

TO: James L. App, City Manager

FROM: Ronald Whisenand, Community Development Director

SUBJECT: River Oaks: The Next Chapter Environmental Impact Report

DATE: January 6, 2009

NEEDS: For the City Council to select an outside expert to prepare an Environmental Impact Report (EIR) for the master-planned community, referred to as River Oaks: The Next Chapter (Wilhoit).

FACTS:

1. Estrella Associates has submitted an application to expand the River Oaks master-planned community including the following components:
 - General Plan Amendment and Rezone to redesignate 249 acres located on the west side of Buena Vista Road (River Oaks II site) from Agriculture (AG) to residential and mixed use designations;
 - General Plan Amendment, Prezone, and Annexation of 21 acres located on the east side of Buena Vista Road (College Station site) from Residential Rural (City General Plan and County General Plan/Zoning) to single and/or multiple family residential designations;
 - Develop a Specific Plan (and amend the existing Borkey Area Specific Plan) to specify how the following planned development of the property will occur:
 - 13 Residential Villages containing a maximum of 1,755 units and including a variety of housing types such as estate lots, an active adult community, and attached condos/townhomes.
 - 150-room hotel, golf course expansion, restaurant, hot springs spa, health and fitness center, recreational community center, aquatics, tennis, hiking and recreational trails, sports practice fields, and approximately 73 acres of Open Space including 25 acres of sustainable vineyards.
2. The River Oaks application is subject to environmental review pursuant to the California Environmental Quality Act (CEQA). The character, size, and location of this project will necessitate the preparation of an EIR.
3. In preparing their application to the City, Estrella Associates submitted a number of environmental studies, which address some project related impacts including traffic, water supply, population, agriculture, visual, and drainage.
4. Normally a contract to prepare an EIR includes the preparation of these types of background studies. However, since the applicant has provided these studies, the EIR-preparation scope of work has been modified to a peer review of submitted studies.
5. The City solicited proposals from ten environmental firms. A total of four firms responded, three of which were interviewed. Additional information was requested from the top two firms: EMC Planning Group of Monterey and Quad-Knopf of Visalia.

ANALYSIS &

CONCLUSION: As part of the application submittal, the applicant has prepared a number of technical studies assembled as an "Environmental Analysis Report" (EAR). The EAR stopped short of recommending mitigation strategies, leaving that decision to the City. The applicant's studies can be used as the basis for the EIR and potentially save what would otherwise be duplicative work. With what is being called a "Peer Review EIR," the City (with the assistance of the selected environmental firm) will be responsible for the legal contents of the EIR and will verify the adequacy and accuracy of information submitted by the applicant.

There were several factors considered in determining the most qualified firm for this project including:

- relevant expertise and experience in the fields of land-use planning and CEQA,
- familiarity with design features proposed for the Specific Plan including traditional neighborhood design and form-based codes,
- experience in impact analysis in the areas of traffic engineering, water supply, air quality, grading, hydrology, and green building,
- experience in peer review, skill in making effective public presentations, and the ability to understand and respond to client concerns and cost.

The two finalist firms, EMC Planning Group and Quad Knopf, while having roughly comparable experience, offer different approaches. Attachment 4 details their respective approaches for the preparation of this EIR.

EMC Planning Group, Inc

EMC Planning Group's Scope of Work assumes that they (EMC) will provide any analysis necessary to supplement the EIR, with exceptions for traffic analysis and water supply assessment, as the applicant has not yet submitted information related to those issues.

Water Supply is a significant community issue. EMC's subcontractor for water supply assessment, Akel Engineering Group, has extensive experience with water and wastewater system designs and water management plans. Akel will also provide the level of expertise needed to assess the Low Impact Design concepts proposed by the project.

Traffic is likely the most important issue associated with this development since the City's current traffic model did not assume the potential for 1755 residential units. EMC's subcontractor for traffic analysis, Hatch Mott MacDonald, provided the most thorough work scope for the peer review of the applicant's pending traffic study.

EMC in their proposal and interview demonstrated substantially more peer review experience. EMC also identified where deficiencies existed in the EAR that required further analysis and built that analysis directly into the proposal. This approach results in the completion of the EIR far more quickly, as it eliminates the potential for several rounds of peer review. It also provides the City with a greater level of control with respect to streamlining of the process (working with one consultant rather than potentially several), timeliness of obtaining supplemental information or studies, and perceived neutrality of the studies.

