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**DATE:** May 14, 2013  
**TO:** Mayor and Members of the City Council  
**FROM:** Dan Marks, Interim Economic Development Director  
Andrea J. Ouse, Planning Manager  
**VIA:** Inder Khalsa, Assistant City Attorney  
**SUBJECT:** PUBLIC HEARING TO CONSIDER ADOPTION OF FOUR RESOLUTIONS REGARDING THE SOLANO360 SPECIFIC PLAN AND HOLDING ON FIRST READING THREE ORDINANCES: (1) AN ORDINANCE TO ADOPT THE SOLANO360 SPECIFIC PLAN/MASTER PLAN; (2) AN ORDINANCE TO ADOPT AN AMENDMENT TO TITLE 16 OF THE VALLEJO MUNICIPAL CODE ZONING ORDINANCE AND ZONING MAP; AND (3) AN ORDINANCE TO APPROVE A DEVELOPMENT AGREEMENT BY AND BETWEEN THE COUNTY OF SOLANO AND CITY OF VALLEJO REGARDING THE SOLANO360 PROJECT

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### **RECOMMENDATION**

Hold a public hearing and upon conclusion, adopt four Resolutions:

- (1) A Resolution adopting a General Plan Amendment for the Solano360 Specific Plan;
- (2) A Resolution approving the Solano360 Specific Plan and holding on first reading an ordinance to Adopt the Solano360 Specific Plan as the Planned Development Master Plan for the Solano360 Project;
- (3) A Resolution approving an amendment to Title 16 (Zoning Ordinance) of the Vallejo Municipal Code for the Solano360 Specific Plan, and holding on first reading an Ordinance to Amend Title 16 of the Vallejo Municipal Code and to Amend the Zoning Map for the Solano360 Specific Plan; and
- (4) A Resolution approving a Development Agreement between the County of Solano and the City of Vallejo regarding the Solano360 Specific Plan, and holding on first reading an Ordinance to approve said Development Agreement.

### **REASONS FOR RECOMMENDATION**

The proposed Solano360 Specific Plan ("the Plan") provides the planning policies, land use and development regulations, infrastructure improvements and long-term phasing program to facilitate the revitalization of the Solano County Fairgrounds in Vallejo. The Fairgrounds property is a large underutilized site of approximately 149 acres located at the crossroads of the Interstate 80 and State Route 37 freeways. The Specific Plan, developed through an extensive community visioning and engagement process, draws upon the existing entertainment activities in the area including the annual County fair and other year-round events that take place on the fairgrounds, as well as the 135-acre Six Flags Discovery Kingdom Amusement Park that attracts an average of 1.5 million visitors annually.

The Specific Plan was developed as a collaborative effort between the County of Solano ("County"), City of Vallejo ("City") and the Solano County Fair Association ("Fair Association"). The document serves as a master plan for the redevelopment of public areas proposed primarily for purposes associated with the Solano County Fair. In addition, the document serves as a planned development master plan to provide a framework for development of private revenue-generating purposes on all "Private Purpose Areas". The Private Purpose Areas are subject to the City's land use authority. Adoption of the Specific Plan/Master Plan will require a General Plan Amendment and Zoning Amendments. All public areas, such as roads, open space and the fairgrounds area are defined as "Public Purpose Areas"; however, only the reduced fairgrounds area is exempt from the City's land use authority. All property within the Plan area, including the Private and Public Purpose Areas, is owned by the County.

The County Board of Supervisors adopted the Specific Plan as the master plan for the fairgrounds and certified the Environmental Impact Report (EIR) prepared for the Project on February 26, 2013. City Council adoption of the Specific Plan and amendments to the General Plan and Zoning Ordinance including the Zoning Map is necessary to allow private development to take place on the property. The proposed Development Agreement (DA) provides assurance to both the County and City that the Project may proceed in accordance with existing policies, rules and regulations, and subject to specific processes and oversight.

### **PLANNING COMMISSION HEARING AND PUBLIC ENGAGEMENT**

On Monday, April 29, 2013, the City Planning Commission voted four to one (4 – 1) recommending that Council adopt the Specific Plan and General Plan and Zoning Amendments. By the same vote, the Planning Commission also approved the Vesting Tentative Map associated with the Project.

