

TO: James L. App, City Manager
FROM: Ronald Whisenand, Community Development Director
SUBJECT: Chandler Ranch Area Specific Plan Up-Date and Options
DATE: November 27, 2007

Needs: To consider an up-date and provide policy direction regarding the Chandler Ranch Area Specific Plan.

Facts:

1. The Chandler Ranch Area Specific Plan (CRASP) has been in development for many years. While progress has been made, there remain a number of critical steps before the project is ready for a Council decision.
2. During the time that the Specific Plan has been in process, a number of things have changed that have the potential to alter the direction of the Plan. Important among those include changes in traffic, water supply options, community needs, and the current & near-term state of the residential real estate market.
3. A joint Planning Commission-City Council workshop with the property owners is convened to facilitate an exchange of information and expectations and to fulfill a June 13th request by the Chandler Ranch Property Owners to “meet with the City Council members to discuss the CRASP” (letter attached).
4. The purpose of the workshop is summarized in the attached September 11, 2007 invitation letter to the property owners. The main goals are to receive a status report on the Specific Plan, hear a presentation of the Property Owners regarding their issues (outlined in their June 13th letter), and to provide staff with direction on future Chandler Ranch specific plan efforts.
5. Three CRASP related studies have recently been completed which could have an impact on the direction that the Specific Plan is taking:
 - a. The “Peer Review” by an independent land use planning professional, providing a critique of the development plans proposed by the property owners. A copy of this peer review is attached and was provided to the property owner representatives on November 1, 2007;

- b. The first portion of a supplemental traffic analysis, based on the latest “phasing plan” submitted by the property owners. Attached is a letter from traffic consultant Omni-Means, describing a significant updated conclusion. The balance of the traffic analysis is anticipated to be completed following future Council direction on the form of the Specific Plan;
- c. The economic analysis of residential development costs typical for our local market area in response to property owner assertion that the CRASP is not economically feasible. The attached report prepared for the City by Vale Associates; also includes an assessment of how the use of community financing (CFDs) can benefit projects of this nature.

Analysis &
Conclusion:

Based on the latest input from property owners, it appears that the City funded specific planning process has come to a critical junction. The property owners have questioned whether the project can be built with the needed environmental mitigation and community benefit items that such a large project require. The City has fronted over a million dollars towards preparation of the Specific Plan. Many of the studies that went into the preparation of the Specific Plan are dated thereby requiring new assumptions and direction for the plan. This workshop is therefore timely.

The Workshop has been publicly noticed as a joint meeting of the Planning Commission and City Council. No actions are intended to be taken that are subject to the California Environmental Quality Act (CEQA), nor will the City consider any General Plan, Zoning, or Specific Plan entitlements related to the CRASP. Again, the goal is to get clear direction from the Council on how to proceed with the specific planning process.

The “agenda” for the workshop is intended to cover the following subjects:

1. CRASP Status

As the attached outline entitled “Status of Information / Input Needed to Prepare Draft Final CRASP” indicates, there are still significant work elements to be undertaken prior to preparing a final Environmental Impact Report and Specific Plan. The current process of preparing the CRASP has been underway since 2001. As stated in the attached letter to the property owners, it is proposed that certain conditions would apply for the City to continue on the current path toward conclusion of the CRASP, including but not limited to:

- performance of specified tasks by the property owners; and
- the property owners providing funding advances for the costs to complete the CRASP.

Also, in the context of current status, it is important to note that the following topics / issues need to be addressed by the property owners before the CRASP can be finalized and/or implemented:

- the property owners need to conclude negotiations with the State Department of Fish and Game / U.S. Fish and Wildlife Service before grading and development may proceed;
- the City expects completion of 3-dimensional terrain modeling (at a scale and design subject to City approval) to be completed before public hearings on the draft Final Specific Plan so that the Commission, Council and public have a clear illustration of the nature and extent of proposed landform changes; and
- evidence of an agreement between the property owners and the Paso Robles School Districts regarding mitigation of project impacts on school facilities is a prerequisite to the City considering the option of providing public financing of project infrastructure.

2. Property Owner Concerns and Issues

In the most recent correspondence (dated June 13, 2007, attached), the property owners express concern over the financial burden of building CRASP. While the property owners still desire the benefits of community financing, they no longer wish to fully participate in the Development Agreement negotiations that the Council has previously indicated are linked to any request for CFD financing. In addition, the property owners have indicated that there is no capacity in the project to pay for public benefit items including off-site traffic improvements, school facilities, and water storage. The owners request completion of the specific plan process without these community improvements and an audience with the City Council to discuss their development limitations.

3. Peer Review

It has been previously determined that an outside peer review of the proposed Specific Plan and development layout is necessary. The process has resulted in several positive suggestions for plan improvements in the areas of neighborhood connections, traffic flow/safety, relationship/compatibility between developed and open space components of the plan, and grading/landform sensitivity. Should the property owners wish to proceed with completion of the CRASP with the land uses and densities that they have been proposing, the City would expect the property owners to refine their development plans in response to input provided by the peer review before the City revises the Draft Specific Plan.

4. Traffic Analysis

The attached traffic analysis contains a conclusion that is very significant to both the City and the property owners: **Based on traffic projected to be generated by other already approved development projects, in the absence of any other traffic improvement measures, it is necessary for the Airport Road connection to the south side of Highway 46 East to occur before development of any phase of the CRASP.** Since it will be some years before any connection can be made between Airport Road and Highway 46 East, this has substantial ramifications for the timing of any development within the CRASP. There is a possibility that options for added traffic capacity along Golden Hill and Highway 46 East may be discovered during the upcoming parallel route study. Regardless, it appears that an important but expensive project link to Highway 46 will be required much earlier than originally envisioned (1050th dwelling unit or commercial unit equivalent).

5. Project Costs / Financing

With regard to a discussion of project costs and community financing, realistic construction cost projections and a refined projection of economic / market conditions appear to be necessary before the City and property owners can reach conclusions regarding potential financing options. In light of the traffic capacity constraints on the project, and current market conditions, cost and financing analysis at a later date may be a better option.

6. Options for Discussion and Consideration

The attached letter from the City to the property owners outlined two options for discussion and consideration.

Option No. 1 calls for the property owners to provide substantive input and financial support for the CRASP process to continue along the current course. Property owner agreement with this option would allow consideration of a Final Environmental Impact Report and a range of options for a CRASP. The options would extend from adoption of CRASP based on current General Plan and Zoning designations up to and including consideration of the land uses and densities being sought by the respective property owners. Pursuing conclusion of the CRASP under Option No. 1 would call for both renewed and new commitments by the property owners. In addition, all additional studies and completion of the environmental review and specific plan preparation process would need to be funded up front by the property owners.

Option No. 2: If property owners cannot agree or fulfill the terms of Option # 1, including completion of work within specified time frames, the City may consider adoption of a Final EIR and Chandler Ranch Area Specific Plan based on the Land

Use designations contained in the current adopted General Plan. Under this option, Community Facilities District financing would not be available for infrastructure.

Option No. 2 would allow a form of closure on the CRASP process as soon as the related documents can be revised. Option No. 2 has certain advantages to both the City and the property owners, including:

- adoption of a Final EIR would establish a policy and information foundation from which future environmental analysis could be built. For example, if the property owners wish, at a later date, to propose an amendment to the adopted Specific Plan, they would only need to deal with new environmental issues and/or circumstances (e.g. an update traffic analysis and incremental impacts related to differentials in development plans / intensities);
- approval of a CRASP based on the current General Plan land use designations would provide policy parameters that could be considered for amendment when market conditions are appropriate, and when both the property owners and the City see value in pursuing a revised CRASP. Specific plan fees that are established with the current specific plan could be revised when and if an amended specific plan is adopted.

Policy

Reference: Council Policy and Procedures, Chapter 5, Section 5.2.3

- Options:
- a. Provide explicit direction to City staff and property owners regarding Option No. 1 or Option No. 2 for concluding the Chandler Ranch Area Specific Plan process.
 - b. Amend, modify or reject the foregoing option.

Attached:

1. June 13, 2007 Letter from CRASP Property Owners
2. September 11, 2007 Letter to CRASP Property Owners
3. Chandler Ranch Specific Plan Peer Review Report
4. Omni Means Traffic Analysis
5. Vale Consulting Economic Analysis
6. CRASP Status Report and March 27, 2007 Letter to Property Owners
7. CRASP Concept Plan 2007 (Copies for public review are available at City Hall and the City Library)

*Chandler Ranch Area
Property Owners*

June 13, 2007

Mr. James App
City Manager
City of Paso Robles
1000 Spring Street
Paso Robles, California 93446

Re: Chandler Ranch Specific Plan

Dear Mr. App,

The CRASP property owners believe that the approval and development of the Chandler Ranch Specific Plan will result in positive benefits to the City of Paso Robles and its present and future residents. The CRASP will be the first major residential master planned community in the City and will offer, among other items, a variety of housing opportunities, public trails and 350 acres of open space that will be maintained by private interests, and the completion of major interconnecting infrastructure including over \$50,000,000 of much needed street improvements.

The ongoing discussions with City Staff, Paso Robles Unified School District, and other governmental agencies, have resulted in requests for ever increasing costs to be absorbed by the CRASP. The CRASP property owners, after many months of thought and analysis, have determined that the currently proposed cumulative financial burden on the project is greater than the project can economically support. As a result, the CRASP property owners have elected to withdraw their previous unanimous support for:

1. A mandatory Development Agreement. Certain owners may request Development Agreements on an individual basis.
2. The CRASP owners Development Agreement Deal Points dated February 2, 2007, and instead will agree to pay the maximum amount of development fees and project mitigation fees as can be established by the City pursuant to Nexus analysis and State law.
3. A negotiated agreement with the Paso Robles Unified School District, and instead agree to pay the maximum school fees that can be established by the School District pursuant to State law.
4. Their previous proposals related to the Kit Fox issue and instead will agree to pay a per acre amount for mitigation that was recently established by the California Department Fish & Game for the recently acquired 200+ acres in the Carrizo Plain.

Several of the CRASP owners have determined that their projects are not economically feasible without the financial benefits of CFD financing that can be exclusively utilized to fund the costs of infrastructure directly related to the project. There is no surplus CFD funding capacity that the City

*725 Creston Road - Suite B - Paso Robles, CA -
93446*

Chandler Ranch Area Specific Plan Property Owners

or PRUSD can utilize for non-Nexus or other costs not directly related to the CRASP project. Unfortunately, the CRASP cannot be the funding source for various governmental deferred capital costs or maintenance items.

The current CRASP, under the City's leadership, has been in process for over 5 years and has yet to reach public hearings to determine project approval. Therefore, the CRASP property owners respectfully request:

1. The City bring the CRASP to public hearings by December 1, 2007 and establish reasonable development fees and mitigation costs directly determined through Nexus analysis, the project EIR, and pursuant to State law.
2. The City commit to approve the necessary Community Facility District Financing to be used for infrastructure within the CRASP property boundaries and any offsite infrastructure deemed necessary as mitigation directly determined through Nexus analysis of the CRASP. The CRASP owners are willing to have a maximum CFD financing based on a tax increment of 40 basis points. The CRASP owners have determined that without this limited CFD financing, the CRASP is infeasible.
3. The City, by February 1, 2008, brings zoning on all CRASP properties into conformance with the City's General Plan pursuant to State law.

The materials requested by you in your letter of May 15, 2007 are being delivered concurrently by a separate letter. The CRASP property owners are available to meet with you and the City Council members to discuss the CRASP at your immediate convenience.

Sincerely,

The CRASP Property Owners

Cc: Members of the City Council

*725 Creston Road - Suite B - Paso Robles, CA -
93446*

Attachment 2 City Workshop Letter



CITY OF EL PASO DE *"The Pass of the Oak"*

September 11, 2007

Dear Chandler Ranch Area Specific Plan Property Owners

Thank you for your continued participation in preparing the Chandler Ranch Area Specific Plan (CRASP).

In the interest of bringing the Specific Plan process to a conclusion, the City of Paso Robles is planning to hold a joint Planning Commission-City Council workshop with the property owners late October or November 2007 to:

Present a status report on CRASP content and process;

Consider a "Peer Review" of the property owner's land use and site planning concepts (peer review prepared by David Sargent, contracted through the consulting firm of HDR);

Consider an updated traffic impact analysis by Omni-Means (based on the property owner's proposed "Phasing Plan" presented to the City in December 2006). The analysis will also include an evaluation of August 2007 proposed measures to provide "traffic calming" as well as total traffic impacts of all developments in the City that have been approved / entitled since the start of the Specific Plan process;

Consider options intended to conclude the CRASP process ("Attachment A");

Provide an opportunity for input / feedback from the Planning Commission, City Council, property owners and their representatives, other public agencies, and the citizens of Paso Robles regarding the status and direction of the CRASP.

The Workshop will be a publicly noticed joint meeting of the Planning Commission and City Council. No actions will be taken that are subject to the California Environmental Quality Act (CEQA), nor will the City consider any General Plan, Zoning, or Specific Plan entitlements related to the CRASP.

Please direct any comments regarding the proposed workshop and/or its contents in written form to this Office. Comments would be appreciated prior to October 1, 2007 to facilitate preparation of a staff report and related materials for the Public Workshop.

Please feel free to contact Bob Lata (bob@prcity.com) or Ron Whisenand (rwhisenand@prcity.com) should you have any questions or related information needs. The City looks forward to your responses.

Sincerely,

A handwritten signature in black ink, appearing to read 'James L. App', with a long horizontal stroke extending to the left.

James L. App
City Manager

cc: City Council
Robert Lata
Ron Whisenand
John Wallace, Property Owners Representative
Larry Werner, Property Owners Representative

Options for Concluding the Chandler Ranch Area Specific Plan

Introduction:

Since 2001, considerable effort and expense has been expended toward the goal of completing a Specific Plan for the Chandler Ranch Area. The City has advanced over \$1,000,000 towards completion of the Plan. A timely conclusion to the process would seem to be in the interests of the property owners and the community.

The following options are hereby presented to complete the Chandler Ranch Area Specific Plan:

Option # 1: Pursue completion of the current Specific Plan process which includes consideration of property owner requested land use and site design parameters. Pursuit of this option would be conditional as noted below:

- The City may consider providing General Plan or Zone Changes that would provide for new or more intensive land uses once:
 - A significant public benefit is demonstrated; and
 - All terms of all project mitigation measures and Development Agreement deal points (if any) are agreed upon; and
 - Preparation and presentation of a physical model of proposed changes to the existing terrain, for City selected geographic areas, and at a scale and content subject to City approval, under contract between the model builder and the City, is complete; and
 - Information previously requested by the City (see attached), is provided at the earliest convenience but no later than December 31, 2007 and in a manner subject to City approval;

- The City may consider providing Community Facilities District financing for infrastructure once:
 - full mitigation of school impacts and significant public benefit is demonstrated to the satisfaction of the Paso Robles School District, and
 - substantial municipal public benefits are evident to the City, and
 - a development agreement with each property owner within the CRASP seeking public financing is completed (by March 31, 2008);

- Property owners within the CRASP provide cash advances to fund completion of the Plan as necessary, the amount(s) of which shall be specified by the City based on an estimate of the cost of completing the CRASP documentation (to avoid the need for further advances from the City);

Option # 2: If property owners cannot agree or fulfill the terms of Option # 1, including completion of work within specified time frames, the City may consider adoption of a Final EIR and Chandler Ranch Area Specific Plan based on the Land Use designations contained in the current adopted General Plan. Under this option, Community Facilities District financing would not be available for infrastructure.

