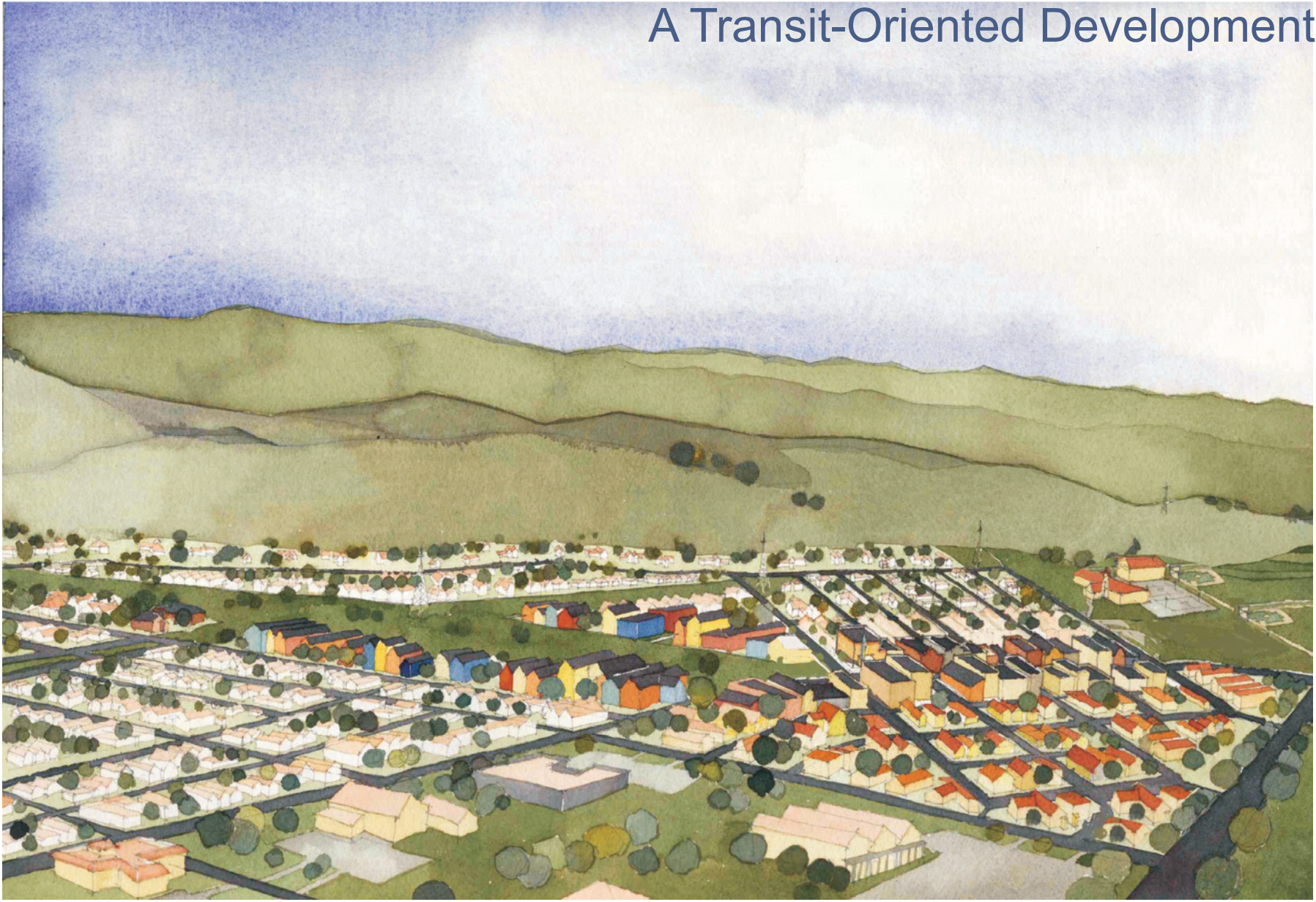


# Margarita Area Specific Plan

## A Transit-Oriented Development



**City of San Luis Obispo  
COMMUNITY DEVELOPMENT DEPARTMENT**

**OUR MISSION STATEMENT**

Our mission is to serve all persons in a positive and courteous manner and help ensure that San Luis Obispo continues to be a healthy, safe, attractive, and enjoyable place to live, work, or visit. We help plan the city's form and character, support community values, preserve the environment, promote wise use of resources, and protect public health and safety.

**OUR SERVICE PHILOSOPHY**

The City of San Luis Obispo Community Development Department staff provides high quality service when you need it. We will:

- Listen to understand your needs;
- Give clear, accurate and prompt answers to your questions;
- Explain how you can achieve your goals under the City's rules;
- Help resolve problems in an open, objective manner;
- Maintain high ethical standards; and
- Work to improve our service.

**A note on dimensions:** Specific plans for the Margarita Area and the neighboring Airport Area introduce metric measurements. Linear dimensions are generally given to the nearest meter (or half-meter), with the English equivalent to the nearest foot. Precise conversions will show that the two distances are not exactly the same. The metric dimension is intended to control. Since most architects, builders, and suppliers still use the English system (feet and inches), strict adherence to metric dimensions will not be required in the field. The differences are expected to have no effect on neighborhood character or development costs. (For example, a 1-meter side yard is equivalent to 3 feet 3 inches, while a 6-meter street yard is equivalent to 19 feet 8 inches.)

# MARGARITA AREA SPECIFIC PLAN Hearing Draft

## City of San Luis Obispo

### Specific Plan Process

Further development in the Margarita Area, under City jurisdiction, cannot occur until the City adopts a specific plan for the area. This specific plan has not been adopted. This draft of the Specific Plan, prepared by City of San Luis Obispo staff, has been revised from the previously published draft (dated April 1998), in response to:

- direction from the Planning Commission in December 2003, January 2004, February 2004, March 2004 and April 2004.
- direction from the City Council in May 1998 and March 2002, mainly concerning compatibility with the Airport;
- mitigation measures and alternatives discussed in the draft Environmental Impact Report for the specific plan;
- actions of the California Department of Education and the Caltrans Division of Aeronautics concerning a school site in the area;
- changes to City policies and regulations since May 1998.

