

TO: HONORABLE CHAIRMAN AND PLANNING COMMISSIONERS

FROM: WARREN FRACE, COMMUNITY DEVELOPMENT DIRECTOR

SUBJECT: ALDER CREEK APARTMENTS - EXPANSION

- GENERAL PLAN AMENDMENT 15-003
- REZONE 15-002
- VESTING TENTATIVE TRACT MAP 3080
- PLANNED DEVELOPMENT 15-003

APPLICANT: NEW HERITAGE LIMITED, LP (JOE COLLINS) - APN: 009-767-049

DATE: JULY 12, 2016

Needs: For the Planning Commission to consider making a recommendation to the City Council regarding an application filed by Joe Collins requesting a General Plan Amendment (GPA), Zoning Map Amendment (RZ), Vesting Tentative Tract Map (VTTM), and Development Plan (PD), to allow for an expansion of the existing Alder Creek apartments, to add 16 2-bedroom units in four (4) buildings.

Facts:

1. The project site is located on Gardenia Court on the southwest corner of Niblick Road and Nicklaus Street. See Attachment 1 – Project Location Map. A portion of the site is currently an open space easement held by the City. The project is dependent upon the City approving the conveyance of the easement, as described in Paragraph 5, below.
2. In order to accommodate the proposed development project, it is necessary to approve an amendment to the General Plan - Land Use Element land use map and the Zoning Map, and to approve of a Development Plan. The applicant also proposes to subdivide Lot 1 of Tract 2070. The project proposal includes the following components:

a) General Plan Amendment

Amend the General Plan Land Use Element Map to re-designate approximately 1.50 acres of land from Residential Multi-Family Low Density, (RMF-8) to Residential Multi-Family High Density (RMF-20), and re-designate approximately 0.9 acres of land from Residential Multi-Family Low Density, (RMF-8) to Parks and Open Space (POS). See Attachment 2 – General Plan - Land Use Map Amendment.

b) Zoning Amendment

Amend the existing Residential Multi-Family (R3-10) zoning on approximately 1.50 acres of land to R-5, and rezone approximately 0.9 acres of land from R3-10 to Open Space (OS). See Attachment 3 – Zoning Map Amendment.

c) Vesting Tentative Tract Map

Subdivide Lot 1 of Tract 2070, to create VTTM 3080, Lots 1 - 3. The existing Tract 2070 includes 96 airspace condominiums, which is not proposed to change. However, the property owner intends to keep all of the units as rentals and not sell them. See Attachment 4 - VTTM.

d) Planned Development

To construct four (4) new buildings, each with four (4) 2-bedroom units for a total of 16 new apartment units. The apartment buildings are proposed to be consistent with the architectural style of the existing apartments on the site. See Attachment 5 –Site Plan and Elevations.

3. Development of 16 new apartments units, which would result in approximately 43 residents, is consistent with the existing build-out scenario of the General Plan Land Use Element, which plans for a future City population of 44,000 residents. In accordance with City Council Resolution No. 13-057, the Land Use Element incorporated a 5% vacancy rate and an average population per household ratio of 2.66, that collectively raised the number of dwelling units that could be built within the 44,000 population threshold by 594 units. These additional 594 units were not assigned to specific development projects. If approved, this project would utilize 16 units of these surplus density units.
4. In accordance with the City's General Plan Housing Element, this project would provide additional rental housing supply, which is an identified need.
5. The original Tract Map No. 2070 included an offer of dedication to the City of an open space easement, which was accepted by the City. This easement is approximately 1.06-acres in area. The applicant owns the underlying property, and proposes to use 0.19 acres of this area within the development area footprint. Since this open space property is encumbered with an easement for the public's benefit, the applicant has offered to purchase this 0.19-acre area of the easement. A property appraisal was prepared, and it determined that the value of this property easement is \$16,000. The applicant has agreed to pay this amount to the City in exchange for City conveyance of this portion of the open space easement to allow for the development of his project. A copy of the appraisal is provided in

Attachment 6. The City Council is scheduled to consider final approval of the conveyance of the easement on July 19, 2016.

6. Pursuant to the Statutes and Guidelines of the California Environmental Quality Act (CEQA) and the City's Procedures for Implementing CEQA, a Mitigated Negative Declaration (MND) was prepared for this project. See Attachment 14 - Draft MND. The 20-day public review period for this project began on June 24, 2016 and is extended through July 12, 2016.

**Analysis
and
Conclusion:**

The existing Alder Creek apartment project, including the apartments on both the west and east sides of Nicklaus Street, includes 96 units. The applicant is proposing a small-scale infill development project to construct 16 new apartment units within four (4) buildings, with four (4) 2-bedroom units in each building on the west side of Nicklaus Street. The development footprint would be on land with an underutilized parking and storage area, and also on part of a vacant, open space area. The open space area was previously graded for the existing development and has sloped topography. The parking spaces in the underutilized parking area are "overflow spaces" and are in addition to the spaces required for the existing development. The property owner currently stores equipment and miscellaneous supplies in this area, which will be removed. Thirty-five new uncovered parking spaces are proposed, and would be used for shared parking use by the existing and new apartment units. The Site Plan indicates that the proposed parking plan would be consistent with the City's off-street parking requirements by providing 61 parking spaces, which is slightly more than what is required (e.g. two (2) spaces per unit, and one (1) guest parking space for every five (5) units, for a total of 59 required parking spaces).

The new apartments would be accessed from the existing driveway on Nicklaus Street. Each unit would have a private patio area, and a couple small outdoor seating areas are proposed for common open space areas, which are proposed to be surfaced with paver bricks. The new units would have access to the open space amenities, including the pool on the east side of the project across the street. The trash enclosure area is proposed to be expanded to accommodate the new units.

As noted above, the architectural design theme is proposed to be the similar to the existing development so that the new units will blend in seamlessly. There is existing landscaping and fencing along the Niblick Road frontage, and existing landscaping along Nicklaus Street. The applicant will upgrade the existing frontage sidewalks to be consistent with current ADA requirements. The site and building design will need to be graded with appropriate flatwork to ensure adequate ADA accessibility. The project would not affect the oak woodland area to the south of the development footprint. There are no oak trees or other sensitive or protected resources within the development area.

In regard to the General Plan and Zoning Map amendments, the proposed increased density is necessary to accommodate 16 more units since the size of the property is relatively small. However, the overall development pattern and intensity would be the same as the existing apartment development. City staff suggested the applicant rezone the open space area from Multi-Family Residential (R2) to Open Space (OS), since this area of the site is not intended for development. The applicant was amenable to this suggestion.

In regard to potential traffic impacts, a trip generation and traffic analysis was provided in the CEQA document. The analysis indicates that the adjacent street network has adequate capacity to accommodate the increase of vehicle trips from this project without resulting in undue delay or congestion. However, according to the General Plan Circulation Element and accompanying Environmental Impact Report (EIR), future traffic impacts in 2025 are projected to exceed capacity on Niblick Road between Spring Street and South River Road. This project would contribute to this cumulative traffic build-out scenario. Since the EIR included adoption of a Statement of Overriding Considerations, with specific findings focused on exceeding capacity on streets (including this segment of Niblick Road), no further analysis or mitigation for this particular impact is required. The applicant will be required to pay applicable Transportation Impact Development Fees.

In accordance with the City's Procedures for Implementing CEQA, since the project scope included a General Plan Amendment a brief Water Supply Evaluation (WSE) was prepared for this project. The WSE concludes that the City has adequate water supply to meet the projected water demand for this project. A copy of the WSE is provided in Attachment 7.

Policy

Reference: General Plan Land Use Element, Zoning Code, CEQA, 2006 Economic Strategy.

Fiscal

Impact: As a residential subdivision, the applicant will be required to annex into the City's Community Facilities District (CFD) to cover the increased costs of public services. Based on this requirement, the project is projected to be revenue neutral to the City.

Options:

After opening the public hearing and taking public testimony, that the Planning Commission takes one of the four options listed below:

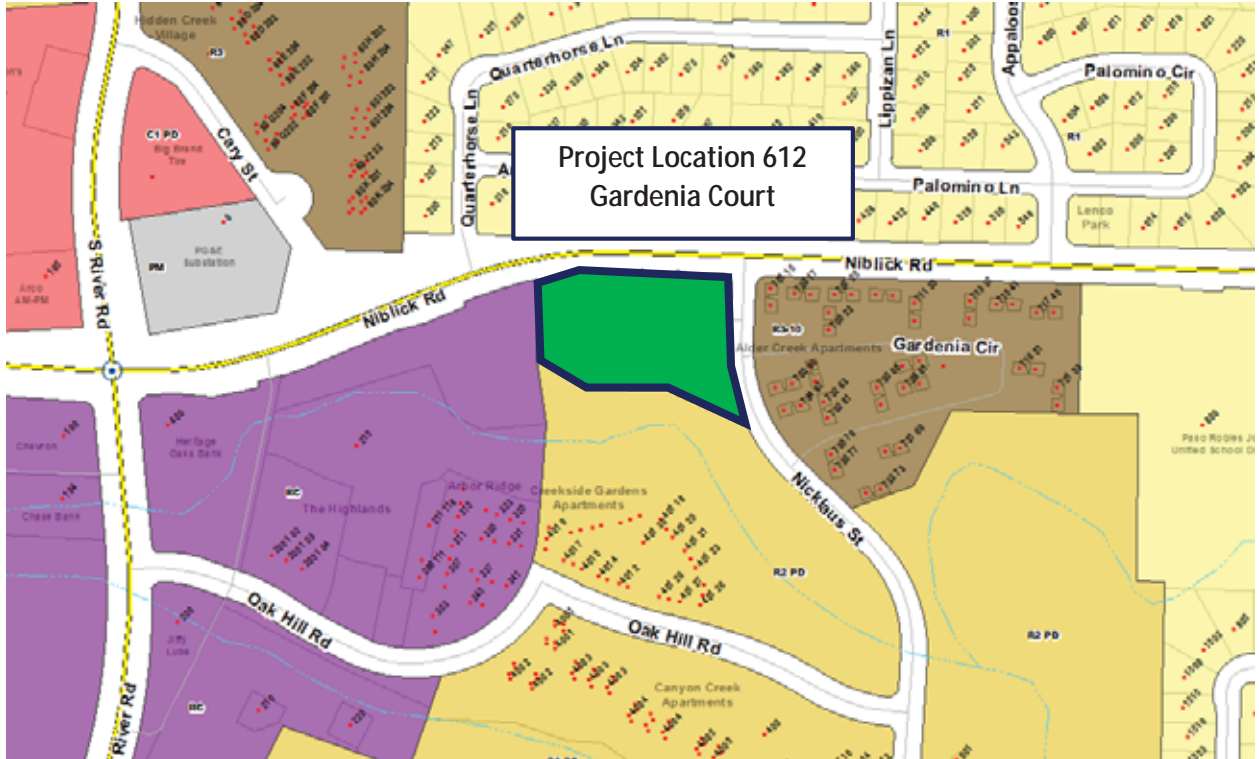
1. Recommend approval of the project by approving the following five (5) resolutions:
 - a. Approve draft Resolution A, recommending that the City Council certify the project's Mitigated Negative Declaration and Mitigation Monitoring Program (Attachment 8);

- b. Take a straw vote regarding recommendation that the City Council approve General Plan Land Use Element Amendment (Attachment 9);
 - d. Approve draft Resolution C, recommending that the City Council adopt an ordinance amending the Zoning Map consistent with the General Plan Amendment (Attachment 10);
 - e. Approve draft Resolution D, recommending that the City Council approve Vesting Tentative Parcel Map 3080 (Attachment 11);
 - f. Approve draft Resolution E, recommending that the City Council approve Planned Development 15-003 (Attachment 12).
2. Amend the foregoing option.
3. Refer back to staff and/or the Development Review Committee for additional analysis.
4. Recommend denial by the City Council of one or more of the resolutions listed above (a-e). Recommendations of denial will be forwarded to City Council for a final decision.

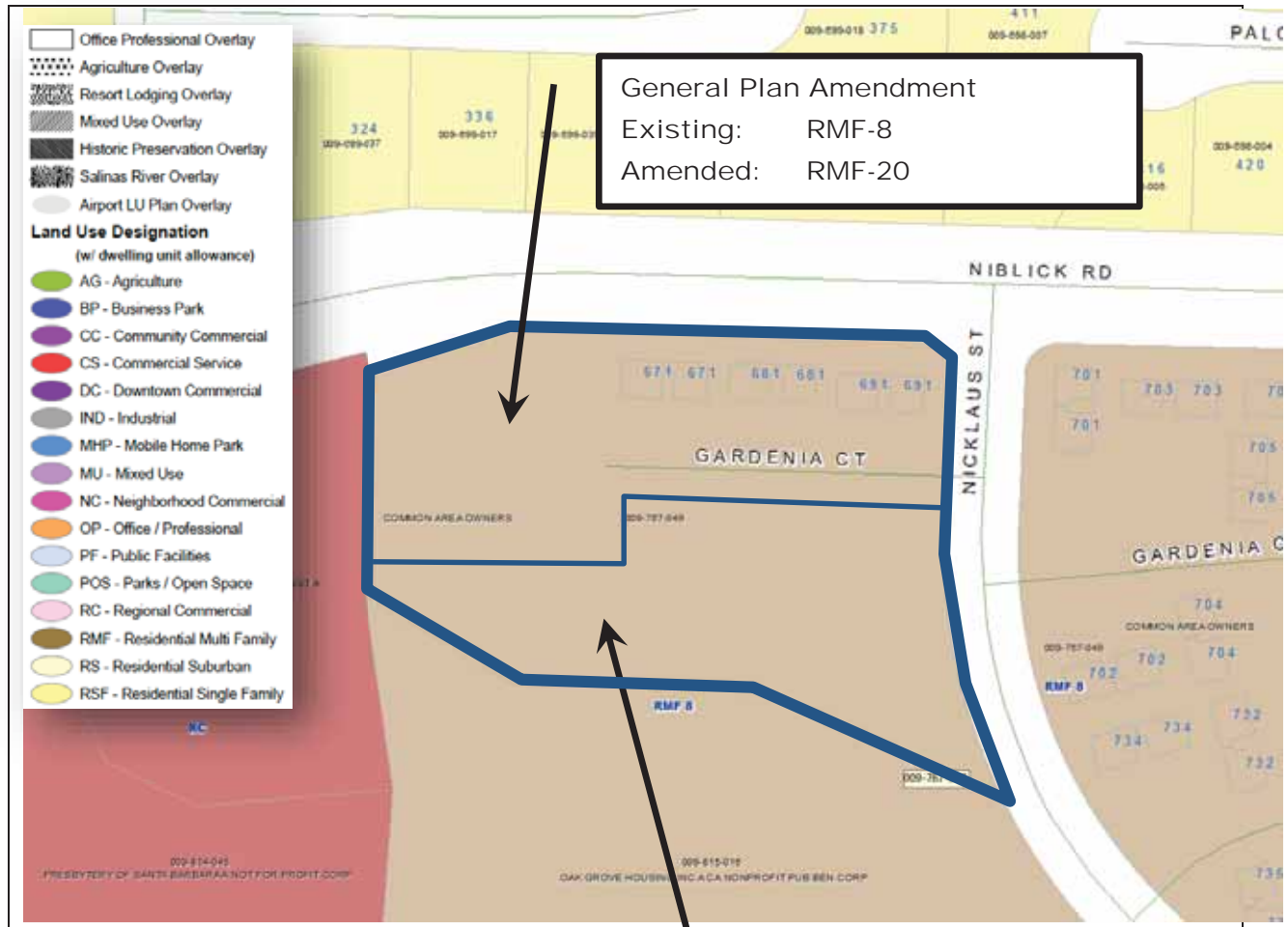
Attachments:

1. Project Location Map
2. General Plan, Land Use Element Map Amendment
3. Zoning Map Amendment
4. Vesting Tentative Tract Map 3080
5. Site Plan and Elevations
6. Property Appraisal
7. Water Supply Evaluation
8. Draft Resolution A -
Recommending Approval to City Council of a Mitigated Negative Declaration
9. Draft Resolution B -
Recommending Approval to City Council of General Plan Land Use Element Amendment
10. Draft Resolution C -
Recommending that the City Council adopt an ordinance amending the Zoning Map
11. Draft Resolution D -
Recommending Approval to the City Council of Vesting Tentative Tract Map 3080
12. Draft Resolution E –
Recommending Approval to the City Council of Planned Development (PD 15-003)
13. City Engineers' Memo
14. Draft Initial Study/Mitigated Negative Declaration, Exhibit A of Resolution A
15. Planning Commission Public Hearing Notice Affidavits

Attachment 1 Location Map

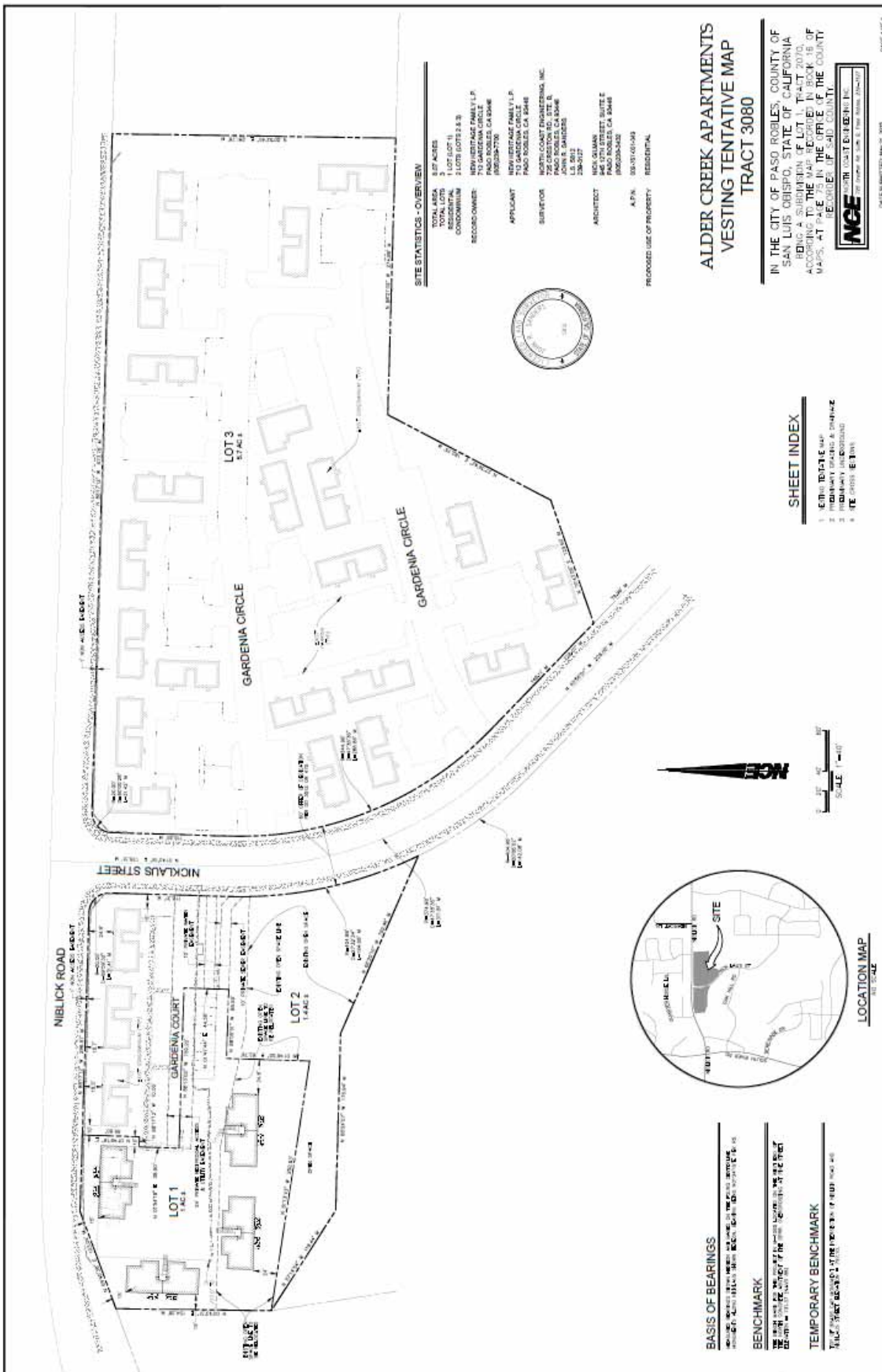


Attachment 2 General Plan Amendment



General Plan Amendment
Existing: RMF-8
Amended: RMF-20

General Plan Amendment
Existing: RMF-8
Amended: POS



ALDER CREEK APARTMENTS VESTING TENTATIVE MAP TRACT 3080

IN THE CITY OF PASO ROBLES, COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA
BEING A SUBDIVISION OF LOT 1, TRACT 2070,
ACCORDING TO THE MAP RECORDED IN BOOK 18 OF
MAPS, AT PAGE 15 IN THE OFFICE OF THE COUNTY
RECORDER OF SAN LUIS OBISPO COUNTY.



SHEET INDEX

- 1. SITE TENTATIVE MAP
- 2. PRELIMINARY ENGINEERING & SURVEY
- 3. PRELIMINARY ENGINEERING & SURVEY
- 4. PRELIMINARY ENGINEERING & SURVEY

BASIS OF BEARINGS

ALL BEARINGS ARE TO THE CENTER OF THE EARTH, UNLESS OTHERWISE SPECIFIED. ALL DISTANCES ARE IN FEET AND DECIMALS THEREOF.

BENCHMARK

THE BENCHMARK IS THE CORNER OF THE BUILDING AT THE STREET CORNER OF NIBLICK ROAD AND NICKLAUS STREET.

TEMPORARY BENCHMARK

THE BENCHMARK IS THE CORNER OF THE BUILDING AT THE STREET CORNER OF NIBLICK ROAD AND NICKLAUS STREET.



SCALE 1"=40'

LOCATION MAP
1/8" SCALE

DATE SUBMITTED: MAY 20, 2015
PAGE 1 OF 4

Attachment 5



1

ALDER CREEK APARTMENTS
OWNER: JOE COLLINS
945 126th St, Suite E
PASO ROBLES, 94646
ARCHITECT: SICKS GILMAN
945 126th St, Suite E
PASO ROBLES, 94646

PRELIMINARY ELEVATIONS



PORTION OF TRACT 2070 OPEN SPACE

South of Niblick Road, along Nicklaus Street
Paso Robles, California 93446

APPRAISAL REPORT

Date of Report: March 19, 2016

Colliers File #: LAX160158



PREPARED FOR
Joe Collins
New Heritage Family Limited Partnership
#3 Ocean Bluff
Newport Coast, CA 92657

RECEIVED

MAR 24 2016

City of Paso Robles
Community Development Dept.

PREPARED BY
COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES

LETTER OF TRANSMITTAL

COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES



3 Park Plaza, Suite 1200
Irvine, CA 92614 USA
MAIN +1 949 751 2700
FAX +1 949 751 2787
WEB www.colliers.com/valuationadvisory

March 19, 2016

Joe Collins
New Heritage Family Limited Partnership
#3 Ocean Bluff
Newport Coast, CA 92657

RE: Portion of Tract 2070 Open Space
South of Niblick Road, along Nicklaus Street
Paso Robles, California 93446

Colliers File #: LAX160158

Mr. Collins:

This appraisal report satisfies the scope of work and requirements agreed upon by New Heritage Family Limited Partnership and Colliers International Valuation & Advisory Services. The date of this report is March 19, 2016. At the request of the client, this appraisal is presented in an Appraisal Report format as defined by USPAP Standards Rule 2-2(a). Our appraisal format provides a summary description of the appraisal process, subject and market data and valuation analyses.

The purpose of this appraisal is to develop an opinion of the As-Is Market Value of the subject property's fee simple interest. The following table conveys the final opinion of market value of the subject property that is developed within this appraisal report:

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
As-Is Market Value	Fee Simple	February 24, 2016	\$16,000

The subject is a 0.19-acre portion of a larger 7.11-acre site located south of Niblick Road, along Nicklaus Street in Paso Robles, California. Representing the land underlying the Alder Creek Condominiums and Apartments complex, the larger 7.11-acre site contains an open space easement along the southern portion of the site, adjacent to a creek, totaling approximately 1.06 acres. Of the 1.06-acre easement, approximately 0.19 acres reflects the net site area to be abandoned by the city upon finalization of a proposed adjustment to the easement. The total abandoned portion will provide the larger site's owner with additional land area to expand the Alder Creek condominium/apartment development.

The analyses, opinions and conclusions communicated within this appraisal report were developed based upon the requirements and guidelines of the current Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal

Practice of the Appraisal Institute. The report is intended to conform to the the appraisal guidelines of New Heritage Family Limited Partnership.

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. *USPAP* defines an Extraordinary Assumption as, "an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions". *USPAP* defines a Hypothetical Condition as, "that which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis".

The Extraordinary Assumptions and/or Hypothetical Conditions that were made during the appraisal process to arrive at our opinion of value are fully discussed below. We advise the client to consider these issues carefully given the intended use of this appraisal, as their use might have affected the assignment results.

EXTRAORDINARY ASSUMPTIONS

- The size of the subject's net easement area being abandoned by the city was provided by the subject owner and is assumed to be accurate. We relied on the provided measurements and reserve the right to amend my opinions and conclusions if different information is provided at a later date.

HYPOTHETICAL CONDITIONS

- No Hypothetical Conditions were made for this assignment.

The signatures below indicate our assurance to the client that the development process and extent of analysis for this assignment adhere to the scope requirements and intended use of the appraisal. If you have any specific questions or concerns regarding the attached appraisal report, or if Colliers International Valuation & Advisory Services can be of additional assistance, please contact the individuals listed below.

Sincerely,

COLLIERS INTERNATIONAL VALUATION & ADVISORY SERVICES



Brian Moslenko, MAI
Valuation Services Director
Certified General Real Estate Appraiser
State of California License #AG043112
+1 949 751 2707
brian.moslenko@colliers.com

LETTER OF TRANSMITTAL

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CERTIFICATION OF APPRAISAL

ASSUMPTIONS & LIMITING CONDITIONS

ADDENDA

- Professional Service Agreement
- Valuation Glossary
- Qualifications of Appraisers
- Qualifications of Colliers International Valuation & Advisory Services

GENERAL INFORMATION

Property Name	Portion of Tract 2070 Open Space
Property Type	Land - Easement
Address	South of Niblick Road, along Nicklaus Street
City	Paso Robles
State	California
Zip Code	93446
County	San Luis Obispo
Core Based Statistical Area (CBSA)	San Luis Obispo-Paso Robles, CA
Market	San Luis Obispo
Latitude	35.615168
Longitude	-120.676336
Number Of Parcels	1
Assessor Parcel	009-767-049
Census Tract Number	102.04

SITE INFORMATION

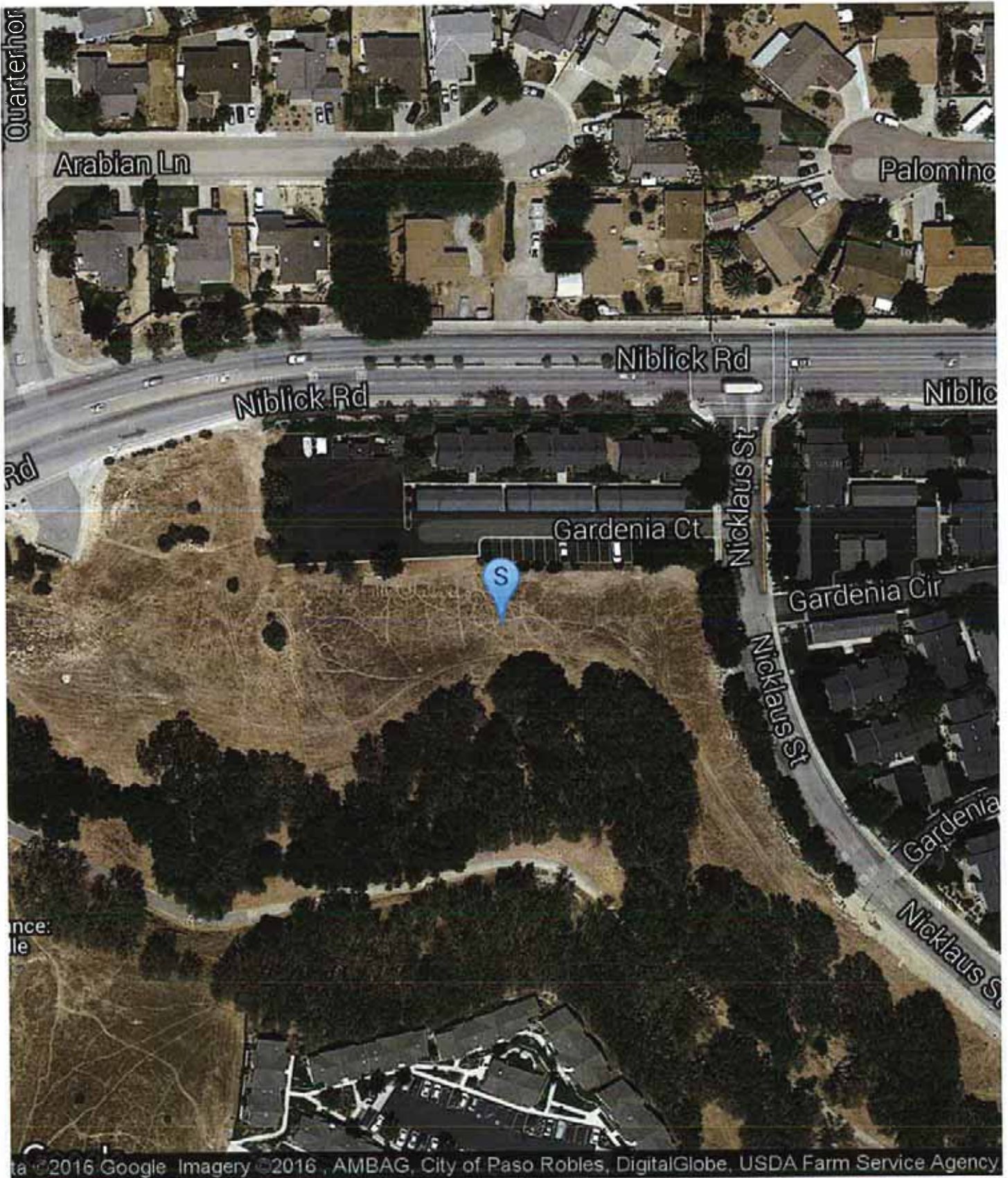
Land Area	Acres	Square Feet
Usable	6.91	301,130
Unusable	0.00	0
Excess	0.00	0
Surplus	0.19	8,410
Total	7.11	309,540
Topography	Sloping at street grade	
Shape	Irregular	
Access	Average	
Exposure	Average	
Current Zoning	Residential Multifamily - 10 (R3-10)	
Flood Zone	Zone X (Shaded)	
Seismic Zone	Very High Risk	

VALUATION SUMMARY

VALUATION INDICES	AS-IS MARKET VALUE
INTEREST APPRAISED	FEE SIMPLE
DATE OF VALUE	FEBRUARY 24, 2016

FINAL VALUE CONCLUSION

FINAL VALUE	\$16,000
\$/SF	\$1.90/SF



Note: The marker shown above approximates the middle of the subject's easement area. Please refer to the land survey and Assessor's parcel map in the Exhibits section for a more accurate representation of the subject property's boundaries.



NIBLICK RD LOOKING WEST



NIBLICK RD LOOKING EAST



NICKLAUS DR LOOKING NORTH



NICKLAUS DR LOOKING SOUTH



TYPICAL VIEW OF ALDER CREEK APARTMENTS



TYPICAL VIEW OF ALDER CREEK APARTMENTS



VIEW OF EASEMENT LOOKING EAST



VIEW OF EASEMENT LOOKING SOUTHEAST



VIEW OF EASEMENT LOOKING SOUTHWEST



VIEW OF EASEMENT LOOKING WEST



VIEW OF EASEMENT FROM CREEK TRAIL



VIEW OF EASEMENT FROM CREEK TRAIL

PROPERTY IDENTIFICATION

The subject is a 0.19-acre portion of a larger 7.11-acre site located south of Niblick Road, along Nicklaus Street in Paso Robles, San Luis Obispo County, California. Representing the land underlying the Alder Creek Condominiums and Apartments complex, the larger 7.11-acre site contains an open space easement along the southern portion of the site, adjacent to a creek, totaling approximately 1.06 acres. Of the 1.06-acre easement, approximately 0.19 acres reflects the net site area to be abandoned by the city upon finalization of a proposed adjustment to the easement. The total abandoned portion will provide the larger site's owner with additional land area to expand the Alder Creek condominium/apartment development.

The assessor's parcel number is: 009-767-049. A detailed legal description was not provided.

CLIENT IDENTIFICATION

The client of this specific assignment is New Heritage Family Limited Partnership.

PURPOSE

The purpose of this appraisal is to develop an opinion of the As-Is Market Value of the subject property's fee simple interest.

INTENDED USE

The intended use of this appraisal is for setting the value of the subject property for the purpose of a proposed abandonment.

INTENDED USERS

New Heritage Family Limited Partnership is the only intended user of this report. Use of this report by Third-Parties and other unintended users is not permitted. The City of Paso Robles is an unintended user of this report. This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the authors no portion of the report stands alone.

ASSIGNMENT DATES

Date of Report	March 19, 2016
Date of Inspection	February 24, 2016
Valuation Date - As-Is	February 24, 2016

PERSONAL INTANGIBLE PROPERTY

No personal property or intangible items are included in this valuation.

PROPERTY AND SALES HISTORY

Current Owner

The subject title is currently recorded in the name of New Heritage Family LP, an Oregon limited partnership, who acquired title to the property on October 26, 2012 as recorded in document #2012061947 of the San Luis Obispo County Deed Records.

Three-Year Sales History

The subject has not sold in the last three years.

Subject Sale Status

The subject is not currently listed for sale.

DEFINITIONS

This section summarizes the definitions of value, property rights appraised, and value scenarios that are applicable for this appraisal assignment. All other applicable definitions for this assignment are located in the Valuation Glossary section of the Addenda.

DEFINITIONS OF VALUE

Given the scope and intended use of this assignment, the definition of Market Value is applicable. The definition of Market Value, along with all other applicable definitions for this assignment, is located in the Valuation Glossary section of the Addenda.

PROPERTY RIGHTS APPRAISED

The property rights appraised constitute the fee simple interest.

VALUE SCENARIOS

The valuation scenarios developed in this appraisal report include the As-Is Market Value of the subject property's fee simple interest..

The Parcels will be valued using the Across-the-Fence ("ATF") method of valuation. With right-of-way property, there are virtually no arm's length transactions of the right-of-way real estate. Alternatively, we have considered a comparison to small, irregular parcels with similar utility to the subject parcels. Again, there are no sales in the marketplace that have similar characteristics to the subject parcels. Small parcels with similar configuration are typically purchased by an adjacent property owner for assemblage and ordinarily have limited utility or development potential on their own. These sales are not necessarily reflective of a true arm's-length transaction. In these cases, the parcels contribute to the larger assembled parcel at a similar level of utility. Based upon this consideration, the ATF methodology is used to develop a value opinion based on comparison to abutting land.

When used for right-of-way valuation, ATF Value is defined as, "...a value opinion based on comparison with adjacent lands including consideration of adjustment factors such as market conditions, real property rights conveyed and location."¹ This definition establishes the concept of adjusting sales to reflect differences between the subject and comparable sales. While three adjustment categories are mentioned in the definition, there are many others to consider as with any appraisal of land. Once the value of the abutting land is established, the unit price, after adjustment for other factors, is then applied to the subject site area.

¹ Dictionary of Real Estate Appraisal, Appraisal Institute, 2010
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INTRODUCTION

The appraisal development and reporting processes requires gathering and analyzing information about those assignment elements necessary to properly identify the appraisal problem to be solved. The scope of work decision must include the research and analyses that are necessary to develop credible assignment results given the intended use of the appraisal. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed. The scope of work for this appraisal assignment is outlined below:

- The appraisers analyzed the regional and local area economic profiles including employment, population, household income, and real estate trends. The local area was further studied to assess the general quality and condition, and emerging development trends for the real estate market. The immediate market area was inspected and examined to consider external influences on the subject.
- The appraisers confirmed and analyzed legal and physical features of the subject property including sizes of the site, flood plain data, seismic zone, zoning, easements and encumbrances, access and exposure of the site.
- The appraisers completed a multifamily residential market analysis that included a market overview. The San Luis Obispo market overview analyzed supply/demand conditions using vacancy, absorption, supply change and rent change statistics. Conclusions were drawn regarding the subject property's competitive position given its physical and locational characteristics, the prevailing economic conditions and external influences.
- The appraisers conducted a Highest and Best Use analysis and conclusions were drawn for the highest and best use of the subject property As-Vacant. The analysis considered legal, locational, physical and financial feasibility characteristics of the subject site.
- The appraisers confirmed and analyzed financial features of the subject property including potential entitlement issues, and tax and assessment records. This information as well as trends established by confirmed market indicators was used to forecast performance of the subject property.
- Selection of the valuation methods was based on the identifications required in USPAP relating to the intended use, intended users, definition and date of value, relevant property characteristics and assignment conditions. This appraisal developed the Sales Comparison Approach to value, which was adjusted and reconciled as appropriate. The appraisal develops an opinion of the As-Is Market Value of the subject property's fee simple interest.
- Reporting of this appraisal is in an Appraisal Report format as required in USPAP Standard 2. The appraiser's analysis and conclusions are summarized within this document.
- We understand the Competency Rule of USPAP and the authors of this report meet the standards.
- Kyle Sheng provided significant real property appraisal assistance to the appraisers signing the certification. Assistance included gathering, analyzing and reporting regional and local area information, and confirming and analyzing the subject's zoning and tax information.

SOURCES OF INFORMATION

The following sources were contacted to obtain relevant information:

SOURCES OF INFORMATION

ITEM	SOURCE
Tax Information	San Luis Obispo County Tax Assessor
Zoning Information	City of Paso Robles Zoning Code
Site Size Information	San Luis Obispo County Tax Assessor
Building Size Information	San Luis Obispo County Tax Assessor
Flood Map	Interflood
Demographics	Pitney Bowes/Gadberry Group - GroundView®
Other Property Data	RealQuest

SUBJECT PROPERTY INSPECTION

SUBJECT PROPERTY INSPECTION

APPRAISER	INSPECTED	EXTENT	DATE OF INSPECTION
Brian Moslenko, MAI	Yes	Site Only	February 24, 2016
Kyle Sheng	No		



SAN LUIS OBISPO-PASO ROBLES-ARROYO GRANDE MSA (SAN LUIS OBISPO COUNTY)

The subject property is located in San Luis Obispo County, also known as the San Luis Obispo-Paso Robles, CA metropolitan area. The county was incorporated into the State on February 16, 1856, as one of the original counties of California. The County is the fifteenth largest in the state occupying 3,316 square miles. It is located on the California coast midway between the metropolitan areas of San Francisco (235 miles north) and Los Angeles (200 miles south). San Luis Obispo County is bordered by Monterey County to the north, Kern County on the east, Santa Barbara County on the south and the Pacific Ocean on the west.



San Luis Obispo County is topographically bordered on the west by the Santa Lucia Mountains and on the east by the Tumbler Range. The Los Padres National Forest is located in the south-central portion of the County. Along the Pacific coastline are several recreational areas and tourist attractions. The nationally known Hearst Castle in San Simeon attracts over one million visitors each year. In addition, San Luis Obispo County contains one of the largest natural wildlife preserves in the United States, which is managed by the Nature Conservancy, Bureau of Land Management and the State Department of Fish and Game. The following sections will describe in detail various characteristics of the county.

