posted on the County's General Plan Update website. It should be noted that although these are not binding documents, they will continue to guide the work of the General Plan team unless the Board of Supervisors directs otherwise. Should the Board wish to revisit or modify any of these guiding documents it is requested that the Board provide that direction at the September 19, 2006 meeting.

## **CONFIRMATION OF THE ALTERNATIVES**

In order to continue the General Plan Update process, the General Plan team believes it is important to start with a review and assessment of the range of alternatives before the Board of Supervisors and public. For that reason the Board is being asked to confirm the previously developed four land use alternatives. As noted earlier in this report, these alternatives are the outcome of an extensive public process. They represent different philosophical approaches to planning for the County's future. The alternatives are conceptual and the land use exhibits that accompany them are not parcel-specific. The four alternatives (as refined through the work of DC&E) can be summarized as follows

**Alternative 1, City Focused Growth** – Consistent with existing and historic County policy, this alternative assumes that most of the future development (90 percent) that would occur in the County would be directed into the incorporated cities. This alternative does not specify whether this growth would occur within existing city planning boundaries, or whether growth would occur in the unincorporated areas immediately adjoining the cities for future annexation. The growth that does occur outside of the cities (10 percent of the total) is assumed to be scattered throughout the unincorporated area. Unincorporated area growth by 2030 would consist of:

- 1.5 percent annual growth rate
- 8,500 acres of new development
- 2,700 new homes (5 du/ac average density within unincorporated communities)
- 5,800 new jobs
- 7,200 new residents (11% of County build-out total)

**Alternative 2, Town Focused Growth** – This alternative assumes that 83 percent of all future development would occur within the cities, and the remaining 17 percent would be directed primarily into Esparto, Knights Landing, Dunnigan, and Madison, with the goal of supporting economic development and improved infrastructure in those areas. Within Monument Hills existing five-acre minimums would be reduced to 2.5-acre minimums. Unincorporated area growth by 2030 would consist of:

- 2.5 percent annual growth rate
- 5,700 acres of new development
- 5,500 new homes (8 du/ac average density within unincorporated communities)
- 6,600 new jobs
- 14,800 new residents (14% of County build-out total)

**Alternative 3, New Town in Dunnigan** – This alternative assumes that 70 percent of all future development would occur within the cities. Of the remaining 30 percent that would develop within the unincorporated area, 75 percent would be directed into a new town developed in and/or around the existing town of Dunnigan. Unincorporated area growth by 2030 would consist of:

- 3.75 percent annual growth rate
- 12,500 acres of new development
- 10,100 new homes (8 du/ac average density within unincorporated communities)

11,500 new jobs  
26,800 new residents (18% of County build-out total)

**Alternative 4, Rural Sustainability** – This alternative (previously identified by staff as Alternative 2a) combines features of Alternatives 2 and 3. It assumes that 78 percent of all future development would occur within the cities, and the remaining 22 percent would be directed primarily into Esparto, Knights Landing, and Dunnigan, with the goal of increasing the level of economic development and further restricting housing in the rural agricultural areas. Within Monument Hills existing five-acre minimums would be reduced to 1.5-acre minimums. This alternative specifically emphasizes industrial development at the Yolo County airport, a conference center and business park in Elkhorn, a business park at the Spreckels plant, an agricultural industrial project near Winters, and an 80-acre minimum for new homes built on agriculturally-designated land. Unincorporated area growth by 2030 would consist of:

3.0 percent annual growth rate  
4,500 acres of new development  
7,000 new homes (8 du/ac average density within unincorporated communities)  
8,400 new jobs  
18,800 new residents (15% of County build-out total)

At the September 19 meeting, staff is asking the Board of Supervisors to determine whether these four alternatives provide an adequate range from which to later identify a preferred alternative. In order to provide a recommendation in this regard the new planning consultant, Design Community and Environment (DC&E), was asked to undertake an independent assessment of the four land use alternatives (see Attachment A, Alternatives Overview and Analysis). DC&E examined the alternatives from several perspectives:

- How do the alternative compare to various generic “growth models”?
- How do the alternatives compare to regional modeling and growth projections?
- How do the alternatives match up to existing development pressures?

