

TO: JAMES L. APP, CITY MANAGER  
FROM: BOB LATA, COMMUNITY DEVELOPMENT DIRECTOR  
SUBJECT: REQUEST TO INITIATE SPECIFIC PLAN PROCESS (BEECHWOOD)  
DATE: NOVEMBER 16, 2004

Needs: For the City Council to consider a request from property owners in the Beechwood Annexation Area for the property owners to initiate and prepare a Specific Plan for their geographic area.

Facts:

1. The 235 acre Beechwood Annexation was approved by the Local Agency Formation Commission (LAFCO) on October 21, 2004.
2. The Beechwood Annexation area includes 13 different properties under multiple ownerships.
3. Under the City's adopted General Plan, there is a requirement that a Specific Plan be prepared prior to granting any new entitlements for development. A total of up to 674 dwelling units, including 200 multi-family dwellings, could be approved per the City's General Plan.
4. Attached is a letter from Mike Harrod and Tom Erskine dated October 28, 2004 presenting their request to proceed with preparation of a Beechwood Specific Plan.
5. Also attached is an outline describing how the "Scope of Work" could be divided between the property owners and the City if the City Council wishes to agree to allow the property owners to prepare the Beechwood Specific Plan. The "Scope of Work" outline is a refinement of a discussion with Mike Harrod on October 1, 2004.

Analysis  
and

Conclusion: As indicated in the attached letter, the two major property owners in the Beechwood Annexation Area are requesting the City Council to allow them to initiate a Specific Plan.

As the attached "Scope of Work" outline indicates, the property owner request is a feasible option. The outline identifies ways in which the related tasks could be divided between the property owners and City.

The Harrod / Erskine letter proposes that the property owners would solicit and hire the necessary consultant to prepare the Specific Plan and work with the City staff in the process. As indicated in the attached “Scope of Work”, the property owners’ specific plan would include but not be limited to consideration of the following:

- Distribution of land uses and relationships to adjacent land uses
- Relationships between the various property interests
- Internal traffic circulation patterns and relationship to City streets
- Relationship of development to PG&E electric transmission lines
- Oak tree and other open space preservation issues
- Feasible alternatives for consideration, as required for CEQA analysis

The City’s adopted procedures for implementing the California Environmental Quality Act (CEQA) call for the City to manage the environmental review process. In addition, the City would need to analyze fiscal impacts and insure that all infrastructure issues are addressed in relation to the balance of the City (including but not limited to traffic, water, wastewater, and storm drainage). The City’s scope of work would include preparation of a Water Assessment Study pursuant to SB 610. Close cooperation would be required between the property owners’ consultants and the City’s consultants.

As noted above, the General Plan would allow consideration of up to 674 dwelling units, including 200 units of multi-family development. The 2003 General Plan adoption also calls for a population limitation of 44,000 residents in the year 2025. In order to reduce the potential population from the “largest growth” scenario of 45,500 that was presented in the draft General Plan, the adopted General Plan calls for a reduction in potential entitlements in specific plan areas (Chandler Ranch, Olsen Ranch and the Beechwood Annexation).

Table LU-3 of the General Plan describes the development potential for the three specific plan areas. As noted on page LU-8 of the General Plan, it is anticipated that the specific plan process will identify final dwelling unit counts and the actual number of entitled dwelling units will depend upon topographic, environmental and other development constraints. The City Council’s consideration of the property owner initiated specific plan would need to address this General Plan policy issue.

