AGENDA
Scotts Valley Planning Commission
Date: June 13, 2019
Time: 6:00 PM

CITY OF SCOTTS VALLEY
1 Civic Center Drive
Scotts Valley, CA 95066
831-440-5630

MEETING LOCATION
City Council Chambers
1 Civic Center Drive
Scotts Valley, CA 95066

POSTING: The agenda was posted on June 7, 2019, at City Hall, SV Senior Center, SV Library and on the Internet at www.scottsvalley.org.

Appointed Officials
Carlos Arcangeli, Chair
Rosanna Hererra, Vice Chair
Lori Gentile, Commissioner
David Hodgin, Commissioner
Chuck Maffia, Commissioner

City Staff Members
Taylor Bateman, Community Development Director
Brenda Stevens, Associate Planner

Notice regarding Planning Commission Meetings:
The Planning Commission meets regularly on the 2nd Thursday of each month (unless otherwise noticed) at 6pm in the City Hall Council Chambers located at 1 Civic Center Drive, Scotts Valley, CA 95066.

Agenda and Agenda Packet Materials:
The Planning Commission agenda is available for review the Friday before the Thursday meeting on the Internet at the City’s website: www.scottsvalley.org and in the lobby of City Hall at 1 Civic Center Drive, Scotts Valley, CA. Pursuant to Government Code §54957.5, materials related to an agenda item, submitted after distribution of the agenda packet, are available for public inspection in the lobby of City Hall during normal business hours, Monday-Friday, 8am-Noon and 1-5pm. In accordance with AB 1344, such documents will be posted on the City’s website at www.scottsvalley.org.

CALL TO ORDER
(The Planning Commission Chair calls the meeting to order.)

PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE
(The Planning Commission Chair leads the pledge of allegiance.)

ROLL CALL
(Planning Department staff conduct roll call of the Planning Commission.)
PUBLIC COMMENT TIME
This is the opportunity for individuals to make and/or submit written or oral comments to the Commission on any items within the purview of the Commission, which are NOT part of the Agenda. No action on the item may be taken, but the Commission may request the matter be placed on a future agenda.

ALTERATIONS TO CONSENT AGENDA
(The Commission can remove or add items to the Consent Agenda.)

CONSENT AGENDA
(The Consent Agenda is comprised of items which appear to be non-controversial. Persons wishing to speak on any items may do so raising their hand to be recognized by the Chair. These items will be acted upon in one motion unless they are removed from the consent agenda for discussion by the Commission.)

Approve the Action Meeting Minutes from the May 9, 2019 meeting.

ALTERATIONS TO PUBLIC HEARING AGENDA
(Commission can remove or add items to the Regular Agenda.)

PUBLIC HEARING AGENDA
(Persons wishing to speak on any item may do so by raising their hand to be recognized by the Chair.)

1. Address: 440 Kings Village Road // APNs 022-221-01, -02, -03, -04, -05 and 0-22-611-01.
   Applicant: 440 Kings Village, LLC
   Planning Permit Application No.: GPA-19-003, ZC-19-003, EIR 19-003
   Project Description: The proposed project is a General Plan Amendment and Zone Change for the site at 440 Kings Village Road, formerly occupied by Aviza Technologies Site and before that the Watkins-Johnson Company. The proposal is to change the use of the site from industrial and rural residential use to medium high-density residential and open space use.
   Staff: Martin Carver, Consulting Planner, (831) 558-5417 and mcarver@zero.city

ALTERATIONS TO REGULAR AGENDA
(Commission can remove or add items to the Regular Agenda.)

REGULAR AGENDA
(Persons wishing to speak on any item may do so by raising their hand to be recognized by the Chair.)

None.

DISCUSSION ITEMS AND FUTURE AGENDA ITEMS
(The Planning Commission or Community Development Director may request to schedule items on future agendas.)
WRITTEN COMMUNICATIONS – FOR INFORMATION ONLY
(City Council Minutes or other items are provided if available.)

DIRECTOR UPDATES
(The Community Development Director may provide any department or city updates that are available.)

ADJOURNMENT
(Adjournment shall be no later than 11pm unless extended by a four-fifths vote of all Planning Commission members or a unanimous vote of the members present per City Municipal Code Section 2.21.010.)