The alternatives generally stood up well in all areas of comparison. The various pertinent conclusions made by DC&E are summarized below.

### Growth Models

DC&E identified six growth models that generically describe different ways in which a County might grow:

- Scattered rural growth
- Scattered suburban growth
- Town infill growth
- Town edge growth
- City edge growth
- New town growth

Obviously these concepts are not mutually exclusive and the General Plan is likely to include several or all of these characteristics. However, the staff found that comparison of the alternatives to these distinct models was useful for the purpose of testing the depth of the range of decision-making they collectively represent.

An example of the scattered rural growth model is any existing individual house or business established in an agricultural area. All of the alternatives include some scattered residential growth

in the unincorporated areas outside of existing communities: Alternative 1 (1,640 units), Alternative 2 (970 units), Alternative 3 (2,200 units) and Alternative 4 (1,350 units).

An example of the scattered suburban growth model is the existing Wild Wings residential development or Plainfield Station. Alternatives 2 and 4 include 150 units and 450 units, respectively, in Monument Hills that fit this model. Alternative 4 specifically includes non-residential examples of this model as well such as the Spreckels Industrial Park and Elkhorn Business Park.

Examples of the town infill growth model include the recent residential developments in Esparto and Knights Landing, as well as the pending Old Sugar Mill redevelopment project in Clarksburg. All of the alternatives include some town infill primarily within the communities of Dunnigan, Esparto, Knights Landing, and Madison. However, none of them include as much infill as might be possible if basic infrastructure (sewer, water, drainage) were improved within those communities. Also none of the alternatives includes any significant infill in the town of Yolo where there appears to be infill opportunities. Expansion of infill opportunities can be added into any of the alternatives once a preferred alternative is identified.

Examples of the town edge growth model include the pending Orciuoli subdivision in Esparto and the Ritchie Brothers Auction Yard in Dunnigan. This model is well represented in the alternatives with development shown adjoining the communities of Dunnigan, Esparto, Knights Landing, and Madison; particularly in Alternative 2 and to a lesser extent in Alternative 4. None of the alternatives includes any significant edge growth adjoining the town of Yolo where there appears to be similar opportunities. Expansion of edge growth opportunities adjoining Yolo can be added into any of the alternatives once a preferred alternative is identified.

An example of the city edge growth model is the El Macero residential development adjoining Davis. Because of established County policies discouraging this type of growth none of the alternatives explicitly incorporates this growth model; however the growth directed to the cities in all the alternatives, particularly Alternative 1 could be defined in this way.

Although there are no local examples of the new town growth model, Alternative 3 does embody this growth model.

### Regional Modeling and Growth Projections

The SACOG regional transportation modeling and growth projections predict 38,915 new dwelling units (dus) countywide by 2030 of which 3,354 would occur within the unincorporated area.

The SACOG "Blueprint" model projects 53,700 new dwelling units countywide by 2032 of which 3,100 would occur within the unincorporated area.

Alternative 1 would result in fewer unincorporated units than predicted through these modeling efforts. The other three alternatives would result in residential growth in the unincorporated area greater than predicted through these modeling efforts:

- Alternative 1                    2,700 dus in the unincorporated area by 2030
- Alternative 2                    5,500 dus in the unincorporated area by 2030
- Alternative 3                    11,200 dus in the unincorporated area by 2030
- Alternative 4                    7,000 dus in the unincorporated area by 2030

As discussed later in this report, the consultant team was also tasked with looking at market demand, separate from the regional growth projections. The reason this was felt to be important is that the SACOG projections reflect the existing General Plans of each jurisdiction within the region, and it is well known that Yolo County has put strict constraints on growth over the years. As such the projections incorporate the current policy framework and do not reflect true demand. Bay Area Economics (BAE) was asked to analyze market conditions in the County (see Attachment B, Market and Fiscal Considerations). The conclusion regarding residential demand is that as many as 15,000 new dwelling units might be absorbed in the unincorporated area of the County by 2030, absent existing policy constraints that limit growth in the unincorporated area. This is 34 percent more than Alternative 3, which is the most aggressive growth scenario.

