

**CITY OF SAN LUIS OBISPO
PLANNING COMMISSION AGENDA REPORT**

ITEM # 2

FROM: Kim Murry, Deputy Director *KM*

MEETING DATE: October 28, 2009

Prepared By: Michael Codron, Housing Programs Manager

FILE NUMBER: SP/ER 209-98

PROJECT ADDRESS: Orcutt Area

SUBJECT: Review of Chapter 8, Public Facilities Financing, of the Public Hearing Draft of the Orcutt Area Specific Plan.

SUMMARY RECOMMENDATION

Direct staff to take the following actions:

- 1) Incorporate the Public Facilities Financing Plan into Chapter 8 of the Draft Orcutt Area Specific Plan, including any changes directed by the Commission; and
- 2) Prepare a resolution recommending City Council approval of the Draft Orcutt Area Specific Plan, and certification of the Final Environmental Impact Report for the project; and
- 3) Prepare a resolution recommending City Council approval of pre-zoning and annexation of the Orcutt Area, consistent with the land uses identified in the Draft Orcutt Area Specific Plan.

BACKGROUND

Situation

Between February and June, 2008, the Planning Commission held six public hearings to discuss the Public Hearing Draft of the Orcutt Area Specific Plan (OASP) and Draft EIR (DEIR). The Commission discussed and provided direction to staff on changes to chapters one through seven, and to chapter nine of the Plan. On August 26, 2009, the Commission reviewed staff's response to these changes, as well as other plan revisions that addressed changing conditions. The Planning Commission is now being asked to review Chapter 8 of the OASP, the Public Facilities Financing Plan, the final step before sending the OASP to the Council for adoption.

The first Public Facilities Financing Plan (PFFP) for the Orcutt Area Specific Plan (OASP) was published on May 21, 2008, and reviewed by the Planning Commission during a public hearing on June 25, 2008. The Commission took public testimony and discussed the PFFP, but did not take any action at that time (Attachment 1, 5-21-08 meeting minutes). Some of the property owners' comments appeared to raise new issues, prompting staff to hold subsequent meetings and discussions with property owners. The purposes of these meetings were to identify several areas where changes could be made to improve the PFFP and to reach agreement among all the owners to ensure feasibility of the proposed financing plan. Those changes have now been made and the PFFP is being presented to the Planning Commission for inclusion in the OASP as Chapter 8, Public Facilities Financing.

PFFP Overview

The PFFP describes infrastructure costs needed to support development in the Orcutt Area. The PFFP identifies projects where costs can be allocated to Orcutt Area users based on a defined benefit, such as by dwelling unit or by acre, through an impact fee program. The PFFP does not discuss or include costs for in-tract improvements such as local streets, which primarily benefit a single property owner, are normally constructed along with new subdivisions and are borne by the subdivider.

The projects that are identified in the PFFP are required to meet an existing City policy (such as City parkland policies that require 10 acres of parkland per 1,000 residents), or are required to mitigate an environmental impact (such as the requirement for signalization of the Orcutt Road/Tank Farm Road intersection). During the 2008 review of the PFFP, the Planning Commission requested a table listing each project, including cost and phasing information, to facilitate the Commission's discussion. This table has been prepared and is attached (Attachment 2). A summary table of all OASP fees is also attached (Attachment 3.)

The PFFP was prepared for the City by Goodwin Consulting Group, and cost estimates for the infrastructure projects included in the appendices were prepared by Wallace Group, a local engineering firm. Once the Plan is adopted, annual adjustments based on the Consumer Price Index are typically incorporated into the ordinance that implements the fee program.

Planning Commission Role

California Government Code, Section 65451(a)(4), requires specific plans to include implementation measures for financing public improvements. The public improvements identified in a specific plan must be feasible, and specific plans typically identify a number of different financing mechanisms to accomplish the required infrastructure projects. In this case, the diversity of goals among property owners makes it highly unlikely that any form of Community Facilities District (CFD) could be approved for shared facilities. This is not unusual for the City of San Luis Obispo, which currently has no CFD's, and normally requires developers to pay their fair share of the infrastructure needed to serve their development projects.