DEMOGRAPHIC ANALYSIS

The following is a demographic study of the region sourced by Pitney Bowes/Gadberry Group, a resource center that provides information used to analyze and compare the past, present, and future trends of geographical areas. Demographic changes are often highly correlated to changes in the underlying economic climate. Periods of economic uncertainty necessarily make demographic projections somewhat less reliable than projections in more stable periods. These projections are used as a starting point, but we also consider current and localized market knowledge in interpreting them within this analysis.

Population

According to Pitney Bowes/Gadberry Group - GroundView®, a Geographic Information System (GIS) Company, the San Luis Obispo-Paso Robles-Arroyo Grande metropolitan area had a 2015 total population of 281,820 and experienced an annual growth rate of 0.9%, which was lower than the California annual growth rate of 1.0%. The metropolitan area accounted for 0.7% of the total California population (39,175,682). Within the metropolitan area the population density was 85 people per square mile compared to the higher California population density of 248 people per square mile and the higher United States population density of 89 people per square mile.

POPULATION			
YEAR	US	CA	CBSA
2010 Total Population	308,745,538	37,253,956	269,637
2015 Total Population	321,223,644	39,175,682	281,820
2020 Total Population	334,184,347	41,121,486	294,433
2010 - 2015 CAGR	0.8%	1.0%	0.9%
2015 - 2020 CAGR	0.8%	1.0%	0.9%

Source: Pitney Bowes/Gadberry Group - GroundView®

POPULATION DENSITY			
YEAR	US	CA	CBSA
2015 Per Square Mile	89	248	85
2020 Per Square Mile	93	260	89

Source: Pitney Bowes/Gadberry Group - GroundView®

The 2015 median age for the metropolitan area was 39.23, which was 4.19% older than the United States median age of 37.58 for 2015. The median age in the metropolitan area is anticipated to grow by 0.09% annually, increasing the median age to 39.41 by 2020.

MEDIAN AGE			
YEAR	US	CA	CBSA
2015	37.58	35.72	39.23
2020	38.18	36.48	39.41
CAGR	0.32%	0.42%	0.09%

Source: Pitney Bowes/Gadberry Group - GroundView®

Education

The San Luis Coastal Unified School District is one of several large districts in the county. It offers grades K-12, has 17 schools in total, and currently serves over 7,200 students. The Paso Robles Joint Unified School District offers grades K-12, has 12 schools in total, and currently serves over 6,800 students. Atascadero Unified School District covers nearly 1,200 square miles and serves over 6,000 students. The district currently has five elementary schools, ranging in size from 480 to 700 students.

Higher education includes both California Polytechnic State University (Cal Poly) and Cuesta College. Cal Poly is a major factor, which can be expected to influence San Luis Obispo County's future. Although the university has long been agriculturally oriented, its curriculum also stresses the applied sciences, engineering and liberal arts. Cal Poly has the largest enrollment of architecture students and the largest undergraduate agriculture enrollment in the United States with a total population of approximately 16,000 students. The institution offers 58 Bachelor Degree programs, 18 Master Degree programs, and 10 credential programs.

The Cuesta College campus is located off Highway 1 near Camp San Luis Obispo. It is a two-year college with lower division transfer classes. Cuesta College has a new campus that opened in Paso Robles off of Highway 46, on Buena Vista. There are 76 acres for the main campus, plus 23 donated acres across the street.

Community/Recreational Facilities

San Luis Obispo County offers numerous recreational activities including several state beaches and vehicular recreation areas, golf courses, wineries, the Los Padres National Forest, the Hearst San Simeon State Historical Monument, lakes and numerous festivals. San Luis Obispo's downtown attraction, Mission Plaza began development in 1968 and is a two-block area of downtown that has become the physical, cultural, and spiritual heart of the city. The Mission Plaza project is a popular venue for shopping, restaurants and cultural interaction within the area.

Transportation

The San Luis Obispo County area is well served by State Highways 227, 46, 34 and U.S. Highway 101. Highway 101 and Scenic Coast Highway 1 extend north to south through most of the major cities in the county. Highways 46 and 41 travel east to west across the county, while Highway 34 provides access to the far eastern areas and access into Kern County. State Highway 1 and U.S. Highway 101 travel through the five cities area to the south connecting to Santa Maria.

San Luis Obispo County has three public airports; the San Luis Obispo County Regional Airport, the Oceano Airport, and the Paso Robles Airport. Only the San Luis Obispo Airport has regularly scheduled commercial commuter service. The Oceano and Paso Robles Airports are used primarily for private planes and charters.

Household Trends

The 2015 number of households in the metropolitan area was 103,658. The number of households in the metropolitan area is projected to grow by 0.8% annually, increasing the number of households to 107,940 by 2020. The 2015 average household size for the metropolitan area was 2.56, which was -2.07% smaller than the United States average household size of 2.61 for 2015. The average household size in the metropolitan area is anticipated to grow by 0.14% annually, raising the average household size to 2.58 by 2020.

NUMBER OF HOUSEHOLDS			
YEAR	US	CA	CBSA
2015	119,867,648	12,864,220	103,658
2020	123,893,754	13,245,226	107,940
CAGR	0.7%	0.6%	0.8%

Source: Pitney Bowes/Gadberry Group - GroundView®

AVERAGE HOUSEHOLD SIZE			
YEAR	US	CA	CBSA
2015	2.61	2.98	2.56
2020	2.63	3.04	2.58
CAGR	0.15%	0.39%	0.14%

Source: Pitney Bowes/Gadberry Group - GroundView®

The San Luis Obispo-Paso Robles-Arroyo Grande metropolitan area had a 41,614 renter occupied units, compared to the higher 5,635,867 in California and the higher 41,522,395 in the United States.

HOUSING UNITS			
	US	CA	CBSA
Owner Occupied	78,345,253	7,228,353	62,044
Renter Occupied	41,522,395	5,635,867	41,614

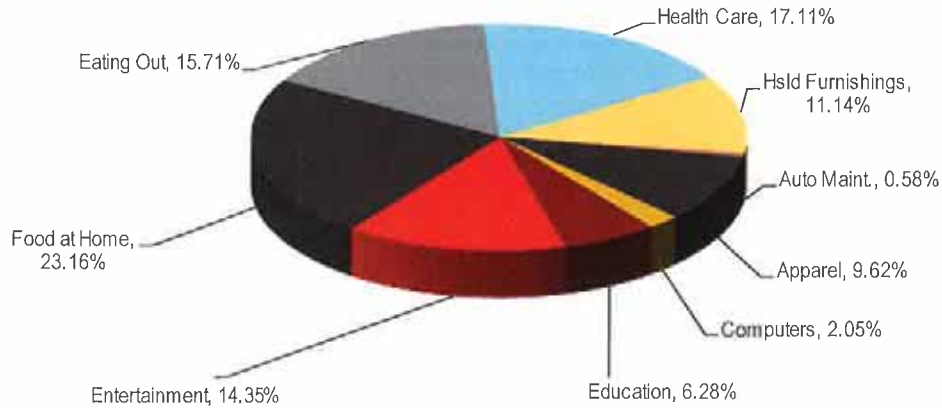
Source: Pitney Bowes/Gadberry Group - GroundView®

The 2015 median household income for the metropolitan area was \$57,676, which was 7.6% higher than the United States median household income of \$53,608. The median household income for the metropolitan area is projected to retract by -0.2% annually, reducing the median household income to \$57,154 by 2020.

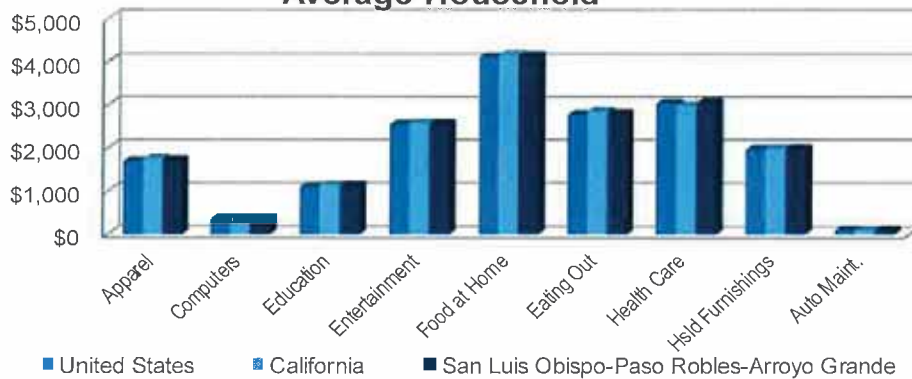
MEDIAN HOUSEHOLD INCOME			
YEAR	US	CA	CBSA
2015	\$53,608	\$61,264	\$57,676
2020	\$53,764	\$61,006	\$57,154
CAGR	0.1%	(0.1%)	(0.2%)

Source: Pitney Bowes/Gadberry Group - GroundView®

Consumer Spending San Luis Obispo-Paso Robles-Arroyo Grande



Consumer Spending Comparison Average Household



EMPLOYMENT

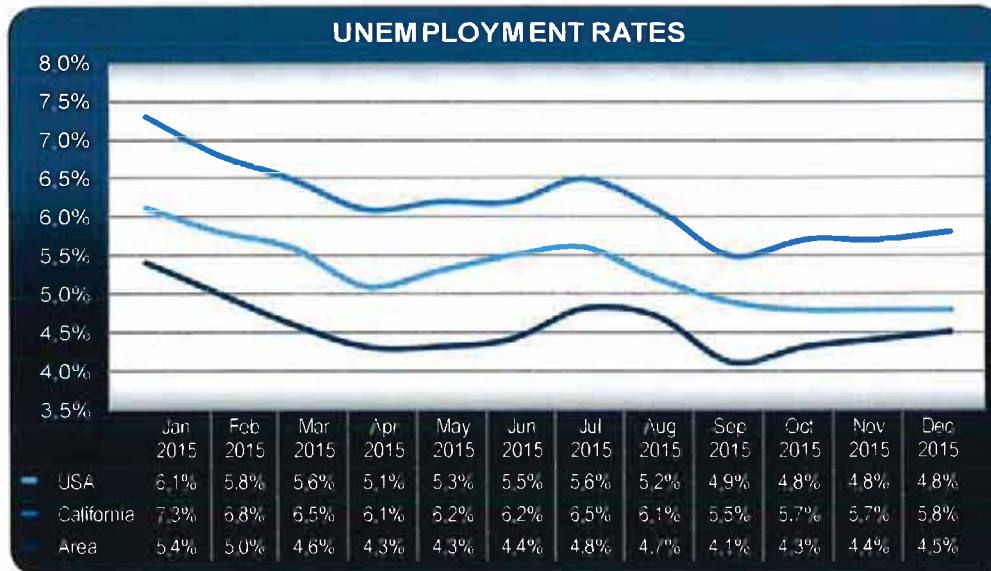
Total employment has increased annually over the past decade in the state of California by 0.5% and increased annually by 0.5% in the area. From 2013 to 2014 unemployment decreased in California by 1.4% and decreased by 1.2% in the area. In the state of California unemployment has increased over the previous month by 0.1% and increased by 0.1% in the area.

EMPLOYMENT & UNEMPLOYMENT STATISTICS 2005 - 2014

Year	TOTAL EMPLOYMENT				UNEMPLOYMENT RATE		
	California		San Luis Obispo-Paso Robles-Arroyo Grande, CA Metropolitan Statistical Area		United States*	California	San Luis Obispo-Paso Robles-Arroyo Grande, CA Metropolitan Statistical Area
	Total	% Δ Yr Ago	Total	% Δ Yr Ago			
2004	16,303,996	-	123,650	-	5.5%	6.2%	4.6%
2005	16,582,651	1.7%	125,879	1.8%	5.1%	5.4%	4.3%
2006	16,789,422	1.2%	127,166	1.0%	4.6%	4.9%	3.9%
2007	16,931,590	0.8%	128,276	0.9%	4.6%	5.4%	4.3%
2008	16,854,482	(0.5%)	128,522	0.2%	5.8%	7.3%	5.8%
2009	16,182,572	(4.0%)	124,372	(3.2%)	9.3%	11.2%	8.8%
2010	16,091,945	(0.6%)	120,348	(3.2%)	9.6%	12.2%	10.0%
2011	16,260,099	1.0%	121,662	1.1%	8.9%	11.7%	9.5%
2012	16,630,055	2.3%	126,390	3.9%	8.1%	10.4%	8.2%
2013	17,002,894	2.2%	128,591	1.7%	7.4%	8.9%	6.8%
2014	17,397,119	2.3%	132,027	2.7%	6.2%	7.5%	5.6%
CAGR	0.5%	-	0.5%	-	-	-	-

Source: U.S. Bureau of Labor Statistics *Unadjusted Non-Seasonal Rate

The following chart shows historical unemployment rates for the San Luis Obispo-Paso Robles-Arroyo Grande Metropolitan Statistical Area:



The unemployment rate in San Luis Obispo County was 4.5 percent in December 2015, up from a revised 4.4 percent in November 2015, and below the year-ago estimate of 5.1 percent. This compares with an unadjusted unemployment rate of 5.8 percent for California and 4.8 percent for the nation during the same period.

The economic base of San Luis Obispo County consists primarily of Tourism and Education due to its seaside location and home of California Polytechnic State University (Cal Poly). Services, Government, and Retail Trade are historically the dominant industries in the county. Because the economic base of San Luis Obispo County is derived from education and tourism it is affected by seasonal swings in student population and tourism. Services, government, trade, transportation and utilities are historically the dominant employment sectors in the area, which is reflective of the county's economic base in tourism and education. The following table displays the top employers in various economic sectors within the county, as of March 2015.

TOP EMPLOYMENT SECTORS

EMPLOYER NAME	EMPLOYEES
Government	23,700
Trade, Transportation & Utilities	20,300
Leisure & Hospitality	16,000
Educational & Health Services	14,300
Professional & Business Services	11,600
Manufacturing	6,700
Mining, Logging & Construction	6,400
Other Services	5,400
Financial Activities	4,100
Information	1,300

Source: California Employment Development Department

From the table above, San Luis Obispo's economic base in trade, transportation & utilities, tourism and education is clear. It is heavily reflected in the trade, leisure and hospitality, and government (inclusive of public school employees) sectors. Similar to many coastal counties, the beaches of San Luis Obispo County contribute significantly to the tourism of the area.

In recent years, however, the wine industry in the region has become a major economic force. According to the Economic Vitality Corporation, wine, vineyards, and related industries and services generate \$1.785 billion in economic value in San Luis Obispo County, including more than \$86 million in state and local taxes. See the table below for more statistics pertaining to the wine industry in San Luis Obispo County.

Paso Robles AVA + Greater San Luis Obispo Wine			
Characteristic	Economic Impact	Characteristic	Economic Impact
Full-time Equivalent Jobs	8,114	Number of Bonded Wineries	217
Wages Paid	\$241 million	Wine Produced (9 liter cases)	3.2 million
Allied Industry Revenues	\$51 million	Winegrape Bearing Acres	29,000
Tourism Expenditures	\$113 million	Value of Winegrape Crop	\$151 million
Winery Tourists Visits	1.2 million	Retail Value of Paso Robles AVA Wine	\$657 million
Charitable Contributions	\$1.1 million	Retail Value of Greater San Luis Obispo	\$803 million
Taxes Paid (State and Local)	\$86 million	County Wine	

Source: Economic Vitality Corporation

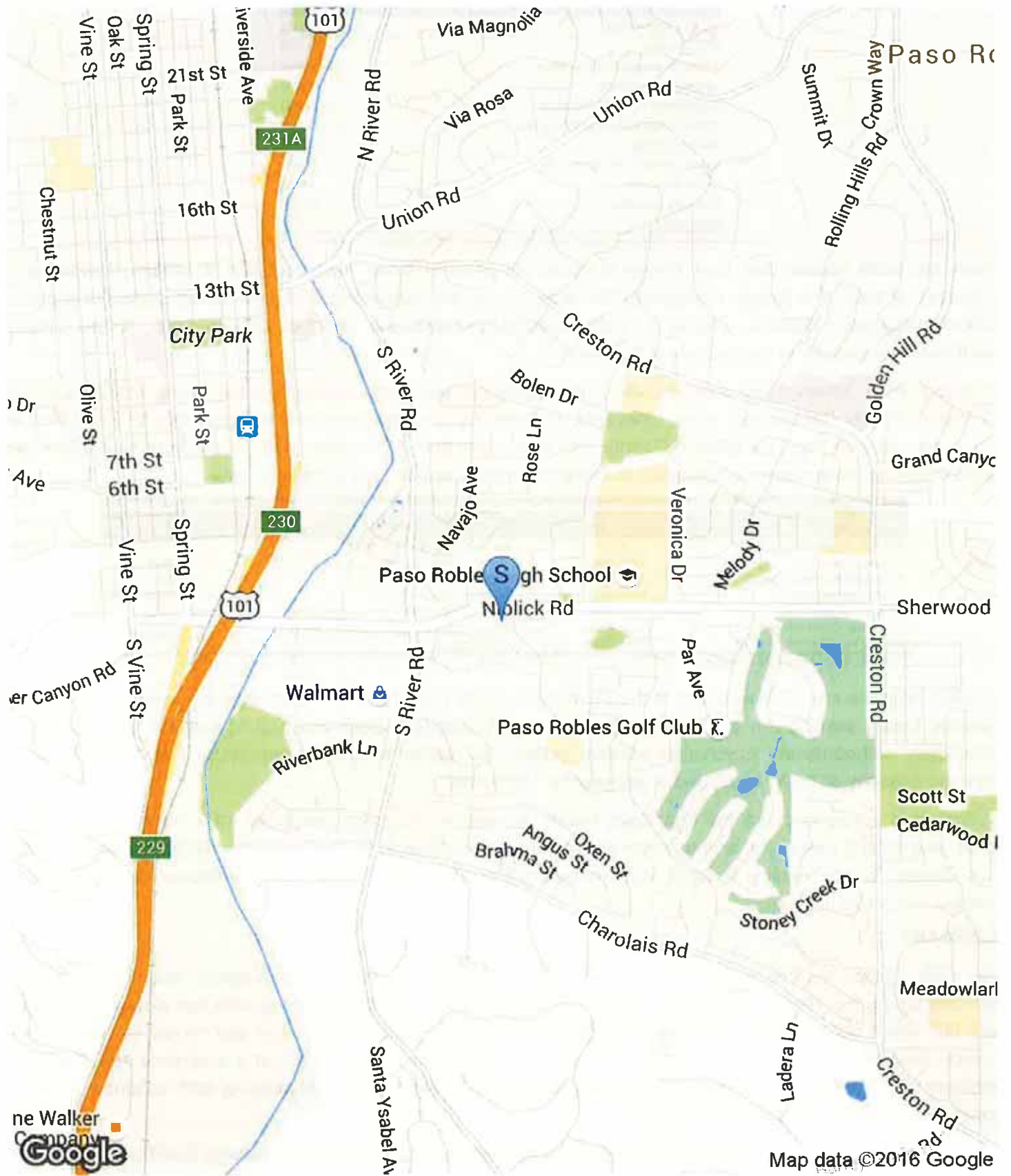
Located near the city of Atascadero is the Atascadero State Hospital which is an all-male, maximum security, forensic facility serving the entire state of California. Atascadero State Hospital opened in 1954 and is a completely self-contained psychiatric hospital constructed within a security perimeter. The hospital has a licensed capacity of 1,001 beds, and employs over 1,800 staff.

Overall, it is anticipated that the downward trends in most employment categories will rebound and that the trade, leisure and hospitality, and government sectors will continue to be the foundation of the economy in San Luis Obispo County. Moving forward, improvement will occur as the overall economy improves; however, the process will prove to be slow.

SUMMARY

San Luis Obispo County experienced several years of healthy growth in population, manufacturing and services during the 1980s and 1990s. However, this population and employment growth has slowed somewhat with the recent national economic downturn. Slight to moderate growth in the cities and county as a whole will include expansion of the services, retail trades, and manufacturing sectors but at a very slow rate. Signs of recovery are encouraging in terms of tourism as the TOT revenues are increasing and continue to show positive growth over the past several years.

The desirable surroundings, the presence of an established and highly regarded college (Cal-Poly), controlled growth and availability of jobs will continue to bring new people and businesses into the area at a low to moderate rate. The location of several highways makes accessibility fairly good to all areas of the county and surrounding areas. Population and economic growth are expected to continue at slower rates for the foreseeable future due to the current recession.



INTRODUCTION

In this section of the report, we provide details about the local area and describe the influences that bear on the real estate market as well as the subject property. A map of the local area is presented on the prior page. Below are insights into the local area based on fieldwork, interviews, demographic data and experience working in this market.

LOCAL AREA PROFILE

The subject property is located in Paso Robles, CA, within San Luis Obispo County. Paso Robles is considered somewhat rural-suburban in nature with a mix of commercial, retail, office, industrial and residential uses; with large areas of undeveloped and raw land at the east and northern edges of the city. Paso Robles is generally bordered by San Miguel and agricultural land to the north, Templeton to the south, agricultural land to the east, and the San Lucia Coastal Mountain Range to the west. The city is also surrounded by unincorporated county land in all directions.

Transportation Routes

Major traffic arteries are shown in the chart below:

MAJOR ROADWAYS & THOROUGHFARES			
HIGHWAY	DIRECTION	FUNCTION	DISTANCE FROM SUBJECT
Highway 101	north-south	Local Highway	This is within a mile of the subject property.
Highway 46	east-west	Local Highway	This is within 2 miles of the subject property.
SURFACE STREETS	DIRECTION	FUNCTION	DISTANCE FROM SUBJECT
Niblick Road	east-west	Primary Arterial	This is just down the street from the subject property.
River Road	north-south	Primary Arterial	This is just down the street from the subject property.
Creston Road	north-south	Primary Arterial	This is within a mile of the subject property.
Union Road	east-west	Primary Arterial	This is within 2 miles of the subject property.

Public Transportation is offered by San Luis Obispo Regional Transit Authority (SLORTA) and the Paso Express, with stops located near the subject along Niblick Road. The nearest Amtrak station is located along Pine Street, less than a mile to the northwest of the subject. Paso Robles Municipal Airport is about 4.5 miles to the northeast of the subject and San Luis Obispo County Regional Airport is located roughly 26 miles south of the subject in San Luis Obispo. Highway 101 is located within a mile to the west of the subject, and Highway 46 is within two miles, both of which provide access to a wider network of regional freeways.

Economic Factors

The local area is considered a middle income area. Within a 3-mile radius, the median home value is \$371,527, which is expected to appreciate over the next several years. The local population around the subject is not dense, and is expected to grow in the near future. Homes in the local area are primarily owner occupied.

Community Services

Community services and facilities are readily available in the local neighborhood including public services such as fire stations, hospitals, police stations, and schools. The city is served by the Paso Robles Joint Unified School District, with several public schools located within three miles of the subject. Commercial and supporting retail uses are found within two miles in the surrounding area, along major thoroughfares such as Spring Street and are mostly located in the downtown Paso Robles area, near heavy residential development. There are a number of parks, golf courses, and other recreational facilities in the community of which the most proximate are Lawrence Moore Park, Centennial Park, and Paso Robles Golf Club. There are also hospitals in the wider area including Twin Cities Community Hospital, which is located roughly five miles southwest of the subject in Templeton.

DEMOGRAPHIC PROFILE

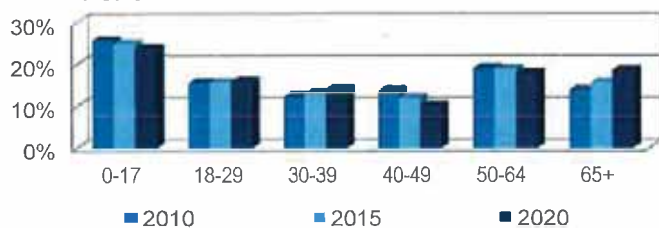
Below is a demographic study of the area, sourced by Pitney Bowes/Gadberry Group - GroundView®, a Geographic Information System (GIS) Company that provides information used to analyze and compare the past, present, and future trends of properties and geographical areas.

LOCAL AREA DEMOGRAPHICS

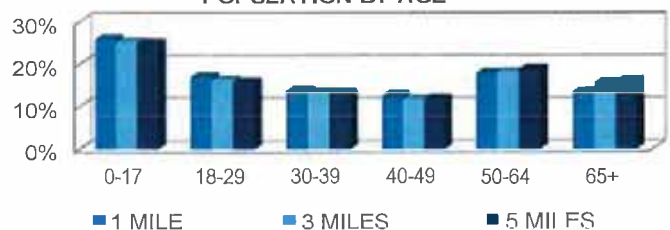
DESCRIPTION	1 MILE	3 MILES	5 MILES	DESCRIPTION	1 MILE	3 MILES	5 MILES
POPULATION				AVERAGE HOUSEHOLD INCOME			
2000 Population	7,989	26,155	31,899	2015	\$83,374	\$83,257	\$85,220
2010 Population	9,641	31,583	38,362	2020	\$83,260	\$83,388	\$85,427
2015 Population	10,270	33,927	41,059	Change 2015-2020	(0.14%)	0.16%	0.24%
2020 Population	10,981	36,614	44,273	MEDIAN HOUSEHOLD INCOME			
Change 2000-2010	20.68%	20.75%	20.26%	2015	\$62,231	\$59,958	\$61,318
Change 2010-2015	6.52%	7.42%	7.03%	2020	\$61,247	\$59,220	\$60,427
Change 2015-2020	6.92%	7.92%	7.83%	Change 2015-2020	(1.58%)	(1.23%)	(1.45%)
POPULATION 65+				PER CAPITA INCOME			
2010 Population	1,110	4,284	5,309	2015	\$28,738	\$29,453	\$30,315
2015 Population	1,349	5,215	6,443	2020	\$28,558	\$29,331	\$30,219
2020 Population	1,711	6,658	8,211	Change 2015-2020	(0.63%)	(0.41%)	(0.32%)
Change 2010-2015	21.53%	21.73%	21.36%	2015 HOUSEHOLDS BY INCOME			
Change 2015-2020	26.83%	27.67%	27.44%	<\$15,000	8.1%	8.6%	8.7%
NUMBER OF HOUSEHOLDS				\$15,000-\$24,999	6.7%	8.5%	8.4%
2000 Households	2,922	9,336	11,302	\$25,000-\$34,999	9.0%	9.3%	9.0%
2010 Households	3,451	11,649	14,107	\$35,000-\$49,999	15.8%	14.4%	13.8%
2015 Households	3,561	12,076	14,559	\$50,000-\$74,999	22.4%	21.4%	20.9%
2020 Households	3,787	12,967	15,621	\$75,000-\$99,999	10.9%	10.9%	11.4%
Change 2000-2010	18.10%	24.78%	24.82%	\$100,000-\$149,999	15.4%	15.3%	15.6%
Change 2010-2015	3.19%	3.67%	3.20%	\$150,000-\$199,999	6.1%	5.7%	5.9%
Change 2015-2020	6.35%	7.38%	7.29%	\$200,000 or greater	5.4%	5.9%	6.3%
HOUSING UNITS (2015)				MEDIAN HOME VALUE			
Owner Occupied	2,180	7,360	9,084	\$360,285	\$371,527	\$382,534	
Renter Occupied	1,376	4,682	5,452	AVERAGE HOME VALUE			
HOUSING UNITS BY YEAR BUILT				\$432,435			
Built 2010 or later	8	56	68	HOUSING UNITS BY UNITS IN STRUCTURE			
Built 2000 to 2009	1,016	3,483	4,069	1, detached	2,704	8,955	10,905
Built 1990 to 1999	745	2,062	2,521	1, attached	78	415	456
Built 1980 to 1989	949	3,107	3,763	2	74	249	272
Built 1970 to 1979	440	1,332	1,724	3 or 4	150	579	617
Built 1960 to 1969	127	538	651	5 to 9	256	649	711
Built 1950 to 1959	127	692	771	10 to 19	31	154	194
Built 1940 to 1949	54	309	377	20 to 49	43	175	187
Built 1939 or earlier	96	496	614	50 or more	96	246	287
				Mobile home	122	608	860
				Boat, RV, van, etc.	2	14	18

Source: Pitney Bowes/Gadberry Group - GroundView®

POPULATION GROWTH BY AGE - 5 MILES



POPULATION BY AGE



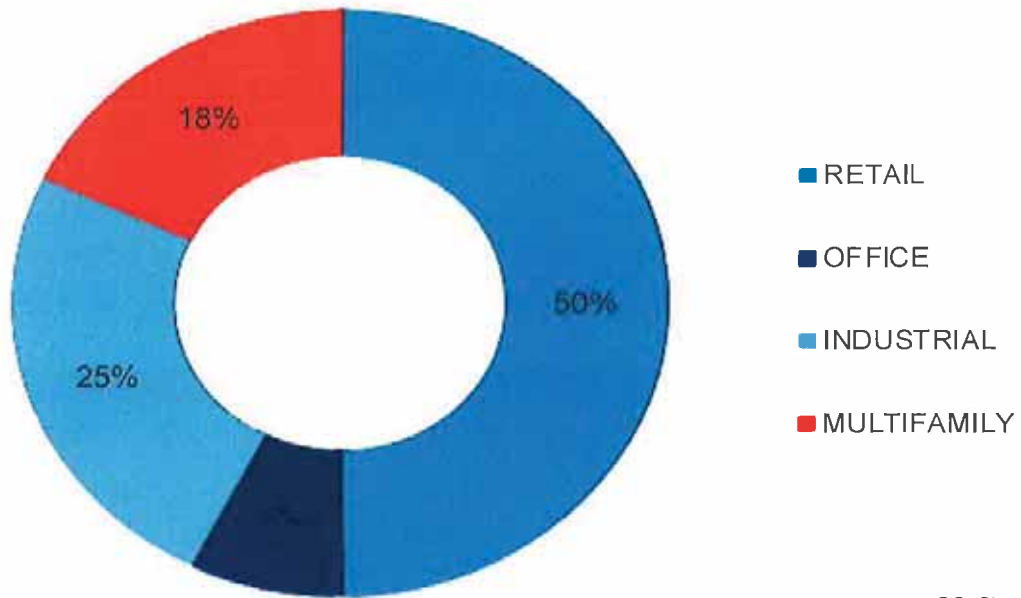
IMMEDIATE AREA PROFILE

This section discusses uses and development trends in the immediate area that directly impact the performance and appeal of the subject property.

Predominant Land Uses

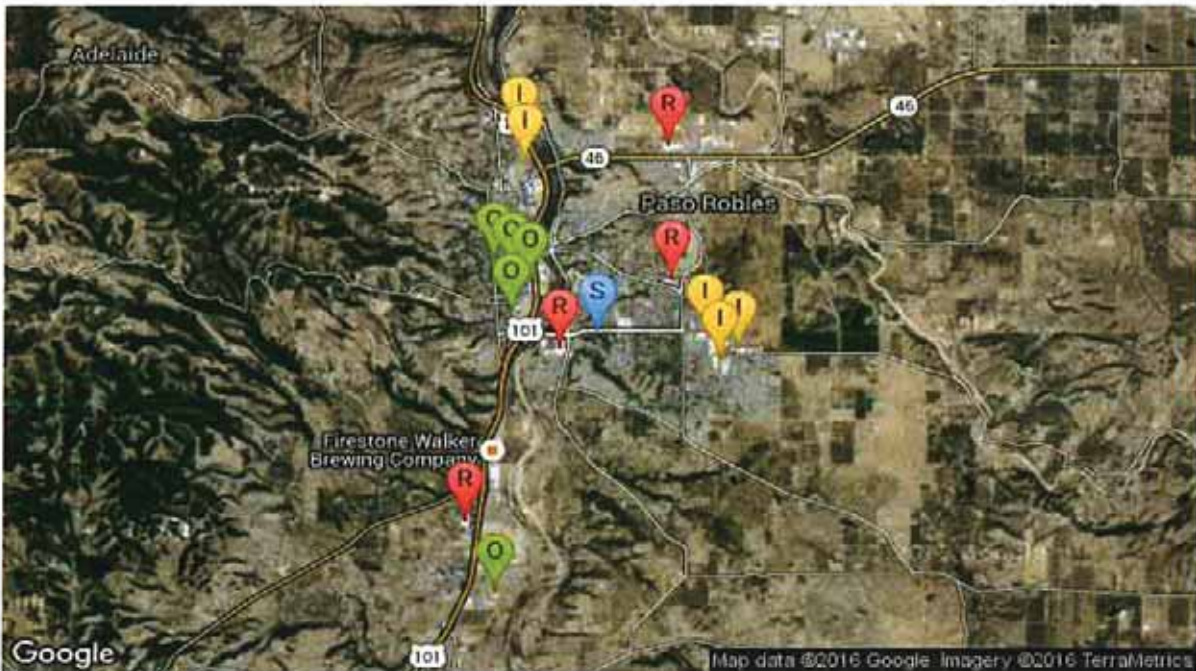
Significant development in the immediate area consists retail, office, and industrial uses along major arterials; interspersed with single-family residential development and multi-family complexes removed from arterials. The local area has a solid mix of commercial uses nearby. The composition of retail, office, and industrial is shown in the following graph.

COMMERCIAL AREA COMPOSITION



©CoStar

The following map shows the subject property and the five largest retail, office, and industrial properties in the immediate area from CoStar.



Retail Development

Retail development is the largest commercial use in the area. Woodland Plaza I and II are located just east of the subject at the intersection of Niblick Road and River Road. Tenants there include Albertsons, Wal-Mart, Kohl's, Staples, and Big 5 Sporting Goods. Other retail centers are similarly located at major intersections or along major arterials. The following chart shows a summary of retail data by type in the immediate area from CoStar.

RETAIL SUMMARY					
TYPE	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
Strip Center	6	93,548	1990	100.0	\$16.50
Community Center	17	586,513	2005	95.0	\$22.23
Neighborhood Center	14	336,732	1995	98.0	\$17.46
Power Center	8	370,448	1998	96.6	-
General Retail	236	2,585,954	1979	97.4	\$17.60
TOTAL	281	3,973,195	1982	97.3	\$17.35

Source: CoStar

Office Development

Office development is the smallest commercial use in the city and mostly found to the west of the 101 Freeway in the Downtown area along arterial streets such as Spring Street and Riverside Avenue. Most of these are less than 20,000 SF in size. The following chart shows a summary of office data by class in the immediate area from CoStar.

OFFICE SUMMARY					
CLASS	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
A	0	0			-
B	26	211,474	1992	100.0	-
C	89	388,703	1943	95.2	\$18.12
TOTAL	115	600,177	1954	96.3	\$14.02

Source: CoStar

Industrial Development

Industrial uses are found along the outer-edges of the city, along with significant agricultural uses. The following chart shows a summary of industrial data by type in the immediate area from CoStar.

INDUSTRIAL SUMMARY					
TYPE	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
Industrial	93	1,760,363	2004	95.4	\$16.14
Flex	11	205,412	1994	92.6	\$9.75
TOTAL	104	1,965,775	2003	95.1	\$15.46

Source: CoStar

Multi-Family Development

There are a number of multi-family residential development in the area, with many of the largest located in proximity to the subject. The following chart shows a summary of multi-family data by type in the immediate area from CoStar.

MULTIFAMILY SUMMARY			
CLASS	PROPERTIES	NRA (SF)	AVG YR BLT
A	1	109,180	
B	9	406,814	1991
C	35	924,400	1977
TOTAL	45	1,440,394	1936

Source: CoStar

Summary

The foregoing data shows that the subject district is well represented and served by commercial development, albeit of older vintage. Further, occupancy levels through all property types are strong, generally reflecting 95% or better.

SUBJECT PROPERTY ANALYSIS

The following discussion draws context and analysis on how the subject property is influenced by the local and immediate areas.

Subject Property Analysis

The uses adjacent to the property are noted below:

- › **North** – Alder Creek Apartments
- › **South** – Open Space
- › **East** – Alder Creek Apartments
- › **West** – Open Space

Access

The subject site is located along Nicklaus Street, and south of Niblick Road. Based on our field work, the subject's access is rated average to good compared to other properties with which it competes.

Visibility

The subject is visible in both directions along the street, though it is partially screened by a row of trees along the arterial. The visibility of the property is slightly hampered by adjacent properties, trees and other obstructions. In comparison to competitive properties, the subject property has average visibility.

Subject Conclusion

Trends in the local and immediate areas, adjacent uses and the property's specific location features indicate an overall positive external influence for the subject, which is concluded to have an average position in context of competing properties.

SUMMARY

The subject property is located in Paso Robles, California. Residential uses present in the subject's immediate area include significant single-family homes and multi-family development. Commercial developments are prominent in the immediate area, located along major thoroughfares and directly accessible from the subject. The subject property has an average to good location with respect to commercial services, thoroughfares, public transportation, and community services. The condition and appeal of the area is generally average, and is anticipated to experience moderate growth in the foreseeable future.

General Description

The subject site consists of one legal parcel, which represents the land underlying the Alder Creek Condominiums and Apartments complex and is bifurcated by Nicklaus Street. As noted below, the parcel has 309,540 SF (7.11 AC) of total land area. The area was obtained from public records and may change if a professional survey determines more precise measurements. A 1.06-acre portion of the larger site has been consigned to be an open space easement since the 1990s. The easement area consists of unimproved, raw land with a steep, sloping topography. According to the owner, the easement is in the process of being redrawn, where the city will abandon a portion to the site owner. The new open space easement area will total 0.87 acres (37,950 SF). This results in a reduction, or net easement area to be abandoned, of 0.19 acres (8,410 SF). Going forward, our valuation analysis will first utilize the total site area for comparison purposes. We will then determine the value of the net easement area to be abandoned, identified below as surplus land. The following discussion summarizes the subject site size and characteristics.

Assessor Parcel

009-767-049

Number Of Parcels

1

Land Area

	Acres	Square Feet
Primary Parcel	6.91	301,130
Unusable Land	0.00	0
Excess Land	0.00	0
<u>Surplus Land</u>	<u>0.19</u>	<u>8,410</u>

Total Land Area

7.11 309,540

Shape

Irregular - See Plat Map For Exact Shape

Topography

Sloping at street grade (improved area); steep slope below street grade (easement)

Drainage

Assumed Adequate

Utilities

All available to the site

Street Improvements

Street	Direction	No. Lanes	Street Type	Curbs	Sidewalks	Street lights	Center Lane	Gutters
Niblick Road	two-way	four-lane	minor arterial	✓	✓	✓	✓	✓
Nicklaus Drive	two-way	two-lane	connector street	✓	✓	✓	✓	✓

Frontage

The larger parcel has a combined frontage of approximately 1,068 feet along Niblick Rd and roughly 864 feet along Nicklaus Dr. The total frontage of the open space easement area is approximately 195 feet along Nicklaus Dr, but will be increased by a nominal amount when the easement adjustment is finalized.

Accessibility

Average - I highway 101 is within one mile of the subject property, and Highway 46 is within 2 miles. There are a total of three full-access curb cuts along Nicklaus Drive which provide access to the Alder Creek Condominiums and Apartments. There are no curb cuts along Nicklaus Drive that provide direct vehicle access to the subject's open space easement area.

