City of Grass Valley
City Council
Agenda Action Sheet

Title: Downtown Grass Valley Roundabout Project – Project Approval and Environmental Document

CEQA: Class 1 and Class 2 Categorical Exemptions – Section 15301 Existing Facilities and Section 15302 Replacement or Reconstruction

Recommendation: That Council 1) approve that the Downtown Grass Valley Roundabout Project is exempt from California Environmental Quality Act under Class 1 and Class 2 Categorical Exemptions and 2) authorize Staff to file a Notice of Exemption with Nevada County Clerk Recorder.

Prepared by: Bjorn P. Jones, PE, City Engineer

Council Meeting Date: 7/14/2026 **Date Prepared:** 7/8/2026

Agenda: Administrative

Background Information: On February 25, 2025, Council awarded a Professional Services Agreement to GHD, Inc. for Civil Engineering Design, Project Management and Environmental Services for the Downtown Grass Valley Roundabout Project. For the past sixteen months, Staff and the GHD team have been working diligently to further a design concept and complete the environmental review in accordance with California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) guidelines.

The Downtown Grass Valley Roundabout Project is primarily funded by an Active Transportation Program (ATP) grant in the amount of $5.439 million. Project delivery under the grant approval is segmented into phases, with a deadline of the current Project Approval and Environmental Document phase set for September 30, 2026. Completing the CEQA and NEPA environmental determinations in the next few weeks will allow the City to stay on schedule and request allocation of funds from the California Transportation Commission for the subsequent phases of (i) Plans, Specifications and Estimates and (ii) Right of Way.

Based upon Council's direction at two public meetings held on October 28, 2025 and February 24, 2026, the current design consists of a large oblong roundabout, encompassing S Auburn St, Neal St, Colfax Ave, Hansen Way, Tinloy St and the Highway 49 onramp, with a proposed "right-in right-out" treatment of the S Auburn St and Neal St intersection legs. This configuration was decided upon after much deliberation amongst Staff, the engineering consultant, and Council, considering the pros and cons of various alternatives.

In short, due to the acute angle between S Auburn St and Neal St coming to a point in the northwest corner of the project area, both streets cannot be directly connected to the roundabout within the available right of way, while meeting roundabout design standards. The current design simplifies this interaction by eliminating a southbound connection of S

Auburn St to the roundabout. The primary drawback of this layout is of course, motorists seeking to proceed into the roundabout (to access S Auburn St south or the freeway onramp) will need to utilize an alternate route, likely either Tinloy St or Neal St. However, everything else about the current roundabout design functions much more simply, creating less conflict points, eliminating the need for added traffic controls, enabling shorter pedestrian crossings and allowing for a smaller overall footprint. The simplified design also leads to substantial cost savings, which facilitate attempts to keep the project budget in line with the available grant funding in today's challenging construction cost environment.

This "right-in right-out" design has now been developed to an approximate 30% engineering design level such that its potential impacts, conformance with design standards, and consistency with plans and policies can all be evaluated as part of the environmental review process.

Current Status and Recommendation: The CEQA review process has been completed and based on a thorough evaluation, none of the exceptions identified in CEQA Guidelines Section 15300.2 apply to the proposed project (see attached CEQA review memo). The project is exempt from CEQA under Class 1 (Section 15301) and Class 2 (Section 15302) Categorical Exemptions of the CEQA Guidelines. As the lead agency for CEQA, the City is now able to file a Notice of Exemption (NOE) for the project.

Due to Federal funding (Congestion Mitigation and Air Quality) also incorporated into the project budget, Staff has also worked closely with Caltrans to concurrently complete a NEPA review, as Caltrans serves as the lead agency for NEPA. Fifteen different project assessments and reports have been submitted for Caltrans review, along with several technical exhibits and design drawings. A project report has also been prepared, undergone initial review by Caltrans and was resubmitted on June 30, 2026. Two outstanding reports (Water Quality Assessment Report and the Vehicle Miles Traveled Decision Document) are expected to be approved within the next week and then pending final review of the Project Report, Caltrans concurrence on a Categorical Exemption for NEPA, pursuant to 23 U.S.C. 326 is anticipated towards the end of July.

Accordingly, before the Council is a recommendation to (1) approve that the Downtown Grass Valley Roundabout Project, as currently designed ("right-in right-out" treatment), is exempt from CEQA under Class 1 and Class 2 Categorical Exemptions for the reasons discussed in the attached CEQA review memo from GHD and (2) authorize Staff to file a Notice of Exemption with Nevada County Clerk Recorder. Doing so will allow the City to conclude the current Project Approval and Environmental Document phase for the ATP grant in time to meet its September 30, 2026 deadline.

Council Alternative and Discussion: As an alternative to approving the Categorical Exemption for the Downtown Grass Valley Roundabout Project, the Council may consider providing direction to revert to the prior design concept of a signalized treatment of the S Auburn St and Neal St intersection and authorize staff to approve any necessary CEQA document and make the appropriate filings for same.