Quad Knopf

Quad Knopf's proposal is the lower cost of the two proposals. The reason is that Quad Knopf took a different approach to peer review. If during the peer review, deficiencies were identified, they indicated that they would stop work on the EIR until the necessary

additional analysis was completed by the applicant. That additional analysis would then go through additional rounds of peer review until the team was satisfied that issues were addressed.

The amount of time Quad Knopf has allocated to site investigation, research, and peer review seems to underestimate the scope and complexities of the project and the amount of time actually needed to provide completely independent analysis. Many of the important issues identified during Council's review of the applicant's request (i.e. agricultural resources, population size, and water supply) did not receive the degree of analysis (approximately 1/2) that the community will expect.

Finally, while theoretically being able to complete the project in the applicant's desired time frame, Quad Knopf did not factor in any time for the preparation of additional studies or data that are likely to be required by the applicant's consultant team. By comparison, EMC's schedule factors in processing efficiency by preparing additional studies in house.

Conclusion

EMC Planning Group ranked higher on all determining factors except cost. EMC's cost is \$136,730.50; Quad Knopf's is \$99,601. However, EMC's approach takes into account the additional costs the applicant may eventually bear by having his own consultants prepare the additional studies. EMC demonstrated a more thorough understanding of all aspects of the project and its complexities, was better versed in various legal aspects of CEQA as they relate to the project, and presented a more thorough proposal.

For these reasons, EMC's proposal and approach is more advantageous to both the City and the applicant, with respect to objectivity, timeliness and quite possibly cost.

POLICY:

REFERENCE: City Council decision of February 5, 2008 allowing the processing of this application.

FISCAL

IMPACT: Per City policy, new development must pay for itself. The project applicant, Estrella Associates, will pay for the cost of this EIR.

OPTIONS: After consideration of all public testimony, the City Council consider the following options:

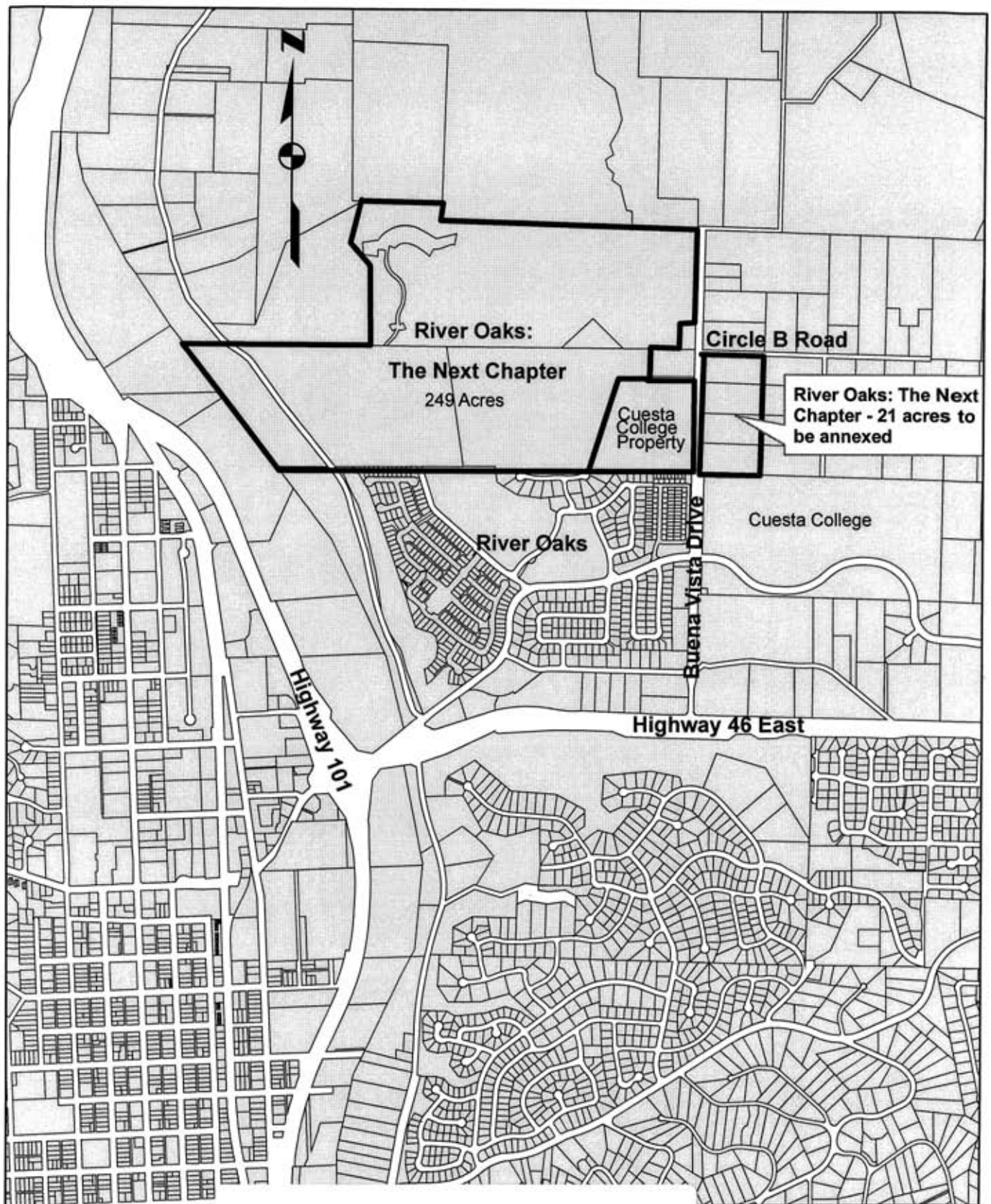
- a. Adopt attached Resolution No. 09-XX Awarding a Consultant Contract to EMC Planning Group, Inc. for a not to exceed amount of \$140,000 and subject to an agreement that will require the applicant to pay all costs associated with preparation of the EIR
- b. Amend, modify, or reject the above option.

