

## STAFF REPORT

**DATE:** June 14, 2016

**TO:** City Council

**FROM:** Mike Webb, Assistant City Manager/Director Community Development & Sustainability  
Ashley Feeney, Assistant Director Community Development & Sustainability

**SUBJECT:** Mace Ranch Innovation Center (MRIC) Project Applicant Letter Request

---

*On June 9, 2016 the City of Davis received a letter from the MRIC project applicant requesting consideration of a conceptual proposal to continue processing the MRIC application (Attachment 1). The MRIC Council subcommittee has reviewed the proposal and wanted to bring this item forward for discussion by the Council as a whole before taking any action on the request.*

### **Recommendation**

Staff recommends that the City Council take the following actions:

1. Receive a presentation from the applicant team on their request and the modifications to their proposal.
2. Receive public comments.
3. Discuss the applicant's revised project proposal that includes a request for the City Council to refer the revised project to the November 8, 2016 ballot for a Measure R vote.

### **Background**

The application for the Mace Ranch Innovation Center project was filed September 25, 2014. The project was reviewed by a number of City advisory commissions, the Planning Commission and the City Council as it was being processed with the applicant's desire for City Council to refer the project for a Measure R vote on November 8, 2016. At the February 23, 2016 City Council meeting, the Council unanimously directed the staff to continue with preparation of a project action package for the proposed design. On April 13, 2016 the applicant team (Ramco Enterprises, The Buzz Oates Group of Companies, and Reynolds & Brown) for MRIC notified the City that they were putting the project "on hold to re-evaluate its feasibility."

### **Project Description and Proposal Summary**

The following is a summary of the current project concept and the prior project proposal:

#### **The June 2016 Project Concept (Current Proposal)**

The revised project is comprised of three primary components:

1) MRIC – The Innovation Center component of the proposed project would occur on a site consisting of approximately 102-acres. Proposed base land uses would primarily be research, office, R&D and manufacturing uses. Other uses include supportive commercial uses, including a hotel, and supportive retail. The project will also include an agricultural buffer and green space. A summary breakdown of different land use square footages and acreages is forthcoming.

2) Urban Reserve – The 110-acre site north of the proposed Innovation Center area is proposed as Urban Reserve. This area was previously incorporated into the project proposal for urban uses but is now proposed as an Urban Reserve designation. The land uses for the Urban Reserve area would be defined in a subsequent planning process and brought back for a future Measure R vote.

3) Mace Triangle - The 16.6-acre Mace Triangle site is included within the overall project boundaries to ensure that an agricultural and unincorporated island is not created and to allow the continuation and expansion of existing uses. A summary breakdown of different land use square footages and acreages is forthcoming.

*The February 2016 Project Design (Prior Project Proposal)*

Information regarding the prior project proposal can be viewed at <http://cityofdavis.org/city-hall/community-development-and-sustainability/development-projects/mace-ranch-innovation-center>. The project was comprised of two primary components:

1) MRIC -- The Innovation Center component of the project included up to 2,654,000 square feet of innovation center uses and dedication of 64.6 acres of green space (including parks and open space) on a 212-acre site. Building space was to be allocated in the following general manner: up to 1,510,000 square feet for research/office/R&D uses; up to 884,000 square feet for manufacturing and research uses; up to 260,000 square feet (10 percent) for supportive commercial uses, including a hotel/conference center with 160,000-square feet and 150 rooms, and 100,000 square feet of supportive retail throughout the MRIC.

2) Mace Triangle -- The 16.6-acre Mace Triangle site was included within the overall project boundaries to ensure that an agricultural and unincorporated island is not created and to allow the continuation and expansion of existing uses. Development of up to 71,056 square feet of general commercial uses including up to 45,900 of research, office, and R&D, and up to 25,155 square feet of retail was assumed on the Mace Triangle properties.

**Measure J/R Requirements**

The Citizens' Right to Vote on Future Use of Open Space and Agricultural Lands Ordinance (Measure J/R) requires a community vote for approval of a General Plan Amendment to modify the land use designation of lands designated for agricultural, open space or urban reserve use on the land use map to an urban or urban reserve designation. Under this provision, the MRIC proposal would require two Measure R votes:

- ♦ The first vote proposed for November 8, 2016, is to re-designate the entire MRIC site (228.6 acres), plus the privately-owned portions of the 16-acre "Mace Triangle" property, from Agriculture to a combination of urban and Urban Reserve uses; and

- ♦ A second vote to convert the 110 acres of Urban Reserve property to urban uses would occur at such time as a proposal for that property is brought forward.

An application requires completion of environmental approval and approval by the City Council before it may be placed on the ballot.

