

RESOLUTION NO. 2025-51

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRASS VALLEY ADDING A CONDITION OF APPROVAL TO ALLOW PHASING OF THE DORSEY MARKETPLACE PROJECT AND ADOPTING AN ADDENDUM PURSUANT TO CEQA (PLN25-0035)

WHEREAS, in December 2015, the R. Jeter Family Trust (“the Applicant”) submitted applications for a General Plan Amendment, Zoning Map Amendment, Development Review Permit, and Use Permit for a proposed mixed-use development known as the Dorsey Marketplace on a 26.8-acre infill site within the City of Grass Valley (“City”) (the “Project”); and

WHEREAS, on April 28, 2020, the City Council certified the Final EIR (the “2020 Final EIR”), adopted the Findings of Fact and Statement of Overriding Considerations, and approved Alternative B consisting of 104,350 square feet of commercial space, 8,500 square feet of office space, and 172 apartment units, and including the required applications for a General Plan Amendment, Zoning Map Amendment, Development Review Permit, and Use Permit; and

WHEREAS, on September 10, 2024, the City Council certified the updated Final Environmental Impact Report for the Dorsey Marketplace Project, thereby (i) determining that the deficiency in the Final EIR identified in the Modified Court of Appeal Opinion and Revised Judgment has been remedied, (ii) further determining that a new 2024 Final EIR, consisting of (a) the 2020 Final EIR, (b) the Draft FSEIR, and (c) responses to comments on the Draft FSEIR and related corrections, is legally adequate under CEQA, and (iii) permitting the implementation of any and all previously suspended Project activities and Project Approvals, subject to authorization by the superior court; and

WHEREAS the Nevada County Superior Court of the State of California conducted a hearing on the City of Grass Valley’s Filing of a Return to the Writ of Mandate on November 1, 2024 and subsequently discharged the Writ of Mandate, thereby concluding the City had fulfilled its obligation to correct the deficiencies in the Project EIR;” and

WHEREAS, the Writ of Mandate required that the City suspend activities “related to the Dorsey Marketplace project (“Project”) that could result in any adverse change or alteration to the physical environment pending the City’s compliance with the California Environmental Quality Act (Pub. Resources Code, § 21000 et seq.) (“CEQA”) and the Writ,” thereby establishing November 1, 2024 as the effective date of the Project; and

WHEREAS, Section 17.74.060 of the City Development Code requires that permits for an approved Project must be exercised within twelve months of approval unless a condition of approval or other provision of the development code establishes a different time limit; and

WHEREAS, the applicant filed a request to modify the approved Dorsey Marketplace Project with submittal of a proposed phasing plan and payment of the applicable fee on September 16, 2025; and

WHEREAS, the introduction of construction phasing does not alter the physical characteristics, intensity, or location of the approved development, and the project footprint, grading limits, infrastructure network, and land uses remain consistent with the project analyzed in the certified EIR and SEIR); and

WHEREAS, none of the conditions described from CEQA Guidelines Section 15162 calling for preparation of a subsequent document have occurred, and therefore, the differences between the approved Dorsey Marketplace Project, as described in the certified EIR and SEIR, and the project modification now being considered, constitute a change, consistent with CEQA Guidelines Section 15164, that may be addressed in an Addendum to the EIR, provided in Exhibit A.

WHEREAS, on November 18, 2025, the Planning Commission conducted a duly noticed public hearing on the addition of the phasing condition of approval for the Dorsey Marketplace Project, and recommended, by a vote of three to zero (two absent), that the City Council approve the Project; and

WHEREAS, on November 25, 2025, the City Council held a duly-noticed public hearing, took public testimony, and considered all evidence in the record.

NOW, THEREFORE, BE IT RESOLVED that:

1. The City Council hereby finds that the Addendum to the previously certified EIR (Exhibit A) has been completed in compliance with CEQA and the CEQA Guidelines, and that it adequately evaluates the environmental effects associated with the Project Modification and hereby approves the Addendum and incorporates it into the Project's CEQA documentation.
2. The City Council hereby approves the modification to the Project's Conditions of Approval to allow the Project to be constructed in phases over a seven-year period, and directs staff to update Condition No. A4 as follows:

The Dorsey Marketplace Project may be constructed in phases within a seven-year period as approved by the City Council of the City of Grass Valley. Minor modifications to the phasing program may be approved by the Planning Director. The phased project shall remain eligible for extensions of time for no more than two, twelve-month periods in accordance with Development Code Section 17.74.060(T).