**Attachment 3
Peer Review Report**

CHANDLER RANCH SPECIFIC PLAN

PASO ROBLES CALIFORNIA

29 OCTOBER 2007

Prepared by:
Moule & Polyzoides Architects and Urbanists

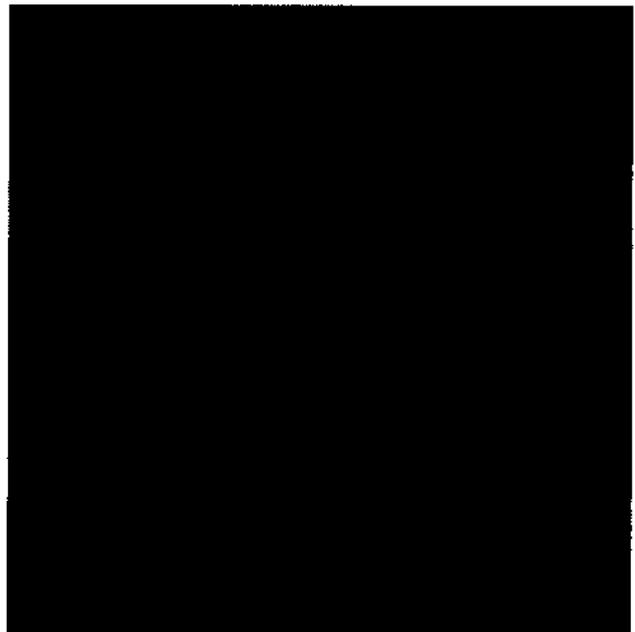


Table of Contents

Background	4
The Transect.	6
Summary of Recommendations	8
General Recommendations	10
Recommendations by Planning Area	12
North Neighborhood	
South Neighborhood	
Union Road/Hwy 46	
T4 General Urban Design Standards.	22
Thoroughfare Types	
Frontage Types	
Building Types	
T3 Suburban Design Standards	28
Thoroughfare Types	
Frontage Types	
Building Types	
T2 Rural Design Standards	34
Thoroughfare Types	
Frontage Types	
Building Types	
Fence Types	
Examples of Natural Landscape	

BACKGROUND

In July of 2006 the City of Paso Robles retained the town planning group of HDR Engineering, Inc. to review the Public Review Draft Chandler Ranch Specific Plan, dated November 2005. It was anticipated that HDR would meet one or two times with the Applicant and with City staff to discuss the Specific Plan, and then prepare a report recommending revisions to be made to the Draft Specific Plan as a Public Hearing Draft was being prepared by the Applicant for presentation to the Planning Commission and City Council.

The review of the Draft Specific Plan, which consisted of comparing the Draft Specific Plan to General Plan policies, applicable City standards, and the City Council's stated concerns, was intended to focus on three areas:

1. Neighborhood structure and design.
2. Grading.
3. Development standards and guidelines.

HDR's initial review identified significant issues with the basic layout and circulation of the project. It was determined that a detailed review of the grading and the development standards would have been premature at that time, because major layout changes would in turn affect the grading and the development standards. The key layout and circulation issues included:

1. The lack of an interconnected network of neighborhood streets connecting the several property ownerships within the plan area, and the consequent lack of coherent circulation and block structure.
2. The general pattern of lots backing up to public streets and public open spaces, with rear yard walls or fences rather than fronts of buildings facing the main streets.
3. Street geometries that cut across natural contours to create large flat "pad" areas for production housing, rather than street and block patterns that conform to the natural terrain, with "uphill" and "downhill" lot types and building types creating the sense of a neighborhood in hilly terrain.

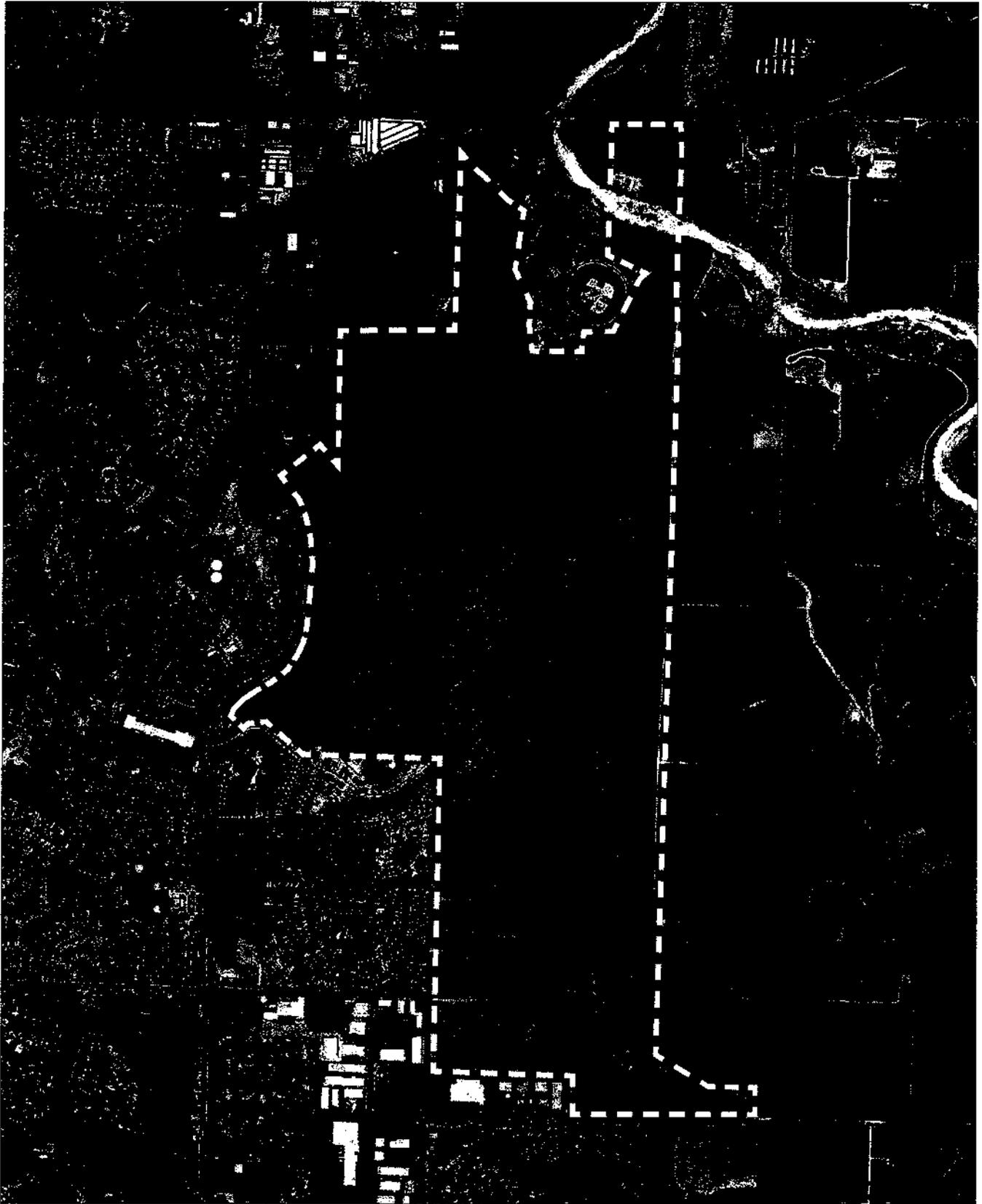
4. The high speed arterial geometry and design of Airport Road separating the proposed neighborhoods of Chandler Ranch from the wine-country environment to the east.

In May 2007, David Sargent – HDR's principal in charge of the Specific Plan peer review effort – left HDR to join Moule & Polyzoides, Architects and Urbanists (M&P). In order to ensure the successful conclusion of the peer review work, HDR has entered into a subcontract with M&P so that Mr. Sargent can complete this assignment.

In response to comments provided in project design conferences by Mr. Sargent and City staff, the Applicant has made a series of significant and positive changes to the master plan. In the most recent conference, held on July 30, 2007, the Applicant indicated that some further revisions would be made in the course of producing the next draft of the Specific Plan.

In that conference an important new topic discussed was the level of specificity and detail that would be provided by the Specific Plan. Important points discussed that are relevant to this question include:

1. The "Applicant" is composed of multiple property owners, some of whom are experienced in development and have specific ideas about the types of buildings they hope to construct, and some of whom just want to be able to sell their land to merchant home builders.
2. One property owner advocated that the southerly planning areas be left very flexible in terms of the basic street and block layout and in terms of the development standards and guidelines. The stated reason for this preference is that the owner intends to pursue a traditional neighborhood development (TND) approach rather than the conventional suburban development (CSD) approach described by the Draft Specific Plan.
3. The reason for some other property owners' preference that a low level of specificity and detail be included in the Specific Plan is clearly that they hope to be able to market the property to a wide range of home builders and feel that flexibility will be more palatable to those future builders.



Aerial photograph of Chandler Ranch Specific Plan area.

THE TRANSECT

This Specific Plan preparation process has consumed a number of years' time and a very large amount of public and private money. To end up with a document that specifies little about the design of new neighborhoods on the Chandler Ranch – so that some owners are not constrained by the Plan to pursue lower quality neighborhood development, while others are not constrained by the Plan to pursue higher quality neighborhood development – would seem clearly to be a waste of the important resources that have been devoted to the preparation of this Plan.

The Transect

The Transect, in its origins (Von Humboldt 1790), is a geographical cross-section of a region used to diagram a sequence of environments. Originally, it was used to analyze ecologies, showing varying characteristics through different zones such as shores, wetlands, plains and uplands. For human environments, this cross-section can be used to identify a set of habitats that vary by their level and intensity of urban character, a continuum that ranges from rural to urban. In Transect-based planning, this range of environments is the basis for organizing the components of the built environment: building, lot, land use, street, and all of the other physical elements of the human habitat.

One of the key objectives of transect planning is the creation of integrated environments that are internally coherent, and which transition seamlessly one to the next. Successful integrated environments are based on the selection and arrangement of all the components that contribute to a particular type of environment. Each environment, or Transect zone, is composed of elements that support and intensify its local character.

Through the Transect, planners are able to specify different urban contexts that have the function and intensity appropriate for their locations. For instance, a farmhouse would not contribute to the integrated quality of an urban core of a large city, whereas a high-rise apartment building would. Wide streets and open swales find a place on the Transect in more rural areas while narrow streets and curbs are appropriate for urban areas. Ideally, open country remains open and compact neighborhoods remain compact. Based on local practices, most elements can be locally calibrated

to contribute to the regional and vernacular character of place.

The continuum of the Transect, when subdivided, lends itself to the creation of zoning categories. Six general categories have been identified. These Transect zones (T-zones) display generally universal identifiable characteristics, from the most rural and natural environment (T-1) to the most urban environment (T-6). The six Transect Zones are: T-1 Natural Zone, T-2 Rural Zone, T-3 Suburban, T-4 General Urban, T-5 Urban Center, and T-6 Urban Core.

The Transect of East Paso Robles

For Paso Robles, the following are general descriptions of the character of each Transect Zone.

The T-1 Zone is composed of lands approximating or reverting to a wilderness condition, including lands unsuitable for settlement due to topography, hydrology or vegetation. The Salinas River bed is included in this zone.

The T-2 Zone consists of areas of Paso Robles that are reserved for agricultural use -- most notably vineyards -- , have an open rolling hills or country road character and are sparsely settled. It might be called the "Purple Zone".

The T-3 Zone comprises lower density suburban residential areas. Planting is naturalistic with setbacks relatively deep and blocks are typically large. Public realm design and building and site development currently are oriented almost exclusively to the automobile. Some roads are of irregular alignment to accommodate natural conditions. This is the dominant existing urban condition to the east of the Salinas River and is where most of Paso Robles' development has occurred over the past 60 years.

The T-4 Zone is mixed-use but primarily residential urban fabric. It has a wide range of building types, setbacks and landscaping are variable, and streets typically define medium-sized blocks. This is the dominant existing urban condition to the west of the

SUMMARY OF RECOMMENDATIONS

Salinas River, where the oldest neighborhoods of Paso Robles are located.

The applicable transect zones for the Chandler Ranch Specific Plan are T4, T3, and T2. Please refer to Development Standards at the end of this report for more detailed descriptions of the each applicable Transect zone.

Summary of Recommendations

The recommendations that apply to all aspects of the Chandler Ranch Specific Plan, and to the physical master plan on which it is based, derive primarily from Goal 1 of the General Plan:

In order to enhance Paso Robles' unique small town character and high quality of life, the City Council supports the development and maintenance of a balanced community where the majority of the population can live, work and shop.

This goal – in combination with policies intended to encourage pedestrian activity and to reduce vehicle miles traveled per household – clearly implies that the physical layout of neighborhood street and block systems and the distribution of land uses should take the form Paso Robles' original neighborhoods to the extent possible. These neighborhoods organize various types of housing on small blocks within comfortable walking distance of a range of commercial and civic amenities, linking all development with an interconnected network of pedestrian-oriented streets. By far the simplest and most effective way to enhance Paso Roble's unique small town character is to use it as the basis for designing new parts of Paso Robles.

Thus the following primary neighborhood design principles and rules should generally apply to all new neighborhood development:

1. The street network should emphasize pedestrian convenience, comfort and safety. That means that the blocks should be relatively small (1000' to 1600' perimeter in general), visitor parking should be in front of all lots, pavements should be relatively narrow to encourage slow driving speeds and short pedestrian crossing distances, and sidewalks should be separated from the

street by planting strips and street tree rows.

2. Buildings should front the street and welcome the pedestrian. This is accomplished by devoting substantially less than half of the street frontage to vehicular access and front yard parking areas and providing alley access to lots that are less than 60 feet wide.



Visitor parking in front of lot.



Provide planting strips and street tree rows.



Pavement width should be relatively narrow.



Buildings should front the street and welcome pedestrians.



Provide short crossing distances.



Devote less than half the street frontage to vehicular access.

GENERAL RECOMMENDATIONS

General Recommendations

We strongly recommend that the very positive direction of the recent master plan changes proposed by the applicant be resolved as a clear conceptual master plan of neighborhoods, and that the development standards and design guidelines in the current Draft Specific Plan be substantially revised to require block patterns, thoroughfare types, lotting patterns, and building types based on Paso Robles' unique character and the rural setting at this edge of the City.

As the applicant has noted, it is critical that a Specific Plan for a property as large as the Chandler Ranch – which would be expected to be developed over a period of decades rather than years – contain development standards that provide a good degree of flexibility as to the types of housing and neighborhood-serving commercial buildings that can be built, so as to be able to respond to near-term and long-term market demands.

Great flexibility of housing type, however, does not require an unfettered degree of flexibility of neighborhood design character. As the Draft Olsen Ranch Beechwood Specific Plan demonstrates, housing for the full range of household sizes and income levels – and for neighborhood-serving commercial uses – can be provided within neighborhoods designed specifically for the hilly terrain along the rural east edge of Paso Robles. Flexibility of "product type" does not require a free-for-all of housing designs that have been developed for other places, or for no place in particular.

A master plan of streets and blocks that delivers lots between 100 feet and 150 feet in depth – most fronting onto quiet, pedestrian-oriented neighborhood streets, and some fronting onto busier neighborhood edge avenues – will gracefully accommodate houses of all sizes and prices, townhouses of many types, condominium or apartment buildings at a wide range of densities, and neighborhood-scale retail or office development for a wide range of user sizes and types. Some blocks, particularly those containing houses on smaller lots or attached housing types, should have service lanes or alleys that provide vehicular access to the rear of the lot, while other blocks with houses on wider lots would not.

