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## 3.0 GOVERNANCE

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The Governance portion of the Implementation Program describes the institutional process through which key policy decisions related to the University Community will be made and carried-out. It is likely that the actual governance of the University Community will evolve over time with more developed governing bodies created as the area becomes more developed and populated. At the outset, governance will be provided by the county; however as changes in district or municipal boundaries are considered or independent special districts are created, the Merced Local Agency Formation Commission will be involved pursuant to the *Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000*. The actual governance will be determined through the following processes.

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### IMP 3.1 INTERIM GOVERNANCE STRUCTURE

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Initially, the County will serve as the governing body and may continue to play an important role in decision-making and public service provision over time. However, the County will need to establish an entity (i.e. a special district) that is responsible for overseeing and coordinating University Community-related infrastructure development and public services delivery.

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### IMP 3.2 OPTIONS AND MECHANISMS FOR TRANSITION

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Given that the form and structure of the governmental entities with jurisdiction over the University Community is likely to evolve over time, a transition plan will need to be developed. The Transition Plan will define the process through which new governing structures are adopted and developed. Options include continued operation as an unincorporated area of the County served by a special district, annexation to the City of Merced, and incorporation of an entirely new City.

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### IMP 3.3 INTER-AGENCY COORDINATION AND AGREEMENTS

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Success of the University Community depends in some measure upon the successful cooperation between the County of Merced and UC Merced. The proximity to the City of Merced and the need for coordination with other regulating agencies also create the need for a range of special agreements.

#### County and University of California Merced

Development of the University Community is directly linked to the development of UC Merced and its population of faculty, staff, and students. There are numerous issues of common concern that need to be jointly addressed by the County and UC Merced through collaborative planning processes, formal agreements, and informal coordination. At a minimum, these must address:

- Provision of a connected system of transportation and, where appropriate, water/wastewater and other utility infrastructure
- Provision of recycling and solid waste disposal facilities
- Development of shared or transitional uses in the Town Center and campus core and shared parking facilities at the same locations and Lake Yosemite Park
- Development of connecting open space systems
- Provision of a range of housing in the Community that is affordable in the long-term for UC Merced students, faculty, and staff
- Mitigation of the loss of vernal pools, wetlands, and other environmental resources
- Mitigation for the impacts of the campus on Lake Yosemite Regional Park and replacement of County lands that had been acquired for the purposes of Park expansion
- Use of campus recreational, libraries, and other facilities by residents of the Community and greater Merced
- Provision of adequate public schools to support the needs of campus residents

- Development of lands adjoining the University Community and UC Merced to ensure that it is complementary, compatible, and of a high quality
- Support for economic development strategies designed to attract business sectors that will both complement and benefit from the academic environment fostered by UC Merced

## JURISDICTIONAL AGENCIES

A number of governmental agencies and districts currently have and may continue to have decision-making and service provision responsibilities within the University Community area (e.g. water, irrigation, and wastewater districts). In many cases, development of the University Community will require expanding, modifying, or re-constituting these district and agency responsibilities. Thus, implementation of the Community Plan will require establishing agreements with these agencies and districts.

Development projects that abut or otherwise affect the MID canals and ancillary facilities shall be reviewed with and be subject to approval by MID to assure that their structural and functional integrity is maintained and that there are no adverse impacts on public safety or liability.

Agreements necessary for the development of an integrated water system include the following:

1. Prior to the approval of the first Tentative Map, an agreement between the County of Merced and MID to discharge stormwater to MID facilities from lands outside of the current district shall be approved by the Board of each agency:
  - Land areas north of Sections 10 and 11 and west of Section 4 will require an agreement and fee for discharging stormwater runoff to the Fairfield Canal
  - At a minimum the Agreement shall be based on the MID Facilities Master Plan and the Storm Drainage Master Plan (previously prepared and adopted) and shall identify necessary improvements (if any) both within the UCP and outside the UCP that may be required to accept drainage outside of the current district
2. Prior to the approval of the first Specific Plan, develop an agreement between the County and the University of California, Merced related to shared water-related infrastructure systems. At a minimum, the Agreement shall address the following:
  - Definition of those facilities to be shared
  - Governance of the shared facility
  - Cost sharing for the design and construction for each shared facility
  - Cost sharing for on going operation and maintenance of each shared facility
  - Determination of when and how the expansion of proposed facilities would take place to meet Campus and UCP demand
3. Prior to the approval of the first Specific Plan, develop an agreement between the County and the City of Merced related to the potential connection of the University Community to the City of Merced water distribution grid, if needed. At a minimum, the Agreement shall address the following:
  - Governance of the shared facility
  - Timing of when the connection can be made
4. If required, prior to the approval of the first Specific Plan, develop an agreement between the County and a local jurisdiction related to the potential connection of the University Community wastewater system to a local municipal wastewater treatment facility. At a minimum, the Agreement shall address the following:
  - Maximum quantity of effluent that will be accepted by the existing collection and treatment infrastructure operated by the local jurisdiction
  - The alignment of the off-site collection facility to the jurisdictions wastewater treatment plant shall be graphically defined and included as an Exhibit to the Agreement
  - The Agreement will constitute a “Will Serve” commitment on the part of the local jurisdiction
  - Fair share of cost to provide collection and treatment shall be included in the Agreement