Exposure	Average - The larger site has frontage along Niblick Road, a primary street, and Nicklaus Drive, a local connector street. The open space easement has frontage along Nicklaus Drive; however, the net easement area to be abandoned by the city does not front any street and has limited visibility. The view of the net easement area from Niblick Road is inhibited by the residential building improvements, while this area can be seen from Nicklaus Drive. The view of the net easement area from the adjacent creek trail is inhibited by mature trees along the creek.
Seismic	The subject is in Very High Risk.
Flood Zone	Zone X (Shaded). This is referenced by Community Number 060308, Panel Number 06079C0606G, dated November 16, 2012. Zone X (shaded) is a Non-Special Flood Hazard Area (NSFHA) of moderate flood hazard, usually the area between the limits of the 100-year and 500-year floods. Are also used to designate base floodplains of lesser hazards, such as areas protected by levees from 100-year flood, or shallow flooding areas with average depths of less than one foot or drainage areas less than 1 square mile. This is an area in a low to moderate risk flood zone that is not in any immediate danger from flooding caused by overflowing rivers or hard rains. In communities that participate in the National Flood Insurance Program (NFIP), flood insurance is available to all property owners and renters in this zone.
Site Rating	Overall, the subject site is considered an average land site in terms of its location in Paso Robles, exposure along a connector street, access to nearby freeways, and proximity to employment, education and shopping centers.
Easements	A preliminary title report was not available for review. During the on-site inspection, no adverse easements or encumbrances were noted. This appraisal assumes that there is no negative value impact on the subject improvements. If questions arise regarding easements, encroachments, or other encumbrances, further research is advised.
Soils	A detailed soils analysis was not available for review. Based on the development of the subject, it appears the soils are stable and suitable for the existing improvements.
Hazardous Waste	We have not conducted an independent investigation to determine the presence or absence of toxins on the subject property. If questions arise, the reader is strongly cautioned to seek qualified professional assistance in this matter. Please see the Assumptions and Limiting Conditions for a full disclaimer.

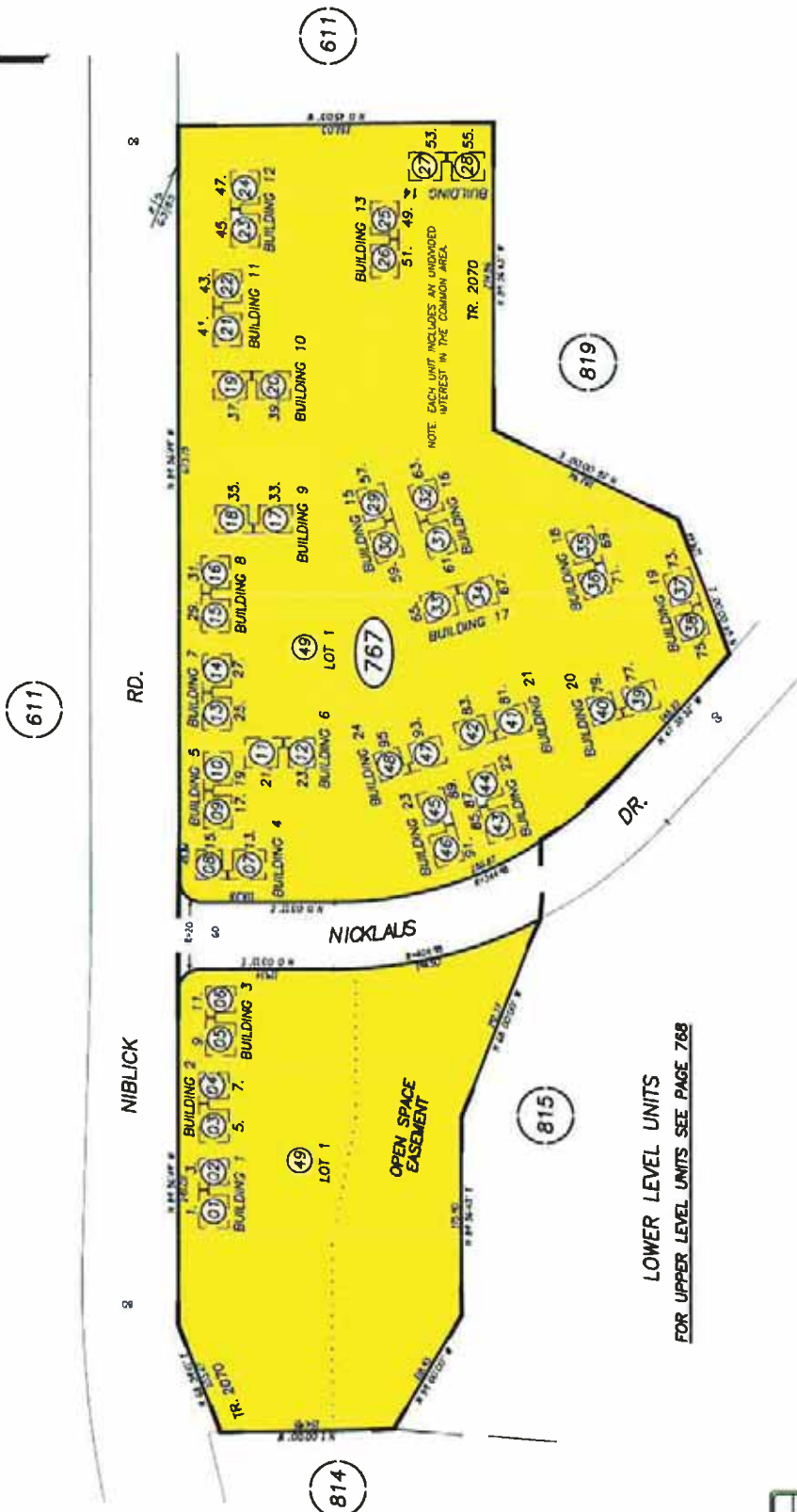
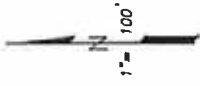
ASSESSMENT & TAXATION

Assessment of real property is established by an assessor that is an appointed or elected official charged with determining the value of each property. The assessment is used to determine the necessary rate of taxation required to support the municipal budget. A property tax is a levy on the value of property that the owner is required to pay to the municipality in which it is situated. Multiple jurisdictions may tax the same property.

The subject property is located within San Luis Obispo County. According to the San Luis Obispo County Assessor's Office website, real estate taxes for the subject property are not available. Given the scope of work for this assignment, real estate taxes are not applicable in our valuation.

PLAT MAP

009-767



LOWER LEVEL UNITS
FOR UPPER LEVEL UNITS SEE PAGE 768

REVISIONS	
DATE	DESCRIPTION
04-27-11	01-21-11
04-24-11	04-24-11
05-15-11	05-15-11



TRACT NO. 2070, R.M. Bk. 16, Pg. 75.
 CONDO PLAN; O.R. VOL. 3937 PG. 229.
 CONDO PLAN; O.R. DOC. NO. 93-050135.

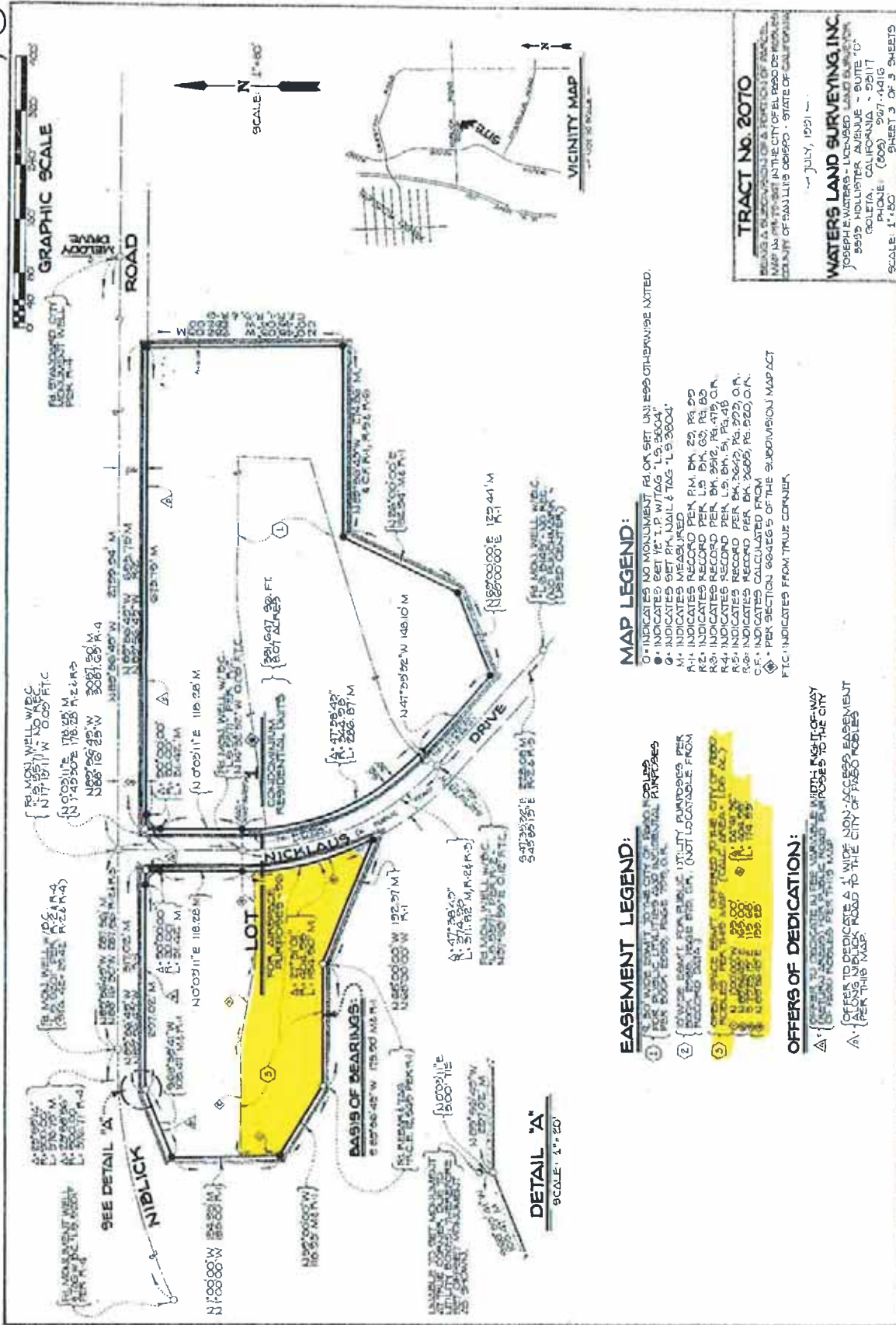
CITY OF PASO ROBLES
 ASSESSOR'S MAP, COUNTY OF
 SAN LUIS OBISPO, CA
 BOOK 089 PAGE 767



009-761

SURVEY MAP

75



MAP LEGEND:

- INDICATES NO MONUMENT, R1 OR SET UNLESS OTHERWISE NOTED.
- INDICATES SET IN T.P. WITH TAG - L.S. 2004.
- INDICATES SET IN NAIL & TAG - L.S. 2004.
- M- INDICATES MEASURED
- M1- INDICATES RECORD PER P.M. BK. 25, P. 25
- M2- INDICATES RECORD PER P.M. BK. 60, P. 10
- M3- INDICATES RECORD PER P.M. BK. 51, P. 17
- M4- INDICATES RECORD PER P.M. BK. 51, P. 17
- M5- INDICATES RECORD PER P.M. BK. 3642, P. 272
- M6- INDICATES RECORD PER P.M. BK. 3642, P. 272
- C.F. INDICATES CALCULATED FROM
- * PER SECTION 30465 OF THE SUBDIVISION MAP ACT
- FTC- INDICATES FROM TRUE CORNER.

EASEMENT LEGEND:

- ① 1" WIDE EASEMENT TO THE CITY OF PASADENA FOR UTILITY PURPOSES PER PER BOOK 1899, PAGE 798, O.K.
- ② 1" WIDE EASEMENT FOR PUBLIC UTILITY PURPOSES PER PER BOOK 1899, PAGE 798, O.K.
- ③ 1" WIDE EASEMENT OFFERED TO THE CITY OF PASADENA PER PER BOOK 1899, PAGE 798, O.K.

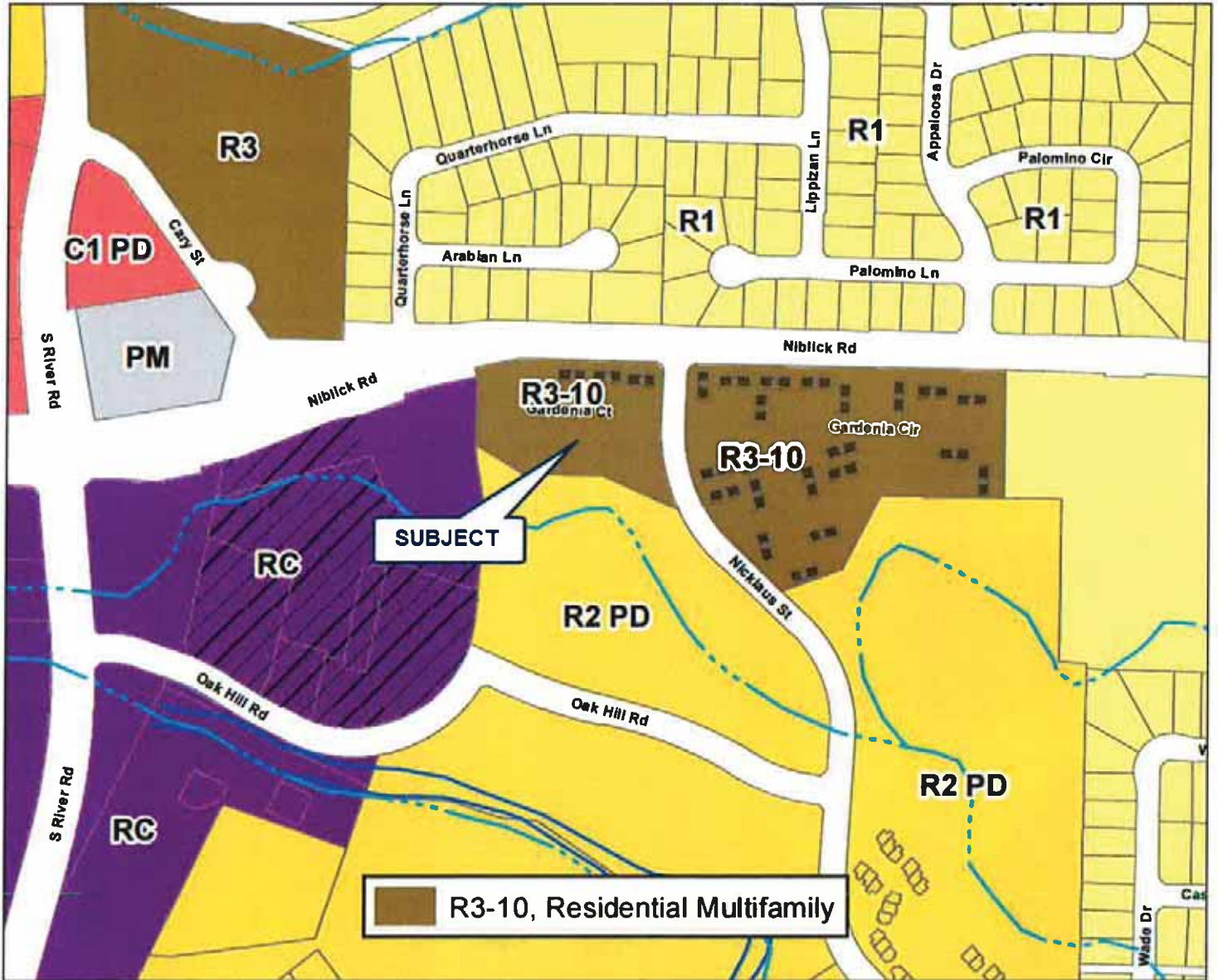
OFFERS OF DEDICATION:

- △ OFFERS TO DEDICATE A 1" WIDE PUBLIC ROAD EASEMENT TO THE CITY
- △ OFFERS TO DEDICATE A 1" WIDE NON-PUBLIC ROAD EASEMENT TO THE CITY
- △ OFFERS TO DEDICATE A 1" WIDE NON-PUBLIC ROAD EASEMENT TO THE CITY

TRACT NO. 2070

WATERS LAND SURVEYING, INC.
 JOSEPH E. WATERS - LICENSED LAND SURVEYOR
 9555 HOLLISTER AVENUE - SUITE 100
 GOLETA, CALIFORNIA 93117
 PHONE (805) 987-1418
 SCALE: 1" = 80'

ZONING MAP



FLOOD MAP

Flood Map Report For Property Located At



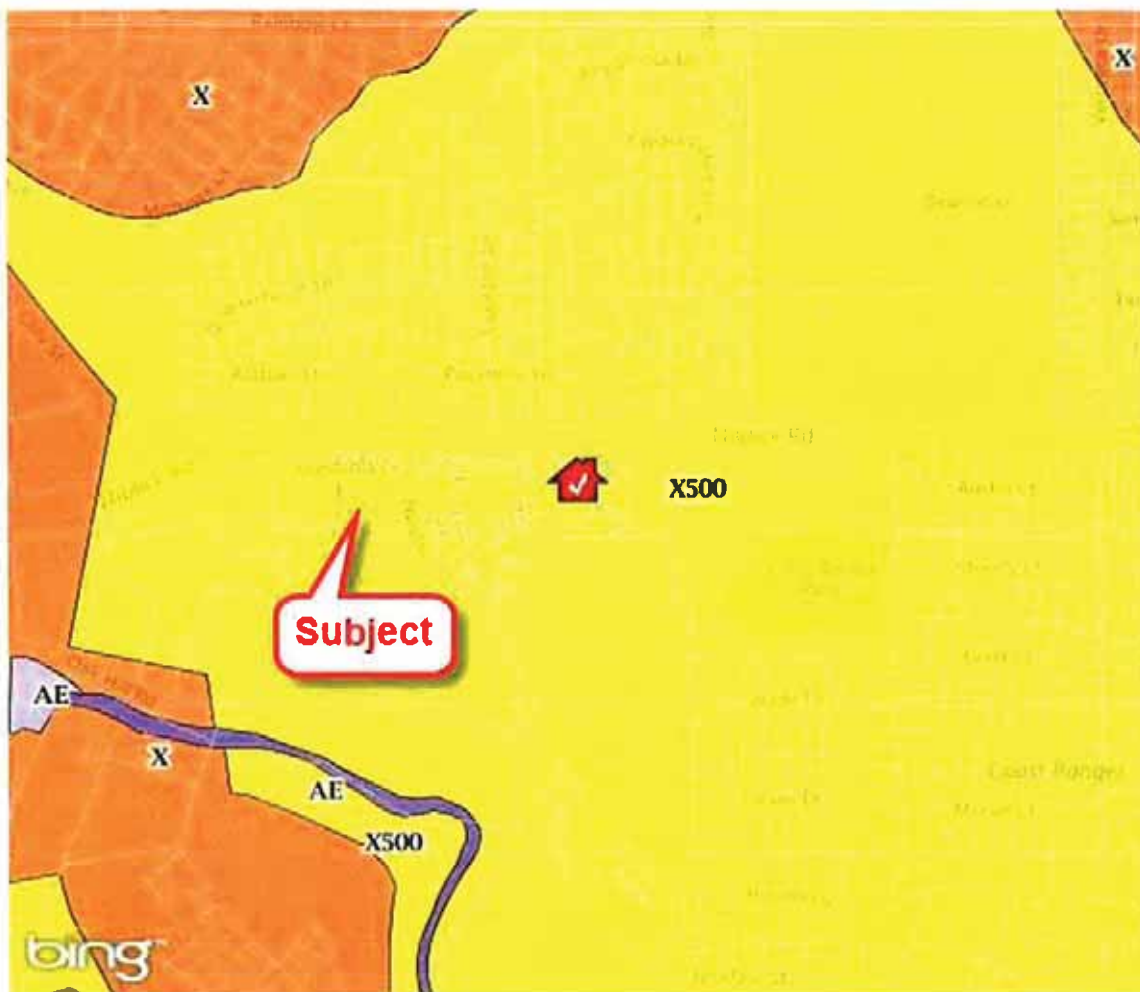
Report Date: 02/23/2016

County: SAN LUIS OBISPO, CA

Flood Zone Code	Flood Zone Panel	Panel Date
X500	060308 - 06079C0606G	11/16/2012
Special Flood Hazard Area (SFHA)	Within 250 ft. of multiple flood zones?	Community Name
Out	No	

Flood Zone Description:

Zone X (500-year)-An area inundated by 500-year flooding; an area inundated by 100-year flooding with average depths of less than 1 foot or with drainage areas less than 1 square mile; or an area protected by levees from 100-year flooding.



Flood Zones

- Coastal 100-year Floodway
- 100-year Floodway
- Undetermined
- 500-year Floodplain incl. levee protected area
- Coastal 100-year Floodplain
- 100-year Floodplain
- Unknown or Area Not Included
- Out of Special Flood Hazard Area

INTRODUCTION

Zoning requirements typically establish permitted and prohibited uses, building height, lot coverage, setbacks, parking and other factors that control the size and location of improvements on a site. The zoning characteristics for the subject property are summarized below:

ZONING SUMMARY	
Municipality Governing Zoning	City of Paso Robles Planning & Zoning Department
Current Zoning	Residential Multifamily - 10 (R3-10)
Permitted Uses	Multiple-family dwelling, Single family dwelling, Public Schools
Prohibited Uses	Retail, Office, Industrial, Hotels and motels
Current Use	Open Space/Vacant land
Is Current Use Legally Permitted?	Yes
Zoning Change	Not Likely

ZONING REQUIREMENTS	
Minimum Site Area (SF)	None
Minimum Yard Setbacks	
Front (Feet)	15
Rear (Feet)	10
Side (Feet)	10
Maximum Building Height	40 Feet

Source: City of Paso Robles Planning & Zoning Department

ZONING CONCLUSIONS

Detailed zoning studies are typically performed by a zoning or land use expert, including attorneys, land use planners, or architects. The depth of our analysis correlates directly with the scope of this assignment, and it considers all pertinent issues that have been discovered through our due diligence. Please note that this appraisal is not intended to be a detailed determination of compliance, as that determination is beyond the scope of this real estate appraisal assignment.

INTRODUCTION

In this section, an overview of market conditions which influence the marketability of the subject property, as a multi-family site will be considered. The major factors requiring consideration are the supply and demand conditions that influence multi-family development.

For purposes of this section, apartment complexes within the subject’s market area will be analyzed. Emphasis is placed on facilities within proximity to the subject property. The following paragraphs discuss existing development and potential inventory will be analyzed. Demand will also be analyzed by examining vacancy.

SAN LUIS OBISPO METRO AREA APARTMENT MARKET

According to REIS, Inc., a specialist in market research for multi-family, the subject is located in the San Luis Obispo Metro Area. The maps below illustrate the subject’s location within its market.

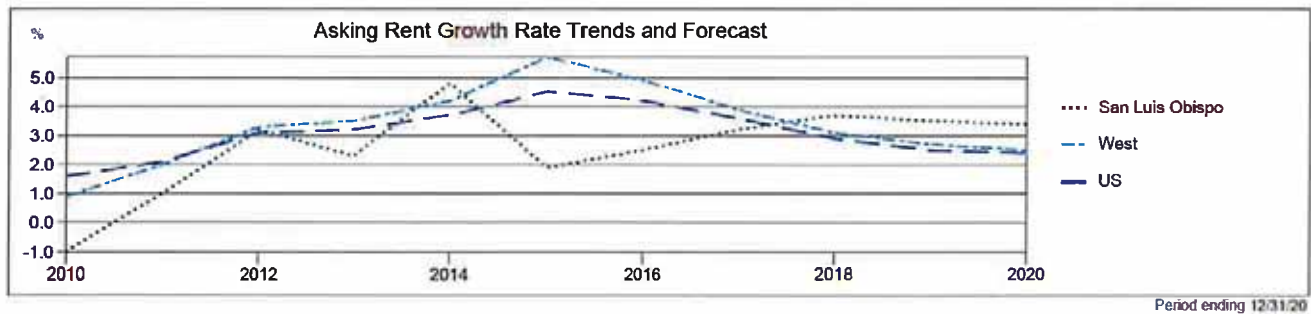
San Luis Obispo Metro Area



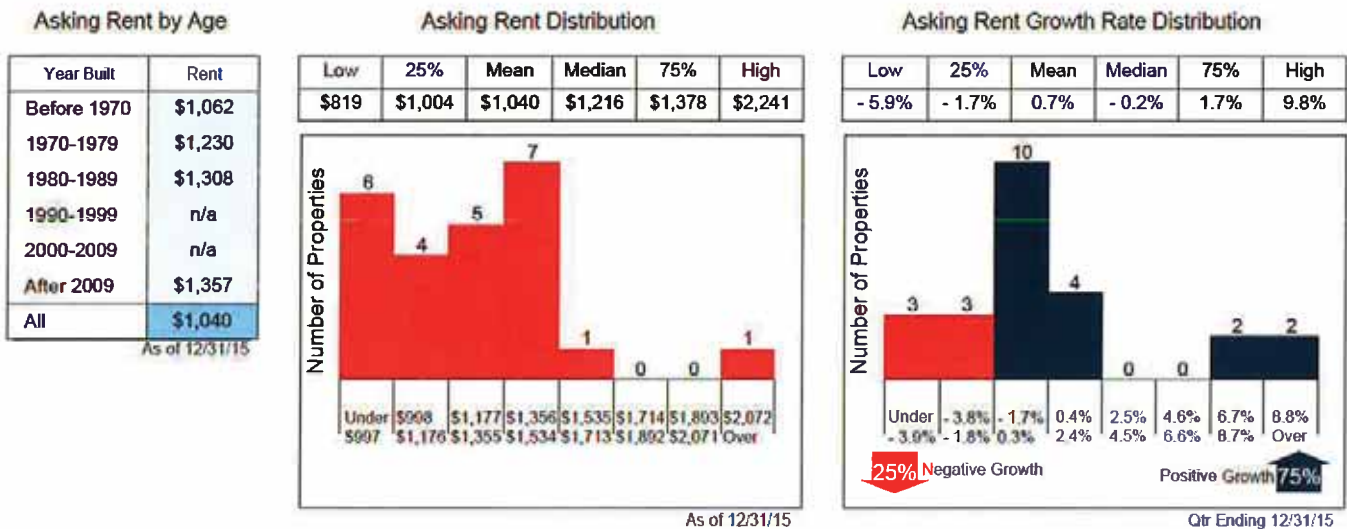
Rent Growth Comparisons – The following chart compares the apartment rent growth in the San Luis Obispo Metro Area to the West Region and United States.

		Asking Rent Growth						
		Quarterly			Annualized			
		4Q15	3Q15	YTD Avg	1 Year	3 Year	5 Year	5 Yr Forecast
San Luis Obispo		0.7%	0.0%	0.5%	1.9%	3.0%	2.6%	3.3%
West		1.0%	2.0%	1.5%	5.7%	4.5%	3.7%	3.4%
United States		0.8%	1.5%	1.2%	4.5%	3.8%	3.3%	3.1%
Period Ending:		12/31/15	09/30/15	12/31/15	12/31/15	12/31/15	12/31/15	12/31/20

Metro Rank Compared to:	Total Metros	Metro Ranks						
		4Q15	3Q15	YTD	1 Year	3 Year	5 Year	5 Yr Forecast
West	60	37	59	50	50	31	25	28
United States	275	130	256	190	190	75	75	40



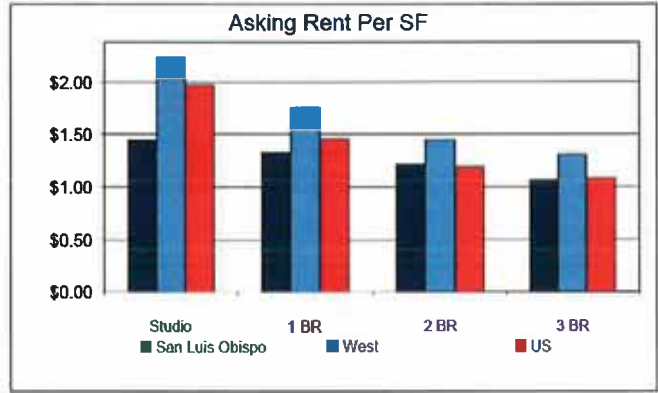
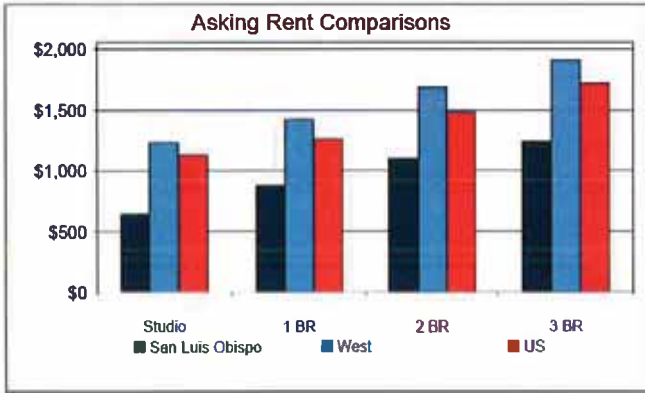
In the fourth quarter of 2015, rent growth in the market increased by 0.7% from the previous quarter. It is noted that the market is anticipated to experience 3.3% rent growth over the next five years.



The chart above shows that 75% of the apartment complexes surveyed by REIS in the market experienced positive rent growth, while 25% experienced negative growth.

Rent By Unit Mix – The following chart displays a comparison between the metro area and the West Region and United States. It is noted that, in comparison to those in the West Region and United States, asking rents in the San Luis Obispo Metro Area for all unit types are lower. In terms of per SF averages, asking rents are also lower.

	Current Metro Average Rents and Sizes			Asking Rent Growth	
	4Q 2015	Avg. SF	Avg. Rent PSF	YTD	1 Year
Studio/Efficiency	\$646	445	\$ 1.45	- 8.1%	- 8.1%
One Bedroom	\$876	662	\$ 1.32	- 1.6%	- 1.6%
Two Bedroom	\$1,098	909	\$ 1.21	3.4%	3.4%
Three Bedroom	\$1,240	1173	\$ 1.06	- 4.5%	- 4.5%
Average over period ending:				12/31/15	12/31/15



	Studio	1 BR	2 BR	3 BR
San Luis Obispo	\$646	\$876	\$1,098	\$1,240
West	\$1,231	\$1,418	\$1,690	\$1,906
United States	\$1,131	\$1,257	\$1,484	\$1,721

As of 12/31/15

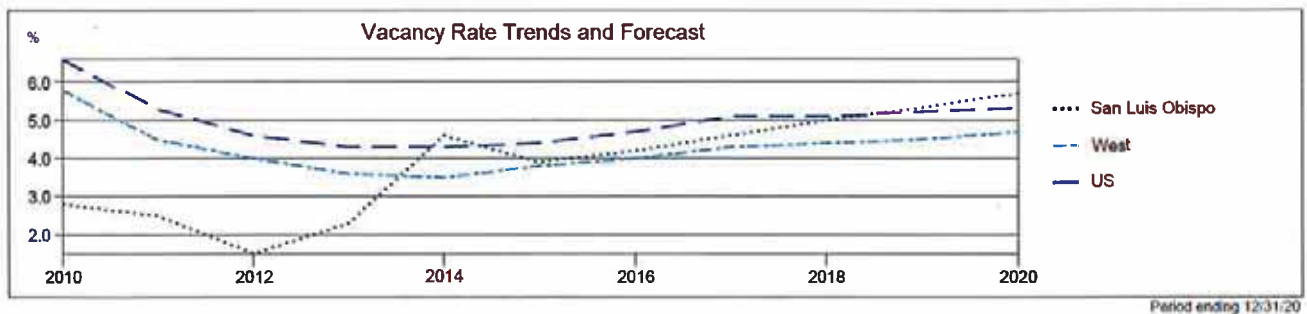
	Studio	1 BR	2 BR	3 BR
San Luis Obispo	\$ 1.45	\$ 1.32	\$ 1.21	\$ 1.06
West	\$ 2.23	\$ 1.75	\$ 1.45	\$ 1.30
United States	\$ 1.97	\$ 1.46	\$ 1.20	\$ 1.08

As of 12/31/15

Vacancy Comparisons – The following chart compares the vacancy average in the San Luis Obispo Metro Area to the West Region and United States.

	Vacancy Rates						
	Quarterly			Annualized			
	4Q15	3Q15	YTD Avg	1 Year	3 Year	5 Year	5 Yr Forecast
San Luis Obispo	3.9%	3.9%	4.1%	4.3%	3.1%	3.0%	5.7%
West	3.8%	3.6%	3.7%	3.7%	3.7%	4.2%	4.4%
United States	4.4%	4.3%	4.4%	4.4%	4.4%	4.9%	5.1%
Period Ending:	12/31/15	09/30/15	12/31/15	12/31/15	12/31/15	12/31/15	12/31/20

Metro Rank Compared to:	Total Metros	Metro Ranks						
		4Q15	3Q15	YTD	1 Year	3 Year	5 Year	5 Yr Forecast
West	80	39	40	41	43	26	12	49
United States	275	126	134	132	138	55	20	195



As noted above, the 4Q 2015 average vacancy in the San Luis Obispo Metro Area is 3.9%, which has been stable and is slightly above the West Region average of 3.8% and the US average of 4.4%. A vacancy rate of 5.7% is projected over the next five years for the San Luis Obispo Metro Area, which is above the regional (4.4%) and national (5.1%) projections.

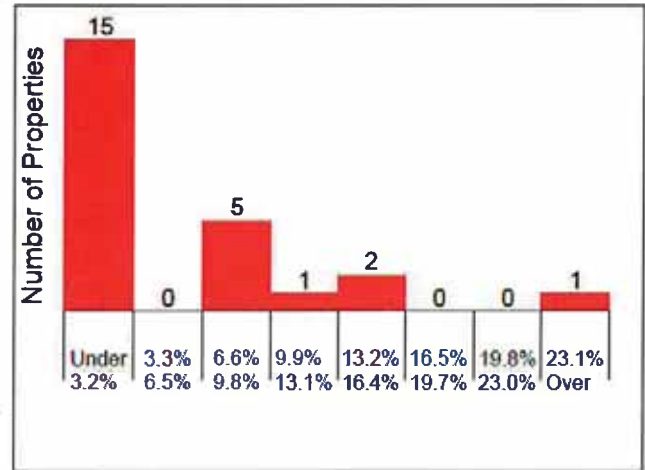
Vacancy Rate By Age

Year Built	Vac. Rate
Before 1970	0.0%
1970-1979	3.9%
1980-1989	2.4%
1990-1999	n/a
2000-2009	n/a
After 2009	26.0%
All	3.9%

As of 12/31/15

Vacancy Rate Distribution

Low	25%	Mean	Median	75%	High
0.0%	0.0%	3.9%	0.0%	8.9%	26.0%



As of 12/31/15

The charts above shows that properties built since 2009 have the highest vacancies, and that the majority of properties have vacancy rates below 3.2%.

Inventory Detail – The following chart displays the apartment inventory with respect to age, multi-family permit filings, market rate properties by number of floors, a stock traits in the San Luis Obispo Metro Area.

Inventory By Building Age

Year Built	Percent
Before 1970	2.0%
1970-1979	29.0%
1980-1989	63.0%
1990-1999	0.0%
2000-2009	0.0%
After 2009	5.0%
All	100.0%

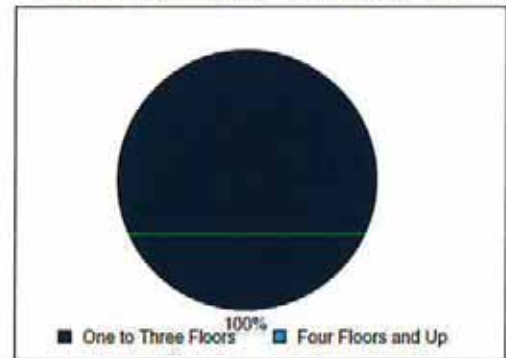
As of 12/31/15

Multifamily Permit Filings

Year	Total Units
1995	59
1996	75
1997	62
1998	36
1999	81
2000	94
2001	75
2002	228
2003	156
2004	347
2005	383
2006	249
2007	317
2008	130
2009	48
2010	144
2011	0
2012	57
2013	88

Source:US Census Data

Market-Rate Properties by Number of Floors



Market Rate Units by County

County	Pct% of Total MSA
SAN LUIS OBISPO	100%

As of 12/31/15

Apartment Stock Traits

	Size (units)
Mean	91
Median	55
Low	21
High	400

As of 12/31/15

San Luis Obispo Metro Area Historical & Projected Data

The next table displays historical and forecasted data for the San Luis Obispo Metro Area, including vacancy rate, asking rent levels, percentage rent change, and demographic data.

Year	Qtr	Vacancy Rate	Vacancy Change (BPS)	Asking Rent	Ask Rent % Chg	Population	Pop % Chg	Households	HH % chg	Avg HH Income	AHHI% Chg	Employment	Emp% Chg
2010	Y	2.8	-130	\$914	- 1.0%	270,360	0.5%	102,820	0.8%	\$107,860	5.8%	97,800	0.8%
2011	Y	2.5	-30	\$923	1.0%	272,800	0.9%	103,630	0.8%	\$113,339	5.1%	97,500	- 0.3%
2012	Y	1.5	-100	\$952	3.2%	275,580	1.0%	104,630	1.0%	\$121,829	7.5%	103,930	6.6%
2013	Y	2.3	80	\$974	2.3%	277,250	0.6%	105,780	1.1%	\$119,766	- 1.7%	107,700	3.6%
2014	Q1	3.2	90	\$980	0.6%	278,020	0.3%	106,080	0.3%	\$120,314	0.5%	109,600	1.8%
2014	Q2	2.8	-40	\$984	0.4%	279,080	0.4%	106,400	0.3%	\$121,765	1.2%	110,100	0.5%
2014	Q3	2.4	-40	\$1,003	2.0%	279,930	0.3%	106,620	0.2%	\$123,402	1.3%	109,530	- 0.5%
2014	Q4	4.6	220	\$1,021	1.7%	280,790	0.3%	106,920	0.3%	\$124,271	0.7%	111,300	1.6%
2014	Y	4.6	230	\$1,021	4.8%	280,790	1.3%	106,920	1.1%	\$124,271	3.8%	111,300	3.3%
2015	Q1	4.4	-20	\$1,019	- 0.1%	281,660	0.3%	107,200	0.3%	\$125,888	1.3%	112,370	1.0%
2015	Q2	4.1	30	\$1,033	1.4%	282,640	0.3%	107,690	0.4%	\$127,148	1.0%	112,730	0.3%
2015	Q3	3.9	-20	\$1,033	0.0%	283,420	0.3%	108,030	0.4%	\$128,989	1.4%	113,630	0.8%
2015	Q4	3.9	0	\$1,040	0.7%	284,290	0.3%	108,540	0.5%	\$130,701	1.3%	114,240	0.5%
2015	Y	3.9	-70	\$1,040	1.9%	284,290	1.2%	108,540	1.5%	\$130,701	5.2%	114,240	2.6%
2016	Y	4.2	30	\$1,066	2.5%	287,690	1.2%	110,800	2.1%	\$136,787	4.7%	117,090	2.5%
2017	Y	4.6	40	\$1,100	3.2%	291,020	1.2%	112,750	1.8%	\$144,109	5.4%	119,880	2.4%
2018	Y	5.0	40	\$1,141	3.7%	294,370	1.2%	114,260	1.3%	\$149,747	3.9%	122,170	1.9%
2019	Y	5.3	30	\$1,181	3.5%	297,740	1.1%	115,720	1.3%	\$154,107	2.9%	123,470	1.1%
2020	Y	5.7	40	\$1,221	3.4%	301,090	1.1%	117,010	1.1%	\$159,065	3.2%	124,340	0.7%

Based on the information in the prior chart the following is noted:

- Vacancy in the San Luis Obispo Metro Area spiked from 2.4% in Q3 2014 to 4.6% in Q4 2014. Vacancy has slowly decreased in the past year, and has been steady at 3.9% over the past two quarters. It is forecasted to gradually increase in the years to come.
- Vacancy in the San Luis Obispo Metro Area is projected to range from 4.2% to 5.7% over the next 5 years (through 2020).
- Asking rents have generally increased in the market, and are currently at their highest level in the past five years. There was a slight decrease in rent growth in 1Q 2015, which was not unusual considering the spike in vacancy in the previous quarter of Q4 2014. The remaining three quarters of 2015 saw positive rent growth. Based on the historical trend, the continued upward trend of rents in the market is anticipated.
- Overall, rent growth in the San Luis Obispo Area has increased 1.9% in 2015, and is projected to increase 2.5% over the next year, 3.2% in 2017, 3.7% in 2018, and then a slight downward trend of 3.5% in 2019 and 3.4% in 2020.