During the public engagement process, many questions were raised. Most of the questions were focused on the following topics:

- Clarification of the City's financial opportunities and service obligations;
- Description of revenue sharing between the City and the County;
- Analysis of the project's economic viability and impact on other parts of Vallejo;
- Discussion of the Specific Plan's timing relative to the City's General Plan update.

As many similar questions and concerns from the public have been raised repeatedly through the process, staff has prepared a "Frequently Asked Questions" document with accompanying responses that address the most common questions posed about the project. In addition, the project's public financing consultant, Goodwin Consulting Group, has provided a more detailed response to public comments on the fiscal impact analysis. These documents can be found as Attachment 6 to the staff report.

### **BACKGROUND AND DISCUSSION**

The Solano360 Specific Plan was developed by the County, City, and Fair Association with SWA Group serving as the lead consultant for the Project to guide the redevelopment of the Solano County Fairgrounds and surrounding area. The Fair Association has operated the Solano County Fair on the Project site annually during mid-summer since 1949, and has expressed interest in upgrading the Fairgrounds to create "the Fair of the Future" to address the decline in fair attendance over the past several years and to increase revenue to support the Fair. As a result, the three agencies engaged in a planning effort to guide the future use of the property, including activities that would take place throughout the year that could potentially generate revenue and employment opportunities for the City.

To facilitate the development of a vision for the future Solano County Fairgrounds, the County, Fair Association and City Council entered into an agreement (Memorandum of Understanding) that included the establishment of the Solano360 Committee in 2003. The Committee is comprised of the mayor, two councilmembers, three members of the County Board of Supervisors, and three members of the Fair Association Board. To ensure

community input, the Committee hosted a number of public meetings, workshops, and forums during the visioning process.

In May 2009, the County Board, Fair Board and City Council approved the Solano360 Vision Report. The Vision Report was based on the following Guiding Principles:

- Generate revenues for Solano County and City of Vallejo, create jobs and ensure long-term economic sustainability.
- Establish a unique place with an unmistakable identity that serves as a destination for visitors as well as a pedestrian-friendly community gathering place.
- Explore a mix of complementary land uses, including retail, commercial, hospitality, recreational, residential, and family and youth-oriented educational and civic uses that seamlessly integrate with the “Fair of the Future”.
- Explore increased physical connectivity and synergy with Six Flags Discovery Kingdom, downtown Vallejo, the waterfront and other existing commercial operations.
- Provide pedestrian, bicycle, vehicular and transit facilities that foster access to, from and within the site.
- Incorporate sustainable and green principles in all aspects of the development.

The Vision Report identified a concept plan that integrated a new Public Entertainment Zone with the Fair of the Future Zone on the Fairgrounds. The Public Entertainment Zone is envisioned to provide an active, multi-use district with a restored waterway, waterside trails, and a wide variety of restaurants, public art, shops, terraced seating and other attractions. Other private uses considered in the Vision Report included offices, hotel/hospitality, and retail. The Fair of the Future included the traditional annual County Fair, while also proposing year-round supporting uses such as a demonstration garden, a new exhibition hall and arena, a satellite wagering facility, multi-purpose fields, and other entertainment and retail activities.

Following the acceptance of the Vision Report, a market study was prepared to analyze the feasibility of the land use plan established for the property. The study concluded that the amount and type of office, retail, and hotel uses initially proposed in the Vision Report may not be feasible at the time, and recommended that the Plan reduce the land area for these uses and encourage a mix of experiential entertainment, shopping and food uses that would create synergy with the adjacent Six Flags Discovery Kingdom facility.

Based on the Vision Report and Market Study, the Solano360 Committee directed the commencement of the Specific Plan, an associated Environmental Impact Report (EIR), a Public Facilities Financing Plan (PFFP) and Fiscal Impact Analysis (FIA) for the Project. County and City staff, with the expertise of a consultant team, worked collaboratively on these documents. A Solano360 Sub-committee was subsequently established as a working group to provide guidance on the development of the Specific Plan, and to make recommendations to the full Solano360 Committee. The sub-committee included two Councilmembers, one County Supervisor and one Fair Board member. The Draft Plan and associated documents were released to the public for review and comment on November 9, 2012.