The role of the Planning Commission is to review the PFFP to determine its adequacy for inclusion in the OASP. The Commission is likely to hear testimony from property owners questioning the cost and need of certain facilities. For instance, Orcutt Area property owners are universally opposed to the inclusion of the bicycle/pedestrian bridge at Industrial Way for cost and safety reasons. At the same time, previous testimony from the SLO County Bicycle Coalition, and the recommendation of the Bicycle Transportation Committee, speak to the General Plan policies that this proposed facility would help implement. Ultimately, the contents of the PFFP will reflect the Planning Commission's recommendation to the City Council regarding the need for each facility and the fair-share percentage of the facility cost that should be passed onto Orcutt Area development through impact fees.

Property owner consensus on the need for the facilities identified in the PFFP and their cost is desirable but not mandatory. Property owners continue to have questions regarding the contents of the PFFP, particularly the cost estimates. Staff will continue to do everything possible to address these questions before City Council approval of the OASP. Specifically, City staff intends to work with all property owners on pre-annexation agreements and other tools and

agreements intended to accommodate property owners' needs and unique situations. These include such issues such as non-conforming uses, right-of-way dedications and phasing, treatment of existing home sites, and other detailed aspects of future OASP development.

EVALUATION

The policy basis for requiring development to help pay the costs for the public facilities and services needed to support new development is found in LUE Policy 1.13:

LUE Policy 1.13 Costs of Growth: The costs of public facilities and services needed for new development shall be borne by the new development, unless the community chooses to help pay the costs for a certain development to obtain community-wide benefits. The City will adopt a development-fee program and other appropriate financing measures, so that new development pays its share of the costs of new services and facilities needed to serve it.

The PFFP describes the public facilities required to serve development in the Orcutt Area and identifies the impact fees to be collected from each developer (or development project) to fund the facilities on a pay-as-you-go basis.

The current PFFP is a "second draft" that has been substantially revised to address the feasibility of the "pay-as-you-go" proposal and eliminate the need for CFD financing.

Specifically, the following items have been addressed in the revised PFFP:

- 1) **Parkland Costs:** Parkland costs were reduced from \$500,000/acre to \$300,000/acre to more accurately reflect current values and recent acquisition costs borne by the City.
- 2) **Low-Income Housing:** Affordable housing fees were eliminated and owners agreed to provide the required affordable housing within their future subdivisions.
- 3) **Regional Drainage:** The regional detention system fees were eliminated so that owners would have the option of negotiating capacity in the shared detention basin with the property owner of that facility, or provide their own storm water facilities following low-impact development (LID) principles.
- 4) **Bicycle/Pedestrian Bridge:** The cost estimate for the grade separated bike/ped bridge at Industrial Way was revised with a more accurate estimate of costs, reducing its estimated cost by over \$2 million, from \$3.85 million to \$1.76 million. The previous estimate was based on the cost of the Emily Street Bridge, with annual CPI increases added to the total. The current estimate was prepared with assistance from Dokken Engineering, which had recently prepared cost estimates for various bridge options in the South Broad Street Corridor Plan.
- 5) **Phasing of Infrastructure Improvements:** The most important change to the PFFP is the revised phasing schedule, which is detailed in Table 14 and Table 15 of the PFFP. The cost revisions, coupled with changes to the phasing of key facilities, eliminates any gap between costs and available fees. As a result, there is no implication that a Community Facilities

District is necessary to finance Orcutt Area development. The revised PFFP can now truly be described as a "pay-as-you-go" program.

With the revised PFFP, staff is proposing a fee program with substantially lower fees for property owners (\$12 million vs. \$22 million in the first draft). Ultimately, developers will still bear the cost of providing low-income housing, managing storm water in their projects, and meeting parkland requirements. However, more options are now available to owners to meet these City requirements in ways that work for their particular development projects.

Cost Summary

Orcutt Area impact fees reflect the cost of required transportation projects and park improvement projects. Transportation projects include street improvements, Orcutt Area bridges, and pedestrian and bicycle paths. Park improvement costs include improvements to the Neighborhood Park, the Trail Junction Park, and small portions of the Linear Park. Total impact fees include these Orcutt Area "add-on" fees, and City-wide fees for water, sewer and traffic impacts. This total is summarized below:

Total Impact Fees Per Unit

Single Family \$41,700

Multi-Family \$32,000

Attachment 3 includes an expanded summary table that lists each of the components that contribute to the above total. Parkland in-lieu fees would be an additional cost for those property owners that do not provide additional parkland within their subdivisions, as outlined in Appendix A, Table 9, of the PFFP (Attachment 4).