According to the General Plan, the City may annex land in the Margarita Area after the City Council has approved the draft Specific Plan as the project description for an environmental impact report. That occurred in 1998. The Environmental Impact Report covers the Margarita Area and the Airport Area, because these plans cover adjacent land and will share impacts, alternatives, and mitigation measures. With environmental review complete, the draft Specific Plan was presented to the Planning Commission. The Planning Commission then held public hearings and made a recommendation to the City Council. That recommendation included changes to the draft plan. The adopted will be referred to the County Airport Land Use Commission for a determination of consistency with the Airport Land Use Plan.

This Specific Plan was adopted on October 12, 2004, by City Council Resolution Number 9615. The following amendments have been adopted.

Topic	Date	Resolution Number

## **CITY COUNCIL**

Dave Romero, Mayor  
John Ewan  
Allen Settle  
Christine Mulholland  
Ken Schwartz

## **PLANNING COMMISSION**

Orval Osborne, Chairman	Carlyn Christianson
Jim Aiken	Allan Cooper
Michael Boswell	Alice Loh
James Caruso	Andrea Miller

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## **FINANCE & INFORMATION TECHNOLOGY DEPARTMENT**

Bill Statler, Director/City Treasurer

## **UTILITIES DEPARTMENT**

John Moss, Director  
Gary Henderson, Water Division Manager  
Dave Hix, Wastewater Division Manager  
Dan Gilmore, Utilities Engineer  
Ron Munds, Utilities Conservation Manager

## **GRAPHICS**

Neighborhood Center sketch by Pierre Rademaker  
Design (Page 24).

Community Design sketches by Garcia Architecture &  
Design (Pages 35 through 39).

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## BACKGROUND

### Dominant Issues for Margarita Area Development

New neighborhoods in San Luis Obispo must respond to a variety of pressures and demands. Housing is in high demand while land and housing costs are relatively unaffordable compared to household incomes. According to recent housing affordability data, less than 15% of the population can afford to purchase a home. The cost of constructing new infrastructure to support new housing is also high, increasing the affordability problem. Demographic and housing consumer research shows that demand for “dense, walkable residential environments growing substantially for the foreseeable future. This trend is due, in large part, to “baby boomers” growing preference for higher density housing, echo boomers desire for more urban amenities and time-efficient living environments, and growing concerns over traffic congestion and sprawl. While new housing is needed, existing city residents are concerned about the loss of open space and increasing traffic congestion. Much of the Margarita Area is influenced by safety zones related to airplane flight paths and must also address the needs of the San Luis Obispo County Regional Airport. This specific plan addresses these challenges with a coordinated land use and transportation strategy incorporating open space protection and transit-oriented development.

### Location

The 420-acre Margarita Area is in the southern part of San Luis Obispo (Figure 1). It includes much of the land bounded by South Higuera Street, Broad Street, Tank Farm Road, and the ridge of the South Street Hills. As Figure 1 illustrates, the Margarita Area is located within the City’s urban reserve boundary, between areas that area already urbanized or undergoing urbanization. The Margarita Area is ideally located to meet the land use needs of the City through infill development rather than expansion beyond the City’s existing urban boundary. Major transportation and infrastructure corridors already exist on the east and west sides of the Margarita Area. The county regional airport is located one mile to the south, and a strip of residential land already exists along

Higuera Street and Margarita Street. This specific plan provides details for how airport safety and the existing residences will be integrated with future development to create a cohesive new neighborhood, and how that new neighborhood will be integrated into the City of San Luis Obispo.



*The Damon-Garcia Ranch in 1998*

### General Plan Goals for the Margarita Area

The City General Plan directs that San Luis Obispo will have a compact urban form. It identifies the Margarita Area as a Residential Expansion Area, meaning it is one of the areas designated to accommodate San Luis Obispo’s planned residential growth for the near future. According to the General Plan, this area should include permanent open space protection and a mix of housing with supporting services, and a business park. This specific plan provides details for the how the General Plan policies will be implemented. It bridges between the broad policies of the General Plan and the details of subdivisions, building permits and City budgets.

According to that plan, the Margarita Area is to be an attractive neighborhood, which:

- Accommodates people in a wide range of housing types, with an emphasis on housing affordable to those working in San Luis Obispo;
- Protects in a largely natural state substantial habitat, including creeks, hills, wetlands, and connections between these areas;
- Provides convenient access for residents to employment, basic shopping, and recreation, through both the locations of land uses and the design of circulation features;
- Accommodates professional-service, research, and light manufacturing jobs that can support local households in a way that is compatible with neighboring residences; and
- Develops in a way that is compatible with the nearby airport.

### **Transit-Oriented Development (TOD)**

Transit-Oriented Development is defined as:

"Multiple-unit housing and mixed use projects that support the public investment in light rail and fixed route transit (bus) service because they preserve, enhance, or contribute to creating active pedestrian districts within walking distance of transit. TODs increase the density of people near transit, including residents, employees, visitors,

and customers in a built environment that is pedestrian friendly and connected to transit. Mixed-use buildings, projects, or areas with a mix of uses are active from early in the morning to late in the evening, making the environment safer for pedestrians and providing peak and off-peak customers for transit service. A TOD may be a single building, a group of buildings, or a multiple block district."

From a transportation perspective, "transit oriented development" (TOD) is the land use and economic development version of transportation demand management (TDM). The purposes of TOD and TDM are similar, to reduce the use of single occupant vehicles (SOV) by increasing the number of trips by walking, bicycle, car/van pool, bus, street car, ferry or rail. To minimize external trips, TOD projects should be located in higher density, mixed use, urban pedestrian districts with high quality transit service. External SOV trips can be reduced as much or more by people walking within a mixed-use urban district as they can by using transit within and between urban centers.

To be most effective, TOD should be "urban" even in a suburban setting. Pedestrian scale design draws people to return again and again. Urban development supports transit; suburban development does not. This is a powerful idea once established. The concept includes mixed use, higher density, buildings at the sidewalk, less private and more public open space, smaller blocks, narrow streets with wider sidewalks, street trees and lights, lower parking ratios, shared parking, parking behind buildings, and on-street parallel-or-angled parking.