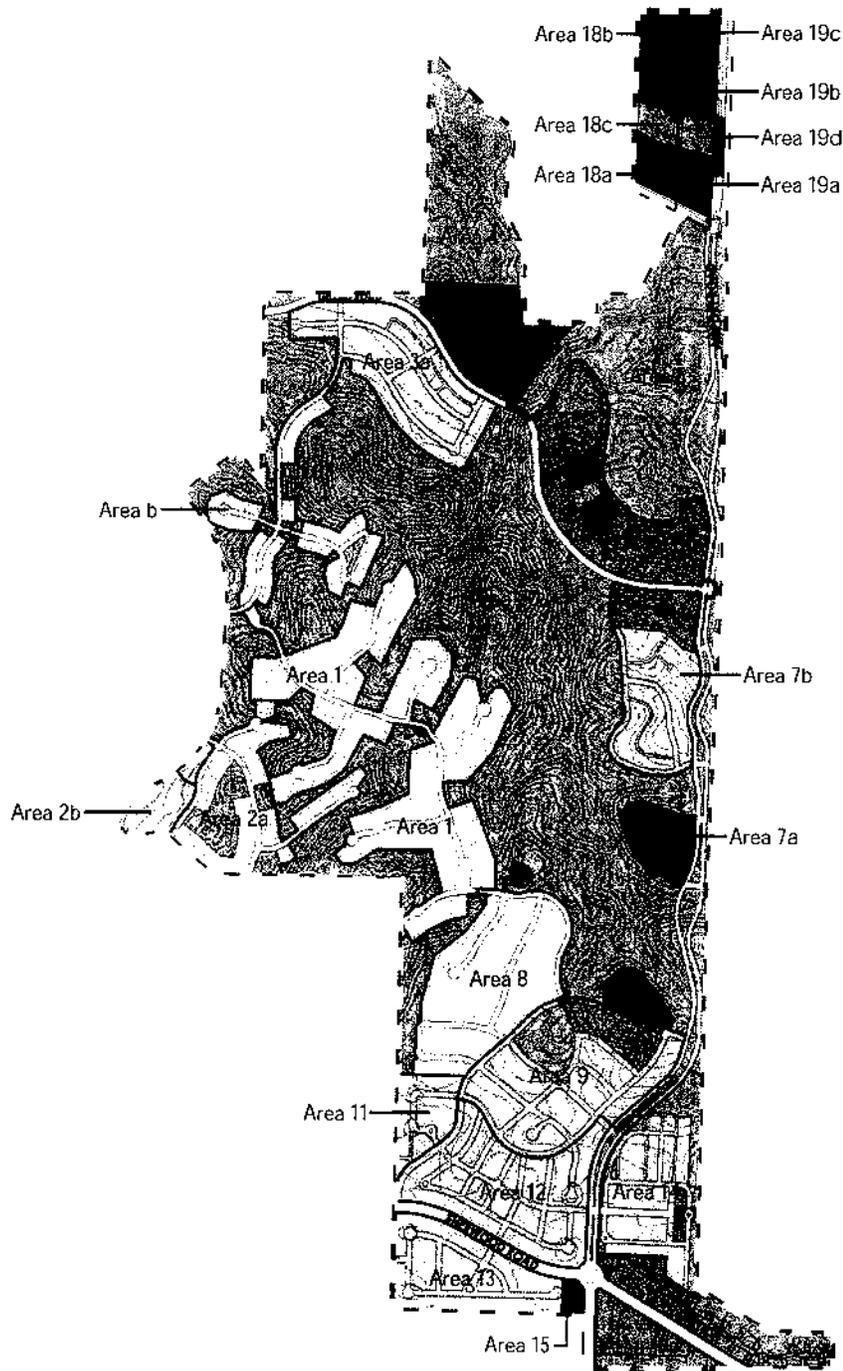
By contouring the streets and blocks to the natural terrain, it is possible to feather the neighborhoods into the

natural landscape that surrounds them, and to preserve within the neighborhoods a strong sense of rolling hill country. However, within some neighborhoods – where the streets and lots require grading all the land in any case – there will be some places where very light grading will yield a very good neighborhood design, and other places where grading more heavily will be needed in order to produce a pleasant streetscape and living environment.

In certain cases, strictly minimizing the amount of earth that is moved may create very awkward conditions, where some lots are set up on retaining walls while front yards across the street are actually below the street, driveways may be uncomfortably steep, or streets may unexpectedly dead-end at a steep slope or retaining wall, disrupting the neighborhood connectivity. While we certainly do not recommend unrestricted mass grading of this beautiful land, we do recommend that the grading restrictions be carefully evaluated to make sure that arbitrary limits on the depth of cuts or fills – which if done correctly are only unattractive as temporary conditions during construction – do not have the unintended consequence of unnecessarily fragmenting the long-term structure and function of the new neighborhoods and streetscapes.

Based on our review of the Draft Specific Plan dated November 2005, and based on the several meetings with the applicant and City staff, we have the following specific recommendations for further master plan refinements and revisions to the Draft Specific Plan.

The master plan recommendations are numbered by planning area, with lettered recommendations for the development standards and design guidelines, or form-based code. The master comments on the master plan refer to the version dated June 2007.



Chandler Ranch Specific Plan Regulating Plan with area designations.

RECOMMENDATIONS BY PLANNING AREA

North Neighborhood

General Comments

The northerly planning areas – 1-7 and not including 18-19 – are quite fragmented by the open space preservation pattern and do not really add up to a neighborhood. But they do provide a range of potentially very beautiful lots in close proximity to preserved natural open space, and designed naturalistic open space. Accordingly, the general character of these places should be in the T2 and T3 ranges. Very high quality design standards for such development may also be found in the Neighborhood Edge 1 Zone of the OBSP.

Given the not-so-interconnected character of these planning areas, it will be extremely important that pedestrian and bicycle movement on the streets, roads and trails in this area be very carefully designed as an integrated network. In more traditional neighborhood designs, every street has a comfortable sidewalk and every neighborhood street has low enough driving speeds that bicycle traffic can move with the cars. In this area, however, great care will need to be taken to provide safe and comfortable routes for kids to use on their way to school, to parks, and to visit their friends in the neighborhood.

Recommendations by Planning Area

Area 1

The design intent for this area is to preserve the existing topography and vegetation, and gently set houses down among the oak trees. This seems like a strong concept, and carefully implemented this would provide a unique and rural living environment. The master plan as drawn seems to be conceptually fine.

Development standards should be T2 (Rural) whereby:

- a. Roads are narrow and have naturalistic verges (shoulders) with drainage in swales that are landscaped with drought-tolerant native plants, and local river rock where stabilization is needed.
- b. Fences and landscaping are open and of rural character.

- c. Houses are either horizontally proportioned (ranch type) one or one-and-a-half story, or one or two story farm-house types, with very simple massing. Large two-story houses with complex massing (MacMansions) should be avoided. Preferred styles include California Ranch Style (if on lots of approximately 1 acre or more) or California Spanish, perhaps farmhouse Italianate, or modern if rustic or natural materials are used.
- d. Existing oak trees are preserved to the maximum degree possible, but not at the expense of well-designed street frontages. Grading should accommodate existing trees rather than relegating them to awkward raised planters or pits. Roads, houses, and grading should provide appropriate setbacks from the critical root zone.

Areas 2A and 2B

Areas 2A and 2B consist of smaller lots that are situated on steeper slopes than in Area 1. Accordingly, houses will need to conform to the slope by way of stepped foundations. Pad grading should not be allowed in Areas 2A and 2B. Area 2B has frontage onto Golden Hill Road and onto a new neighborhood road. New homes should front both those streets, not back up to them.

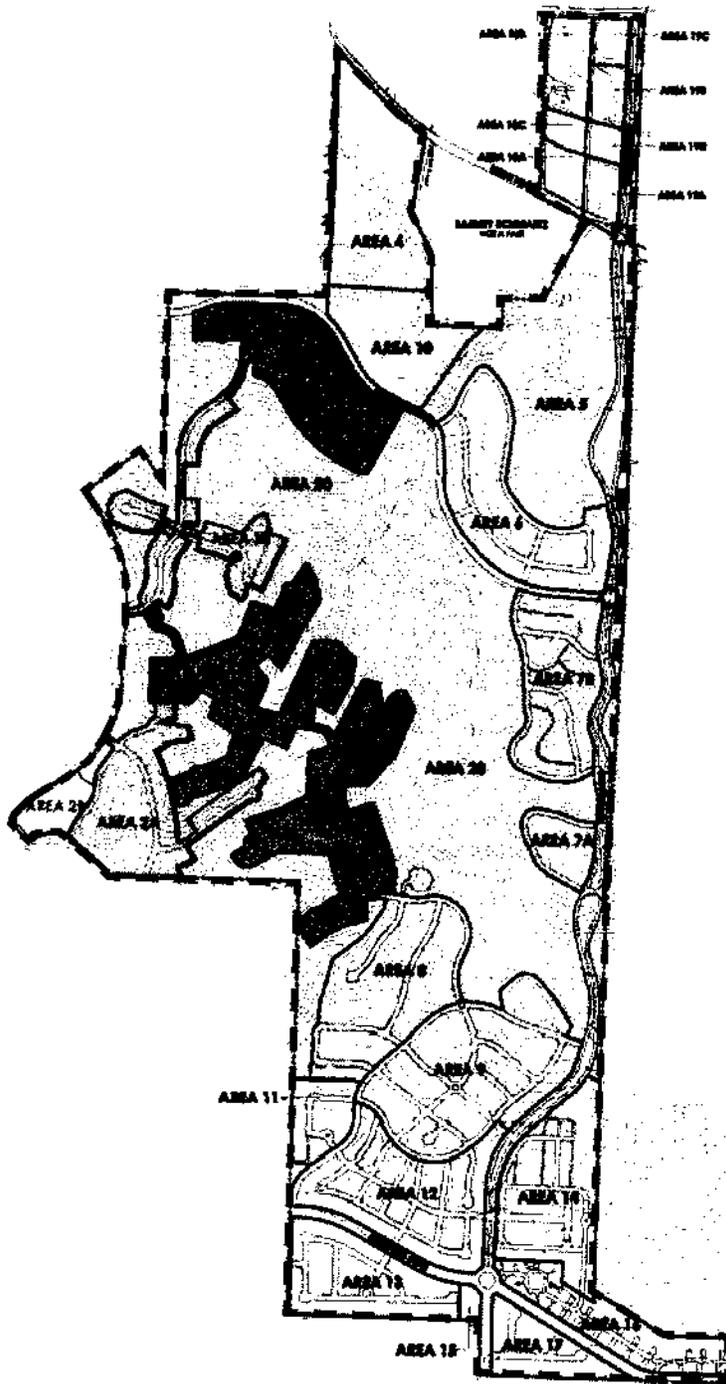
Development standards should be T3 (Suburban).

Area 3A

The layout is conceptually correct as shown. Note that the area in the northwest corner of 3A is a naturalistic water quality basin and not lots that back up to Gilead, and that the alley shown south of Gilead allows for homes fronting Gilead. Gilead must have on-street parking for visitors to those homes.

It is recommended that the blocks in the middle of 3A also have alleys, unless the lots are at least 60 feet wide. It is understood that the perimeter lots on the south and east edges of area 3A are very minimally graded, with houses that conform themselves to the uphill lot condition and back yards that seamlessly connect to the adjoining natural open space. Property line fences should conform to the T2 standards along those edges.

Developed standards should be T3 (Suburban)



KEY

-  Area 1
-  Area 2A
-  Area 2B
-  Area 3A

Chandler Ranch Specific Plan Areas 1, 2A, 2B, 3A, and 3B.

RECOMMENDATIONS BY PLANNING AREA

Area 3B

Area 3B should be developed per the T3 (Suburban) standards. The roads should follow natural contours as much as possible, per the hand drawn sketches presented at the meeting of 30 July.

Area 4

Area 4 is conceived as a large park or public open space, although it has potential to accommodate a large-scale private recreational facility. Regardless of the final use, an illustrative landscape master plan should be prepared and the character of landscape and other improvements should be per the T2 (Rural) standards.

Area 5

Area 5 is conceived as open space. Existing oak trees and topography should be preserved in conformance with the T2 (Rural) standards.

Area 6

The street parallel to and closest to Gilead, and wrapping around to the north parallel to Airport, should be an alley rather than a street, as the applicant's expressed intention is to have townhouses facing Gilead. That street can then be shifted 100-150 feet to the north/west, so that lots front both sides of it. The lots on the northerly side will back up to the natural open space, much as the edge lots in Area 3A.

T3 (Suburban) standards should apply.

Area 7A

Area 7A is currently a single generally round block. The current housing density diagram indicates that higher densities are planned for that area. While it is possible to design buildings containing denser housing that would look appropriate sitting in a little block that is surrounded by natural open space and vineyards, the chances of a merchant builder doing so are negligible. We strongly recommend that this area be planned for single-family detached homes that substantially preserve the existing contours of

the land, and as much of the natural vegetation as practical.

T3 (Suburban) standards should apply, perhaps with a perimeter road and landscaping more characteristic of T2.

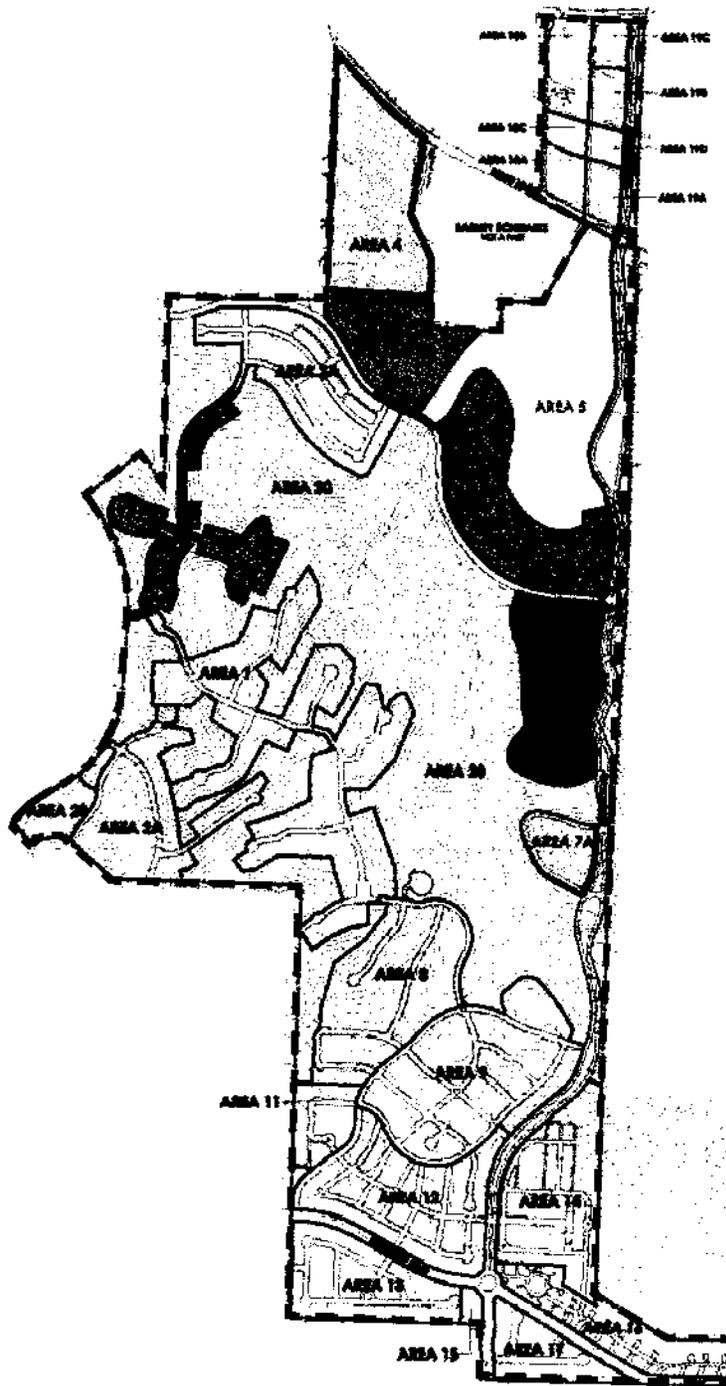
Area 7B

The layout shown for 7B is quite good, providing lots that front Gilead and Airport on the north and east edges, as well as the roads adjoining the open space along the west and south edges. The alleys that have been added provide vehicular access to the lots, providing a great deal of flexibility in lot widths, and allowing the front yards to be beautifully landscaped and free of automobile parking.

The internal street in the southerly portion of this area comes very close to Airport Road causing some undesirable results. The lots in the southwest portion of the area are very deep, whereas the lots in the southeast portion, facing Airport Road are very shallow, and either back up to Airport Road or to the internal street, neither of which is a good option. If that internal street were shifted to the west, there could be an entire block to the east of it, such that lots fronting Airport Road and fronting the internal street would be possible. That block should contain an alley to avoid driveways onto Airport Road.

All of the neighborhood edge streets must have curbside parking for visitors. On Airport Road, and on the road along the west and south edges, parking could be accommodated on a wide shoulder composed of pervious pavement (such as pervious concrete, pervious pavers, or other permeable surfaces that are approved by the Planning Director). On Airport Road, parking could also be accommodated along a frontage lane that would also facilitate access to homes facing Airport Road. This second alternative is probably the better solution for carrying relatively heavy traffic loads and at the same time allowing buildings and street parking to front on the narrower, quieter, and separate frontage lanes. Both configurations could be lined with informally planted oak trees that emphasize the rural character of the streets.

T3 (Suburban) standards should apply.



