



## **PROJECT SUMMARY**

**Application Number:** 25PLN-0035  
**Subject:** Addition of the Condition of Approval to the Approved Dorsey Marketplace Project to Allow Phasing of the Project Over a Seven-Year Period  
**Applicant:** Warren Hughes, Gallelli Real Estate  
**Location/APNs:** No assigned address, APNs: 035-260-062, -063, -064, Located at the intersection of State Route 20/49 and Dorsey Drive.  
**Current Zoning/General Plan:** Central Business District (C2) / Commercial (C)  
**Entitlements:** Modified Project  
**Environmental Status:** Addendum to a Certified EIR  
**Prepared by:** Amy Wolfson, City Planner

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## **RECOMMENDATION:**

1. That the Planning Commission recommends that the City Council approve application (25PLN-0035), which includes the request to amend the approved Dorsey Marketplace Project, to add a project condition of approval to allow development phasing, and includes the following actions:
  - a. Adopt the Addendum to the Dorsey Marketplace Project EIR and SEIR, which demonstrates that none of the conditions described in CEQA Guidelines Section 15162 requiring a subsequent or supplemental EIR are present; and
  - b. Approve the modification to the approved Dorsey Marketplace Project, 15PLN-0007, to add a condition of approval to allow the development to occur in phases over a seven-year period.

## **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.

### **PROJECT PROPOSAL**

The applicant is requesting to modify the conditions of approval to add a new Condition of Approval (A4) to allow construction of the Dorsey Marketplace Project over a seven-year period. Each phase consists of portions of the remediation program, infrastructure improvements, and residential and commercial development as shown in the Phasing Plan provided by the applicant (Attachment 1). 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).*

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. 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 proposes build-out of the project within a seven-year timeframe. There are no changes proposed to the overall project development.

### **ENVIRONMENTAL DETERMINATION**

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 and SEIR. None of the conditions described 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 modification now being considered, constitute a change, consistent with CEQA Guidelines Section 15164, that may be addressed in an addendum to the EIR.

## **FINDINGS**

1. The City Council of the City of Grass Valley approved the Dorsey Marketplace project, Alternative B, and also certified the Environmental Impact Report (EIR) for the Dorsey Marketplace Project on April 28, 2020, and a Subsequent EIR on September 10, 2024, in compliance with the California Environmental Quality Act (CEQA) (Public Resources Code Section 21000 et seq.) and the CEQA Guidelines (Title 14, California Code of Regulations Section 15000 et seq.);
2. The approved project consists of a mixed-use commercial and residential development located on approximately 27 acres at the northeast corner of Dorsey Drive and State Route 49, including associated infrastructure and roadway improvements; and
3. The applicant has requested a modification to allow the project to be constructed in multiple phases over an approximate seven-year period in order to accommodate market conditions, infrastructure sequencing, and financing considerations; and
4. The Community Development Department has prepared an Addendum to the certified Dorsey Marketplace EIR pursuant to CEQA Guidelines Section 15164 to evaluate the proposed modification; and
5. The Addendum finds that allowing phased construction would not result in any new significant environmental impacts or a substantial increase in the severity of previously identified impacts analyzed in the certified EIR; and
6. The Planning Commission has reviewed the Addendum, the previously certified EIR, the Mitigation Monitoring and Reporting Program (MMRP), and all related project materials in accordance with CEQA; and
7. All adopted mitigation measures and conditions of approval from the certified EIR shall remain in full force and effect and shall be applied as appropriate to each phase of project construction; and
8. A duly noticed public meeting of the Planning Commission was held on November 18, 2025 at which time all interested persons were given the opportunity to be heard.

## **ATTACHMENTS**

1. Proposed Phasing Plan
2. CEQA Addendum to Certified EIR
3. Approved Dorsey Marketplace Project "Alternative B" Site Plan
4. Dorsey Marketplace Project Conditions of Approval as modified
5. Universal Application
6. Mitigation Measure Monitoring Report
7. Link to the Dorsey marketplace EIR and SEIR