### Existing Development Pressures

DC&E looked at two possible indicators of the increasing development pressure in the County: 1) speculative proposals by development interests; and 2) recent sales of large acreages (over 100 acres) of agricultural land. Table 8 in Attachment A summarizes speculative development proposals that would trigger a General Plan development if pursued, and were known to the staff as of May of this year. These 16 speculative interests total 11,400 acres, 19,700 to 21,400 new dwelling units, 6.4 million industrial square feet, and 8.9 million commercial square feet. This collectively is more than double the growth expected under Alternative 3, the most aggressive alternative.

Of the interests on the list, half of them are represented in one or more of the alternatives. Of the remaining eight, half of those are located at the edge of Davis or Woodland, which would place them into the city-edge growth model – a model the County has in the past generally sought to avoid. As such it appears that the range of speculative interests is fairly well represented in the four alternatives.

Table 9 in Attachment A summarizes transfers of agricultural properties larger than 100 acres that occurred in 2005, as previously requested by the Board of Supervisors. Although interesting as a possible indicator of where future development pressures may emerge, the consultant team did not identify any correlation between these transfers and the alternatives.

### Conclusion Regarding the Alternatives

In conclusion it is the staff's opinion that the four alternatives do indeed appear to provide an appropriate range of choice for this process. The Board of Supervisors could opt to expand or modify the alternatives, for example to include: 1) more growth at the city edges but under the County's jurisdiction; 2) more of the speculative development proposals being advocated; and/or 3) a higher rate of growth. However none of these options seems necessary at this time and would be better considered after the choice of a preferred alternative. The four alternatives appear to reasonably span the range of generic growth models. They appear to reasonably span the range of growth projections and demand estimates. And they appear to accommodate a reasonable amount of speculative development interests.

This is not to say that the alternatives are complete and do not require further improvement. On the contrary, as noted above, these alternatives are conceptual and represent differing philosophies for growth. There are many refinements still to be made within any given alternative; however this cannot be efficiently or effectively completed until a preferred alternative has been selected, as the types of refinements differ depending on the alternative. Once the Board of Supervisors has determined the scenario that best represents the appropriate philosophy for future growth in the County, specific concerns about the various alternatives that the Board has

previously noted can all be resolved. To date this list of potential specific refinements as articulated by individual Board members at the June 7, 2005 meeting includes:

- Water source for Dunnigan
- Master plan for Dunnigan
- Growth rate for Dunnigan
- Flood issues in Knights Landing
- Highway commercial in Madison
- Flood protection for Madison
- Lot splits in Monument Hills
- Parks and open space in Esparto
- Design control for Elkhorn

Once the Board of Supervisors has identified a preferred alternative, the next step will be to refine that alternative to attempt to ensure an overall neutral or positive revenue outcome for the County's budget, and to ensure that growth allowed within each of the existing towns is maximized to encourage community sustainability in the form of economic growth, infrastructure support (sewer, water, drainage), and basic community services (retail and social). This focus on economic and fiscal enhancement, and community sustainability, will be applied under any preferred alternative scenario.

Similarly, no matter what alternative is ultimately identified as the "preferred", the Board of Supervisors has made it clear that any alternative must include a policy framework and implementation requirements to accomplish the following:

- Ensure "smart" and attractive growth (design guidelines; minimum design requirements; "visitability"; universal design; transit orientation; etc)
- Establish standards for home placement in rural areas that protect and "defend" agriculture
- Establish buffers between communities and cities to keep them distinct and unique
- Support agricultural-based and ecology-based tourism
- Support viticulture operations, agriculture-industrial opportunities, and farm marketing efforts
- Protect, enhance, and redevelop existing communities
- Establish commercial nodes along I-505 and I-5
- Create opportunities for economic growth that are not residentially-dependent

## **CONCEPTUAL DEVELOPMENT PROPOSALS**

As noted above, Table 8 in Attachment A summarizes the various conceptual development proposals that would require General Plan amendments and that were known by staff as of May of this year. The table indicates whether or not these concepts appear to fall within any of the four General Plan alternatives. About half of them do.

