

Agricultural Lands Preservation Program & Southeast Quadrant Land Use Plan

December 20, 2013

The objectives of the proposed project are to:

1. Identify lands within the SEQ area viable for permanent agriculture.
2. Develop a program that fosters permanent agriculture within the SEQ area and citywide through land use planning, agricultural preservation policies/programs, and agricultural mitigation.
3. Create an open space/agricultural greenbelt along the southern edge of the City's Sphere of Influence boundary.
4. Establish a new Sports-Recreation-Leisure General Plan land use designation and zoning classification, and implement the new Sports-Recreation-Leisure (SRL) land use designation and zoning district over a portion of the SEQ area.
5. Establish an Urban Limit Line within the SEQ area and extend the Urban Growth Boundary and Urban Service Area over a portion of the SEQ area.
6. Annex a portion of the SEQ area into the Morgan Hill City Limits.
7. Provide for a transition of land uses and zoning with more intensive land uses and activities to occur close to Highway 101, and less intensive land uses and activities to occur further east.
8. Allow for land uses that enhance job creation and economic development objectives.
9. Strengthen the City's historic role as an agricultural center, and its identity as an active, healthy, quality, fun, family-friendly community
10. Develop a new private high school in the southern portion of Santa Clara County to serve existing and future local demand for private education.

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The following addresses the four project objectives listed below:

- (#1) Identify lands within the SEQ area viable for permanent agriculture.**
- (#2) Develop a program that fosters permanent agriculture within the SEQ area and citywide through land use planning, agricultural preservation policies/programs, and agricultural mitigation.**
- (#3) Create an open space/agricultural greenbelt along the southern edge of the City's Sphere of Influence boundary.**
- (#9) Strengthen the City's historic role as an agricultural center, and its identity as an active, healthy, quality, fun, family-friendly community.**

- The City has prepared a Citywide Agricultural Lands Preservation Program (Program) that is intended to permanently preserve agriculture and open space, and establish mitigation for the conversion of agricultural lands to a non-agricultural use.
- Main program components include the following:
 - a. Citywide program
 - b. Lands subject to Program include those lands within city limits that are converting agricultural land to a non-agricultural use. Land is considered agriculture if it is mapped on the 2010 Dept. of Conservation Farmland Mapping and Monitoring Program (FMMP) Map as any of the following: Prime Farmland, Farmland of Statewide Importance, Unique Farmland, or Farmland of Local Importance. Even if the classification changes with subsequent FMMP Maps, the 2010 FMMP Map will serve as the basis for applicability.
 - c. Mitigation for the conversion of agricultural land is required at a 1:1 ratio (1 acre mitigation for 1 acre disturbed/converted). This is a change from the original draft in response to comments the City received from Stakeholders.
 - d. For the purposes of calculating the required acreage of mitigation, generally the entire site will be used. Exceptions include lands with an Open Space, Public Facility, or Sports-Recreation-Leisure designation, as it is possible that large portions of these sites remain undisturbed. Consistent with the Habitat Conservation Plan, the developed footprint will be used for calculating required mitigation for these three designations. The only differences, though, is that in order to be excluded from the developed footprint, the undisturbed area must be 10 acres minimum and cannot include irrigated sports fields.
 - e. Allowed methods of mitigation include the following: applicant dedicates agricultural mitigation lands; applicant acquires agricultural conservation easements plus pays administrative fee for maintenance of easement; or applicant pays an agriculture in-lieu fee to City plus the maintenance administrative fee.
 - f. Monies collected from the agriculture in-lieu fee will be used by City to acquire agricultural conservation easements within the MH sphere of influence, preferably within the Agricultural Priority Area in the SEQ area to establish an agriculture/open space greenbelt along the MH sphere of influence/San Martin border.
 - g. Acquisition of agricultural conservation easements is strictly voluntary. Property owners are not required to establish an agricultural conservation easement on their property unless they choose to do so. Also agricultural conservation easements are perpetual, running with the land, thereby ensuring permanent conservation of land.

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- h. All agricultural mitigation, regardless of method of mitigation, shall be provided within Santa Clara County. Order of priority is within the Agricultural Priority Area in the SEQ first, within the MH sphere of influence second, and within Santa Clara County third.
 - i. The initial agriculture in-lieu fee is proposed to be \$15,000. This fee will not cover the cost to acquire agricultural conservation easements within the MH boundary given the elevated cost of land. Therefore, the City will pursue outside funding opportunities to supplement agriculture in-lieu fee monies such as grants and partnerships with other groups including the Santa Clara County Open Space Authority.
 - j. The Program also proposes to utilize a portion of the City's Open Space fund to supplement monies collected from the agriculture in-lieu fee. Because Open Space funds are collected for the purpose of open space, agricultural conservation easements acquired with these funds shall be primarily (90%) "open." In other words, no more than 10% of the land can be covered with structures. Agricultural conservation easements acquired with non-Open Space funds do not have the building restriction, but still must be used for qualifying agricultural uses as defined by the Program.
 - k. In order to ensure mitigation is provided when required (prior to approval of final map or issuance of grading/building permit, whichever comes first), the Program includes a "stay ahead" provision whereby agricultural lands cannot be converted until the mitigation is identified and "in the bank."
- Agricultural Lands Preservation Program and proposed Sports-Recreation-Leisure district would strengthen the City's identity that is rooted in an agricultural past and promote an active, healthy future through continued agriculture and enhanced recreational opportunities.