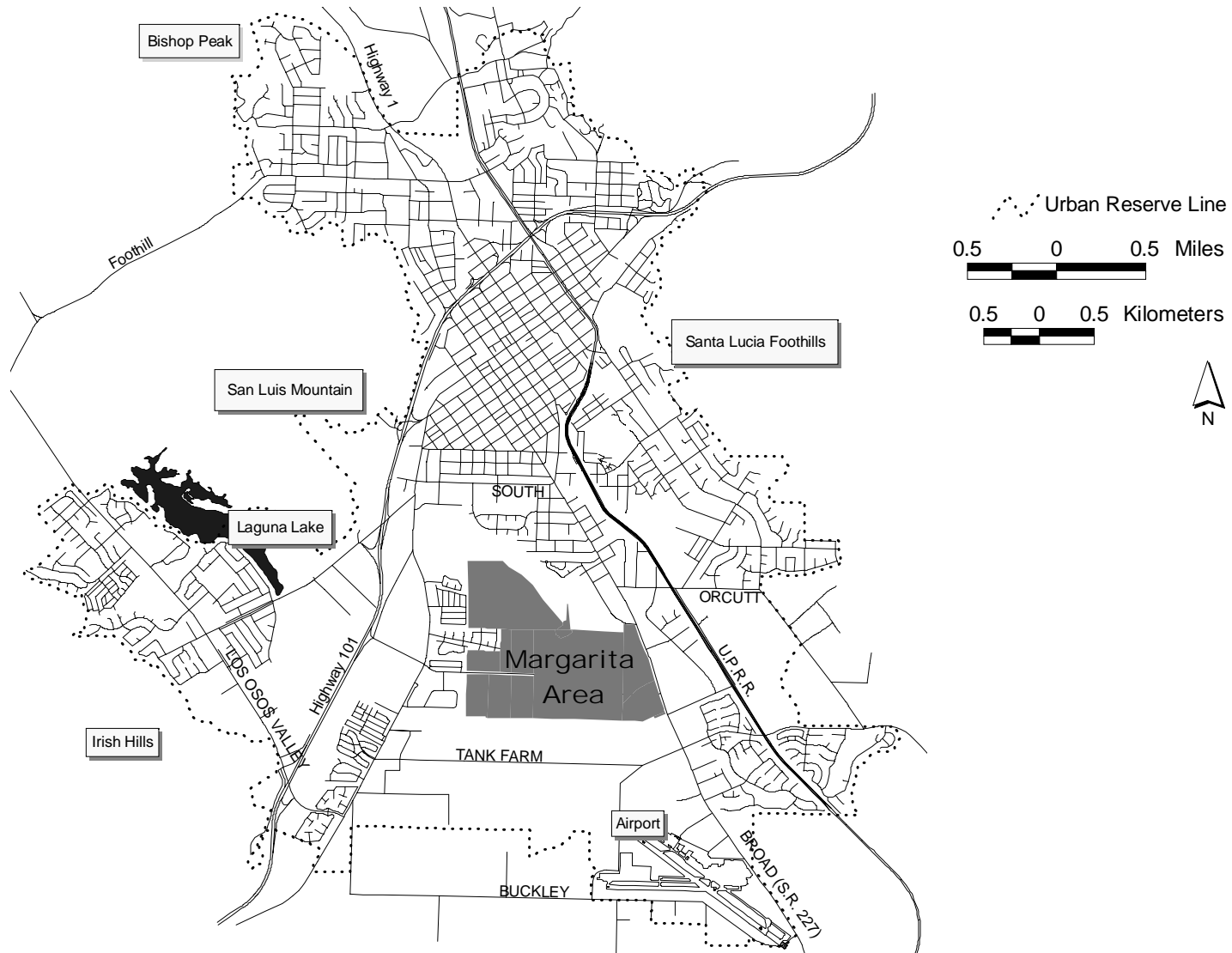


Figure 1: Vicinity Map

## SUMMARY

This Margarita Area Specific Plan is a coordinated land use and transportation strategy intended to facilitate the protection of open space and the production of housing while minimizing additional vehicle trips and vehicle miles traveled in the City of San Luis Obispo. The key principles of this plan include:

### **Open Space and Sensitive Resource Protection**

This specific plan designates about 40% of the land area (68 hectares/169 acres) as open space, including the hills, creeks and wetlands, and about 23 hectares (56 acres) as parks.

### **Creation of a New Cohesive Neighborhood**

An existing area residential development on the western edge of the specific plan will be integrated with new development. New development will be compatible in terms of use and scale with existing development. New development and open space areas will be accessible to existing development by extending existing streets and creating linkages to new bicycle and pedestrian paths. New development will provide a strong sense of place, creating landmarks and a neighborhood center combining public facilities, commercial services and transit. Consistent landscape features such as street trees and connected public spaces and pedestrian ways will enhance neighborhood connectivity.

### **Transit Supporting Land Uses and Densities**

Housing is predominately medium and high density. The neighborhood can accommodate up to 868 dwellings, ranging from apartments over small businesses, through attached or small-lot dwellings, to detached houses. Centrally located mixed uses and commercial services will allow alternative transportation to be conveniently used to get to transit stops, employment areas and daily shopping needs. Community commercial facilities area located within ½ mile at the Marigold Center. The Business Park can include a variety of work places. The Margarita Area is also close to the Airport Area, which is a significant employment center.

Prado Road (extended) will provide the primary access to the area from other parts of the city, and will connect the southeastern and southwestern parts of the city. Collector and local streets will form a modified grid.

### **A Pedestrian Friendly Environment**

This specific plan emphasizes and encourages human scale development and pedestrian facilities. The design guidelines call for commercial buildings to take access from wider sidewalks, smaller blocks, narrow streets with street trees and street lights, lower parking ratios, shared parking, and parking behind buildings. Residential development is encouraged to provide alleys as a means to narrow the residential streets and put pedestrians closer to yards and porches. The street and traffic improvements will include traffic-calming strategies.

### **Minimizing Infrastructure Costs**

Minimizing infrastructure costs was desirable as a means to control the costs that contribute to the cost of housing production. The facilities needed to provide services to the Margarita Area were designed as the plan was being prepared. The public facilities requirements and designs were modified several times during the planning process to reduce the costs. For example, an area-wide storm water drainage system and central detention basin were abandoned in favor of less costly, but more numerous small-scale detention ponds. The relatively central, infill location of the Margarita Area will help to minimize the length of new water and sewer trunklines and roadways.