Attachments:

1. River Oaks: The Next Chapter Location Map
2. Project Scope of Work
3. Comparison Chart of Top Two Proposals
4. Resolution of the City Council Awarding a Consultant Contract to EMC Planning Group, Inc.

River Oaks: The Next Chapter

Location Map



SCOPE OF WORK

A. Introduction

Major tasks to be completed include:

1. Evaluation of technical information.
2. Technical evaluation of environmental issues identified.
3. Incorporation of technical information into the required environmental documentation.
4. Identification and preparation of additional technical information, if needed, to prepare the environmental document.
5. Preparation of environmental documentation pursuant to the California Environmental Quality Act.
6. Participation in meetings with City technical staff, agencies and Applicant as appropriate.

B. Preparation of Project Description and Notice of Preparation

The project description and Notice of Preparation will be prepared by the City.

C. Technical Evaluation of Issues Identified

The consultant shall collect and evaluate all factual information necessary to complete the analyses of issues of concern. The process may include fieldwork, interviews and meetings, map and exhibit preparation.

D. Review of Existing Technical Studies for Use in Environmental Review

Attached is a list of technical information that is currently available or that is underway. The consultants should review "River Oaks: The Next Chapter" application materials, including technical documents. As the City is requesting this to be as much of a peer review process of the applicant's EAR as possible, data contained therein shall be used during preparation of the EIR. The documents are available for review at the City of Paso Robles, Community Development Department, 1000 Spring Street, Paso Robles, CA 93446 (Monday through Friday from 8:00 am to 5:00 pm.). A digital copy of these documents is also available by request by contacting: Lynn Azevedo, Contract Project Manager for the Community Development Department at lazevedo@charter.net or (805) 909-7567. These studies are available for review during the RFP response period.

At the post-contract award meeting, the Consultant will be provided with a complete set of technical information.

E. Incorporation of Technical Information (Items IIB, IIC & IID above) into the Environmental Review

F. Preparation of Environmental Documentation

The contractor/s will be required to complete an Environmental Impact Report.

1. Content of Draft EIR -The EIR shall be prepared pursuant to the requirements of the California Environmental Quality Act (CEQA), California Public Resources Code Sections 21000 et seq., CEQA Guidelines, Title 14, California Code of Regulations 15000 et seq.

