
MASTER RESPONSE 9: GROWTH INDUCEMENT

A number of comments question the determination of the DEIR that the UCP would accommodate growth induced by the UC Merced campus, but the UCP itself would induce little if any growth.

Section 15126.2(d) of the CEQA Guidelines requires that an EIR discuss the ways in which the proposed project could foster economic or population growth, or the construction of additional housing, either directly or indirectly, in the surrounding environment. Growth is not assumed to be necessarily beneficial, detrimental or of little significance to the environment.

Development of the UC Merced campus involves the construction of new infrastructure, and will eliminate some obstacles to growth that have existed previously, including the extension of water and sewer infrastructure to the campus. In addition, the campus will attract faculty, students and other workers associated with campus activities, who will, in turn, require housing if they are not already residents of the Merced community. The campus and its associated population will purchase goods and services available in the local economy.

The University Community Plan was designed by the County to accommodate growth-induced by the campus in a planned and orderly manner. The development capacity of the UCP was designed meet the demand for housing, services and other facilities that would be anticipated given the economic activity generated by the campus.

As stated on page 6-4 of the DEIR:

As part of the planning process leading to the development of the proposed UCP, extensive economic analysis was undertaken to more fully understand the economic effect of UC Merced in the local economy of Merced. The analyses are contained in a report entitled *Merced County University Community Plan/UC Merced Economic Background Report*.¹

The economic background studies included use of an input/output model to establish the economic multiplier effect of the campus. The analysis assumed that the campus at full development would have 25,000 students and approximately 6,600 faculty and staff. These characteristics represent the “direct” effect of the campus. The analysis concluded that the UC Merced campus would generate an additional approximately 6,000 jobs in a variety of economic sectors as a result of the multiplier effect. Approximately 500 of those jobs would be in economic sectors that would not require additional space, including agriculture, mining, construction, and transportation; about 5,500 of those jobs would require additional space. The University Community would provide land adequate to develop 400,000 sq. ft. of research and development space, 907,000 sq. ft. of office space, and 716,000 sq. ft. of local serving retail space. This allocation of space would accommodate the 5,524 jobs in the University Community.

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1. Economic and Planning Systems, *Draft Report, Merced County University Community Plan/UC Merced Economic Background Report*, March 2000. This document was prepared as part of the development of the University Community Plan and is on file and available for review at the Merced County UC Development Office, 3531 M Street, Merced, CA.

By taking into account the direct growth associated with the campus, as well as the multiplier effect of the introduction of new money into an economy (see page 6-3 of the DEIR), the UCP adopted a realistic view of the economic impact of the campus.

The DEIR did not assume that the University Community would be completely self-contained; that is, the entire UC Merced population would work and live in the University Community. Rather, the DEIR assumed that some campus-related growth unrelated to the campus would occur outside of the UCP area, and other growth would be attracted to the UCP. It was not assumed that all campus-related growth would be captured within the UCP, nor was it assumed that all services needed within the UCP would be located there. While the UCP does not include within its boundaries every use to sustain the population, the UCP, based on dollar expenditures, does account for the appropriate amount of growth that would be required to sustain the University Community, if all economic activity generated by the campus were to be focused there. The DEIR also recognizes that some secondary growth could be induced by the campus. As stated on pages 6-4 and 6-5 of the DEIR, the campus will serve as a long-term economic development catalyst, inducing regional growth that may not otherwise have occurred. For example, additional businesses may be attracted to the Merced area due to the presence of the campus and the unique knowledge and skills of the campus faculty, staff, and students. These potential long-term economic effects cannot be quantified because the magnitude and timing of these stimulus effects are highly dependent upon factors that cannot be predicted at this time, including development of academic programs and institutions on the campus and regional economic development policies and trends. However, should such growth occur, it would be the result of the UC Merced campus, not the UCP. Because the UCP is intended to accommodate growth from the campus, the UCP would not, in and of itself, have significant growth inducing effects.