

2.1.2 Growth

This section analyzes growth-related impacts associated with the Tier I Corridor Alternatives and Tier II Auxiliary Lane Alternative. The analysis considers the potential impact of corridor improvements on growth and development in the study area. Because the Tier II project is within the limits of the Tier I Corridor Alternatives and is subject to the same market factors, local jurisdiction land-use policies, and development pressures, this analysis applies to both the Tier I and Tier II alternatives. Cumulative impacts are discussed in Section 2.5.

2.1.2.1 Regulatory Setting

The Council on Environmental Quality regulations, which established the steps necessary to comply with the National Environmental Policy Act of 1969, require evaluation of potential environmental consequences of all proposed federal activities and programs. This provision includes a requirement to examine indirect consequences, which are due to the proposed action and are later in time or farther removed in distance, but are still reasonably foreseeable. The Council on Environmental Quality regulations (40 *Code of Federal Regulations* 1508.8) refer to these consequences as secondary impacts. Secondary impacts may include changes in land use, economic vitality, and population density, which are all elements of growth.

The California Environmental Quality Act also requires the analysis of a project's potential to induce growth. The California Environmental Quality Act Guidelines (Section 15126.2[d]), require that environmental documents "...discuss the ways in which the proposed project could foster economic or population growth, or the construction of additional housing, either directly or indirectly, in the surrounding environment... ."

Additionally, the Caltrans Standard Environmental Reference outlines a "First-cut Screening" method that provides a general guidance in determining the potential for project-related growth. The addition of HOV and auxiliary lanes in the proposed project corridor has the potential to change accessibility; therefore, there is the potential for project-related growth. Factors, including project type, project location, land availability and price, land use controls, and the regional economy in the project area were analyzed, and based on this information, it was determined whether project-related growth is reasonably foreseeable and, if reasonably foreseeable, its effect on resources of concern.

Affected Environment

The information in this section is derived from the proposed project's *Highway 1 Growth Inducement Study* (2008) and the *Community Impact Assessment* (2015).

To be comprehensive in selecting study areas that could be affected by the project, the growth-related impact analysis addressed the impacts of both the Tier I and Tier II projects,

and included communities in the northern part of Monterey County, such as Castroville and Fort Ord, even though they are relatively far from the project area.

While there are differences among the jurisdictions, both counties and the communities included in the growth study have relatively restrictive residential growth policies and plans. Other than the City of Marina, they generally plan for slow, controlled growth that relies mostly on infill or expansion contiguous to existing urbanized areas. While its general plan promotes more infill developments, the City of Marina is planning for large developments, which include Fort Ord and possible development of the Armstrong Ranch north of the city.

The growth impact analysis examined the relationship of the proposed project to economic and population growth or the construction of additional housing in the project area. It focused on the potential for the Tier I and Tier II projects to facilitate or accelerate growth beyond what is included in planned developments, or promote growth to shift to the project area from elsewhere in the region. The analysis initially considered the Tier I and Tier II projects' influence on area growth due to savings in travel time resulting from the highway improvements. This influence of the Tier I and Tier II projects was then considered within the context of other relevant factors such as the relative cost and availability of housing, accessibility of amenities, local and regional growth policies, and development constraints.

The improvement in travel time and accessibility in the Route 1 corridor would be achieved through the adoption of a Tier I Corridor Alternative and, ultimately, by implementation of subsequent Tier II projects, beginning with the Tier II project evaluated in this EIR/EA. To assess the potential effects of the accessibility changes of the Tier I and Tier II projects, the study used a three-step approach:

1. Use of an analytical model to estimate project-related changes in residential growth for sample corridor neighborhoods, with and without consideration of planned growth limits.
2. Consideration of growth trends, local government plans and policies, housing prices and availability, availability of supporting infrastructure, public attitudes toward growth, terrain, and land use.
3. Input to and review of the study results by an expert panel. The panel that convened for the Route 1 study included local planning officials, a real estate developer and private-sector planners. It included representatives of the cities of Santa Cruz, Capitola, Watsonville, and Marina; the counties of Santa Cruz and Monterey; Castroville; and the University of California, Santa Cruz; and Cabrillo College in Aptos. The study selected and analyzed four residential areas that may be affected by any growth that would result from the adoption of a Tier I Corridor Alternative and by the implementation of the current Tier II project and future Tier II projects (Figure 2.1.2-1):



Figure 2.1.2-1: Residential Study Areas

- R1 Aptos
- R2 North Watsonville (planned Buena Vista/Airport annexation area)
- R3 Castroville
- R4 Fort Ord

Criteria for selecting the areas with which to test the change in accessibility to jobs included the following:

- Proximity to the Route 1 corridor;
- A reasonable range of commute times that would be affected by the proposed project; and
- Potential for future growth per Association of Monterey Bay Area Governments' projections (i.e., to identify areas that could absorb additional population of one to several thousand or more population before reaching build-out, which was a chief reason for not focusing on the cities of Santa Cruz and Capitola).

Environmental Consequences

Tier I Corridor Alternatives and Tier II Auxiliary Lane Alternative

The growth assessment concluded that although the project would improve travel times and provide additional through traffic capacity, it would not cause unplanned growth because these changes would not be sufficient to outweigh the various local factors that limit growth in the project corridor. Analysis of the changes in accessibility from the neighborhoods to jobs in areas served by the improved Route 1 resulted in these specific findings:

- The Tier I Corridor TSM Alternative would have very little effect on residential growth; and
- The Tier I Corridor HOV Lane Alternative would increase relative growth somewhat in Aptos and only slightly in north Watsonville while decreasing relative growth in the other two sample communities.

It was concluded that the proposed project is not likely to stimulate unplanned residential or commercial growth and would therefore have less than significant impacts on growth along the Route 1 corridor. The lack of developable land, relative availability and affordability of housing, constraint of land use plans in the corridor, and negative public attitudes towards growth are major factors preventing unplanned growth in areas where the project benefits would influence growth.

The expert panel agreed with this assessment, concluding that the highway improvements would be insignificant with respect to land use, and that land use policy and zoning constraints make local growth more supply driven than demand driven.

The proposed project would serve existing growth already planned and projected for the corridor and is not likely to stimulate unplanned residential or related commercial growth.

Furthermore, based on the growth model analysis performed and considering the comments from the expert panel, it was concluded that project-related growth is not reasonably foreseeable for the Route 1 corridor. Based on the first-cut screening process recommended by Caltrans, no further analysis was required.

Additionally, growth due the Tier II Auxiliary Lane Alternative is not reasonably foreseeable. Travel time improvements under the Tier II Auxiliary Lane Alternative would be less than the travel time improvements under the Tier I Corridor Alternatives, indicating greater benefits under the Tier I Corridor Alternatives with regards to traffic. Because there are fewer benefits under the Tier II Auxiliary Lane Alternative, there is a reduced potential to stimulate unplanned growth. Thus, the growth potential under the Tier II Auxiliary Lane Alternative is less than the growth potential under the Tier I Corridor Alternatives. Therefore, growth impacts under the Tier II Auxiliary Lane Alternative are not anticipated.

No Build Alternative

Route 1 would not experience any improvements under the No Build Alternative; congestion and delay would continue to worsen. Thus, the No Build Alternative would not encourage growth.

Avoidance, Minimization, and/or Mitigation Measures

Tier I Corridor Alternatives and Tier II Auxiliary Lane Alternative

Because growth impacts are not anticipated, no avoidance, minimization, and/or mitigation measures are required under the Tier I Corridor Alternatives and Tier II Auxiliary Lane Alternative.

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