EXPOSURE TIME & MARKETING PERIOD

Exposure time is defined as "The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market" (The Dictionary of Real Estate Appraisal, Appraisal Institute, 2010). Reasonable exposure time is impacted by the aggressiveness and effectiveness of a property's exposure to market participants, availability and cost of financing, and demand for similar investments. Exposure time is best established based the recent history of marketing periods for comparable sales, discussions with market participants and information from published surveys.

Exposure Time Conclusion

The subject is considered to be a special use in nature as an open space easement. This type of property does not ordinarily trade as other types of real estate. General market conditions would indicate a reasonable estimate of exposure time of 9 to 12 months.

Marketing Period Conclusion

Marketing period is very similar to exposure time, but reflects a projected time period to sell the property, rather than a retrospective estimate. Having reviewed open listings and discussed the market with local participants, and given the nature of this site, we feel that a time period of 9 to 12 months is supported for the subject's marketing period.

INTRODUCTION

The highest and best use of an improved property is defined as that reasonable and most probable use that will support its highest present value. The highest and best use, or most probable use, must be legally permissible, physically possible, financially feasible, and maximally productive. This section develops the highest and best use of the subject property As-Vacant.

AS-VACANT ANALYSIS

Legal Factors

The legal factors that possibly influence the highest and best use of the subject site are discussed in this section. Private restrictions, zoning, building codes, historic district controls, and environmental regulations are considered, if applicable to the subject site. Permitted uses of the subject's Residential Multifamily - 10 (R3-10) zoning were listed in the Zoning Analysis section. Overall, legal factors support a range of residential and school uses for the subject site. It should be noted, however, that the existing open space easement would prevent development of those uses within the easement area.

Physical & Locational Factors

Regarding physical characteristics, the subject's larger site is irregular in shape and has sloping topography with average access and average exposure. The larger site has frontage on an arterial and local connector street, with the local connector street bifurcating the subject parcel. With respect to the net easement area, this portion is irregular in shape, has a steep, sloping topography, and features no direct access and very limited exposure. The immediate area is developed with office, retail, and industrial development along major arterials that is interspersed with multi-family complexes and single-family residential development removed from arterials. Of the outright permitted uses, physical and locational features best support multifamily development for the site's highest and best use as-vacant.

Feasibility Factors

Regarding financial feasibility of multifamily properties in the region, construction delivery trends were previously discussed in the Market Analysis section. In general, the San Luis Obispo Market is experiencing a typical level of multifamily construction activity compared to historical norms. Based on this factor, as well as our analysis of other supply/demand factors that impact the feasibility of multifamily development, it is likely that a developer would undertake a speculative project at this time. Financial feasibility factors generally support near-term development of the subject site. With respect to the net easement area, the most likely use for this portion, assuming it is abandoned by the city, is an expansion of the existing condominium/apartment project at the property. It should be noted that risks associated with back-filling the easement area to a level and buildable topography may impact feasibility.

As-Vacant Conclusion

Based on the previous discussion, the subject's highest and best use as-vacant is concluded to be multifamily development.

INTRODUCTION

The following presentation of the appraisal process deals directly with the valuation of the subject property. The As-Is Market Value of the subject's fee simple interest is estimated using the Sales Comparison Approach, which is recognized as the standard appraisal technique for commercial and residential land. The Cost and Income Capitalization Approaches are not applicable when valuing unimproved land like the subject and are therefore excluded. Their exclusion is not detrimental to the reliability or credibility of the final value conclusion.

The Parcels will be valued using the Across-the-Fence ("ATF") method of valuation. With right-of-way property, there are virtually no arm's length transactions of the right-of-way real estate. Alternatively, we have considered a comparison to small, irregular parcels with similar utility to the subject parcels. Again, there are no sales in the marketplace that have similar characteristics to the subject parcels. Small parcels with similar configuration are typically purchased by an adjacent property owner for assemblage and ordinarily have limited utility or development potential on their own. These sales are not necessarily reflective of a true arm's-length transaction. In these cases, the parcels contribute to the larger assembled parcel at a similar level of utility. Based upon this consideration, the ATF methodology is used to develop a value opinion based on comparison to abutting land.

When used for right-of-way valuation, ATF Value is defined as, "...a value opinion based on comparison with adjacent lands including consideration of adjustment factors such as market conditions, real property rights conveyed and location."² This definition establishes the concept of adjusting sales to reflect differences between the subject and comparable sales. While three adjustment categories are mentioned in the definition, there are many others to consider as with any appraisal of land. Once the value of the abutting land is established, the unit price, after adjustment for other factors, is then applied to the subject site area.

ABUTTING LAND IDENTIFICATION

The abutting land is identified as the larger Alder Creek Condominium and Apartment common area parcel, a 7.11-acre (309,540 SF) site contained within Assessor's Parcel Number 009-767-049. As noted in the Site Description section, this larger parcel reflects the common area underlying the Alder Creek Condominium and Apartment complex. The larger parcel is bifurcated by Nicklaus Drive, a local connector street providing the only vehicle access to the site. The bulk of the larger parcel is generally level, but slopes slightly downward from Niblick Road, and is improved with the Alder Creek complex. The open space portion of the site currently totals 46,360 SF (1.06 acres) and has a mostly steep topography, sloping downward toward the creek and trail to the south.

SALES COMPARISON APPROACH

The Sales Comparison Approach is based on the principle of substitution, which asserts that no one would pay more for a property than the value of similar properties in the market. This approach analyzes comparable sales by applying transactional and property adjustments in order to bracket the subject property on an appropriate unit value comparison. The sales comparison approach is applicable when sufficient data on recent market transactions is available. Alternatively, this approach may offer limited reliability because many properties have unique characteristics that cannot be accounted for in the adjustment process.

LAND VALUATION

Land value is influenced by a number of factors; most prominent of which is development and use potential. These factors, as well as others, are considered in the following analysis.

As we have identified, the abutting parcel consists of a 7.11-acre, irregularly shaped parcel. The property is to be valued under the assumption that it is vacant and can be put to its highest and best use as a multifamily

² Dictionary of Real Estate Appraisal, Appraisal Institute, 2010.
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residential development, based on the scope of this assignment. The comparable land sales will be compared to this larger parcel to derive an appropriate unit price. Once the value of the abutting land is established, the unit price, after adjustment for other factors, is then applied to the subject site area.

For purposes of analysis, we have classified the net easement area being abandoned by the City (subject site area) as “surplus” land. Only this portion of the overall parcel is assigned a market value within this appraisal.

UNIT OF COMPARISON

The most relevant unit of comparison is the price per square foot. This indicator best reflects the analysis used by buyers and sellers in this market for land with similar utility and zoning in this marketplace.

COMPARABLE SELECTION

A thorough search was made for similar land sales in terms of proximity to the subject, size, location, development potential, and date of sale. In selecting comparables, emphasis was placed on confirming recent sales of multifamily sites, or commercial sites allowing multifamily uses, that are similar to the subject property in terms of location and physical characteristics. Overall, the sales selected represent the best comparables available for this analysis.

ADJUSTMENT PROCESS

Quantitative adjustments are made to the comparable sales. The following adjustments or general market trends were considered for the basis of valuation.

Transactional Adjustments

Dollar adjustments to the comparable sales were considered and made when warranted for transactional adjustments in the sequence shown below:

Property Rights Transferred	The valuation of the subject site was completed on a fee simple basis. If warranted, leased fee, leasehold and/or partial interest land sales were adjusted accordingly.
Financing Terms	The subject site was valued on a cash equivalent basis. Adjustments were made to the comparables involving financing terms atypical of the marketplace.
Conditions of Sale	This adjustment accounts for extraordinary motivation on the part of the buyer or seller often associated with distressed sales and/or assemblages.
Expenditures After Purchase	Adjustments were applied if site conditions warranted expenditures on the part of the buyer to create a buildable site. Examples include costs for razing pre-existing structures, general site clearing and/or mitigation of environmental issues.
Market Conditions	Market conditions adjustments were based on a review of historical sale data, market participant interviews and review of current versus historical pricing. Based on our research, the following table summarizes the market conditions adjustment applied in this analysis.

MARKET CONDITIONS ADJUSTMENT			
Per Year As Of	February 2016	(As-Is)	0%

The market has exhibited value stability during the time from the oldest sale date up through the effective valuation date; therefore a market conditions adjustment is not warranted.

Property Adjustments

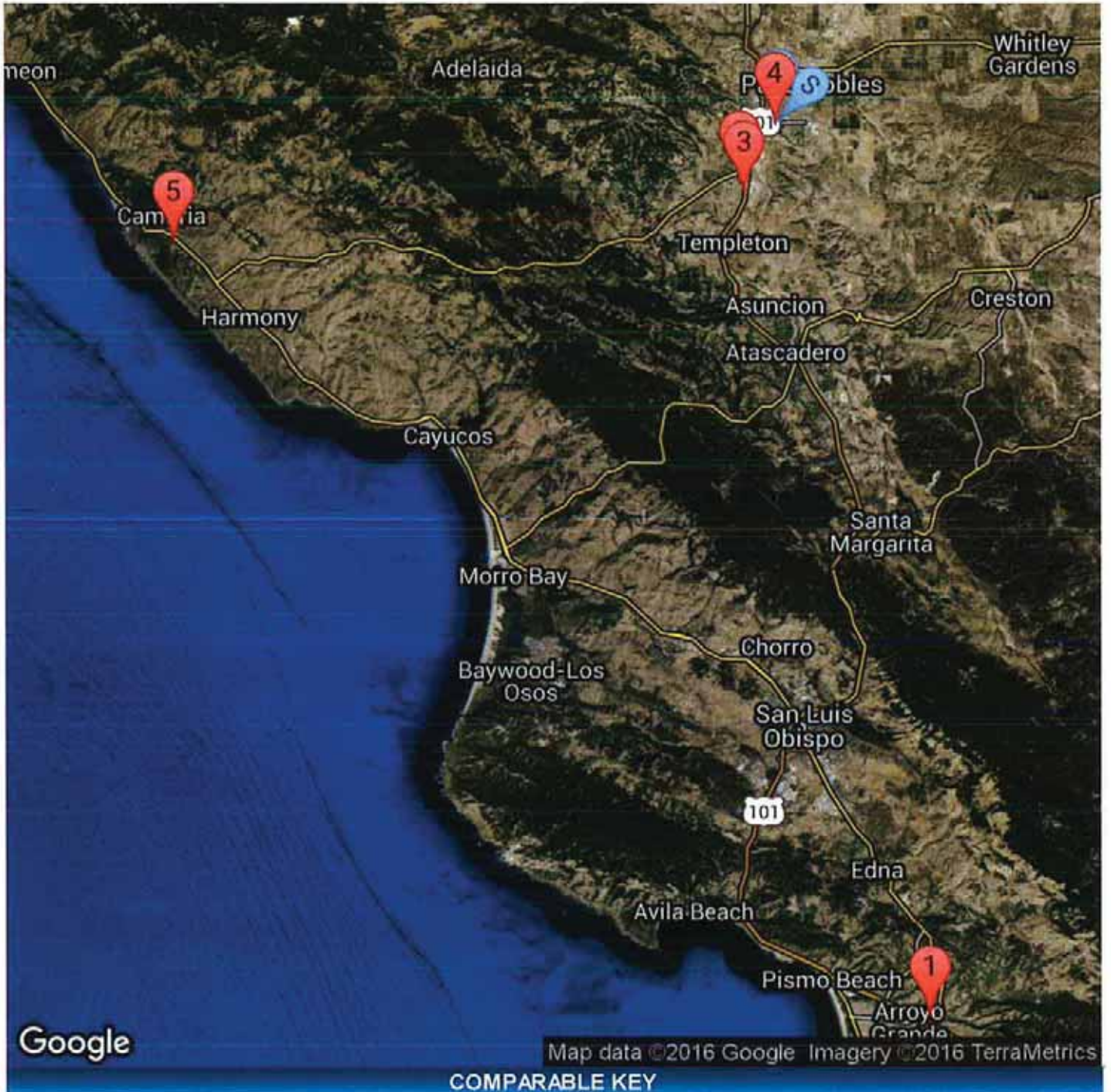
Quantitative percentage adjustments are also made for location and physical characteristics such as size, shape, access, exposure, topography, zoning and overall utility. Where possible the adjustments applied are based on paired data or other statistical analysis. For example, location adjustments are based primarily on review of land values in the market areas for the comparables relative to the subject. It should be stressed that the adjustments are subjective in nature and are meant to illustrate our logic in deriving a value opinion for the subject site.

LAND VALUATION PRESENTATION

The following Land Sales Summation Table, Location Map and datasheets summarize the sales data used in this analysis. Following these items, the comparable land sales are adjusted for applicable elements of comparison and the opinion of site value is concluded.

LAND SALES SUMMATION TABLE						
COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5
Name	Portion of Tract 2070 Open Space	Vacant Land	Vacant Land	Vacant Land	The Highlands of Paso Robles	Multifamily Land
Address	South of Niblick Road, along Nicklaus Street	Traffic Way	2501 Theatre Dr.	Theatre Dr.	Oak Hill Rd.	1870 Londonberry Dr.
City	Paso Robles	Arroyo Grande	Paso Robles	Paso Robles	Paso Robles	Cambria
State	CA	CA	CA	CA	CA	CA
Zip	93446	93420	93446	93446	93446	93428
County	San Luis Obispo	San Luis Obispo	San Luis Obispo	San Luis Obispo	San Luis Obispo	San Luis Obispo
APN	009-767-049	007-621-079, 077, 078	009-851-003	009-851-018	009-814-048	024-191-013, 062, 063
PHYSICAL INFORMATION						
Acres	0.19	2.17	3.75	4.17	1.83	1.31
SF	8,410	94,525	163,350	181,645	79,715	57,249
Location	Average	Average/Good	Average	Average	Average	Average/Good
Exposure	Average	Average	Fair	Fair/Average	Average	Average
Access	Average	Average/Good	Fair/Average	Average	Average	Average
Shape	Irregular	Rectangular	L-shaped	Flag	Irregular	Irregular
Site Utility Rating	Average	Average	Average	Average	Average	Average
Zoning	R3-10	D-2-11	C2-PD	C2-PD	RC	RMF
Corner	No	Yes	No	No	No	No
Topography	Sloping	Level	Level	Level	Slight slope	Slope
SALE INFORMATION						
Date		10/28/2015	3/6/2015	2/5/2015	12/30/2014	3/25/2014
Status		Recorded	Recorded	Recorded	Recorded	Recorded
Rights Transferred		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Transaction Price		\$800,000	\$1,050,000	\$1,200,000	\$700,000	\$450,000
Analysis Price		\$800,000	\$1,050,000	\$1,200,000	\$700,000	\$450,000
\$/Acre		\$368,664	\$280,000	\$287,770	\$382,514	\$343,511
\$/SF Land		\$8.46	\$6.43	\$6.61	\$8.78	\$7.86

LAND SALES LOCATION MAP



COMPARABLE KEY

COMP	DISTANCE	ADDRESS	SALE DATE	ACRES	SF	\$/SF
SUBJECT	-	South of Niblick Road, along Nicklaus Street, Paso Robles, CA	-	7.1	309,540	-
No. 1	34.6 Miles	Traffic Way, Arroyo Grande, CA	10/28/2015	2.2	94,525	\$8.46
No. 2	2.7 Miles	2501 Theatre Dr., Paso Robles, CA	3/6/2015	3.8	163,350	\$6.43
No. 3	3.0 Miles	Theatre Dr., Paso Robles, CA	2/5/2015	4.2	181,645	\$6.61
No. 4	0.1 Miles	Oak Hill Rd., Paso Robles, CA	12/30/2014	1.8	79,715	\$8.78
No. 5	22.7 Miles	1870 Londonberry Dr., Cambria, CA	3/25/2014	1.3	57,249	\$7.86

LAND SALES EXHIBITS

COMPARABLE 1

LOCATION INFORMATION

Name	Vacant Land
Address	Traffic Way
City, State, Zip Code	Arroyo Grande, CA, 93420
County	San Luis Obispo
MSA	San Luis Obispo-Paso Robles, CA
APN	007-621-079, 077, 078

SALE INFORMATION

Buyer	Harshad & Vina Panchal
Seller	Dorfman Homes Inc
TransactionDate	10/28/2015
Transaction Status	Recorded
Transaction Price	\$800,000
Analysis Price	\$800,000
Recording Number	55321
Rights Transferred	Fee Simple
Financing	All Cash
Conditions of Sale	Arms-Length
Marketing Time	74

PHYSICAL INFORMATION

Intended Use	Vacant Land	
Location	Average/Good	
Site Size	Acres	SF
Net	2.17	94,525
Gross	2.17	94,525
Zoning	D-2-11	
Shape	Rectangular	
Topography	Level	
Access	Average/Good	
Exposure	Average	
Corner	Yes	



VACANT LAND

ANALYSIS INFORMATION

Price	\$/Acre	\$/SF
Gross	\$368,664	\$8.46
Net	\$368,664	\$8.46

CONFIRMATION

Source	CoStar/Public Records
Date	02/22/2016

REMARKS

This is a 2.17-acre site situated along the corner of Traffic Way and E Cherry St in Arroyo Grande. It consists of three contiguous parcels of previously agricultural land. The surrounding uses include commercial and residential, while an agricultural site is located immediately to the east. The surrounding streets in this commercial and residential neighborhood are finished and utilities appear to be available; however, sidewalks and gutters are not improved at this site. The 101 Freeway is accessible immediately to the southeast of this site. The zoning permits commercial and mixed-use development.

COMPARABLE 2

LOCATION INFORMATION

Name	Vacant Land
Address	2501 Theatre Dr.
City, State, Zip Code	Paso Robles, CA, 93446
County	San Luis Obispo
MSA	San Luis Obispo-Paso Robles, CA
APN	009-851-003

SALE INFORMATION

Buyer	McMikle Family Living Trust
Seller	H & S Hospitality, LLC
TransactionDate	03/6/2015
Transaction Status	Recorded
Transaction Price	\$1,050,000
Analysis Price	\$1,050,000
Recording Number	9631
Rights Transferred	Fee Simple
Conditions of Sale	Arms-Length

PHYSICAL INFORMATION

Intended Use	Vacant Land	
Location	Average	
Site Size	Acres	SF
Net	3.75	163,350
Gross	3.75	163,350
Zoning	C2-PD	
Shape	L-shaped	
Topography	Level	
Access	Fair/Average	
Exposure	Fair	
Corner	No	



VACANT LAND

ANALYSIS INFORMATION

Price	<u>\$/Acre</u>	<u>\$/SF</u>
Gross	\$280,000	\$6.43
Net	\$280,000	\$6.43

CONFIRMATION

Source	CoStar/Public Records
Date	02/22/2016

REMARKS

This is a 3.75-acre site situated along Theatre Dr, between Hwy 46 and Nutwood Cir, in Paso Robles. With no direct street frontage, this site is situated behind, and shares access with, an auto repair facility. The surrounding uses along Theatre Dr are retail in nature, while rural residential uses are located immediately to the west. The site is generally level and is currently raw land. The zoning permits commercial and planned development. The potential use for this site is reported to be a self storage facility. On the same day as this transaction, the buyer also purchased the adjacent auto repair facility along Theatre Dr.

COMPARABLE 3

LOCATION INFORMATION

Name	Vacant Land
Address	Theatre Dr.
City, State, Zip Code	Paso Robles, CA, 93446
County	San Luis Obispo
MSA	San Luis Obispo-Paso Robles, CA
APN	009-851-018

SALE INFORMATION

Buyer	Templeton Properties
Seller	Yellowjacket LP
TransactionDate	02/5/2015
Transaction Status	Recorded
Transaction Price	\$1,200,000
Analysis Price	\$1,200,000
Recording Number	4876
Rights Transferred	Fee Simple
Conditions of Sale	Arms-Length

PHYSICAL INFORMATION

Intended Use	Vacant Land	
Location	Average	
Site Size	Acres	SF
Net	4.17	181,645
Gross	4.17	181,645
Zoning	C2-PD	
Shape	Flag	
Topography	Level	
Access	Average	
Exposure	Fair/Average	
Corner	No	



VACANT LAND

ANALYSIS INFORMATION

Price	<u>\$/Acre</u>	<u>\$/SF</u>
Gross	\$287,770	\$6.61
Net	\$287,770	\$6.61

CONFIRMATION

Source	CoStar/Public Records
Date	02/22/2016

REMARKS

This is a 4.17-acre site situated along Theatre Dr, between Hwy 46 and Nutwood Cir, in Paso Robles. It is located adjacent to a Target-anchored shopping center; however, with its flag shape, the usable portion of the site is situated behind several retail buildings. Street access is shared with these properties, and this site's street frontage is limited to the shared driveway. The surrounding uses along Theatre Dr are retail in nature, while rural residential uses are located immediately to the west. The site is generally level and is currently raw land. The zoning permits commercial and planned development. The potential use for this site is reported to be a self-storage facility.

COMPARABLE 4

LOCATION INFORMATION

Name The Highlands of Paso Robles
 Address Oak Hill Rd.
 City, State, Zip Code Paso Robles, CA, 93446
 County San Luis Obispo
 MSA San Luis Obispo-Paso Robles, CA
 APN 009-814-048

SALE INFORMATION

Buyer Wh Paso Robles 23 LLC
 Seller H & D Highlands LLC
 TransactionDate 12/30/2014
 Transaction Status Recorded
 Transaction Price \$700,000
 Analysis Price \$700,000
 Recording Number 55238
 Rights Transferred Fee Simple
 Financing All Cash
 Conditions of Sale Arms-Length



THE HIGHLANDS OF PASO ROBLES

ANALYSIS INFORMATION

Price	\$/Acre	\$/SF
Gross	\$382,514	\$8.78
Net	\$382,514	\$8.78

PHYSICAL INFORMATION

Intended Use Vacant Land
 Location Average
 Site Size Acres SF
 Net 1.83 79,715
 Gross 1.83 79,715
 Zoning RC
 Density 12.57 Units/Net Acre
 Shape Irregular
 Topography Slight slope
 Access Average
 Exposure Average
 Corner No

CONFIRMATION

Source CoStar/Public Records
 Date 02/22/2016

REMARKS

This is a 1.83-acre site situated along Oak Hill Rd, east of River Rd, in Paso Robles. The Woodland Plaza shopping center is within walking distance. The surrounding streets in this commercial and residential neighborhood are finished and utilities appear to be available. The site slopes slightly and is currently raw land. The zoning permits commercial and mixed-use development. This was an off-market transaction. At the time of sale, the site was approved for a 23-unit condominium project.

COMPARABLE 5

LOCATION INFORMATION

Name	Multifamily Land
Address	1870 Londonberry Dr.
City, State, Zip Code	Cambria, CA, 93428
County	San Luis Obispo
MSA	San Luis Obispo-Paso Robles, CA
APN	024-191-013, 062, 063

SALE INFORMATION

Buyer	Higuera Commons LLC
Seller	Pacific Western Bank
TransactionDate	03/25/2014
Transaction Status	Recorded
Transaction Price	\$450,000
Analysis Price	\$450,000
Recording Number	11243
Rights Transferred	Fee Simple
Financing	All Cash
Conditions of Sale	REO Sale
Marketing Time	30

PHYSICAL INFORMATION

Intended Use	Vacant Land	
Location	Average/Good	
Site Size	Acres	SF
Net	1.31	57,249
Gross	1.31	57,249
Zoning	RMF	
Density	10.69 Units/Net Acre	
Shape	Irregular	
Topography	Slope	
Access	Average	
Exposure	Average	
Corner	No	



MULTIFAMILY LAND

ANALYSIS INFORMATION

Price	\$/Acre	\$/SF
Gross	\$343,511	\$7.86
Net	\$343,511	\$7.86

CONFIRMATION

Name	Jason Hart
Company	Lee & Associates
Source	Seller's Broker
Date	08/27/2014

REMARKS

This is a 1.52-acre site consisting of non-contiguous parcels situated along Londonberry Dr and Green St in Cambria. Located in the Lodge Hill district, in the southwestern section of Cambria, Highway 1 is accessible roughly 0.25 miles to the north. The surrounding streets in this residential neighborhood generally lack sidewalks, gutters, and streetlights, although utilities appear to be available. The site slopes down to Green St and is currently raw land. The zoning permits multifamily residential development. At the time of sale, this site had conceptual plans for a 14-unit multifamily project.

LAND SALES ADJUSTMENT TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5
Name	Portion of Tract 2070 Open Space	Vacant Land	Vacant Land	Vacant Land	The Highlands of Paso Robles	Multifamily Land
Address	South of Niblick Road, along Nicklaus Street	Traffic Way	2501 Theatre Dr.	Theatre Dr.	Oak Hill Rd.	1870 Londonberry Dr.
Acres	0.19	2.17	3.75	4.17	1.83	1.31
SF	8,410	94,525	163,350	181,645	79,715	57,249
Location	Average	Average/Good	Average	Average	Average	Average/Good
Exposure	Average	Average	Fair	Fair/Average	Average	Average
Access	Average	Average/Good	Fair/Average	Average	Average	Average
Shape	Irregular	Rectangular	L-shaped	Flag	Irregular	Irregular
Site Utility Rating	Average	Average	Average	Average	Average	Average
Zoning	R3-10	D-2-11	C2-PD	C2-PD	RC	RMF
Topography	Sloping	Level	Level	Level	Slight slope	Slope

SALE INFORMATION

Date	10/28/2015	3/6/2015	2/5/2015	12/30/2014	3/25/2014
Status	Recorded	Recorded	Recorded	Recorded	Recorded
Rights Transferred	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Analysis Price	\$800,000	\$1,050,000	\$1,200,000	\$700,000	\$450,000
Price/Acre	\$368,664	\$280,000	\$287,770	\$382,514	\$343,511
Price/SF	\$8.46	\$6.43	\$6.61	\$8.78	\$7.86

TRANSACTIONAL ADJUSTMENTS

Property Rights	0%	0%	0%	0%	0%
Conditions of Sale	0%	0%	0%	0%	0%
Financing	0%	0%	0%	0%	0%
Market Conditions¹	0%	0%	0%	0%	0%
Subtotal Transactional Adj Price	\$8.46	\$6.43	\$6.61	\$8.78	\$7.86

PROPERTY ADJUSTMENTS

Location	-5%	0%	0%	0%	-5%
Size	0%	0%	0%	-5%	-5%
Exposure	0%	10%	5%	0%	0%
Access	-5%	5%	0%	0%	0%
Shape	0%	0%	5%	0%	0%
Site Utility Rating	0%	0%	0%	0%	0%
Zoning	0%	0%	0%	0%	0%
Topography	0%	0%	0%	0%	5%
Subtotal Property Adjustment	-10%	15%	10%	-5%	-5%
TOTAL ADJUSTED PRICE	\$7.61	\$7.39	\$7.27	\$8.34	\$7.47

STATISTICS	UNADJUSTED	ADJUSTED
LOW	\$6.43	\$7.27
HIGH	\$8.78	\$8.34
MEDIAN	\$7.06	\$7.47
AVERAGE	\$7.63	\$7.62

¹ Market Conditions Adjustment: 0%

Date of Value (for adjustment calculations): 2/24/16

LAND SALES ANALYSIS

Introduction

The comparable land sales indicate an adjusted value range from \$7.27 to \$8.34/SF, with a median of \$7.47/SF and an average of \$7.62/SF. The range of total gross adjustment applied to the comparables was from 5% to 15%, with an average gross adjustment across all comparables of 11%. The level of total adjustment applied to the comparables is considered minimal, an indication that the dataset is applicable to the subject and increases the credibility of the analysis. The adjustment process for each comparable land sale is discussed in the following paragraphs. As previously noted, the comparable land sales are analyzed in comparison to the subject's larger 7.11-acre parcel. This \$/SF indication is then applied to the net easement area. Additional adjustments are then made to determine the market value of the net easement area.

Discussion of Adjustments

Comparable 1 (\$7.61/SF as adjusted) did not require any transaction adjustments. With respect to property adjustments, this comparable features a superior coastal location and close freeway access. Overall, this comparable is rated superior and a net downward adjustment is warranted.

Comparable 2 (\$7.39/SF as adjusted) did not require any transaction adjustments. With respect to property adjustments, this comparable is inferior in terms of its lack of street exposure and indirect access. Overall, this comparable is rated inferior and a net upward adjustment is warranted.

Comparable 3 (\$7.27/SF as adjusted) did not require any transaction adjustments. With respect to property adjustments, this comparable features an inferior exposure with limited street frontage and an inferior flag shape. Overall, this comparable is rated inferior and a net upward adjustment is warranted.

Comparable 4 (\$8.34/SF as adjusted) did not require any transaction adjustments. With respect to property adjustments, the smaller size of this comparable is superior on a \$/SF basis due to an economies of scale. Overall, this comparable is rated superior and a net downward adjustment is warranted.

Comparable 5 (\$7.47/SF as adjusted) did not require any transaction adjustments. With respect to property adjustments, this comparable features a superior coastal location, and its smaller size is superior on a \$/SF basis. Overall, this comparable is rated superior and a net downward adjustment is warranted.

CALCULATION OF VALUE

The comparable land sales indicate an adjusted value range from \$7.27 to \$8.34/SF, with a median of \$7.47/SF and an average of \$7.62/SF. Based on the results of the preceding analysis, Comparable 1 (\$7.61/SF adjusted), Comparable 3 (\$7.27/SF adjusted), and Comparable 4 (\$8.34/SF adjusted) are given primary consideration for the subject's opinion of land value.

For the subject's larger parcel, an initial conclusion of \$7.75/SF is considered reasonable based on the data presented. To provide an indication of value for the net easement area, this conclusion is applied to 8,410 SF, which we have classified as surplus land in the table below. We must then, however, consider the physical characteristics unique to the net easement area. As noted, the net easement area lacks adequate street frontage for access and exposure, limiting its marketability relative to the comparable sales. Therefore, a downward adjustment to the value indication is warranted and -25% is concluded as reasonable. Further, the easement area has a steep, sloping topography that severely limits development without additional grading costs. For this reason, a rather significant downward adjustment is required and -50% is concluded.

The following table summarizes the analysis of the comparables, reports the reconciled price per square foot value conclusion, and presents the concluded value of the subject site.

CALCULATION OF LAND VALUE								
COMP	ANALYSIS PRICE	ADJUSTMENT				NET ADJ %	GROSS ADJ %	OVERALL COMPARISON
		TRANSACTIONAL ¹	ADJUSTED	PROPERTY ²	FINAL			
1	\$8.46	0%	\$8.46	-10%	\$7.61	-10%	10%	PRIMARY
2	\$6.43	0%	\$6.43	15%	\$7.39	15%	15%	SECONDARY
3	\$6.61	0%	\$6.61	10%	\$7.27	10%	10%	PRIMARY
4	\$8.78	0%	\$8.78	-5%	\$8.34	-5%	5%	PRIMARY
5	\$7.86	0%	\$7.86	-5%	\$7.47	-5%	15%	SECONDARY
LOW	\$7.27					AVERAGE		\$7.62
HIGH	\$8.34					MEDIAN		\$7.47
COMPONENT		SUBJECT SF		\$/SF CONCLUSION		VALUE		
Surplus		8,410		x \$7.75 =		\$65,000		
Access/Exposure Adjustment				-25%		(\$16,250)		
Topography Adjustment				-50%		(\$32,500)		
TOTAL ADJUSTED VALUE		8,410		\$1.90		\$16,000		

¹Cumulative ²Additive

Rounded to nearest \$1,000

LAND VALUE CONCLUSION

The Sales Comparison Approach was utilized for valuation of the subject site, as it best reflects the decision-making of buyers and sellers of land in the local marketplace. The purpose of this appraisal is to develop an opinion of the As-Is Market Value of the subject property's fee simple interest. The following table conveys the final opinion of market value of the subject property that is developed within this appraisal report:

Our opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

ANALYSIS OF VALUE CONCLUSIONS	
VALUATION INDICES	AS-IS MARKET VALUE
INTEREST APPRAISED	FEE SIMPLE
DATE OF VALUE	FEBRUARY 24, 2016
FINAL VALUE CONCLUSION	\$16,000
\$/SF	\$1.90/SF
Exposure Time	9 to 12 Months
Marketing Period	9 to 12 Months

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions of the signers are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- The signers of this report has no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- Brian Moslenko, MAI has performed no services, as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- The signers are not biased with respect to the property that is the subject of this report or to the parties involved with this assignment.
- The engagement in this assignment was not contingent upon developing or reporting predetermined results.
- The compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* and the *Code of Professional Ethics and Standards of Professional Appraisal Practice* of the Appraisal Institute.
- Brian Moslenko, MAI inspected the property that is the subject of this report. Kyle Sheng did not inspect the property that is the subject of this report.
- Kyle Sheng provided significant real property appraisal assistance to the appraisers signing the certification. Assistance included gathering, analyzing and reporting regional and local area information, and confirming and analyzing the subject's zoning and tax information.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report Brian Moslenko, MAI completed the continuing education program for Designated Members of the Appraisal Institute.

March 19, 2016
Date

Brian Moslenko, MAI
Valuation Services Director
Certified General Real Estate Appraiser
State of California License #AG043112
+1 949 751 2707
brian.moslenko@colliers.com

This appraisal is subject to the following assumptions and limiting conditions:

- The appraisers may or may not have been provided with a survey of the subject property. If further verification is required, a survey by a registered surveyor is advised.
- We assume no responsibility for matters legal in character, nor do we render any opinion as to title, which is assumed to be marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, under responsible ownership, and competent management.
- The exhibits in this report are included to assist the reader in visualizing the property. We have made no survey of the property and assume no responsibility in connection with such matters.
- Unless otherwise noted herein, it is assumed that there are no encroachments, zoning, or restrictive violations existing in the subject property.
- The appraisers assume no responsibility for determining if the property requires environmental approval by the appropriate governing agencies, nor if it is in violation thereof, unless otherwise noted herein.
- Information presented in this report has been obtained from reliable sources, and it is assumed that the information is accurate.
- This report shall be used for its intended purpose only, and by the party to whom it is addressed. Possession of this report does not include the right of publication.
- The appraisers may not be required to give testimony or to appear in court by reason of this appraisal, with reference to the property in question, unless prior arrangements have been made therefore.
- The statements of value and all conclusions shall apply as of the dates shown herein.
- There is no present or contemplated future interest in the property by the appraisers which is not specifically disclosed in this report.
- Without the written consent or approval of the authors neither all, nor any part of, the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media. This applies particularly to value conclusions and to the identity of the appraisers and the firm with which the appraisers are connected.
- This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the authors no portion of the report stands alone.
- The valuation stated herein assumes professional management and operation of the buildings throughout the lifetime of the improvements, with an adequate maintenance and repair program.
- The liability of Colliers International Valuation & Advisory Services, its principals, agents, and employees is limited to the client. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraisers are in no way responsible for any costs incurred to discover or correct any deficiency in the property.
- The appraisers are not qualified to detect the presence of toxic or hazardous substances or materials which may influence or be associated with the property or any adjacent properties, has made no investigation or analysis as to the presence of such materials, and expressly disclaims any duty to note the degree of fault. Colliers International Valuation & Advisory Services and its principals, agents, employees, shall not be liable for any costs, expenses, assessments, or penalties, or diminution in value, property

damage, or personal injury (including death) resulting from or otherwise attributable to toxic or hazardous substances or materials, including without limitation hazardous waste, asbestos material, formaldehyde, or any smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, solids or gasses, waste materials or other irritants, contaminants or pollutants.

- The appraisers assume no responsibility for determining if the subject property complies with the *Americans with Disabilities Act (ADA)*. Colliers International Valuation & Advisory Services, its principals, agents, and employees, shall not be liable for any costs, expenses, assessments, penalties or diminution in value resulting from non-compliance. This appraisal assumes that the subject meets an acceptable level of compliance with *ADA* standards; if the subject is not in compliance, the eventual renovation costs and/or penalties would negatively impact the present value of the subject. If the magnitude and time of the cost were known today, they would be reduced from the reported value conclusion.
- An on-site inspection of the subject property was conducted. No evidence of asbestos materials on-site was noted. A Phase 1 Environmental Assessment was not provided for this analysis. This analysis assumes that no asbestos or other hazardous materials are stored or found in or on the subject property. If evidence of hazardous materials of any kind occurs, the reader should seek qualified professional assistance. If hazardous materials are discovered and if future market conditions indicate an impact on value and increased perceived risk, a revision of the concluded values may be necessary.
- A detailed soils study was not provided for this analysis. The subject's soils and sub-soil conditions are assumed to be suitable based upon a visual inspection, which did not indicate evidence of excessive settling or unstable soils. No certification is made regarding the stability or suitability of the soil or sub-soil conditions.
- This analysis assumes that the financial information provided for this appraisal, including rent rolls and historical income and expense statements; accurately reflect the current and historical operations of the subject property.

- Professional Service Agreement
- Valuation Glossary
- Qualifications of Appraisers
- Qualifications of Colliers International Valuation & Advisory Services

PROFESSIONAL SERVICE AGREEMENT

COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES



3 Park Plaza, Suite 1200
Irvine, CA 92614
MAIN +1 949.751.2700
FAX +1 949.751.2777
WEB www.colliers.com/valuationadvisory

February 11, 2016

Brian Moslenko, MAI
Valuation Services Director
Direct +1 949.751.2707
brian.moslenko@colliers.com

Joe Collins
New Heritage Family Limited Partnership
#3 Ocean Bluff
Newport Coast, CA 92657
O: 949.494.3146 | C: 831.818.8999
jcmi@cox.net

RE: Appraisal of Alder Creek Easement

Dear Mr. Collins:

Thank you for considering Colliers International Valuation & Advisory Services, LLC for the assignment identified in the attached Professional Service Agreement. Please sign one copy of the agreement and return it to me, thereby indicating your authorization for us to proceed with this assignment and your acceptance of the attached Terms and Conditions.