The City of Scotts Valley does not discriminate against persons with disabilities. The City Council Chambers is an accessible facility. If you wish to attend a Planning Commission meeting and require assistance such as sign language, a translator, or other special assistance or devices in order to attend and participate at the meeting, please call the Community Development Department at 831-440-5630 five to seven days in advance of the meeting to make arrangements for assistance. If you require the agenda of a Planning Commission meeting be available in an alternative format consistent with a specific disability, please call the Community Development Department. The California State Relay Service (TTY/VCO/HCO to Voice: English 1-800-735-2929, Spanish 1-800-855-3000; or, Voice to TTY/VCO/HCO: English 1-800-735-2922, Spanish 1-800-855-3000), provides Telecommunications Devices for the Deaf and Disabled and will provide a link between the TDD caller and users of telephone equipment.
Minutes
Meeting of the
Scotts Valley Planning Commission
Date: May 9, 2019
Time: 6:00 PM

CITY OF SCOTTS VALLEY
1 Civic Center Drive
Scotts Valley, CA 95066
(831) 440-5630

MEETING LOCATION
City Council Chambers
1 Civic Center Drive
Scotts Valley, CA 95066

POSTING: The agenda was
posted at City Hall, SV Senior
Center, SV Library and on the
Internet at www.scottsvalley.org.

Appointed Officials | City Staff Members
Carlos Arcangeli, Chair | Taylor Bateman, Community Development Director
Rosanna Herrera, Vice Chair | Brenda Stevens, Associate Planner
Lori Gentile, Commissioner
David Hodgin, Commissioner
Chuck Maffia, Commissioner

CALL TO ORDER: 6:00 pm.

PLEDGE OF ALLEGIANCE and MOMENT OF SILENCE: The Planning Commission
Chair led the pledge of allegiance.

ROLL CALL: Present: Arcangeli, Hererra, Gentile, Hodgin, Maffia. Absent: None.

PUBLIC COMMENT: None.

ALTERATIONS TO CONSENT AGENDA: None.

CONSENT AGENDA: None scheduled.
A. Action Meeting Minutes from April 11, 2019 meeting.

M/S: Hodgin and Maffia
To approve the minutes from the April 11, 2019 meeting.
Carried: 5/0/0 (AYES: all, NOES: none).

ALTERATIONS TO PUBLIC HEARING AGENDA: None.
PUBLIC HEARING AGENDA:
1. **Address:** 1500 Green Hills Road // APN 024-261-06
   **Applicant:** Matt Valencia, Calvary Chapel Santa Cruz
   **Property Owner:** Robert Slawinski
   **Planning Permit Application No.:** U19-001
   **Project Description:** Request to extend a 10-year Temporary Use Permit for the operation of a church in an 18,000 square foot existing office building located in the I-L zoning district.
   **Staff:** Brenda Stevens, Associate Planner, 440-5635 bstevens@scottsvalley.org and Jonathan Kwan, Associate Planner CSG Consultants

   **M/S:** Hodgin and Herrera
   To approve the project via Resolution No. 1744 subject to conditions of approval.
   **Carried:** 5/0/0 (AYES: all, NOES: none).

ALTERATIONS TO REGULAR AGENDA: None.

REGULAR AGENDA:
2. **Title:** Capital Improvement Program for FY 2019/2022 – FY 2023/2024
   **Consistency Report with the City’s General Plan**
   **Address:** City-wide
   **Applicant:** City of Scotts Valley
   **Property Owner:** City of Scotts Valley
   **Project Description:** State law requires cities to adopt a Capital Improvement Program (CIP) to implement the cities’ General Plan. The CIP is a list of the proposed public works projects. The City’s Public Works Department develops the CIP as a 5-year program and updates the program each year. By law, the Planning Commission must review the CIP for consistency with the General Plan.
   **Staff Contact:** Daryl Jordan, Public Works Director, djordan@scottsvalley.org 438-5854

   **M/S:** Maffia / Gentile
   To approve the project via Resolution No. 1745 subject to conditions of approval.
   **Carried:** 5-0-0 (AYES: all, NOES: none).

DISCUSSION ITEMS AND FUTURE AGENDA ITEMS: None.

WRITTEN COMMUNICATIONS – FOR INFORMATION ONLY:

DIRECTOR UPDATES: None.

ADJOURNMENT: 6:50pm.
Agenda Item: 1
June 13, 2019 PC Mtg.

City of Scotts Valley
Planning Commission

STAFF REPORT

Applicant: 440 Kings Village, LLC

Property Owner: Same

Application: General Plan Amendment (GPA 19-003)
Zone Change (ZC 19-003)
Environmental Impact Report (EIR 19-003)

Location: 440 Kings Village Road and 467 Bean Creek Road (APNs 022-221-01, -02, -03, -04, and -05; 022-611-01)

General Plan/Zoning: Light Industrial (I-L); Rural Residential (R-R-2.5)

Environmental Status: A Draft Environmental Impact Report (SCH# 2017022011) was prepared and circulated for public comment on March 1, 2018. The public comment period closed on April 16, 2018. A Final Environmental Impact Report has been prepared and is ready for certification.