Parkland and Park Improvement Costs

A summary table has been developed and attached to the PFFP that identifies each property owner's requirement for parkland based on the number of residents their property is expected to accommodate (Attachment 5). All property owners have the option of providing the required parkland or paying the in-lieu fee. Although Parsons is committed to allocating land for the 11.5 acre neighborhood park, per the Specific Plan map.

Park improvement costs for the shared park facilities are included in the PFFP, and passed through to all property owners via a per-unit impact fee. The costs associated with this fee would cover the development of the Neighborhood Park, the Trail Junction Park and a small portion of the Linear Park adjacent to the railroad.

The park plan has been modified over the past several months because of the elimination of the school site and the inclusion of the trail junction park; however the park improvement cost estimate has not been updated. This could result in lower costs because, without the school, fewer restroom facilities would be needed in the neighborhood park. As a result, it is recommended that the Planning Commission direct staff to incorporate an updated park improvement cost figure into the PFFP.

Industrial Way Pedestrian/Bicycle Bridge

Pedestrian and bicycle paths constitute a major portion of the overall cost of public facilities in the Orcutt Area. The Industrial Way pedestrian/bicycle bridge is a particularly expensive facility at \$1.76 million. Owners concerns relate to both the cost of the facility, the need for the facility given available alternatives, and its safety for children and others.

Orcutt Area owners believe that there would be little demand for a crossing at this location, especially with the school site recently removed from the Neighborhood Park location. Prior testimony from owners indicates a belief that shopping at Marigold requires a car trip, and that Tank Farm and Orcutt offer better alternatives for cross-town trips. Property owners have also claimed that there is little recreational value to the connection and that the bridge will visually detract from the neighborhood's character.

Both the Planning Commission and the Bicycle Advisory Committee have confirmed the need for a grade-separated crossing at this location in the past. The Bicycle Transportation Plan includes the crossing and the value of neighborhood connections is emphasized in the General Plan (LUE Policy 2.1.4). The purpose of the bridge is to facilitate movement between adjacent neighborhoods and to provide alternatives to single-occupant vehicle trips to area parks, schools, and shopping. The bridge is also considered a safety enhancement for the future neighborhood because it will reduce trespassing across the railroad tracks.

The owners are also concerned that OASP property owners would bear 100% of the cost of the bridge. The letter infers that if users from other neighborhoods, including the Margarita Area, would be using the bridge, then they should share in the costs.

However, it is the City's policy that each new neighborhood in the City pays for the facilities needed to serve it. In other words, if there were no residential development proposed in the Orcutt Area, then the need for a bridge to be constructed at that location would not exist. In addition, it is important to note that Orcutt Area property owners and future residents will benefit from facilities constructed in the Margarita Area and in other parts of town, but they will not have to help cover the costs of those facilities. Examples include Prado Road, the Damon-Garcia Sports Fields, the Bob Jones Bike Trail, and so on. Consequently, staff recommends this component of the PFFP be retained as proposed.

Future Grant Funding May Reduce Some Facility Costs

The grade separated bike/ped bridge at Industrial Way is an expensive facility, but one that may be eligible for significant grant funding. Grants are available for bicycle facilities, as well as for projects that reduce hazards along railroad rights-of-way. As an example of how grants can offset facility costs, the Orcutt Road Widening project, which is currently under construction, received approximately \$1.6 million in State and Federal funding, which is likely to result in substantially lower costs to Orcutt Area development than currently estimated in the PFFP.

This project involves widening of Orcutt Road across the railroad tracks and installation of a new signal at the intersection of Orcutt Road and Laurel Lane. Currently, the PFFP includes \$1,123,750 of the project cost as a reimbursement to the original developer of the Laurel Creek project, who advanced funds to the City to complete project construction. On a per-unit basis, this facility is estimated to cost \$1,384. However, because costs have been lower than

anticipated, combined with the grant awards received by the City, the cost to Orcutt Area development may be reduced significantly when final project costs are known. The final cost could be as low as \$350 per unit, if the project can be completed without other cost increases.

The project is still under construction and the final figures are not known, but as final amounts are confirmed the project specific costs in the PFFP will be reduced even if the Specific Plan has already been approved showing the current cost estimates. This project is a good example of how City staff works to facilitate the funding of projects that are identified in the Capital Improvement Program and planning documents by finding ways to bring down costs for all.