### **Urban Reserve Considerations**

The intent of the Urban Reserve designation in the General Plan is *“to identify land for potential urban development after full development of the lands designated for urban uses on the General Plan Map or after the next revision of the Davis General Plan. Designation of land as urban reserve in no way assumes the right or entitlement on the part of the owner to develop the land in the future; such lands may be re-designated as agriculture at any time, subject to the standard General Plan Amendment process.”* General Plan Policy LU P.1 states the Urban Reserve is to *“Give priority to development on lands designated “Urban Reserve” over development on lands designated as Urban Agricultural Transition Area, Agriculture or Habitat Areas.”*

The applicant proposal includes a second Measure R vote once land uses are defined on the 110-acre site designated for Urban Reserve. Council may wish to consider how the properties under consideration for Urban Reserve may affect future development proposals.

### **CEQA Considerations**

Before the application was placed on-hold, the City completed the following tasks in environmental review of the applications:

1. Circulated the Notice of Preparation from November 6, 2014 to December 8, 2014, including a public scoping meeting on November 17, 2014.
2. Circulated the Draft Environmental Impact Report (EIR) from August 13, 2015 to September 28, 2015 (agency comments) and to November 12, 2015 (community comments).
3. Released the Final EIR on January 14, 2016. This included responses to all comments received on the Draft EIR, plus revisions to the draft document. Master Responses addressed topics of UPRR and County Road 32A closure, bicycle connection along CR 32A, the Mixed-Use alternative, guarantees of developer performance, project phasing, project ownership, western burrowing owl, and Swainson’s hawk.

The Draft EIR analyzed the proposed project and the Mixed-Use Alternative at equal weights. The statutorily-required “Alternatives” Chapter also included analysis of a range of alternatives including a “Reduced Site Size” alternative of 106 acres plus the Mace Triangle, and a “Reduced Project Alternative” of 540,000 square feet on the MRIC site, plus the Mace Triangle. The Reduced Project Alternative is essentially the same as the anticipated “Phase 1” of the Mace Ranch Innovation Center.

If directed by the City Council, staff would confer with environmental and traffic consultants to determine whether this revised concept, falls within “brackets” established in the Draft and Final EIRs. If so, the City would be able to prepare an analysis showing that the revised project does not result in new environmental impacts, a substantial increase in the severity of an

environmental impact, or the need to recirculate the Draft EIR document for additional public review and comment.

In addition, staff or consultants would need to prepare Findings for Approval and a Mitigation Monitoring and Reporting Program (MMRP).

**Considerations for Next Steps**

Should City Council desire further consideration of the proposed project and the applicant's request for Council referral to the November 8, 2016 ballot for a Measure R vote, staff will need direction from Council to reengage with the applicant and project consultant team to complete their analysis and prepare for upcoming hearings.

**Schedule Considerations**

Key upcoming dates that would be required to consider the proposal for the November ballot are as follows:

6/21	City Council meeting for further direction
6/29	Planning Commission Hearing (public hearing)
7/12	City Council Hearing (public hearing)
7/19	City Council Meeting
7/26	Last day for County to set November election for MRIC
11/8	November election; Measure R vote

As project details are further defined, review by other advisory commissions could be scheduled.

**Attachments**

Attachment 1 – June 9, 2016 Applicant MRIC Proposal Letter Request



June 9, 2016

City Council  
City of Davis  
23 Russell Boulevard  
Davis, California 95616

Re: Mace Ranch Innovation Center Request to Recommence Processing.

Dear Mayor Wolk and Council:

In April, we asked that the Mace Ranch Innovation Center be placed on hold after the City's economic analysis, as well as our own, evidenced that the project as proposed was not feasible. The MRIC applicant team now requests that our application, as reformatted, be taken off hold and expeditiously moved to the City Council for action and placement on the November 2016 ballot.

Our reformulated application requests annexation of the entire 228 acres, including the Mace Triangle and the MRIC project site, but now seeks approval of innovation center uses on only the southern 102 acres. The northern half of the property, including the City's 25 acres, is requested to be brought into the City with an urban reserve land use designation and will be subject to a future planning effort and subsequent Measure R vote before any development may occur.

This reformulated approach has been carefully crafted to meet the City's goals of retaining local companies, enhancing economic development and strengthening the City's tax base while allowing the applicant to pursue a project that is economically viable.

Finally, let me note that we are committed to placing MRIC before the citizens of Davis this year. We respectfully ask the City to commit the resources to allow us to do so.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Daniel F. Ramos', is written over a faint, larger blue outline of the same signature.

Daniel F. Ramos  
Project Manager  
Mace Ranch Innovation Center