KEY

	Area 3B
	Area 4
	Area 5
	Area 6
	Area 7A
	Area 7B
	Area 10

Chandler Ranch Specific Plan Areas 4, 5, 6, 7A, and 7B.

RECOMMENDATIONS BY PLANNING AREA

Area 10

This Area is intended for an elementary school. While this Specific Plan is a local document with no regulatory authority over a school – which is regulated by the State – we would recommend that some design recommendations be provided for the school. Such recommendations might include photographs of schools that have a rural character in their architecture and site planning. Of particular importance would be the frontage design along Gilead, which we would recommend have a rurally detailed frontage road for student drop-off. Bus drop-off zones should be organized to the side of the buildings adjacent to the parking lot, if at all possible. Architecture of a very simple California Spanish style is recommended, reflecting the strong tradition of such school designs in California. The layout should anticipate that portable classroom buildings may be added in the future, and should mass the initial building along the street frontage so that future portables would be to the north, screened from street views.

South Neighborhood

General Comments

Perhaps the greatest improvement to the master plan to date has been the unification of the plan for Areas 8, 9, 11, 12 and 14. In the July 30 meeting the possibility of reorienting lots around the edges of Areas 9 and 12 so that they front the perimeter streets rather than backing to them was discussed, as was the possibility of more unified planning as regards areas 13, 15, 16 and 17.

As the drawing on the facing page demonstrates, this South Neighborhood directly abuts the north neighborhood of the Olsen Ranch-Beechwood Specific Plan, such that the neighborhood-serving commercial center on the south side of Sherwood Road is facing the soundwall of the six-pack product on the north side of Sherwood. This would be a truly terrible outcome of so many years of planning effort.

As a motorist on Sherwood Road approaches Airport Road from the east, the new Olsen Ranch Neighborhood is on the left and vineyards are on the right. Then the neighborhood commercial center appears on the

left, just before Airport Road. Shortly after turning north on Airport Road the situation repeats itself, with the new South Neighborhood on the left and vineyards on the right. To be suddenly cut off from the vineyards by soundwalls and the backs of closely packed tract houses at this major intersection at the edge of town would be a major mistake. And sitting in a new restaurant in the Olsen Ranch Neighborhood Center looking at such a condition would significantly reduce the value of the place.

Accordingly we provide some comments regarding these areas as a group. We still have significant concerns about the details of the layouts for these areas, but the clear conceptual intention is that they be joined together into a single neighborhood of interconnecting streets and reasonably scaled blocks. Specific concerns about this layout include:

- a. The block sizes in Areas 8 and 9 are quite large, presumably to accommodate large lots. A general illustrative pattern of the lots should be shown, so that the scale and pattern of the development can be understood.
- b. The block sizes in Area 12 are very small and it appears that some of the blocks must be only one lot deep. In the July 30 meeting the possibility that some of the streets are actually alleys was discussed. This area should be redrawn, including some illustrative lotting, so that the difference between streets and alleys is clear, and hence the fronts and backs of lots are clear. In blocks where larger lots are planned, alleys are completely optional, but if lots less than 60 feet wide are contemplated, provision should be made for alleys. Also the lots abutting Sherwood Road and Airport Road should have alleys, so that driveways do not connect to Airport Road or Sherwood Road. Elsewhere, the decision to include an alley or not can certainly be made when the tentative map is prepared and the lot sizes and building types are known.
- c. Areas 13, 15, 16 and 17 appear to have lots backing up to Sherwood Road and Airport Road. This would be an unfortunate circumstance in almost any context, but here on the rural edge of Paso Robles at the intersection of two major city-edge

rural avenues it is completely inappropriate. And to have this condition across the street from the fronts of residences and/or small commercial establishments in Area 12 and the Olsen Neighborhood would be doubly damaging. The layouts of these areas need to be redesigned to correct this.



Southern portion of Chandler Ranch Specific Plan area as abuts Olsen Ranch Beechwood Specific Plan area.

RECOMMENDATIONS BY PLANNING AREA

- d. Area 14 is designed with what is apparently a two-way frontage road parallel to Airport Road. The impulse behind a frontage road here appears to be the idea of facing buildings toward Airport, which is the right idea. However we believe that with the redesign of Airport as a rural avenue rather than a high-speed arterial street, it may likely be possible to face buildings toward it without a frontage road. And if a frontage road were needed, we would suggest that it be a one-way side-access lane with parking, or a rural frontage lane with parking such as the one found along the front of Mattei's Tavern in Los Olivos.
- e. And as previously mentioned, we suggest that the small neighborhood-serving commercial establishment(s) envisioned for this area be oriented toward Airport Road and/or toward Sherwood Road. Ideally such uses would be located – among other places – on Sherwood opposite similar uses in the Olsen Ranch Neighborhood Center, and perhaps along Airport Road.

Recommendations by Planning Area

Area 8

If Area 8 is to be exclusively large-lot single family houses, the layout as shown would work. If a range of lot sizes, including some less than 60 feet in width, are anticipated, then the blocks may need to be reduced in size and/or alleys may need to be added.

T3 (Suburban) standards should apply.

Area 9

If Area 9 is to be exclusively large-lot single family houses, the layout as shown would work. If a range of lot sizes, including some less than 60 feet in width, are anticipated, then the blocks may need to be reduced in size and/or alleys may need to be added.

T3 (Suburban) standards should apply if the blocks are as large as shown, but could become T4 (General Urban) in all or some of the area if lots become smaller. If a variety of lot sizes is provided, the

smaller should predominate in the southerly end of the area, approaching Area 9, so that a reasonably smooth gradation from larger to smaller – and from T3 (Suburban) character to T4 (General urban) character – is achieved.

Area 11

Area 11 cannot be planned independently of Areas 8 and 9. See comments for those areas, above.

Area 12

Area 12 needs to be redrawn, clarifying the street network and blocks that are approximately 200 to 240 feet in depth. Lots along Airport and Sherwood should face those streets rather than backing to them. If some blocks are intended to have townhouses with rear-loaded tuck-under parking in them, those lots might be as little as 70 or 80 feet in depth, and if so the building types that would populate those blocks should be clearly defined.

T4 (General Urban) standards should apply.

Area 13

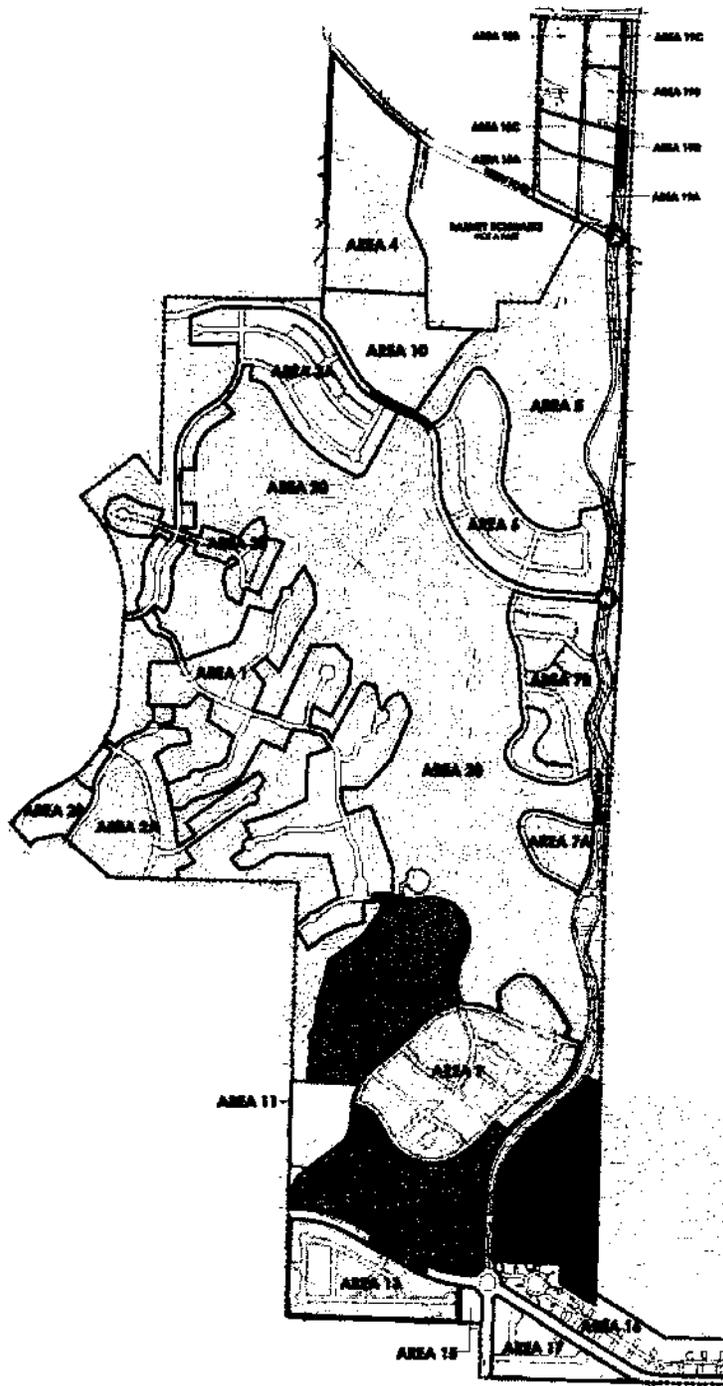
Area 13 should be redesigned so that lots front Airport and Sherwood rather than backing to them. This area has the opportunity to be developed at higher intensities that are implied by what appears to be a single-family detached tract.

T4 (General Urban) standards should apply.

Area 14

This area appears to heading toward a neighborhood center character, and we recommend further clarifying that intention. We also recommend that buildings front Sherwood, with and/or without a frontage road, and that serious consideration be given to locating non-residential uses along the Sherwood frontage.

T4 (General Urban) standards should apply.



KEY

- Area 8
- Area 9
- Area 11
- Area 12
- Area 13
- Area 14

Chandler Ranch Specific Plan Areas 8, 9, 10, 11, 12, 13, and 14.

RECOMMENDATIONS BY PLANNING AREA

Area 15

This area cannot be planned separately from Area 13. See comments for that area above.

Area 16

As noted in the general comments for the south neighborhood, the layout for Area 16 is clearly inappropriate. The planning for this area needs to be unified with Area 14 to the north, and with the Olsen Neighborhood Center to the south. Buildings should front Sherwood Road, not back to it.

T4 (General Urban) standards should apply.

Area 17

This area needs to be redesigned, similarly to Area 13. Its shape is challenging but provides a very high ratio of frontage to area, which would add value to a commercial use whereas it subtracts value from a single family residential use.

T4 (General Urban) standards should apply.

Union Road/Highway 46 Commercial

Areas 18 and 19 need to be planned in a unified way, regardless of whether they are developed at separate times by separate entities, or all at once. Accordingly, we provide one set of comments for the two areas.

The land to the north of the creek and adjacent to Highway 46 (Areas 18B, 19B and 19C) appears suitable for a highway oriented commercial use. Buildings in this area should face Highway 46 and/or Airport Road, with a frontage road behind a parkway with strong, rural landscaping and tree plantings. Access to Areas 18 and 19 should be linked by this frontage road, with a consistent design. One end of that frontage road should connect to Airport Road an appropriate distance from Highway 46, and the other end should end at the western edge of Area 18 with the possibility of extending it westward should topography and development of adjacent property permit. Rather than a dead end or cul-de-sac, it is recommended that a loop be completed via driveways or alleys that provide access around and behind buildings that front Highway 46 and the frontage road. If the

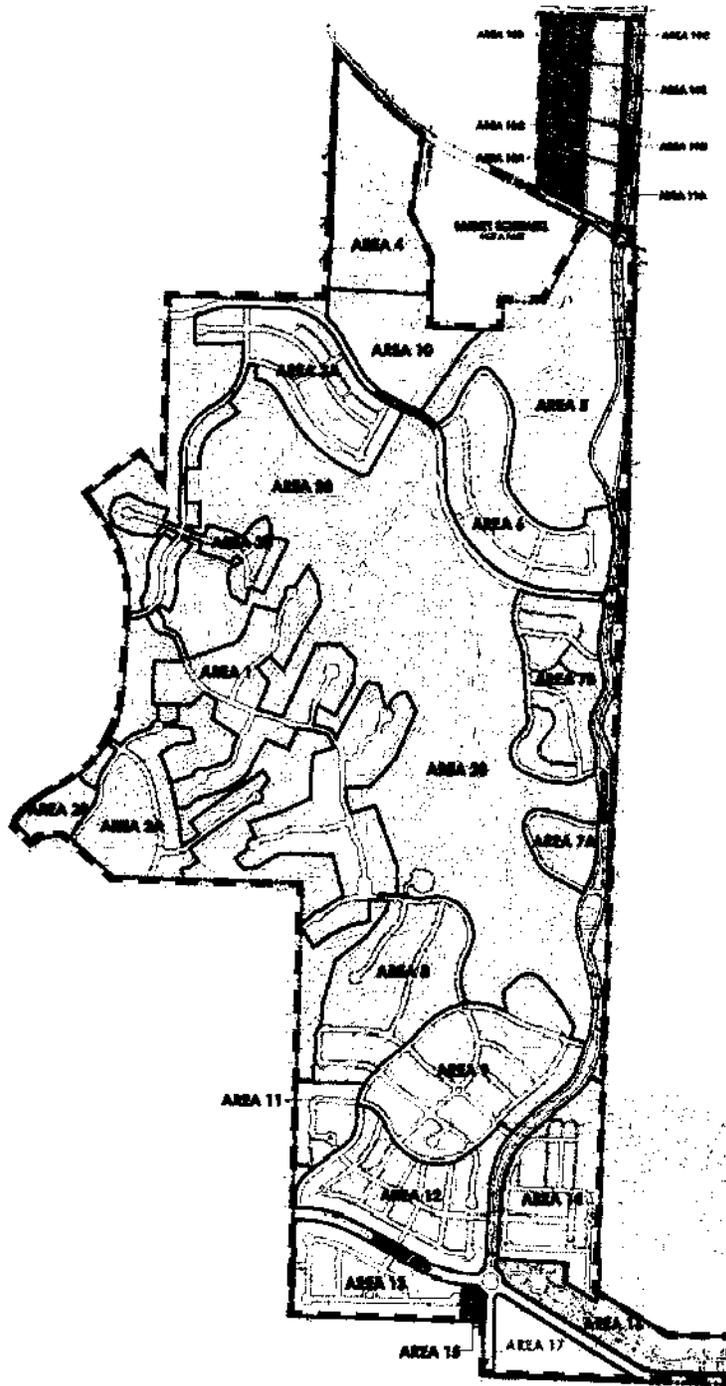
properties are developed separately, reciprocal access and parking easements should be recorded to assure a unified operation as well as design.

Parking lots in front of buildings, if provided, should be no more than one aisle in depth, and designed and landscaped as parking along a frontage road rather than as a typical shopping center parking lot. Additional parking should be behind the buildings, or in moderately sized "parking courts" between buildings. A shared parking area between Areas 18 and 19 might be provided with a shared drive aisle on the boundary between the areas.

The land south of the creek and adjacent to Union Road (Areas 18A, 18C, 19A and 19D) are located within the boundaries of the City's Airport Land Use Plan and is thus more suitable for neighborhood-serving commercial use. Commercial buildings should front Airport Road and/or Union Road, with or without a frontage road. If parking is provided in front of these buildings it should either be on-street parking or parking detailed as a frontage road, as noted above.

New buildings along the highway should employ storefronts and building-mounted signage facing the highway, simple rural roof forms, careful screening of roof-mounted equipment and loading and storage areas, and guidelines for rustic colors and natural materials. Mini-storage facilities, loading areas, large parking lots and other unsightly service areas should not be visible from the highway.

In the case of both of these areas, the design of the creek edges will be important. A variety of conditions may be appropriate along the creek depending on the selected uses, including a restaurant with a deck or garden along the creek, or in some cases parking areas. If parking areas are located along the creek, a prototype for their design would be Olohan Alley and Kiwanis Park in Arroyo Grande – pervious pavement and carefully designed bio-swales and infiltration basins should be provided to control the quality and quantity of stormwater delivered to the creek.



