

Monday, March 03, 2008

Patrick M. McCormick
Executive Officer
LAFCO
701 Ocean Street, Room 318-D
Santa Cruz, CA 95060
(831) 454-2055

Dear Mr. McCormick:

Please note that I am filing this appeal of the Santa Cruz LAFCO Commission's environmental determination for further compliance with the California Environmental Quality Act (CEQA) in regards to the City of Scotts Valley request for extension of their Sphere of Influence to include Monte Fiore and Gateway South. The major reasons for my appeal of the Commission's determination revolve around the proposed development of a 155,000 sq. ft. retail super-store at Gateway South submitted to the City of Scotts Valley in November, 2007 by Target Corporation. This application is still pending with the City of Scotts Valley. My environmental concerns relate primarily to the lack of appropriate infrastructure to support this proposed development in both the city and county. My specific concerns include:

1. Traffic Impacts on City and County Roads and State Highways
2. Water Impacts, including Water Usage, Aquifer Impacts, Toxic Runoff
3. Pollution Impacts, including trash, noise, light, air and water
4. Crime Impacts on the local community
5. Economic impacts on the local community

I will discuss each of these concerns in more detail in the following pages.

Note that I plan to attend the LAFCO public meeting at 9:30 a.m. Wednesday, March 5, 2008 in Room 525 of the County Governmental Center, 701 Ocean Street, Santa Cruz to voice my concerns regarding these environmental issues and ask the commission do one of the following:

1. Delay the consideration of the extension of the City of Scotts Valley's Sphere of Influence over Monte Fiore and Gateway South to a later date in 2008.
2. Conditionally approve the extension of the City of Scotts Valley's Sphere of Influence over Monte Fiore and Gateway South by
 - a. Requiring the existing 17 acre parcel be used for water recharge
 - b. Disallowing the proposed 155,000 sq. ft. retail store development
 - c. Requiring a *significant* downsizing of the proposed retail project

Thank you for making note of my concerns.

Sincerely

Frank Z. Kertai
President Heritage Parks (Monte Fiore) Association
516 Shasta Park Court
Scotts Valley, CA 95066
831-439-0940

Traffic Impacts

Scotts Valley City Parcel # 021 141-05 is approximately 17 acres in size and located on La Madrona Drive, a two lane country frontage road to Hwy 17 off of Mt. Herman Rd. (Hwy 9). Mt. Herman Road is currently the third highest traveled route in the county of Santa Cruz. The proposed 155,000 sq. ft. retail store proposed by Target for this site falls in the retail category of General Merchandise. According to traffic estimates derived from the Institute for Transportation Engineers' Trip Generation Manual (used nationally to estimate traffic), a store this size can generate up to 10,000 store visits per average weekday (weekend counts are higher). This is nearly equivalent to the entire city of Scotts Valley traveling daily on a two lane country road!

If one were to assume that the retail store hours of operation were ten hours per day, this translates to 1,000 additional cars per hour on the third highest corridor in Santa Cruz County. Reality dictates that instead of this even additional flow, there would be peak hours of operation and business. Thus it would not be unrealistic to expect two, three or even four thousand additional cars per hour during peak shopping periods. Unfortunately, the likely peak hours would coincide with existing peak traffic pattern periods (noon and evening rush hour). This would effectively result in gridlock on the Mt. Herman Rd. (Hwy 9) on/off ramps to Hwy 17, Mt. Herman Rd. itself and on La Madrona Dr.

In addition to the likely traffic impacts from this proposed retail project, the City of Scotts Valley plans to add over 170,000 additional sq. ft. of retail space as part of the planned Town Center development. The combined affects of these two projects will have even larger impacts during peak traffic periods (rush hour, prime shopping periods, etc.).

Water Impacts

The last official water study for Scotts Valley was the May 2006 Final Report of the Groundwater Modeling Study of the Santa Margarita Groundwater Basin prepared by ETIC Engineering, Inc. for the Scotts Valley Water District. This study water selected years 1985 through 2004 as the base period for the updated Santa Margarita Groundwater Basin model.

Previous water basin-wide safe yield estimates based on a water-balance approach have been estimated at approximately 4,200 acre-feet (Todd, 1998). These estimates are accurate within the limits of a water balance-based approach, but do not account for localized affects on storage. Additionally, this previous estimate of the basin-wide safe yield does not account for the actual spatial distribution of water supply wells within the basin.

The study's model results suggests that pumpage at 3,320 AFY from existing well locations across the basin will yield a zero net change in storage. Using the rates of total basin pumping estimated for 2004 (approximately 4,000 AFY) across the basin, this value is exceeded. While the current pumping remains below the overall safe yield of the basin (i.e., 4,200 AFY), this exercise allows for identification of management measures such as potential redistribution of pumpage across existing well locations and potential new well locations. These concepts were evaluated further through the subbasin analysis below and through ongoing work currently underway in support of the next Annual Groundwater Management Report published by the Scotts Valley Water Department.

In conclusion, the study's model identified that annual pumping of water from the basin exceeded the sustainable rate by approximately 20%! This conclusion reinforces the LAFCO 2005-0605 Water Services study that concluded: "It is estimated that extractions from this sub-unit may exceed recharge rates by 500-600 acre-feet per year."

What additional water impacts would a 155,000 sq. ft. retail store have on this already overtaxed water basin? With up to 10,000 store visits per day by shoppers, one must conclude that there would be significant additional water usage impacts by this size project!

In addition, if one examines the topography of the area, the southern portion of Scotts Valley stands out as an import recharge area for the Santa Margarita Groundwater Basin. If this 17 acre property is developed and covered by a building footprint and asphalt parking lot, the recharge capability of this site will be lost!

