



Agenda Report

MEETING DATE: Thursday, July 7, 2022

TO: City Council

FROM: ASSISTANT CITY MANAGER VIDES
Matt Orbach, Principal Planner

SUBJECT: ORDERING AND ELECTION, PLACING A MEASURE TO AMEND THE
WATSONVILLE 2005 GENERAL PLAN TO AMMEND THE
WATSONVILLE URBAN LIMIT ON THE BALLOT

STATEMENT OF ISSUES:

On March 8, 2022, the City Council adopted Resolution No. 49-22 (CM), ordering the placement of the *Watsonville Planned Growth and Farmland Protection Initiative* ("Committee Initiative") on the November 8, 2022, General Election ballot. The Committee Initiative would restrict the community's ability to determine where future commercial development should occur.

Following the March 8, 2022, meeting, City staff and proponents negotiated to arrive at a revised ballot measure, ("City Modified Initiative") which would extend the existing urban limit line established under Measure U to 2040, with an exception for annexation of 320 Lee Road (APN: 052-271-04), subject to community input, if the City Council can make certain findings.

Further negotiation with the Committee Initiative proponents were considered and did not result in any additional changes to expand upon the City Modified Initiative with the exception that they did agree to include a provision to discuss any efforts to further extend the ULL in 2035. The City Modified Initiative and a Countermeasure have been brought back to the City Council for consideration.

RECOMMENDED ACTION:

1. Adopt a Resolution Ordering an Election, placing a Measure to Amend the Watsonville 2005 General Plan to Impose Certain Restrictions on Subsequent Amendments as Provided in the City Modified Initiative on the November 8, 2022 Ballot, and All Attendant Actions.
2. Adopt a Resolution Approving Settlement Agreement between City and Committee for the Planned Growth and Farmland Protection Initiative.

BACKGROUND:

On June 3, 2021, Amy Newell, Betty Bobeda, and Peter Navarro (“Proponents”) filed a Notice of Intent to Circulate a Petition to amend the City of Watsonville General Plan, primarily to the City’s Urban Limit Line (ULL), set by Measure U, approved by the voters in 2002. The initiative as proposed would prevent changes to the ULL, as established by the former Measure U, through the year 2040.

The proponents submitted the required signatures on December 13, 2022. Santa Cruz County Clerk Tricia Webber confirmed the sufficiency of the petition on January 19, 2022, certifying the petition was sufficient with 2,411(10%) valid signatures.

On February 8, 2022, pursuant to California Elections Code Section 9114, the Council accepted the City Clerk’s certification of the examination of the results. On March 8, 2022, the City Council adopted Resolution No. 49-22 (CM), ordering the placement of the *Watsonville Planned Growth and Farmland Protection Initiative* on the November 8, 2022, General Election ballot.

Between March and June 2022, City staff and Proponents engaged in extensive negotiations regarding the proposed ballot measure. Those negotiations produced a compromise, wherein: 1) Proponents will withdraw their ballot measure; 2) City will place a measure on the ballot (“City Modified Initiative”), supported by Proponents, that extends the ULL to 2040, but allows the City Council to, upon making certain findings and subject to community input, annex and approve the development of the property located at 320 Lee Road.

At the June 30, 2022, special City Council meeting, City Staff presented the City Modified Initiative to Council, but motions supporting and opposing the City Modified Initiative both failed. City Council directed Staff to engage in further negotiation to see if an additional exception could be added to the City Modified Initiative for residential development and identified several parcels and growth areas outside of the existing Urban Limit Line that could potentially accommodate future housing development. City Council also directed staff to bring back a countermeasure for consideration, should negotiations on further compromise with the Committee Initiative proponents fail to expand upon the City Modified Initiative.

DISCUSSION:

City Modified Initiative

The City Modified Initiative is a compromise between the Committee Initiative proponents and the City of Watsonville that extends the Urban Limit Line established under Measure U to 2040, but allows the City Council, upon making certain findings and subject to community input, to annex the property at 320 Lee Road.

The required findings are:

1. The proposed use of the property is consistent with the policies of the General Plan;
2. Adequate infrastructure and services can be provided to the property;
3. The proposed use will foster and protect the unique agricultural character of Watsonville;

4. The proposed use will encourage efficient growth patterns and protect the quality of life in Watsonville;
5. The proposed use has the potential to generate revenue for the City of Watsonville.
6. Proposed uses could include a mix of agricultural, commercial, residential, and mixed-use.;
7. Developing the property is consistent with the City's goal of balanced growth; and
8. The proposed use provides an opportunity to improve an important gateway to the City of Watsonville.