KEY

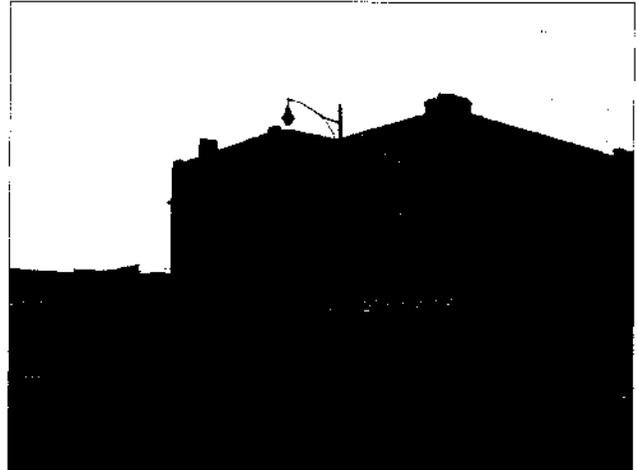
- Area 15
- Area 16
- Area 17
- Area 18
- Area 19

Chandler Ranch Specific Plan Areas 15, 16, and 17.

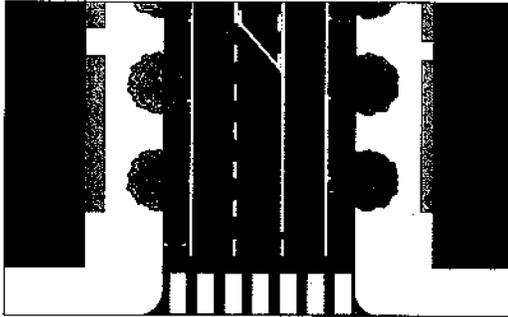
DEVELOPMENT STANDARDS T4 - GENERAL URBAN

As one enters into Paso Robles from the countryside, one transitions from the T2 Rural transect to either the T3 (Suburban) or the T4 (General Urban) transect. In the case of the T4 gateway, the streetscape character changes from country road to that of a town avenue. These avenues are the wider, main thoroughfares of the town and have an important circulation function. Their primary urban design function is to act as the urban "face" and principal public spaces of the town. As such, they will be landscaped with major tree plantings, faced by high quality residential and commercial buildings, and flanked by pleasant pedestrian ways as well as comfortable on-street parking for visitors and customers. Central Gateways, as they enter town onto city streets primarily from Highway 101, should also follow the T4 General Urban guidelines. The essence of these gateways is the discernible contrast between T2 and T4, which creates a sharply defined edge, or gateway.

Thoroughfare types, frontage types and building types are among the primary urban design elements that support and intensify the locational character of each Transect zone. It is recommended that each gateway be characterized by a set of allowed urban standards. The following pages outline the palette of thoroughfare, frontage and building types allowed in the T4 General Urban Transect Zone.

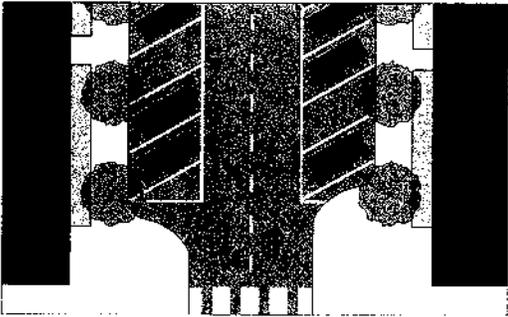


The following thoroughfare types are appropriate for the T4 zone.



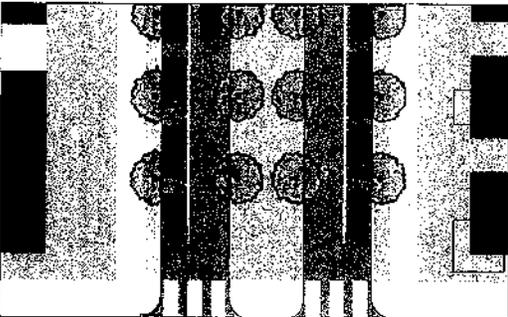
Central Street

The character of the Central Street is pedestrian-oriented and defined by street-level storefronts. Buildings are built to the sidewalk, are at least 2 stories tall, and have awnings that strengthen a sense of enclosure for shoppers and strollers. The pedestrian experience is enhanced with wide sidewalks, street trees in wells, and pedestrian-scale lighting. Spring Street is an example of a Central Street.



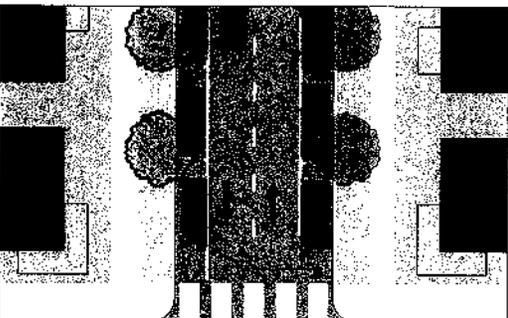
Central Street - Diagonal Parking

The Central Street type can utilize diagonal parking for increased parking availability to support businesses flanking the street. Pedestrian sidewalk bulb-outs increase safety for pedestrians crossing at intersections. Typical downtown streets are examples of Central Streets with diagonal parking.



Town Avenue

The Avenue provides the appropriate transition from Paso Robles' countryside to town. Residential or commercial land uses face the street and interface with the public realm through various applicable frontage types. This street type features two single travel lanes lined with parallel parking on both sides, and may or may not contain a tree lined median. Sidewalks on either side of the street are separated from the curb by continuous planting strips that accommodate street trees. 24th Street is an example of a Town Avenue.



Neighborhood Street

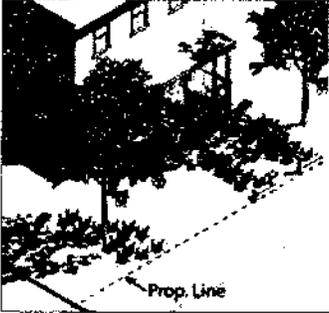
Neighborhood Streets are designed for low traffic volumes and traffic speeds of 25 miles per hour or less. Their primary function is to provide access to adjacent land uses, which vary throughout the area, depending on the location. Sidewalks on either side of the street are separated from the curb by continuous planting strips that accommodate street trees. On-street parallel parking is provided on both sides. Vine Street is an example of a Neighborhood Street.

DEVELOPMENT STANDARDS

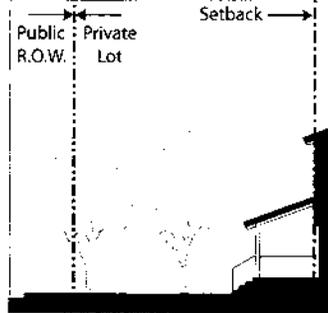
T4 - GENERAL URBAN

The following frontage types are appropriate for the T4 zone.

Axonometric Diagram

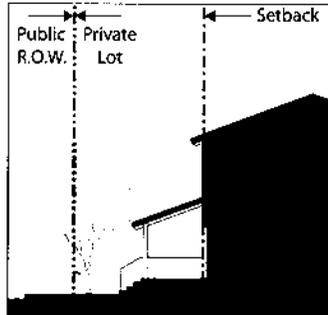
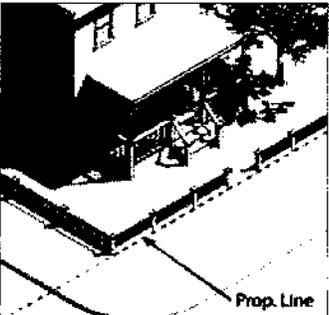


Section Diagram



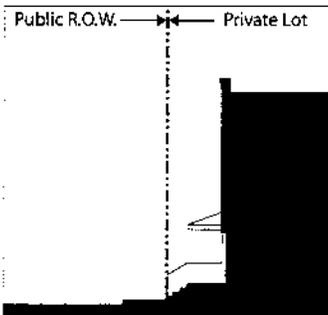
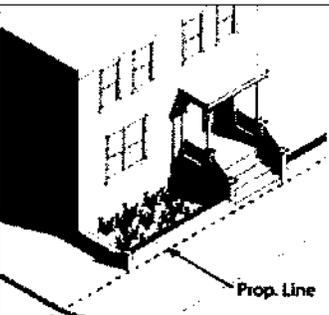
Common Yard

A frontage wherein the facade is set back a minimum of 15 feet from the property line/frontage line. The front yard created remains unfenced and is visually continuous with adjacent yards, supporting a common landscape. The deep setback provides a buffer from the higher speed thoroughfares.



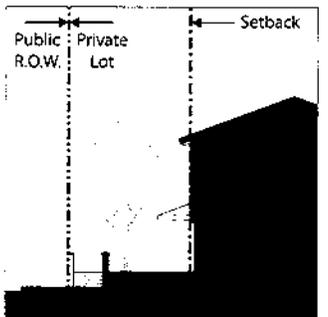
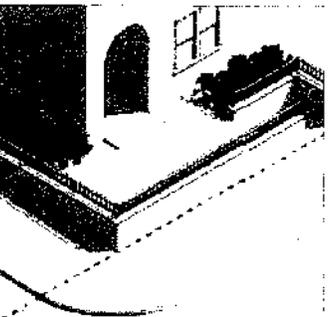
Porch

Fences are common frontages associated with single family houses, where the facade is setback a minimum of 10 feet from the right-of-way with a front yard. A fence or wall at the property line may be used to define the private space of the yard. An encroaching porch may also be appended to the facade. A great variety of porch and fence designs are possible including a raised front yard with a retaining wall at the property line with entry steps to the yard.



Stoop

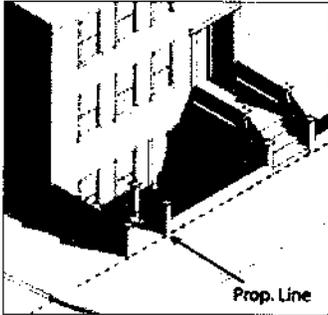
Stoops are elevated entry porches/stairs placed close to the frontage line with the ground story elevated from the side-walk, securing privacy for the windows and front rooms. The stoop is suitable for ground-floor residential use at short setbacks. A shed roof may also cover the stoop. This type may be interspersed with the Shopfront & Awning frontage type.



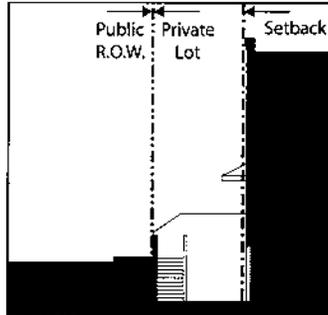
Dooryard / Terrace

Dooryards are elevated gardens or terraces that are set back from the frontage line. This type can effectively buffer residential quarters from the side-walk, while removing the private yard from public encroachment. The terrace is also suitable for restaurants and cafes as the eye of the sitter is level with that of the standing passerby.

Axometric Diagram

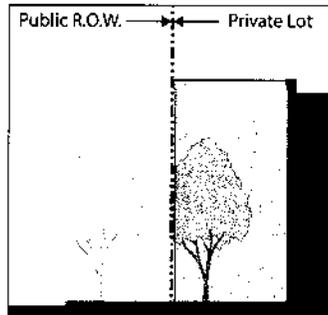
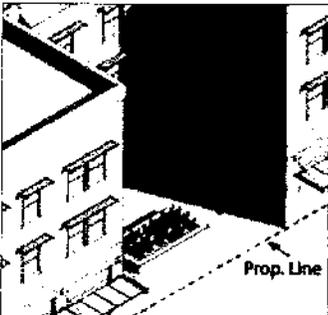


Section Diagram



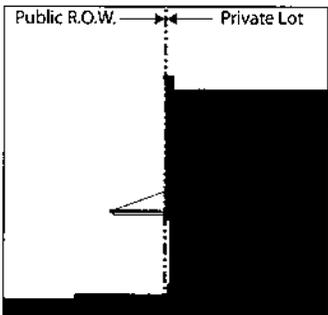
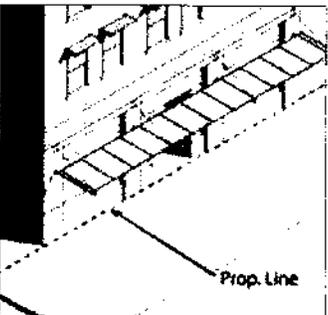
Lightcourt

Lightcourts are frontages wherein the facade is set back from the frontage line by a sunken light court. This type buffers residential use from urban sidewalks and removes the private yard from public encroachment. The lightcourt is suitable for conversion to outdoor cafes.



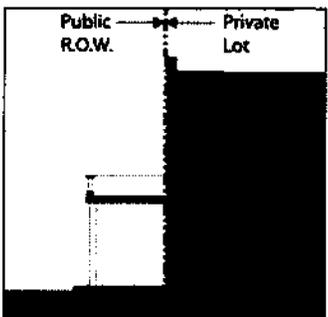
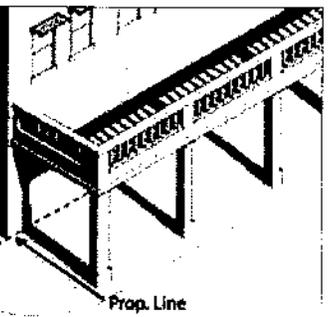
Forecourt

Forecourts are uncovered courts within a storefront, gallery or arcade frontage, wherein a portion of the facade is recessed from the building frontage. The court is suitable for gardens, vehicular drop-offs, and utility off loading. A fence or wall may be used to define the property line. The court may also be raised from the sidewalk, creating a small retaining wall at the property line with entry steps to the court. This type should be used sparingly and in conjunction with Storefronts.



Storefront

Storefronts are facades placed at or close to the right-of way line, with the entrance at sidewalk grade. They are conventional for retail frontage and are commonly equipped with cantilevered shed roof(s) or awning(s). The absence of a raised ground floor precludes residential use on the ground floor facing the street. Residential use would be appropriate above the ground floor and behind another use that fronts the street.



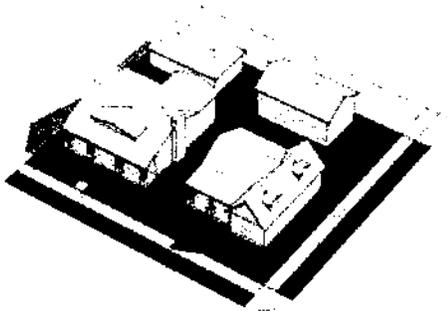
Gallery

Galleries are storefronts with an attached colonnade, that projects over the sidewalk and encroaches into the public right-of-way. This frontage type is ideal for retail use but only when the sidewalk is fully absorbed within the colonnade so that a pedestrian cannot bypass it. An easement for private use of the right-of-way is usually required.

DEVELOPMENT STANDARDS

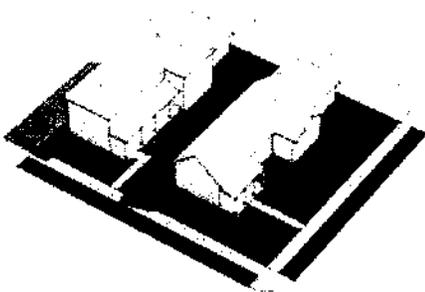
T4 - GENERAL URBAN

The following building types are appropriate for the T4 zone.



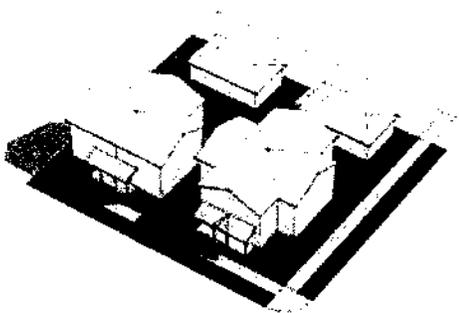
Front Yard House

A detached building designed as a single dwelling unit that may be located upon a qualifying lot in the T4 zone. A Front Yard House may be used for non-residential purposes where allowed in the applicable zone. A Front Yard House is accessed from the sidewalk adjacent to the street build-to line.



