

29 STUDY AREA 29: PALERMO

The Palermo study area consists of approximately 3,620 acres located south of the City of Oroville. The unincorporated community of Palermo is included within this study area. The center of Palermo is developed with schools and other public uses, residential development, and limited retail development. Much of the outer portions of this study area are open agricultural areas.

- ◆ Alternative 1 follows the existing General Plan, designating the majority of the study area for residential uses at very low, medium and medium-high densities, allowing approximately 7,900 new homes. The existing General Plan also calls for about 15 acres of Retail, 5 acres of Industrial, 20 acres of Public, and 600 acres of Agriculture.
- ◆ Alternatives 2 and 3 would designate much of the areas outlying Palermo for agricultural uses, and would maintain the Very Low Density Residential, Retail, Industrial and Public designations in the center of the town. These alternatives would allow approximately 100 new homes and about 20 acres of retail and industrial uses.

A. *Economics*

1. **Market Viability**

a. Alternative 1

To achieve reasonable absorption, Alternative 1 would need to capture about 75 percent of the total housing growth projected in unincorporated Butte County through 2030. Because it is unlikely that development in a single study area could capture such a large share of the overall growth, market viability is considered low under Alternative 1. If the proposed amount of new residential development were successfully developed, the planned new retail and industrial quantities seem reasonable, but this seems unlikely. Therefore, Alternative 1 receives a D.

b. Alternatives 2 and 3

With a modest amount of new residential, retail, and industrial development potential, Alternatives 2 and 3 are likely to be viable in the marketplace during the General Plan time horizon, and both receive an A.

2. Fiscal Impacts

a. Alternative 1

Within Palermo, Butte County receives between 14.6 and 15.2 percent of the property tax revenues, which is below average. Alternative 1 is dominated by about 7,900 new residential homes, and also includes modest amounts of retail and industrial space. Although Palermo is relatively accessible and has established services, the relatively weak property tax share, the generally low property values, and the service-intensive nature of residential development suggest that Alternative 1 would not be fiscally attractive. Furthermore, with the potential to accommodate an additional 20,000+ people, Alternative 1 would likely create demand for upgraded, urban-level service standards, further exacerbating fiscal challenges. Because it has the potential to generate fiscal deficits, Alternative 1 receives a D.

b. Alternatives 2 and 3

Alternatives 2 and 3 are identical, and so would have similarly positive fiscal impacts. Alternatives 2 and 3 include a greatly reduced home count, but retain the new retail and industrial development potential of Alternative 1. These alternatives would have much lower service demands and costs. The fiscal benefits of the planned retail development would likely generate overall fiscal benefits. However, since the retail and industrial components face questionable absorption potential, significant fiscal benefits are unlikely to be realized during the General Plan horizon. Since both alternatives would be unlikely to generate significant fiscal surpluses, both receive a C.

3. Jobs/Housing Balance

a. Alternative 1

With a very large amount of new housing potential and relatively little new job-generating development potential, the estimated jobs/housing ratio under Alternative 1 is zero jobs for every one employed resident, meaning that its 7,900 new homes would contribute significantly to a deterioration of the jobs/housing balance in the Oroville area. Therefore, Alternative 1 receives a D.

b. Alternatives 2 and 3

With a greatly reduced potential for new housing, compared to Alternative 1, but the same potential for some new retail and industrial development, the estimated jobs/housing ratio under Alternatives 2 and 3 is 4 jobs for every one employed resident, meaning both would contribute to an improved jobs/housing ratio in the Oroville area. Both alternatives receive a B.

B. Public Services

1. Fire and Emergency Services

The Butte County Fire Department and CAL FIRE provide fire protection and emergency services to the Palermo study area. In general, there is not adequate staffing to handle more than two serious fire events or several less-serious emergencies at once in Butte County. Any new development in the county will impact the level of fire protection and emergency services.

There are is one fire station within the boundaries of the Palermo study area, the Butte County/CALFIRE Fire Station 72, a career- and volunteer-staffed station located in north of the study area.