Request: The proposed project is a General Plan Amendment and Zone Change for the site at 440 Kings Village Road, formerly occupied by Aviza Technologies Site and before that the Watkins-Johnson Company. The proposal is to change the use of the site from industrial and rural residential use to medium high-density residential and open space use.

There are no specific development plans associated with the proposed project.

Staff Planner: Martin Carver, Consulting Planner, (831) 588-5417 and mcarver@zero.city

STAFF RECOMMENDATION

Staff recommends that the Planning Commission provide comments and direction on the proposed project, including: 1) the requested General Plan map amendment and Zone Change from Light Industrial and Rural Residential to Medium High Density Residential and Open Space, 2) General Plan text amendment to require use of a Planned Development district, and 3) the adequacy of the Environmental Impact Report prepared for the project.
No formal recommendation is being requested at this time. The Planning Department is requesting direction from the Planning Commission on the proposed project and could return as early as July 11th for formal action.

BACKGROUND

The proposed project is located at 440 Kings Village Road and 467 Bean Creek Road (APNs 022-221-01, -02, -03, -04, and -05; 022-611-01). A map showing the project location is attached (see Attachment 1: Location Map).

The project site was used for manufacturing from approximately 1960 to 2011 under several property owners, with the two longest owners being Watkins Johnson (1963 to 1999) and Aviza Technology (2003 to 2009). In 1984, the Regional Water Quality Control Board, inspected the site and found industrial chemicals in the soil and groundwater. On September 21, 1987, Watkins-Johnson signed a Consent Decree with Environmental Protection Agency that began the long process of remedial investigation and site clean-up. The remedial action currently in place for the Watkins-Johnson Superfund site (i.e., clean ground water and capping of remaining contaminated soils) was designed only for continued industrial use and was not intended to result in “clean closure.”

Project proponents have begun work with US EPA on a revised clean-up plan to convert the property from industrial to residential use. This revised clean-up plan would remove the site’s protective “cap” (which consists of paved parking areas, buildings, and concrete slabs) to make room for new residential construction and clean the underlying soil to remove any remaining contaminants.

PROJECT DESCRIPTION

The proposed project is a General Plan Amendment and Zone Change. The General Plan land use designations for the project site would be amended from Light Industrial and Rural Residential to Residential Medium High Density and Open Space. Consistent with this General Plan Amendment, a portion of the project site would be rezoned from I-L (Industrial, Light) and R-R-2.5 (Residential, Rural) to R-M-6 (Residential, Medium High Density) and OS (Open Space).

Access to the project site would be provided via Kings Village Road, which connects to a private road that provides internal circulation within the project area. The private road eventually loops around to Bean Creek Road, and this connection to Bean Creek Road would serve as emergency access. Future development would require upgrading the primary access road consistent with city standards, including the possibility of constructing a sidewalk on one side of the road. The secondary access to/from Bean Creek would be maintained for emergency access only and would also require upgrades (Attachment 2: Site Map).

The proposed project also includes a text amendment to the Land Use Element of the General Plan. The amendment will require that all future projects on the subject site be developed under the Planned Development zoning regulations. Planned Development zoning will ensure that the future development of the site is in the public’s interest and will allow for consideration of the unique site characteristics to better implement citywide objectives, goals and policies of the General Plan. Figure 1: Proposed General Plan.
Re-Designation, shows existing and proposed General Plan land use designations for the project site (proposed Zone Change affects the same property and is not separately mapped here).

**Figure 1: Proposed General Plan Re-Designation**

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**PROPOSED ENTITLEMENTS**

The proposed project requires the following entitlements:

1. General Plan Amendment
2. Zone Change

Each of these entitlements are discussed in detail below. After that, a discussion is presented that addresses relevant planning, entitlement, and issues associated with the project.

**General Plan Amendment Application**

The proposed project is a General Plan Amendment and Zoning District change for a 29.6-acre portion of the 43.4-acre project site at 440 Kings Village Road. Table 1 summarizes the proposed land use changes.
Table 1: Summary of Land Use Changes

<table>
<thead>
<tr>
<th></th>
<th>Existing</th>
<th>Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Light Industrial</td>
<td>20.9 ac</td>
<td>0.0 ac</td>
</tr>
<tr>
<td>Residential Medium High Density</td>
<td>0.0 ac</td>
<td>20.9 ac</td>
</tr>
<tr>
<td>Rural Residential</td>
<td>8.7 ac</td>
<td>0.0 ac</td>
</tr>
<tr>
<td>Open Space</td>
<td>0.0 ac</td>
<td>8.7 ac</td>
</tr>
<tr>
<td>Unincorporated</td>
<td>13.8 ac</td>
<td>13.8 ac</td>
</tr>
<tr>
<td>Total</td>
<td>43.4 ac</td>
<td>43.4 ac</td>
</tr>
</tbody>
</table>

Altogether, 60% of the 29.6-acres site will remain in open space. This does not include the 13.8 acres that lies outside City Limits and that will remain in Santa Cruz County’s Mountain Residential designation.