PROFESSIONAL SERVICE AGREEMENT	
("Agreement")	
Project	Portion of Tract 2070 Open Space ("Property")
Location	South of Niblick Road, along Nicklaus Street, Paso Robles, CA (see attached maps for detail)
Project Description	The appraisal will value an 8,410 square foot portion of a 46,360 square foot open space easement within the Alder Creek development. The 8,410 square foot portion is proposed for abandonment by the City of Paso Robles.
Parties	Colliers International Valuation & Advisory Services, LLC ("CIVAS") and New Heritage Family Limited Partnership (herein at times referred to as "Client")
Intended User	The appraisal will be prepared for the Client. Intended users include the Client and the City of Paso Robles. No other users are intended. It should be noted that if this engagement is directly with the owner of the Property, typically the Appraisal may not be accepted by many federally insured lenders due to FIRREA Compliance, limiting the use of this report for many potential lenders. Should this potentially impact your source of lenders, we recommend engagement be directed by a Federally Insured Lender.
Intended Use	The report to be performed under this Agreement ("Appraisal") is intended only for use in setting the value of the subject property for the purpose of the proposed abandonment. The report is not intended for any other use.
Purpose	Market Value
Type of Appraisal	CIVAS will produce an Appraisal Report in which the appraiser's analysis and conclusions will be summarized within this document.
Rights Appraised	Fee Simple
Date of Value	Date of inspection

PROFESSIONAL SERVICE AGREEMENT

CONTINUED

Scope of Work	<p>CIVAS and/or its designated affiliate will provide the Appraisal in accordance with USPAP and the Code of Ethics and Certifications Standards of the Appraisal Institute and State Licensing Laws. CIVAS will inspect the property, research relevant market data, and perform analysis to the extent necessary to produce credible appraisal results. Based on our discussions with the Client, the Client has requested the following valuation scenarios: As Is. CIVAS anticipates developing the following valuation approaches:</p> <ul style="list-style-type: none"> › Sales Comparison Approach to Land Value <p>Please note if it's a requirement per your underwriting or guidelines to have all approaches to value, although some approaches may be limited in application.</p> <p>The scope of work will be included in the Appraisal. A copy of the Assumptions and Limiting Conditions, which appear in the Appraisal, is available upon request.</p>						
Delivery	<p>Draft Appraisal: Delivered three (3) weeks from the date of authorization and receipt of property specific information.</p> <p>Final Appraisal: Delivered three (3) days after completion of client review and authorization to deliver final report(s).</p>						
Professional Fee	<p>CIVAS professional fees are based on our experience with similar projects and the stated scope of work. The fee for the valuation and reporting portion of the assignment will not exceed \$6,500.</p> <p>Additional fees will apply for post valuation meetings, depositions, court appearances, council meetings, and prep time. The following hourly billing rates will be used in determining the additional fees billed:</p> <table style="margin-left: 40px;"> <tr> <td>Senior Valuation Services Director:</td> <td>\$450/hour</td> </tr> <tr> <td>Valuation Services Director:</td> <td>\$350/hour</td> </tr> <tr> <td>Valuation Assistant:</td> <td>\$175/hour</td> </tr> </table>	Senior Valuation Services Director:	\$450/hour	Valuation Services Director:	\$350/hour	Valuation Assistant:	\$175/hour
Senior Valuation Services Director:	\$450/hour						
Valuation Services Director:	\$350/hour						
Valuation Assistant:	\$175/hour						
Expenses	<p>Fees for the valuation and reporting portion include all associated expenses. Hourly fees do not include associated expenses and will be billed separately.</p>						
No. of Reports	<p>One (1) Electronic Draft Appraisal, One (1) Electronic Final Appraisal and Two (2) printed Color Final Appraisal (at the request of Client)</p>						
Retainer	<p>A retainer of \$3,000 is required prior to our proceeding.</p>						
Payment Terms	<p>CIVAS will invoice Client for the Appraisal in its entirety at the completion of the assignment. We will invoice you for any post valuation fees which have been completed at the end of each calendar month.</p> <p>Final payment is due and payable within five (5) business days upon delivery of the electronic copy of the Final Appraisal or within thirty (30) days of your receipt of our Draft Appraisal, whichever is sooner. If a Draft Appraisal is requested, the fee is considered earned upon delivery of our Draft Appraisal.</p>						
Acceptance Date	<p>These specifications are subject to modification if this Agreement is not accepted within 3 business days from the date of this letter.</p>						

Terms and Conditions

The attached Terms and Conditions and Specific Property Data Request are deemed a part of this Agreement as though set forth in full herein. The following is a list of information we will need to begin our analysis. Please forward with the Agreement or as soon as possible.

- | | |
|--|---|
| <ul style="list-style-type: none"> › Survey with Legal Description & Site Size › Title Report › Easement documents › Current County Property Tax Bill › Details on any Sale, Contract, or listing of the property in the past 3 years | <ul style="list-style-type: none"> › Engineering studies, soil tests or environmental assessments › Copy of recent Appraisals or Market Studies › Name and telephone number of property contact for physical inspection and additional information needed during the appraisal process › Property Contact _____ |
|--|---|

In addition to the items requested above, please forward any additional materials you would consider relevant in the analysis of the subject property.

The Appraisal is for the sole use of the Client and additional intended users; however, Client may provide only complete, final copies of the Appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with the abandonment efforts. CIVAS is not required to explain or testify as to appraisal results other than to respond to the Client for routine and customary questions. Please note that our consent to allow the Appraisal prepared by CIVAS or portions of such Appraisal, to become part of or be referenced in any public offering, the granting of such consent will be at our sole and absolute discretion and, if given, will be on condition that CIVAS will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to CIVAS, by a party satisfactory to CIVAS. CIVAS does consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide CIVAS with an Indemnification Agreement and/or Non-Reliance letter.

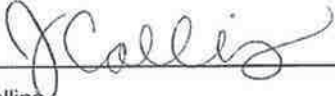
CIVAS hereby expressly grants to Client and other intended users the right to copy the Appraisal and distribute it to other parties in the transaction for which the Appraisal has been prepared, including employees of Client.

PROFESSIONAL SERVICE AGREEMENT

CONTINUED

Our ability to honor the terms of this Agreement will require Client's response within three (3) business days. If you have questions regarding the enclosed, please feel free to contact me. CIVAS appreciates this opportunity to be of service to you on this assignment and looks forward to serving you. If you have additional questions, please contact us.

I, Joe Collins, agree to the above stated terms and authorize Colliers International Valuation & Advisory Services, LLC to prepare the above referenced appraisal.

 _____ Date: 2/11/16

Joe Collins

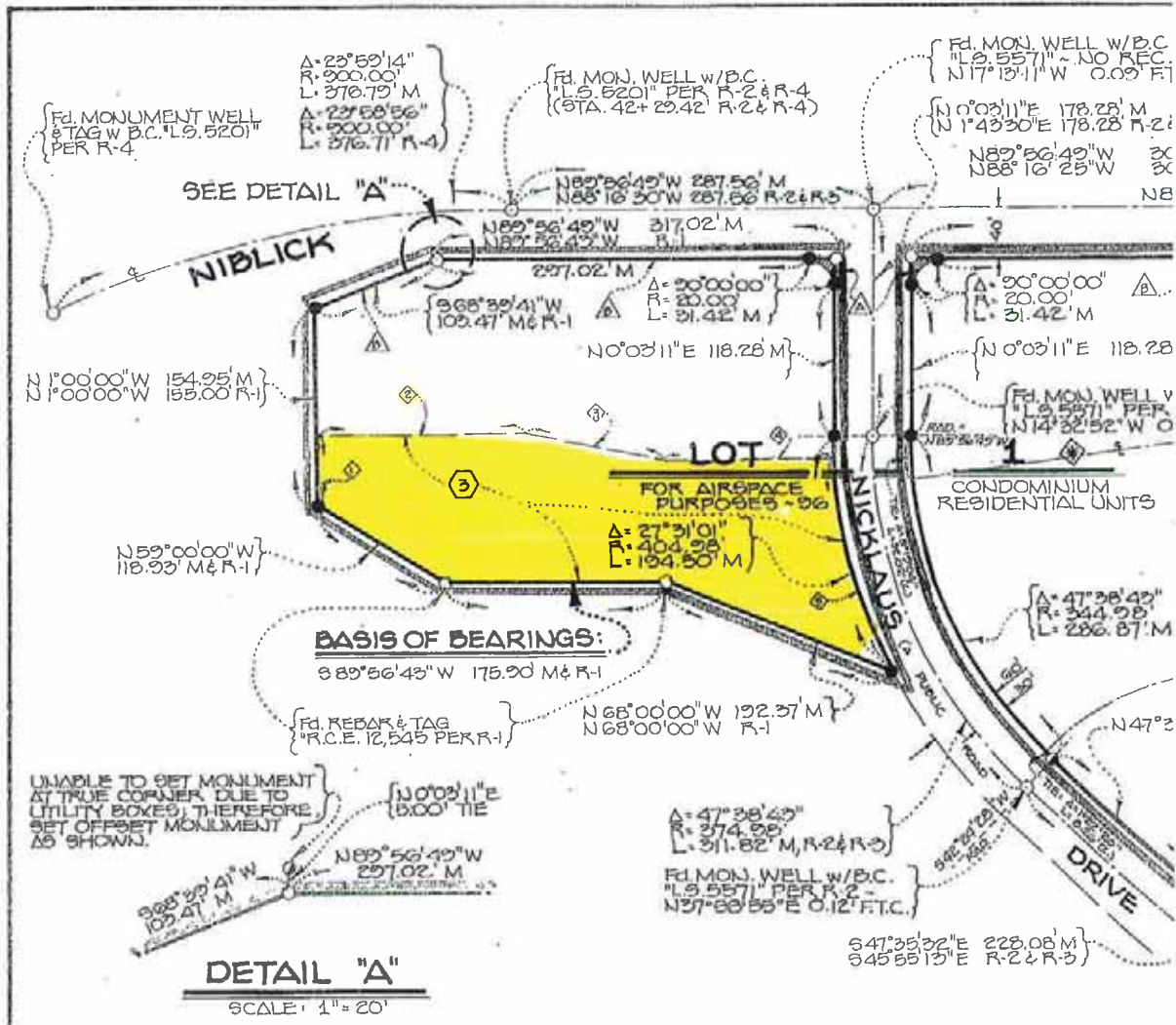
New Heritage Family Limited Partnership

Respectfully,

Colliers International Valuation & Advisory Services, LLC



Brian Moslenko, MAI
Valuation Services Director
Dir +1 949 751 2707 | Mobile +1 949 274 0500
brian.moslenko@colliers.com

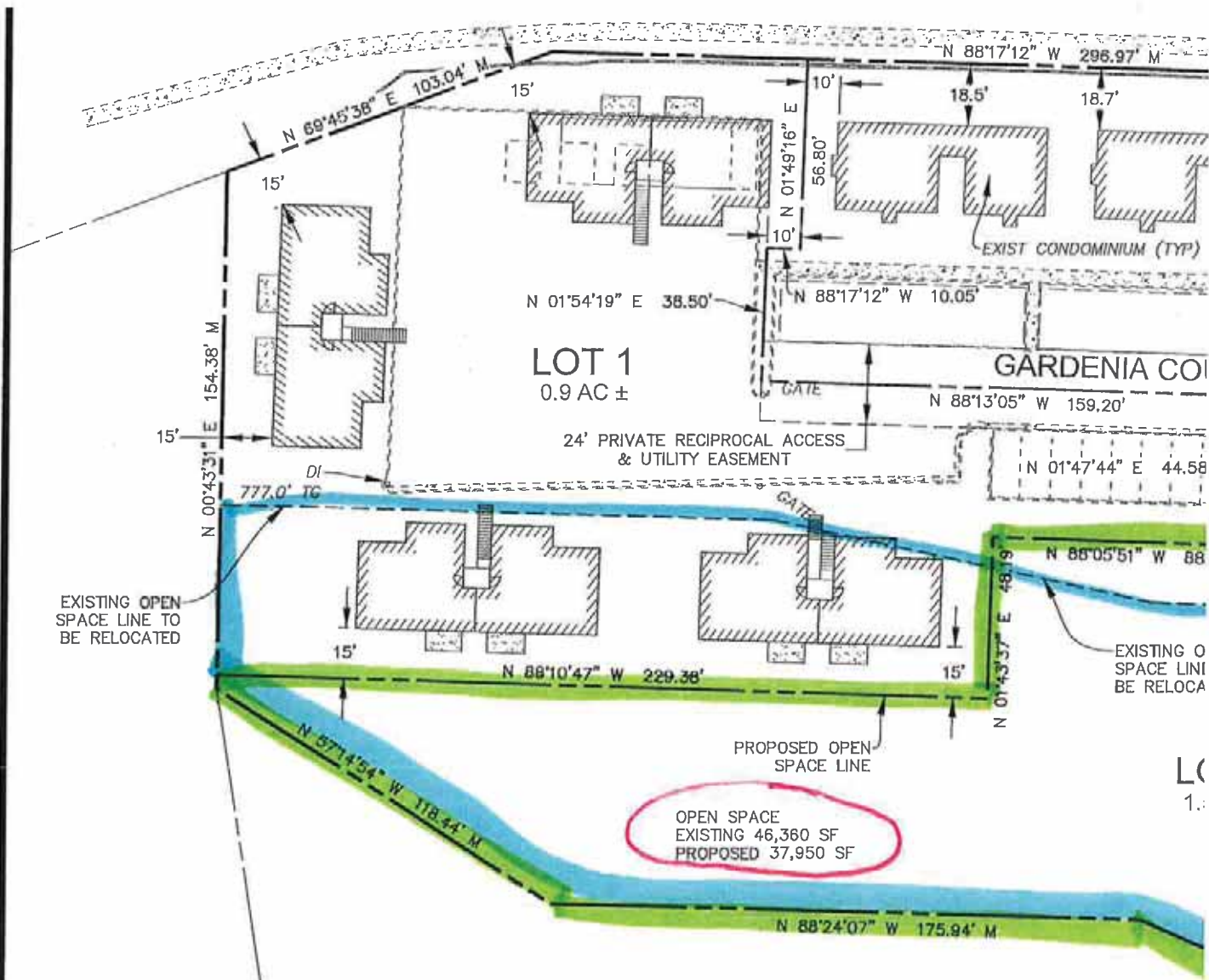


EASEMENT LEGEND:

- ① { 30' WIDE ESM'T. TO THE CITY OF PASO ROBLES FOR PUBLIC UTILITIES AND INCIDENTAL PURPOSES PER BOOK 2959, PAGE 725, O.R.
- ② { 10' WIDE ESM'T. FOR PUBLIC UTILITY PURPOSES PER BOOK 2959, PAGE 873, O.R. (NOT LOCATABLE FROM RECORD DATA)
- ③ { OPEN SPACE ESM'T. OFFERED TO THE CITY OF PASO ROBLES PER THIS MAP. (CALC. AREA = 1.06 AC.)
 - N 1°00'00" W 154.95'
 - N 89°56'43" E 175.90'
 - S 19°25'15" E 119.68'
 - N 69°56'43" E 193.28'
 - Δ 24°41'32"
 - R 404.98'
 - L 174.55'

OFFERS OF DEDICATION:

- △ OFFER TO DEDICATE IN FEE VARIABLE WIDTH RIGHT-OF-WAY (RETURN AREAS) FOR PUBLIC ROAD PURPOSES TO THE CITY OF PASO ROBLES PER THIS MAP.
- △ OFFER TO DEDICATE A 1' WIDE NON-ACCESS EASEMENT ALONG NIBLICK ROAD TO THE CITY OF PASO ROBLES PER THIS MAP.



OLD OPEN SPACE
 NEW OPEN SPACE



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CONTACT DETAILS

DIR +1 206 695 4200

FAX +1 206 682 7938

Colliers International
601 Union Street
Suite 4800
Seattle, WA 98101

www.colliers.com

These definitions were extracted from the following sources or publications:

The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015 (*Dictionary*).

Uniform Standards of Professional Appraisal Practice, 2016-2017 Edition (USPAP).

The Appraisal of Real Estate, Fourteenth Edition, Appraisal Institute, Chicago, Illinois, 2013 (*14th Edition*).

Marshall Valuation Service, Marshall & Swift, Los Angeles, California (*MVS*).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. (*Dictionary*)

Ad Valorem Tax

A real estate tax based on the assessed value of the property, which is not necessarily equivalent to its market value. (*14th Edition*)

Aggregate of Retail Values (ARV)

The sum of the separate and distinct market value opinions for each of the units in a condominium; subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as sold together in a single transaction; it is simply the total of the individual market value conclusions. Also called *sum of the retail values*. (*Dictionary*)

Arm's-length Transaction

A transaction between unrelated parties who are each acting in his or her own best interest. (*Dictionary*)

As-Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (*Dictionary*)

Assessed Value

The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value. (*14th Edition*)

Average Daily Room Rate (ADR)

In the lodging industry, the net rooms revenue derived from the sale of guest rooms divided by the number of paid occupied rooms. (*Dictionary*)

Band of Investment

A technique in which the capitalization rates attributable to components of an investment are weighted and combined to derive a weighted-average rate attributable to the total investment. (*Dictionary*)

Cash-Equivalent Price

The price of a property with nonmarket financing expressed as the price that would have been paid in an all-cash sale. (*Dictionary*)

Common Area

The total area within a property that is not designed for sale or rental but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities. (*Dictionary*)

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601 Union Street
Suite 4800
Seattle, WA 98101

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Contract Rent

The actual rental income specified in a lease. *(14th Edition)*

Cost Approach

A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive; deducting depreciation from the total cost; and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised. *(14th Edition)*

Curable Functional Obsolescence

An element of depreciation; a curable defect caused by a flaw in the structure, materials, or design, which can be practically and economically corrected. *(Dictionary)*

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service, which measures the relative ability of a property to meet its debt service out of net operating income; also called *debt service coverage ratio (DSCR)*. *(Dictionary)*

Deferred Maintenance

Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of a property. *(Dictionary)*

Depreciation

In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date. *(Dictionary)*

Direct Costs

Expenditures for the labor and materials used in the construction of improvements; also called *hard costs*. *(Dictionary)*

Discounted Cash Flow (DCF) Analysis

The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate. *(Dictionary)*

Discount Rate

A rate of return on capital used to convert future payments or receipts into present value; usually considered to be a synonym for *yield rate*. *(Dictionary)*

Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider their best interests.
7. An adequate marketing effort will be made during the exposure time.

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601 Union Street
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8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.

9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms. *(Dictionary)*

Easement

The right to use another's land for a stated purpose. Access or right-of-way easements may be acquired by private parties or public utilities. Governments may be the beneficiaries of easements placed on privately owned land that is dedicated to conservation, open space, or preservation. *(14th Edition)*

Economic Life

The period over which improvements to real property contribute to property value. *(Dictionary)*

Effective Age

The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age. *(Dictionary)*

Effective Date

The date on which the appraisal or review opinion applies (SVP) *(Dictionary)*

Effective Gross Income (EGI)

The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income. *(Dictionary)*

Effective Gross Income Multiplier (EGIM)

The ratio between the sale price (or value) of a property and its effective gross income. *(Dictionary)*

Effective Rent

The rental rate net of financial concessions such as periods of free rent during the lease term and above or below-market tenant improvements (TIs). *(14th Edition)*

Eminent Domain

The right of government to take private property for public use upon the payment of just compensation. The Fifth Amendment of the U.S. Constitution, also known as the *takings clause*, guarantees payment of just compensation upon appropriation of private property. *(Dictionary)*

Entrepreneurial Incentive

The amount an entrepreneur expects to receive for his or her contribution to a project. Entrepreneurial incentive may be distinguished from entrepreneurial profit (often called *developer's profit*) in that it is the expectation of future profit as opposed to the profit actually earned on a development or improvement. *(Dictionary)*

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DIR +1 206 695 4200
FAX +1 206 682 7938

Colliers International
601 Union Street
Suite 4800
Seattle, WA 98101

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Entrepreneurial Profit

A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses. *(Dictionary)*

Excess Land

Land that is not needed to serve or support the existing improvement. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. *(Dictionary)*

Excess Rent

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties. Due to the higher risk inherent in the receipt of excess rent, it may be calculated separately and capitalized or discounted at a higher rate in the income capitalization approach. *(14th Edition)*

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying any operating expenses above a stated level or amount. *(Dictionary)*

Exposure Time

The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; Comment: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market. *(Dictionary)*

External Obsolescence

A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be temporary or permanent. *(Dictionary)*

Extraordinary Assumption

An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The appraiser has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions. (USPAP)

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Colliers International
601 Union Street
Suite 4800
Seattle, WA 98101

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Fair Market Value

In nontechnical usage, a term that is equivalent to the contemporary usage of *market value*.

As used in condemnation, litigation, income tax, and property tax situations, a term that is similar in concept to market value but may be defined explicitly by the relevant agency. (*Dictionary*)

Feasibility Analysis

A study of the cost-benefit relationship of an economic endeavor. (*USPAP*)

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat. (*Dictionary*)

Floor Area Ratio (FAR)

The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area. (*Dictionary*)

Functional Obsolescence

The impairment of functional capacity of improvements according to market tastes and standards. (*Dictionary*)

Functional Utility

The ability of a property or building to be useful and to perform the function for which it is intended according to current market tastes and standards; the efficiency of a building's use in terms of architectural style, design and layout, traffic patterns, and the size and type of rooms. (*Dictionary*)

Furniture, Fixtures, and Equipment (FF&E)

Business trade fixtures and personal property, exclusive of inventory. (*Dictionary*)

Going-concern

An established and operating business having an indefinite future life. (*Dictionary*)

Going-concern Value

An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of the going concern or market value of the total assets of the business*. (*Dictionary*)

Gross Building Area (GBA)

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved. (*Dictionary*)

Gross Leasable Area (GLA) - Commercial

Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces. (*Dictionary*)

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Colliers International
601 Union Street
Suite 4800
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Gross Living Area (GLA) - Residential

Total area of finished, above-grade residential area; calculated by measuring the outside perimeter of the structure and includes only finished, habitable, above-grade living space. (Finished basements and attic areas are not generally included in total gross living area. Local practices, however, may differ.) (*Dictionary*)

Highest & Best Use

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for that asset when formulating the price that it would be willing to bid (IVS). (*Dictionary*)

Hypothetical Condition

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (*USPAP*)

Income Capitalization Approach

In the income capitalization approach, an appraiser analyzes a property's capacity to generate future benefits and capitalizes the income into an indication of present value. The principle of anticipation is fundamental to this approach. Techniques and procedures from this approach are used to analyze comparable sales data and to measure obsolescence in the cost approach. (*14th Edition*)

Incurable Functional Obsolescence

An element of depreciation; a defect caused by a deficiency or superadequacy in the structure, materials, or design that cannot be practically or economically corrected as of the effective date of the appraisal. (*Dictionary*)

Indirect Costs

Expenditures or allowances for items other than labor and materials that are necessary for construction, but are not typically part of the construction contract. Indirect costs may include administrative costs, professional fees, financing costs and the interest paid on construction loans, taxes and the builder's or developer's all-risk insurance during construction, and marketing, sales, and lease-up costs incurred to achieve occupancy or sale. Also called *soft costs*. (*Dictionary*)

Insurable Replacement Cost

The cost estimate, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design and layout for insurance coverage purposes guaranteeing that damaged property is replaced with a new property (i.e., depreciation is not deducted). (*Dictionary*)

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Seattle, WA 98101

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Interim Use

The temporary use to which a site or improved property is put until a different use becomes maximally productive. *(Dictionary)*

Investment Value

The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. *(Dictionary)*

Liquidation Value

The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.

9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms. *(Dictionary)*

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversion right when the lease expires. *(Dictionary)*

Leasehold Interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. *(Dictionary)*

Legally Nonconforming Use

A use that was lawfully established and maintained, but no longer conforms to the use regulations of its current zoning; also known as a *grandfathered use*. *(Dictionary)*

Market Area

The geographic region from which a majority of demand comes and in which the majority of competition is located. Depending on the market, a market area may be further subdivided into components such as primary, secondary, and tertiary market areas. *(Dictionary)*

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs). *(14th Edition)*

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DIR +1 206 695 4200
FAX +1 206 682 7938

Colliers International
601 Union Street
Suite 4800
Seattle, WA 98101

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Market Study

An analysis of the market conditions of supply, demand, and pricing for a specific property type in a specific area. (*Dictionary*)

Market Value (Interagency Guidelines)

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(Interagency Appraisal and Evaluation Guidelines, December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472)

Marketability Analysis

The study of how a specific property is expected to perform in a specific market. A marketability analysis expands on a market analysis by addressing a specific property. (*Dictionary*)

Neighborhood Analysis

The objective analysis of observable or quantifiable data indicating discernible patterns of urban growth, structure, and change that may detract from or enhance property values; focuses on four sets of considerations that influence value: social, economic, governmental, and environmental factors. (*Dictionary*)

Net Operating Income (NOI)

The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. Note: This definition mirrors the convention used in corporate finance and business valuation for EBITDA (earnings before interest, taxes, depreciation, and amortization). (*14th Edition*)

Obsolescence

One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external. (*Dictionary*)

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Off-site Costs

Costs incurred in the development of a project, excluding on-site costs such as grading and construction of the building and other improvements; also called *common costs* or *off-site improvement costs*. (*Dictionary*)

On-site Costs

Costs incurred for the actual construction of buildings and improvements on a particular site. (*Dictionary*)

Overage Rent

The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakeven sales volume. (*14th Edition*)

Overall Capitalization Rate (OAR)

The relationship between a single year's net operating income expectancy and the total property price or value. (*Dictionary*)

Parking Ratio

The ratio of parking area or parking spaces to an economic or physical unit of comparison. Minimum required parking ratios for various land uses are often stated in zoning ordinances. (*Dictionary*)

Potential Gross Income (PGI)

The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. (*Dictionary*)

Potential Gross Income Multiplier (PGIM)

The ratio between the sale price (or value) of a property and its annual potential gross income. (*Dictionary*)

Present Value (PV)

The value of a future payment or series of future payments discounted to the current date or to time period zero. (*Dictionary*)

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy. (*Dictionary*)

Qualitative Adjustment

An indication that one property is superior, inferior, or the same as another property. Note that the common usage of the term is a misnomer in that an adjustment to the sale price of a comparable property is not made. Rather, the indication of a property's superiority or inferiority to another is used in relative comparison analysis, bracketing, and other forms of qualitative analysis. (*Dictionary*)

Quantitative Adjustment

A numerical (dollar or percentage) adjustment to the indicated value of the comparable property to account for the effect of a difference between two properties on value. (*Dictionary*)

Rentable Area

The amount of space on which the rent is based; calculated according to local practice. (*Dictionary*)

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Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. (*Dictionary*)

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building. (*Dictionary*)

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." (*Dictionary*)

Sales Comparison Approach

The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or

Scope of Work

The type and extent of research and analysis in an appraisal or appraisal review assignment. Scope of work includes, but is not limited to:

The extent to which the property is identified;

The extent to which tangible property is inspected;

The type and extent of data researched; and

The type and extent of analysis applied to arrive at opinions or conclusions. (*USPAP*)

Shopping Center Types

Neighborhood Shopping Center: The smallest type of shopping center, generally with a gross leasable area of between 30,000 and 100,000 square feet. Typical anchors include supermarkets. Neighborhood shopping centers offer convenience goods and personal services and usually depend on a market population support of 3,000 to 40,000 people.

Community Shopping Center: A shopping center of 100,000 to 400,000 square feet that usually contains one junior department store, a variety store, discount or department store. A community shopping center generally has between 20 and 70 retail tenants and a market population support of 40,000 to 150,000 people.

Regional Shopping Center: A shopping center of 300,000 to 900,000 square feet that is built around one or two full-line department stores of approximately 200,000 square feet each plus small tenant spaces. This type of center is typically supported by a minimum population of 150,000 people.

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CONTACT DETAILS

DIR +1 206 695 4200

FAX +1 206 682 7938

Colliers International
601 Union Street
Suite 4800
Seattle, WA 98101

www.colliers.com

Shopping Center Types (cont.)

Super-Regional Center: A large center of 600,000 to 2.0 million square feet anchored by three or more full-line department stores. This type of center is typically supported by a population area of 300,000 people. (*14th Edition*)

Superadequacy

An excess in the capacity or quality of a structure or structural component; determined by market standards. (*Dictionary*)

Surplus Land

Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. (*Dictionary*)

Tenant Improvements (TIs)

1. Fixed improvements to the land or structures installed for use by a lessee.
2. The original installation of finished tenant space in a construction project; subject to periodic change for succeeding tenants. (*Dictionary*)

Triple Net Lease

An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management. Also called *NNN*, *triple net lease*, or *fully net lease*. (*Dictionary*)

Usable Area

The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas. (*Dictionary*)

Useful Life

The period of time over which a structure or a component of a property may reasonably be expected to perform the function for which it was designed. (*Dictionary*)

Vacancy and Collection Loss

A deduction from potential gross income (PGI) made to reflect income deductions due to vacancies, tenant turnover, and non-payment of rent; also called *vacancy and credit loss* or *vacancy and contingency loss*. (*Dictionary*)

Yield Capitalization

A method used to convert future benefits into present value by 1) discounting each future benefit at an appropriate yield rate, or 2) developing an overall rate that explicitly reflects the investment's income pattern, holding period, value change, and yield rate. (*Dictionary*)



Brian S. Moslenko, MAI

VALUATION SERVICES DIRECTOR
Valuation & Advisory Services



brian.moslenko@colliers.com

EDUCATION AND QUALIFICATIONS

University of Southern California, Bachelor of Science in Business Administration, with an emphasis in Entrepreneurship

STATE CERTIFICATION

California

CONTACT DETAILS

DIR +1 949 751 2707
FAX +1 949 751 2777

Colliers International
3 Park Plaza, Suite 1200
Irvine, CA 92614

www.colliers.com

Brian S. Moslenko is a Valuation Services Director with Colliers International Valuation & Advisory Services. Located in Southern California, he is a Certified General Appraiser with over 10 years of real estate appraisal and consulting experience throughout several states. Mr. Moslenko is a member of the Appraisal Institute, the highest designation for commercial property appraisal.

Mr. Moslenko has extensive experience providing real estate appraisals and consultations for financial institutions, developers, individual and corporate property owners, and attorneys, among others. His appraisal experience encompasses a wide variety of property types including office buildings, retail buildings, shopping centers, restaurants, gas stations/truck stops, industrial buildings, distribution warehouses, truck terminals, business parks, various types of condominiums, multifamily residential, mixed-use developments, hotels, religious facilities, schools, various types of land, proposed developments, self-storage facilities, hospitals, medical offices, independent living, assisted living and skilled nursing facilities, CCRCs, GSA-leased properties, net-leased properties, ground leases, and leasehold interests.

EXPERIENCE

Valuation Services Director, Colliers International Valuation & Advisory Services (Irvine, CA)

Appraiser, CB Richard Ellis, Inc. (Newport Beach, CA)

Research Coordinator/Market Analyst, CB Richard Ellis, Inc. (Newport Beach, CA)

PROFESSIONAL MEMBERSHIPS AND ACCREDITATIONS

Member of the Appraisal Institute (MAI)

APPRAISAL INSTITUTE COURSES

- Advanced Applications
- Advanced Income Capitalization
- Advanced Sales & Cost Approaches
- General Appraiser Report Writing and Case Studies
- General Appraiser Income Capitalization I&II
- Business Practices & Ethics
- General Appraiser Sales Comparison Approach
- General Appraiser Site Valuation and Cost Approach
- General Appraiser Market Analysis and Highest & Best Use
- Federal and California Statutory and Regulatory Law
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OTHER RELATED APPRAISAL COURSES AND SEMINARS

- Real Estate Appraisal
- USPAP
- Statistics, Modeling & Finance
- Office Building Valuation: A Contemporary Perspective
- Current Issues Regarding Appraisals of Senior Housing and Long-Term Care Properties
- Value of Land in Southern California





Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Brian S. Moslenko

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

“Certified General Real Estate Appraiser”

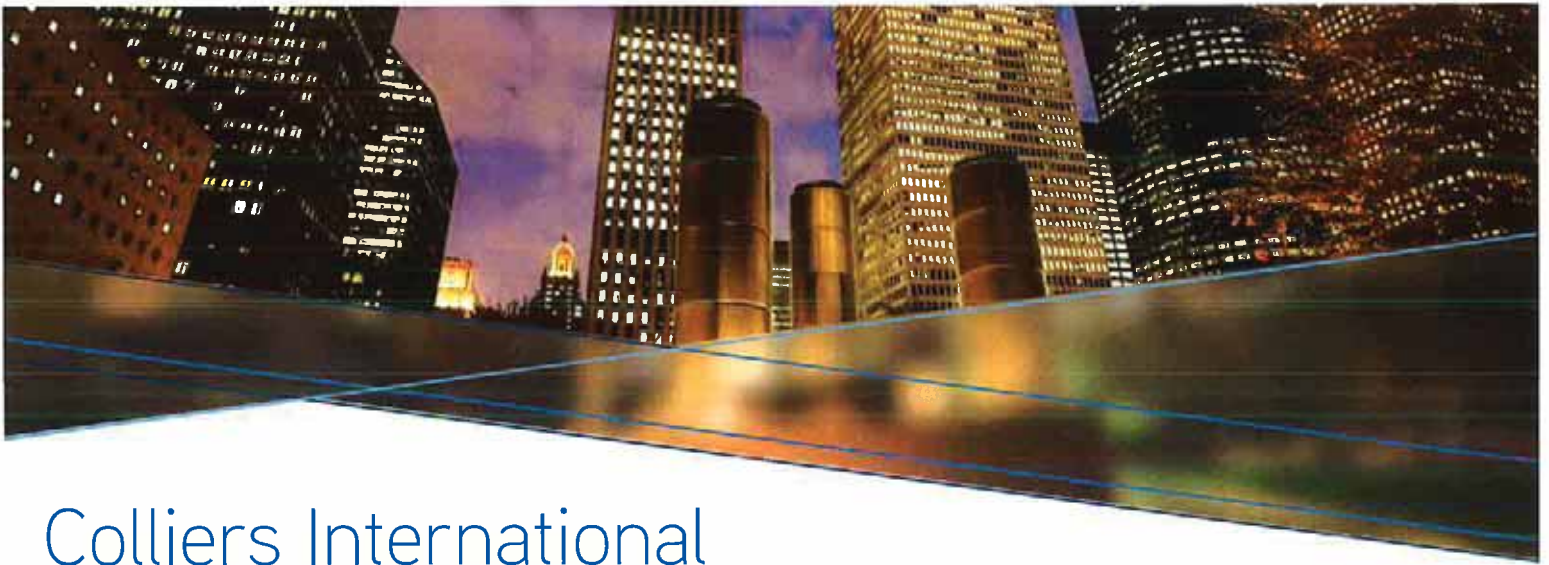
This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 043112

Effective Date: September 28, 2015
Date Expires: September 27, 2017


Jim Martin, Bureau Chief, BREA

3023796



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Attachment 7

June 22, 2016

MEMORANDUM

Transmitted via e-mail

To: Susan DeCarli, City of El Paso de Robles

From: Iris Priestaf, PhD, President, and Kate White, PE, Senior Engineer

Re: Water Supply Evaluation for the Alder Creek Apartment Project, Paso Robles, California

Todd Groundwater was asked by the City of Paso Robles to prepare an abbreviated Water Supply Evaluation (WSE) for the Alder Creek Apartment Project. The Project consists of 16 new two-bedroom apartments in 4 four-plex buildings located east of US 101 and south of Highway 46 at the intersection of Nicklaus Street and Niblick Road in Paso Robles. The new buildings would be built on the west side of the existing Alder Creek Apartment complex on a paved area originally intended for RV parking. The City will provide potable water supply and wastewater collection to the Project.

The current Alder Creek Apartment complex consists of 96 one- and two-bedroom units on 8.07 acres. The complex also has a swimming pool, laundry, and children's activity center. The new buildings would be built on a one acre parcel created from the 8.07 acre parcel.

A General Plan amendment is needed to increase the density of the one acre parcel from 10 units per acre to 16 units per acre. The City of Paso Robles requires that certain California Environmental Quality Act (CEQA) documents (e.g., an Environmental Impact Report or Mitigated Negative Declaration) be informed by an independent evaluation of the project's water supply needs and impacts on the City's water supply as set forth in the City's 2015 Urban Water Management Plan (UWMP). This requirement applies to all general plan amendments that propose an increase in residential, commercial, and/or industrial intensity and all annexations that had not been approved by the City Council as of January 1, 2014. Each independent evaluation is to be prepared by a consultant of the City's choice based on demonstrated competence in water supply evaluation and familiarity with the UWMP. The City will determine the scope of work for the evaluation, which may include elements specified in California Water Code Sections 10910 et seq.

The California Water Code Section 10910 (also termed Senate Bill 610 or SB610) requires that a Water Supply Assessment be prepared for a project that is subject to the CEQA and is considered a project subject to SB610 as defined in Water Code Section 10912. The Alder Creek Apartment Project is subject to CEQA, but is not subject to SB610 according to Water Code Section 10912. Therefore, this analysis (required under the City's CEQA rules and regulations) is a water supply *evaluation* (WSE) rather than a water supply *assessment*. This WSE provides a comparison of water supply and demand to form the basis for an assessment of water supply sufficiency. The analysis extends to 2045 and is based on supply and demand projections provided in the City of Paso Robles Draft 2015 UWMP.

Project Water Demands

To estimate Project water demand, average water use of the 96 existing one- and two-bedroom apartments was reviewed and is summarized below.

2013 = 0.20 AFY/apartment

2014 = 0.18 AFY/apartment

2015 = 0.15 AFY/apartment

The water use data are from the City's water department and include water used for landscape irrigation. There are currently 18 one-bedroom apartments and 78 two-bedroom apartments. The Project applicant provided water use for a four-unit building of two-bedroom apartments for the June 2015 - May 2016 time period.

June 2015-July 2016 = 0.13 AFY (719 Gardenia Circle)

Recent water use is lower reflecting City-mandated outdoor water use restrictions and other conservation programs in response to the State-mandated water use restrictions. It is anticipated that water use will increase from current levels once drought conditions cease and mandatory water use restrictions are no longer in place. The City's 2015 UWMP bases its demand projections on consumption data for 2013, the most recent dry year prior to State-mandated water restrictions and year-round enforcement of the City's mandatory landscape irrigation restrictions. The 2015 UWMP used 0.22 AFY for multifamily units.

Representative Project water demands were estimated to be 0.20 AFY/apartment which is the 2013 Alder Creek Apartment water usage. This unit rate is slightly lower than the one used for 2015 UWMP multifamily unit projections (0.22 AFY) because the Project will have water efficient fixtures and drought tolerant landscaping. Total Project water use is summarized below.

Project Buildout Water Demand

16 Proposed Apartments @ 0.20 AFY = 3.2 AFY

City Water Demands and Supply

The City has relied on groundwater from the Paso Robles Groundwater Basin, water from the Salinas River, and more recently, Nacimiento water. The City has fulfilled water demand in years that have included both extreme dry years (such as 2013) and prolonged severe drought extending over seven years (1984-1990). Recycled water is planned for the future. Discussion of current and projected City water demands and supplies has recently been updated and documented in the City's 2015 UWMP and will not be repeated here. The UWMP can be found on the City's website:

<http://www.prcity.com/government/departments/publicworks/water/uwmp.asp>

The table on the next page summarizes projected population and water demands to buildout and the supplies projected to be used to meet those demands.

	2020	2025	2030	2035	2040	Buildout (2045 or later)
Population	32,300	34,400	37,700	39,900	41,900	44,000
Water Demands (AFY)	7,089	7,575	8,061	8,546	9,032	9,519
Water Supply Sources to Meet Demands (AFY)						
Basin Wells	2,600	2,506	2,602	2,124	2,610	2,200
River Wells	3,100	3,500	3,800	4,558	4,558	4,558
Nacimiento Water from Water Treatment Plant	1,120	1,120	1,120	1,120	1,120	2,017
Nacimiento Water from the Recovery Well	269	269	269	269	269	269
Recycled Water for Potable Offset	0	180	270	475	475	475
Total Supply	7,089	7,575	8,061	8,546	9,032	9,519

Note: Supply amounts shown above do not reflect total supply available to the City from each source, nor do they reflect any limits on the City's groundwater rights, but instead the water planned to supply projected demand.