The majority of the Palermo study area has adequate service levels for rural and very low density residential development, as it is located within an eight-minute travel area for a first due unit. In addition, the area northwest of the center of Palermo has adequate service levels for suburban residential, retail and industrial development, as it is within four minutes of a career-staffed fire station and within eight minutes of three or more fire stations.

a. Alternative 1

Alternative 1 calls for approximately 7,900 new homes at very low and suburban densities, as well as some retail and industrial uses. This alternative has enough development that it could support a new fire station in the Palermo study area. Therefore, this alternative receives a B.

b. Alternatives 2 and 3

Alternatives 2 and 3 call for approximately 100 new homes at a very low density, as well as retail and industrial uses near the center of town. All development under these alternatives would have adequate fire and emergency service levels. Because these alternatives allow more than a minimal amount of new development, all of which would have adequate fire and emergency service levels, they receive a B.

2. Sheriff Services

The Palermo study area is served by the Southern Division of the Butte County Sheriff's Office (BCSO). The BCSO is currently understaffed and has limited capacity for expansion of its services. The Southern Division typically has about three to four deputies on duty in the Oroville area. Because the Palermo study area is located near the Oroville area, response times to this location are quick.

There is no police station located within the boundaries of the Palermo study area. The Butte County Sheriff Department in the City of Oroville is located approximately 7 miles from the northern boundary of the study area and 10 miles from the southern boundary.

a. Alternative 1

Alternative 1 would allow approximately 7,900 new homes, generating the need for more than five new officers in this area with quick response times. Therefore, this alternative receives a C.

b. Alternatives 2 and 3

Alternatives 2 and 3 would allow approximately 100 new homes, as well as some retail and industrial uses, in an area with quick response times. Because this development would not generate the need to hire a new officer, these alternatives receive an A.

3. Capacity of School Districts

The Palermo study area is served by the Palermo Union School District (PUSD) (K-8) and the Oroville Union High School District (OUHSD) (9-12).

The PUSD has maintained stable enrollment over the past three to four years. As discussed in more detail under Study Area 26, the District has capacity for approximately 100 additional students, with a new school project underway that would expand capacity by another 300 to 350 students.

The OUHSD has been experiencing declining enrollment. As discussed in more detail under the Concow and Thermalito study areas, the District currently has capacity for approximately 440 additional students, with a project underway that would expand capacity by another 100 students.

a. Alternative 1

Under Alternative 1, the Palermo study area could generate approximately 2,610 new students within the PUSD, which would exceed its planned capacity by about 2,160 students. The new students generated from this study area by this alternative could support about six new K-8 schools. This would significantly increase the size of the PUSD and require additional administration and other services.

The total amount of development foreseen under Alternative 1 in all of the study areas within the PUSD could generate approximately 4,090 new students, triple the current enrollment and about 3,990 students beyond current capacity.

Under Alternative 1, the Palermo study area could generate approximately 1,280 new students within the OUHSD, which would exceed its planned capacity by about 740 students. The total amount of development foreseen under Alternative 1 in all of the study areas within the OUHSD could generate approximately 7,250 new students, more than double the current enrollment and about 6,810 students beyond current capacity.

Because this study area could generate more students than could be accommodated by the existing capacities, but would not generate enough students to support the construction of a new high school, this alternative receives a D.

b. Alternative 2

Under Alternative 2, the Palermo study area could generate approximately 30 new students within the PUSD, which could be accommodated by the existing capacity. The total amount of development foreseen under Alternative 2 in all of the study areas within the PUSD could generate approximately 360 new students, about 260 students beyond current capacity, but within the planned capacity for the new school that is under construction.

Under Alternative 2, the Palermo study area could generate approximately 20 new students within the OUHSD, which could be accommodated by the existing capacity. The total amount of development foreseen under Alternative 2 in all of the study areas within the OUHSD could generate approximately 2,040 new students, more than double the current enrollment and about 1,600 students beyond current capacity.