## CITY OF MERCED

The County of Merced and City of Merced maintain a number of cooperative relationships regarding land use development and infrastructure and public services. Development of the University Community will necessitate furthering these efforts including:

1. The City of Merced may provide certain services to the University Community (such as infrastructure) by contractual agreement as discussed above, as well as interim police and fire services during the early stages of Community development.
2. The proximity of the University Community to the City raises the issue of development in the North Merced area, the City's Sphere of Influence, and County "Rural Residential" areas located between the City and University Community. While the City's planned long term growth patterns are to the north of Bellevue Road, there has been some interest expressed by the City to reconsider whether or not this growth should be refocused easterly towards the University Community along the Bellevue Road corridor. To resolve these issues, it is recommended that the County and City engage in a collective process to determine the appropriate land uses, densities, and improvements that should link and serve as transitions between the City's urban area and the University Community. Depending on the outcomes of such a study, this may involve amendments to the County General Plan, County-City Revenue Sharing Agreement, and a revised Sphere of Influence Study for the North Merced Area developed by the City in cooperation with the County that would be submitted to the Merced Local Agency Formation Commission for approval.
3. The County and City may enter into an agreement that:
  - Reiterates the commitment of both jurisdictions for the preservation of agricultural lands east of the City of Merced
  - Establishes appropriate oversight, information exchange, and approval processes by the Board of Supervisors and the City Council for changes of zoning to urban uses within the areas south of the University Community boundary and immediately east of the City of Merced

## SCHOOL DISTRICTS

As part of the implementation process, applicable developers shall formalize plans with the school districts that address the implementation of school facilities and support facilities that are needed and required to serve the University Community. Key issues to be addressed shall include:

- **Number and Type of Schools:** Although the Community Plan estimates the number and type of schools needed to serve the University Community, these estimates will need to be finalized and confirmed based on discussions with and requirements of the school districts. Estimates will be based on school generation factors, service standards, and other considerations. In this regard, it will be important to consider the potentially unique student generation factors associated with the expected population base within the University Community. The County, applicable developers, and the school districts shall agree on the number and type of schools that will be constructed in the UCP as the development proceeds.
- **School Location and Phasing:** The general locations of the schools estimated to be needed in the University Community are depicted on the Illustrative Land Use Diagram (Figure 4). The County and the school districts shall work together and identify the specific planning sub-areas in which the high, middle, and elementary schools shall be located. These school sites shall be designated in amendments of the County General Plan and the University Community Plan. Prior to adoption of specific plans, Development Agreements, or tentative maps, the school districts shall work with applicable developers to confirm the number and size of schools needed, and their location consistent with the urban form policies specified by the University Community Plan.

- Funding for School Facilities: The school districts, at a minimum, have indicated that they will levy Level I development impact fees.<sup>1</sup> Since Level I fees may not be adequate, the school districts have the authority under state law to levy and impose Level II and Level III development fees, upon a showing of the proper justification and subject to school district state eligibility and applicable statutory requirements. In the event that school impact fees are not adequate to fund the acquisition and construction of school facilities, landowners and developers may enter into voluntary impact mitigation agreements with the school districts. Landowners and developers also may choose to advance to the school districts the difference in costs between the state-mandated school impact fee and the actual “fair share” costs of providing necessary school facilities. When and if the school districts receive state funds for facilities constructed with funds advanced by landowners or developers, the school districts would then reimburse the landowners/developers on a pro-rata basis. The school districts may also offer to landowners within the Community the opportunity to voluntarily establish one or more Mello-Roos Community Facility Districts (CFD) or School Facility Improvement Districts (SFID) in order to provide a higher level of school facility funding, in the event development fees and state funding are deemed insufficient.<sup>2</sup> Since both the CFD and SFID can be tailored to the actual areas of new development, they can provide more funding than the state minimum standards without burdening the current district landowners with general obligation bonds. The implementation of CFDs or SFIDs will require the affirmative vote of the landowners to form the CFDs or SFIDs and levy special taxes, and shall be in compliance with applicable standards and accepted financing procedures and requirements.

The above issues will need to be addressed in the context of promoting a high quality and financially feasible Community Plan. For example, the development of school facilities will need to be phased to make optimal use of existing facilities and minimize overly burdensome up-front costs on development. Such use shall not, however, result in unreasonable impacts on existing facilities or facility-related services.

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### **IMP 3.4 EXISTING COMMUNITY-SERVING SPECIAL DISTRICTS**

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Certain infrastructure and services may be provided to the University Community by existing special districts such as the Merced Irrigation District. When such services differ in some fashion from those provided through the jurisdiction of these special districts special agreements may be required.