Property Owner Comments

Property owner comments on the PFFP have been submitted by both the applicants and the non-applicant owners to City staff. The applicants' comments on the PFFP are attached (Attachment 6). Staff has been working directly with all property owners and their representatives to address the issues raised. In particular, staff has corresponded with the non-applicant owners to address their concerns and identify those issues that can be resolved with the Planning Commission's input, versus those items that will require resolution as part of pre-annexation agreements or other similar tools following Plan adoption but prior to annexation. Although final correspondence with the non-applicant owners was not available to attach to this agenda report, the letter will be forwarded to the Planning Commission prior to the public hearing.

ATTACHMENTS

1. Planning Commission Meeting Minutes
2. Project summary table requested by Planning Commission
3. PFFP Summary Table ES-1
4. PFFP Appendix A, Table 9
5. PFFP Appendix B, Parkland In-Lieu Fee Summary
6. Applicant comments on PFFP

PROVIDED FOR THE COMMISSION

Revised Public Facilities Financing Plan (September 23, 2009)

Additional Background Information:

<http://www.slocity.org/communitydevelopment/oasp.asp>

Attachment 1

SAN LUIS OBISPO PLANNING COMMISSION MINUTES June 25, 2008

ROLL CALL:

Present: Commissioners Amanda Brodie, Dan Carpenter, Carlyn Christianson, Diana Gould-Wells, Michael Multari, Vice-Chairperson John Ashbaugh and Chairperson Charles Stevenson

Absent: None

Staff: Associate Planner Michael Codron, Deputy Director Kim Murry, Assistant City Attorney Christine Dietrick, Finance IT Director Bill Statler, Deputy Director of Public Works Tim Bochum, and Recording Secretary Michelle Lakey

ACCEPTANCE OF AGENDA: The agenda was accepted as submitted.

MINUTES: The minutes of May 28, 2008, were approved as submitted.

PUBLIC COMMENT:

Eugene Jud, San Luis Obispo, spoke about a book titled "Transport Revolutions" and how it pertains to oil production and Greenhouse gases. He referenced www.transportrevolutions.info. He hopes that SLO will be a carbon neutral city.

There were no further comments made from the public.

PUBLIC HEARINGS:

1. **Orcutt Area Specific Plan.** SP 209-98: Review and discussion of Chapter 8, Public Facilities Financing Plan, and Chapter 9, Implementation, and Appendices of the Public Hearing Draft of the Orcutt Area Specific Plan; Barbara Parsons, Applicant. (*Michael Codron*)

Michael Codron, Associate Planner, presented the staff report, in order to receive public comment and provide direction to staff on changes to be incorporated into Chapter Eight and Chapter Nine of the draft OASP.

Bill Statler, Director of Finance/IT, stated that the purpose of the plan is to present possible funding strategies for area-specific infrastructure needs. He explained that the approach is to allocate costs to development in a fair, reasonable manner (per unit), recognizing phasing constraints. He stated that the infrastructure costs for the OASP will be over \$22 million. He stated that some other area-specific fees support parks, affordable housing, and specific plan preparation. He described the funding alternatives, including both pay-as-you-go and bond financing. He explained that the fees are comparable with Margarita Are and that the bicycle/pedestrian bridge cost has been allocated to the OASP because if it were not for the Orcutt Area, the bridge would not be constructed. He said that residents in the Orcutt Area, however, will not have to

pay for the usage of bike facilities, such as the Railroad Safety Trail, in other parts of the City.

Tim Bochum, Deputy Director of Public Works, felt that there needs to be a connection between the Orcutt Area and future developments and the bicycle/pedestrian bridge would accomplish that. He stated that staff would be happy to hear ways to lower the cost of a bike/ped bridge overpass from the applicant's representative.

PUBLIC COMMENTS:

Andrew Merriam, SLO, representing the applicant from the Wallace Group, explained how owners who have dedicated parkland from their property would be compensated. He stated that the land owners still need to discuss financing issues with staff. He stated that the park mitigation fee should be significantly reduced because there are many acres of parkland being dedicated that are not being counted. He stated the land owners do not support a \$3.8 million bicycle/pedestrian bridge. He stated that the bicycle/pedestrian bridge is not a wise investment for the City and would not be used very much. He agreed with the opinions given by those from the BAC and Bicycle Coalition but felt that the location is not the best.

Mike Cannon, SLO, Cannon Associates, representing the applicant, stated that to pay for the infrastructure, homes need to be sold. He stated there needs to be flexibility in the growth management regulations. He believed the estimated costs are below what the actual costs will be.