The Solano360 Committee conducted eighteen public meetings in the course of the preparation of the Solano360 Specific Plan.

## **PROPOSED PROJECT**

### **DRAFT SPECIFIC PLAN**

The Plan builds upon the 2009 Vision Report and provides the regulatory framework to guide land use, infrastructure improvements, and public and private development on the property over the next 25 years. The key features of the Plan include the following:

- Serves as the master plan for phased redevelopment of the Fair of the Future
- Proposes approval of a plan for development of the private-use areas
- Provides for entertainment-based retail/commercial land uses on 18.8 acres
- Provides an opportunity for expansion of an existing and/or new entertainment anchor on 30 acres
- Proposes a Creek Park as an iconic public gathering place
- Retains existing parking and provides opportunities for increased future parking
- Improves flood control measures on-site and off-site
- Provides pedestrian, bicycle, vehicular and transit facilities
- Improves quality of discharges to the adjacent Lake Chabot
- Contributes funds toward key transportation improvements
- Provides 384 permanent full time and part time jobs, in addition to construction jobs during all phases
- Provides a net positive financial impact on the City and County
- Enhances the Solano County Fair revenue base

The stages of development are projected to take place in three phases, with Phase 1 to occur over a 5-year period, and Phases 2 and 3 to develop over sequential 10-year periods. To address both the Fair of the Future improvements to be undertaken by the Fair Association and the County, public improvements throughout the Plan Area, and future private development on the remainder of the site, the Plan area is subdivided as “Public Purpose Areas” used for Fair-related purposes and “Private Purpose Areas” intended for future private development subject to the City’s land use regulations and procedures.

As mentioned, the Plan serves as a “master plan” for the County, envisioning a new “Fair of the Future” with new fairground facilities and Public Purpose Area improvements that continue and enhance the 60-year heritage of the Solano County Fair. It also serves as a Specific Plan/Master Plan of the Private Purpose Areas for the City and provides flexible planning and design criteria for mixed-use private development on the Project site. The Plan is consistent with California State law (Government Code §65450-65457) and the City’s Zoning Ordinance (Title 16, Chapter 16.114 of the Vallejo Municipal Code (VMC)). The Plan document can be accessed through the City’s web site at [www.ci.vallejo.ca.us](http://www.ci.vallejo.ca.us), and is provided as Exhibit B to Attachment 2 of this report.

The contents of the Specific Plan are as follows:

- Executive Summary
- Introduction
- Site and Context
- Land Use
- Urban Design and Guidelines
- Transportation
- Public Infrastructure
- Implementation and Administration
- Appendices (Technical and Supporting Data)

## LAND USE

The land use plan for the area is as follows:

- Entertainment Mixed Use (EMU): 18.8 acres for entertainment-oriented commercial uses such as "Family Entertainment Centers" which are businesses that combine eating, entertainment, small amusement park, gaming, and similar uses within buildings and/or as outdoor venues, restaurant and retail activities. Up to 50 residential units above ground floor retail/commercial are allowed in this area.
- Entertainment Commercial (EC): 30 acres for a major entertainment use that requires a large undivided site. The Plan also allows for smaller attractions for flexibility.
- Fair: 35 acres for the revitalized Solano County Fairgrounds area or Fair of the Future, including built and open space venues and parking.
- Transit/North Parking Center: 2.2 acres for a transit and parking facility in the northwest area of site with surface parking in Phase 1, and a parking structure constructed in Phase 2.
- Parking and Roads: 24.7 acres for major roadways and shared public parking to support the continuing viability of entertainment uses within and near the Plan Area.
- Open Space: 6 acres for Creek Park and its water feature that form the spine of the "Public Entertainment Core" connecting the Fair of the Future with mixed use development areas and major roadways.

The entertainment area would authorize up to 327,571 square feet of retail, commercial, entertainment and office space, and up to 30 acres of theme park-type uses. Three parking structures would also be constructed on the site as well as several surface parking areas. The fairgrounds portion of the site would include up to 149,500 square feet of new building space at the time of full build-out, including a new exposition hall and concert arena/grandstand cover.

