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1.1 PROJECT OVERVIEW

This Environmental Impact Report (EIR) addresses the potential environmental effects of the proposed City of Santa Cruz Sphere of Influence amendment request to the Santa Cruz Local Agency Formation Commission (LAFCO). The City of Santa Cruz submitted an application to LAFCO to amend the City's Sphere of Influence (SOI) to include a 374-acre portion of the University of California Santa Cruz (UCSC) campus known as "North Campus" for the purpose of providing extraterritorial water and sewer services to this area. A Sphere of Influence is the probable physical boundaries and service area of a local government that is developed by LAFCOs in each county pursuant to State law. The University concurrently submitted an application to LAFCO for extraterritorial water and sewer service to be provided by the City of Santa Cruz. Upon completion of environmental review, LAFCO will consider the SOI request from the City as well as the request for provision of extraterritorial services submitted by UCSC to LAFCO.

The applications to LAFCO were made by the City and University in accordance with provisions of the "Comprehensive Settlement Agreement" regarding the University's 2005 Long Range Development Plan.¹ The objective of the project is to implement City of Santa Cruz obligations set forth in the Comprehensive Settlement Agreement with regards to provision of water and sewer services to the UCSC North Campus area. The Settlement Agreement was entered as a final judgment of the Santa Cruz Superior Court, and pursuant to this stipulated judgment, the City agreed to continue to provide water service to the campus to assist UCSC with achieving its on-campus housing commitment set forth in the Settlement Agreement. Furthermore, the City agreed to submit an application to LAFCO to amend its

¹The 2005 LRDP EIR was legally challenged by several entities, including the City of Santa Cruz. A ruling by the Santa Cruz County Superior Court in *City of Santa Cruz et al. v. Regents of the University of California et al.* (CV 155571, consolidated with Case No. CV155583) concluded that additional analyses relating to water supply, housing, and traffic mitigation were required. In August 2008 a "Comprehensive Settlement Agreement" was executed by all the parties and that resolved the lawsuits. The Settlement Agreement was entered as a final judgment of the Court, thereby, superseding the previous court ruling. See PROJECT DESCRIPTION (Chapter 3.0) of this EIR and Appendix C for further discussion.

Sphere of Influence to include most of the North Campus area of the UCSC Campus (project area) concurrent with UCSC submitting its own application request to LAFCO for provision of extraterritorial water and sewer service to the project area for development of up to 3,175,000 gross square feet of building space in this area as set forth in the 2005 LRDP. There are no currently proposed development plans for the North Campus or site-specific plans at this time to extend infrastructure to the area. There are no current proposals to annex the area to the City of Santa Cruz. A full description of the project is presented in the PROJECT DESCRIPTION (Chapter 3.0) of this EIR.

1.2 PURPOSE of EIR

This EIR has been prepared for the City of Santa Cruz (City), which is the lead agency for the project. Where a project is to be carried out or approved by more than one public agency, one public agency, the “lead agency,” shall be responsible for preparing an EIR. In accordance with section 15051 of the State CEQA Guidelines, where two or more public agencies will be involved with a project, the agency that will carry out the project is considered the lead agency. The lead agency is normally the agency with general governmental powers, such as a city or county. Additionally, the State CEQA Guidelines (section 15051(c)) indicate that where more than one public agency meet the criteria of lead agency, the agency which will act first on the project shall be the lead agency.

The City of Santa Cruz, University of California and Santa Cruz, and LAFCO discussed which agency would be lead agency. It was determined that the City of Santa Cruz was determined to should be the lead agency for environmental review as it is the agency responsible for carrying out the project, (providing water and sewer service) and is the first agency to act on the project, as well as being the agency with general governmental powers, compared to LAFCO and the University. Approval of the proposed project – the SOI amendment and provision of extraterritorial water and sewer service to a portion of the UCSC North Campus – would accommodate water and sewer service in the project area for development under UCSC’s adopted 2005 LRDP. The Regents of the University of California certified an EIR that analyzed the impacts of its 2005 LRDP and thereafter adopted the plan. The 2005 LRDP is the effective land use plan for the UCSC campus and no further University action is required with regard to the plan.

LAFCO and the University of California are responsible agencies. Pursuant to State CEQA Guidelines sections 15050 and 15051, the decision-making body of each responsible agency shall consider the Lead Agency’s EIR or Negative Declaration prior to acting upon or approving the project. Each responsible agency shall certify that its decision-making body reviewed and considered the information contained in the EIR or Negative Declaration on the project.

This EIR has been prepared in accordance with the California Environmental Quality Act (CEQA) as amended in 2008, and the State CEQA Guidelines, which are found in Title 14 of the California Code of Regulations, commencing with section 15000. As stated in the CEQA Guidelines section 15002, the basic purposes of CEQA are to:

- ❑ Inform governmental decision-makers and the public about the potential, significant environmental effects of proposed activities.
- ❑ Identify the ways that environmental damage can be avoided or significantly reduced.
- ❑ Prevent significant, avoidable damage to the environment by requiring changes in projects through the use of alternatives or mitigation measures when the governmental agency finds the changes to be feasible.
- ❑ Disclose to the public the reasons why a governmental agency approved the project in the manner the agency chose if significant environmental effects are involved.