*Well-maintained houses along an alley near Meadow Park*

This Specific Plan must be consistent with the General Plan. It must provide clear guidance for implementing actions. Though it may be amended in response to changed conditions or community desires, it is to serve as a long-range vision. The public as a whole, neighbors of the area, residents and workers in the area, and those investing in the plan's implementation should be able to count on it as a stable vision.

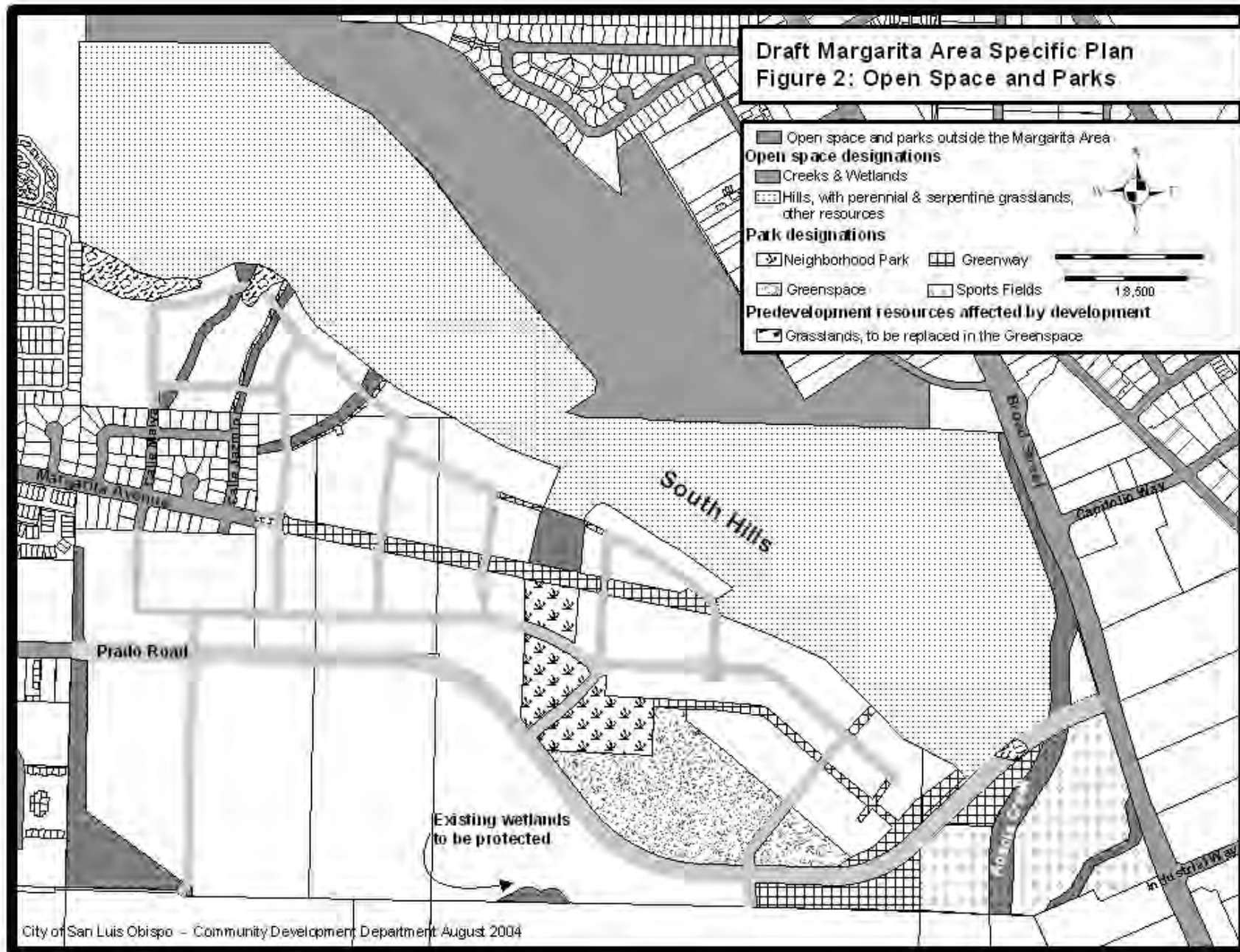
If the City has not completed annexation of the area before adopting this Specific Plan, it will do so and zone it consistent with this plan. As the area is subdivided, the developers will dedicate open space and sites for parks, and provide most utilities and streets, and some other public facilities. Major facilities to serve the whole area may be funded by a combination of debt financing supported by impact fees and special assessments. Construction could start in 2005 and may be completed by 2020.



*Modest houses on small lots in Old Town, a model for part of the area*

Table 1: Land Use Summary

Land Use	Zone	Area			Avg. Density /hectare	dwellings /acre	Dwellings Number
		hectares	acres	%			
<b>Open Space</b>		75.4	186.2	44.8			
Hills	C/OS-SP	59.2	146.3	35.2			
Greenspace	C/OS-SP	7.0	17.2	4.1			
Creek Corridors	C/OS-SP	9.2	22.7	5.5			
<b>Parks</b>		10.5	25.9	6.0			
Neighborhood Park	PF-SP	4.0	9.9	2.4			
Sports Fields	PF-SP	6.5	16.0	3.6			
<b>Residential</b>		28.6	70.7	17.0			
Low Density	R-1-SP	8.3	20.6	5.0	17	7	144
Medium Density – Attached or Detached	R-2-SP	14.2	35.0	8.4	30	12	420
Medium Density – Detached Only	R-2-SP	2.1	5.2	1.3	30	12	62
Medium High Density	R-3-SP	3.7	9.1	2.2	44	18	164
High-Density	R-4-SP	0.3	0.8	0.2	60	24	19
<b>Neighborhood Commercial</b>		1.3	3.1	0.8			
Low-density housing allowance	C-N-SP	0.4	1.0	0.3	17	7	7
Medium-density housing allowance	C-N-MU-SP	0.9	2.1	0.5	30	12	24
<b>Special Use</b>	C-N-SP	0.4	0.9	0.2			
<b>Business Park</b>		28.0	68.8	16.6			
Business Park/office character ( <i>office</i> )	O-SP	4.4	10.9	2.6		1 unit/lot	28
Single-story limitation	C-S-SP	2.5	6.1	1.5			
Outdoor use area	C-S-SP	2.2	5.4	1.3			
General Business Park	C-S-SP	18.9	46.6	11.2			
<b>Circulation</b>		24.5	60.5	14.6			
Streets		19.0	47.0	11.3			
Greenways	R- or O-	5.5	13.5	3.3			
<b>Total</b>		168.7	416.1	100.0			868





## OPEN SPACE AND PARKS

A primary goal of this specific plan is to facilitate the protection of open space and sensitive resources. The Margarita Area is defined by its attractive physical elements, including the South Street Hills, Acacia Creek and a network of smaller streams and swales, wetlands and fertile soils. This section of the specific discusses how these natural features will be protected and enhanced as the area develops. It also establishes the framework for park and open space development in the Margarita Area.