By the property owner initiating a Specific Plan for the Beechwood area, the City would avoid the need to advance funds for the preparation of the document. There would still remain, however, the cost factor of preparing the EIR and related City analysis of the impacts of the proposed Specific Plan. Options for funding the EIR and related City processing include:

1. For the City Council to agree to advance the funds for the EIR and City processing, with the expectation that the City would be fully reimbursed out of specific plan fees. (This option is most consistent with the way that the City has approached preparation of prior Specific Plans and related documentation.); or
2. For the City to require the property owners to post a cash deposit for the amount of the EIR and the estimated cost of City review, analysis and processing of the Specific Plan

In terms of the specific plan process, there is no assurance that the property owners hiring their own specific plan consultants will speed the process. There will still need to be the same opportunities for public input in the process of preparing both the Draft Specific Plan and Draft EIR, regardless of who prepares the Specific Plan. Additionally, the responsiveness of City staff to the schedules proposed by the property owners would be dependent upon the project priorities established by the City Council. Further, having two different consultants preparing the Specific Plan and EIR will increase the challenges of internal coordination. A close cooperative working relationship between the property owners and the City would, however, be the key to a smooth process.

The approach that the City has taken in the past (for the City to contract for both the Specific Plan and EIR) has the advantage of reinforcing the concept that a Specific Plan is a public planning process. Having a single consultant under City contract prepare both documents would simplify coordination and better assure consistency between the two. With the maximum number of dwelling units having already been established through the General Plan and pre-zone for the property, and since the property is not as complex as the larger and more topographically challenged Chandler Ranch, the range of policy issues should be much easier for all parties to deal with. Hence, the City could take the lead on the consultant contract for both the Specific Plan and the EIR and, at the same time, welcome incorporation of one or more design options from the property owners and their consultants.

Policy

Reference:

General Plan; practice regarding approach to prior Specific Plan projects

Fiscal

Impact:

The General Plan calls for “Fiscal Neutrality” which is anticipated to be achieved through a combination of Development Impact Fees, Specific Plan Fees, and a requirement to participate in a Community Facilities District (CFD).

The property owners' request to initiate the Specific Plan would avoid the fiscal impacts of plan preparation on the City. The manner in which the EIR and related City review, analysis and processing is funded would determine the balance of the fiscal impacts. As noted above, the City Council could require a deposit from the property owners to cover the City's costs or the Council could advance those funds in a manner consistent with the way the City has approached funding prior specific plans and their related documentation. City costs would be recovered with time, but in the interim there would be an advance by the City. The amount of the advance cannot be determined until the City issues a Request for Proposals and determines the most qualified consultant team to prepare the EIR.

Options:

- a.** For the City Council to direct staff to initiate preparation of the Beechwood Specific Plan, with the City contracting for both the Specific Plan and EIR, and directing staff to work closely with the property owners to incorporate one or more of their land use scenarios as a part of the specific plan process. Staff would be further directed to issue a Request for Proposals with the intent of selecting a qualified consultant to prepare the Specific Plan and EIR that would accompany the Beechwood Annexation. City Council would reserve the right to approve the final scope of work, consultant services contract, and to make the appropriation advancing funds for the Specific Plan and EIR.
- b.** For the City Council to authorize Mike Harrod and Tom Erskine to proceed with preparation of the Beechwood Specific Plan, with the scope of work to be based on the attached "Exhibit A" (Scope of Work). City staff would, in turn, be directed to work closely with the property owners and their consultant to structure a cohesive Specific Plan program that incorporates the required opportunities for public input and coordination with other public agencies. Staff would be further directed to issue a Request for Proposals with the intent of selecting a qualified consultant to prepare the EIR that would accompany the Beechwood Annexation. City Council would reserve the right to approve the final scope of work, consultant services contract, and to make the appropriation advancing funds for the EIR.
- c.** Same as option "b" above, except that the property owners would be required to post a cash deposit in the amount of the costs of the EIR and estimated City staff review, analysis and processing prior to the work proceeding on the EIR and City participation in the Specific Plan process.
- d.** Amend, modify or reject the foregoing options.

## **Scope of Work: Beechwood Annexation Specific Plan Process**

### **Purpose:**

To outline a scope of work and division of responsibilities based on a request from the property owners for the property owners to prepare the Beechwood Annexation Specific Plan.