ADOPTED as a resolution of the City Council of the City of Grass Valley at a regular meeting held on the 9th day of December 2025 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

Hilary Hodge, Mayor

APPROVED AS TO FORM:

ATTEST:

David Ruderman, City Attorney

Taylor Day Whittingslow, City Clerk



CITY OF GRASS VALLEY

125 East Main Street
Grass Valley, CA 95945
Community Development Agency
Amy Wolfson, City Planner

Council Members

Ben Aguilar, Mayor
Jan Arbuckle, Vice Mayor
Bob Branstrom
Hilary Hodge
Tom Ivy

November 10, 2025

Addendum to the Environmental Impact Report for the Approved Dorsey Marketplace Project

Project: Addendum to the certified EIR for the Dorsey Marketplace project to analyze the environmental impacts related to an added condition of approval to phase the project over a seven-year period.

Lead Agency: City of Grass Valley

EIR State Clearinghouse No.: 2016022053

Applicant: Warren Hughes, Gallelli Real Estate

Project Location: APNs: 035-260-062, -063, -064

Background:

At its April 28, 2020 regular meeting, the City Council approved the Dorsey Marketplace project "Alternative B" and also certified the Final EIR prepared for the Project and adopted Findings of Fact and a Statement of Overriding Considerations. The approved Project consisted of applications for a General Plan Amendment, Zoning Map Amendment, Development Review Permit, and Use Permit for a proposed mixed-use development on a 26.8-acre infill site. Approved Alternative B includes 104,350 square feet of commercial space, 8,500 square feet of office space, and 172 apartment units, along with pedestrian corridors, public plaza spaces, spaces for public art and murals throughout the commercial component, as well as a small dog park.

At the regular meeting held on September 10, 2024, the City Council adopted Resolution No 2024-66 certifying the updated Final Environmental Impact Report for the Dorsey Marketplace Project, which included the Subsequent EIR prepared for the project to analyze traffic from the Project and its impact on health risks for future Project residents and occupants based on the potential for mobile source emissions associated with SR 20/49 in 2035.

Purpose of this Addendum:

An addendum to a Certified EIR for the Dorsey Marketplace Project (State Clearinghouse No. 2016022053) has been prepared in conformance with Section 15164 of the California

Environmental Quality Act (CEQA) Guidelines, which allows a lead agency to prepare an addendum to a certified EIR if changes or additions are necessary but none of the conditions in Section 15162 calling for a subsequent EIR or negative declaration have occurred.

The purpose of this Addendum is to document the addition of a new Condition of Approval to allow the project to be constructed in phases over an approximate seven-year period. The phasing is proposed to respond to market conditions, financing logistics, and construction sequencing, while maintaining consistency with the overall approved project.

Proposed Modification:

Add a new Condition of Approval (A4) to allow construction of the Dorsey Marketplace Project over a seven-year period, with each phase consisting of portions of the remediation program, infrastructure improvements, and residential and commercial development as shown in the Phasing Plan provided by the applicant. The added Condition of Approval states:

The Dorsey Marketplace Project may be constructed in phases within a seven-year period as approved by the City Council of the City of Grass Valley. Minor modifications to the phasing program may be approved by the Planning Director. The phased project shall remain eligible for extensions of time for no more than two, twelve-month periods in accordance with Development Code Section 17.74.060(T).

The applicant is requesting a permit revision to their approved project to add a condition of approval to allow a phased approach to building out of the project to occur over a seven-year period. Without this permit revision the project is subject to standard project timelines as outlined in Section 17.74.060 of the Development Code which requires effectuating the project through a building permit within one-year of project approval, and subsequent building permits for each subsequent year until project completion. This standard timeline is impractical for a project of this size and scope, particularly considering there is a soil cleanup component with this project. The development code allows for a project to be phased over several years so long as it is conditioned as such. Phasing is typical for larger developments such as Dorsey Marketplace. The applicant has provided a phasing plan that proposed build-out of the project within a seven-year timeframe. There are no changes proposed to the overall project development.