Comparison of Supply and Demand

To determine water supply sufficiency, water supply assessments must include a comparison of supply and demand during normal, single dry and multiple dry years during a 20-year projection. The tables below compare City supply and demand projections in five year increments between 2020 and buildout (anticipated to occur after 2045) for normal and dry climatic years. These tables are based on 2015 UWMP tables.

General Plan Amendment 2012-002 takes vacancy rates into account and identifies water supply associated with 594 dwelling units citywide as available to assign to development. These units are incorporated into the 2015 UWMP water demand and supply projections. If approved, the Alder Creek Apartments would be part of the 594 available units and thus included in the UWMP projections.

Normal Year Supply and Demand Comparison						
AFY	2020	2025	2030	2035	2040	Buildout (2045 or later)
Supply totals	7,089	7,575	8,061	8,546	9,032	9,519
Demand totals	7,089	7,575	8,061	8,546	9,032	9,519
Difference	0	0	0	0	0	0
Note: Supply totals are the supply that will be used to meet demands.						

Single Dry and Multiple Dry Year Supply and Demand Comparison						
AFY	2020	2025	2030	2035	2040	Buildout (2045 or later)
Supply totals	7,089	7,575	8,061	8,546	9,032	9,519
Demand totals	7,089	7,575	8,061	8,546	9,032	9,519
Difference	0	0	0	0	0	0
Note: Water use would be the same in a drought year as in a normal year because water restrictions would limit any additional use of irrigation water in response to drought conditions. Supply totals are the supply that will be used to meet demands.						

Conclusions

The findings of this brief WSE are summarized below.

- The proposed Alder Creek Apartment Project will consist of 16 two-bedroom apartments in 4 four-plex buildings.
- Buildout water use of the Project is estimated at 3.2 AFY of City-supplied potable water.
- The City-supplied potable water supply for this Project is included in the 2015 UWMP through the City's General Plan Amendment 2012-002 which takes vacancy rates into account and identifies water supply associated with 594 dwelling units citywide as available to assign to development.

In conclusion:

The City has adequate potable supply to provide a reliable long-term water supply for the Project under normal and drought conditions.

Attachment 8

DRAFT RESOLUTION A

**A RESOLUTION OF THE PLANNING COMMISSION
OF THE CITY OF EL PASO DE ROBLES RECOMMENDING THE CITY COUNCIL
ADOPT A MITIGATED NEGATIVE DECLARATION FOR
GENERAL PLAN AMENDMENT 15-003, REZONE 15-002,
VESTING TENTATIVE TRACT MAP 3080 AND PLANNED DEVELOPMENT 15-003
APPLICANT –NEW HERITAGE LP/JOE COLLINS
ALDER CREEK APARTMENTS EXPANSION - APN: 009-767-049**

WHEREAS, New Heritage, LP/ Joe Collins, (the “Applicant”), has filed an application requesting consideration of the following entitlements in connection with the proposed expansion of the Alder Creek Apartment complex, (the “Project”):

- **General Plan Amendment (GPA 15-003):** Amend the General Plan Land Use Element Map to re-designate approximately 1.50 acres of land from Residential Multi-Family Low Density, (RMF-8) to Residential Multi-Family High Density (RMF-20), and re-designate approximately 0.9 acres of land from Residential Multi-Family Low Density, (RMF-8) to Parks and Open Space (POS).
- **Zoning Amendment (RZ 15-002):** Amend the existing Residential Multi-Family (R3-10) zoning on approximately 1.50 acres of land to R-5, and rezone approximately 0.9 acres of land from R3-10 to Open Space (OS).
- **Vesting Tentative Tract Map (VTTM 3080):** Subdivide Lot 1 of Tract 2070, to create VTTM 3080, Lots 1 - 3. The existing Tract 2070 includes 96 airspace condominiums.
- **Planned Development (PD 15-003):** To construct four (4) new buildings, each with four (4) 2-bedroom units for a total of 16 new apartment units.

WHEREAS, pursuant to the Statutes and Guidelines of the California Environmental Quality Act (CEQA), Public Resources Code, Section 21000, et seq., and the City’s Procedures for Implementing CEQA, an Initial Study and a Draft Mitigated Negative Declaration (“MND”) was prepared for the Project and circulated for a 20-day public review period beginning on June 24, 2016 through July 12, 2016. The Draft MND/Initial Study dated July 12, 2016 is on file at the Paso Robles Community Development Department and available on line at: <http://www.prcity.com/government/departments/commdev/>; and

WHEREAS, mitigation measures have been incorporated into the MND and will be imposed on the Project through the City’s adoption of a Mitigation Monitoring and Reporting Program (MMRP) in compliance with CEQA Guideline 15074(d). These mitigation measures are imposed on the Project

to address potential environmental effects from: air quality; transportation, and noise. With the implementation of this mitigation, all potential environmental effects will be reduced to a less than significant level; and

WHEREAS, mitigation measures set forth in the MMRP are specific and enforceable. The MMRP adequately describes implementation procedures, monitoring responsibility, reporting actions, compliance schedule, and verification of compliance in order to ensure that the Project complies with the adopted mitigation measures; and

WHEREAS, the mitigation measures contained in the MMRP will also be imposed as enforceable conditions of approval of the Project; and

WHEREAS, the applicant has executed a Mitigation Agreement whereby the applicant has agreed to incorporate all of the mitigation measures into the Project. A copy of the executed Mitigation Agreement is on file in the Community Development Department; and

WHEREAS, public notice of the proposed Draft MND was posted as required by Section 21092 of the Public Resources Code; and

WHEREAS, no public comments have been received on the proposed Draft MND, that was publicly noticed, circulated and posted as required by Section 21092 of the Public Resources Code; and

WHEREAS, a public hearing was conducted by the Planning Commission on July 12, 2016, to consider the Initial Study and the draft MND prepared for the proposed Project, and to accept public testimony on the proposed entitlements and environmental determination.

NOW, THEREFORE, BE IT RESOLVED, by the Planning Commission of the City of Paso Robles, as follows:

Section 1. All of the recitals above are true and correct and incorporated herein.

Section 2. Based on the information and analysis contained in the Mitigated Negative Declaration prepared for this Project and testimony received at the public hearing, the Planning Commission finds that there is no substantial evidence supporting a fair argument that there would be a significant impact on the environment with mitigation measures imposed on the Project. These findings are based on an independent review of the Initial Study, the Mitigated Negative Declaration, and all comments received regarding the Mitigated Negative Declaration, and based on the whole record. The Planning Commission finds that the Mitigated Negative Declaration was prepared in compliance with CEQA and the CEQA Guidelines, that there is no substantial evidence that the Project will have a significant effect on the environment with the incorporation of mitigation measures provided in the MMRP, and the Mitigated Negative Declaration reflects the independent judgment and analysis of the Planning Commission.

Section 3. The Planning Commission, based on its independent judgment and analysis, does hereby

recommend adoption of the Mitigated Negative Declaration for the Alder Creek Apartment expansion project, attached hereto as Exhibit A, and the Mitigation Monitoring and Reporting Program, attached hereto as Exhibit B, and imposes each mitigation measure as a condition of approval of the Project, in accordance with the Statutes and Guidelines of the California Environmental Quality Act (CEQA) and the City's Procedures for Implementing CEQA. Exhibits A and B are hereby incorporated into this resolution.

PASSED AND ADOPTED THIS 12th day of July, 2016, by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Bob Rollins, Chairman

ATTEST:

Warren Frace, Secretary of the Planning Commission

Exhibit A - Mitigated Negative Declaration for the River Oaks II Expansion project

Exhibit B – Mitigation Monitoring and Reporting Program

Exhibit A - Mitigated Negative
Declaration for the Alder Creek
Apartment expansion project

Refer to Attachment 14 at the end of the
staff report.

Exhibit B - Mitigation Monitoring and Reporting Program

Attachment 8 – Exhibit B

Mitigation Monitoring and Reporting Plan

Project File No./Name: Alder Creek Apartments Expansions; GPA 15-003, RZ 15-002, VTTM 3080, PD 15-003, Approving Resolution No.: Resolution No. 16-XXX by: Planning Commission City Council Date: June 12, 2016

The following environmental mitigation measures were either incorporated into the approved plans or were incorporated into the conditions of approval. Each and every mitigation measure listed below has been found by the approving body indicated above to lessen the level of environmental impact of the project to a level of non-significance. A completed and signed checklist for each mitigation measure indicates that it has been completed.

Explanation of Headings:

Type:Project, ongoing, cumulative
 Monitoring Department or Agency:Department or Agency responsible for monitoring a particular mitigation measure
 Shown on Plans:When a mitigation measure is shown on the plans, this column will be initiated and dated.
 Verified Implementation:When a mitigation measure has been implemented, this column will be initiated and dated.
 Remarks:Area for describing status of ongoing mitigation measure, or for other information.

Mitigation Measure PD 15-005/CUP 15-020 (Marriott Residence Inn)	Type	Monitoring Department or Agency	Shown on Plans	Verified Implementation	Timing/Remarks
AQ-1 a. The following measures are recommended to minimize nuisance impacts associated with construction-generated fugitive dust emissions: 1. Reduce the amount of the disturbed area where possible; 2. Use of water trucks or sprinkler systems in sufficient quantities to prevent airborne dust from leaving the site. Increased watering frequency would be required whenever wind speeds exceed 15 mph. Reclaimed (non-potable) water should be used whenever possible; 3. All dirt stock pile areas should be sprayed daily as needed; 4. Permanent dust control measures identified in the approved project revegetation and landscape plans should be implemented as soon as possible following completion of any soil disturbing activities; 5. Exposed ground areas that are planned to be reworked at dates greater than one month after initial grading should be sown with a fast germinating, non-	Project, ongoing	CDD		Notes to be shown on grading plans and construction documents	Prior to site disturbance.

Mitigation Measure PD 15-005/CUP 15-020 (Marriott Residence Inn)	Type	Monitoring Department or Agency	Shown on Plans	Verified Implementation	Timing/Remarks
<p>invasive grass seed and watered until vegetation is established;</p> <p>6. All disturbed soil areas not subject to revegetation should be stabilized using approved chemical soil binders, jute netting, or other methods approved in advance by the APCD;</p> <p>7. All roadways, driveways, sidewalks, etc. to be paved should be completed as soon as possible. In addition, building pads should be laid as soon as possible after grading unless seeding or soil binders are used;</p> <p>8. Vehicle speed for all construction vehicles shall not exceed 15 mph on any unpaved surface at the construction site;</p> <p>9. All trucks hauling dirt, sand, soil, or other loose materials are to be covered or should maintain at least two feet of freeboard (minimum vertical distance between top of load and top of trailer) in accordance with CVC Section 23114;</p> <p>10. Install wheel washers where vehicles enter and exit unpaved roads onto streets, or wash off trucks and equipment leaving the site;</p> <p>11. Sweep streets at the end of each day if visible soil material is carried onto adjacent paved roads. Water sweepers with reclaimed water should be used where feasible;</p> <p>12. The contractor or builder shall designate a person or persons to monitor the fugitive dust emissions and enhance the implementation of the measures as necessary to minimize dust complaints, reduce visible emissions below 20% opacity, and to prevent transport of dust offsite. Their duties shall include holidays and weekend periods when work may not be in progress. The name and telephone number of such persons shall be provided to the APCD Compliance Division prior to the start of any grading, earthwork or demolition.</p> <p>b. The above mitigation measures shall be shown on grading and building plans.</p>					
<p>NO-1 Unless otherwise provided for in a validly issued permit or approval, noise-generating construction activities should be limited to the hours of 7:00am and 7:00pm. Noise-generating construction activities should not occur on Sundays or City holidays</p>	On-going	CDD			

Mitigation Measure PD 15-005/CUP 15-020 (Marriott Residence Inn)	Type	Monitoring Department or Agency	Shown on Plans	Verified Implementation	Timing/Remarks
NO-2 Construction equipment should be properly maintained and equipped with noise-reduction intake and exhausted mufflers and engine shrouds, in accordance with manufacturers' recommendations. Equipment engine shrouds should be closed during equipment operation.	On-going	CDD			
TR-1 The project will be required to pay traffic mitigation fees to offset to offset its impacts to the citywide transportation network.	Project	CDD			Prior to certificate of occupancy

(add additional measures as necessary)

Explanation of Headings:

Type: Project, ongoing, cumulative
Monitoring Department or Agency: Department or Agency responsible for monitoring a particular mitigation measure
Shown on Plans: When a mitigation measure is shown on the plans, this column will be initialed and dated.
Verified Implementation: When a mitigation measure has been implemented, this column will be initialed and dated.
Remarks: Area for describing status of ongoing mitigation measure, or for other information.

Attachment 9

DRAFT RESOLUTION B

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF EL PASO DE ROBLES RECOMMENDING APPROVAL TO THE CITY COUNCIL OF GENERAL PLAN AMENDMENT 15-003 RELATED TO ALDER CREEK APARTMENTS EXPANSION PROJECT AND ERSKINE INDUSTRIAL PARK PROJECT

WHEREAS, the following project applications requested amendments to the Land Use Element and constituted parts of General Plan Amendment 15-003:

Part A: Alder Creek Apartments Expansion

An amendment to the Land Use Diagram Map to re-designate approximately 1.50 acres of land from Residential Multi-Family Low Density, (RMF-8) to Residential Multi-Family High Density (RMF-20), and re-designate approximately 0.9 acres of land from Residential Multi-Family Low Density, (RMF-8) to Parks and Open Space (POS), as shown in Exhibit A, General Plan - Land Use Map Amendment. The applicant is New Heritage, LP/Joe Collins.

Part B: Erskine Industrial Park

An amendment to the Land Use Diagram Map to re-designate approximately 10.45 acres of land from Business Park, (BP) to Commercial Services (CS); approximately 4.5 acres of land from Residential-Agriculture/Planned Development; (RA/PD) to Commercial Services (CS); approximately 1.7 acres of land from Residential-Agriculture/Planned Development, (RA/PD) to Business Park (BP); and approximately 55.70 acres of land from Parks and Open Space (POS) to Business Park (BP), as shown in Exhibit B, General Plan - Land Use Map Amendment. The applicant is Tom Erskine/Ranch and Coast Properties, Inc.

WHEREAS, pursuant to the California Environmental Quality Act (CEQA), Mitigated Negative Declarations were prepared for the projects proposed in connection with Part A and Part B of General Plan Amendment 15-003, and each Mitigated Negative Declaration was approved by resolution; and

WHEREAS, at its meeting of July 12, 2016, the Planning Commission conducted a public hearing on Part A and on Part B of the proposed General Plan Amendment, and considered the following actions with respect to each Part:

- a. Considered the facts and analysis, as presented in the staff reports prepared for this General Plan Amendment;
- b. Conducted public hearing to obtain public testimony on the parts of this General Plan Amendment;

- c. Considered public testimony from all parties;
- d. Made a recommendation to the City Council to approve the proposed General Plan Amendment;
- e. Based on its independent judgment, found that there was no substantial evidence that either Part A or Part B of the General Plan Amendment would have significant adverse effects on the environment and approved both Mitigate Negative Declarations for this General Plan Amendment in accordance with CEQA.

NOW THEREFORE, BE IT RESOLVED by the Planning Commission of the City of El Paso de Robles, California, to amend the General Plan Land Use Element Map diagram on page LU-6C in the manner shown on the attached Exhibit "A" (Part A), and Exhibit "B" (Part B).

PASSED AND ADOPTED by the Planning Commission of the City of El Paso de Robles this 12th day of July 2016 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Bob Rollins, Chairman

ATTEST:

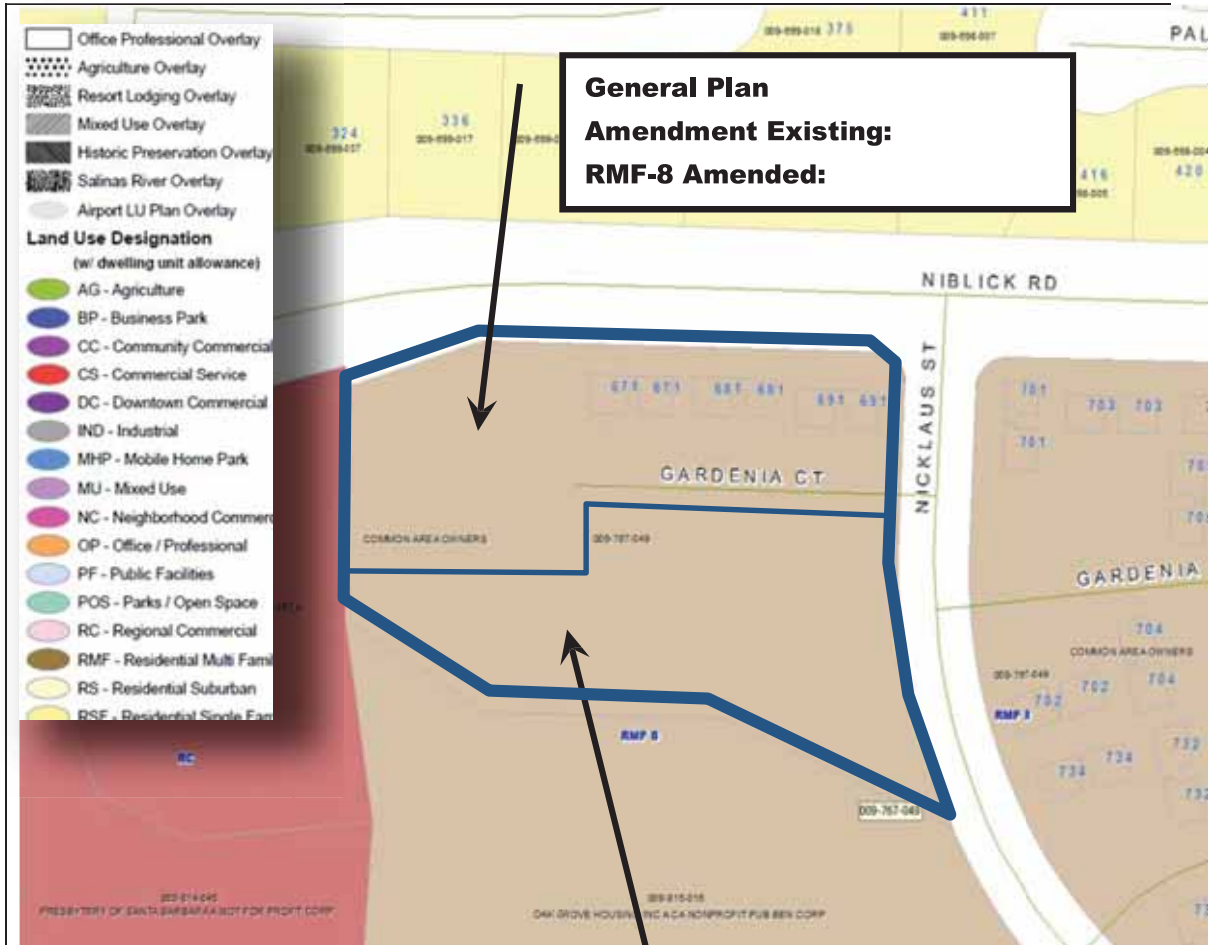
Warren Frace, Planning Commission Secretary

Exhibit A – Part A, General Plan Land Use Diagram Amendment

Exhibit B – Part B, General Plan Land Use Diagram Amendment

Attachment 9 - Exhibit A

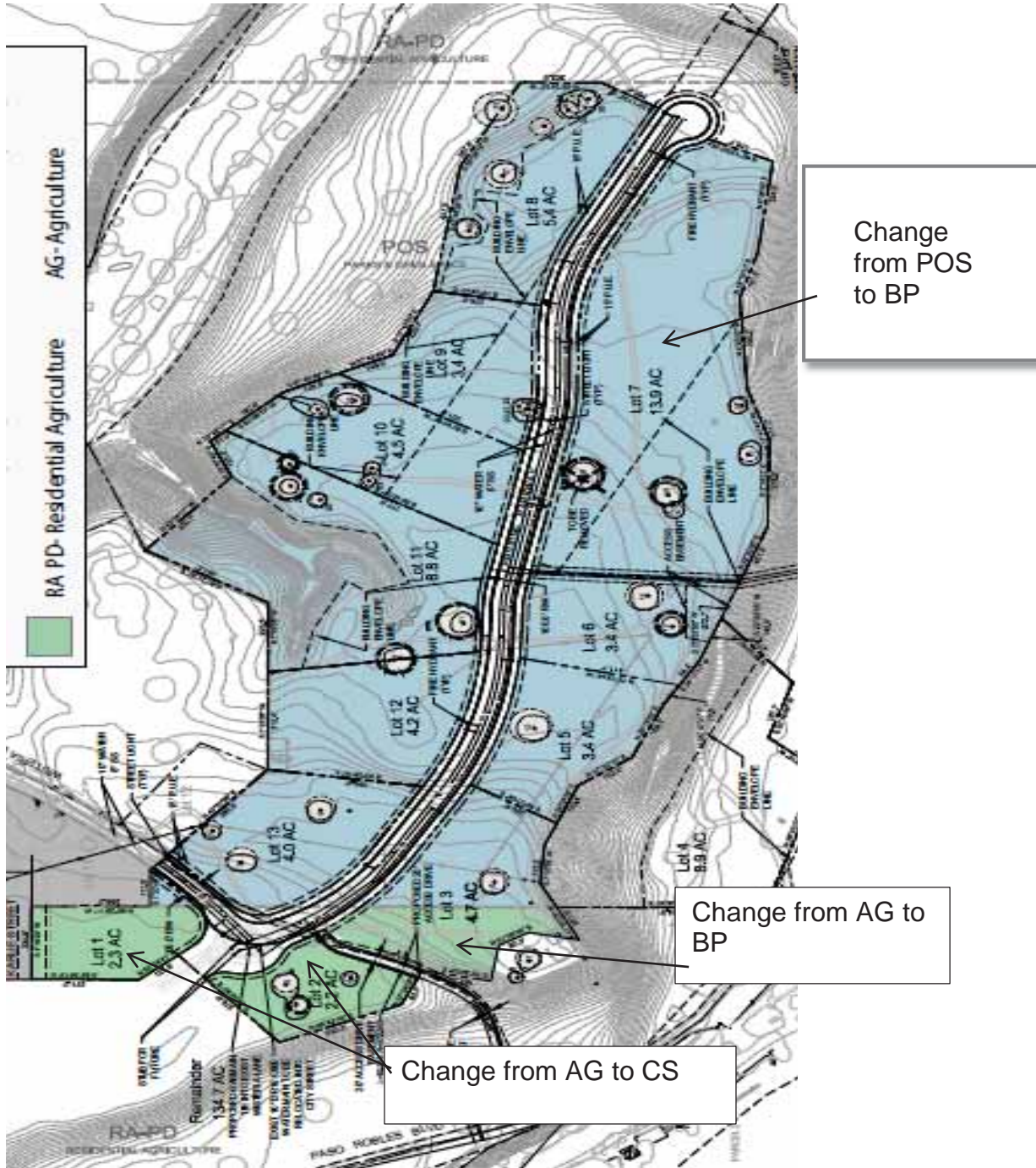
Exhibit A - General Plan - Land Use Map Amendment



**General Plan
Amendment Existing:
RMF-8 Amended:**

Attachment 9 - Exhibit B

Exhibit B - General Plan - Land Use Map Amendment



Attachment 10

DRAFT RESOLUTION C

**A RESOLUTION OF THE PLANNING COMMISSION
OF THE CITY OF EL PASO DE ROBLES
RECOMMENDING APPROVAL TO THE CITY COUNCIL OF REZONE 15-002
APPLICANT –NEW HERITAGE LP/JOE COLLINS
ALDER CREEK APARTMENTS EXPANSION - APN: 009-767-049**

WHEREAS, New Heritage, LP/Joe Collins (“Applicant”), in connection with the proposed Alder Creek Apartments expansion (the “Project”), has filed a request for consideration of Rezone 15-002, to rezone property currently zoned Residential Multi-Family (R3-10) on approximately 1.50 acres of land to R-5, and to rezone approximately 0.9 acres of land from R3-10 to Open Space (OS), as shown in Exhibit A – Zoning Map Amendment; and

WHEREAS, the rezone is necessary to provide zoning map consistency with a concurrent request for a General Plan Land Use Element Diagram Amendment (GPA 15-003); and

WHEREAS, in accordance with the California Environmental Quality Act (CEQA), and the City’s Guidelines to Implement CEQA, the Planning Commission has reviewed and recommended the City Council approve the Mitigated Negative Declaration prepared for the Project; and

WHEREAS, the Planning Commission has reviewed and recommended the City Council approve GPA 15-003.

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

Section 1. All of the above recitals are true and correct and incorporated herein by reference.

Section 2. Based on the facts and analysis presented, including all written and oral testimony, the Planning Commission hereby makes following findings regarding Rezone 15-002:

- a. The rezone is necessary to provide zoning map consistency with a concurrent request for a General Plan Land Use Element Diagram Amendment (GPA 15-003).
- b. Rezone 13-001 would provide for orderly development within the City.

Section 3. Based on all of the foregoing, the Planning Commission of the City of El Paso de Robles recommends that the City Council of the City of El Paso de Robles approve Rezone 15-002 and adopt an ordinance to amend Section 21.12.020 of the Municipal Code (Zoning Map) as shown on the Exhibit A, attached hereto and incorporated herein by reference.

PASSED AND ADOPTED by the Planning Commission of the City of El Paso de Robles this 12th day of July 2016 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

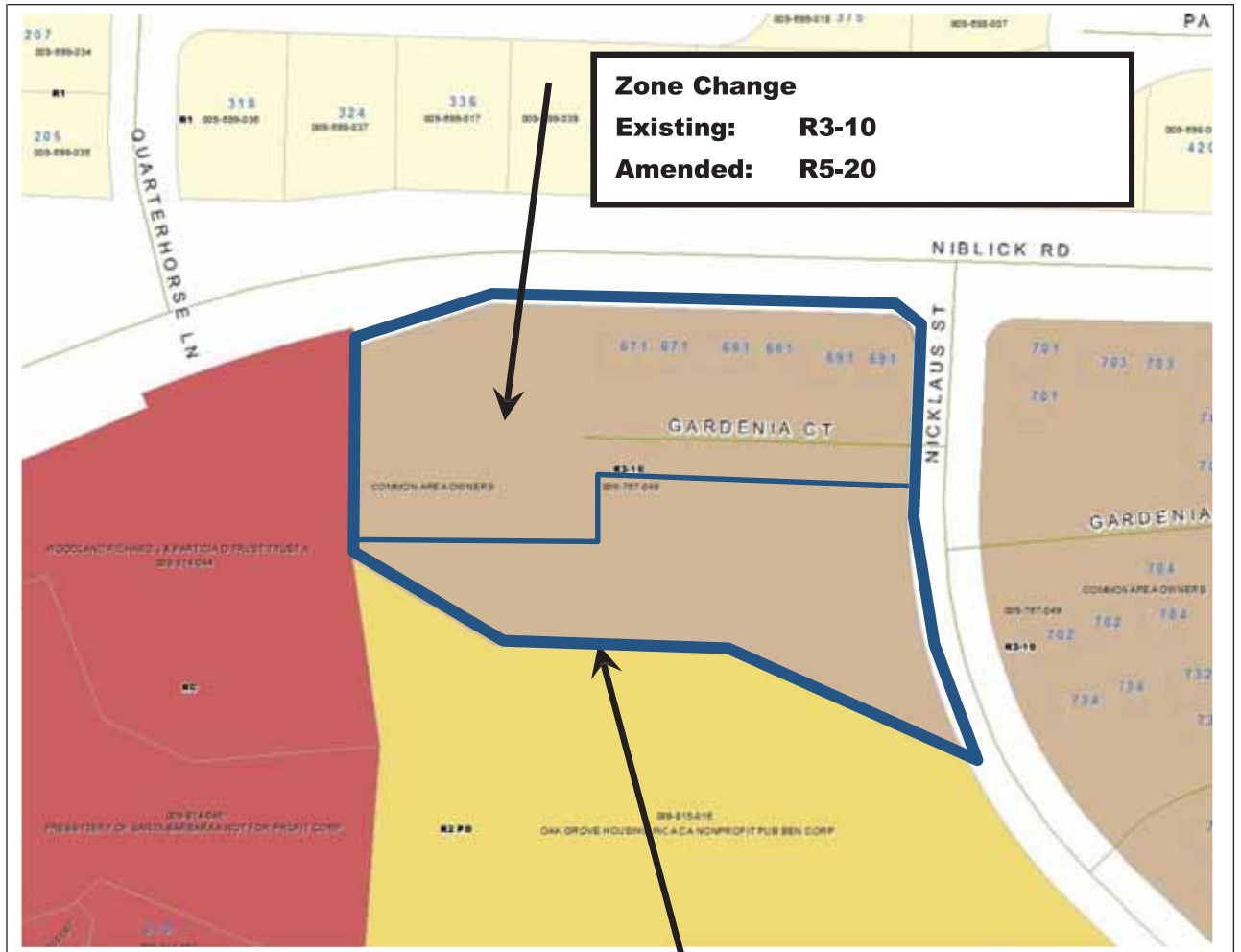
Bob Rollins, Chairman

ATTEST:

Warren Frace, Planning Commission Secretary

Exhibit A – Zoning Map Amendment

Exhibit A – Zone Change 15-002



Zone Change
Existing: R3-10
Amended: R5-20

Zone Change
Existing: RMF-8
Amended: OS

Attachment 11

Attachment 11

DRAFT RESOLUTION D

**A RESOLUTION OF THE PLANNING COMMISSION
OF THE CITY OF EL PASO DE ROBLES
RECOMMENDING APPROVAL OF VESTING TENTATIVE TRACT MAP 3080
APPLICANT –NEW HERITAGE LP/JOE COLLINS
ALDER CREEK APARTMENTS EXPANSION - APN: 009-767-049**

WHEREAS, New Heritage LP/ Joe Collins (the "Applicant") has filed an application for the Alder Creek Apartments Expansion (the "Project"), which includes a request for consideration of a Vesting Tentative Tract Map (VTTM 3080) to subdivide Lot 1 of Tract 2070, to create VTTM 3080, Lots 1 – 3; and

WHEREAS, the proposed VTTM would create three (3) parcels: Lot 1 – 1.5 acres; Lot 2 – 0.9 acres; and Lot 3 – 5.7 acres, as shown in Exhibit A, but would not change the remainder of existing Tract 2070 which includes 96 airspace condominiums; and

WHEREAS, a portion of the property for the VTTM is currently an open space easement in favor of the City, which the City council has indicated it intends to convey to Applicant in order to allow for the development of the Project; and

WHEREAS, the City Council is scheduled to consider final approval of the conveyance of its interest in the open space easement to Applicant on July 19, 2016; and

WHEREAS, the Applicant is concurrently processing a General Plan Amendment (GPA 15-003) and Rezone (RZ 15-002) to increase the applicable residential density on 1.5 acres of the site to RMF-20, and a Planned Development (PD 15-003), to provide for development of 16 new multi-family residences; and

WHEREAS, in accordance with the California Environmental Quality Act (CEQA), and the City's Guidelines to Implement CEQA, the Planning Commission has reviewed and recommended the City Council approve the Mitigated Negative Declaration prepared for the Project; and

WHEREAS, a public hearing was conducted by the Planning Commission on July 12, 2016 to consider facts as presented in the staff report prepared for this Project, and to accept public testimony regarding this proposed subdivision and associated entitlements.

NOW, THEREFORE, BE IT RESOLVED, that the Planning Commission of the City of El Paso de Robles, does hereby recommend the City Council approve Vesting Tentative Tract Map 3080, subject to the following findings and conditions of approval.

FINDINGS: Based upon the facts and analysis presented in the staff report, public testimony

received, and subject to the conveyance of the City's interest in the open space easement to Applicant and further subject to the conditions listed below, the Planning Commission makes the following findings as required by Government Code Sections 66474 and 65457:

1. The proposed Vesting Tentative Tract Map 3080 is consistent with the adopted General Plan for the City of El Paso de Robles in that it provides for infill development within close proximity to schools, shopping, and other services;
2. The proposed Vesting Tentative Parcel Map is consistent with Planned Development 15-003;
3. As conditioned, the design of lots, streets, open space, drainage, sewers, water and other improvements is consistent with the General Plan and Zoning Ordinance;
4. The site is physically suitable for the type of development proposed;
5. The site is physically suitable for the proposed density of development;
6. The design of the land division is not likely to cause substantial environmental damage or substantially and unavoidably injure fish or wildlife or their habitat;
7. The land division proposed is not likely to cause serious public health problems;
8. The design of the land division will not conflict with easements acquired by the public at large, for access through or use of, property within the proposed subdivision;
9. The fulfillment of the requirements listed in the Conditions below are a necessary prerequisite to the orderly development of the site and surrounding area.

STANDARD CONDITIONS OF APPROVAL:

1. The Applicant shall comply with standard conditions of approval which are combined with PD 15-003 standard conditions. See PD Resolution 16-xxx.

SITE SPECIFIC CONDITIONS OF APPROVAL:

NOTE: In the event of conflict or duplication between standard and site specific conditions, the site specific condition shall supersede the standard condition.

PLANNING

2. The Project shall be designed so that it substantially conforms with the following exhibit and conditions established by this resolution:

EXHIBIT DESCRIPTION

A Vesting Tentative Tract Map 3080

3. Proposed VTTM 3080 shall subdivide Lot 1 of Tract 2070, to create VTTM 3080, Lots 1 – 3, and create the following parcels: Lot 1 – 1.5 acres; Lot 2 – 0.9 acres; and Lot 3 – 5.7 acres, as shown in Exhibit A. The remainder of existing Tract 2070 includes 96 airspace condominiums, and will not be modified by VTTM 3080.
4. Future infill development of the site shall be provided access from Nicklaus Street, and site development shall be consistent with Planned Development 15-003, including grading, site planning, landscaping and architectural design.

ENGINEERING

5. Prior to occupancy, the Applicant shall repair sidewalks on Niblick Road and Nicklaus Drive along the frontage of the Alder Creek Apartments to bring them into current ADA compliance.
6. Prior to recordation of the Final Map, the Applicant will enter into an agreement to reimburse the City \$16,000 for reversion of 8,410 sf of open space easement to developable area, as shown on Exhibit A.

PASSED AND ADOPTED THIS 12th day of July, 2016 by the following Roll Call Vote:

AYES:

NOES:

ABSENT:

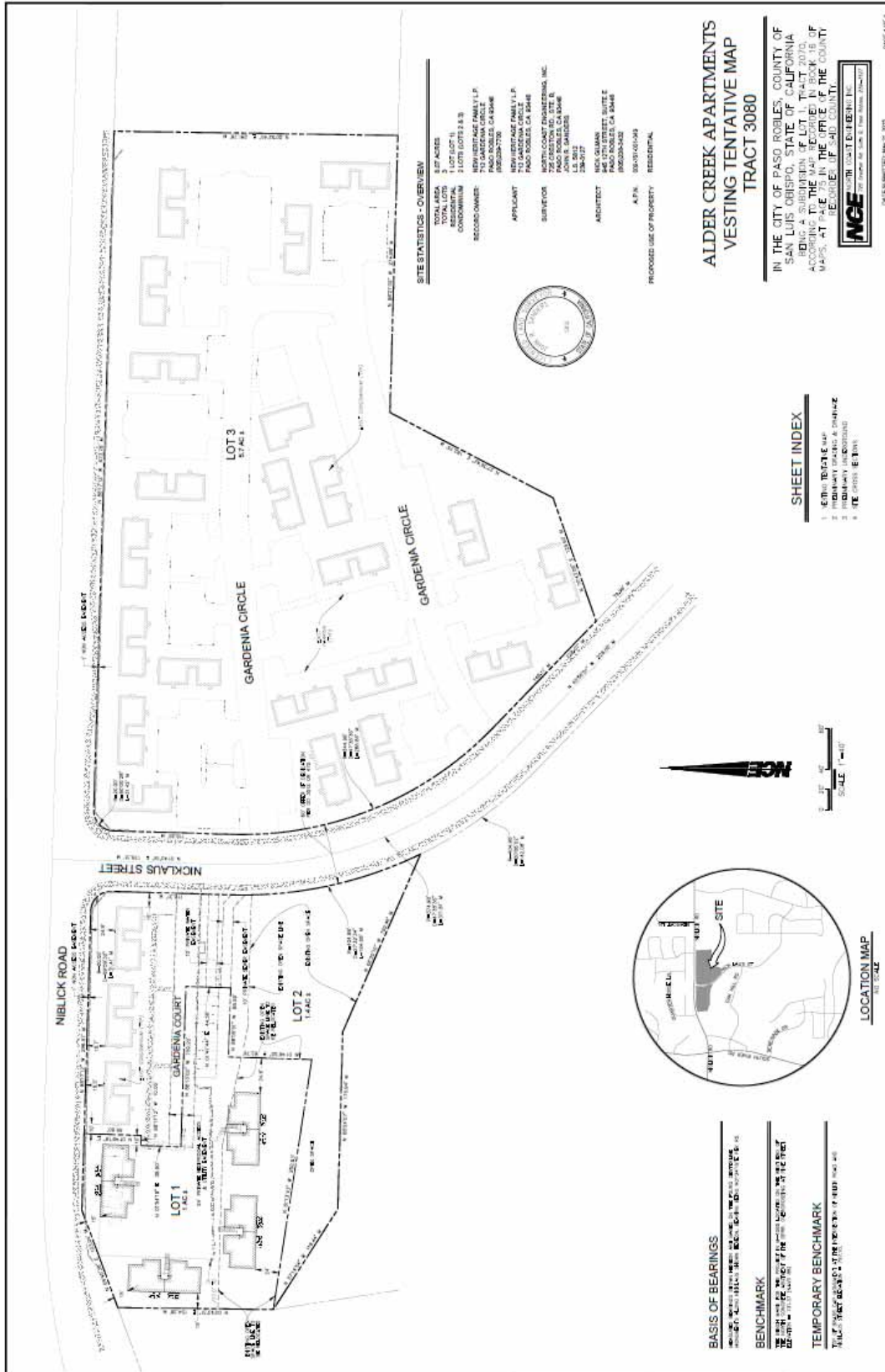
ABSTAIN:

Bob Rollins, Chairman

ATTEST:

Warren Frace
Secretary of the Planning Commission

Attachment 11 - Exhibit A



Attachment 12

DRAFT RESOLUTION E

**A RESOLUTION OF
THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES
APPROVING PLANNED DEVELOPMENT 15-003
612 GARDENIA COURT, APN 009-767-049
APPLICANT – NEW HERITAGE, LP/JOE COLLINS
ALDER CREEK APARTMENTS EXPANSION**

WHEREAS, the applicant New Heritage, LP/Joe Collins has filed an application for the Alder Creek Apartments Expansion (the “Project”) which includes consideration of Planned Development 15-003, for development of 16 new multi-family residential apartment units, with four (4) units each in four (4) buildings (the “Project”), as shown in Exhibit A (Site Plan), and Exhibit B (Elevations); and

WHEREAS, as part of the Project, the Applicant is concurrently processing a General Plan Amendment (GPA 15-003) and Rezone (RZ 15-002), to increase the density permitted for this property to allow for development of the proposed 16 new multi-family residential units; and

WHEREAS, the proposed Project includes a site plan that provides adequate access, circulation for vehicles and residents, uncovered parking spaces (61), trash enclosure, and recreational amenities; and

WHEREAS, the proposed elevations are compatible with the existing architectural style and design of the existing development; and

WHEREAS a Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program has been prepared for this Project, considered under a separate resolution by the Planning Commission; and

WHEREAS, a duly noticed public hearing was conducted by the Planning Commission on July 12, 2016 on this Project to accept public testimony on the Mitigated Negative Declaration, General Plan Amendment, Rezone, Vesting Tentative Tract Map, and Planned Development for the Project.