### **Background:**

1. California Government Code Section 65450 et seq. provides the legislative basis for preparing Specific Plans.
2. The California Government Code states, “After the legislative body had adopted a general plan, the planning agency may, or if so directed by the legislative body, shall, prepare specific plans for the systematic implementation of the general plan for all or part of the area covered by the general plan”.
3. As reflected in the California Government Code, a Specific Plan is a more detailed, systematic implementation of the General Plan. In Paso Robles, this has been a public planning process, with the City as the Lead Agency.
4. The City Council has the discretion to allow a property owner or property owners to prepare a Specific Plan for City Council consideration.
5. With regard to Environmental Assessment, the City’s Rules and Procedures for implementing CEQA are explicit in calling for the City to determine the scope of the EIR and contract for the work to be done. There are no provisions for an applicant to prepare his or her environmental documentation and the objectivity of the work would be questioned if it was prepared under contract to an applicant.
6. In addition to the City maintaining responsibility for complying with CEQA requirements, the City has an interest in assuring that infrastructure impacts are adequately addressed, and that the General Plan policy of “fiscal neutrality” is complied with. Staff would not recommend delegation of these responsibilities.

### **Draft Scope of Work / Division of Responsibilities If Property Owners are to Prepare Plan:**

#### **A. Property Owner(s):**

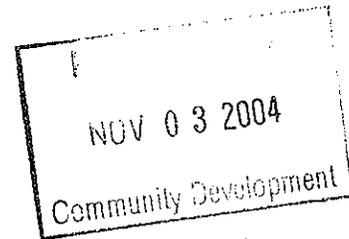
1. Coordination of property owner input and preparation of a land use plan reflecting the distribution of land uses by type. The Borkey Area Specific Plan (BASP) provides an example of a successful specific plan that has stood the test of time. The level of land use information presented, along with standard for development, would seem to provide a reasonably acceptable model.

2. Circulation system plans, including streets, bikeways, and pedestrian walkways, consistent with an extension of existing City standards for the specific plan area. The General Plan calls for traffic calming; the expectation would be that the specific plan would incorporate traffic calming principles.
3. Schematic subdivision patterns and preliminary grading concepts.
4. Provisions for oak tree and open space preservation, including parks based on the General Plan standard of seven (7) acres per 1000 population.
5. Incorporation of AG buffers and other provisions in response to input from the County of San Luis Obispo.
6. Detailed treatment of how developments on different property ownerships will relate to each other (including how non-participating properties will be treated).
7. How the plan will deal with Electro Magnetic Field (EMF) issues related to the PG&E transmission lines.
8. Internal infrastructure design, in close cooperation with the City Engineer and Public Works Department.
9. Detailed development standards for the various types of development (particularly relevant to commercial / mixed use development); again, the BASP provides a good guidepost as to level of detail.
10. Alternatives for the purpose of meeting CEQA requirements (2 or 3 options). Alternatives need to address options to reduce the overall project density including a share of the dwelling units needed to stay within the 44,000 population cap established in the December 2003 General Plan update.
11. Refinement of the Draft Specific Plan in response to City / other Agency input.

**B. City of Paso Robles:**

1. Preparation of an EIR, incorporating applicable mitigation measures, including but not limited to fiscal impact analysis to maintain “fiscal neutrality”.
2. Evaluation of infrastructure impacts, particularly off-site, and formulation of appropriate mitigation measures.
3. Lead Agency role in coordinating input from the public / other public agencies.
4. Preparation of a Specific Plan fee schedule that incorporates mitigation measures / strategy for implementation of financing.

October 28, 2004



Mayor Frank Mecham  
City of Paso Robles  
1000 Spring Street  
Paso Robles, California 93446

Subject: Beechwood Annexation Area

Dear Mayor Mecham:

We, the majority property owners of the Beechwood area (Exhibit "A"), have come together to compile our ideas for development of the property and would like to proceed with the preparation of a Specific Plan. Mike Harrod of Harrod Builders and Tom Erskine will represent the group, although we will all have close contact and involvement through the process.