CEQA Analysis :

This Addendum has been prepared in accordance with Section 21166 of CEQA and Sections 15162 and 15164 of the CEQA Guidelines. Section 15164(a) of the CEQA Guidelines states that “the lead agency or a responsible agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but

none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred.” Pursuant to Section 15162(a) of the CEQA Guidelines, a Subsequent EIR or Negative Declaration is only required when:

1. Substantial changes are proposed in the project which will require major revision of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
2. Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revision of the previous EIR due to the involvement of new significant environmental increase in the severity of previously identified significant effects; or
3. New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete, shows any of the following:
 - (a) The project will have one or more significant effects not discussed in the previous EIR;
 - (b) Significant effects previously examined will be substantially more severe than shown in the previous EIR;
 - (c) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
 - (d) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative. (CEQA Guidelines Section 15162[a])

The introduction of construction phasing does not alter the physical characteristics, intensity, or location of the approved development. The project footprint, grading limits, infrastructure network, and land uses remain consistent with the project analyzed in the certified EIR. None of the conditions described above from CEQA Guidelines Section 15162 calling for preparation of a subsequent document have occurred. Therefore, the differences between the approved Dorsey Marketplace Project, as described in the certified EIR and SEIR, and the project modifications now being considered constitute changes, consistent with CEQA Guidelines Section 15164, that may be addressed in an addendum to the EIR.

Environmental Review of Adding a Phasing Condition of Approval:

The City of Grass Valley has determined that, in accordance with PRC Section 21166 and Section 15164 of the State CEQA Guidelines, minor technical changes or additions to the EIR and SEIR are necessary to address the modifications to the approved Dorsey Marketplace EIR and SEIR. The analysis of environmental effects provided below

addresses the same impacts addressed in the Dorsey Marketplace EIR and SEIR. The environmental analysis evaluates whether, for each applicable environmental resource topic there are any changes in the project or the circumstances under which it would be undertaken that would result in new or substantially more severe environmental impacts than considered in the Dorsey Marketplace EIR and SEIR. This analysis focuses only on those topics potentially affected by the proposed change in the Conditions of Approval to allow and extended timeline of construction in phases over a seven-year period. No changes are proposed to the development area, approved land use or density, required infrastructure improvements or any of the previously adopted mitigation measures. The City has reviewed the certified EIR and SEIR and determined the following:

Environmental Topic	Evaluation Summary
Aesthetics	Phasing of the project will not alter the design, massing, or site visibility of the overall project. No new or increased impact would occur.
Air Quality/GHG	Construction phasing may extend the construction period but would not increase total emissions. Total emissions may actually decrease as vehicles are required to meet more stringent emissions standards over time. Phased implementation remains within the EIR's analyzed construction and operational assumptions.
Biological Resources	All previously identified mitigation measures remain applicable prior to and during each phase. No new or increased impact would occur.
Traffic/Transportation	Phased occupancy would reduce peak construction and operational trip generation compared to full buildout. No new or increased impact would occur.
Noise	Temporary construction noise would occur over a longer duration but would not exceed EIR assumptions or applicable standards.
Public Services/Utilities	Infrastructure demand remains consistent with prior analysis ; phasing would not create new service needs.
Cumulative Impacts	No change to project size, design, or setting is proposed. Cumulative impacts remain as previously analyzed.

No other CEQA topics would experience new or substantially more severe impacts due to the proposed modification.

Consistency with Adopted Mitigation Measures:

All mitigation measures adopted under the EIR and SEIR for the Dorsey Marketplace project remain in effect. If mitigation timing is linked to specific milestones (e.g. “prior to issuance of grading permit” or “prior to occupancy”), such measures will apply to each construction phase as relevant to the scope of work.

CEQA Determination:

Based on the above evaluation and the criteria of CEQA Guidelines SS15162-15164:

- No substantial changes are proposed that would require major revisions to the EIR or SEIR;
- No substantial changes in the surrounding circumstances have occurred; and
- No new information of substantial importance has been identified that would result in new significant effects or more severe impacts.

Therefore, an Addendum to the certified EIR and SEIR is the appropriate CEQA documentation, and preparation of a Subsequent or Supplemental EIR is not required to include a condition of approval for phasing the project over a seven-year period.

References:

- City of Grass Valley (Year). Final Environmental Impact Report for the Dorsey Marketplace Project.
- CEQA Guidelines §§15162, 15164.
- City of Grass Valley, Mitigation Monitoring and Reporting Program for Dorsey Marketplace.