## Transportation

The Project also includes the construction of a new internal roadway system consisting of three new streets, North and South Loop Road, Entry Road, and Connector Road that incorporate pedestrian and bicycle facilities. The streets will provide two-way vehicular traffic with sidewalk widths that range from five to eighteen feet, landscape parkways and medians, bicycle lanes, and combined bike and pedestrian paths.

A transit center is also proposed in the northern edge of the property along the proposed Connector Road. This 2.2 acre site will serve as a bus hub with potential on-site shuttles and bicycle and pedestrian connections to the remainder of the site. The center will also incorporate a structured parking facility. A large surface parking lot along Interstate 80 and two additional parking structures are also proposed in the north and south areas of the site.

## Infrastructure

The Plan also addresses the infrastructure and services needed to meet City standards. Major infrastructure improvements to serve full build-out of the Plan Area include storm drainage, potable and non-potable water, wastewater, electricity, natural gas, telecommunications, wireless communications and waste management services. A primary element of the infrastructure plan involves removing the Plan Area from the flood plain which is caused by high off-site flows from the east and south, and constructing a man-made water feature in Creek Park to manage and reduce peak discharges from the Plan Area. Removing the area from the flood plain will require widening and deepening the existing Fairgrounds Channel which will also improve the flooding conditions for the adjacent Newell Mobile Home Park.

## Phasing

Based on the land use, transportation and infrastructure plans, the Project proposes a phased development strategy following Project initiation as described below:

- Phase 1a/1b (Years 1-5)

Land Uses: Upgrading and expansion of the Fairgrounds including the demolition of the existing Exposition Hall, and construction of Phase 1 of the new Exposition Hall (approximately 72,000 gross square feet); new outdoor venues, and public amenities in the Entertainment Core; creation of EMU venues and facilities that may be feasible in the near term.

Infrastructure: 1a - Minor perimeter road improvements; Entry Road; Interim North and South Fair Parking, and mass grading; 1b – Northern segments of Loop Road; Sage-Loop Connector Road, and Creek Park including the water feature, trails, and open space within the public and private development areas.

- Phase 2 (Years 6-16)

Land Uses: Creation of a larger parcel for a major EC user and additional EMU development; build-out of the Plan Area at a density supported by surface parking.

Infrastructure: Completion of South Loop Road and the intersection with Fairgrounds Drive, channel improvements and all shared public parking areas.

- Phase 3 (Years 16-25)

Land Uses: Further intensification of the Fairgrounds venues including completion of the Exposition Hall to approximately 144,000 gross square feet; further EMU and EC development.

Infrastructure: Construction of the South Parking Garage.

It is also worth noting that the EIR Mitigation Monitoring and Reporting Program calls for the completion of improvements at the Redwood Parkway and Fairgrounds I-80 interchanges as part of the Redwood Parkway/Fairgrounds Drive Improvement Project identified by the Solano Transportation Authority (STA) Comprehensive Transportation Plan, prior to the construction of Phase 2 or 3 of the Solano360 Project. This includes the requirement that the County or its developer contribute its proportionate fair share of funding for these improvements.

#### Implementation

The Plan requires that all development on Private Purpose Areas be subject to the City's land use and regulatory authority which includes a Planned Development Unit Plan permit from the Planning Division, as well as site improvement permits from the Public Works Department and Vallejo Sanitation and Flood Control Division, and Building Permits from the Building Division. Chapter 3 (Land Use) of the Plan includes a list of uses that are permitted or conditionally permitted on the property and interim uses allowed until full build-out of the property is achieved. Chapter 4 (Urban Design and Guidelines) provides the design guidelines and standards for future development with regard to site and architectural elements such as design details, building height, roofing and siding materials, massing, site layout and parking, landscaping, lighting, signage and sustainability measures. Following the release of the Draft Plan in November 2012, County and City staff determined that further detail and guidance should be provided in the Plan document. As such, modifications to Chapter 4 have been incorporated in the Adopted Revisions to the Specific Plan document attached to this staff report as Exhibit C to Attachment 2. Additionally, public comments and minor changes to the Plan adopted by the County Board of Supervisors are included in the Adopted Revisions.