Staff is aware, that there is interest by the individual proponents of these concepts to have the Board of Supervisors include the proposals in the General Plan Update under any (or all) of the alternatives. The General Plan team understands and appreciates the desires of these property owners. Some of the proposals present exciting opportunities and some of the proponents have long-time County ties. However, Yolo County has long been a leader in adopting innovative land use policy based on its core principles of agricultural preservation, natural resource conservation, and inter-governmental partnerships. A change in approach at this time to a process driven by individual development proposals would be a significant departure from the prior policy focus this County has always held. As a result, staff recommends that the Board not modify the proposed range of alternatives to include specific speculative properties or proposals. At the time a preferred

alternative is chosen, the Board will have the opportunity to make modifications to include or expand particular growth and/or conservation options.

### **“WHITE PAPER” RESEARCH FOR THE GENERAL PLAN**

DC&E is scoped to prepare or oversee the preparation of three “white” papers to further inform the Board of Supervisors and public during the General Plan Update process. The Market and Fiscal Considerations report (by Bay Area Economics [BAE]) has been completed and is summarized below. The reports on Agricultural Preservation Techniques and County Infrastructure conditions will be presented to the Board at a future meeting.

**Market and Fiscal Considerations** (see Attachment B) – This report includes the following: 1) an assessment of demographic and economic trends by examining population, housing, and employment data, real estate market conditions, estimated absorption potential, and market issues specific to the unincorporated County; 2) an assessment of the fiscal implications of growth including a summary of the current County general fund condition and identification of key factors affecting the fiscal impacts of new development; 3) a summary of the existing City/County revenue sharing agreements including the redevelopment tax increment pass-through agreements, annexation revenue sharing agreements, and capital facilities impacts of new development; 4) an economic evaluation of the six growth models introduced in the Alternatives Overview and Analysis (Attachment A). The conclusions of the report are as follows:

- Given the constraints of the County’s current revenue structure, new development in the unincorporated area will not provide a singular solution to the County’s current or future fiscal problems. This is particularly true of residential development. In some instances residential development with an overall average home value of around \$360,000 could conceivably be revenue neutral (assuming no loss of City pass-through revenues; see discussion below). However the County’s share of property taxes varies substantially by geographic location within the unincorporated area. In areas where the County’s share of property taxes is below average (relative to the unincorporated area as a whole) overall average home values of around \$500,000 better reflect the break-even point. Retail development is more likely to result in net revenue gains for the County in the form of sales taxes.
- The demand to build housing appears to be greater than any other segment of the market; however this need not be the County’s destiny. Opportunities exist for research and development space to serve spin-offs from UCD research activities, highway-oriented commercial development particularly along I-5 and I-505, and “opportunistic” niche retail to serve regional populations. In order to capitalize on specific locations where these revenue-generating uses might best fit, the County may need to better position itself against competing jurisdictions, establish a more supportive policy framework, streamline the regulatory framework, and/or provide or accommodate the provision of improved infrastructure.
- The County has a history of mutually beneficial arrangements with the cities including “pass-through” agreements for a portion of redevelopment tax increments, annexation revenue sharing agreements, and imposition of County impact fees on development within the incorporated areas. These arrangements have been advantageous for both the cities and the County. They merit continued consideration as tools to assist the County financially and spread the burden of agricultural preservation.
- Among the County’s most marketable attributes from a development point of view is access to Sacramento and the Bay Area via existing freeway networks. This allows residential land uses to access job centers and urban amenities. It provides commercial and industrial land uses

with good regional placement and the ability to move goods and supply services along relatively uncongested routes. Within this context, the growth models that exhibit the greatest market potential are city edge growth and strategically located new towns.