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### **IMP 3.5 PARTNERSHIPS WITH PRIVATE AND QUASI-PUBLIC AGENCIES**

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The County shall work with private, quasi-public agencies and organizations, and non-profits to provide selected services for the University Community. This may include partnerships with conservation organizations for the protection of on-site resources and/or participation regional habitat and agricultural conservation programs, development of affordable housing, and the provision of health, seniors, youth, and other social services.

<sup>1</sup> Under current state statutes, school districts have the authority to levy fees on new residential and commercial and industrial development. The statutory fees (known as level I fees), currently at \$2.05 per sq. ft. of new residential and \$0.33 per sq. ft. for commercial and industrial development, often do not generate the necessary funding for new schools. Non-unified school districts share the maximum authorized development fee levy based on agreements between the districts. School districts may also establish fees (known as Level II fees) equal to one-half of the cost of providing new school facilities (at state cost standards) if they meet certain conditions that may affect the entire school district, and after non-residential development fees are applied. With Level II fees, it is assumed that the state, through the issuance of statewide general obligation bonds, will provide the other half of the cost of the new schools and thus the impacts of new construction will be “fully mitigated.” In the event that the state does not have funding available (provided through state-wide bond elections), then school districts may temporarily increase the fees (known as Level III fees) on new residential development in order to provide full funding for schools. This allows school districts to receive the state’s half of the funding when the state is out of money. When state funding becomes available through future statewide bonds, the Level III fees must be refunded or the district must forego future state funding. Thus, funding (at minimum state standards) to mitigate the impacts of new development may be assured, whether or not state funding is available. The ability of a school district to impose Level III fees is subject to certain statutory conditions and requirements, including but not limited to the State Allocation Board finding and noticing the state legislature that school facility funding apportionments are unavailable. Without this notice school districts are not permitted to levy and impose Level III fees.

<sup>2</sup> Since state funding levels (Level II fees plus state funding) are often less than the actual cost of providing adequate school facilities, additional local funds may be needed to provide quality school facilities.

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### **IMP 3.6 CREATION OF NEW SPECIAL DISTRICT(S)**

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In addition to existing agencies and districts, the University Community may require (as noted above) the establishment of an entirely new service district(s). The creation of a new district will require a resolution of formation by the County to the Merced Local Agency Formation Commission and may require a vote among applicable property owners and/or approval by other agencies with jurisdiction over the area. A determination of which, if any, new districts need to be formed will be

based on public service and facility requirements and the preferred provision mechanism. It is anticipated that a general purpose special district, such as a community facilities district will be created early in the development of the Community. Initially this special district would be governed as a “dependent” district by Merced County but over time, as the population in the Community increases to above 5,000 persons a vote to transfer governance to a locally elected board of directors shall occur. This will assure that decisions regarding infrastructure and services are guided by local residents.

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## **4.0 PUBLIC IMPROVEMENT PLAN**

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The Public Improvement Plan shall specify the type, amount, cost, and phasing for the public improvements and facilities that will support the University Community. A description of these improvements is provided in the Infrastructure and Services Chapters of the UCP, as elaborated below. The actual improvement projects, as well as their cost and timing, will need to be refined and finalized before development can proceed through the formulation of Community-wide master plans (*Imp 2.4*) and sub-area Specific Plans (*Imp 2.5*). The development of these improvements will require the County, City, University, and project developers, enter into cooperative agreements about service provision, participation, capacity, and funding contributions (see the Governance and Financing Strategy sections of this chapter for further discussion of these issues).

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### **IMP 4.1 TRANSPORTATION INFRASTRUCTURE**

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The UCP area is largely undeveloped, with limited transportation infrastructure in place. New transportation corridors, roadways, and improvements to existing roads, will be necessary and will be consistent with the Regional Transportation Plan (developed by MCAG) and by guidelines articulated in the UCP. Certain roadway improvements, such as the Campus Parkway, will need to be developed in the early years of Community development in order to link the Campus and Community to Highway 99. Other roadways and improvements will be tied to the construction of various land uses and will be guided by subsequent Specific Plans.

Construction of roadway improvements will require cooperation and funding from a variety of entities including County, state, and federal agencies, MCAG, and private developers.

Elements of the Transportation Improvement Plan (TIP) shall be formulated for the entirety of the University Community and relevant components contained and elaborated in the sub-area Specific Plans. The TIP shall incorporate:

- Roadway master plan
- Designated truck routes and ordinance
- Bicycle master plan
- Pedestrian master plan
- Street design and access management standards
- Street plan lines
- Land use-sensitive functional hierarchy of streets (to ensure compatibility between uses and transportation elements)
- Traffic calming guidelines
- Traffic control warrants
- Multi-modal level of service criteria
- Parking management plan (for prioritization of nonpolluting vehicles)
- Parking code and ordinance
- Residential permit parking ordinance
- Monitoring program for parking occupancy
- Parking violations and enforcement