Phil Gray, SLO, stated that the bicycle/pedestrian bridge will be of little use to those who will live in the Orcutt area. He stated that the per-trip cost over the bridge would be approximately thirteen dollars. He felt that bicyclists would avoid the bridge because of the length of the ramps.

David Gray, SLO, encouraged staff to give credits for the creeks and bike paths to the landowners to offset the parkland requirements. He stated that having the \$4.8 million fee for the bicycle/pedestrian bridge would work against the goal of having affordable housing.

Patti Taylor, a property owner within the Orcutt area, stated her land is not available for assessment districts and will not be a part of a CFD. She does not agree with the City's Public Facilities Financing Plan. She asked staff to present the land owners with another plan.

Jeanne Helphenstine, SLO, stated that the original appraisal for the value of the parkland was done by her broker who has over 30 years experience. She felt that the proposed project does seem feasible because the Public Facilities Financing Plan provides a way to fund the needed infrastructure. She stated that the parkland and the school site lie on her property. She stated that she did not support the bicycle/pedestrian bridge.

Glen Matteson, representing the Bicycle Advisory Committee, stated that the BAC voted unanimously to approve a grade-separated crossing at Industrial Way. He felt that more people would use the proposed bridge than had been stated during public comment.

Adam Fukushima, SLO County Bicycle Coalition, SLO, stated that he would like the bicycle/pedestrian bridge to be included in the plan. He stated that having the bridge would give the public the opportunity to exercise and get around on a bike path that would be safer than busy streets.

Matt Colonell, SLO, stated that having a bicycle/pedestrian bridge would encourage people to use it more since they would have an option aside from riding on a busy street.

Eugene Jud, SLO, stated that the problems with current energy use will change transportation options in the future. He felt that having a bicycle/pedestrian bridge would increase the property value of homes in the Orcutt area because it would provide the residents with more options and access to local shopping centers.

Brad Buxton, SLO, supported the connectivity of a bicycle overpass.

Kim Snyder, SLO, supported the bicycle/pedestrian bridge.

Ritz Colonell, SLO, supported the bicycle/pedestrian bridge.

There were no further comments made from the public.

The commission took a break from 9:05 p.m. - 9:20 p.m.

COMMISSION COMMENTS:

Commr. Multari stated that he would like to see a chart with a listing of the projects being proposed in the OASP along with the phase that each project would be completed, the fee, the allocation to the OASP and any other issues that would pertain to the projects. The Commission agreed that such a chart would assist in decision-making on the components of the PFFP.

Commr. Carpenter agreed with Mr. Merriam that there were other opportunities to meet the required minimum park acreage and encouraged Mr. Merriam to work closely with Betsy Kiser, Parks and Recreation Dept. Director. He stated that there is an opportunity to provide affordable housing with this project and that the cost of the bridge would only add to the cost of this housing (through fees) thus making it less affordable. He also felt that the proposed bicycle/pedestrian bridge would negatively impact the view shed. He stated Tank Farm and Orcutt provided alternatives for bicyclists to access the area to the west of the railroad tracks.

Vice-Chair Ashbaugh assured that nobody should fear debt being added to their property before they are ready to develop. He supported adjusting the parkland

dedication formula to include the creeks, improved trails and similar accessible open space to lower park mitigation fees, using a formula similar to that employed in the Edna Islay Specific Plan. He felt an under-crossing at Industrial would be used more than a bridge to cross the railroad tracks. He would like staff to evaluate the feasibility of an under-crossing again, particularly if the under crossing could be integrated with a redesign of the nearby detention basin to extend westerly to such an under crossing, adjacent and under the railroad tracks, would make possible the release of useable land to be added to the affordable housing rate. He would like the OASP to include a grade-separated crossing where the bike/ped bridge is currently proposed to be built.

Commr. Christianson stated she understands that the Orcutt property owners are shocked by the numbers in the PFFP, but that roads, infrastructure, etc. do cost a lot of money and that various financing options need to be laid out. She agreed with Mr. Merriam about the proposals to lower the park mitigation fees. She felt that a bicycle/pedestrian bridge is appropriate, should be above-ground, and will be utilized more and more in the future; however she supported the possibility of lowering the percentage assigned to Orcutt. She explained that staff and/or the applicant should be able to lower the cost of building the bridge because the Jennifer Street Bridge should not be used as a template or example.

Commr. Brodie stated that it would be important to have some education on assessment districts and how grants would play a part in funding OASP infrastructure. She felt that providing for alternative forms of transportation in the future would be helpful.