**Zone Change**

Zoning Districts would be amended for the project site in tandem with the General Plan re-designation. The 20.9 acre part would be amended from Light Industrial (I-L) to Residential Medium High Density. In a subsequent process, this part of the project site would be combined with a Planned Development district (R-M-6-PD). The 8.7-acre part would be amended from Rural Residential (R-R-2.5) to Open Space (OS).

**Discussion**

**Development Potential and Alternatives**

Although no development project is being proposed at this time, the proposed project would accommodate approximately 84 dwelling units, according to the Environmental Impact Report (EIR) prepared for this project.

Future development would be restricted to an approximately 12-acre “Residential Development Area”. The allowable development density allowed within the Residential Medium High Density district is five (5) to nine (9) units per acre, which would allow up to 108 residential units in the 12-acre Residential Development Area. This development potential would be further constrained by the R-M-6-PD zoning, which allows a minimum individual lot area of 6,000 square feet. Therefore, up to seven lots with individual dwelling units could be located on one acre, which would allow for the development of up to 84 dwelling units on the 12 acres of rezoned R-M-6-PD land.

The EIR evaluated three alternatives to the proposed project (in addition to the No Project Alternative), all of which focused on some form of residential development with lower or higher development densities. The development potential under each of these alternatives is summarized in Table 2.
Table 2. Alternative Development Densities

<table>
<thead>
<tr>
<th>Project + Alternatives</th>
<th>Development Potential</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed Project</td>
<td>84 units</td>
<td>--</td>
</tr>
<tr>
<td>Reduced Development Alternative</td>
<td>52 units</td>
<td>-32</td>
</tr>
<tr>
<td>Moderate-Density Residential Development Alternative</td>
<td>108 units</td>
<td>24</td>
</tr>
<tr>
<td>High-Density Residential Development Alternative</td>
<td>240 units</td>
<td>156</td>
</tr>
</tbody>
</table>

In general, the Reduced Development Alternative would result in lower levels of impact. The two increased-density alternatives would, for some categories of concern, increase levels of impact but would not change any impact that was considered “less than significant” (with or without mitigation) into a significant impact. With regard to traffic impact, which was considered significant and unavoidable in the EIR, the increased density alternatives would result in additional traffic.

With regard to housing, the Reduced Development Alternative would result in fewer dwelling units being constructed, and these dwelling units would be larger units with larger lots. The sales price of the units would be higher as a result. The higher density alternatives would result in more housing, and these units would be smaller with smaller lots. The sales price of these units would be lower as a result.

Neighborhood Compatibility

The neighborhood in which the project site is located is primarily characterized by residential, retail, and open space uses.

- Residential uses are located north (with intervening open space), east, and west of the project site.

- Retail uses are also close by, with the Scotts Valley Square Shopping Center located approximately 1,000 feet southwest of the project site along Mount Hermon Road. The future Town Center along Kings Village Road is located approximately 500 feet southeast of the project site.

- Open space (approximately 21 acres) is located north of the project site, and Skypark, a public park, is located south and southwest of the project site.

The proposed project site is currently designated for Light Industrial and Rural Residential use. Over the years the industrial use has been compatible with surrounding residential neighborhoods, largely because the project site sits in a small canyon with many trees that together provide a topographical and visual barrier to the site.

New residential use, while compatible with the surrounding residential uses, could introduce a higher level of human activity in the area (e.g., traffic noise, light, etc.) than was the case with the former industrial uses. If the property were to remain in Light Industrial use, there is no guarantee that any significant redevelopment of the site for a new industrial tenant would be welcomed in the surrounding neighborhood.
Potential “Clean Closure” of the Watkins-Johnson Superfund Site

The proposed project would result in a new EPA clean-up process, making it possible to achieve a “clean closure” of the former Watkins-Johnson Superfund site, referred to by the EPA as “unlimited use/unlimited exposure.” Without the project, the site would remain appropriate for continued light industrial use.

There are two likely outcomes for the new US EPA clean-up process (should the City choose to support the process by re-designating and rezoning the property). The best possible outcome would be “unlimited use/unlimited exposure.” Under this scenario, remediation activities would result in a clean closure of the site, with no need for ongoing monitoring or institutional controls. The new clean-up process recently initiated by project proponents aims to achieve “unlimited use/unlimited exposure.”