Pursuant to State CEQA Guidelines section 15121, an EIR is an informational document which will inform public agency decision-makers and the public generally of the significant environmental effects of a project, identify possible ways to minimize the significant effects, and describe reasonable alternatives to the project. The public agency shall consider the information in the EIR along with other information which may be presented to the agency. While the information in the EIR does not control the ultimate decision on the project, the agency must consider the information in the EIR and respond to each significant effect identified in the EIR by making findings pursuant to Public Resources Code section 21081.

1.3 CONSIDERATION OF IMPACTS

As indicated above, the focus of the environmental review process is upon significant environmental effects. As defined in section 15382 of the CEQA Guidelines, a “significant effect on the environment” is:

...a substantial, or potentially substantial, adverse change in any of the physical conditions within the area affected by the project, including land, air, water, minerals, flora, fauna, ambient noise, and objects of historic or aesthetic significance. An economic or social change by itself shall not be considered a significant effect on the environment. A social or economic change related to a physical change may be considered in determining whether a physical change is significant.

Section 15126 of the State CEQA Guidelines requires all phases of a project must be considered when evaluating its impact on the environment. Specifically, the following must be discussed in the EIR:

- (a) Significant environmental effects of the proposed project.
- (b) Significant environmental effects which cannot be avoided if the proposed project is implemented.
- (c) Significant irreversible environmental changes which would be involved in the proposed project should it be implemented.
- (d) Growth-inducing impact of the proposed project.
- (e) Mitigation measures proposed to minimize the significant effects.
- (f) Alternatives to the proposed project.

In evaluating the significance of the environmental effect of a project, the State CEQA Guidelines require the Lead Agency to consider direct physical changes in the environment which may be caused by the project and reasonably foreseeable indirect physical changes in the environment which may be caused by the project (CEQA Guidelines section 15064[d]). A direct physical change in the environment is a physical change in the environment which is caused by and immediately related to the project. An indirect physical change in the environment is a physical change in the environment which is not immediately related to the project, but which is caused indirectly by the project. If a direct physical change in the environment in turn causes another change in the environment, then the other change is an indirect physical change in the environment. For example, the construction of a new sewage treatment plant may facilitate population growth in the service area due to the increase in sewage treatment capacity and may lead to an increase in traffic and air pollution. An indirect physical change is to be considered only if that change is a reasonably foreseeable impact which may be caused by the project. Direct and indirect significant effects of the project on the environment shall be clearly identified and described, giving due consideration to both the short-term and long-term effects (State CEQA Guidelines section 15126.2[a]).

CEQA Guidelines section 15064(e) further indicates that economic and social changes resulting from a project shall not be treated as significant effects on the environment, although they may be used to determine that a physical change shall be regarded as a significant effect on the environment. Where a physical change is caused by economic or social effects of a project, the physical change may be regarded as a significant effect in the same manner as any other physical change resulting from the project. If the physical change causes adverse economic or social effects on people, those adverse effects may be used as a factor in determining whether the physical change is significant. For example, this could be a situation in which a large retail chain store enters a local market and outcompetes local stores, causing closure of local business(es) for an extended period of time and resulting conditions of urban blight..

1.4 EIR ISSUES

An Initial Study was not prepared for the project. In accordance with State CEQA Guidelines section 15060(d), the City determined that an EIR was required to assess the potential environmental impacts of the project, and chose to begin work directly on the EIR. In the absence of an Initial Study, the lead agency shall still focus the EIR on the significant effects of the project and indicate briefly its reasons for determining that other effects would not be significant or potentially significant. Such an explanation is provided in the SUMMARY OF ENVIRONMENTAL IMPACTS (Chapter 2.0) section of this EIR.

Based on this preliminary review, the City has identified the following probable effects of the project, which will be addressed in the EIR. The EIR will analyze these issues and provide a determination of impact significance.

- ❑ Water Supply
- ❑ Wastewater Service
- ❑ Land Use
- ❑ Growth Inducement and secondary impacts of UCSC growth and development related to: Aesthetics; Air Quality; Biological Resources; Cultural Resources; Geology and Soils; Hazardous Materials; Housing; Hydrology and Water Quality; Noise; Public Services; and Transportation and Traffic.

1.5 EIR PROCESS

A Notice of Preparation (NOP) for this EIR was circulated on November 3, 2008 (see Appendix A). The NOP was circulated to the State Clearinghouse and local, regional and federal agencies and organizations. Additionally, a public scoping meeting was held on November 19, 2008 to take public comment on the EIR scope. Letters of comment were received from the agencies, organizations and individuals listed below. These letters are included in Appendix A. Both the written comments and oral comments received at the scoping meeting have been taken into consideration in the preparation of this EIR.