Commr. Gould agreed with Commr. Multari to have staff present a chart detailing the projects, their fees, phases, and other details to facilitate decision-making.

Chairperson Stevenson stated there needs to be flexible growth allocation separate from the limits of the City's Growth Management Regulations.

The item was continued after staff indicated that it would meet with area property owners to discuss the costs and develop the requested table of project costs. Another Planning Commission meeting will be scheduled in the future to continue the discussion of Chapter 8 and Chapter 9 of the OASP.

COMMENT AND DISCUSSION:

2. Staff

- a. Agenda Forecast – Presented by Kim Murry. The next meeting will be July 9, 2008.

3. Commission

ADJOURMENT: The meeting was adjourned at 10:10 p.m.

Attachment 1

Planning Commission Minutes
June 25, 2008
Page 5

Respectfully submitted by

Michelle Lakey
Recording Secretary

Approved by the Planning Commission on July 23, 2008

Ryan K. Betz
Supervising Administrative Assistant

City of San Luis Obispo
 Orcutt Area Specific Plan Public Facilities Financing Plan
 Project-Specific Infrastructure Costs

Attachment 2

Item	Net Total Cost	Cost per SF Unit	Phase	Mitigation Requirement?
Transportation				
<u>Street Improvements</u>				
Orcutt Road/Tank Farm Road	\$927,978	\$1,143	1	Yes
Broad Street/South St-Santa Barbara Road	\$381,000	\$469	1	Yes
Broad Street/Tank Farm Rd	\$222,404	\$274	1	Yes
Orcutt Road/Johnson Ave	\$300,004	\$369	2	Yes
Broad Street/Prado Road Extension Second Northbound Left Turn Lane	\$135,905	\$167	3	Yes
Orcutt Road Widening	\$1,123,750	\$1,384	3	Yes
Bullock Lane Realignment	\$249,057	\$307	2	Yes
Relocating Hanson Rd or Reducing the Grade on Orcutt at Hanson Rd	\$50,000	\$62	2	Yes
Transit Stops	\$50,000	\$62	1	Yes
Subtotal Street Improvements	\$3,440,098	\$4,235		
<u>Orcutt Expansion Area Bridges</u>				
Bridge A	\$680,000	\$837	1	No
Bridge B	\$420,000	\$517	2	No
Bridge C	\$510,000	\$628	1	No
Subtotal Orcutt Expansion Area Bridges	\$1,610,000	\$1,982		
Total Transportation	\$5,050,098	\$6,218		
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Pedestrian and Bicycle Paths				
Pedestrian and Bicycle Paths	\$648,200	\$798	3	Yes
Pedestrian/Bike Overpass	\$1,760,000	\$2,167	3	No
Bike Path Extension Over Tank Farm Road	\$247,555	\$305	2	No
Total Pedestrian and Bicycle Paths	\$2,655,755	\$3,270		
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Parks & Recreation				
Central Neighborhood Park - Main Portion South of Creeks	\$3,628,000	\$4,365	1,2,3	No
Central Neighborhood Park - Phase 2 Portions North of Creeks	\$500,000	\$602	1,2,3	No
Trail Junction Park	\$220,000	\$265	1,2,3	No
Linear Park System	\$100,000	\$120	1,2,3	No
Total Parks & Recreation	\$4,448,000	\$5,352		
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Total Project-Specific Infrastructure Costs	\$12,153,853	\$14,840		

**TABLE ES-1
TOTAL PROJECT-SPECIFIC INFRASTRUCTURE PLUS CITY-WIDE AND OTHER FEES**

Land Use	Project-Specific Impact Fees					City-Wide Impact Fees				Other Impact Fees			Total Gross Fees per Net Acre
	Trans- portation	Pedestrian and Bicycle Paths	Parks & Recreation	Total Project- Specific Impact Fees	Trans- portation Impact Fee	Water Impact Fee	Sewer Impact Fee	Total City-Wide Fees	Parkland In-Lieu	Specific Plan and EIR Fee	Total Other Fees	Total Gross Fees per Unit	
Single Family	\$6,218	\$3,270	\$5,352	\$14,840	\$3,220	\$15,919	\$6,946	\$26,085	1	\$737	\$737	\$41,662	\$249,361
Multi-Family	\$4,344	\$2,284	\$3,983	\$10,611	\$2,858	\$12,735	\$5,557	\$21,150	1	\$276	\$276	\$32,037	\$511,700

¹ OASP property owners have the option of paying this fee, providing parkland on their property, or combining the two for purposes of mitigating their parkland obligation. The parkland in-lieu fees for each property owner have been calculated by the City and are provided in Table 9 of Appendix A.

