V. OTHER CEQA CONSIDERATIONS

A. GROWTH INDUCEMENT

Growth inducement under the California Environmental Quality Act (CEQA) considers the ways in which proposed and foreseeable project activities could encourage and facilitate population and economic growth, either directly or indirectly, in the surrounding environment. Direct increases in population and employment, such as those of the proposed project, may induce indirect economic and population growth and result in the demand for a range of goods and services to meet the production and consumption needs of the additional economic and residential activity. This section summarizes the project's direct growth in population and employment, and describes the likelihood of associated induced growth and its potential impact.

The proposed 454-acre Tivoli Specific Plan proposes a large-scale, mixed-use development at varying residential densities. Development of the mixed-use project would include 3,241 dwelling units (d.u.) on 286 acres of the project site proposed for residential land uses. It would also introduce 14 acres of neighborhood-serving commercial, 6 acres of general commercial, 67 acres of regional-serving commercial, 2 acres of professional office space, a 14-acre elementary school site, about 30 acres of parks and open space, 4 acres of public infrastructure, and about 31 acres of interior collector roadways to the southeast corner of City of Modesto's 1,700-acre Roselle/Claribel Comprehensive Planning District.

POPULATION

Development of the 3,241-unit Tivoli Specific Plan project to its contemplated capacity would contribute approximately 9,269 additional persons to the City of Modesto's population at full buildout in 2017. Modesto's population is projected to be approximately 268,000 by the year 2012, approximately 312,600 by the year 2017, and approximately 400,000 by the year 2025.[1, 2] The proposed project would represent approximately 3.5 percent of the City's estimated population (312,600) in 2017, and approximately 2.3 percent of the City's estimated population (400,000) in 2025. Based on these percentages, implementation of the Tivoli Specific Plan would contribute to an increase in Modesto's population over a 20-year planning horizon but would not cause the City as a whole to exceed the population threshold set out in the *Urban Area General Plan*.

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[1] City of Modesto, *Final Master Environmental Impact Report for the Urban Area General Plan and Related Amendments to the Urban Area General Plan*, Appendix F, Table F-1, Estimated Development Capacity: Population, Employment and Housing Units – 2002 General Plan by Growth Strategy Area, March 2003.

[2] According to the traffic model transportation analysis zones (TAZ) file data in Modesto's Final MEIR, Modesto is projected to have an annual average population growth of 3.12 percent between 2003 and 2025.

Other residential developments are anticipated in the vicinity of the Tivoli Specific Plan project, contributing to additional population for the City of Modesto. Modesto estimates there are 1,900 units currently under construction, approved, or planned in northeast Modesto, adding about 5,500 new residents to the City of Modesto.[3] Additional residential development is anticipated between 2008 and 2010 in northeast Modesto, including two specific plan areas: Pelandale-McHenry Specific Plan area, and Village One Specific Plan area and environs.[4] Including the Tivoli project, anticipated growth in the northeast area of Modesto could potentially total about 14,350 new residents by 2011. In the longer term (after 2011) the remaining portion of the Roselle / Claribel Comprehensive Planning District, as well as the Hetch Hetchy Comprehensive Planning District, could potentially be developed, adding an additional 9,100 units (26,500 persons) to the northeast area of Modesto.[5] The City of Modesto also expects development of other specific plan areas in the longer-term: the Johansen-Empire and North Specific Plan Areas. It is estimated that development of these specific plan areas could result in future population of about 8,990 persons.

EMPLOYMENT

According to the California Employment Development Department, Modesto currently has an unemployment rate of about 7.5 percent, which is lower than the current unemployment rate (about 9 percent) for Stanislaus County as a whole.[6] Employment opportunities attributable to the development of the commercial/office and the public/quasi-public components of the proposed project are expected to be filled largely by residents of the region, including the residents of Modesto and residents of the Tivoli Specific Plan project site. Construction of the 454-acre Tivoli Specific Plan would be phased over a 10-year period and would not require unusual construction methods. Construction labor requirements for the project, therefore, would be expected to be filled by the regional labor market available for construction projects in Modesto and nearby surrounding areas.