Another possible outcome would be that remediation activities do not result in “unlimited use/unlimited exposure,” but that residential use is still possible with ongoing monitoring and institutional controls.

Employment, Housing, and Population

The proposed project would result in the loss of job and tax-generating industrial property in the city. The Aviza/Watkins-Johnson facility currently consists of five main buildings comprising approximately 213,000 square feet of industrial space. Assuming an average 36 square meters (390 square feet) of area per employee, this amount of space can contain roughly 500 employees, and this is the number of potential skilled high-technology jobs that could be lost if this industrial site is converted to residential use. There is no evidence of high demand for industrial space in Scotts Valley, therefore, there is no guarantee that another high technology employer would reuse this site.

The proposed project would be the first step in a process that would bring additional housing supply to the city, including potentially some amount of affordable housing. According to the Aviza Draft EIR, the proposed development project that would follow the General Plan Amendment and Zone Change would have the potential for a total of 84 housing units, which would result in approximately 224 additional persons residing in the city. This increased population would increase traffic, demand for city services, and the use of parks and other open space resources.

No Project Proposed at this Time

The applicant has requested a General Plan Amendment and Zone Change to change the allowable uses from industrial to residential use without an accompanying development proposal for the site. Typically, the Planning Department would recommend a single process where a development plan would be submitted at the same time as the request for General Plan and Zone Change.

The initial step of re-designating and rezoning the property would support the US EPA clean-up process by signaling that the project gained local support from the City of Scotts Valley. The US EPA tends to prioritize its work to focus on projects that are moving ahead with local support. This, in turn, provides some measure of assurance to project proponents that their continued investment in the US EPA process to prepare the site for
residential reuse enjoys City support. In phone conversations held in March 2019, US EPA staff expressed support for the City’s process.

Amendments to the General Plan and the Zoning Map, if approved by the City of Scotts Valley, would commit the City to future residential use. The action commits the City to applying the policy and regulations associated with the chosen land use and zoning designations. Future use of the Planned Development zoning regulations, if approved with this application, would allow an added measure of control to ensure future residential projects on the subject site are consistent with community expectations.

**Planned Development Process**

The proposed project includes a General Plan text amendment that would require a Planned Development permit process for the project site. According to the General Plan, the purpose of Planned Development Zoning is to “provide the means to tailor zoning regulations and to apply specific standards for the development of a particular site. This process enables the City Council to consider the unique characteristics of a site and its surroundings to better implement the citywide objectives, goals and policies of the General Plan and to provide site-specific development standards. Anytime Planned Development zoning is utilized, the standards established for the zoning district, which reflects the General Plan designation are tailored as part of a General Development Plan. Tailored zoning regulations include, but are not limited to, site intensities, location, height, coverage and appearance of structures.”

**DEVELOPMENT AGREEMENT**

The applicant is working with the City to prepare a development agreement, which will outline specific requirements and community benefits that will apply to this project application and subsequent project-specific entitlements.

**CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

This section discusses the environmental review process that has been undertaken for the project and includes information on the Draft and Final Environmental Impact Report.

**Draft Environmental Impact Report**

In 2018, the City prepared a Draft Environmental Impact Report and circulated it for public review from March 1, 2018 through April 16, 2018, in accordance with CEQA and CEQA Guidelines. The Draft EIR, which was previously distributed to Planning Commissioners, is incorporated by reference (see Attachment 3: Draft EIR – SCH# 2017022011).

The Draft EIR identified significant or potentially significant effects associated with: aesthetics, air quality, biological resources, geology, soils and mineral resources, greenhouse gas emissions, hazards and hazardous materials, hydrology and water quality, land use and planning, population and housing, noise and vibration, public services and utilities, and transportation/circulation. With the implementation of recommended mitigation measures, all impacts would be reduced to less-than-significant levels with one exception: Transportation/Circulation, under cumulative conditions, would be (and would remain) significant and unavoidable.
EIR comment letters submitted by the public repeatedly raised concerns about cumulative traffic impacts, water supply, hazards and hazardous materials, and biological resources. These topics are discussed in detail below.

Cumulative Traffic Impacts

The Draft EIR identified six intersections that would constitute most of the proposed project-generated traffic and where potential traffic impacts would likely occur. The two intersections most affected by the project include:

- Scotts Valley Drive / Mount Hermon Road
- Mount Hermon Road / La Madrona Drive / Highway 17 SB Ramps

Cumulative impacts at each of these intersections are discussed below. Cumulative impacts include impacts from the project, anticipated impacts from other approved projects (e.g., Town Center Project), and anticipated impacts from other projects that have not yet been approved. As one or more anticipated future projects may not come to pass, this is considered a worst-case scenario.