Because the number of new students generated by this study area could be accommodated by the existing capacities, this alternative receives an A.

c. Alternative 3

Under Alternative 3, the Palermo study area could generate approximately 30 new students within the PUSD, which could be accommodated by the existing capacity. The total amount of development foreseen under Alternative 3 in all of the study areas within the PUSD could generate approximately 2,380 new students, about 2,280 students beyond current capacity.

Under Alternative 3, the Palermo study area could generate approximately 20 new students within the OUHSD, which could be accommodated by the

existing capacity. The total amount of development foreseen under Alternative 3 in all of the study areas within the OUHSD could generate approximately 3,220 new students, about 2,780 students beyond current capacity.

Because the number of new students generated by this study area could be accommodated by the existing capacities, this alternative receives an A.

C. Water

1. Water Supply

The majority of the Palermo study area is located within the Sacramento Valley Inventory Unit. As discussed in more detail under Study Area 25, the Valley aquifers typically allow greater recharge and access to groundwater than the foothill and mountain aquifers, and they provide water for municipal, irrigation and domestic wells.

The majority of the Palermo study area is located within the North Yuba Inventory Unit. This study area is served by the South Feather Water and Power Agency, which provides water for agricultural, residential and commercial purposes using surface water from four major reservoirs, including Sly Creek, Lost Creek, Ponderosa and Miner's Ranch. Although the South Feather Water and Power Agency does not use groundwater, there are some pockets of land within the District that have independent private wells.

Alternatives 1, 2 and 3 call for residential, retail and industrial development. All of this development would be served by the South Feather Water and Power Agency. Therefore, these alternatives receive an A.

2. Groundwater Recharge Potential

The Palermo study area is located within the Valley Inventory Unit. It may serve as a moderate or high potential recharge area.

a. Alternative 1

Alternative 1 calls for significant development in this region that may serve as a moderate or high potential recharge area, and therefore receives a D.

b. Alternatives 2 and 3

Alternatives 2 and 3 call for minor development in this region that may serve as a moderate or high potential recharge area, and therefore receives a C.

D. Wastewater

There is currently no publicly managed sewer service in the Palermo study area. The current wastewater treatment method is individual septic systems.

The Palermo study area is located south of the Lake Oroville Area Public Utility District (LOAPUD), which provides wastewater collection services to unincorporated areas east and south of the City of Oroville. LOAPUD is also part of a Joint Powers Agreement with the Sewerage Commission – Oroville Region (SC-OR), which handles wastewater treatment and disposal. According to LAFCO’s 2006 Municipal Service Review for Domestic Water and Wastewater Services in Butte County, LOAPUD is considering service in and around Palermo. However, the Palermo study area is not located within the Sphere of Influence for LOAPUD.

LOAPUD’s collection system currently has no significant capacity issues and is generally in good condition. However, significant developments may be required to upgrade the existing collection system downstream if additional capacity is required.

Recently, SC-OR has indicated that their connection fee structure does not adequately cover the costs of providing sewer service to the new development.

a. Alternative 1

Alternative 1 calls for approximately 7,900 new homes at a variety of densities, as well as retail and industrial development. This amount of development could create the ability to expand the sewer system.

Although development under Alternative 1 could create the ability to expand the sewer system, SC-OR's connection fees do not adequately cover the costs of providing service to new development. Therefore, Alternative 1 receives a C.

b. Alternatives 2 and 3

Alternatives 2 and 3 call for approximately 100 new homes at a very low density, as well as retail and industrial development. This development cannot effectively be served by septic because it would be too dense, nor could it be served by a sewer system because there would be too few new homes to support the costs of a new sewer system. Therefore, Alternatives 2 and 3 receive a D.

E. Circulation

The Palermo study area is served by three major regional roadways, Palermo Road, Upper Palermo Road, and Palermo Honcut Highway.

1. Proximity to Freeways and Major Roadways

Three major regional roadways travel through or adjacent to the Palermo study area. Palermo Road, Upper Palermo Road, and Palermo Honcut Highway run through the study area. Palermo Road connects to Highway 70. This study area receives an A for access proximity to major roadways.