The Modesto *Urban Area General Plan* has designated a substantial amount of land for job-generating land uses, and much of this land is located within the City's Planned Urbanizing Areas or in unincorporated areas of Stanislaus County surrounding the City but within its planning area and sphere of influence. Substantial capacity for providing job-generating uses and development remains in the Modesto area and its surroundings. City employment projections estimate that

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[3] Keyser Marston Associates, *Tivoli Regional Commercial Project, City of Modesto, CA*, July 2006, pp.14-16
[4] *ibid*
[5] *ibid*
[6] California Employment Development Department, Labor Market Information Division, Labor Force Data for Sub-County Areas, February 2006. Accessed online at www.calmis.ca.gov/file/lfmonth/stanisub.xls.

about 304,000 persons are expected to be employed within the General Plan boundary by 2025.[7] About 147,900 of those persons would be employed in the City's Planned Urbanizing Areas. Based on the StanCOG annual employment increase of 5.33 percent,[8] which is intended to mirror population growth through 2025, it is expected that in 2012 there would be approximately 141,060 persons employed in Modesto and in 2017 there would be 182,880 persons employed in Modesto.

At full buildout in 2017, the proposed commercial and public components (elementary school) of the proposed project would generate approximately 2,210 Modesto-based jobs. The proposed project would represent about 1.2 percent of the City's estimated total employment in 2017, about 1.5 percent of the City's estimated total employment in 2025 for its Planned Urbanizing Areas, and about 0.7 percent of the City's estimated total employment in 2025. This anticipated growth in employment would contribute to local (City of Modesto) and regional (Stanislaus County) employment growth over the next 20 years, which would in turn indirectly affect housing demand over that same period. However, project-related employment growth would not induce population growth that is not accounted for in the Modesto *Urban Area General Plan.*

Given current unemployment rates in Modesto and generally higher unemployment rates in nearby communities and the County as a whole, it is possible that new jobs generated by the proposed project could induce workers to relocate to Modesto, thereby resulting in secondary impacts on City facilities and services because of an influx of new residents. Although residential development in Modesto has not historically kept pace with the expansion of employment opportunities, the number of new project-generated jobs is not expected to exceed the planned housing supply.

Development of the Tivoli Specific Plan area could encourage the conversion of additional Prime Farmland in the vicinity of the project. It is anticipated that the proposed project would serve as an anchor, attracting additional businesses to the project vicinity to serve the residential and commercial uses. The increased desirability of the vicinity for urban development and the resulting increase in land values would increase inducements for agricultural property owners to sell. Development of the project would also increase roadway capacity and improve other infrastructure, and justify the area as a rational location to receive additional development.

The quantity of Prime Farmland that would be lost as a result of the project's growth-inducing impacts cannot be projected, or distinguished from the loss that would result under the current

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[7] City of Modesto, *Final Master Environmental Impact Report for the Urban Area General Plan and Related Amendments to the Urban Area General Plan*, Appendix F, Table F-1, Estimated Development Capacity: Population, Employment and Housing Units – 2002 General Plan by Growth Strategy Area, March 2003.

[8] City of Modesto, *City of Modesto 2003-2008 Housing Element*, pp. 2-17 - 2-18, April 27, 2004.

Village Residential designation of the area within the Roselle/Claribel Comprehensive Planning District. The *Final Master Environmental Impact Report for the Urban Area General Plan and Related Amendments to the Urban Area General Plan* anticipated that from 1995-2025, approximately 22,600 acres of Prime Farmland in the Planned Urbanizing Area would be converted to urban uses, resulting in a significant and unavoidable impact.[9] Conversion of the project site and other nearby agricultural parcels in the Roselle/Claribel CPD would be expected to occur at some point in the reasonably foreseeable future based on anticipated population growth in Modesto and Stanislaus County that would result in continued demand for new housing and demand for job growth in the City and the region.

To the extent that future conversion and development of additional Prime Farmland on adjacent parcels can reasonably be anticipated, an agricultural easement on these sites could mitigate future losses of prime farmland. However, implementation of such a measure is contingent on the ability of the project sponsor to secure such easements from nearby landowners who may be unwilling to encumber their property. Further, such a measure would not be consistent with Modesto's *Urban Area General Plan*, which calls for these areas to be developed and would not provide effective mitigation for the growth-inducing impacts of the project, even if it would prevent the conversion of adjacent parcels encumbered by agricultural easements. Future development attracted to the area would merely avoid these parcels and locate at greater distances from the project site. Such an outcome would run counter to LAFCO, County, and City policies that provide for the orderly expansion of cities and encourage compact urban development patterns. In time, the value of such protected parcels for agricultural production would be impaired, as these parcels would cease to occupy the edge of urban development but would be absorbed within, as isolated fragments of farmland.