### 1.1 Hills

The hills will be dedicated to the City, and protected as natural open space. No development or private lots will encroach into the area shown as hills open space on the Specific Plan map. This map refines the development limit line previously adopted as the General Plan Land Use Element hillside-planning map, to protect native plants and to provide adequate space with suitable slope behind residential lots for land management and fire protection. Pedestrian trails will follow existing graded roads where possible, and avoid areas with native plants that depend on undisturbed, serpentine-based soils.

To allow healthy natural plant communities to regenerate, livestock grazing may be eliminated from the hills. Where grazing is allowed, the times of livestock access may be limited. The City may manage hillside vegetation along the development limit line to avoid concentrations of chaparral or other plants that could support intensive fires. Fire safety will be achieved primarily by maintaining separation, within the area, which is eligible for development, between fire-prone natural vegetation, and combustible man-made items, including wood fencing and sheds. Planting in the fire-safety setbacks must be fire resistant.

The link to the previously graded road providing access for hilltop telecommunications facilities (which are outside the planning area) will be relocated by the developer of that area. This link will also provide access for emergency response.

### 1.2 Creek Corridors

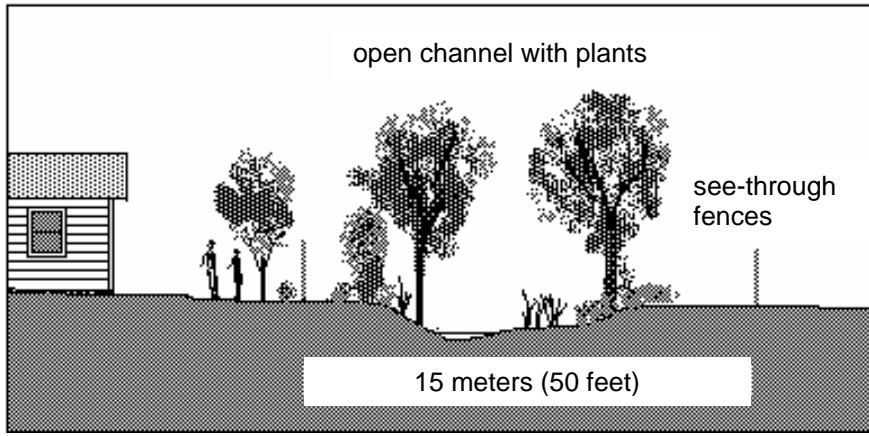
Creek corridors contain creeks as designated by the General Plan Open Space Element, whether flowing seasonally or all year, and sufficient space for native plants that characteristically grow along creeks. Creek corridors will be dedicated to the City and permanently protected as natural open space. While creek corridors will make the area more attractive for people, their primary functions will be to carry flood waters without harm to people or property and to sustain wildlife and allow wildlife movement between habitat areas. (Floodways intended to carry 100-year storm flows may extend beyond designated creek corridors.) Some trails will be located parallel to creeks. Trails will be outside the setback required by the Zoning Regulations when feasible. Trails may be within the setback where the City Council has approved them as part of the sports fields design, and with approval of subdivision maps for the small, un-named creeks where a vegetation buffer is being established and maintained.

The Acacia Creek corridor is intended to be a generously wide route for wildlife movement. It will be as shown on the Specific Plan map, but not less than 30 meters (100 feet), exclusive of sports fields. To heal the effects of past livestock access and to compensate for changes to Orcutt Creek, natural riparian plants will be re-established. Invasive, non-native species will be removed. Recreational access to the creek itself will be discouraged by planting and trail design.

The un-named swales emerging from the hills, which mostly will be bordered by development, will have open-space corridors about 15 meters (50 feet) wide, generally centered on the natural flow line (Figure 3). Swales will be kept open except for necessary bridges. Their alignment may be changed slightly to better accommodate intended lot and street patterns. Native riparian vegetation will be reintroduced, to create a shading canopy, with tree trunks clear of the swale's flow line. Along private development sites, the edges of creek corridors will be fenced to assure that residential structures and activities do not encroach. The type of fencing will allow views into the corridors (wire-grid, coated chain-link, or split-rail are

acceptable). The lower segment of the swale flowing through the neighborhood park will be accessible for play. Maintenance access to the swales will be from the streets that cross them.

Figure 3: **Small Creek Corridor**



### 1.3 Wetlands

Riparian and seasonal wetlands, and relatively small occurrences of wetlands-associated plants, which cannot be maintained due to development consistent with this specific plan, will be replaced in kind within the Margarita Area.

### 1.4 Stormwater Detention

In the long term, onsite basins with each individual development will mitigate potential impacts on San Luis Obispo Creek caused by runoff from development of the area. Development may also need to make changes to minor waterways within and immediately downstream from the development. If areawide drainage facilities are not available, developments in the Margarita Area will need to detain peak flows on-site. Such drainage detention areas shall not substantially harm open-space resources such as creek corridors, wetlands, or native grasslands. Detention areas may be integrated with wetlands enhancement or mitigation, or they may have dry-

season uses such as game courts, if approved as part of development plans. The design of detention facilities must be compatible with neighborhood character. More extensive, shallow basins with natural-appearing edges are favored over deeper basins that appear constructed.