The following addresses the four project objectives below:

(#4) Establish a new Sports-Recreation-Leisure General Plan land use designation and zoning classification, and implement the new Sports-Recreation-Leisure (SRL) land use designation and zoning district over a portion of the SEQ area

(#7) Provide for a transition of land uses and zoning with more intensive land uses and activities to occur close to Highway101, and less intensive land uses and activities to occur further east

(#8) Allow for land uses that enhance job creation and economic development objectives

(#9) Strengthen the City's historic role as an agricultural center, and its identity as an active, healthy, quality, fun, family-friendly community.

■ The project includes the establishment of a new Sports-Recreation-Leisure (SRL) General Plan and Zoning designation. The SRL designation is proposed on 251 acres of the 759 acres of land proposed to be annexed into the City.

■ The SRL designation consists of two subdistricts: Subdistrict A and Subdistrict B. Subdistrict B is located closer to the freeway, where more building intensive sports/recreation-related uses are envisioned. Uses may include indoor recreation facilities and sports-related retail. Subdistrict A is located further east where more land extensive sports/recreation-related uses are anticipated, including outdoor sports fields. Most uses in both SRL Subdistricts A and B require a conditional use permit. Agriculture is a permitted use in both subdistricts of the SRL district.

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- The SRL district is proposed in the SEQ area because the types of sports/recreation uses anticipated cannot be accommodated within existing City limits. The SEQ area is best suited for the proposed SRL uses because:
 - a. The SRL district uses are primarily visitor-serving and land-extensive uses that are most appropriately sited near US 101.
 - b. The SEQ area offers large, aggregated parcels under common ownership that can accommodate regional-serving outdoor sports facilities.
 - c. The SEQ area provides proximity to freeway access, minimizing traffic impacts on city streets, and separation from incompatible land uses.
 - d. The proposed SRL uses will complement the already established City recreational facilities (Aquatics Center & Outdoor Sports Center), creating a sports-destination area.
- The SRL district supports the City's economic development goals for further promoting tourism in Morgan Hill, including agri-tourism.
- The SRL district allows property owners some economic use of their property with uses that are compatible and provide a transition with the adjacent agricultural uses.

The following addresses the objective below:

(#5) Establish an Urban Limit Line within the SEQ area and extend the Urban Growth Boundary and Urban Service Area over a portion of the SEQ area.

- There is currently a gap in the Urban Limit Line boundary at the southeastern portion of the City. The proposed project would close this gap and complete the boundary line around the City perimeter.
- In the western portion of the SEQ, the Urban Service Area boundary would be expanded to include 305 acres of the 759 acres proposed for annexation. The remaining lands proposed for annexation in the eastern portion of the SEQ (including the Chiala property and surrounding lands) are proposed to be annexed outside of the Urban Service Area. A private water company and septic systems are proposed to serve this area. The intent for annexing outside the Urban Service Area is to minimize burden on the City. If annexed into the City outside the Urban Service Area, the eastern portion of the SEQ would be restricted from being added to the Urban Service Area in the future. [See discussion below regarding annexation.]
- The Urban Growth Boundary would also be expanded as part of the project. Expansion of the Urban Growth Boundary was anticipated in the existing General Plan.

Action 3.4 of the Community Development Element precludes reconsideration of the Urban Growth Boundary location more frequently than in conjunction with a comprehensive City General plan Update every 10 years or so. It further states, however, that, "revaluation of the Urban Growth Boundary location may be necessary in conjunction with the implementation of Phase 2 of the Urban Limit Line/Greenbelt Study regarding land use in the Southeast Quadrant."

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- The proposed expansion of the Urban Service Area and annexation of the eastern portion of the SEQ outside the Urban Service Area requires approval of both the City of Morgan Hill and LAFCO.

The following addresses the objective below:

(#6) Annex a portion of the SEQ area into the Morgan Hill City Limits.

- The SEQ area encompasses 1,290 acres (excluding approx. 48 acres of public roadways). Of the 1,290 acres, only 759 acres are proposed to be annexed into the City. The remaining 531 acres of land would remain in the unincorporated county under jurisdiction of the County of Santa Clara.
- As stated above, annexation of the eastern portion of the SEQ outside the Urban Service Area requires approval of both the City of Morgan Hill and LAFCO. Because of existing provisions contained in the Residential Development Control System (RDCS) restricting the extension of urban services (including utilities and public safety) outside the Urban Service Area boundary, the eastern portion of the SEQ cannot annex into the City outside the Urban Service Area unless one of the following occurs: the RDCS sunsets in 2020 or Morgan Hill voters approve a ballot measure amending the RDCS text as described in the EIR.

The following addresses the objective below:

(#10) Develop a new private high school in the southern portion of Santa Clara County to serve existing and future local demand for private education.

- The Catholic Diocese is proposing to build a South County Catholic High School on 38 acres in the SEQ area. The proposed high school will be built in multiple phases based on fundraising efforts, and will have a student population of 1,600 students at full buildout (anticipated by Year 2054).
- The proposed high school would serve the larger regional area, including families who currently commute to private high schools located in San Jose and farther north.
- The Catholic Diocese had previously pursued a site within the city limits; however, a City requirement to incorporate a collector street connector (Madrone Parkway extension) through the site made the project infeasible.
- The Catholic Diocese selected the SEQ site because it was identified as the preferred site for a high school as part of Morgan Hill Unified School District's site selection review for Sobrato High School.