This potential growth-inducing impact can be partially mitigated by contribution to the California Farmland Conservancy Fund, the Stanislaus Farmland Trust, or another equivalent program for funding farmland preservation in Stanislaus County, as a condition precedent to the issuance of building permits for the proposed project in an amount commensurate with the amount of agricultural land proposed for conversion (see Mitigation Measure B.1, in Section IV.B, Agricultural Resources). The selected fund would support farmland preservation projects in Stanislaus County that may include the purchase of agricultural easements, land improvements and planning grants, technical assistance or other authorized activities.

Such a mitigation measure would not reduce impacts on agricultural resources or growth-inducing impacts to less-than-significant levels. The project is expected to be completely built out by about 2017; given this timeframe for the development of the Tivoli Specific Plan project,

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[9] City of Modesto, *Final Master Environmental Impact Report for the Urban Area General Plan and Related Amendments to the Urban Area General Plan*, 2003, p. V-4-10.

any growth-inducing impacts on agricultural parcels adjacent to the project site would occur gradually.

INFRASTRUCTURE

Supplying water to serve the Tivoli Specific Plan project could induce growth. The proposed land uses for the Tivoli Specific Plan were accounted for in the 2000 Urban Water Management Plan (UWMP), and the development of the Tivoli Specific Plan to its contemplated capacity would result in lower-than-average demand than that assumed in the UWMP. In addition, because population growth has been slower than originally assumed in the UWMP, the Water Supply Assessment finds that actual water demand would be lower than assumed in the UWMP, and more water would be available in early years to serve the proposed project site. Thus the volume of water made available is less than the planned demand, leaving excess capacity for additional development.

Wastewater capacity and infrastructure for the Tivoli site would increase in near-term tertiary treatment capacity, along with the DAF (and Secondary Plant improvements) units, over the next five years, including development in the Tivoli Specific Plan area (2006 to 2011). This would translate into approximately 36,400 residents (12,728 residential units multiplied by 2.86 persons per household). The 12,728 residential units would make up approximately 9 percent of the total number of units projected in 2025. The 36,400 potential residents would represent approximately 9 percent of the City's estimated population (400,000) in 2025. Therefore, supplying wastewater to serve the Tivoli Specific Plan project could induce growth in the City of Modesto. However, housing construction in the area that would be served by treatment facilities beyond Tivoli would contribute to an increase in Modesto's population over a 20-year planning horizon, but would not cause the City to exceed its projections. The proposed DAF units would be sufficient to serve Tivoli, without guaranteeing Tivoli this capacity. Additionally, the City would allocate its expanded wastewater treatment and disposal capability as the need arises (and would have to stop development, if the need arises).

Roadway improvements included in the proposed project would not open new areas to development other than those of the project site. Surrounding areas are already accessible by motor vehicle on existing roadways.

Although new infrastructure, service improvements, and amenities offered by the proposed Tivoli Specific Plan project could make residential development northeast of the City more attractive and economical, demand for such development would have to be absorbed within the Roselle/Claribel Comprehensive Planning District and other adjacent Comprehensive Planning Districts such as the Village One, Johansen, and Empire North. The growth management policies of the City's *Urban Area General Plan* would prevent additional development outside of the

City's planning area. Additional housing demand, beyond that generated by the project, would then be directed to other underdeveloped areas of the City's planning area that are already designated for residential development. Based on the above discussion, the new infrastructure improvements analyzed in the EIR for the Tivoli Specific Plan would not cause growth-inducing impacts, either alone or in combination.

B. CUMULATIVE IMPACTS

Section 15130 of the CEQA Guidelines requires that an EIR contain a discussion of cumulative impacts. In this EIR, cumulative impacts are discussed in applicable sections of Chapter IV.