### **PROPOSED GENERAL PLAN AMENDMENT**

To achieve Plan consistency with the General Plan, amendments to the General Plan document and land use map are proposed concurrently with the Specific Plan. This consists of the incorporation of the Plan through a new land use designation, "Commercial Recreation", and the change of the Plan Area from "Open Space-

Community Park” to that designation. As proposed, the General Plan Land Use Element is amended to include the following map designation for the Plan Area:

- Commercial Recreation – The purpose of the Commercial Recreation designation for the Solano360 Specific Plan Area is to create and establish regulations for a mixed use district in which recreational land uses such as the fair, entertainment, commercial and/or office uses are developed as an integral unit. All uses shall complement and enhance each other and their diversity shall be unified by an overall design concept. The intent of this district is to implement policies of the Vallejo General Plan that call for the establishment of specific areas where flexibility of design and development of diverse land uses is appropriate for the benefit of the city as a whole.

Amendments to relevant sections of the General Plan document and individual elements, as described in Appendix C of the Plan and attached to this document as Attachment 1 (Resolution to adopt General Plan Amendment #10-0001) are included.

### **PROPOSED ZONING AMENDMENTS**

The proposed Specific Plan must be consistent with the VMC; as such, Zoning Ordinance and Zoning Map amendments are also proposed. Similar to other areas of the City that are regulated by a specific plan, the proposal is to rezone the property as Mixed Use Planned Development (MUPD) from Public/Quasi-Public Facilities (PF). Per Section 16.116 of the VMC, development within the Private Purpose Areas is accomplished through implementation of the Plan’s land use designations, urban design guidelines, and development standards.

Specific text changes to the Zoning Ordinance acknowledge the adoption of the Plan and address future Project implementation. This includes the requirement for a staff-level Unit Plan permit for all future construction projects that are consistent with the Plan. The proposed text changes also address the role of the Solano360 Committee as an Implementation Committee. As proposed, the Solano360 Implementation Committee will be comprised of two members from the Solano County Board of Supervisors and two members from the Vallejo City Council. The scope and authority of the Implementation Committee is specifically provided for in the Development Agreement. In the event of a dispute arising from the interpretation of the Plan or related documents, or to report on implementation progress, City and County staff will first work collaboratively, and report to the City Manager and County Administrator as necessary. Should a dispute continue after staff collaboration, the issue will be submitted to the Implementation Committee for resolution. In cases where the Implementation Committee is not able to resolve a dispute regarding the Private Purpose Areas, decisions of staff or the Implementation Committee’s decision may be appealed to City Council. To make certain that public input is allowed, Implementation Committee meetings will be held in accordance with the Brown Act.

### **DEVELOPMENT AGREEMENT**

The County and City have agreed to enter into a Development Agreement (DA) for the Project which has been preliminarily negotiated between City and County staff during the past three months, and is now proposed for approval by the City Council. The DA, provided as Exhibit B to Attachment 4 of this staff report, has been developed pursuant to Section 65864 et seq. of the California Government Code and Chapter 7 of the Plan. The primary elements of the DA are as follows:

- The DA vests the County’s rights to uses, densities and intensities, and maximum height and size of buildings, and other development and design standards as described in the Plan, and clarifies that the Public Purpose Areas are exempt from City land use authority.

- The DA contractually obligates the County to develop the Plan during the term of the Agreement, which is 50 years, and establishes a schedule for commencement of construction of infrastructure improvements.
- As described above, the DA establishes the Solano360 Implementation Committee, comprised of two City Council members and two members of the Board of Supervisors, to provide policy oversight and dispute resolution to the respective staff throughout the implementation of the Project.
- The City agrees to work with the County to clear title to the property of the City's reversionary interest. In the event that there is no building permit issued on any portion of the Project within 15 years from the date the City executes a quit claim deed for this reversionary interest, the County agrees to grant to the City its reversionary interest.
- The DA establishes a revenue sharing agreement, which is further discussed below, between the City and the County, whereby the City agrees to share a portion of its revenues from the Project Area in order to contribute to the costs of on-site and off-site infrastructure improvements to the Project and to reimburse the County for a portion of the costs incurred since 2008 for the preparation of the Project Vision and the Plan.
- The intent of the DA is to ensure that the City's costs of providing services to the Project be covered and that the City contributes only a portion of its net revenues from the Project.
- The DA requires the County to indemnify the City for any claims and/or litigation arising out of the Project, existing and future Project approvals, or related decisions, including the processing and adoption of the EIR, which relate to the approvals.
- During the life of the DA, the City will be obligated to process development applications and charge fees in accordance with the City's development-related requirements (e.g., laws related to permitted uses, density or intensity of use, the maximum height and size of buildings, impact fees, exactions) that exist as of the date the DA goes into effect, with limited exceptions. Exceptions are permit fees which will be charged in accordance with the adopted fee schedule in place at the time of the permit application.
- The DA reserves the City's right to modify and apply: 1) regulations governing construction standards, including building codes, plumbing codes, mechanical codes, electrical codes, fire codes, grading codes and other uniform construction codes applicable at the time of permit application; 2) any procedural rules that are uniformly applied on a City-wide basis to all substantially similar types of development projects and properties; 3) new City laws necessary to protect persons or property from dangerous or hazardous conditions.
- Finally, the DA provides for an annual review of the Project.