The document shall include all of the required elements of an EIR including, but not limited to:

- a. Table of Contents
- b. Summary of impacts, mitigation measures and findings in table and text formats
- c. Alternatives to Avoid/Reduce Significant Impacts
- d. Project Description
- e. Environmental Setting
- f. Discussion of Environmental Impacts (direct and indirect, short and long term, singular and cumulative) formatted as follows:
 - Setting
 - Impacts (include conclusive disposition of impact)
 - Mitigation Measures
- g. Discussion of Significant Environmental Impacts
- h. Significant Environmental Effects of the Proposed Project
 - Significant Environmental Effects Which Cannot Be Avoided
 - Significant Irreversible Environmental Changes
 - Growth Inducing Impacts
- i. Mitigation Measures Proposed to Reduce Impacts
- j. Effects Not Found to be Significant
- k. Intended Uses of Document
- l. Pertinent Laws, Ordinances and Regulations
- m. Organizations and Persons Contacted/Bibliography
- n. Appendices

The consultant shall demonstrate to the City that they possess expertise in CEQA but also that they have a working knowledge of planning regulation and the application of the planning process at the local level. The EIR shall reflect a complete understanding of the local entitlement process. The EIR shall also include a thorough analysis of the regulatory environment, including identification of the Paso Robles Municipal Code, wherein existing regulations mitigate impacts. The EIR shall be written to allow the City to easily implement the Specific Plan and streamline project-level CEQA reviews that are consistent with the Specific Plan.

2. Screen-check Process – An electronic copy (in Microsoft Word) plus printed version of the screen-check SDEIR sections shall be submitted to City staff for review. The contractor will be required to meet with City staff to discuss each section as necessary. City modifications must be incorporated into the SDEIR. The first required screen-check section will

Attachment 2
Project Scope of Work

consist of the draft Table of Contents, Project Description, and Environmental Setting. The precise time schedule for screen-checks shall be determined after the project schedule is finalized and may be linked to phased payment (if applicable) for services rendered by the contractor. The consultant shall inform City of any circumstances arising that may delay or change the contracted work program.

3. Administrative DEIR/EIS - An electronic copy (in Microsoft Word) plus printed copies of the administrative DEIR shall be submitted to the City. Post-administrative DEIR submission meetings may be held to discuss the draft and any required modifications.
4. Draft EIR/EIS - The consultant shall prepare a DEIR that addresses comments provided by staff during the screen-check and administrative draft review processes. A Microsoft Word version of the text shall be provided for the final Draft EIR, including appendices. The Consultant will be responsible for completing and filing the Notice of Completion, along with providing the necessary copies of the EIR, with the State Clearinghouse. Public Notice and hearing responsibilities will be undertaken by City staff.
5. Response to Comments/Preparation of Admin Final EIR - The consultant shall prepare Responses to Comments and the Administrative Final EIR.
6. Preparation of Final EIR - The Consultant shall prepare the Final EIR. The Final EIR is to be a self-contained, stand-alone document in which responses to comments are both attached as an appendix to and reflected in the text and diagrams of the EIR, where appropriate. A mitigation monitoring and reporting plan shall be included as an appendix. The FEIR will be distributed by the City. Public Notice and hearing responsibilities will be undertaken by City staff.
7. Progress Meetings - In addition to meetings referenced previously, the consultant shall be available to attend project status/problem-solving meetings as necessary.
8. Public Hearings - Members of the consultant team may be required to attend two to four public hearings. Consultant should assume two public hearings and shall identify a per hour cost for meeting attendance beyond two meetings. Attendance at the public scoping meeting, slated for late January 2009 is also required.
9. Format of Deliverables - Documents must be technically accurate, user-friendly, concise, and written in a manner easily understood by the public. There shall be an emphasis on providing information visually through the use of photographs, tables, matrices, drawings, and maps.