C. SIGNIFICANT ENVIRONMENTAL EFFECTS THAT CANNOT BE AVOIDED IF THE PROPOSED PROJECT IS IMPLEMENTED

In accordance with CEQA and the State CEQA Guidelines, the purpose of this section is to identify significant impacts that could not be eliminated or reduced to less-than-significant levels by implementing mitigation measures included in the proposed project or identified in the EIR.

The project, with mitigation, would have the following unavoidable significant impacts:

- Implementation of the proposed project would directly result in the permanent loss of Prime Farmland. (See Impact B.1)
- Implementation of the proposed project would incrementally contribute to the cumulative loss of prime agricultural land in the Modesto area and in eastern Stanislaus County. (See Impact B.3)
- Construction and occupancy of Phase 1 of the proposed project would result in significant impacts at study intersections adjacent to and near the project site in 2012. (See Impact D.1)
- Buildout of the proposed project would result in significant impacts at study intersections adjacent to and near the project site in 2017. (See Impact D.3)
- The project would contribute to significant impacts at study intersections adjacent to and near the project site in 2025. (See Impact D.5)
- Emissions of criteria pollutants during project construction would contribute to existing violations of the ambient air quality standards in the region. (See Impact E.1)
- Emissions of criteria pollutants during project operation would contribute to existing violations of the ambient air quality standards in the region. (See Impact E.2)
- The project would cause a cumulatively considerable net increase of pollutants for which the San Joaquin Valley is designated as nonattainment. (See Impact E.6)
- The proposed project, including annexation of the proposed parcels to the City of Modesto and changes to adopted community plans, could conflict with or obstruct implementation of the ozone and PM_{10} attainment plans. (see Impact E.7)

- Cumulative development could lead to noise conflicts between incompatible land uses. (See Impact F.5)
- The project would generate wastewater in excess of the near-term disposal capacity for treated effluent from the Secondary Plant. (See Impact L.2)
- Implementation of the near-term tertiary treatment facilities at the Secondary Plant would directly result in the permanent loss of Prime Farmland. (See Impact L.3)
- Emissions of criteria pollutants during construction of wastewater system improvements would contribute to existing violations of the ambient air quality standards in the region. (See Impact L.6)
- Emissions of criteria pollutants during operation of the proposed wastewater system improvements would contribute to existing violations of the ambient air quality standards in the region. (See Impact L.7)
- Extension of the Sonoma Trunk and construction of the "downstream" collection system improvements would provide wastewater collection capacity for population growth that could cause the City to exceed its population projections. (See Impact L.23)
- The City's wastewater collection and treatment system would not have adequate capacity to serve the project, along with anticipated cumulative development. (See Impact L.25)
- Implementation of the proposed project would incrementally contribute to the cumulative loss of prime agricultural land in the Modesto area and in eastern Stanislaus County. (See Impact L.26)
- The wastewater treatment facilities would cause a cumulatively considerable net increase of pollutants for which the San Joaquin Valley is designated as nonattainment. (See Impact L.27)
- Development of the proposed project would directly induce population growth that could cause the City to exceed its population projections. (See Impact N.1)

D. SIGNIFICANT IRREVERSIBLE ENVIRONMENTAL CHANGES WHICH WOULD BE CAUSED BY THE PROPOSED PROJECT SHOULD IT BE IMPLEMENTED

Significant irreversible environmental changes would occur with development of the proposed Tivoli Specific Plan project. The loss of agricultural resources on any parcel in the Plan Area would not be expected to be reversed once any of the project parcels develop, and would commit future generations to the residential, commercial, and light industrial uses proposed. Development would involve irreversible use of resources to construct buildings and infrastructure, including lumber, concrete, sand, gravel, masonry, metals, and water. However, development would not be expected to involve an unusual commitment of these resources, nor would it be expected to consume any of these resources in a wasteful manner.

Development of buildings and infrastructure, and occupancy of these buildings would use energy resources in the form of fossil fuels, including fuel oil, natural gas, and gasoline or diesel fuel for construction equipment and automobiles and trucks that would use the project site. Because individual buildings would be required to comply with California Code of Regulations Title 24 energy regulations, energy would not be used in a wasteful, inefficient or unnecessary manner. Energy consumption for treatment of groundwater in the future would increase demand for power generation in the region by 2020, but not in excess of expected future capacity.