- In excess of about 4,000 dwelling units or a base population of 12,000 people is needed for a stand-alone new town community (i.e. not adjoined to another community) to be able to support a modern neighborhood retail center anchored by a full-sized major chain grocery store. Along with this, the center would have a small selection of other convenience retail and services. A smaller population would likely not have the full grocery store. A bigger population would support a wider variety of retail space.

**Agricultural Preservation Techniques** – This report will provide an overview of existing techniques used to preserve agriculture in Yolo County, and will also explore other techniques in use elsewhere in the state and nation. It will recommend additional techniques that could be implemented in the County through the General Plan Update.

**County Infrastructure Conditions** – This report will provide an overview of existing water, wastewater, and drainage systems that serve non-agricultural uses in the unincorporated area; summarize infrastructure conditions for the major unincorporated communities; and examine the amount and type of growth that might be supported by existing systems and potential system improvements.

## **RECOMMENDATIONS OF THE ECONOMIC DEVELOPMENT PANEL**

On September 12, 2006 the County's Economic Development Officer will present the Board of Supervisors with the results of the recent work of the 2030 Economic Development Panel. As of this writing the key recommendations include the following:

- Improved agriculture enhancement and support efforts.
- Targeted biotechnology development, including development of "high tech" research and development campuses, as well as regional office, business park, and light manufacturing nodes.
- Increased tourism, including farms and wineries as entertainment and educational destinations, as well as recreation associated with accessible and useable open space.
- Reinvigorated County/City fiscal dialogue.
- Establishment of a limited number of retail highway commercial nodes.

These independently developed recommendations are in line with the overall direction the General Plan Update process has taken to date and are a welcome addition.

## **NEXT STEPS**

The next key step in the process will be for the Board of Supervisors to identify a preferred alternative. The process of selecting a preferred alternative is discussed further below.

The staff and consultants will prepare an evaluation of alternatives for consideration by the Planning Commission and Board of Supervisors in their deliberations regarding a preferred

alternative. The evaluation will examine the items listed below. Staff would like the Board to provide direction on any additional items that should be included:

- a. Market feasibility
- b. Fiscal impacts
- c. Jobs/housing balance
- d. Infrastructure needs
- e. Transportation impacts
- f. Flood issues
- g. Agricultural soils
- h. Smart growth issues/healthy design
- i. Other environmental concerns

Within the next few months, the Planning Commission and Board of Supervisors will be asked to consider the evaluation and staff recommendation, and identify a preferred alternative. The preferred alternative may be one of the four created to date or some combination. It is likely to include components from several alternatives and it will also include any other items the Planning Commission and Board of Supervisors direct. Selection of a preferred alternative is expected to occur by the end of the year.

At such point as a preferred alternative is identified, the team will commence with the writing of the text of the Plan, the development of appropriate maps and exhibits, the environmental review process, and further public workshops and hearings. As previously stressed, the Board of Supervisors has the ability to make further refinements to the alternative throughout this process. Final adoption of the Yolo County 2030 General Plan is targeted to occur by the end of 2007.

## **ATTACHMENTS**

All attachments are on file with the Clerk of the Board of Supervisors and available through the County's General Plan website at [www.yolocountygeneralplan.org](http://www.yolocountygeneralplan.org). The General Plan Update Background Report (Item "f" below) was previously distributed to the Board of Supervisors and the public when it became available in January of 2005. Duplicate copies may be ordered through the Planning Division (David Morrison at 530-666-8041).

[Attachment A, Alternatives Overview and Analysis](#)

[Attachment B, Market and Fiscal Considerations](#)

Attachment C, General Plan Interim Guiding Policy Direction

- a. [Draft List of General Plan Issues, June 2004](#)
- b. [Draft General Plan Stakeholders List, June 2004](#)
- c. [General Plan Vision Statement, June 2004](#)
- d. [General Plan Vision/Principles/Policy Definition, October 2004](#)
- e. [General Plan Land Use and Circulation Conceptual Alternatives, January 2005](#)
- f. [General Plan Update Background Report, January 2005](#)
- g. [Preliminary Goals and Objectives of Rural Sustainability, June 2005](#)