2. Bicycle Circulation

Within the Palermo study area, planned bicycle facilities are located along Lincoln Boulevard, Palermo Road, Grubbs Road, and Palermo Honcut Highway. The location of the study area near Oroville allows for bicycle

access to jobs, schools, and services in Oroville. Due to the study area's high level of access to planned bicycle facilities and location adjacent to the Oroville urban area, the study area receives a B.

3. Transit Service

Transit service is currently provided along Lincoln Boulevard and Palermo Road in the study area. This receives an A.

F. Airport Compatibility Zone Conflicts

The Palermo study area is not located within an Airport Compatibility Zone. Therefore, airport compatibility issues would not affect development under Alternatives 1, 2 or 3.

G. Potential Loss of Agricultural Land

In the Palermo study area there are approximately 360 acres identified as Prime Farmland, 365 acres identified as Farmland of Statewide Importance and 1,550 acres identified as Grazing Land. The Prime Farmland is located in the northwest region of the study area, the Farmland of Statewide Importance is located in five discrete pockets on eastern boundary, and the Grazing Land is located primarily in the southern portion of the study area.

Under Alternative 1, 3,020 acres are designated for non-agricultural uses. Of these acres, approximately 715 acres of Prime Farmland and Farmland of Statewide Importance would be converted to non-agricultural uses. In addition, there would be 1,050 acres of Grazing Land converted to non-agricultural uses. Under Alternatives 2 and 3, approximately 1,020 acres are designated for non-agricultural uses, which would convert a total of approximately 205 acres of Prime Farmland, 15 acres of Farmland of Statewide Importance and 90 acres of Grazing Land to non-agricultural uses. Therefore, Alternatives 1, 2 and 3 receive a D.

H. Biological Resources

The Palermo study area is within the Butte Regional Conservation Plan (HCP/NCCP) area. The Palermo study area is large, with a high diversity of land cover types. The northern and central portions are predominantly wooded ranchettes, orchards and irrigated pasture; the western and southern portions are predominantly grassland with vernal swale complex, grassland, open ranchettes, and orchards. Blue oak woodland is found in the northeast. The study area is crossed by several drainages, the major being Wyman Ravine and tributaries of Wyandotte Creek. The southeast corner of the study area contains a large area of emergent wetlands north of Wyandotte Creek; several ponds are present in the south.

No special-status plants have been recorded.

There is one occurrence of a northwestern pond turtle in the study area.

There is Butte Regional Conservation Plan (HCP/NCCP)-modeled habitat in this study area for the following 18 species:

- ◆ Ahart's dwarf rush
- ◆ Bald eagle
- ◆ Conservancy fairy shrimp
- ◆ Giant garter snake
- ◆ Greene's tuctoria
- ◆ Hairy Orcutt grass
- ◆ Hoover's spurge
- ◆ Northwestern pond turtle breeding habitat in pond
- ◆ Peregrine falcon
- ◆ Swainson's hawk
- ◆ Tricolored blackbird
- ◆ Valley elderberry longhorn beetle
- ◆ Vernal pool fairy shrimp

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- ◆ Vernal pool tadpole shrimp
- ◆ Western burrowing owl
- ◆ Western spadefoot
- ◆ White-tailed kite
- ◆ Yellow-breasted chat

There is no Critical Habitat or other protected lands in the study area.

Many sensitive habitats are found throughout this study area. Blue oak woodland occupies the northeast corner of the area. Grassland with vernal swale complex occurs in the south and northwest of the study area. Willow scrub and emergent wetland are found along Wyandotte Creek in the southeast of the study area and along its tributaries in the south, and additional areas of willow scrub occur along several other drainages south of the Palermo study area. There is an extensive area of valley oak riparian woodland along Wyman Ravine.

There is no deer herd habitat in the study area.