Table 9
City of San Luis Obispo
Orcutt Area Specific Plan Public Facilities Financing Plan
Parkland In-Lieu Fee ¹

Property Owner	Total		Property Acreage	Total	
	In-Lieu Fee	In-Lieu Fee		In-Lieu Fee	In-Lieu Fee
Pratt	\$1,040,000		10.96		\$94,891
Jones	\$440,000		11.63		\$37,833
Midstate	\$420,000		11.75		\$35,745
Anderson	\$480,000		5.35		\$89,720
Evans	\$480,000		5.62		\$85,409
Farrior	\$60,000		0.76		\$78,947
Fiala	\$30,000		0.95		\$31,579
Hall	\$60,000		1.13		\$53,097
Imel	\$120,000		6.55		\$18,321
Maddalena	\$540,000		6.66		\$81,081
Muick	\$570,000		11.98		\$47,579

¹ Refer to Appendix B in the report for supporting documentation.

Sources: City of San Luis Obispo; Orcutt Area Specific Plan, Table A-2
 (Draft, June 2006); Goodwin Consulting Group, Inc. 9/23/2009

OASP Parkland Dedication Acreage and In-Lieu Fee Option Table

Owner	Pop.	Parkland Required (Acres)	Parkland Required (s.f.)	In-Lieu Fee Per Acre**	In-Lieu Fee Per S.F.	In-Lieu Fee Option
Parsons*	641	6.41	279,220	300,000	9.18	\$1,923,000
Pratt	281	2.81	122,404	400,000	9.18	\$1,124,000
Jones	114	1.14	49,658	400,000	9.18	\$456,000
Midstate	139	1.39	60,548	300,000	6.89	\$417,000
Anderson	157	1.57	68,389	300,000	6.89	\$471,000
Evans	163	1.63	71,003	300,000	6.89	\$489,000
Farrior	16	0.16	6,970	300,000	6.89	\$48,000
Fiala	8	0.08	3,485	300,000	6.89	\$24,000
Hall	22	0.22	9,583	300,000	6.89	\$66,000
Imel	36	0.36	15,682	300,000	6.89	\$108,000
Maddalena	182	1.82	79,279	300,000	6.89	\$546,000
Muick/Taylor	188	1.88	81,893	300,000	6.89	\$564,000
Garay	92	0.92	40,075	300,000	6.89	\$276,000
Total	2039	20.39	888,188			\$6,512,000

*Parsons is not permitted to pay the in-lieu fee because the OASP designates their property as the neighborhood park site. Parsons is allocating 11.5 acres of land for a neighborhood park, although their requirement is 6.41 acres, therefore the City will be purchasing approximately 5 acres of parkland for the neighborhood park at the rate of \$300,000/acre, or \$1.5 million.



October 16, 2009

Mr. Michael Codron
Housing Programs Manager
Community Development Department
City of San Luis Obispo
919 Palm Street
San Luis Obispo, CA 93401

Subject: Applicant Owners' Comments on OASP PFFP, Administrative Draft

Dear Mr. Codron:

On behalf of myself and the applicant owners I'd like to thank you once again for your ongoing efforts and coordination in getting the OASP approval process moving forward and the project back on the Planning Commission agenda for October 28, 2009.

We understand that the approval of the PFFP is an integral part of the Specific Plan approval process and on Wednesday, October 14, 2009, most of the applicant owners for the OASP met to discuss their combined comments on the Administrative Draft version of the PFFP, dated September 23, 2009.

Attending the meeting was Barbara Parsons, Jeanne Helphenstine, Gary Esajian, David Gray, and Dr. Ernest Jones.

The following is a summary of the comments that the owners would like addressed in the final version of the PFFP:

1. Pedestrian/ Bike Overpass

The applicant owners would still prefer not to see Project 13, the Pedestrian/ Bike Overpass included in the Specific Plan for the following reasons:

- Due to the height of the bridge, it will be an eyesore to the surrounding neighborhoods.
- The safety concern of connecting the OASP neighborhoods directly to the Graduate area. An extreme example of this concern would be a Jennifer Street bridge/ Rex Allen Krebs type incident. We feel that providing a conduit that can directly funnel drunken behavior into the OASP neighborhoods is not a wise decision.