### 1.5 Agricultural Land

Although past development and current uses in the Margarita Area result in a low farmland classification under the California Department of Conservation categories, a majority of the soil types have characteristics of prime soil according to the United States Natural Resources Conservation. The City's General Plan identifies Margarita as a major expansion area. Development of the Margarita Area is meant to accommodate a reasonable share of projected city population increase within a compact urban form, to prevent sprawl on agricultural land outside the City's designated urban growth boundary. To implement General Plan policy on agricultural land protection, Margarita Area development must include specific measures that will help protect agricultural land elsewhere in the urban reserve or in the greenbelt. Possibilities include:

- securing for the City or for a suitable land conservation organization open space easements or fee ownership with deed restrictions;
- helping to directly fund the acquisition of fee ownership or open space easements by the City or a suitable land conservation organization (such as the per-acre fee paid by Airport Area annexations).

This specific plan implements the General Plan by requiring the dedication of the hills as natural open space, and public access (pedestrian trails) to the open space. The Open Space and Parks section discusses land conservation measures.

## 1.6 Parks, Greens, and Trails

City standards call for 2.5 hectares (5 acres) of neighborhood park and 5 hectares (10 acres) of total parkland per 1,000 residents in major residential annexation areas. The Margarita Area meets this requirement by providing a 4-hectare (10-acre) Neighborhood Park and a 6.5-hectare (16 acre) improved sports field. Developers will provide park improvements to the approval of the City.

### 1.6.1 Neighborhood Park

The Neighborhood Park will include: trees, benches, picnic tables and small cooking stands, children's play equipment for two age groups, game courts, a restroom, and, south of the principal residential street, turf play fields (Figure 4). The Neighborhood Park will include a central neighborhood landmark at the boundary of the park and the Neighborhood Commercial area. The landmark feature will incorporate a transit stop central to the Margarita Area as a means to leverage public improvements to both create a landmark and contribute to activity at the neighborhood center. The physical design of a landmark and public place in this location should be integrated with the Neighborhood Commercial land uses to facilitate interaction between the public place and the private commercial services (Figure 5). Some of the seating, cooking, and small-child play space will be partly enclosed to provide aircraft noise attenuation. For airport compatibility of the playfield area: occupancy will not exceed 100 people per hectare (40 per acre); no group reservations or tournament play will be scheduled; no areawide lighting will be provided. No on-site parking is proposed.

### 1.6.2 Greenspace

The Greenspace and adjacent neighborhood play fields are reserved primarily for airport safety, and therefore are not intended to accommodate structures or substantial concentrations of people. Large trees will be planted only at the edges of the area. The Greenspace will be mainly semi-natural vegetation and a site for mitigating any losses of native grasslands. Community gardens may also be developed in the Greenspace.

### 1.6.3 Greenways

Greenways are primarily for cycling and walking paths within linear, landscaped open areas. Depending on location, a greenway may help buffer a sensitive land use from other uses or a major road, as well as provide a travel route.

### 1.6.4 Sports Fields

The Sports Fields will accommodate active recreational use by large groups, and will include on-site parking. Night lighting will be shielded to avoid glare onto the Acacia Creek corridor, the residential area, and Broad Street.