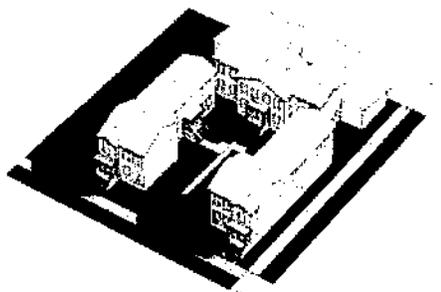
Sideyard

A detached building designed as a single dwelling unit that may be located upon a qualifying lot in the T4 zone. A Side Yard House may be used for non-residential purposes where allowed in the applicable zone. A Side Yard House is accessed from a side yard-facing entrance or side yard court, accessed from a sidewalk, adjacent to the street build-to line.



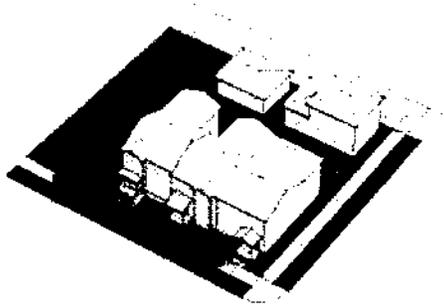
Duplex/Triplex/Quadplex

A building containing two, three, or four dwelling units that may be located upon a qualifying lot in the T4 zone. Each dwelling unit is individually accessed directly from the street. A Duplex, Triplex, Quadplex may be used for non-residential purposes where allowed in the applicable zone.



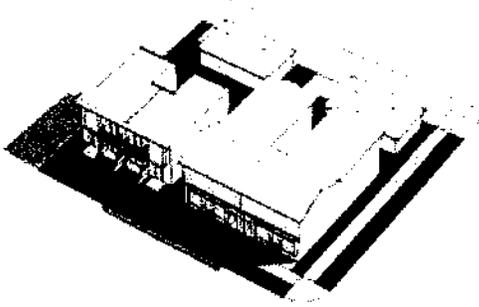
Courtyard Multi-family

A group of dwelling units arranged to share one or more common courtyards upon a qualifying lot in the T4 zone. Dwellings take access from the street or the courtyard(s). Dwelling configuration occurs as townhouses, flats, or flats located over or under flats or townhouses. The courtyard is intended to be a semi-public space that is an extension of the public realm. Courtyard Housing may be used for non-residential purposes where allowed in the applicable zone.



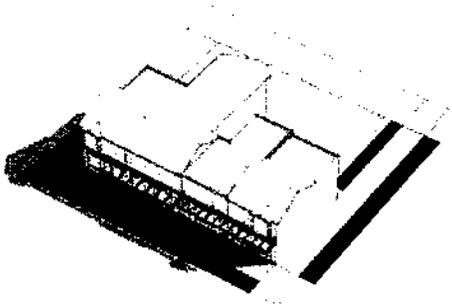
Rowhouse

Two or more detached two- or three-story dwellings with zero side yard setbacks located upon a qualifying lot in the T4 zone. A Rowhouse may be used for non-residential purposes where allowed in the applicable zone. The following text provides performance standards for Rowhouses.



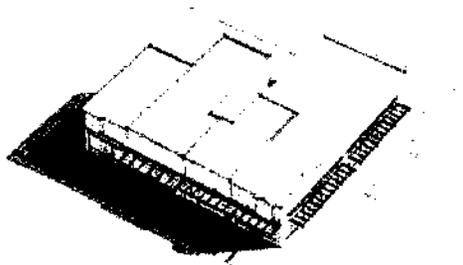
Live / Work

An integrated housing unit and working space, occupied and utilized by a single household in a structure, either single family or multi-family, that has been designed or structurally modified to accommodate joint residential occupancy and work activity at the ground floor. Live-work building may be located upon a qualifying lot in the T4 zone.



Mixed Use

A building designed for occupancy by retail, service, and/or office uses on the ground floor, with upper floors also configured for those uses or for dwelling units.



Commercial Block

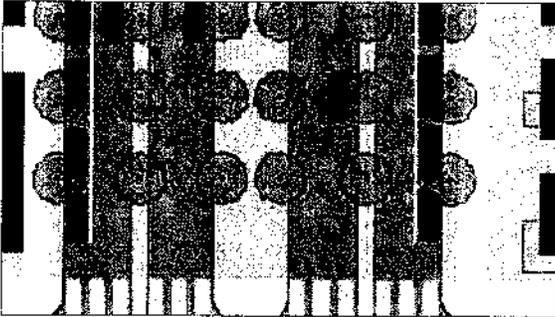
A building designed for occupancy by retail, service, and/or office uses on the ground floor, with upper floors configured for commercial use or for dwelling units. A Commercial Block may be located upon a qualifying lot in the T4 zone.

DEVELOPMENT STANDARDS T3 - SUBURBAN

The T2 to T3 gateway is similar to the T2 to T4 gateway except that buildings along the main avenue tend to be lower in both density and height and are setback further from the street. Buildings are also typically separated from one another by side yard setbacks. Thoroughfares within the T3 zone typically have sidewalks, major street trees planted in continuous planting strips, vertical curbs, and on-street gateway. The following pages outline the palette of thoroughfare, frontage and building types allowed in the T3 Suburban Transect Zone.

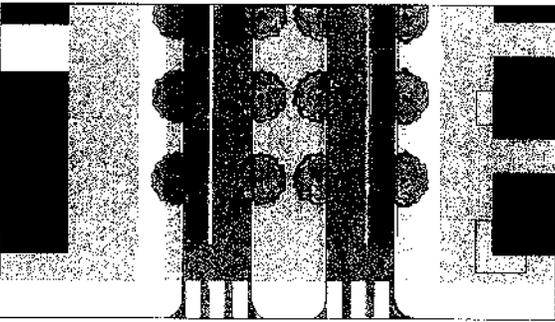


The following thoroughfare types are appropriate for the T3 zone.



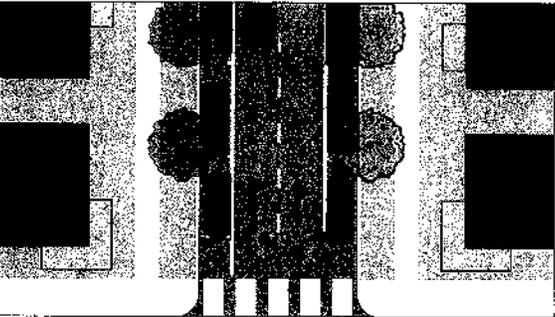
Boulevard

A boulevard is a wide, multi-lane arterial thoroughfare, divided with a tree-lined median down the center, and roads along each side. The side roads, separated from the central lanes by tree-lined medians, are designed as slow travel and parking lanes. A principal advantage of the boulevard is its division into peripheral roads for local use and a central main thoroughfare for regional traffic.



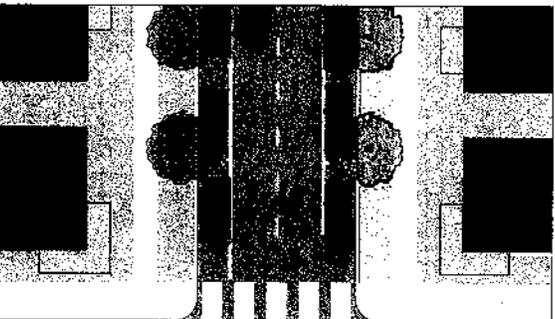
Avenue

The Avenue provides the appropriate transition from Paso Robles' countryside to town. Residential or commercial land uses face the street and interface with the public realm through various applicable frontage types. This street type features two single travel lanes lined with parallel parking on both sides, and may or may not contain a tree lined median. Sidewalks on either side of the street are separated from the curb by continuous planting strips that accommodate street trees. 24th Street is an example of a Town Avenue.



Neighborhood Street

Neighborhood Streets are designed for low traffic volumes and traffic speeds of 25 miles per hour or less. Their primary function is to provide access to adjacent land uses, which vary throughout the area, depending on the location. Sidewalks on either side of the street are separated from the curb by continuous planting strips that accommodate street trees. On-street parallel parking is provided on both sides. Vine Street is an example of a Neighborhood Street.



Neighborhood Street - No Curbs

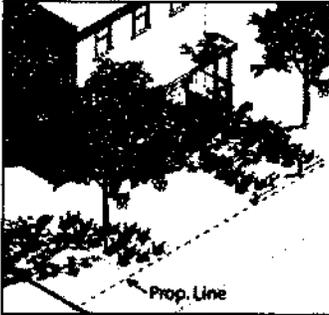
The Curbless Neighborhood Street shares the same characteristics as the curbed Neighborhood Street except that the curbs are absent. Thus the Curbless Neighborhood Street is more rural in character.

DEVELOPMENT STANDARDS

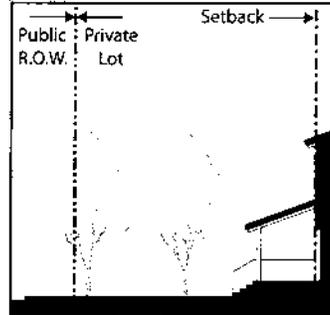
T3 - SUBURBAN

The following frontage types are appropriate for the T3 zone.

Axonometric Diagram

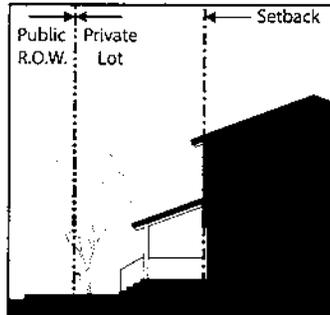
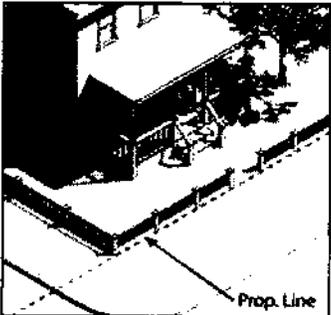


Section Diagram



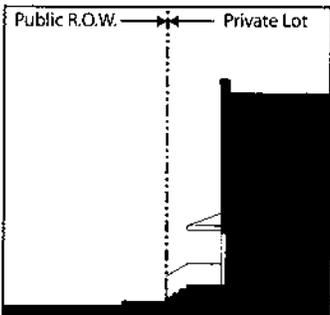
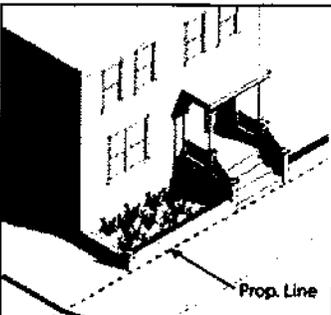
Common Yard

A frontage wherein the facade is set back a minimum of 15 feet from the property line/frontage line. The front yard created remains unfenced and is visually continuous with adjacent yards, supporting a common landscape. The deep setback provides a buffer from the higher speed thoroughfares.



Porch

Fences are common frontages associated with single family houses, where the facade is setback a minimum of 10 feet from the right-of-way with a front yard. A fence or wall at the property line may be used to define the private space of the yard. An encroaching porch may also be appended to the facade. A great variety of porch and fence designs are possible including a raised front yard with a retaining wall at the property line with entry steps to the yard.



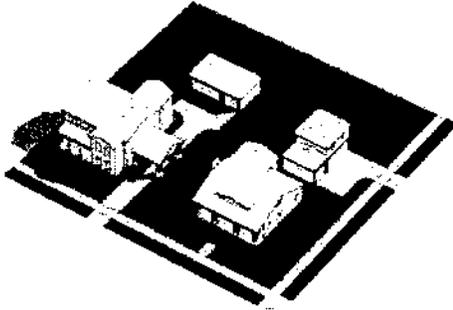
Stoop

Stoops are elevated entry porches/stairs placed close to the frontage line with the ground story elevated from the side-walk, securing privacy for the windows and front rooms. The stoop is suitable for ground-floor residential use at short setbacks. A shed roof may also cover the stoop. This type may be interspersed with the Shopfront & Awning frontage type.

DEVELOPMENT STANDARDS

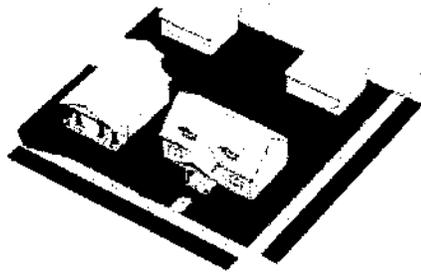
T3 - SUBURBAN

The following building types are appropriate for the T3 zone.



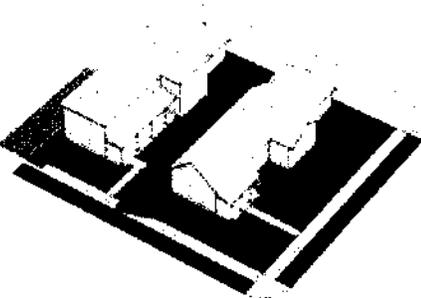
Estate House

A large detached building on a large lot designed as a single dwelling unit that may be located on a qualifying lot in the T3 zone. An Estate Home cannot be used for non-residential purposes. An Estate Home is accessed from the sidewalk adjacent to the street build-to-line.



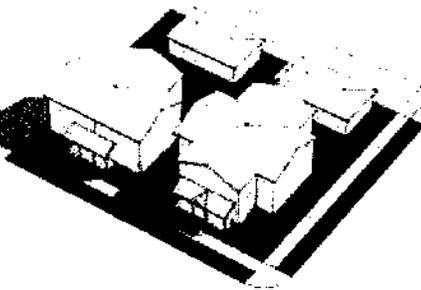
Front Yard House

A detached building designed as a single dwelling unit that may be located upon a qualifying lot in the T3 zone. A Front Yard House may be used for non-residential purposes where allowed in the applicable zone. A Front Yard House is accessed from the sidewalk adjacent to the street build-to line.



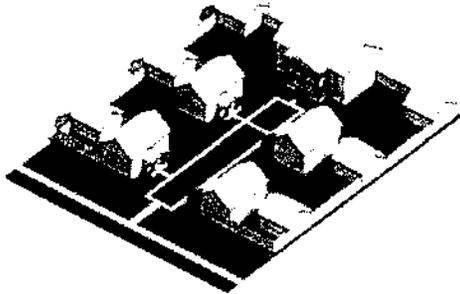
Sideyard

A detached building designed as a single dwelling unit that may be located upon a qualifying lot in the T3 zone. A Side Yard House may be used for non-residential purposes where allowed in the applicable zone. A Side Yard House is accessed from a side yard-facing entrance or side yard court, accessed from a sidewalk, adjacent to the street build-to line.



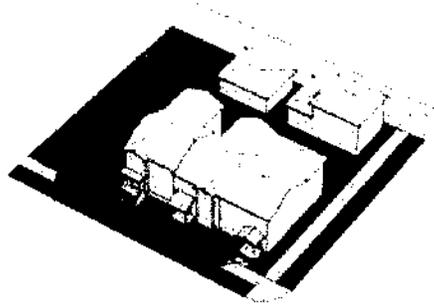
Duplex/Triplex/Quadplex

A building containing two, three, or four dwelling units that may be located upon a qualifying lot in the T3 zone. Each dwelling unit is individually accessed directly from the street. A Duplex, Triplex, Quadplex may be used for non-residential purposes where allowed in the applicable zone.



Bungalow Courtyard Multi-family

A group of four or more detached houses and/or duplexes arranged around a shared courtyard, with pedestrian access to the building entrances from the courtyard and/or fronting street. The courtyard is wholly open to the street and is intended to be a semi-public space that is an extension of the public realm. Bungalow Courts are allowed on qualifying lots in the T3 zone.



Rowhouse

Two or more detached two-story dwellings with zero side yard setbacks located upon a qualifying lot in the T3 zone. A Rowhouse may be used for non-residential purposes where allowed in the applicable zone. The following text provides performance standards for Rowhouses.