If the City determines that the need for the bridge overrides all safety and aesthetic concerns, and if the OASP owners are required to participate in the project cost, then the fair share percentage of cost should be greatly reduced because the overpass will function as a regional rather than a project specific improvement. As can be seen on the attached Exhibit "A", the neighborhoods to the north, south and east of the OASP area



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are likely to make use of the new bridge if their destination is the Damon-Garcia Sports Complex, the Marigold Shopping Center, or the future Prado Road Extension. Because of this regional benefit of the bridge, we request that a more reasonable and equitable fair share cost percentage of 25 percent be used in the PFFP.

The Summary Table in Appendix B should also be corrected to reflect the new overpass total cost of \$1,760,000 per the estimate prepared by Dokken Engineering. With this revised cost, the fair share amount of Project 8 for the OASP should be reduced to \$440,000.

2. Orcutt Road Widening- Broad to Laurel

Currently the fair share percentage for Project 8, Orcutt Road Widening from Broad to Laurel, is listed at 89.9% in the Appendix B Summary Table, with a total cost of \$1,123,750. We believe the fair share percentage should be reduced to 78.4%. This percentage is reached by dividing 937 units (the number of units used in the PFFP for cost determination) by the total units in the Laurel Creek, Creekston and OASP projects ($176+82+937=1195$). We also believe that using the entire 937 units for the OASP total is generous as many of the residents on the south side of the project will rarely use Orcutt road as a route for ingress and egress but instead use Tank Farm Road.

With a reduced fair share percentage of 78.4%, the OASP cost for Project 8 should be reduced to \$980,000.

3. Grade Separated Crossing on Orcutt

Based on recent discussions with Tim Bochum and you, please remove all references in the PFFP to Project 12, the Grade Separated Crossing on Orcutt, especially in Appendix B, OASP Facility Cost Estimates.

4. Table 9- Parkland In-Lieu Fee

By way of clarification and to prevent any future confusion, we think it would be helpful to add a note on Table 9 stating that Parsons has met all project parkland requirements by offering land to the City and that is why their name is not included on the In-Lieu Fee table.

5. Timing of Impact Fees

It would be helpful to state in the PFFP that the Project-Specific and City-Wide impact fees will be paid when building permits are issued. Just as it is critical for the City to accurately assess the cash flow for the Project-Specific improvements, it is also critical for future builders within the OASP to establish an accurate and reasonable cash flow for all project costs. As the cost of the impact fees will be part of the project construction financing, it is very important to time the payment of the impact fees with construction.

A comment in the PFFP on how the impact fees may be adjusted for inflation over the course of the development would also be helpful.



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6. Table 13- Phasing Assumptions for Facility Costs

As long as the financing and construction of the Project-Specific projects is actually based on a pay-as-you-go approach as stated in the PFFP, then we have no problem with the suggested timing of the projects in Table 13. In the future, if positive cash flow for some of the initial projects does become an issue, then we would recommend the delay of Projects 1, 2, and 3 (Orcutt Road/ Tank Farm Road, Broad Street/ South Street-Santa Barbara Road Improvements, and Broad Street/ Tank Farm Road Second Southbound Left Turn Lane and a Second Northbound Left Turn Lane) until the collected fees are adequate to construct the projects.

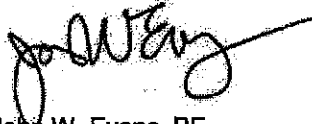
7. Costs Not Directly Related to Project-Specific Projects

This is more of a question than a comment. As the applicant owners have previously agreed not to pursue the fair share reimbursement of the privately paid planning fees from the non-applicant owners (in a letter by the Righetti Landowners to you, dated March 16, 2009), it is understandable that they are not addressed in the PFFP. But should there be a section in the PFFP that discusses repayment of the other advanced fees (EIR preparation, etc.) paid by the applicant owners and the City from the non-applicant owners?

Thank you for your consideration regarding these PFFP comments and recommended revisions. I look forward to discussing them with you and Tim Bochum further at our meeting next Monday.

If you have any questions, please give me a call.

Sincerely,



John W. Evans, PE
Senior Civil Engineer

Enclosures: Exhibit A
File Location: F:\proj\2008\080206\Civil\Project Management\Correspondence\Letter Michael Codron PFFP comments 2009-10-16.doc

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Exhibit A
(Based on City of San Luis Obispo
Existing and Proposed Bikeways Plan)