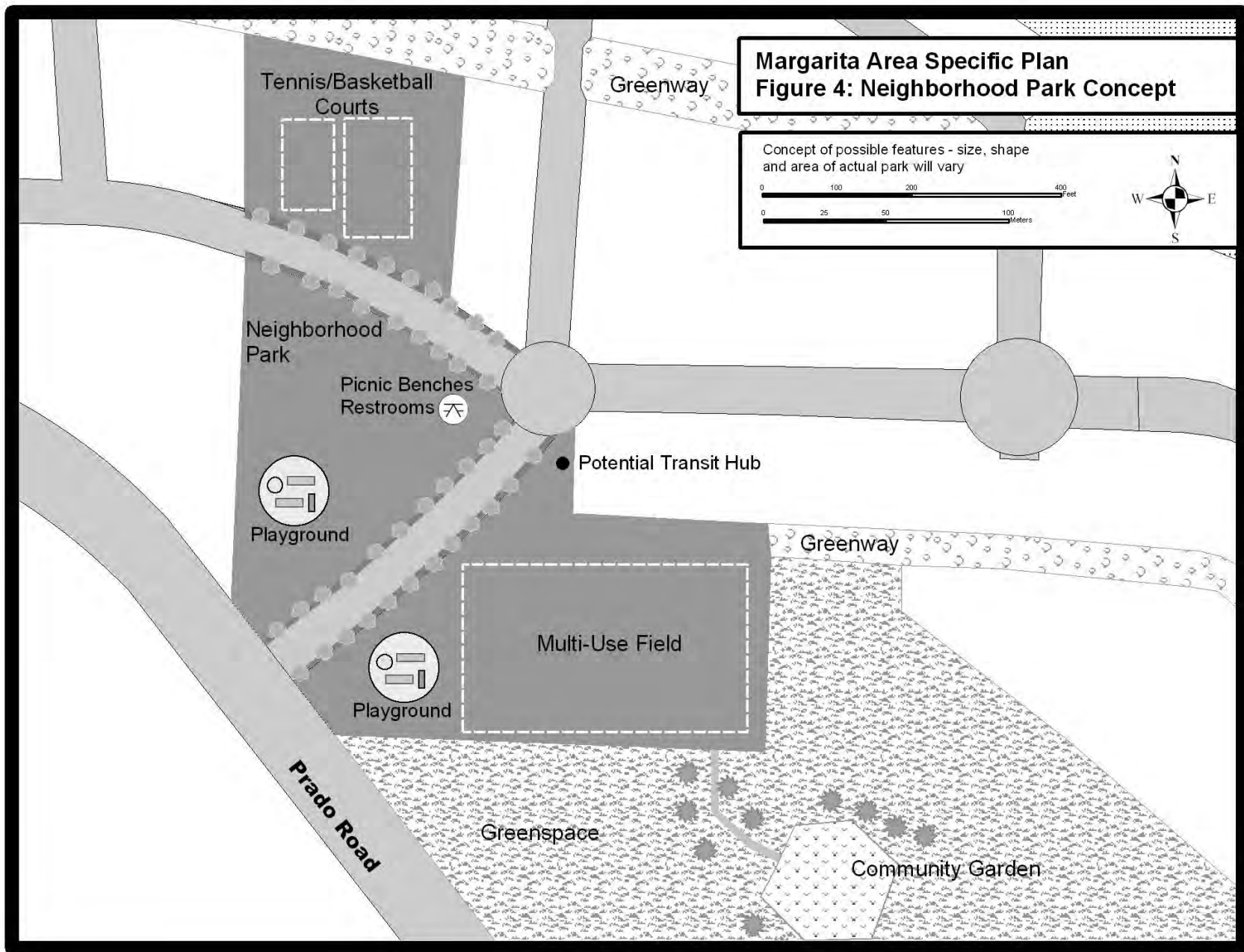


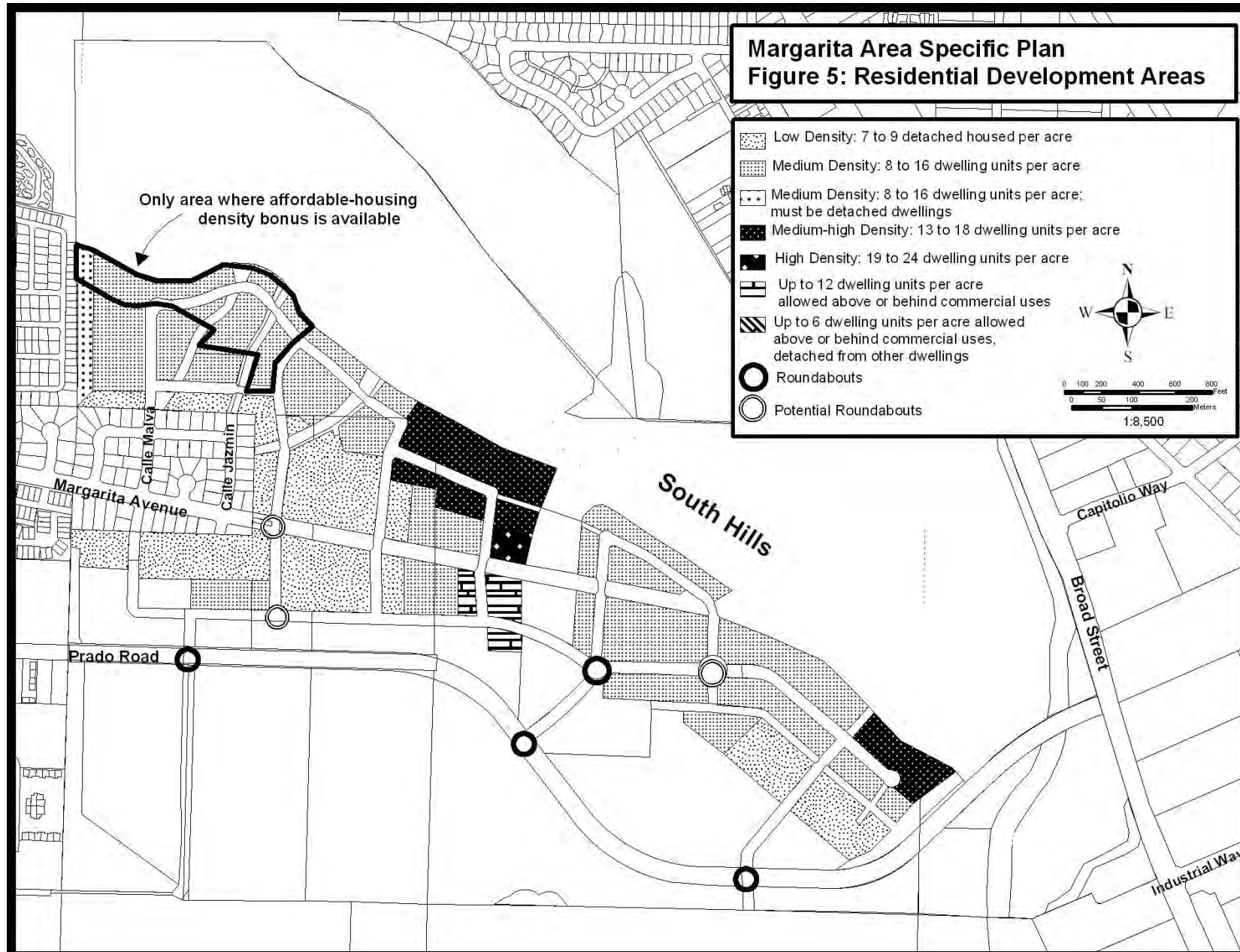
*Laguna Lake Park Along Madonna Road*

*Greenways, typically 4.5 to 15 meters (15 to 50 feet) wide, extend through residential areas, along widened parkways of major roads, or next to creek corridors.*



*In the Edna-Islay Area*





## DEVELOPMENT STANDARDS

The intent of the development standards is to implement the specific plan's vision of a pedestrian-friendly neighborhood consisting of a mix of land uses, a variety of housing types, small-scale retail establishments with minimal parking, and residential and employment densities near the maximum allowed by the plan to support transit service. It establishes uniform standards that will apply to all projects within the Margarita Area. Those standards pertain to land uses, residential and employee densities, lot size and dimensions, yards, open space, parking and architectural character.

This specific plan contains residential and employment densities sufficient to support transit service while respecting the safety concerns of the San Luis Obispo County Regional Airport. According to studies of existing transit-oriented developments, a residential density of seven (7) units per acre and an employment density of 50-60 employees per acre are necessary to support 30-minute transit service. The San Luis Obispo County Airport Land Use Plan and this specific plan restricts density of 5 to 24 dwellings per net acre and 40 employees per gross acre of Commercial and Business Park so it will be critical to maximize the allowable density.

Unless provided otherwise in the following sections, all land uses, land divisions, and property development shall comply with the City's Subdivision Regulations, Zoning Regulations, Parking and Driveway Standards, Architectural Review Guidelines, and Engineering Standards. A Specific Plan provision, which may be more or less restrictive, supersedes the other documents.

### 2.1 Low-Density Residential (R-1-SP)

#### 2.1.1 Uses

Low Density Residential areas are for detached, single-family houses only. To maintain residential capacity and airport compatibility, uses such as churches, schools, and secondary dwellings are not allowed.

#### 2.1.2 Density

Density will be not less than 17 or more than 22 dwellings per net hectare (7 to 9 dwellings per net acre).