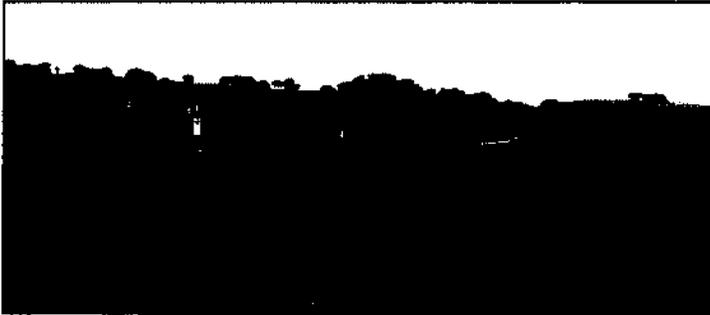
DEVELOPMENT STANDARDS T2 - RURAL

The rural landscape surrounding Paso Robles is characterized by beautiful rolling dry hills accented by oaks, and by vineyards. Local vegetation types are oak woodland/ chaparral and coastal scrub. Certain types of buildings and structures are appropriate in this landscape, including wineries, barns, agricultural sheds, farm houses and rural fences, as long as they have the appropriate architecture. Other types of development – such as suburban housing development, suburban strip-malls, non-rural walls and fences, and decorative landscaping – are very destructive to the rural character and should be set back and screened from view from the road. Landscape planting along Country Roads should be based on the local native vegetation type--oak woodland, chaparral and coastal scrub.

The following pages outline and provide guidelines for the palette of thoroughfare, frontage, building and fence types allowed in the T2 Rural Transect Zone.



The following thoroughfare types are appropriate for the T2 zone.



State Highway: Agriculture & Residential
Limited-access road with gravel shoulder.



Gateway
The country road that functions as a gateway is substantially enclosed by a canopy of relatively continuous tree plantings.



Country Road
The country road is similar to the non-commercial state highway road, except that the dimensions of the road are narrower. It is spatially open and punctuated with occasional trees. Shoulders are unpaved.



Side Road
The side road is narrow, with little if any pavement, and often flanked by ditches. It may be marked or unmarked.

DEVELOPMENT STANDARDS
T2 - RURAL

The following frontage types are appropriate for the T2 zone.



Agriculture

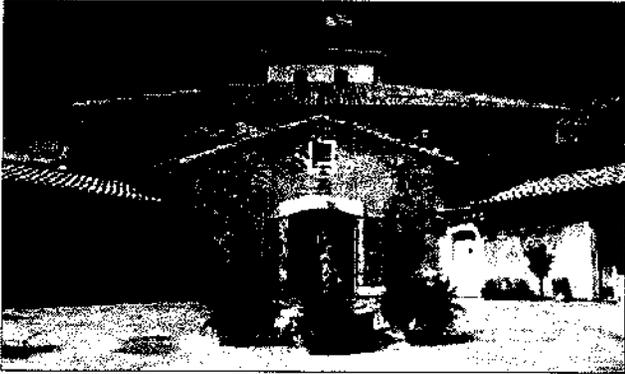
Agricultural crops are set back from the road. Fencing appropriate for T2 should be used where necessary.



Rural Residential

Ranch-style structures should be set back from the road. If possible, use topography to screen residential development from road. If non-ranch style structures must be constructed in a location potentially visible from the road, they should be screened with plantings or topography.

The following building types are appropriate for the T2 zone.



Winery



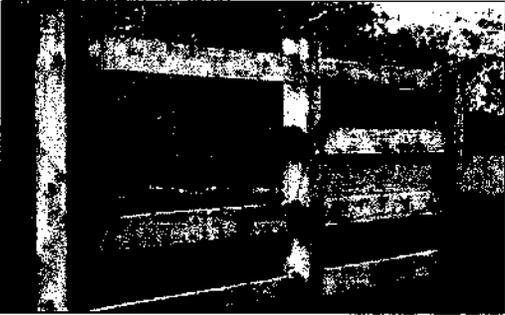
Farmhouse



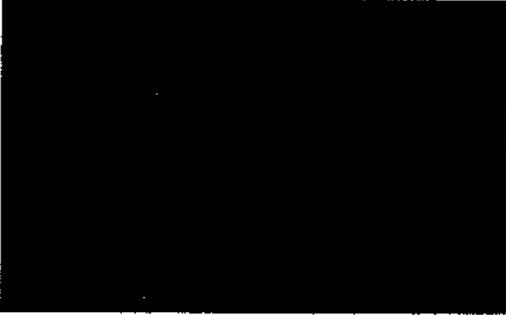
Barn

**DEVELOPMENT STANDARDS
T2 - RURAL**

Examples of fence types .



Examples of natural landscape .



Natural Landscape

Native vegetation is preserved.





November 20, 2007

Bob Lata
City of Paso Robles
1000 Spring Street
Paso Robles, CA 93446

RE: Chandler Ranch Phasing Plan – Traffic Threshold Analysis

Dear Bob:

This letter is to review issues discussed in my conference call with Ron Whisenand, John Falkenstien and you. In summary:

In 2005, the traffic analysis in the Draft EIR for the Chandler Ranch (CRASP) project indicated that 1050 dwelling units could be constructed and occupied prior to the need for an Airport Road extension from CRASP to a new SR 46E/Airport Road interchange. Since the completion of the Draft EIR, however, approvals for and development of other projects along the SR 46E corridor have occurred such that no traffic capacity remains to support any development of the proposed CRASP project without improving the Airport Road extension and interchange with SR 46E.

Additionally, other circulation improvements along State Route 46 East and in other parts of the City will also be required to mitigate traffic impacts and achieve travel conditions consistent within City standards.

Specifically, the findings of our analysis are as follows:

- The SR 46E corridor between US 101 and Jardine Road currently and, even with planned near-term corridor improvements, will continue to experience poor traffic conditions.
- The US 101/SR 46E interchange, currently and, with near-term planned and funded improvements, will provide interim but not long term traffic capacity to serve projected travel demand.
- Early phases of Chandler Ranch were relying heavily on the SR 46E/Golden Hill Road intersection for an interim connection to SR 46E. However, even with programmed mitigation being built for the Golden Hill Retail Center, there will be insufficient traffic capacity for a development such as Chandler Ranch.
- The connection of South Airport Road to SR 46E is required prior to the development of CRASP Phase 1 to avoid further degradation of the SR 46E/Golden Hill Road intersection. Per Caltrans requirements, the SR 46E / Airport Road connection shall be a full interchange. Alternative interim access may be considered, such as a signalized four-way intersection at SR 46E/Union Road extension, but such alternatives have not been analyzed.
- Off-site improvements to the City's local arterial street system will be required to mitigate CRASP Project traffic impacts, including improvements to Golden Hill Road, Creston Road, Niblick Avenue, Union Road and Sherwood Avenue.

- Traffic calming design features on CRASP internal arterial/collector streets, including Airport Road, Gilead Road and Sherwood Avenue, will be required to achieve travel speeds consistent with the City's Traffic Calming Program. Roundabout intersections should be spaced 500 feet apart along these roadways.
- Finally, traffic calming measures within CRASP subareas are recommended to eliminate long streets that may encourage high speeds that are not "neighborhood friendly". A map indicating the desired revisions to the CRASP area street system is contained in the traffic analysis report.

Pending the City's further direction, we will complete our Traffic Phasing Threshold Analysis and provide more specific design recommendations regarding traffic calming. As always, please contact us if you have any questions regarding the issues presented above. Thank you for your assistance and direction.

Sincerely,

OMNI-MEANS, Ltd.
Engineers & Planners



Martin R. Inouye
Principal

Cc: Ron Whisenand, John Falkenstien, Andrew Lee
MRf:mri
C721LTR007/25-5307-11





Attachment 5 Economic Analysis

Mr. Ron Whisenand
Community Development Director
City of Paso Robles
1000 Spring Street
Paso Robles, CA 93446

November 13, 2007

**SUBJECT: THEORETICAL PROFORMA FOR A LARGE LAND DEVELOPMENT
PROJECT IN THE CITY OF PASO ROBLES**

Dear Mr. Whisenand:

Vale Consulting has completed its preparation of a proforma for a theoretical large land development project (the "Project") that could be constructed in the future in the City of Paso Robles (the "City"). The proforma is based on industry standards and our knowledge of the Paso Robles sub-market. The intent is that with this information, the City will be able to make more informed decisions regarding public financing, and in particular CFD financing, if and when approached to do so by future developers who have projects in the City. However, should more specific information on any proposed Project within the City become available, most important of which would be the land cost, the proforma should be modified to reflect this data and more accurately represent the feasibility of that proposed Project.

The work was done under the direction of David Taussig and Associates (DTA) and in conformance with Vale's proposal to DTA dated August 2, 2007. As the residential housing market is currently in a state of flux, many of the cost and revenue assumptions within the proforma are subject to change. However, we believe the attached proforma does provide the City with an "order of magnitude" analysis that reflects housing industry standards in the Central Coast area at this point in time.

VALE THEORETICAL PROFORMA

The Project that was modeled is not based on any specific project per se, but we know through experience that virtually all large land development projects in California fall into a range of costs and revenues that allow certain conclusions to be drawn.

The Project was assumed to have a total of 1,400 units of varying sizes and prices. The proforma uses assumptions for cost that are typical to the industry but still recognizes the higher costs that builders see in the Central Coast area. We estimated the average sale price of the homes based on a realistic fit to the Paso Robles area and which would allow for a reasonable absorption rate. Furthermore, we assumed that the developer would not be building the homes himself, and would sell "finished" lots to merchant builders for the actual home construction.

Mr. Ron Whisenand

November 13, 2007

Page Two

Following is a listing of all the key assumptions:

Total Number of Homes	1,400 Homes
Land Cost	\$10,000,000 Total Cost
*Offsite Improvement Cost	\$120,000 per Lot
Average Sale Price	\$570,000 per Home
Average Square Footage	2050 SF
Builder Home Construction Cost	\$90 per SF
Builder Soft Costs	22% of Home Sale Price
Builder Profit	8% of Home Sale Price
Product Absorption Rates	3 Sales per Month per Product
Total Absorption	300 Sales per Year
Annual Price Appreciation	0.0% per Year
Annual Construction Cost Inflation	0.0% per Year

* Offsite improvement costs were split, with \$90,000 per unit as the developer share and \$30,000 per unit as the builder share.

Using these values, this theoretical project has a profit of about \$125,700,000, with a cash-on-cash return of 35.0%. (A summary proforma is attached for you information.) The 8% builder profit would be in addition to the developer profit above. Total builder profit is an additional \$61,600,000 under these assumptions. The total profit of both developer and builders would therefore be \$187,300,000.

For comparison purposes, a second proforma was evaluated leaving all of the above assumptions the same except the land price. Most developers will proceed with the construction of a project if the cash-on-cash return is at least 25%. The developer wont necessarily earn this amount. It is more a reflection of the relatively high risk inherent with land development projects.

Using the 25% hurdle rate and then calculating backwards to find the land price, it was determined that the developer could pay as much as \$23,600,000 for the land in this theoretical proforma. What is the significance of this? It means that a developer who bought the land prior to the current run-up in land values should be willing to give up a substantial amount of his earnings in exchange for certain benefits that the City could offer. CFD financing being one of those potential benefits.

Comparing the two theoretical proformas above, the developer should be willing to give up \$13,600,000 in the form of extra ordinary benefits to the City. (The difference between the \$10,000,000 land price in the first proforma and the \$23,600,000 land price in the second proforma.)

Mr. Ron Whisenand

November 13, 2007

Page Three

POTENTIAL FOR CFD FINANCING

In order for bonds to be sold, the appraised land value of the Project on the date of bond sale must be at least three times (and sometimes four times) the amount of the bonds being issued in order to conform to State CFD financing. Some cities are requiring four times the land value for each dollar of bonds issued to further reduce the city's risk.

If we assume that the developer and City are looking to sell bonds in \$10,000,000 increments, the underlying land value, supported by an MAI appraisal, would need to be \$30,000,000 to meet the states guidelines and \$40,000,000 if a more conservative approach was taken, for each increment of \$10,000,000 in bond sales.

In the theoretical proformas above, the Project can easily meet these requirements. However, a land cost of \$10,000,000, which was used in the first proforma, may be low given our most current history and "run up" in land cost. The City should be cognizant of the fact that many builders overpaid for land during 2005 and 2006 which could result in a negative land value, at least on paper. If that were to happen then the City would not be able to support a CFD until such time that land values begin to rise again. To get to a negative land value in our theoretical Project, you would have to have paid in excess of \$100,000,000 for the land.

Please give me a call if you would like to discuss the results more in depth. Thank you again for this opportunity.

Sincerely,

Ken Meddock, Principal
Vale Consulting

cc: David Taussig, David Taussig and Associates

4654 Barranca Parkway, Irvine, CA 92604, 949-451-1900, Fax 949-451-1905

Theoretical Proforma for Paso Robles, Ca

Annual Cash Flow

EQUITY REQUIREMENTS

Developer:	21,000	Capital Contribution
Equity Investor:	-	Capital Contribution
Third Party Lender:	49,000	Max Loan Amount
	70,000	Total Capital Required

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Totals	
LAND SALES												
SFD Lot Sales to Merchant Builders	0	0	94	285	311	325	226	110	50	0	1,400	Lots
MF Lot Sales to Builders	0	0	0	0	0	0	0	0	0	0	0	Lots
Commercial Acres	0	0	0	0	0	0	0	0	0	0	0	Acres
Institutional Acres	0	0	0	0	0	0	0	0	0	0	0	Acres
REVENUES												
SFD Lot Sale Revenues	0	0	19,514	56,607	65,864	66,868	48,631	22,056	4,314	0	283,853	
MF Lot Sale Revenue	0	0	0	0	0	0	0	0	0	0	0	
Commercial Property Sales	0	0	0	0	0	0	0	0	0	0	0	
Institutional Property Sales	0	0	0	0	0	0	0	0	0	0	0	
Less Closing Costs @ 1.0% of Lot Price	0	0	(195)	(566)	(659)	(669)	(486)	(221)	(43)	0	(2,839)	
TOTAL REVENUE	0	0	19,319	56,040	65,205	66,199	48,144	21,835	4,271	0	281,014	Revenue
EXPENSES												
Land Cost	10,000	0	0	0	0	0	0	0	0	0	10,000	Land
Property Taxes	101	103	102	87	64	39	17	4	1	0	518	
Backbone Infrastructure	0	7,975	14,138	13,905	2,933	0	0	0	0	0	38,951	
Consulting Services	1,500	2,455	3,409	2,659	477	0	0	0	0	0	10,500	
Impact Fees	0	0	14,579	26,812	26,364	8,798	0	0	0	0	76,553	
Liability Insurance	0	0	193	560	652	662	481	218	43	0	2,810	
Construction Management	90	626	1,928	2,603	1,786	528	0	0	0	0	7,560	
G&A	0	0	580	1,681	1,956	1,986	1,444	655	128	0	8,430	
TOTAL EXPENSES	11,691	11,158	34,928	48,307	34,234	12,013	1,943	878	172	0	155,323	Expenses
NET CASH FLOW												
CUM CASH BEFORE FINANCE CHARGES	(11,691)	(11,158)	(15,609)	7,733	30,972	54,186	46,202	20,957	4,099	0	125,691	Gross Profit
Financing Costs												
Third Party Lender Interest @ 8.5%	0	10	946	1,752	426	0	0	0	0	0	3,135	Project IRR (before financing)
Third Party Lender Loan Fees @ 1.0%	0	490	0	0	0	0	0	0	0	0	490	
Developer's Preferred Return @ 0.0%	0	0	0	0	0	0	0	0	0	0	0	
Equity Investor Preferred Return @ 0.0%	0	0	0	0	0	0	0	0	0	0	0	
NET CASH FLOW / PROFIT	(11,691)	(11,659)	(16,555)	5,980	30,545	54,186	46,202	20,957	4,099	0	122,066	Net Profit
CUM CASH AFTER FINANCE CHARGES	(11,691)	(23,349)	(39,904)	(33,924)	(3,378)	50,807	97,009	117,967	122,066	122,066		



4654 Barranca Parkway, Irvine, CA 92604, 949-451-1900

Theoretical Proforma for Paso Robles, Ca

Annual Cash Flow

EQUITY REQUIREMENTS

Developer:	38,359	Capital Contribution
Equity Investor:	-	Capital Contribution
Third Party Lender:	49,000	Max Loan Amount
	87,359	Total Capital Required