NOW THEREFORE BE IT RESOLVED by the Planning Commission of the City of El Paso de Robles as follows:

Section 1. The foregoing recitals are true and correct and are incorporated herein by reference.

Section 2. Based upon the facts and analysis presented in the staff report and the attachments thereto, the public testimony received, and subject to the Conditions of Approval listed below, the Planning Commission makes the following findings:

- A. Pursuant to Zoning Code Section 21.23B.050, Findings for Development Plans:
 - A. The design and intensity (density) of the proposed development plan is consistent with the following:
 - 1. The goals and policies established by the General Plan, since it will provide for additional multi-family rental housing;
 - 2. The Project is not within a specific plan area, and it is not subject to policies and development standards established by any applicable specific plan;
 - 3. The zoning code, particularly the purpose and intent of the zoning district in which a development project is located, since the project will continue the existing

development pattern, density and intensity of the multi-family residences located on the site;

4. All other adopted codes, policies, standards, and plans of the city;
- B. The proposed development plan will not be detrimental to the health, safety, morals, comfort, convenience and general welfare of persons residing or working in the neighborhood, or be injurious or detrimental to property and improvements in the neighborhood or to the general welfare of the City;
- C. The proposed development plan accommodates the aesthetic quality of the city as a whole, especially where development will be visible from the public right-of-ways and corridors;
- D. The proposed development plan is compatible with, and is not detrimental to, surrounding land uses and improvements, provides appropriate visual appearance, and contributes to the mitigation of any environmental and social (e.g., privacy) impacts;
- E. The proposed development plan is compatible with existing scenic and environmental resources such as hillsides, oak trees, vistas, and buildings;
- F. The proposed development plan contributes to the orderly development of the city as a whole.

Section 3. Based on all of the above, the Planning Commission recommends approval of Planned Development 15-003 to the City Council of the City of El Paso de subject to the following conditions:

STANDARD CONDITIONS:

1. This Project shall comply with the checked standard Conditions of Approval, attached hereto as Exhibit “C” and incorporated herein by reference.

SITE SPECIFIC CONDITIONS:

NOTE: In the event of conflict or duplication between standard and site-specific conditions, the site-specific condition shall supersede the standard condition.

Planning Division Conditions:

2. The Project shall be constructed in substantial conformance with the Conditions of Approval established by this Resolution and it shall be constructed in substantial conformance with the following Exhibits:

EXHIBITS	DESCRIPTION
A	Site Plan/Preliminary Grading Plan
B	Elevations
C	Standard Conditions
D	Landscape Plan
E	Floor Plans

3. The Project shall be designed and constructed to be in substantial conformance with the site plan, landscape plan, elevations, floor plans, colors and materials, and preliminary grading plan approved with this resolution.
4. Approval of this Project is valid for a period of two (2) years from date of approval. Unless permits have been issued and site work has begun, the approval of Planned Development 15-002 shall expire on July 12, 2018. The Planning Commission may extend this expiration date if a Time Extension application has been filed with the City along with the fees before the expiration date.
5. Prior to issuance of certificates of use and occupancy, the property owner or authorized agent is required to pay the City's Development Impact Fees.
6. No underground or aboveground storage of hazardous materials shall be allowed on-site without first obtaining City approval.
7. Use and operation of the Project and its appurtenances shall be conducted in compliance with the City's General Performance Standards for all uses (Section 21.21.040 of Chapter 21.21 Performance Standards of the City's Zoning Ordinance).
8. Prior to occupancy, all overhead utilities adjacent to the property shall be relocated underground.
9. The site plan shall include 61 uncovered, shared parking spaces.

Engineering Division Conditions:

1. Prior to occupancy, the applicant shall repair sidewalks on Niblick Road and Nicklaus Drive along the frontage of the Alder Creek Apartments to bring them into current ADA compliance.
2. The applicant shall comply with State Water Board mandates and the City's adopted Storm Water Ordinance, and shall implement storm water management strategies provided for in the project Storm Water Control Plan.

Mitigation Monitoring and Reporting:

Air Quality Conditions:

10. The following items shall be shown on grading and building plans. They are intended to minimize nuisance impacts associated with construction-generated fugitive dust emissions:
 - a. Reduce the amount of the disturbed area where possible;
 - b. Use of water trucks or sprinkler systems in sufficient quantities to prevent airborne dust from leaving the site. Increased watering frequency would be required whenever wind speeds exceed 15 mph. Reclaimed (non-potable) water should be used whenever possible;
 - c. All dirt stock pile areas should be sprayed daily as needed;
 - d. Permanent dust control measures identified in the approved Project revegetation and landscape plans should be implemented as soon as possible following completion of any soil disturbing activities;

- e. Exposed ground areas that are planned to be reworked at dates greater than one month after initial grading should be sown with a fast germinating, non-invasive grass seed and watered until vegetation is established;
 - f. All disturbed soil areas not subject to revegetation should be stabilized using approved chemical soil binders, jute netting, or other methods approved in advance by the APCD;
 - g. All roadways, driveways, sidewalks, etc. to be paved should be completed as soon as possible. In addition, building pads should be laid as soon as possible after grading unless seeding or soil binders are used;
 - h. Vehicle speed for all construction vehicles shall not exceed 15 mph on any unpaved surface at the construction site;
 - i. All trucks hauling dirt, sand, soil, or other loose materials are to be covered or should maintain at least two feet of freeboard (minimum vertical distance between top of load and top of trailer) in accordance with CVC Section 23114;
 - j. Install wheel washers where vehicles enter and exit unpaved roads onto streets, or wash off trucks and equipment leaving the site;
 - k. Sweep streets at the end of each day if visible soil material is carried onto adjacent paved roads. Water sweepers with reclaimed water should be used where feasible;
 - l. The contractor or builder shall designate a person or persons to monitor the fugitive dust emissions and enhance the implementation of the measures as necessary to minimize dust complaints, reduce visible emissions below 20% opacity, and to prevent transport of dust offsite. Their duties shall include holidays and weekend periods when work may not be in progress. The name and telephone number of such persons shall be provided to the APCD Compliance Division prior to the start of any grading, earthwork or demolition.
11. Demolition of onsite structures shall comply with the National Emission Standards for Hazardous Air Emissions (NESHAP) requirements (NESHAP, 40 CFR, Part 61, Subpart M) for the demolition of existing structures. The SLOAPCD is delegated authority by the Environmental Protection Agency (EPA) to implement the Federal Asbestos NESHAP. Prior to demolition of onsite structures, the SLOAPCD shall be notified, per NESHAP requirements. SLOAPCD notification form and reporting requirements are included in Appendix A. Additional information may be obtained at website url: <http://slocleanair.org/business/asbestos.php>.
12. Maintain all construction equipment in proper tune according to manufacturer's specifications;
13. Fuel all off-road and portable diesel powered equipment with ARB certified motor vehicle diesel fuel (non-taxed version suitable for use off-road);
14. Use diesel construction equipment meeting ARB's Tier 2 certified engines or cleaner off-road heavy-duty diesel engines, and comply with the State Off-road Regulation;
15. Idling of all on and off-road diesel-fueled vehicles shall not be permitted when not in use. Signs shall be posted in the designated queuing areas and or job site to remind drivers and operators of the no idling limitation.
16. Electrify equipment when possible;
17. Substitute gasoline-powered in place of diesel-powered equipment, when available; and,
18. Use alternatively fueled construction equipment on-site when available, such as compressed natural gas (CNG), liquefied natural gas (LNG), propane or biodiesel.

Noise Conditions:

19. Unless otherwise provided for in a validly issued permit or approval, noise-generating construction activities should be limited to the hours of 7:00 am and 7:00 pm. Noise-generating construction activities should not occur on Sundays or City holidays
20. Construction equipment should be properly maintained and equipped with noise-reduction intake and exhausted mufflers and engine shrouds, in accordance with manufacturers' recommendations. Equipment engine shrouds should be closed during equipment operation.

Traffic Conditions:

21. The Project will be required to pay traffic mitigation fees to offset to offset its impacts to the citywide transportation network.

PASSED AND ADOPTED THIS 12th day of July, 2016 by the following Roll Call Vote:

AYES:

NOES:

ABSENT:

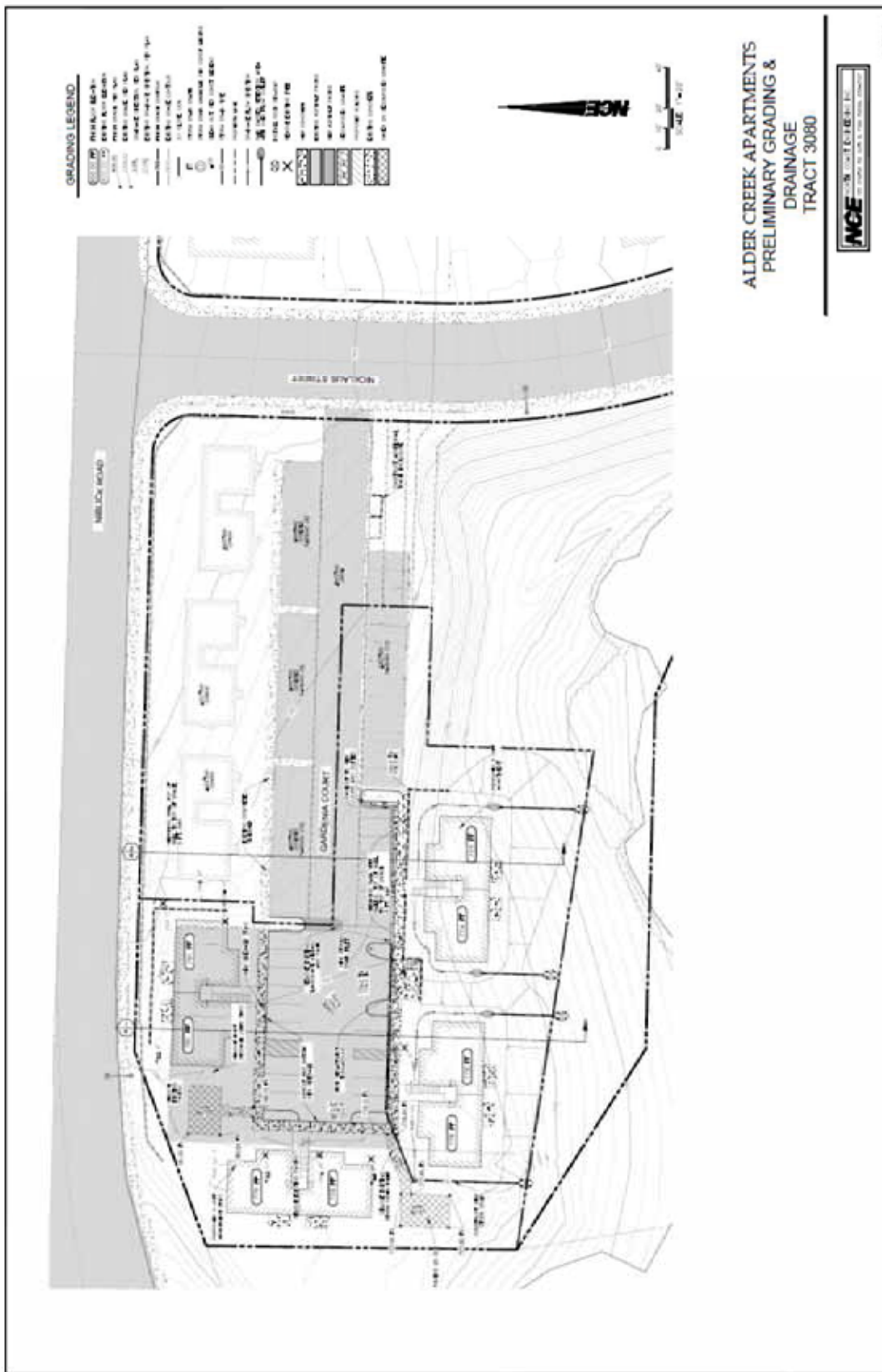
ABSTAIN:

Bob Rollins, Chairman

ATTEST:

Warren Frace, Community Development Director

Attachment 12 - Exhibit



Attachment 12 - Exhibit B



1

ALDER CREEK APARTMENTS
OWNER:
JOE COLLINS
945 126th St, Suite E
PASO ROBLES, 94646
ARCHITECT:
SICKS GILMAN
945 126th St, Suite E
PASO ROBLES, 94646

**PRELIMINARY
ELEVATIONS**

Attachment 12 - Exhibit C

EXHIBIT C OF RESOLUTION

CITY OF EL PASO DE ROBLES STANDARD DEVELOPMENT CONDITIONS

Planned Development _____ Conditional Use Permit _____

Tentative Parcel Map _____ Tentative Tract Map _____

Approval Body: Planning Commission _____ Date of Approval: July 12, 2016 _____

Applicant: New Heritage LP/Joe Collins _____ Location: 612 Gardenia Court _____

APN: 009-767-049 _____

The following conditions that have been checked are standard conditions of approval for the above referenced project. The checked conditions shall be complied with in their entirety before the project can be finalized, unless otherwise specifically indicated. In addition, there may be site specific conditions of approval that apply to this project in the resolution.

COMMUNITY DEVELOPMENT DEPARTMENT - The applicant shall contact the Community Development Department, (805) 237-3970, for compliance with the following conditions:

A. GENERAL CONDITIONS – PD/CUP:

- 1. This project approval shall expire on July 12, 2018 unless a time extension request is filed with the Community Development Department, or a State mandated automatic time extension is applied prior to expiration.
- 2. The site shall be developed and maintained in accordance with the approved plans and unless specifically provided for through the Planned Development process shall not waive compliance with any sections of the Zoning Code, all other applicable City Ordinances, and applicable Specific Plans.
- 3. To the extent allowable by law, Owner agrees to hold City harmless from costs and expenses, including attorney's fees, incurred by City or held to be the liability of City in connection with City's defense of its actions in any proceeding brought in any State or Federal court challenging the City's actions with respect to the project. Owner understands and acknowledges that City is under no obligation to defend any legal actions challenging the City's actions with respect to the project.

- 4. Any site specific condition imposed by the Planning Commission in approving this project (**Conditional Use Permit**) may be modified or eliminated, or new conditions may be added, provided that the Planning Commission shall first conduct a public hearing in the same manner as required for the approval of this project. No such modification shall be made unless the Commission finds that such modification is necessary to protect the public interest and/or neighboring properties, or, in the case of deletion of an existing condition, that such action is necessary to permit reasonable operation and use for this approval.
- 5. The site shall be kept in a neat manner at all times and the landscaping shall be continuously maintained in a healthy and thriving condition.
- 6. All signs shall be subject to review and approval as required by Municipal Code Section 21.19 and shall require a separate application and approval prior to installation of any sign.
- 7. All walls/fences and exposed retaining walls shall be constructed of decorative materials which include but are not limited to splitface block, slumpstone, stuccoed block, brick, wood, crib walls or other similar materials as determined by the Development Review Committee, but specifically excluding precision block.
- 8. Prior to the issuance of a Building Permit a landscape and irrigation plan consistent with the Landscape and Irrigation Ordinance, shall be submitted for City review and approval. The plan needs to be designed in a manner that utilizes drought tolerant plants, trees and ground covers and minimizes, if not eliminates the use of turf. The irrigation plan shall utilize drip irrigation and limit the use of spray irrigation. All existing and/or new landscaping shall be installed with automatic irrigation systems.
- 9. A reciprocal parking and access easement and agreement for site access, parking, and maintenance of all project entrances, parking areas, landscaping, hardscape, common open space, areas and site lighting standards and fixtures, shall be recorded prior to or in conjunction with the Final Map. Said easement and agreement shall apply to all properties, and be referenced in the site Covenants, Conditions and Restrictions (CC&Rs).
- 10. All outdoor storage shall be screened from public view by landscaping and walls or fences per Section 21.21.110 of the Municipal Code.
- 11. For commercial, industrial, office or multi-family projects, all refuse enclosures are required to provide adequate space for recycling bins. The enclosure shall be architecturally compatible with the primary building. Gates shall be view obscuring and constructed of durable materials. Check with Paso Robles Waste Disposal to determine the adequate size of enclosure based on the number and size of containers to be stored in the enclosure.

- 12. For commercial, industrial, office or multi-family projects, all existing and/or new ground-mounted appurtenances such as air-conditioning condensers, electrical transformers, backflow devices etc., shall be screened from public view through the use of decorative walls and/or landscaping subject to approval by the Community Development Director or his designee. Details shall be included in the building plans.
- 13. All existing and/or new roof appurtenances such as air-conditioning units, grease hoods, etc. shall be screened from public view. The screening shall be architecturally integrated with the building design and constructed of compatible materials to the satisfaction of the Community Development Director or his designee. Details shall be included in the building plans.
- 14. All existing and/or new lighting shall be shielded so as to be directed downward in such a manner as to not create off-site glare or adversely impact adjacent properties. The style, location and height of the lighting fixtures shall be submitted with the building plans and shall be subject to approval by the Community Development Director or his designee.
- 15. It is the property owner's responsibility to insure that all construction of private property improvements occur on private property. It is the owner's responsibility to identify the property lines and insure compliance by the owner's agents.
- 16. Any existing Oak trees located on the project site shall be protected and preserved as required in City Ordinance No.835 N.S., Municipal Code No. 10.01 "Oak Tree Preservation", unless specifically approved to be removed. An Oak tree inventory shall be prepared listing the Oak trees, their disposition, and the proposed location of any replacement trees required. In the event an Oak tree is designated for removal, an approved Oak Tree Removal Permit must be obtained from the City, prior to removal.
- 17. No storage of trash cans or recycling bins shall be permitted within the public right-of-way.
- 18. Prior to recordation of the map or prior to occupancy of a project, all conditions of approval shall be completed to the satisfaction of the City Engineer and Community Developer Director or his designee.
- 19. Two sets of the revised Planning Commission approved plans incorporating all Conditions of Approval, standard and site specific, shall be submitted to the Community Development Department prior to the issuance of building permits.
- 20. Prior to the issuance of building permits, the
 - Development Review Committee shall approve the following:
 - Planning Division Staff shall approve the following:

- a. A detailed site plan indicating the location of all structures, parking layout, outdoor storage areas, walls, fences and trash enclosures;
- b. A detailed landscape plan;
- c. Detailed building elevations of all structures indicating materials, colors, and architectural treatments;
- d. Other: grading plan review

B. GENERAL CONDITIONS – TRACT/PARCEL MAP:

- 1. In accordance with Government Section 66474.9, the subdivider shall defend, indemnify and hold harmless the City, or its agent, officers and employees, from any claim, action or proceeding brought within the time period provided for in Government Code section 66499.37, against the City, or its agents, officers, or employees, to attack, set aside, void, annul the City's approval of this subdivision. The City will promptly notify subdivider of any such claim or action and will cooperate fully in the defense thereof.
- 2. The Covenants, Conditions, and Restrictions (CC&Rs) and/or Articles Affecting Real Property Interests are subject to the review and approval of the Community Development Department, the Public Works Department and/or the City Attorney. They shall be recorded concurrently with the Final Map or prior to the issuance of building permits, whichever occurs first. A recorded copy shall be provided to the affected City Departments.
- 3. The owner shall petition to annex residential Tract (or Parcel Map) 3080 into the City of Paso Robles Community Facilities District No. 2005-1 for the purposes of mitigation of impacts on the City's Police and Emergency Services Departments.
- 4. Street names shall be submitted for review and approval by the Planning Commission, prior to approval of the final map.
- 5. The following areas shall be permanently maintained by the property owner, Homeowners' Association, or other means acceptable to the City:

Open Space Lot 2

ENGINEERING DIVISION- The applicant shall contact the Engineering Division, (805) 237-3860, for compliance with the following conditions:

All conditions marked are applicable to the above referenced project for the phase indicated.

C. PRIOR TO ANY PLAN CHECK:

- 1. The applicant shall enter into an Engineering Plan Check and Inspection Services Agreement with the City.

D. PRIOR TO ISSUANCE OF A GRADING PERMIT:

- 1. Prior to approval of a grading plan, the developer shall apply through the City, to FEMA and receive a Letter of Map Amendment (LOMA) issued from FEMA. The developer's engineer shall provide the required supporting data to justify the application.
- 2. Any existing Oak trees located on the project site shall be protected and preserved as required in City Ordinance No. 553, Municipal Code No. 10.01 "Oak Tree Preservation", unless specifically approved to be removed. An Oak tree inventory shall be prepared listing the Oak trees, their disposition, and the proposed location of any replacement trees required. In the event an Oak tree is designated for removal, an approved Oak Tree Removal Permit must be obtained from the City, prior to its removal.
- 3. A complete grading and drainage plan shall be prepared for the project by a registered civil engineer and subject to approval by the City Engineer. The project shall conform to the City's Storm Water Discharge Ordinance.
- 4. A Preliminary Soils and/or Geology Report providing technical specifications for grading of the site shall be prepared by a Geotechnical Engineer.
- 5. A Storm Water Pollution Prevention Plan per the State General Permit for Storm Water Discharges Associated with Construction Activity shall be provided for any site that disturbs greater than or equal to one acre, including projects that are less than one acre that are part of a larger plan of development or sale that would disturb more than one acre.

E. PRIOR TO ISSUANCE OF A BUILDING PERMIT:

- 1. All off-site public improvement plans shall be prepared by a registered civil engineer and shall be submitted to the City Engineer for review and approval. The improvements shall be designed and placed to the Public Works Department Standards and Specifications.
- 2. The applicant shall submit a composite utility plan signed as approved by a representative of each public utility.
- 3. Landscape and irrigation plans for the public right-of-way shall be incorporated into the improvement plans and shall require approval by the Streets Division Supervisor and the Community Development Department.

- 4. In a special Flood Hazard Area as indicated on a Flood Insurance Rate Map (FIRM) the owner shall provide an Elevation Certificate in accordance with the National Flood Insurance program. This form must be completed by a land surveyor or civil engineer licensed in the State of California.

F. PRIOR TO ISSUANCE OF CERTIFICATE OF OCCUPANCY OR RECORDATION OF THE FINAL MAP:

The Planning Commission has made a finding that the fulfillment of the construction requirements listed below are a necessary prerequisite to the orderly development of the surrounding area.

- 1. The applicant shall pay any current and outstanding fees for Engineering Plan Checking and Construction Inspection services.
- 2. All public improvements are completed and approved by the City Engineer, and accepted by the City Council for maintenance.
- 3. The owner shall offer to dedicate and improve the following street(s) to the standard indicated:

Street Name	City Standard	Standard Drawing No.
-------------	---------------	----------------------

- 4. If, at the time of approval of the final map, any required public improvements have not been completed and accepted by the City the owner shall be required to enter into a Subdivision Agreement with the City in accordance with the Subdivision Map Act.

Bonds required and the amount shall be as follows:
 Performance Bond.....100% of improvement costs.
 Labor and Materials Bond.....50% of performance bond.

- 5. If the existing City street adjacent to the frontage of the project is inadequate for the traffic generated by the project, or will be severely damaged by the construction, the applicant shall excavate the entire structural section and replace it with a standard half-width street plus a 12' wide travel lane and 8' wide graded shoulder adequate to provide for two-way traffic.
- 6. If the existing pavement and structural section of the City street adjacent to the frontage of the project is adequate, the applicant shall provide a new structural section from the proposed curb to the edge of pavement and shall overlay the existing paving to centerline for a smooth transition.
- 7. Due to the number of utility trenches required for this project, the City Council

adopted Pavement Management Program requires a pavement overlay on _____ along the frontage of the project.

- 8. The applicant shall install all utilities. Street lights shall be installed at locations as required by the City Engineer. All existing overhead utilities adjacent to or within the project shall be relocated underground except for electrical lines 77 kilovolts or greater. All utilities shall be extended to the boundaries of the project.
- 9. The owner shall offer to dedicate to the City the following easement(s). The location and alignment of the easement(s) shall be to the description and satisfaction of the City Engineer:
 - a. Public Utilities Easement;
 - b. Water Line Easement;
 - c. Sewer Facilities Easement;
 - d. Landscape Easement;
 - e. Storm Drain Easement.
- 10. The developer shall annex to the City's Landscape and Lighting District for payment of the operating and maintenance costs of the following:
 - a. Street lights;
 - b. Parkway/open space landscaping;
 - c. Wall maintenance in conjunction with landscaping;
 - d. Graffiti abatement;
 - e. Maintenance of open space areas.
- 11. For a building with a Special Flood Hazard Area as indicated on a Flood Insurance Rate Map (FIRM), the developer shall provide an Elevation Certificate in accordance with the National Flood Insurance Program. This form must be completed by a lands surveyor or civil engineer licensed in the State of California.
- 12. All final property corners shall be installed.
- 13. All areas of the project shall be protected against erosion by hydro seeding or landscaping.
- 14. All construction refuse shall be separated (i.e. concrete, asphalt concrete, wood gypsum board, etc.) and removed from the project in accordance with the City's Source Reduction and Recycling Element.
- 15. Clear blackline mylars and paper prints of record drawings, signed by the engineer of record, shall be provided to the City Engineer prior to the final inspection. An electronic autocad drawing file registered to the California State Plane – Zone 5 / NAD83 projected coordinate system, units in survey feet, shall be provided.

PASO ROBLES DEPARTMENT OF EMERGENCY SERVICES- The applicant shall contact the Department of Emergency Services, (805) 227-7560, for compliance with the following conditions:

G. GENERAL CONDITIONS

1. Prior to the start of construction:
 - Plans shall be reviewed, approved and permits issued by Emergency Services for underground fire lines.
 - Applicant shall provide documentation to Emergency Services that required fire flows can be provided to meet project demands.
 - Fire hydrants shall be installed and operative to current, adopted edition of the California Fire Code.
 - A based access road sufficient to support the department's fire apparatus (HS-20 truck loading) shall be constructed and maintained for the duration of the construction phase of the project.
 - Access road shall be at least twenty (20) feet in width with at least thirteen (13) feet, six (6) inches of vertical clearance.

2. Provide central station monitored fire sprinkler system for all residential, commercial and industrial buildings that require fire sprinklers in current, adopted edition of the California Building Code, California Fire Code and Paso Robles Municipal Code.
 - Plans shall be reviewed, approved and permits issued by Emergency Services for the installation of fire sprinkler systems.

3. Provide central station monitored fire alarm system for all residential, commercial and industrial buildings that require fire alarm system in current, adopted edition of the California Building Code, California Fire Code and Paso Robles Municipal Code.

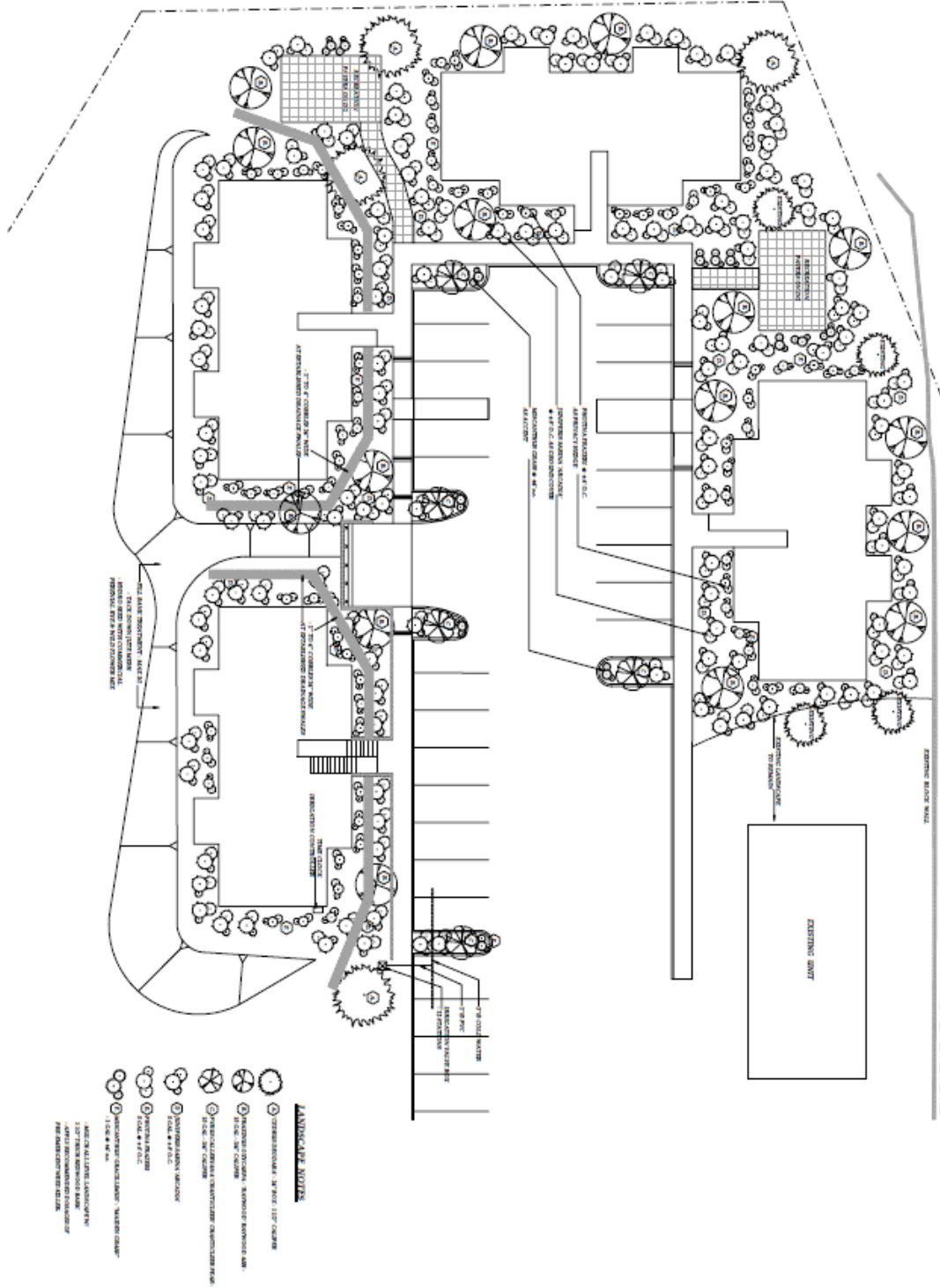
4. If required by the Fire Chief, provide on the address side of the building if applicable:
 - Fire alarm annunciator panel in weatherproof case.
 - Knox box key entry box or system.
 - Fire department connection to fire sprinkler system.

5. Provide temporary turn-around to current City Engineering Standard for phased construction streets that exceed 150 feet in length.

6. Project shall comply with all requirements in current, adopted edition of California Fire Code and Paso Robles Municipal Code.

7. Prior to the issuance of Certificate of Occupancy:
- Final inspections shall be completed on all underground fire lines, fire sprinkler systems, fire alarm systems and chemical hood fire suppression systems.
 - Final inspections shall be completed on all buildings.

Attachment 12 - Exhibit D



NO.	DATE
3	08/22/18

ALDER CREEK APARTMENTS		PRELIMINARY LANDSCAPE PLAN	
OWNER: JOE COLLINS 712 GARDEN A CIRCLE, CALIFORNIA 92646	ARCHITECT: NICK GILMAN 965 12TH ST, STE E PASO ROBLES, CALIF. 92646		

Exhibit D
Landscape Plan

Attachment 12 - Exhibit E



2	

ALDER CREEK APARTMENTS

OWNER: JOE COLLINS
 70 GARDENA CIRCLE
 CALIFORNIA 9046

ARCHITECT: NICK GRMAN
 80 12TH ST, STE E
 PASO ROBLES, CALIF. 9366

PRELIMINARY FLOORPLANS

Revisions	By

Exhibit E
Floor Plans

Attachment 13

MEMORANDUM

TO: Susan DeCarli
FROM: John Falkenstien
SUBJECT: GPA 15-002 PD 15-003 Tract 3080 Alder Creek Apartments
DATE: June 22, 2016

Streets

The project is located on 712 Gardenia Court off of Nicklaus Drive near the intersection of Niblick Road. All street frontage improvements were completed with the development of the Alder Creek apartments in 1987. Sidewalk improvements on Niblick Road and Nicklaus Drive have deteriorated and ADA requirements have changed. All improvements need to be upgraded accordingly.

Sewer and Water

An 8-inch water main serves the project from Nicklaus Drive. The applicant will need to verify that the line is adequate to meet current Fire Code fire suppression requirements for the project.

The City maintains the existing 6-inch sewer line that terminates in Gardenia Court. This sewer line should be adequate to serve the project.

Grading, Drainage and Storm Water Quality

In accordance with Water Board mandates, the City has adopted a Storm Water Ordinance requiring all projects to implement low impact development best management practices to mitigate impacts to the quality of storm water run-off and to limit the increase in the rate and volume of storm water run-off to the maximum extent practical.

These new requirements include on-site retention of stormwater. The applicant has prepared a storm water control plan offering a site assessment of constraints and opportunities and corresponding storm water management strategies to meet stormwater quality treatment and retention requirements in compliance with the regulations. The grading plan reflects these requirements with a broad storm water quality treatment area along the south boundary of the project site.

Conditions

Prior to occupancy, the applicant shall repair sidewalks on Niblick Road and Nicklaus Drive along the frontage of the Alder Creek Apartments to bring them into current ADA compliance.

Prior to recordation of the Final Map, the applicant will enter into an agreement to reimburse the City \$16,000 for reversion of 8,410 s.f. of Open Space easement to developable area.

Attachment 14

**CALIFORNIA ENVIRONMENTAL QUALITY ACT
INITIAL STUDY CHECKLIST FORM
CITY OF PASO ROBLES**

General Plan Amendment 15-003, Rezone 15-002
Planned Development 15-003 and Vesting Tentative Tract Map 3080
June 24, 2016

1. **PROJECT TITLE:** Alder Creek Apartments
2. **APPLICANT:** New Heritage, LP
Joe Collins
712 Gardenia Circle
Paso Robles, CA 93446
3. **APPLICANT'S REPRESENTATIVE:** North Coast Engineering
725 Creston Road
Paso Robles, CA 93446
4. **LEAD AGENCY:** City of Paso Robles
Contact: Susan DeCarli, City Planner
Phone: (805) 237-3970
Email: sdecarli@prcity.com
5. **PROJECT LOCATION:** Southwest corner of Niblick Road and
Nicklaus Street
See Attachment 1 - Location Map
6. **ASSESSOR PARCEL NUMBER:** 009-767-049
7. **GENERAL PLAN DESIGNATION:** Residential Multi-Family (RMF-8)
8. **ZONING:** Residential Multi-Family (R3-10)
9. **PROJECT DESCRIPTION:**

This proposed project includes a request for the following entitlements:

a) General Plan Amendment

Amend the General Plan Land Use Element Map to re-designate approximately 1.50 acres of land from Residential Multi-Family Low Density, (RMF-8) to Residential Multi-Family High Density (RMF-20), and re-designate approximately 0.9 acres of land from Residential Multi-Family Low Density, (RMF-8) to Parks and Open Space (POS). See Attachment 2 – General Plan - Land Use Map Amendment.

Zoning Amendment

Amend the existing Residential Multi-Family (R3-10) zoning on approximately 1.50 acres of land to R-5, and rezone approximately 0.9 acres of land from R3-10 to Open Space (OS). See Attachment 3 – Zoning Map Amendment.

b) Vesting Tentative Tract Map

Subdivide Lot 1 of Tract 2070, to create VTTM 3080, Lots 1 - 3. The existing Tract 2070 includes 96 airspace condominiums, which is not proposed to change. However, the property owner intends to keep all of the units as rentals and not sell them. See Attachment 4 - VTTM.

c) Planned Development

To construct four (4) buildings with four (4) 2-bedroom units in each building, for a total of 16 new residences. The new units would be built on the proposed new Lot 1, which is approximately one acre in area. The existing property currently has a 1.06-acre area that is designated as an open space easement on the southern end of the parcel. The tentative tract map includes reducing the amount of open space in the easement by abandoning approximately 0.19 acres of this area to be incorporated into the development footprint for the residential units.

The site plan provides a central driveway to access the existing and proposed units, and surface parking spaces. A storm water control plan was prepared to demonstrate how the project will comply with State storm water management requirements. There are no oak trees or significant biological resources within the proposed area of disturbance. A portion of the proposed development area is currently used for recreational vehicle storage/parking and is paved with asphalt. The balance of the area necessary for development has flat to sloped topography, and is covered in ruderal vegetation.

10. SURROUNDING LAND USES AND SETTING:

Surrounding land uses include:

- South – R2 Residential Multi-Family (open space/vacant)
- North – RSF Residential Single Family (Niblick Road/residences)
- West – Regional Commercial/Mixed-Use Overlay (vacant)
- East – R3-10 Residential Multi-Family (apartments)

11. OTHER PUBLIC AGENCIES WHOSE APPROVAL IS REQUIRED (e.g., PERMITS, FINANCING APPROVAL OR PARTICIPATION AGREEMENT):

None

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" as indicated by the checklist on the following pages.

- | | | |
|--|---|---|
| <input type="checkbox"/> Aesthetics | <input type="checkbox"/> Agriculture and Forestry Resources | <input checked="" type="checkbox"/> Air Quality |
| <input type="checkbox"/> Biological Resources | <input type="checkbox"/> Cultural Resources | <input checked="" type="checkbox"/> Geology /Soils |
| <input type="checkbox"/> Greenhouse Gas Emissions | <input type="checkbox"/> Hazards & Hazardous Materials | <input type="checkbox"/> Hydrology / Water Quality |
| <input type="checkbox"/> Land Use / Planning | <input type="checkbox"/> Mineral Resources | <input type="checkbox"/> Noise |
| <input type="checkbox"/> Population / Housing | <input type="checkbox"/> Public Services | <input type="checkbox"/> Recreation |
| <input checked="" type="checkbox"/> Transportation/Traffic | <input type="checkbox"/> Utilities / Service Systems | <input type="checkbox"/> Mandatory Findings of Significance |

DETERMINATION: (To be completed by the Lead Agency)

On the basis of this initial evaluation:

- I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
- I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- I find that the proposed project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
- I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

Signature: _____

Date: _____

EVALUATION OF ENVIRONMENTAL IMPACTS:

1. A brief explanation is required for all answers except “No Impact” answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. A “No Impact” answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g., the project falls outside a fault rupture zone). A “No Impact” answer should be explained where it is based on project-specific factors as well as general standards (e.g., the project will not expose sensitive receptors to pollutants, based on a project-specific screening analysis).
2. All answers must take account of the whole action involved. Answers should address off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.
3. “Once the lead agency has determined that a particular physical impact may occur, then the checklist answers must indicate whether the impact is potentially significant, less than significant with mitigation, or less than significant. “Potentially Significant Impact” is appropriate if there is substantial evidence that an effect may be significant. If there are one or more “Potentially Significant Impact” entries when the determination is made, an EIR is required.
4. “Negative Declaration: Less Than Significant with Mitigation Incorporated” applies where the incorporation of mitigation measures has reduced an effect from “Potentially Significant Impact” to a “Less Than Significant Impact.” The lead agency must describe the mitigation measures, and briefly explain how they reduce the effect to a less than significant level (mitigation measures from “Earlier Analyses,” as described in (5) below, may be cross-referenced).
5. Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration. Section 15063(c)(3)(D). In this case, a brief discussion should identify the following:
 - a. Earlier Analysis Used. Identify and state where they are available for review.
 - b. Impacts Adequately Addressed. Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures based on the earlier analysis.
 - c. Mitigation Measures. For effects that are "Less than Significant with Mitigation Measures Incorporated," describe the mitigation measures which were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the project.
6. Lead agencies are encouraged to incorporate into the checklist references to information sources for potential impacts (e.g., general plans, zoning ordinances). Reference to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated.
7. Supporting Information Sources: A source list should be attached, and other sources used or individuals contacted should be cited in the discussion.
8. The explanation of each issue should identify:
 - a. the significance criteria or threshold, if any, used to evaluate each question; and
 - b. the mitigation measure identified, if any, to reduce the impact to less than significance

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
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I. AESTHETICS: Would the project:

- | | | | | |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a. Have a substantial adverse effect on a scenic vista? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|

Discussion: The project site is not designated in the City’s General Plan, Conservation Element or identified in the City’s Gateway Design Standards, as being in a “scenic vista”, “gateway” or part of a “visual corridor”. Therefore, the project could not be determined to adversely result in negative impacts on a scenic vista (as defined).