### **Revenue Sharing Agreement**

An important element of the DA is the agreement between the County and City to share revenues generated from the Project. As described in the DA, the Revenue Sharing Agreement focuses on the following key elements:

- Sufficient revenue is retained by the City to pay for the cost of new City services provided to the Project.



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- City and County contribution of revenue generated from the Project is necessary to redevelop the site, due to high infrastructure costs.
  - Revenue sharing will also help to recover the County's cost of entitling the Project.
  - The amount of City revenue shared will be proportional to the City's share of the overall revenue generated by the Project, which is approximately 20% of total projected revenue.
  - As development occurs on the site, Property Tax, Sales Tax, Utility User Tax and Business License Tax revenues will increase. A percentage of these four new revenues will be shared with the County.
  - The amount of revenue sharing that occurs will be based upon the actual amounts of these four revenues received by the City, and will be calculated annually.
  - The percentage of the four revenues shared varies over the life of the project, in order to ensure that the City's new costs to serve the Project will be fully covered. Other revenues received by the City are not shared, including Measure B Sales Tax, Transient Occupancy Tax, Franchise Fees and Public Safety Sales Tax.
  - Net revenue to the City, after covering City costs of municipal service and revenue sharing are projected to be positive.
  - Project cash flows, market conditions and revenue sharing percentages will be reviewed by City and County before Phase 2 Project Financing occurs.

The DA revenue sharing concept is based on the Public Facilities Financing Plan (PFFP), which identified one possible scenario for funding the infrastructure improvements required for the development of the Project. The Fiscal Impact Analysis (FIA) assesses the County, Fair and City revenues expected to be received as a result of development of the Project, in addition to the operating costs that will be incurred by the City, County and Fair. Although the details of the PFFP and the FIA are not discussed in the Specific Plan, the documents are provided as supporting documentation in the appendices.

The PFFP contemplates that the Project will be primarily funded through the issuance of bonds by the County. In addition, a Community Facilities District (CFD) may be established by the County or the City to issue bonds to pay for the Private Purpose Area's share of infrastructure.

For the City, the Project is projected to generate net fiscal surpluses at build-out of each of the three phases, and generate an annual fiscal surplus for all remaining years of the 50-year analysis.

### **FISCAL IMPACT**

The adoption of the Solano360 Specific Plan, General Plan and Zoning Amendments and Development Agreement will have no direct fiscal impact on the City of Vallejo's General Fund. The development as proposed by the Plan will allow the City to receive new revenues generated by private development of the Plan area, and commits the City to share some of the revenue generated from the private development on the site with the County. The City may also participate in the creation of a Community Facilities District (CFD) to issue bonds to fund the private development's share of infrastructure, but private development (lessees) will be the source of repayment of the bonds, and the City will have no responsibility for any of the debt issued for the project, including the CFD. The City would additionally agree, through the execution of a Development Agreement with the County, to provide municipal services (such as fire, police and street operations/maintenance) to the private development areas of the Project.