It is the desire of the group to hire the necessary consultants to prepare the Specific Plan and work with the City staff in the process. This group of local developers, builders and investors has the experience and skills necessary to craft a project design in harmony with the expectations of the neighbors, minimizing environmental impacts and within economic and market realities. We have already begun the process of master planning the site and have enlisted the help of North Coast Engineering to bring our vision to life and will be interviewing land planning consultants for actual plan preparation. The City would be responsible for the preparation of the Environmental Impact Report and act as the lead in the public review process.

Mike Harrod met with Bob Lata a few weeks ago to share the group's intent to develop the Beechwood Area and to discuss the general scope of work in preparing a Specific Plan that could outline such development. We realize that the decision to allow us to do so lies with you and the City Council and would appreciate our request being placed on a future City Council Agenda.

Please consider the following when considering this request:

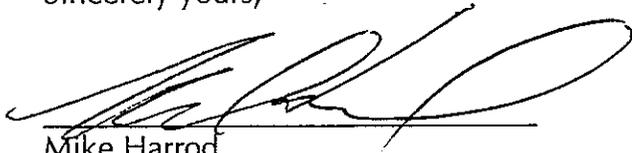
1. We are ready to initiate the Specific Plan process immediately.

2. We have all been observant of the progress of the Chandler Ranch Area Specific Plan. We hope to have learned through that process and wish to use our collective experience by guiding this Plan ourselves.
3. The property contains an existing well that could supplement the City's water supply.
4. We would like to see this project ease some circulation issues with the extension of Airport Road to Creston Road, and the completion of improvements to Meadowlark Road, Creston Road and Beechwood Drive.
5. As a part of the General Plan Update process, 674 units were allocated for this area. It is the intent of the group to develop this area in a way that would best benefit the City. A variety of product types will be considered to provide housing for many income levels.
6. The neighborhood commercial portion of the property has the potential to provide commercial services to the existing neighborhoods and tax revenue to the City and reduce vehicle trips within the area.
7. The structure of the Specific Plan is that the development of the project will pay Specific Plan fees which will provide relief for the initial impacts. Additionally, the future homeowners will pay ongoing Community Facilities District fees which will offset their impact to City services. This is in contrast to every approved project in the City.
8. We feel that the City could not find a more perfect location to allow for moderate growth. All of the major infrastructure is already in place and much needed improvements will be made to all bordering roads. We can offer Airport Road and supplemental water, and all within borders already clearly established on four sides.
9. Almost all of the new housing projects in the Paso Robles area are finished or nearing completion; most after being in the works and selling slowly for many years prior. It will still take lots of time to properly plan the Beechwood area and allow for a variety of new housing needs for our children. If we allow planning of new homes to come to a complete standstill, we will obviously see the prices for all homes rise dramatically.

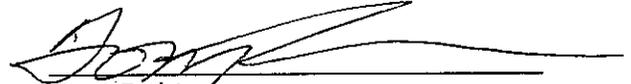
In light of the slow progress of the Chandler Ranch Area Specific Plan, we would like to initiate the preparation of this Specific Plan so that the work would be completed in time to serve the City. We would be interested in sharing our ideas for developing this site with you and your fellow Councilmembers if time allows. Please contact Mike Harrod at

239-7474, Tom Erskine at 239-9566 or Larry Werner at North Coast Engineering at 239-3127 with any questions.

Sincerely yours,



Mike Harrod  
Harrod Builders



Tom Erskine

Cc: Jim App, City Manager  
Bob Lata, Community Development Director  
Jim Heggarty, Mayor Pro Tem  
Gary Nemeth, Councilmember  
George Finigan, Councilmember  
Duane Picanco, Councilmember  
Tom Flynn, Commissioner  
Nick Ferravanti, Commissioner  
Ron Johnson, Commissioner  
John Hamon, Commissioner  
Eric Mattke, Commissioner  
Ed Steinbeck, Commissioner  
Marti Kemper, Commissioner