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Totals
LAND SALES											
SFD Lot Sales to Merchant Builders	0	0	94	285	311	325	226	110	50	0	1,400 Lots
MF Lot Sales to Builders	0	0	0	0	0	0	0	0	0	0	0 Lots
Commercial Acres	0	0	0	0	0	0	0	0	0	0	0 Acres
Institutional Acres	0	0	0	0	0	0	0	0	0	0	0 Acres
REVENUES											
SFD Lot Sale Revenues	0	0	19,514	56,607	65,864	66,868	48,631	22,056	4,314	0	283,853
MF Lot Sale Revenue	0	0	0	0	0	0	0	0	0	0	0
Commercial Property Sales	0	0	0	0	0	0	0	0	0	0	0
Institutional Property Sales	0	0	0	0	0	0	0	0	0	0	0
Less Closing Costs @ 1.0% of Lot Price	0	0	(195)	(566)	(659)	(669)	(486)	(221)	(43)	0	(2,839)
TOTAL REVENUE (in thousands)	0	0	19,319	56,040	65,205	66,199	48,144	21,835	4,271	0	281,014 Revenue

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Totals
EXPENSES											
Land Cost	34,000	0	0	0	0	0	0	0	0	0	34,000 Land
Property Taxes	343	349	347	297	218	133	57	15	2	0	1,761
Backbone Infrastructure	0	7,975	14,138	13,905	2,933	0	0	0	0	0	38,951
Consulting Services	1,500	2,455	3,409	2,659	477	0	0	0	0	0	10,500
Impact Fees	0	0	14,579	26,812	26,364	8,798	0	0	0	0	76,553
Liability Insurance	0	0	193	560	652	662	481	218	43	0	2,810
Construction Management	90	626	1,928	2,603	1,786	528	0	0	0	0	7,560
G&A	0	0	580	1,681	1,956	1,986	1,444	655	128	0	8,430
TOTAL EXPENSES (in thousands)	35,933	11,405	35,173	48,517	34,387	12,107	1,983	888	173	0	180,566 Expenses

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Totals
NET CASH FLOW	(35,933)	(11,405)	(15,854)	7,523	30,818	54,092	46,162	20,947	4,098	0	100,448 Gross Profit
CUM CASH BEFORE FINANCE CHARGES	(35,933)	(47,337)	(63,191)	(55,668)	(24,850)	29,241	75,403	96,350	100,448	100,448	20.0% Project IRR (before financing)
Financing Costs											
Third Party Lender Interest @ 8.5%	0	85	1,584	2,467	1,033	0	0	0	0	0	5,169
Third Party Lender Loan Fees @ 1.0%	0	490	0	0	0	0	0	0	0	0	490
Developer's Preferred Return @ 0.0%	0	0	0	0	0	0	0	0	0	0	0
Equity Investor Preferred Return @ 0.0%	0	0	0	0	0	0	0	0	0	0	0
NET CASH FLOW / PROFIT	(35,933)	(11,980)	(17,438)	5,056	29,785	54,092	46,162	20,947	4,098	0	94,789 Net Profit
CUM CASH AFTER FINANCE CHARGES	(35,933)	(47,913)	(65,350)	(60,294)	(30,509)	23,582	69,744	90,691	94,789	94,789	



4654 Barranca Parkway, Irvine, CA 92604, 949-451-1900

Concurrence with industry standard construction cost for use in Pro Forma analysis

City analysis concludes that the property owner construction cost data is not consistent with industry standards, therefore resulting in skewed pro forma results

Prior Requests of Property Owners / Representatives:

Trail system plan and phasing of construction

plan provided; construction phasing still needs to be provided by property owners

Additional Project Information to be Supplied:

Overlay comparison of original and new development Areas

not yet provided

Proposed “development types” by sub-area

not yet provided



CITY OF EL PASO DE ROBLES

"The Pass of the Oaks"

March 27, 2007

Dear Chandler Ranch Area Specific Plan Property Owners:

Thank you for your letters of February 2, 2007 and March 1, 2007, as well as the February 2, 2007 update of the property owners' proposal for a master Development Agreement.

On February 14, 2007 the City responded to the February 2 letter; a copy of the response is attached for your convenience. In summary, the City awaits receipt of the following items:

- Illustration of proposed improvements to connectivity
- Incorporation of traffic calming on collector & arterial streets
- Refinements to proposed grading in sufficient detail to model (3-dimensional physical model)
- Documentation of requested exceptions from City codes and standards
- Suggestions for proposed text to address your concerns regarding flexibility
- Agreement with the Paso Robles School District
- Agreements with the CA Dept of Fish & Game / US Fish and Wildlife Service regarding loss of Kit Fox habitat
- Breakdown of what is included in the property owner's projection of City fees.
- Concurrence to use industry standard residential construction costs for the proforma.

There is a significant variance in pro forma residential construction costs projections. The difference substantially skews the bottom line, as does the exclusion of the value of public financing. Public financing capacity cannot be accurately estimated (thus D.A. deal points cannot be finalized) absent resolution of these variables.

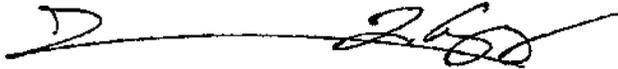
On the assumption that agreement can be reached on pro forma variables, attached are the City's counter-proposals to your 2/2/07 D.A. deal point letter. The counter-proposals focus on points of significant difference. The City looks forward to reaching mutual agreement on these deal points.

Also, attached is a detailed outline of the steps needed to complete the Chandler Ranch Area Specific Plan. Progress depends on complete responses.

1000 SPRING STREET • PASO ROBLES, CALIFORNIA 93446

Please feel free to contact Bob Lata (bob@prcity.com) or Ron Whisenand should you have any questions or related information needs. The City looks forward to your responses.

Sincerely,

A handwritten signature in black ink, appearing to read 'D' followed by a long horizontal line and '260'.

James L. App
City Manager

cc: City Council
Robert Lata
Ron Whisenand
John Wallace, Property Owners Representative

Comparison of Differences in DA Deal Points

With the exception of the following, deal points proposed by the property owners would appear to be substantially consistent with the purpose and intent of the Draft CRASP and/or prior discussions.

<u>DEAL POINT</u>	<u>OWNERS</u>	<u>CITY</u>
1. DA Term	20 years	10 years
2. Dedication of ROW, Tank sites, Public fac.	with tracts	up-front
3. Airport Road Connection	AB-1600	AB-1600
4. Huer Huero Bridge	AB-1600	CRASP & CFD financing
5. Airport Rd, N of Union	AB-1600	Property Owner
6. Union Road ROW	City to acquire	P.O. to acquire
7. Creston Rd share	\$1.5 M	Improve one section
8. Emergency Svs	\$1.0 M	Acquire 5-acre site
9. Kit Fox	\$ 3.883 M	satisfy agencies
10. PRUSD	\$ 10.627 M	satisfy PRUSD
11. Water source	on-site wells	new Nac. contract
12. Water storage	4.0 MG site	8 MG site
13. High School Pool	not addressed	calls for share
14. Historic Farm House	not addressed	to be preserved

Comments / Discussion Points on Deal Point Differences:

1. Term of DA: Considering that it will may take 15 or more years to build out the CRASP, and since there are no locks on fees / infrastructure costs, the City may consider a longer term dependent upon overall community benefit.

2. Dedications: To delay dedication of rights of way, tank site, trails, etc. to the tract stage could result in fragmented dedications and dealings with new, multiple property owners (as sub-areas are sold). Dedication up-front insures the opportunity to construct public improvements when needed. Up-front dedications serve the public interest.
3. Highway 46 Connection: It seems reasonable to conclude that a highway interchange is a regional improvement. Therefore, establishment of an AB-1600 fee is appropriate.
4. The Huer Huero Bridge is essential to development of the properties north of the river. Therefore, it is the responsibility of the property owner. However, it is apparent that there will also be regional public benefit, so public financing may be used to cover the cost in excess of what full road improvements for the same stretch would cost.
5. Airport Road north of Union is the property owner's responsibility; this is well established City policy/practice.
6. Union Road: the property owners shall use all their efforts to acquire needed right-of-way. Should this prove impossible, the City may use eminent domain to acquire at the property owner's expense.
7. The City intends to identify one section of Creston Road for improvement by the property owners (upon completion of the Creston Road Plan Line).
8. The property owners are to acquire a 5-acre site of the City's choosing.
9. It is the property owner's responsibility to satisfy the State and Federal Agencies regarding habitat mitigation.
10. It is the property owner's responsibility to satisfy the School District facility needs if public financing is sought.
11. The property owners must acquire 1,000-acre feet of Nacimiento water to serve CRASP development.
12. The City needs a site for two 4-million gallon water storage tanks.
13. The property owners will contribute to the cost of a pool – amount to be determined.
14. The Historic Ranch House is to be preserved.

Chandler Ranch Area Specific Plan Tasks to Completion, Revised 15 Mar 07

Purpose and Intent: To outline the most significant milestones and tasks to reach closure on the Chandler Ranch Area Specific Plan (CRASP).

In summary:

1. The Draft Final Specific Plan being completed is contingent upon:
 - a. Input from property owners regarding how they will:
 - minimize grading
 - address circulation connections
 - incorporate traffic calming design
 - document the code and standards exceptions sought
 - finalize trail system and Design Standards / Guidelines
 - b. Input from "peer review" process and Gateway Design Standards (which cannot be completed until items 1-a are received from property owners);
 - c. Input from refined traffic analysis, to determine infrastructure needs based on the property owners' phasing plan and the need to incorporate traffic calming design (study currently underway).
 - d. Resolution of major infrastructure and funding considerations including:
 - Highway 46 East / Airport Road Interchange
 - Huer Huero Bridge
 - Nacimiento Water Contract
 - Water storage tanks on the CRASP property
2. Negotiation of "deal points" for the basic Development Agreement for the CRASP needs to be completed before closure to the Specific Plan process. The amount of "public benefit" improvements is impacted by the pro forma contents.
3. Terrain modeling. The City will require that modeling be prepared to illustrate the nature and extent of grading before any decision on the Specific Plan. The City has confirmed that modeling can be prepared in the form it is seeking and can later be covered with homes and landscaping for property owner marketing purposes.
4. The process for closure on the Specific Plan is to be incremental. In other words, to seek public review and Commission / Council comment on grading (based on presentation of a 3-dimensional model) and circulation issues before moving to finalize the Draft Specific Plan. This step would provide an opportunity for the property owners and staff to receive feedback and a chance to make needed refinements to the plan before formal public hearing consideration.

More Detailed Status of Specific Plan Process:

- The Final EIR has been prepared and made available to the public. Comments on the final document will be considered during public hearings on adoption of the Specific Plan. The EIR will need to be certified by the City Council and accompanied by Statements of Overriding Considerations on impacts that can not be mitigated by project conditions. A mitigation monitoring program will be required, prepared by Rincon, and adopted with the EIR.
- The Draft Final Specific Plan will not be completed and ready for public hearings until the following are incorporated and/or ready for concurrent consideration:
 - a. Sub-Area Design Criteria for areas 15, 18, and 19 including incorporation of City Gateway principles; same for sub-area 4.
 - b. Refinements to grading controls which may be identified through the peer review process that is currently underway.
 - c. Refinements to the proposed Master Illustrative Site Plan that would incorporate refinements or changes that result from peer review including but not limited to on-site circulation, cul-de-sac design, sub-area connections, etc.
 - d. Refinements to the proposed Design Standards and Guidelines that would be an appendix to the adopted Specific Plan (reflecting input from the peer review and the property owners responding to both the City's comments on the document and the results of the peer review).
 - e. Conclusion of work on the Specific Plan fees (which are related to and complement the City's AB-1600 fees), including resolution of major infrastructure & funding issues.
 - f. Results of refined traffic analysis, addressing the timing of infrastructure installation and requirements for incorporating traffic calming designs.
 - g. Preparation of a Draft Final Specific Plan that incorporates items "a" through "f" and other refinement to proposed policies that have been discussed over past months.
- Once the Draft Final Specific Plan is complete, it is anticipated that there will be a period of public and property owner review (45 days would be consistent with the review that was provided for the EIR).
- Upon completion of the review period, noticed public hearings would be scheduled for the Planning Commission and Council to consider the Final EIR, Final Specific Plan, and related General Plan and Zoning proposals.



CITY OF EL PASO DE ROBLES

"The Pass of the Oaks"

February 14, 2007

Dear Chandler Ranch Area Specific Plan Property Owners:

Thank you for your letter of February 2, 2007 and up-date of the property owners' proposal for a master Development Agreement.

The City appreciates your efforts to facilitate the Specific Plan process for the Chandler Ranch Area. With regard to the particular points addressed in your letter:

1. We look forward to receipt of the property owner proposals for improving connectivity within and between sub-areas and any refinements to property ownership boundaries. In addition to those cited, particular attention should be given to sub-areas 14, 17, and 19 (with integration of Our Town into the circulation patterns). Once the City and its consultants have had an opportunity to review the illustrations and related materials, a meeting date will be set with your representatives to discuss the contents.
2. Your suggestions for proposed text to address your concerns regarding flexibility will be welcomed and considered.
3. Refinements to the property owners' proposed grading, with the intent of preserving major landform features, are strongly encouraged. We look forward to receiving illustrations of the grading proposals so that they may be reviewed by the City and its consultants prior to setting the next meeting. It is essential to have landform / grading modeling before determination can be made regarding the suitability of proposed grading and to present at the public hearings.
4. Your efforts to document the exceptions from City codes and standards will be of substantial assistance in presenting a proposed Specific Plan for consideration by the Planning Commission, City Council and the community. It is essential that all parties fully understand what policies and standards are being proposed, and that we have Zoning Code text that will help insure that the City and property owners can easily implement the adopted Specific Plan. The clearer the list of exceptions, the less potential for later misunderstandings.

1000 SPRING STREET • PASO ROBLES, CALIFORNIA 93446

5. Effective incorporation of traffic calming principles into the basic design of the Specific Plan, particularly in relation to arterial and collector streets, is essential to avoiding the need for disruptive and expensive retrofits. Your acknowledgement of the importance of these principles is appreciated.
6. Having the property owners reach an agreement with the Paso Robles School District is a primary prerequisite to public financing becoming available for the Chandler Ranch Area Specific Plan.
7. The City continues to encourage the property owners to reach an agreement with the California Department of Fish and Game and the U.S. Fish and Wildlife Service regarding any issues related to endangered species and loss of habitat. It is important to remember that the potential impact to kit fox habitat was a component of the CRASP EIR. Past sightings of kit fox on the property demonstrate its suitability as kit fox habitat and adequate mitigation of loss of habitat is an issue that needs to be resolved in accordance with the EIR. Delays could arise out of a lack of agreement with these agencies.
8. With regard to pro forma, we will continue to work with David Taussig and the property owner representatives to find common ground and understanding of the reasons for any differences in our respective approaches. It does seem necessary, however, to take exception with the projected cost of construction and the premise that "many CRASP owners believe that a superior high quality housing product is required and thus higher vertical costs have been budgeted". The City has concerns about projections of residential construction costs that are not consistent with industry standards. The City would welcome a closer review of construction cost estimates and alignment with actual data from reliable local sources.
9. We appreciate the fact that all of the property owners join the City in the desire to reach a mutually acceptable DA for the project.

With regard to the economics of the Specific Plan, we would appreciate a listing of the components of the "cost of lots projections" and the "total government exactions" per house that you cite in your letter of February 2, 2007. We would also request you to provide a listing of what projects and costs you attribute to be in the \$20 Million range that you perceive to be beyond the mitigations directly related to the project.

With regard to pro forma and potential revenue from public financing, we welcome a continued discussion to seek a common set of assumptions.

The City shares the property owner desires to identify total project costs, particularly regarding off-site infrastructure, including but not limited to the connection between Airport Road and Highway 46 East. With this goal in mind, the City continues to actively seek cooperation from Caltrans in efforts to find reasonable and appropriate project designs for that connection. It is essential that all off-site infrastructure needs are known before the City can consider adoption of the CRASP and related specific plan fee schedule.

Receipt of the refined DA proposal from the property owners dated 2/2/07 is appreciated. From the time that the property owners submitted the phasing plan it was clear that the prior proposal dated 8/21/06 was no longer current. The City and its consultants will review and discuss the contents of this refined DA proposal and seek to continue the negotiation process. Refinements to the pro forma are essential in this effort.

Thank you again for your letter and the attached refined DA proposal. The City looks forward to receipt of the items referred to in your letter and an opportunity to review the contents of the illustrations and materials prior to setting our next meeting with the property owner representatives and /or the full property owner group.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. App', written over a horizontal line.

James L. App
City Manager

cc: City Council
Copies to Each of the Property Owners