RIVER OAKS: THE NEXT CHAPTER ~ EIR Consultant Comparison Chart

Criteria	EMC Planning Group	Quad-Knopf
Approach	EMC will perform additional work as necessary to complete or correct any deficiencies in EAR's technical studies.	QK will identify any inadequacies and necessary corrections and notify applicant, whose environmental team would correct and resubmit to QK for subsequent round of peer review.
Assessment of General Adequacy of EAR's studies		
Aesthetics	Recommends that applicant provide photo-simulation of grading and cross-sections.	Recommends that applicant provide photo-simulation of grading and cross-sections.
Agricultural Resources	EAR appears to be adequate.	EAR appears to be adequate.
Air Quality	EAR appears to be adequate.	Applicant needs to provide additional information.
Biological Resources	EAR appears to be adequate; but EMC will field-verify.	Applicant needs to provide additional information.
Climate Change	EMC would prepare this analysis	Will be addressed but to a lesser extent and part of Air Quality
Cultural Resources	EAR appears to be adequate.	EAR appears to be adequate.
Geology/Soils/Mineral Resources	EAR appears to be adequate.	Applicant needs to provide additional information.
Hazards	EAR appears to be generally adequate, but applicant needs to provide updated Phase 1 Report.	EAR appears to be generally adequate, but applicant needs to provide updated Phase 1 Report.
Hydrology/Water Quality	EAR appears to be adequate. City will require applicant to provide grading and drainage plan.	EAR appears to be adequate. City will require applicant to provide grading and drainage plan.
Land Use Planning	Will address consistency with LAFCO policies.	Does not include assessment of consistency with LAFCO policies.
Noise	EAR is inadequate; EMC will provide additional analysis.	EAR appears to be adequate.

RIVER OAKS: THE NEXT CHAPTER ~ EIR Consultant Comparison Chart

Criteria	EMC Planning Group	Quad-Knopf
Population and Housing	EAR appears to be adequate.	EAR appears to be adequate.
Public Services and Utilities	EAR appears to be adequate.	EAR appears to be adequate.
Transportation	Assumes peer review only and that applicant's environmental team will make any necessary revisions.	Assumes peer review only and that applicant's environmental team will make any necessary revisions.
Water Supply Assessment	Assumes applicant's WSA will be adequate and that only peer review will be necessary.	Assumes applicant's WSA will be adequate and that only peer review will be necessary.

Attachment 4 Draft Resolution

RESOLUTION NO. 09-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
AWARDING A CONTRACT FOR PREPARATION OF
AN ENVIRONMENTAL IMPACT REPORT
FOR THE RIVER OAKS: THE NEXT CHAPTER DEVELOPMENT PROPOSAL
AND AUTHORIZING THE CITY MANAGER TO SIGN A CONSULTANT SERVICES AGREEMENT
WITH THE FIRM OF EMC PLANNING GROUP INC.

WHEREAS, Estrella Associates has submitted an application to the City of Paso Robles to allow the expansion of the River Oaks master-planned community, involving a general plan amendment, zone change/pre-zone, annexation, and Specific Plan for up to 1755 residential units which necessitates preparation of an Environmental Impact Report; and

WHEREAS, proposals to prepare an Environmental Impact Report for the River Oaks: The Next Chapter development were solicited, received, and evaluated for conformance with the City's scope of work; and

WHEREAS, an Interview Panel comprised of City Management Staff met on December 10, 2008 to review the proposals and interview prospective consultant teams; and

WHEREAS, the Interview Panel determined that the proposal by EMC Planning Group best met the City's needs and requirements; and

WHEREAS, EMC Planning Group Inc. has submitted a proposal in the amount of not to exceed \$136,730.50 to prepare the Environmental Impact Report;

THEREFORE, BE IT RESOLVED by the City Council of the City of El Paso de Robles as follows:

SECTION 1. To engage the professional services of EMC Planning Group Inc. to prepare an Environmental Impact Report for the River Oaks: The Next Chapter development proposal by Estrella Associates.

SECTION 2. To authorize the City Manager to sign a Consultant Services Agreement with EMC Planning Group Inc. in the amount not to exceed \$140,000 on behalf of the City.

SECTION 3. All costs for the Peer Review EIR shall be paid by the project applicant and funds deposited with the City prior to initiating work.

PASSED AND ADOPTED THIS 6th day of January, 2009 by the following Roll Call Vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

DUANCE PICANCO, MAYOR

ATTEST:

CATHY DAVID, DEPUTY CITY CLERK