**Scotts Valley Drive / Mount Hermon Road**

Under the Cumulative + Project scenario, the Scotts Valley Drive / Mount Hermon Road would operate at acceptable Level of Service (LOS) D conditions. With implementation of the Scotts Valley Drive / Mount Hermon Road Improvement Project, which are addressed in the Town Center Specific Plan EIR, LOS at the Scotts Valley Drive / Mount Hermon Road intersection would remain at LOS D, an acceptable level, during the AM and PM peak hours per the Scotts Valley General Plan.

**Mount Hermon Road / La Madrona Drive / Highway 17 SB Ramps**

Under the Cumulative + Project scenario, the addition of project traffic to the intersection to Mount Hermon Road / La Madrona Road / Highway 17 Ramps would increase control delay by 1.0 second during the AM peak hour and by 3.3 seconds in the PM peak hour. The LOS would degrade from LOS C to LOS D during AM peak hour and remain at LOS F during PM peak hour. Given that the City endeavors to maintain a target LOS C at signalized intersections, at the transition between C and D, the Cumulative + Project impact would be significant. The Scotts Valley General Plan requires that all intersections maintain a LOS C with the exception of Scotts Valley Drive at Mount Hermon and Granite Creek Road at Scotts Valley Drive at LOS D.

The Scotts Valley Town Center Specific Plan EIR identified a second westbound right-turn lane on the SR 17 off-ramp as mitigation for deficient operations at Mount Hermon Road / La Madrona Road / Highway 17 Ramps. However, even with this improvement, the intersection would continue to operate at LOS D, which is not sufficient to meet the City’s LOS C standard per the Scotts Valley General Plan.

Because no further feasible mitigation could be identified to avoid the future cumulative delays, as determined in the Scotts Valley Town Center Specific Plan EIR, the project’s traffic impact at the Mount Hermon Road / La Madrona Road / Highway 17 Ramps would remain significant and unavoidable.
Water Supply

Future development of the project site could use as much as 28 acre-feet/year (afy) of water. According to the Scotts Valley Water District (SVWD) 2015 Urban Water Management Plan, the annual yield for the portion of the Santa Margarita Groundwater Basin beneath Scotts Valley is 2,600 afy, which is shared among SVWD, San Lorenzo Valley Water District, and other water districts. Table 3 compares the project’s water demand with total water resources in the Santa Margarita Groundwater Basin.

Table 3. Project Water Demand -- Santa Margarita Groundwater Basin

<table>
<thead>
<tr>
<th></th>
<th>2015 Demand</th>
<th>2020 Demand</th>
<th>2035 Demand</th>
<th>Estimated Annual Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>SVWD</td>
<td>1,333 afy</td>
<td>1,558 afy</td>
<td>1,635 afy</td>
<td>2,600 afy</td>
</tr>
<tr>
<td>Aviza Project</td>
<td>--</td>
<td>28 afy</td>
<td>28 afy</td>
<td>28 afy</td>
</tr>
<tr>
<td>Percent of Total</td>
<td>--</td>
<td>1.8%</td>
<td>1.7%</td>
<td>1.1%</td>
</tr>
</tbody>
</table>

Source: Scotts Valley Planning

The projected SVWD 2035 demand, plus demand of the proposed project, would not exceed the entitlements of the SVWD. The demand of approximately 28 afy of water generated by the project would not exceed the capacity of the groundwater production system, and no new wells or treatment plants would be required. Therefore, impacts would be less than significant.

Hazards and Hazardous Materials

The project site was formerly used by Watkins-Johnson, which performed research and development, manufacturing, and industrial activities on site that included: metal machining, degreasing operations, metal plating, glass cleaning, glass etching, welding, soldering, painting, and photo laboratory activities.

In 1984, the Regional Water Quality Control Board, inspected the site and found the industrial chemicals trichloroethylene (TCE) and 1,1,2-trichloroethane (TCA) in the Watkins-Johnson wastewater disposal system. Further investigations showed the presence of TCE and trans-1,2-dichloroethylene (1,2-DCE), plus minute quantities of TCA, perchloroethylene (PCE), and freon 113 in groundwater under the site.

At the direction of the Regional Board, Watkins-Johnson began conducting an investigation of the nature and extent of contamination at the facility, and on September 21, 1987, Watkins-Johnson signed an Administrative Order on Consent with Environmental Protection Agency that began the long process of remedial investigation and site clean-up. The remedial action approved for the Watkins-Johnson Superfund Site was designed to clean groundwater to selected drinking water standards and to prevent further groundwater contamination by unclean soils that would remain in place on the site.