The prior traffic signal design concept (previously referenced as Option 1) was proposed to solve the geometry constraint of the S Auburn and Neal St legs by essentially establishing a separate signalized intersection immediately adjacent to the roundabout. This design maintained the desirable southbound connection into the roundabout from S Auburn St and was found to function acceptably based on preliminary analysis. In addition, it contained a dedicated lane from Neal St directly onto Hwy 49. The City has received comments from

some members of the public that believe this design concept is superior to the "right-in right-out" design, as the Council has discussed at previous meetings.

Option 1 has the benefit of allowing a southbound connection into the roundabout from S Auburn St. It also avoids requiring motorists to use an alternate route when seeking to proceed into the roundabout that the "right-in right-out" configuration requires. However, doing so requires incorporating a traffic signal very close to the roundabout. Although the signal would be timed to switch between red to green more quickly than a normal traffic signal—more like a metering light at a freeway on-ramp—adding a signal will diminish the free-flowing benefits of a roundabout. There are risks of signal queues backing up into the roundabout or queueing up Neal St like what is present today, which the current design should eliminate. In addition, as discussed below, traffic signals are generally costlier to install, operate, and maintain.

Option 1 also contains more lanes than the current design, including a dedicated lane from Neal St to southbound Hwy 49, which may ease congestion in the roundabout. However, the multiple lanes and decision/conflict points create added confusion compared to a simpler design and risks public understanding and efficient roundabout operation.

While reverting to the signalized Option 1 design concept is likely still viable at this time, reverting to this configuration after nine months of work on the current design brings with it the following risks in terms of securing timely grant funding and impacts to engineering and construction costs:

1. GHD would have to update and resubmit numerous technical memos to Caltrans for review and approval. Also, several design drawings, exhibits and maps would have to be revised and resubmitted. Approximate unfunded cost of **$125,000** for added consultant design work.
2. The current grant deadline of 9/30/26 could not be met. A final 5 month extension is available before all ATP funds would be forfeited, but requires a hearing before the California Transportation Commission. Although likely to be approved with valid justifications, requesting an extension entails some risk of denial. Even with a 5 month extension, fulfilling a revised 2/28/27 deadline would be tight and dependent on the preparation and Caltrans timely review of revised documents and concurrence of a NEPA Categorical Exemption for the new design.
3. CEQA review would require minor revisions to the review memo and a delay in filing the NOE, but would likely still qualify for a similar Categorical Exemption.
4. Significant construction cost increases would be incurred compared to the current design by adding in a traffic signal, increasing the project footprint and widening the freeway onramp with retaining walls to accommodate a second lane taper to meet current standards. The current design generated notable cost savings from the original proposal, enabling the Engineer's estimate to total very close to the available grant funding. An updated cost for the revised layout has not been fully estimated but is expected to add roughly **$500,000-$700,000** in unfunded expenses to the construction cost.

Conclusion: As stated at previous meetings, unfortunately this is a complex intersection and there is no obvious perfect solution. Construction of a roundabout in either configuration and the injection of over $5 million in roadway improvements to this area is sure to be a vast improvement over the facilities in place today. Based primarily on the above significant funding and schedule limitations of switching to a signalized intersection design, and considering the benefits of a less complicated design, Engineering Staff feels

proceeding with the current right-in, right-out design is the safest and most advantageous route.

Staff believes construction of the Grass Valley Downtown Roundabout Project will be similar to other past major traffic decisions downtown—the closure of Mill St, removal of the traffic signal at S Auburn/Main, installation of all-way stop at Church/Main, switching direction of N Church St one way: there is always an initial understandable discomfort in altering long-time habits and travel patterns. However, the hope is that after a learning curve, the public will quickly adapt to the changed conditions, and acceptance will grow as has been the case in all the prior situations.

Staff recommends that Council approve that the Downtown Grass Valley Roundabout Project is exempt from California Environmental Quality Act under Class 1 and Class 2 Categorical Exemptions and authorize Staff to file a Notice of Exemption with Nevada County Clerk Recorder. Alternatively, Council may direct Staff and the consultant to revert to a signalized design option and delegate to Staff the preparation and filing of a revised CEQA Categorical Exemption for that design. Staff would explore funding options and return to Council for approval of a change order for the added consultant costs.

Council Goals/Objectives: The Downtown Grass Valley Roundabout Project executes portions of work tasks towards achieving/maintaining Strategic Plan Goal – Transportation

Fiscal Impact: Project approval and environmental work for the current roundabout design is practically complete and nominal Staff and consultant costs remain to close-out and file the environmental document. The Engineer's Estimate for this design totals $5.64 million in construction costs, with $5.48 million available in grant funds and Staff will look to fine tune the project in the subsequent design phase to stay within budget.

Switching to a signalized design configuration would incur approximately $125,000 in immediate consultant costs to redo technical memos and design drawings. Installation of traffic signal equipment, construction of retaining walls and an enlarged footprint in the modified design adds an estimated $500,000–$700,000 in construction costs with no currently identified funding source.

Most importantly, if the grant funding allocation deadline is not met, the future programmed $5.23 million in ATP funds would be forfeited with potential for expended funds to be paid back if the project is not delivered in the future.

Funds Available: Yes

Account #: 300-406-63455

Reviewed by: City Manager

Attachments: Roundabout Exhibits, CEQA Review Memo