If Council wishes to adopt the City Modified Initiative: 1) Proponents will withdraw their ballot measure; 2) City will place a measure on the ballot ("City Modified Initiative"), supported by Proponents, that extends the ULL to 2040, but allows the City Council to, upon making certain findings and subject to community input, annex and approve the development of the property located at 320 Lee Road. Staff also recommends the Council approve a settlement agreement between the City and the Proponents, which memorializes the parties' agreement.

Pros for the Compromise

The compromise measure, while it does not accomplish all the Council's objectives, does:

- Provide much needed land for Economic Development and all the accompanying benefits of job creation and enhanced revenues for the City to continue to fund programs, initiatives, and Council priorities;
- It includes a provision to come back to the table in 2035, five years ahead of the sunset of the measure to discuss any efforts to extend the need for the ULL; and
- It sends a clear signal of the City's willingness to engage in dialogue and while certainly it does not a guarantee it, perhaps it garners good will and support for other City/community priorities, efforts and initiatives.

Cons of the Compromise:

The cons of the compromise are that it does not:

- Accomplish all the Council's direction;
- It does not allow the City to annex, without a vote of the people, any additional parcels of land within the ULL for housing;
- It maintains the additional step/burden to annex property for any development outside the ULL, on top of the existing LAFCO process; and
- There may be unknow and unintended consequences for this action.

Alternative

Countermeasure

At the direction of Council, City Staff also drafted a countermeasure that could go on the November 8, 2022, general election ballot in direct competition with the Committee Initiative. The countermeasure also extends the Urban Limit Line established under Measure U to 2040, but includes the following exception under Implementation Measure 3.C.3:

- c) The City Council may also amend the location of the ULL to include properties identified by the City Council during the General Plan update, subject to community input and environmental review. In order to amend the location of the ULL, the City Council must determine that the property subject to the amendment and the proposed project are in overall compliance with the following findings:
 - 1. The proposed use of the property is consistent with the policies of the General Plan;
 - 2. Adequate infrastructure and services can be provided to the property;
 - 3. The proposed use will foster and protect the unique character of the City of Watsonville;
 - 4. The proposed use will encourage efficient growth patterns and protect the quality of life in the City of Watsonville;
 - 5. The proposed use has the potential to generate revenue for the City of Watsonville; and
 - 6. Developing the property is consistent with the City's goal of balancing growth.

This exception would allow the City Council to amend the location of the ULL to include parcels identified in the General Plan update process, subject to community input and environmental review, without a vote of the people.

STRATEGIC PLAN:

Extending the Urban Limit Line established by Measure U, approved by the voters, would affect available land for development and expansion, ultimately affecting each Strategic Plan Goal: 1-Housing, 2-Fiscal Health, 3-Infrastructure & Environment, 4-Economic Development, 5-Community Engagement & Well-Being, 6-Public Safety, 7-Efficient and High Performing Government.

3-Infrastructure & Environment

4-Economic Development

5-Community Engagement & Well-Being

6-Public Safety

7-Efficient and High Performing Government 0

Pros for the Countermeasure:

- It would provide the pathway forward to accomplish the Council objectives for the development of housing and economic development;

- It does not eliminate the ULL thereby still honoring the initial intent of the voters, but gives the City the flexibility and ability to annex property for housing and economic development after the City makes necessary findings, and gains community input; and
- It still accomplishes responsible growth, by including provisions for community input and required findings, prior to the City moving to annex properties.

Cons for the Countermeasure:

- It may confuse the voters who may choose not to vote for either measure;
- It limits the City's ability to work with stakeholders in the community that had not previously worked in partnership with the City;
- Since the City cannot sponsor a campaign, if members of the community do not sponsor a campaign, the countermeasure may fail; and
- There may be unknown and unintended consequences for this action.

FINANCIAL IMPACT:

The Council has already approved \$80,000 for the November 8, 2022, municipal election. No additional cost would be incurred with the addition of the measure to the ballot.

ALTERNATIVE ACTION:

The City Council could decline to adopt the resolution placing the City Modified Initiative on the November 8, 2022, ballot.

The City Council could adopt a Resolution Ordering an Election, placing a Measure to Amend the Watsonville 2005 General Plan to Impose Certain Restrictions on Subsequent Amendments as Provided in the City Measure on the November 8, 2022 Ballot, and All Attendant Actions.

ATTACHMENTS AND/OR REFERENCES (If any): None