The plan to prevent the leaching of contaminants from remaining soils involved “capping” affected areas, and these caps must remain in place for the selected remedy to be effective. The major parts of this clean-up strategy have been effectively implemented, and only the design and implementation of institutional controls remain to be completed.
The remedial action currently in place for the Watkins-Johnson Superfund site (i.e., clean ground water and capping of remaining contaminated soils) was designed only for continued industrial use and will not result in “clean closure.” Accordingly, project proponents have begun work with US EPA on a revised clean-up plan to convert the property from industrial to residential use. This revised clean-up plan would remove the site’s protective “cap” (which consists of paved parking areas, buildings, and concrete slabs) to make room for new residential construction and clean the underlying soil to remove any remaining contaminants.

Biological Resources

In areas outside of the development envelope, future development may involve the disturbance of sandy soils and removal of vegetation during grading activities associated with the construction and demolition of buildings, infrastructure, roads, planter beds, and a footpath from the project site south to the upper section of King’s Village Road, adjacent to Skypark.

*Mount Hermon June Beetle and Zayante Band-Winged Grasshopper*

Soils and vegetation outside the development envelope provide potential habitat for the Mount Hermon June beetle and Zayante band-winged grasshopper, both federally listed as endangered species, as well as several special-status plant species. This project site, as well as the adjacent undeveloped property to the north, are ranked as “sites with the highest overall conservation values” for the rare and endangered species that occur there. Construction and operational activities have the potential to injure or kill these endangered invertebrate species, as well as result in significant impacts from reduction in the habitat for the Mount Hermon June beetle.

Impacts to the Mount. Hermon June beetle and Zayante band-winged grasshopper would be mitigated through various measures, including limitations on development, leaving 60% of the site in open space use.

**Final Environmental Impact Report**

The Aviza Site General Plan Amendment and Zone Change Draft Environmental Impact Report (DEIR) was circulated for public review to state, regional, and local agencies, as well as organizations and individuals, for their review and comment. The City of Scotts Valley received 62 comment letters.

Most of the letters received were from individuals concerned about the impacts of residential growth (schools, traffic congestion, water resources, etc.). One letter from Affordable Housing NOW, expressed support for higher density, infill housing on the project site. Letters from agencies provided useful information (e.g. Air District information on air quality analysis) and did not raise any significant issues.

The Final Environmental Impact Report (FEIR) includes all comments received from agencies and members of the public concerning the DEIR, as well as responses to each comment received. The FEIR is attached (see Attachment 4: Final EIR).
CONCLUSION

In summary, the project is requesting a General Plan Amendment and Zone Change that would change the use of the site from Light Industrial and Rural Residential to Medium High Density Residential and Open Space use. As part of the General Plan Amendment, future projects on the subject property would be subject to the City’s Planned Development regulations.

Staff is seeking Planning Commission input and direction on the requested General Plan Amendment, Zone Change and accompanying EIR. This report does not include a resolution and request for action.

If it is determined that project’s proposed Medium High Density Residential land use is appropriate for the site as proposed, the Planning Commission could direct staff to prepare a resolution recommending approval for consideration at a future Planning Commission meeting. If it is determined that the issues associated with the proposed project are not adequately addressed or that the General Plan Amendment or Zone Change is not appropriate for the site, the Planning Commission could direct staff to prepare a recommendation of denial for consideration at a future Planning Commission meeting. The final recommendation would then be forwarded to the City Council for consideration.

PUBLIC NOTICE

On May 31, 2019, public hearing notices were posted at City Hall, the Scotts Valley Branch Public Library, and the Scotts Valley Senior Center, and were mailed to surrounding property owners located within 300 feet of the subject property, pursuant to State law. Four comment letters/emails have been received, and these are attached (Attachment 5: Comment Letters). One letter raised concerns about traffic and traffic safety; two expressed support for the project; and one suggested that the City’s inclusionary housing program should be extended to the proposed project site and that total square footage be held constant so that there is the flexibility to provide smaller units without lower development potential.

ATTACHMENTS

1. Location Map ...................................................................................................... 12
2. Site Map ............................................................................................................. 13
3. Draft Environmental Impact Report ................................... (Previously Distributed)
4. Final Environmental Impact Report ........................................................ (Attached)
5. Comment Letters ................................................................................................ 14

Please note that a hard-copy is available to review in the lobby at City Hall, Monday-Thursday 8 am to 12 pm and 1 pm to 5 pm, at One Civic Center Drive, Scotts Valley. Please call the Planning Department at (831) 440-5630 if you have any questions.
The Montevalle Board of Directors would like the City of Scotts Valley to know that we are in support of the General Plan Amendment to rezone the current Aviza Property from Industrial to Residential.

It has been a pleasure to have Joe Appenrodt meet with Montevalle residents to explain the step-by-step process and answer residents’ questions.