- | | | | | |
|--|--------------------------|--------------------------|-------------------------------------|--------------------------|
| b. Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
|--|--------------------------|--------------------------|-------------------------------------|--------------------------|

Discussion: Most of the development site is disturbed with an existing parking/storage lot. This area is also enclosed in a masonry wall and landscaping with shrubs and trees along the Niblick Street frontage. There are no scenic resources in this area of the project site. The development would provide an infill extension of the existing development along the (developed/urban) street frontage.

The south side of the project would be adjacent to an existing natural open space area. A portion of this area of the site is used for parking. The other portion of the site is undeveloped. This area slopes down to a creekway drainage and oak woodland area. However, the development footprint in this area would not disturb or otherwise interfere with the creekway or oak trees. The proposed buildings would be somewhat screened from Nicklaus Street with existing pine trees along the street frontage. Therefore, the project would not substantially damage scenic resources on the existing site.

- | | | | | |
|---|--------------------------|--------------------------|-------------------------------------|--------------------------|
| c. Substantially degrade the existing visual character or quality of the site and its surroundings? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
|---|--------------------------|--------------------------|-------------------------------------|--------------------------|

Discussion: As noted in 1.a. above, the proposed project would extend the existing development. The proposed buildings would be in keeping with the existing architectural theme, quality and character of the site and other buildings. The buildings and associated grading and ground disturbance would not block views of or disturb natural resources. Therefore, the project would not substantially degrade the existing visual character or quality of the site or its surroundings.

- | | | | | |
|---|--------------------------|--------------------------|-------------------------------------|--------------------------|
| d. Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area? (Sources: 1, 2, 10) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
|---|--------------------------|--------------------------|-------------------------------------|--------------------------|

Discussion: The proposed project is a small scale addition to an existing residentially developed property. This level of development would not result in substantial new light and glare. The buildings would be designed in keeping with the existing design theme and lighting plan. The project will also need to comply with the Zoning Code light and glare standards, and will be required to have all external light fixtures downcast and shielded to reduce lighting onto adjacent properties and surrounding night sky. Therefore, the proposed project would likely result in less than significant impacts due to new light sources.

Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
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II. AGRICULTURE AND FORESTRY RESOURCES: In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Dept. of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the State’s inventory of forest land, including the forest and Range Assessment Project and the forest Legacy Assessment project; and forest carbon measurement methodology provided in Forest Protocols adopted by the California Air Resources Board. Would the project:

- | | | | | |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a. Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program (FMMP) of the California Resources Agency, to non-agricultural use? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|

Discussion: In accordance with the City’s General Plan, Open Space Element, the property does not contain “Important Farmland” soils, as defined by the FMMP of the California Resources Agency. Therefore, the project could not impact this resource.

- | | | | | |
|--|--------------------------|--------------------------|--------------------------|-------------------------------------|
| b. Conflict with existing zoning for agricultural use, or a Williamson Act contract? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|--|--------------------------|--------------------------|--------------------------|-------------------------------------|

Discussion: The property is not zoned for agricultural uses, nor is there agriculturally zoned property within the vicinity. The property is not under a Williamson Act contract.

- | | | | | |
|--|--------------------------|--------------------------|--------------------------|-------------------------------------|
| c. Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g))? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|--|--------------------------|--------------------------|--------------------------|-------------------------------------|

- | | | | | |
|--|--------------------------|--------------------------|--------------------------|-------------------------------------|
| d. Result in the loss of forest land or conversion of forest land to non-forest use? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|--|--------------------------|--------------------------|--------------------------|-------------------------------------|

- | | | | | |
|--|--------------------------|--------------------------|--------------------------|-------------------------------------|
| e. Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|--|--------------------------|--------------------------|--------------------------|-------------------------------------|

Discussion: There are no forest land or timberland resources, as defined within the City of Paso Robles. Additionally, the site is an infill development property surrounded by non-agriculturally zoned properties. Therefore, the project could not result in or affect conversion of agricultural resources or forest land to urban uses.

Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
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III. AIR QUALITY: Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. Would the project:

- | | | | | |
|--|--------------------------|--------------------------|-------------------------------------|--------------------------|
| a. Conflict with or obstruct implementation of the applicable air quality plan? (Source: 11) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
|--|--------------------------|--------------------------|-------------------------------------|--------------------------|

Discussion: The proposed project does not conflict with the SLO County Air Pollution Control District Clean Air Plan (APCD CAP), in particular with land use and transportation control measures. The project site is located along a major thoroughfare and is less an ¼ mile from local and regional retailers (i.e. Walmart, Albertsons, Kohl’s, restaurants, banks, medical offices, fitness center, etc.). It is also located less than a ¼ mile from an elementary school and high school. There are class II bike lanes and sidewalks located along both street frontages to provide for access to active transportation modes for multiple school, retail and service destinations in the near vicinity. There are also transit stops on Niblick Road, a major arterial, within ¼ mile from the site. Therefore, considering these measures, the project does not conflict with the APCD CAP.

- | | | | | |
|---|--------------------------|--------------------------|-------------------------------------|--------------------------|
| b. Violate any air quality standard or contribute substantially to an existing or projected air quality violation? (Source: 11) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
|---|--------------------------|--------------------------|-------------------------------------|--------------------------|

Discussion: In accordance with the SLO County APCD CEQA Air Quality Handbook (CEQA Handbook), the proposed project is below the APCD adopted project thresholds of significance for operational impacts that may result in a significant increase in ozone precursors and greenhouse gas (GHG) emissions. Additionally, the site is below the thresholds of significance for construction-related impacts since the area of grading is less than four acres.

Since the site is located adjacent to residences, which are defined as sensitive receptors, the project would be subject diesel idling restrictions to limit construction-related emissions from diesel particulate matter from construction equipment. The project would need to implement standard mitigation measures for construction equipment and fugitive dust mitigation measures (short list) identified in the CEQA Handbook. Through implementation of the applicable measures, the project would not violate any air quality standards or contribute substantially to an existing or projected air quality violation.

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| c. Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)? (Source: 11) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
|--|--------------------------|--------------------------|-------------------------------------|--------------------------|

Discussion: The northern area of San Luis Obispo County occasionally exceeds ozone levels (both federal and state standards). However, as noted in III.b. above, the proposed project would not exceed adopted thresholds for criteria pollution. Therefore, the project will not result in a cumulatively considerable increase in criteria pollutants, and impacts would be less than significant.

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
d. Expose sensitive receptors to substantial pollutant concentrations? (Source: 11)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Discussion: Since the site is located adjacent to residences, which are defined as sensitive receptors, the project would be subject to diesel idling restrictions, to limit construction-related emissions from diesel particulate matter from construction equipment. The project would need to implement standard mitigation measures for construction equipment and fugitive dust mitigation measures (short list) identified in the CEQA Handbook. Through implementation of the applicable measures listed, the project would not expose sensitive receptors to substantial pollutant concentrations, and associated impacts would be less than significant.</p>				
e. Create objectionable odors affecting a substantial number of people? (Source: 11)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>Discussion: The proposed development is not anticipated to create significant objectionable odors, since intended use is for residential development, which are not typically associated with objectionable odor emissions.</p>				

IV. BIOLOGICAL RESOURCES: Would the project:

a. Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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Discussion: The area of disturbance for this project includes an area that is currently improved with a paved, asphalt parking lot, and a small portion of the area is part of a vacant, manufactured hillside that has a cover of ruderal grasses. There are no protected habitat types, plants or animal species within or near the area of disturbance. Therefore, the project could not result in effects to candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or U.S. Fish and Wildlife Service.

b. Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by the California Department of Fish and Wildlife or US Fish and Wildlife Service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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Discussion: There is no riparian habitat, nor are there other sensitive natural communities located on the site. There are also no resources on the site that are referenced in applicable local or regional plans, such as the City General Plan, Conservation Element.

Therefore, the project will not result in substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations, or by the California Department of Fish and Wildlife or US Fish and Wildlife Service.

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
c. Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion: There are no wetland resources on the site. Therefore, the project could not result in substantial adverse effect on federally protected wetlands, as defined.

d. Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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Discussion: The project site is not within migration corridor for either fish or wildlife species. Therefore, it could not affect these resources.

e. Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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Discussion: There are no locally protected species on the project site within the area of disturbance.

f. Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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Discussion: There are no adopted habitat conservation plans that apply within the City.

V. CULTURAL RESOURCES: Would the project:

a. Cause a substantial adverse change in the significance of a historical resource as defined in §15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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Discussion: There are no historic resources, as defined, on or near this project site that could be impacted by the proposed project.

b. Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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Discussion: This is an infill development site on previously disturbed property. There are no known archaeological or paleontological resources located on the site. Should any archaeological or paleontological

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
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resources be discovered during site grading, work shall be halted and appropriate qualified specialists shall be contacted to evaluate the resources and recommend further action.

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| c. | Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
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Discussion: See Vd. Above.

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| d. | Disturb any human remains, including those interred outside of formal cemeteries? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
|----|---|--------------------------|--------------------------|-------------------------------------|--------------------------|

Discussion: There are no known human remains or cemeteries located on the site. Should any human remains be discovered during site grading, work shall be halted and the county coroner shall be contacted to evaluate the resources and recommend further action.

VI. GEOLOGY AND SOILS: Would the project:

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|----|--|--------------------------|--------------------------|-------------------------------------|--------------------------|
| a. | Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving: | | | | |
| i. | Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42. (Sources: 1, 2, & 3) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Discussion: The potential for and mitigation of impacts that may result from fault rupture in the project area are identified and addressed in the General Plan EIR, pg. 4.5-8. There are two known fault zones on either side of the Salinas Rivers valley. The Rinconada Fault system runs on the west side of the valley, and grazes the City on its western boundary. The San Andreas Fault is on the east side of the valley and is situated about 30 miles east of Paso Robles. The City of Paso Robles recognizes these geologic influences in the application of the California Building Code (CBC) to all new development within the City. Review of available information and examinations indicate that neither of these faults is active with respect to ground rupture in Paso Robles. Soils and geotechnical reports and structural engineering in accordance with local seismic influences would be applied in conjunction with any new development proposal. Based on standard conditions of approval, the potential for fault rupture and exposure of persons or property to seismic hazards is not considered significant. There are no Alquist-Priolo Earthquake Fault Zones within City limits.

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|-----|---|--------------------------|--------------------------|-------------------------------------|--------------------------|
| ii. | Strong seismic ground shaking? (Sources: 1, 2, & 3) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
|-----|---|--------------------------|--------------------------|-------------------------------------|--------------------------|

Discussion: The proposed project will be constructed to current CBC codes. The General Plan EIR identified impacts resulting from ground shaking as less than significant and provided mitigation measures that will be incorporated into the design of this project including adequate structural design and not constructing over active or potentially active faults. Therefore, impacts that may result from seismic ground shaking are considered less than significant.

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
iii. Seismic-related ground failure, including liquefaction? (Sources: 1, 2 & 3) Discussion: Per the General Plan Safety Element and EIR, the project site is located in an area with soil conditions that have a high potential for liquefaction ground failure due to seismic events and soil conditions. Standard building code and soils report requirements will evaluate the site-specific soil profile, and provide methods to address soil stability for construction. Therefore, impacts related to seismic-related ground failure are determined to be less than significant.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. Landslides? Discussion: Per the General Plan Safety Element and EIR, the project site is located in an area with soil conditions that have a low potential for liquefaction or other type of ground failure due to seismic events and soil conditions. Therefore, impacts related to seismic-related ground failure are determined to be less than significant.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. Result in substantial soil erosion or the loss of topsoil? (Sources: 1, 2, & 3) Discussion: The project will require a storm water control plan to address storm related erosion, and standard grading and erosion control plans required will address potential soil erosion to a less than significant level.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse? Discussion: See VI a – d above.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e. Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property? Discussion: This site is not located in an area with an unstable geologic unit that would be subject to expansive soil that could create a substantial risk to life or property.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f. Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water? Discussion: The development will be connected to the City’s municipal wastewater system. Therefore, there would not be impacts related use of septic tanks.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
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VII. GREENHOUSE GAS EMISSIONS: Would the project:

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|---|--------------------------|--------------------------|-------------------------------------|--------------------------|
| a. Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
|---|--------------------------|--------------------------|-------------------------------------|--------------------------|

Discussion: The proposed project is below the APCD CEQA Handbook adopted threshold of significance. Therefore, it has been determined that the project will not generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment.

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|--|--------------------------|--------------------------|-------------------------------------|--------------------------|
| b. Conflict with any applicable plan, policy, or regulation of an agency adopted for the purpose of reducing the emissions of greenhouse gasses? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
|--|--------------------------|--------------------------|-------------------------------------|--------------------------|

Discussion: The proposed project is an infill development that will intensify use of an existing developed property. The project will also comply with the City’s Climate Action Plan (CAP). Therefore, the project is consistent with the City’s CAP.

VIII. HAZARDS AND HAZARDOUS MATERIALS: Would the project:

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|---|--------------------------|--------------------------|--------------------------|-------------------------------------|
| a. Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|

Discussion: The project would use industry-standard landscape and building maintenance products which would be stored in compliance with all applicable safety requirements. The project does not include use of, transport, storage or disposal of hazardous materials that would create a significant hazard to the public or environment.

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|---|--------------------------|--------------------------|--------------------------|-------------------------------------|
| b. Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|

Discussion: See VIII a. above.

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|---|--------------------------|--------------------------|--------------------------|-------------------------------------|
| c. Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|

Discussion: The proposed project will not emit hazardous materials, and will not impact schools within the

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
vicinity.				
d. Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Discussion: The project site is not identified as a hazardous site per Government Code Section 65962.5.				
e. For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Discussion: (VIII e & f) The project site is not located within an airport safety zone.				
f. For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Discussion: see VIII e above.				
g. Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Discussion: The City does not have <i>adopted</i> emergency response or evacuation plans. Per the City Emergency Services Department, the proposed location does not pose a risk that would impair City response to emergencies.				
h. Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Discussion: Per the 2003 General Plan Safety Element, and the Local Hazard Mitigation Plan, the project is not in the vicinity of wildland fire hazard areas.				

Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
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IX. HYDROLOGY AND WATER QUALITY: Would the project:

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|---|--------------------------|--------------------------|-------------------------------------|--------------------------|
| a. Violate any water quality standards or waste discharge requirements? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
|---|--------------------------|--------------------------|-------------------------------------|--------------------------|

Discussion: The Regional Water Quality Control Board adopted stormwater management requirements for development projects in the Central Coast region. Upon the Board’s direction, the City has adopted a Storm Water Ordinance requiring all projects to implement low-impact development, best management practices to mitigate impacts to the quality of storm water run-off, and to limit the increase in the rate and volume of storm water run-off to the maximum extent practical. Implementation of these measures will reduce the potential to impact or violate water quality standards or exceed waste discharge requirements to a less than significant level.

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| b. Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., Would the production rate of pre-existing nearby wells drop to a level which would not support existing land uses or planned uses for which permits have been granted)? Would decreased rainfall infiltration or groundwater recharge reduce stream baseflow? (Source: 7) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
|---|--------------------------|--------------------------|-------------------------------------|--------------------------|

Discussion: Todd Groundwater prepared an abbreviated Water Supply Evaluation (WSE) for the Alder Creek Apartment Project. Representative Project water demands were estimated to be 0.20 AFY/apartment which is the 2013 Alder Creek Apartment water usage. This unit rate is slightly lower than the one used for 2015 UWMP multifamily unit projections (0.22 AFY) because the Project will have water efficient fixtures and drought tolerant landscaping. Total Project water use is summarized below. The projected water demand is 3.2 acre-feet per year (AFY), (16 Proposed Apartments @ 0.20 AFY = 3.2 AFY).

The City has relied on groundwater from the Paso Robles Groundwater Basin, water from the Salinas River, and more recently, Nacimiento water. The City has fulfilled water demand in years that have included both extreme dry years (such as 2013) and prolonged severe drought extending over seven years (1984-1990). Recycled water is planned for the future. Discussion of current and projected City water demands and supplies has recently been updated and documented in the City’s 2015 UWMP. The City has a diversified water resource portfolio, and is not entirely dependent on groundwater resources. This project will not require the City to use more groundwater than already planned for through City build-out. The City has adequate potable supply to provide a reliable long-term water supply for the Project under normal and drought conditions.

Potentially Significant Impact Less Than Significant with Mitigation Incorporated Less Than Significant Impact No Impact

	2020	2025	2030	2035	2040	Buildout (2045 or later)
Population	32,300	34,400	37,700	39,900	41,900	44,000
Water Demands (AFY)	7,089	7,575	8,061	8,546	9,032	9,519
Water Supply Sources to Meet Demands (AFY)						
Basin Wells	2,600	2,506	2,602	2,124	2,610	2,200
River Wells	3,100	3,500	3,800	4,558	4,558	4,558
Nacimiento Water from Water	1,120	1,120	1,120	1,120	1,120	2,017
Nacimiento Water from the Recovery Well	269	269	269	269	269	269
Recycled Water for Potable	0	180	270	475	475	475
Total Supply	7,089	7,575	8,061	8,546	9,032	9,519

Note: Supply amounts shown above do not reflect total supply available to the City from each source, nor do they reflect any limits on the City’s groundwater rights, but instead the water planned to supply projected demand.

- c. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site? (Source: 10)

Discussion: The proposed project is designed above the existing drainage channel, and will not disturb or alter the natural drainage pattern of the drainage facility or site. Hydromodification that may result from new impervious surfaces on the site will be addressed through implementation of low-impact storm water management techniques designed into the project site. This will also reduce the potential for erosion and siltation from site drainage. Therefore, the proposed project will not result in altering site drainage, substantial erosion or siltation.

- d. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site? (Source: 10)

Discussion: See IX c. above.

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
<p>e. Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff? (Source: 10)</p> <p>Discussion: See IX c. above.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>f. Otherwise substantially degrade water quality?</p> <p>Discussion: See IX c. above.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>g. Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?</p> <p>Discussion: In accordance with the City's adopted Local Hazard Mitigation Plan, the project site is not within the FEMA 100-year flood hazard area.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p>h. Place within a 100-year flood hazard area structures which would impede or redirect flood flows?</p> <p>Discussion: See IX g. above.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p>i. Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?</p> <p>Discussion: As noted in IX g. above, the site is not within a flood hazard area. There are also no levees within the Paso Robles area, or dams within 20 miles of the project site. Therefore, the site, structures or people that may occupy this project would not be subject to risk due to failure of a levee or dam.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p>j. Inundation by mudflow?</p> <p>Discussion: In accordance with the City's adopted Local Hazard Mitigation Plan, the site is not within an area subject to mudflow impacts.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p>k. Conflict with any Best Management Practices found within the City's Storm Water Management Plan?</p> <p>Discussion: The project will incorporate all BMPs with the City's Storm Water Management Plan, and will therefore not be in conflict with the City's SWMP BMPs.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
1. Substantially decrease or degrade watershed storage of runoff, wetlands, riparian areas, aquatic habitat, or associated buffer zones?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Discussion:				

X. LAND USE AND PLANNING: Would the project:

a. Physically divide an established community?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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Discussion: The GPA and Rezone will

b. Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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Discussion: The proposed legislative amendments and development project would provide internal consistency between plans and policies, and would not result in avoiding or mitigating an environmental effect.

c. Conflict with any applicable habitat conservation plan or natural community conservation plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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Discussion: There are no habitat conservation plans that apply within the City of Paso Robles.

XI. MINERAL RESOURCES: Would the project:

a. Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state? (Source: 1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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Discussion: There are no known mineral resources within the City of Paso Robles.

b. Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan? (Source: 1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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Discussion: There are no known mineral resources within the City of Paso Robles.

XII. NOISE: Would the project result in:

- | | Potentially Significant Impact | Less Than Significant with Mitigation Incorporated | Less Than Significant Impact | No Impact |
|---|--------------------------------|--|------------------------------|--------------------------|
| a. Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies? (Source: 1) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Discussion: In accordance with the General Plan Noise Element, conditionally acceptable CNEL noise exposure for residences is up to 70 Ldn or CNEL, dBA. Residences within this CNEL would be required to apply construction features to reduce ambient noise levels to an acceptable range, up to a maximum of 60 CNEL. According to the project site plan and Table N-2 and Figure N-3b, of the Noise Element, the proposed project would locate residences within 60 feet of the centerline of Niblick Road, and within future (year 2025) traffic noise levels of 65 to 70 dB. Therefore, new construction would need to incorporate noise reduction measures to reduce roadway noise levels to a normally acceptable level (below 65 dB).

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|---|--------------------------|--------------------------|-------------------------------------|--------------------------|
| b. Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
|---|--------------------------|--------------------------|-------------------------------------|--------------------------|

Discussion: The project may result in short-term construction groundborne vibration from machinery, however, the construction noise is not anticipated to be excessive nor operate in evening hours, and would be less than the industry (Caltrans) standard thresholds for vibration that would cause structural damage and/or annoyance of (0.2 and 0.1 in/sec ppv, respectively at a distance of 500 feet). Therefore, impacts from groundborne vibration noise would be considered less than significant.

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| c. A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
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Discussion: The proposed hotel project would not result in substantial permanent increase in ambient noise levels in the project vicinity due to the nature of the type of proposed development, which do not make significant noise. Therefore, the project would not result in a substantial permanent increase in noise levels in the vicinity.

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|--|--------------------------|--------------------------|-------------------------------------|--------------------------|
| d. A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
|--|--------------------------|--------------------------|-------------------------------------|--------------------------|

Discussion: The project would result in construction-related noise, however construction would only occur during daytime hours. The applicant would need to comply with noise standards in the zoning ordinance, and not create nuisance noise between 7:00 pm and 7:00 am.

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| e. For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels? (Sources: 1, 4) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|

Discussion: The project site is not located within an Airport Land Use Planning area. Therefore, it would not be impacted by airport related noise, and noise impacts would be less than significant.

Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
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XIII. POPULATION AND HOUSING: Would the project:

- | | | | | |
|---|--------------------------|--------------------------|-------------------------------------|--------------------------|
| a. Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)? (Source: 1) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
|---|--------------------------|--------------------------|-------------------------------------|--------------------------|

Discussion: The proposed project includes 16 new residential units, which are included within the projected build-out scenario of the General Plan Land Use Element. The site is an infill property surrounded by urban development and served by existing roads and infrastructure. The project will also not extend new infrastructure to serve it since it has adequate road access and utilities that already serve it.

- | | | | | |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|
| b. Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|

Discussion: The project is proposed on vacant areas of the site, and no homes would be displaced by the proposed project.

- | | | | | |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|
| c. Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
|---|--------------------------|--------------------------|--------------------------|-------------------------------------|

Discussion: See XIII b. above.

XIV. PUBLIC SERVICES: Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:

- | | | | | |
|-------------------------------------|--------------------------|--------------------------|-------------------------------------|--------------------------|
| a. Fire protection? (Sources: 1,10) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
|-------------------------------------|--------------------------|--------------------------|-------------------------------------|--------------------------|

Discussion:

- | | | | | |
|---------------------------------------|--------------------------|--------------------------|-------------------------------------|--------------------------|
| b. Police protection? (Sources: 1,10) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
|---------------------------------------|--------------------------|--------------------------|-------------------------------------|--------------------------|

Discussion:

- | | | | | |
|-------------|--------------------------|--------------------------|-------------------------------------|--------------------------|
| c. Schools? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
|-------------|--------------------------|--------------------------|-------------------------------------|--------------------------|

- | | | | | |
|-----------|--------------------------|--------------------------|-------------------------------------|--------------------------|
| d. Parks? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
|-----------|--------------------------|--------------------------|-------------------------------------|--------------------------|

Discussion:

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
e. Other public facilities? (Sources: 1,10)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Discussion: (a-e): The proposed project will not result in a significant demand for additional new services since it is not proposing to include new neighborhoods or a significantly large scale development that cannot be provided services through existing resources, and the incremental impacts to services can be mitigated through payment of standard development impact fees. Therefore, impacts that may result from this project on public services are considered less than significant.

XV. RECREATION

a. Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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Discussion: (a&b):

The proposed development project will not encourage significant new housing demand, therefore it will not result in a significant increase in demand for recreational facilities or accelerate deterioration of recreational facilities.

b. Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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Discussion: see XV a. above.

XVI. TRANSPORTATION/TRAFFIC: Would the project:

a. Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Discussion: The Circulation Element (CE) of the General Plan, Table CE-1, provides projections of existing and future (2025) roadway segment capacity utilization of various roads in the City. Table CE-1 indicates that the existing capacity utilization of the segment of Niblick Road (between South River Road and Melody Drive) is 52% (19,400 average daily trips “ADT”). Future capacity utilization is expected to be 68% (25,400 ADT) in 2025. Trip generation data from the Institute of Transportation Engineers (ITE), Trip Generation Manual indicates that low-rise apartments (2-story) typically result in 6.59 average weekday daily trips, and

Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
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0.51 AM and 0.62 PM weekday peak hour trips per unit. This would result in approximately 105 trips per day, and between 8 to 10 peak hour trips, respectively. The proposed project would result in a modest increase in the future capacity utilization of Niblick Road (0.004%).

According to the CE, roadway capacity utilization of 50 to 70 percent,

“provides stable operating conditions for motorists and limited delays throughout most of the day. The roadway is only partially utilized. No consideration should be made for road widening. The maneuverability of individual motorists is affected by the interaction with other motorists in the traffic stream. The conditions are less attractive for bicycles, pedestrians, and transit users because of typically higher auto vehicle speeds.” Therefore, since the project is consistent with this level of capacity utilization for this segment of Niblick Road, the project would result in negligible effects on surrounding traffic.

The projected capacity utilization of Niblick Road from Spring Street to South River Road (which includes the intersection of those two roads), is projected to exceed the projected capacity utilization at 102% in 2025. Adoption of the CE EIR included incorporating findings for and a Statement of Overriding Considerations (SOC), whereby the City accepted exceeding capacities of two street segments in the City, as projected in 2025. This includes Niblick Road from Spring Street to South River Road. The CE notes:

This segment serves as the third major crossing of the Salinas River in the City, and is projected to have a daily capacity utilization of 104% in Year 2025. This corresponds to increased congestion, particularly during commute periods, as well as potential route changes to parallel routes and/or changes to the times people travel to avoid congestion. The projected capacity utilization of slightly more than 100% does not justify the widening of this roadway by 2025 but should be re-evaluated during the next Circulation Element update. If the bridge were widened, congestion would continue to occur at the intersections on either side of the bridge during some portion of the commute periods. Furthermore, widening the bridge to a 6-lane arterial would result in a capacity utilization of 71%, which would reduce vehicle delays, but would also support higher vehicle speeds and would conflict with the City’s multi-modal goals and desire to maintain its small town character.

Therefore, although the project would contribute a small amount of traffic to a street segment (including the intersection at Niblick Road and South River Road) that is projected to exceed capacity, with adoption of a SOC regarding CE traffic impacts, no further analysis or mitigation is required to reduce traffic-related impacts at this location. The applicant would be required to pay transportation impact fees to contribute to citywide traffic impact improvements.

There are existing sidewalks along both project street frontages, and a transit stop is located less than ¼ mile from the project site. Bike lanes are also provided on both Niblick Road and Nicklaus Street. A future bike trail (currently used as a pedestrian pathway connecting the surrounding neighborhoods to shopping and services), is located at the south end of the property. Therefore, the project would not conflict with non-motorized, active transportation policies, plans and implementation measures.

- b. Conflict with an applicable congestion management program, including but not limited to a level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?

<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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Discussion: As noted above in XVI a., the project will include access to alternative transportation measures. Commercial retail and services are located with ¼ mile from the project site, as well as schools. These measures, land uses, and improvements support consistency with applicable congestion management plans.

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
and programs.				
c. Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Discussion: The proposed project is not located within an airport area, and therefore could not result in impacting traffic patterns, safety hazards, etc.				
d. Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Discussion: The proposed project scope does not include road improvements that would result in hazardous design features. The proposed project would utilize the existing access driveway on Nicklaus Street.				
e. Result in inadequate emergency access?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Discussion: The project will not affect emergency access on the adjacent street and highway networks, and will install emergency service access and turnarounds on site, in compliance with required fire safety codes.				
f. Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Discussion: See XVI a & b.				

XVII. UTILITIES AND SERVICE SYSTEMS: Would the project:

a. Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Discussion: The project will comply with all applicable wastewater treatment requirements as required by the City, the Regional Water Quality Control Board, and the State Water Board. Therefore, there will be less than significant impacts resulting from wastewater treatment from this project.				
b. Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Discussion: Per the City's General Plan EIR, Urban Water Management Plan, Sewer System Management Plan (SSMP), Wastewater Master Plan (WWMP), the City's water and wastewater treatment facilities in the vicinity and at the wastewater and water treatment plants are adequately sized, including planned and recently constructed facility upgrades, to provide water needed for this project and to treat resulting effluent. The applicant will be required to pay for utility connections and associated improvements, as well as development

Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
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impact fees to offset the projects proportional share of impact to these facilities. Therefore, this project will not result in the need to construct new facilities.

- c. Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?

<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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Discussion: All new stormwater resulting from this project will be managed on the project site, and will not enter existing storm water drainage facilities or require expansion of new drainage facilities. Therefore, the project will not impact the City's storm water drainage facilities.

- d. Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?

<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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Discussion: As noted in section IX on Hydrology, the project can be served with existing water resource allocations available and will not require expansion of new water resource entitlements.

- e. Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the projects projected demand in addition to the providers existing commitments?

<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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Discussion: Per the WWMP, the capacity of the City's wastewater treatment plant is 4.9 million gallons per day (MGD). Existing flows to the wastewater treatment plant are approximately 2.9 MGD, therefore it can be determined that the WWTP plant has adequate remaining capacity of 2 MGD to serve this project.

- f. Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?

<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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Discussion: Per the City's 2010 Landfill Master Plan, the City's landfill has adequate capacity to accommodate construction-related and operational solid waste disposal for this project. Landfill design capacity permitted (as of 2013) is 6,495,000 cubic yards, with a maximum of up to 75,000 tons/year. The City's overall waste stream averages about 45,000 tons/year, inclusive of residential and non-residential hauling rates. Based on General Plan build-out projections, landfill capacity is documented to be sufficient until at least 2051. The 5-year Joint Technical Update (currently in process of being updated) projects capacity until 2071. However, the landfill plan includes numerous zero-waste and renewable energy production programs that are designed to reduce the waste stream and extend the life of the capacity much further.

Based on capacity information of the City's Landfill capacity, annual waste stream and estimated C&D, it can be determined that the City's landfill has adequate capacity to accommodate the proposed projects solid waste disposal needs.

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
g. Comply with federal, state, and local statutes and regulations related to solid waste?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Discussion: The project proponent will be required to comply with the City’s adopted Municipal Code which encompasses the California Green Building Code for C&D waste, as well as landfill permit tonnage limitations (see XVII (f) above). Based on averages of typical hotel waste streams (which are included in the landfill capacity analysis of the 2010 Landfill Master Plan), as well as an estimate of C&D waste, the proposed project will comply with local and state solid waste regulations. Local and State solid waste regulations are in compliance with the federal solid waste regulations of the Environmental Protection Agency. Therefore, the proposed project will comply with all applicable solid waste regulations.

XVIII. MANDATORY FINDINGS OF SIGNIFICANCE

a. Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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Discussion: This is an infill project proposed on property that has previously been disturbed with an existing driveway and parking spaces, and the portion of the project proposed on land that is not currently paved has already been disturbed when the existing development was graded for construction. Areas of disturbance are either paved or have ruderal vegetation. There are no protected or special plant or animal species on the project site that would be disturbed as a result of this project. Therefore, this project could not degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory.

b. Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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Discussion: The analyses prepared for this project demonstrate that potentially significant impacts that may result from implementation of this project will not:

- individually; and/or
- in connection with effects of past projects, and/or
- in connection with current projects; and/or
- in connection with probable future projects, result in cumulatively considerable significant impacts.

Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
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Based on substantial evidence, potential impacts identified related to traffic impacts are not cumulatively considerable, and have previously been considered under a prior Circulation Element EIR SOC. Impacts related to noise and air quality can be mitigated to a less than significant level, and with mitigation measures applied to this project it will not result in impacts that are individually limited or cumulatively considerable.

- c. Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?

Discussion: With mitigation measures applied as noted in VXIII b. above the project will not cause substantial adverse effects on human beings, either directly or indirectly.

EARLIER ANALYSIS AND BACKGROUND MATERIALS.

Earlier analyses may be used where, pursuant to tiering, program EIR, or other CEQA process, one or more effects have been adequately analyzed in an earlier EIR or negative declaration. Section 15063 (c)(3)(D).

Earlier Documents that may have been used in this Analysis and Background / Explanatory Materials

<u>Reference #</u>	<u>Document Title</u>	<u>Available for Review at:</u>
1	City of Paso Robles General Plan	City of Paso Robles Community Development Department 1000 Spring Street Paso Robles, CA 93446
2	City of Paso Robles Zoning Code	Same as above
3	City of Paso Robles Environmental Impact Report for General Plan Update	Same as above
4	2005 Airport Land Use Plan	Same as above
5	City of Paso Robles Municipal Code	Same as above
6	City of Paso Robles Water Master Plan	Same as above
7	City of Paso Robles Urban Water Management Plan 2005	Same as above
8	City of Paso Robles Sewer Master Plan	Same as above
9	City of Paso Robles Housing Element	Same as above
10	City of Paso Robles Standard Conditions of Approval for New Development	Same as above
11	San Luis Obispo County Air Pollution Control District Guidelines for Impact Thresholds	APCD 3433 Roberto Court San Luis Obispo, CA 93401
12	San Luis Obispo County – Land Use Element	San Luis Obispo County Department of Planning County Government Center San Luis Obispo, CA 93408
13	USDA, Soils Conservation Service, Soil Survey of San Luis Obispo County, Paso Robles Area, 1983	Soil Conservation Offices Paso Robles, Ca 93446
14	Bike Master Plan, 2009	City of Paso Robles Community Development Department 1000 Spring Street Paso Robles, CA 93446

Attachments

- 1 – Location Map
- 2 - General Plan Amendment Map
- 3 – Zoning Map Amendment
- 4 – Vesting Tentative Tract Map
- 5 – Planned Development Site Plan and Elevations
- 6 – Water Supply Evaluation
- 7 – Mitigation Monitoring and Reporting Program

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City of Paso Robles
Community Development Dept.

THE Newspaper of the Central Coast
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In The Superior Court of The State of California
In and for the County of San Luis Obispo
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CITY OF PASO ROBLES

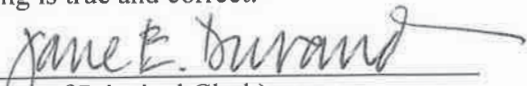
STATE OF CALIFORNIA

ss.

County of San Luis Obispo

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen and not interested in the above entitled matter; I am now, and at all times embraced in the publication herein mentioned was, the principal clerk of the printers and publishers of THE TRIBUNE, a newspaper of general Circulation, printed and published daily at the City of San Luis Obispo in the above named county and state; that notice at which the annexed clippings is a true copy, was published in the above-named newspaper and not in any supplement thereof – on the following dates to wit; JUNE 24, 2016, that said newspaper was duly and regularly ascertained and established a newspaper of general circulation by Decree entered in the Superior Court of San Luis Obispo County, State of California, on June 9, 1952, Case #19139 under the Government Code of the State of California.

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.



(Signature of Principal Clerk)

DATED: JUNE 24, 2016

AD COST: \$256.52

CITY OF EL PASO DE ROBLES

**NOTICE OF PUBLIC HEARING
NOTICE OF INTENT OF THE PLANNING
COMMISSION TO CONSIDER A
RECOMMENDATION TO THE CITY
COUNCIL TO ADOPT A MITIGATED
NEGATIVE DECLARATION FOR
GENERAL PLAN AMENDMENT
(GPA 15-003), REZONE (RZ 15-002),
VESTING TENTATIVE PARCEL MAP
(VTPM 3080) AND DEVELOPMENT
PLAN (PD 15-003) - ALDER CREEK
APARTMENTS
APPLICANT - NEW HERITAGE LIMITED
LP (JOE COLLINS) - APN: 009-767-049**

NOTICE IS HEREBY GIVEN that the Planning Commission of the City of El Paso de Robles will hold a Public Hearing on Tuesday, July 12, 2016 at 6:30 p.m. at the City of El Paso de Robles, 1000 Spring Street, Paso Robles, California, in the City Council Chambers, to consider approval of a Mitigated Negative Declaration in accordance with the provisions of the California Environmental Quality Act (CEQA) for the project described below.

- General Plan Amendment (GPA): 1) re-designate a portion of property approximately 1.5 acre in area from RMF-8 (8 units per acre) to RMF-20 (20 units per acre); and 2) re-designate a portion of property approximately 0.9 acres in area from RMF-8 to Open Space (OS);
- Rezone (RZ): 1) rezone a portion of property approximately 1.5 acre in area from R3-10 (10 units per acre) to R5 (20 units per acre); and 2) rezone a portion of property approximately 0.9 acres in area from R3-10 to Parks and Open Space (POS);
- Vesting Tentative Parcel Map (VTPM): Split a lot (Lot 1 of Tract 2070), into three (3) lots;
- Development Plan (PD) to add (16) 2-bedroom apartment units in 4 buildings.

The public review period for the Mitigated Negative Declaration (MND) is June 23, 2016 through July 12, 2016. The proposed MND may be reviewed at the Community Development Department located at City Hall, 1000 Spring Street, Paso Robles, California. Copies may be purchased for the cost of reproduction. A copy of the MND is also available on the City website at: <http://www.prcity.com/government/departments/commdev/index.asp>.

Written comments on the proposed project and corresponding MND may be mailed to the Community Development Department, 1000 Spring Street, Paso Robles, CA 93446 or emailed to sdecarli@prcity.com, provided that the comments are received prior to the time of the public hearing. Oral comments may be made at the hearing. Should you have any questions regarding this application, please call Susan DeCarli at (805) 237-3970 or email at sdecarli@prcity.com.

If you challenge this application in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Planning Commission at or prior to the public hearing.

Susan DeCarli, City Planner
June 24, 2016

2522401

Attachment 15

CITY OF EL PASO DE ROBLES

"The Pass of the Oaks"



AFFIDAVIT

OF MAIL NOTICES

PLANNING COMMISSION/CITY COUNCIL PROJECT NOTICING

I, Monica Hollenbeck, employee of the City of El Paso de Robles, California, do hereby certify that the mail notices have been processed as required for General Plan Amendment 15-003, Rezone 15-002, Vesting Tentative Parcel Map 3080 and Development Plan 15-003, on this 22nd day of June, 2016.

City of El Paso de Robles
Community Development Department
Planning Division

Signed: Monica C Hollenbeck
Monica Hollenbeck