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The DA defined above requires the City to share only revenue that is actually received, rather than a fixed dollar amount. As a result, if the project for some reason does not generate the revenue that was expected, the City will not be required to make up any difference, thus removing any potential impact to the existing City General Fund resources. Because the City will retain a sufficient amount of the revenue generated from the property, it is expected that revenue will be available to cover the costs for the required City services for the Solano360 Project. Over the first 30 years of the Project, the City is expected to retain approximately 47% (over \$24 million) of the revenue generated from the Project, and approximately 77% (over \$52 million) during the remaining 20 years.

Finally, as noted above, the City will have no responsibility for any of the debt issued for the Solano360 project, even though the City's revenue may be used by the County to pay the County's debt service. If there is ever an annual shortfall in revenues needed to pay debt service, the County will be responsible for making up any deficiencies from its own resources.

### **ENVIRONMENTAL REVIEW**

Pursuant to CEQA, an Environmental Impact Report (EIR) was prepared to assess the impacts of the Plan. The Draft EIR was prepared for Solano County by Michael Brandman Associates as a project-level environmental document that analyzes all phases of the proposed entertainment area, and all phases of the proposed fairgrounds improvements. As the Lead Agency, the County commissioned the preparation of the Draft EIR to disclose the potential environmental effects that could result from the construction and operation of the Project, in accordance with the requirements of CEQA. As the jurisdiction with land use authority over the private purpose areas, the City served as a "Responsible Agency" as defined by CEQA for the Draft EIR. In this capacity, the City assisted the County in preparing the Draft EIR, commented on it, and assisted the County in preparing the public Response to Comments.

Water Supply Assessment: California Water Code Section 10910 and Section 15155(b) of the CEQA Guidelines require a water utility/supplier to prepare a water supply assessment for any development project that, among other criteria, includes more than 500,000 square feet of retail space, 250,000 square feet of office space, or a mixed use development. Given that the proposed Plan involves a mixed use development project on 149.1 acres, the combination of land uses and associated water demands on the Project site warranted the completion of a water assessment as part of the EIR for the Project.

The County, as the Lead Agency, commissioned Wagner & Bonsignore Consulting Civil Engineers under the direction of Michael Brandman Associates to complete the Water Supply Assessment (WSA) for the Plan, which is provided as Appendix J of the Draft EIR. The City, as the Project's water supplier, was required by State statute to make a determination whether sufficient water supplies are available to meet the Project water demands at maximum build out of the Plan through the WSA. Based on the WSA, the City's water utility has sufficient water supplies to meet the projected water demand for the Plan during normal, single dry years. On February 13, 2013, the City Council adopted a resolution to approve the WSA.

Draft EIR Conclusions: The Draft EIR concluded that all impacts could be mitigated to a less-than-significant level, with the exception of impacts to air quality, freeway traffic and cumulative freeway traffic, intersection operations and cumulative intersection operation as listed below:

- Air Quality Plan Consistency - The Project will exceed the Bay Area Air Quality Management District's significance thresholds during construction.
- Freeway Traffic and Cumulative Freeway Traffic: I-80 Segment south of Redwood Parkway
- Intersection Operations and Cumulative Intersection Operations: Fairgrounds Drive/SR-37 EB and WB Ramps, and Redwood Street/I-80 WB Ramps.

The Draft EIR was distributed in November 2012 for public comment with a comment period ending on January 10, 2013. A Final EIR, containing the public comments received on the Draft EIR, responses to those

comments, and corrections to the Draft EIR document was prepared for the County Board of Supervisors' consideration. On February 26, 2013, the County Board of Supervisors certified the Draft EIR which includes the approved WSA, and adopted Findings of Fact, a Statement of Overriding Considerations for the significant unavoidable impacts, and a Mitigation Monitoring and Reporting Program (MMRP). As a Responsible Agency, the City will play a vital role in implementing the MMRP through its authority to require conditions of approval. These documents can be accessed via the City of Vallejo's web site.

## **PUBLIC COMMENTS AND KEY ISSUES**

The City and County received considerable input from Vallejo citizens throughout the development of the Plan and through the EIR process. The public generally expressed a need for a transparent and comprehensive review process, which was provided through the series of meetings and workshops, and the availability of documents on the County website. All Solano360 Committee meetings were noticed to the public and public comments were received and compiled by County staff and the consultants preparing the documents.