If you have any questions or concerns, please contact Rachael Milroy, Montevalle Community Manager, at (831)438-1309 ex 101.

On behalf of the Montevalle Board of Directors,

Randy Dugger
Board President

Rachael Milroy
Montevalle Community Manager
June 6, 2019

City of Scotts Valley
Planning Commission
1 Civic Center Drive
Scotts Valley, CA 95066

RE: Aviza Site General Plan and Zone Change Amendment

Dear Planning Commissioners:

Affordable Housing NOW! (AHN) is a coalition of organizations and community members working together to find creative solutions to increase affordable housing options for people who live and work in our community. We appreciate the opportunity to submit comments on the Aviza site General Plan and Zone Change Amendment.

As you are aware, the County of Santa Cruz, including the City of Scotts Valley, is experiencing an extreme crisis in the local housing market, particularly with regard to affordable housing for local working households. Long-term residents and workers are rapidly being priced out of the market, with a long list of related impacts, including: increased traffic congestion caused by employees needing to commute further distances from more affordable housing markets; housing overcrowding; increased homelessness; and employers having greater difficulty attracting and retaining a strong workforce.

Amending the General Plan and Zoning Ordinance to accommodate housing on the Aviza site presents the City with an important opportunity to address the critical local affordable housing needs. Such amendments should also require consideration of the City’s Housing Element (HE) 2023 goals.

While there are no specific development plans associated with this site at this time, we understand that the developer intends to propose a project that would include a maximum of 84 single-family homes. While in most of the City a project like this would require a minimum number of units (at least 15%) be provided at affordable prices, this site does not fall within the area where those inclusionary rules apply. As a result, it is possible that all 84 homes could be constructed on this site without one unit being provided at prices affordable to lower or moderate-income households. This outcome would not be allowed anywhere else in the County. AHN feels strongly that this issue be addressed in the General Plan amendment to require city-wide application of the Inclusionary Program.

Currently, the City is a long way from meeting its HE 2023 goals for lower and moderate-income households. Extending the Inclusionary Program application to the Aviza site can help address critical affordable housing needs for residents of Scotts Valley and bring the City closer to its 2023 HE goals. Since the site is close to a transportation hub, and there is
a shortage of much-needed smaller units, it would be worthwhile to use total square footage rather than the number of units for the site giving the developer flexibility while meeting the housing needs. When people live where they work, they can more fully participate and contribute to the vitality of our community. We hope that you will give serious consideration to our comments.

Sincerely,

Tim Willoughby, AHN Chair
Richard Bayer <richardsnowonder@gmail.com>  
To: mcarver@zero.city

Tue, Jun 4, 2019 at 6:13 PM

I am writing to see if part of the discussion on this will involve the traffic impact of this development.

The exit for the property on Bluebonnet is at a crowded multi park entrance used every day by hundreds, and sometimes thousands of children, adults and seniors at the playground, soccer field, skateboard park and dog park. I go there every day and there are issues of street width, parking, rights of way, entrances to parking area, entrance and poorly marked crosswalk at the Senior Center, and the crowded and busy intersections from Aviza to Bean Creek Road.

The intersection at Bean Creek Road is a dangerous stoplight with poor visibility that is the subject of many complaints to the city. Speeding and rolling stops are a problem on both streets. Bean Creek Road from Bluebonnet to Scotts Valley Drive has many multi unit residential units and a lot of traffic as well as the Middle School entrance, which is often backed up for a block or two at school start and end times.

The connecting street to the Library, transit center, post office, shopping center and Mount Hermon Road have heavy traffic many times of day.

While any use of the Aviza property will add to traffic, a multi residential use will surely add more as residents go to and from their homes for work, school children, shopping, and other activities.

I consider this to be a very dangerous situation for the City to take on and a massive expense for the City or Developer if this is to be done properly and safely for all the current residents and users of the adjacent locations. Much as housing is needed and revenues desired by the City, these are surely offset by the high level of danger that any conceivable traffic pattern would entail.

I urge you, and the planning department, to demand a major traffic analysis and safety plan before taking any action on this proposal.

Sincerely,

Richard Bayer
552 Bean Creek Rd #27
Dear Mr. Carver,

I am a home owner in Montevalle of Scotts Valley, and I am writing in support of the General Plan Amendment and Zone Change for the Aviza property at 440 Kings Village Road. I believe strongly that this change will be very beneficial to Montevalle residents, as well as to the City of Scotts Valley.

Kind regards,

Gail Evans

Gail G. Evans, Ph.D.

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“What counts in life is not the mere fact that we have lived. It is what difference we have made in the lives of others that will determine the significance of the life we lead.” Nelson Mandela

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