- ❑ U.S. Army Corps of Engineers
- ❑ U.S. Fish and Wildlife Service
- ❑ California Regional Water Quality Control Board
- ❑ Local Agency Formation Commission of Santa Cruz County
- ❑ Monterey Bay Unified Air Pollution Control District
- ❑ Bonny Doon Rural Association
- ❑ Coalition for Limiting University Expansion (CLUE)
- ❑ Alex Anderson
- ❑ Tony Aprile

- ❑ Winona Hubbard
- ❑ Jodi Koumouitzes-Douvia
- ❑ Natasha Kowalski
- ❑ Hal Levin
- ❑ Tom Maimon
- ❑ Fred McPherson
- ❑ Celia Scott
- ❑ Don Stevens

The Draft EIR was published and circulated for review and comment by the public and other interested parties, agencies and organizations for a 60-day review period from November 19, 2009 through January 18, 2010. The Final EIR will include written responses to any significant environmental issues raised in comments received during the public review period, as well as any text changes that become necessary after consideration of public comments.. (See CEQA Guidelines, § 15088c.) The Final EIR will then be presented to the City Council. The City Council must ultimately certify that it has reviewed and considered the information in the EIR, that the EIR has been completed in conformity with the requirements of CEQA, and that the document reflects the City's independent judgment. (See CEQA Guidelines, § 15090, subd. (a).)

Pursuant to sections 21002, 21002.1 and 21081 of CEQA and sections 15091 and 15093 of the state CEQA Guidelines, no public agency shall approve or carry out a project for which an EIR has been certified which identifies one or more significant effects unless both of the following occur:

- (a) The public agency makes one or more of the following findings with respect to each significant effect:
 1. Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effects on the environment.
 2. Those changes or alterations are within the responsibility and jurisdiction of another public agency and have been or can and should be, adopted by such other agency.
 3. Specific economic, legal, social, technological, or other considerations, including considerations for the provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or alternatives identified in the environmental impact report.

- (b) With respect to significant effects which were subject to a finding under paragraph (3) of subdivision (a), the public agency finds that specific overriding economic, legal, social, technological, or other benefits of the project outweigh the significant effects on the environment.

Although these determinations (especially regarding feasibility) are made by the public agency's final decision-making body (here, the City Council) based on the entirety of the agency's administrative record as it exists after completion of a final EIR, the draft EIR must provide information regarding the significant effects of the proposed project and must identify the potentially feasible mitigation measures and alternatives to be considered by that decision-making body.

1.6 REPORT ORGANIZATION

The Draft EIR is organized with the following sections.

- ❑ **SUMMARY OF ENVIRONMENTAL IMPACTS:** This section provides a summary of all impacts, level of significance, and mitigation measures identified for the project, as well as a summary of alternatives. An overview of the project is provided, and issues of concern are summarized.
- ❑ **PROJECT DESCRIPTION:** A full description of all elements of project development and construction is provided.
- ❑ **ENVIRONMENTAL SETTING, IMPACTS AND MITIGATION MEASURES:** Each topical section in this EIR presents information in three parts. The Environmental Setting sections provide a general overview of the existing conditions on and adjacent to the project site. Local, State and federal regulations are also identified and discussed, when relevant.

A Relevant Project Elements section provides a description of the elements of the project that are relevant to the impact analysis for a particular topic. Relevant project information may relate to the size, characteristics and/or location of facilities and other plan elements, such as landscaping and design guidelines. Any project elements that may cause impacts, as well as those that may serve to eliminate or reduce impacts, will be identified.

The Environmental Impacts and Mitigation Measures section provides an outline of the criteria used to evaluate whether an impact is considered significant based on standards identified in the California Environmental Quality Act (CEQA), State CEQA Guidelines, agency policy or regulations and/or professional judgment are also used to further define what actions may cause significant effects. Significant impacts are identified and analyzed. Mitigation measures that would reduce significant impacts are identified. The significance of the impact after mitigation is also identified. For impacts found to be less-than-significant, mitigation measures

are not required, but where relevant, the EIR recommends project modifications or appropriate conditions of approval.

- ❑ **GROWTH INDUCEMENT:** This section evaluates direct and indirect growth inducement that may result from the proposed project and provision of extraterritorial water and sewer service to the North Campus portion of UCSC that is located outside city limits. Secondary physical impacts of growth also are addressed in this section.
- ❑ **CEQA CONSIDERATIONS:** This section evaluates the topics required to be included in an EIR including unavoidable impacts, irreversible impacts, cumulative impacts, and project alternatives.
- ❑ **REFERENCES:** This section identifies all agencies contacted and references consulted.
- ❑ **FIGURES:** All EIR figures are located in one section at the end of the document for ease of reference as some figures are referenced in all sections.