The City Council and Planning Commission held a joint session on the Draft Plan on January 7, 2013. In light of the numerous public comments received during the meeting regarding the financial feasibility of the Project and potential impact of public improvements to the City's General Fund, a subsequent public meeting was held on February 7, 2013 to more fully address comments regarding the Project's financial analysis. During this meeting, the consultants hired to prepare the PFFP provided evidence indicating that the financial strategy of using a Community Facilities District (CFD) to fund the improvements would be at no cost to the City's General Fund, and that the City would only serve as the conduit by which the CFD could be formed. The County may also serve in this capacity.

Two additional concerns raised by the public relate to the land use plan outlined in both the Vision Report and Plan with respect to recreational uses and the feasibility of a large anchor entertainment attraction adjacent to Six Flags Discovery Kingdom. Several members of the public have commented that more consideration should be given to develop large-scale recreational type uses such as sports fields on the property, indicating that this use would address the site flooding issues on the site more appropriately than vertical development. In response, the Plan does include "indoor and outdoor participant sports facilities" as a permitted use; however the financial analysis did not directly consider this use as a key component of the Plan.

In addressing the designation of the larger EC parcel for a complementary entertainment anchor, the Plan appropriately reflects the market study recommendation in the Vision Report which concluded that the adjacent Six Flags Discovery Kingdom amusement park and Fairgrounds provide an opportunity to create an Entertainment Zone on the property that is unique to the area.

During the April 29, 2013 Planning Commission public hearing, many of the same concerns described above were expressed regarding the Project. Overall, most speakers articulated opposition to the Project indicating that (1) the Project will cost the City money and is risky; (2) the Project will compete with businesses elsewhere in the City or cause the City to lose business in other parts of the City; (3) the Project will increase the risk of flooding; (4) the Project will negatively impact the downtown; (5) the revenue and expenditure projections are suspect; and, (6) the City should wait to consider the long-term vision of the Plan area until addressed with the City's General Plan update. Although neither City staff nor the consultants were asked to respond to the concerns or answer questions raised during the comment period, staff believes sufficient responses are warranted, as shown as Attachment 6 to this staff report.

## **Conclusion**

The Plan represents a unique opportunity for the City to participate in the redevelopment of County-owned land in the City's jurisdiction. The property is highly underutilized and has the ability to generate revenue and jobs through public and private investment. With an objective to increase revenues, the Plan is intended to provide amenities that establish an appealing visitor destination that will complement the adjacent Six Flags Discovery Kingdom theme park and annual County Fair, rather than develop a commercial area typically found in other parts of the region. The Plan is consistent with the General Plan and VMC as amended, and meets the findings necessary for adoption. The associated EIR has been certified by the County and includes mitigation measures that will reduce the potential project impacts with acknowledgment that certain impacts cannot be mitigated to a less than significant level. The proposed DA represents a mutual understanding between the County and City that revenues generated from the Project will be shared, and that the Project will proceed in an orderly and coordinated manner. Further, the approved Vesting Tentative Map provides for phased infrastructure development and allows for a developer or developers to lease the property in accordance with the development plan. Lastly, based on the consultant's projections and analysis, the financing strategy will achieve the Project objectives to increase revenues and ultimately to generate annual fiscal surpluses over time.

## **ATTACHMENTS**

1. Resolution Adopting the General Plan Amendment  
Exhibit A: Proposed General Plan Map Amendment
2. Resolution Adopting the Solano360 Specific Plan  
Exhibit A: Proposed Ordinance to Adopt Specific Plan  
Exhibit B: Draft Solano360 Specific Plan  
Exhibit C: Adopted Revisions to the Specific Plan  
Exhibit D: Mitigation Monitoring and Reporting Program
3. Resolution Adopting the Zoning Amendments  
Exhibit A: Proposed Ordinance to Amend the Vallejo Municipal Code  
Exhibit B: Proposed Zoning Map Amendment
4. Resolution Approving the Development Agreement  
Exhibit A: Proposed Ordinance to Approve the Development Agreement  
Exhibit B: Draft Development Agreement
5. Planning Commission Meeting Minutes and Staff Report Dated April 29, 2013 w/Attachments
6. Responses to Frequently Asked Questions about the Solano360 Project and Goodwin Consulting Group memo
7. Additional Correspondence Received for the Project

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