The Scotts Valley Water District cost per acre-foot delivered water is in excess of \$2,600 per acre foot. This is \$1,100 per acre-foot higher (over 40%) than the average for the county! The bi-monthly Residential Charge for Average Scotts Valley Customer is in excess of \$90 per month, third highest of eight water districts in the county!

Pollution Impacts

The pollution impacts of the proposed 155,000 sq. ft. retail store include

1. trash – plastic bags, food, drinks, drink bottles, and cigarettes
2. Noise – it will be difficult to mitigate noise from 10,000 shoppers per day.
Sources of noise pollution will include:
 - a. Car Noise
 - b. People Noise
 - c. Delivery Vehicle Noise
3. Light Pollution – the 155,000 sq. ft. retail complex will require constant lighting after daylight hours where no lighting requirements currently exist
4. Air pollution will result from 10,000 additional vehicle trips per day as well as from periodic delivery vehicles (most likely 18-wheel diesel powered trucks)
5. Water – it is estimated that a twelve acre parking lot will generate in excess of 300,000 toxic gallons of runoff per one inch rain storm. The average rainfall for Scotts Valley is 41 inches per year. The result will be in excess of 12 million gallons of toxic runoff per year!

As you can see, the pollution impacts from the proposed Target project are significant!

Crime Impacts

Scotts Valley had only 515 arrests in all of 2006. A 2006 Crime Study documented an average of 170 crime incidents per Target store. The proposed Target Store will possibly increase the number of Scotts Valley arrests by one-third (33%). How much will this change our community and how much will it cost tax payers and the city?

Economic Impacts

A newly constructed superstore cannot increase the amount of money that local residents have to spend. In fact, retail sales are often modeled as a "zero-sum" phenomenon. As a result, sales gains at stand-alone, destination superstores are invariably mirrored by an equivalent drop in revenue at existing businesses. In the case of Scotts Valley, we can

likely expect reductions in sales at grocery stores (Target is planning a grocery component in their stores), gas stations (destination stores do not encourage shoppers to travel downtown) and mom and pop stores (the Dollar Store). K-Mart, a long time Scotts Valley store, may actually have to close as a result of Target's operations.

Numerous economic studies cite the overall negative economic impacts of large, big-box retail operations on a local economy. One example is a study titled "Understanding the Fiscal Impacts of Land Use in Ohio" by Randall Gross, in Development Economics, August 2004. This report summarizes the findings of fiscal impact studies conducted in eight central Ohio communities between 1997 and 2003 that showed in seven of the eight communities, large retail development created a drain on municipal budgets (i.e., it required more in public services, such as road maintenance and police, than it generated in tax revenue). A Barnstable, Massachusetts study that found Big Box retail generates a net annual deficit of \$468 per 1,000 square feet of development.

Changes since last LAFCO Review

During the Countywide Service Review conducted by LAFCO's consultant, the City of Scotts Valley nominated two areas totaling 106 acres at the south end of Scotts Valley to add to the City's Sphere of Influence; the 90-unit Monte Fiore Subdivision and the Gateway South commercial area around the Hilton Hotel. These two areas are located inside the city limits of Scotts Valley, but were excluded from its Sphere of Influence when LAFCO adopted the City's first Sphere of Influence in 1985. **At the time of LAFCO's action, the area was undeveloped and LAFCO felt that the City and the Scotts Valley Water District didn't have the ability to provide adequate services for new development in this area.** Since then, Monte Fiore (Silverwood Drive, Shasta Park Court, Saddleback Ridge Road, Lassen Park Court, and Kings Canyon Court), has developed and is nearly built out. Gateway South on La Madrona Drive south of Mount Hermon Road, features the Hilton Hotel and the commercial plaza across La Madrona Drive. Three vacant sites remain; the 1.5-acre site for a fire station on La Madrona Drive south of the existing commercial plaza, a 2-acre residential site at La Madrona Drive and Altenitas Drive, and a 17-acre site south of the Hilton Hotel for which there is a Target store proposal.

What has changed since 1985? The population of Scotts Valley has approximately doubled from about 6,000 to nearly 12,000 residents. In addition the surrounding population areas which use the same Santa Margarita Groundwater Basin as the source for water have seen their populations swell by significant percentages as well. Although additional wells have been drilled during this time, there have been *no* additions to the sources of water. In fact, the latest study produced by the Scotts Valley Water Department shows a deficit of at least 20% in the ability to SVWD to provide water to the area!

Summary

Given all of the environmental issues identified above in this appeal, I don't see how Santa Cruz LAFCO staff can justify providing the City of Scotts Valley an exemption to CEQA regarding their request for extension of their Sphere of Influence to include Monte Fiore and Scotts Valley Corners. Minimally, this should not occur without conditions set upon the City of Scotts Valley with respect to Land Use and Water Usage.

Pictures Worth a Thousand Words

As they say, pictures can often say so much more than words alone. Below you see the Silverwood Drive entrance to the Monte Fiore development of 81 homes. La Ma Drona Drive is at the beginning of this entrance. This view is looking east.



Silverwood Entrance to Monte Fiore – Back of proposed Target store on left side

Below is a view north from Silverwood Drive. The Hilton Scotts Valley can be seen in the distance between the two trees. This property is currently a 17 acre glen. A bubbling spring is on the property – a sure sign of this property’s role as a recharge site for the Santa Margarita Groundwater Basin aquifer.



Proposed back of the 155,000 sq. ft. Target store on Silverwood Drive.