Alternative 1 includes development on approximately 3,000 acres and 600 acres of agriculture while Alternatives 2 and 3 would include approximately 2,700 acres of agriculture. There is a substantial amount of sensitive habitats and Butte Regional Conservation Plan (HCP/NCCP)-modeled habitat for 18 species occur throughout the study area. These habitats and their associated species would be lost either through agricultural conversion or development. Conversion to agriculture crops that support foraging raptors (e.g. Swainson's hawks and white-tailed kites) would be more beneficial than conversion to agricultural crops such as vineyards, which do support wildlife habitat to any great extent. Therefore, these alternatives receive a D for Special-Status Animal and Plant Species, an A for Critical Habitat and other protected lands, a D for Sensitive Habitats, and an A for Deer Herd Habitat.

I. Safety and Hazards

1. Fire Hazards

The Palermo study area is located in a moderate to high fire hazard severity zone. The high fire hazard severity zone is located in the eastern portions study area.

a. Alternative 1

Under Alternative 1, approximately 760 acres of land designated for development are in the high fire severity zone. Fire hazards could affect development under Alternative 1, therefore, this alternative receives a D.

b. Alternatives 2 and 3

Under Alternatives 2 and 3, approximately 1 acre of land designated for development is in the high fire severity zone. Therefore, these alternatives receive a C.

2. Flood Hazards

Portions of the Palermo study area are included in the 100-year FEMA flood zone. Flood hazards could affect development of approximately 480 acres of land under Alternative 1. Flood hazards could affect development of approximately 300 acres of land under Alternatives 2 and 3. Therefore, Alternatives 1, 2 and 3 receive a D.

3. Geologic Hazards

There is slight, moderate and severe erosion potential in the Palermo study area, with slight erosion potential throughout the majority of the study area has. Approximately 80 acres in the north of the study area have severe erosion potential. There is potentially significant subsidence potential in the western part of the study area. There is low to moderate landslide potential in the Palermo study area and low to moderate potential for liquefaction. The majority of the Palermo study area has moderate potential for soil expansion but approximately 190 acres in the northeast of the study area have high potential and approximately 20 acres in the southeast of the study area

have very high potential for soil expansion. A pre-quatarnary fault traverses the study area. Pre-quatarnary faults do not show any evidence of displacement in the last 1.6 million years and therefore are not considered to present a high risk of fault rupture and so would not constrain development.

a. Alternative 1

Under Alternative 1, approximately 20 acres of land designated for development have severe erosion potential. Subsidence hazards could potentially impact development on approximately 280 acres proposed for medium residential uses under this alternative. Approximately 120 acres of land designated for development in Alternative 1 have high potential for soil expansion and approximately 5 acres have very high potential for soil expansion. Alternative 1 receives a D.

b. Alternatives 2 and 3

Alternatives 2 and 3 would avoid areas that are constrained by geologic hazards and so receive an A.

J. Cultural Resources

The Palermo study area lies within the Palermo USGS 7.5' quadrangle. Approximately 25 percent of the land in the Palermo Quadrangle has been surveyed for cultural resources. To date, five cultural resource sites have been recorded in the Palermo study area. All of these are from the historic period, including two structures, a warehouse site, one trash scatter, and a segment of the Southern Pacific and California Northern Railroad. This study area lies within a valley and foothill region, and has no local water source. The lack of prehistoric sites coupled with previously recorded historic sites, lead to the recommendation that this study area should be considered of medium sensitivity for cultural resources.

1. Alternative 1

Alternative 1 allows 2,980 acres designated for residential development, some grazing land, and a small amount of retail and industrial development and public lands. Alternative 1 does not designate any acreage for Resource Conservation land uses. Because of the density of development and the lack of Resource Conservation that could be used to protect significant cultural resources, Alternative 1 receives a D.

2. Alternatives 2 and 3

Alternatives 2 and 3 are identical and would allow some very low density residential development. No acreage is designated for Resource Conservation land uses. Grazing would be allowed on approximately 2,700 acres of land designated for agriculture. Grazing is not a particularly destructive for most types of cultural resources. Because the residential development could have some impact on cultural resources, Alternative 2 and 3 receive a B.

K. Notes

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