2.1.3 Lot Dimensions (as defined in the Subdivision Regulations): see Table 2. (Note: Creating some lots in a tract at the minimum size would cause the allowed density to be exceeded, so other lots need to be larger than the minimum.)

#### 2.1.4 Building Form

A. Setbacks: see Table 2.

B. Architectural Character (see also Part 3, Design Criteria).

Parking should be located at the rear of lots unless the lot is located on the uphill side of street along the base of the hills, where parking beneath houses will minimize grading.



*Low-density residential character*

C. Covered or enclosed parking in the front part of a lot shall be recessed at least 1.5 meters (five feet) from the front of the house. Porches or verandas overlooking the public street shall be included, to provide architectural interest, a transition from public outdoor space to private indoor space, and opportunities for neighbor interaction. Similar features that accomplish the same goal may be substituted subject to the approval of the Architectural Review Commission.

#### 2.1.5 Parking

Each dwelling shall have two off-street vehicle parking spaces, one of which is covered. These spaces may be arranged in tandem, without special approval. Covered or enclosed parking in the front part of a lot shall be recessed at least 1.5 meters (five feet) from the front of the house. Parking in a street yard is prohibited.

Garages accessible from an alley shall be equipped with automatic garage door openers or shall have a nonenclosed space to the side, or shall be set back at least 6 meters (20 feet) from the alley.







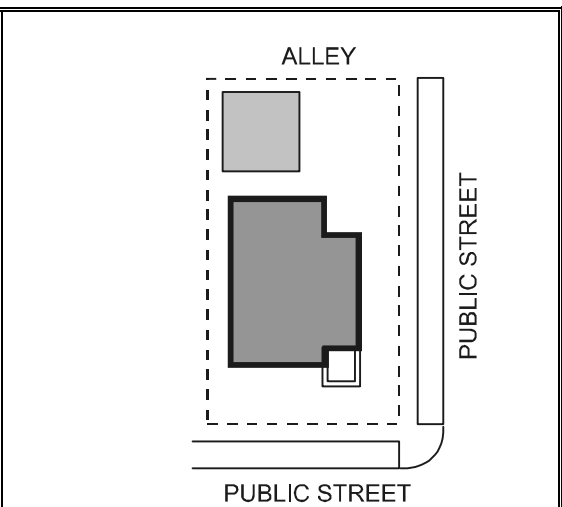
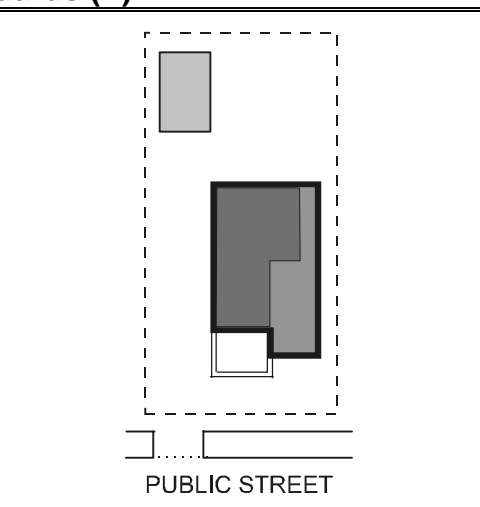
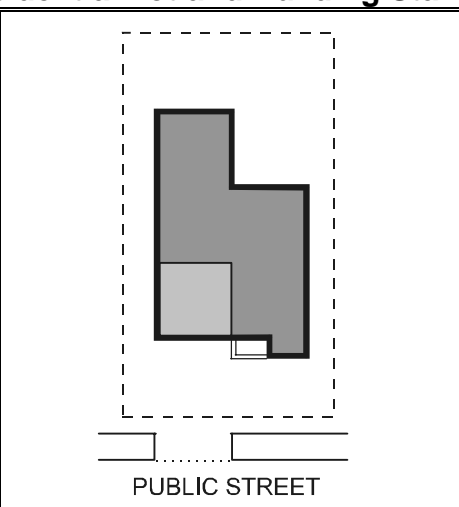
Table 2: Low Density Residential Lot and Building Standards (E)

STANDARDS (minimums)	STREET ACCESS (Alley Not Available)				ALLEY ACCESS	
	PARKING AT FRONT OF LOT		PARKING AT REAR OF LOT		(Parking access from alley only)	
Lot Area	560 m <sup>2</sup>	6,000 sf	460 m <sup>2</sup>	5,000 sf	420 m <sup>2</sup>	4,500 sf
Lot Width	16.5 m	55 ft	15 m	50 ft	14 m	45 ft
Corner Lot Width	18 m	60 ft	16.5 m	55 ft	15 m	50 ft
Lot Depth	27.5 m	90 ft	27.5 m	90 ft	24 m	80 ft
Lot Coverage	40%	40%	45%	45%	50%	50%
Front Setback						
House	4.5 m	15 ft	4.5 m	15 ft	4.5 m	15 ft
Garage, carport (A)	6 m	20 ft	Does not apply.		Does not apply.	
Front Porch	3 m	10 ft	3 m	10 ft	3 m	10 ft
Rear Setback (B,C)						(from alley)
House	6 m	20 ft	6 m	20 ft	4.5 m	15 ft
Garage, carport	1.5 m	5 ft	1.5 m	5 ft	1 m	3 ft
Side Setback (B)			driveway side 3.5 m 12 ft			
First story	1.5 m	5 ft	1.5 m	5 ft	1.5 m	5 ft
Second story	3 m	10 ft	3 m	10 ft	3 m	10 ft
Street (corner lot)	3 m	10 ft	3 m	10 ft	3 m	10 ft
Garage, carport	1.5 m	5 ft	1 m	3 ft	(D) 1 m	3 ft

**EXAMPLES**

These sketches show basic lot layouts that would follow from the standards listed in the text, and in this table below. Not all features shown in the sketches are standards (for example, 2-car garages are not required).

-  HOUSE 1-story part
-  HOUSE 2-story part
-  GARAGE or CARPORT
-  PORCH



A - Garage or carport (attached or detached) must be set back at least 1.5 m (5 ft) from front of house.  
 B - Any occupied structure or any structure over 4 m (13 ft) tall must be set back at least 6 m (20 ft) from property lines of lots in El Camino Estates (Tract 400).  
 C - Combustible structures, fences, and non-native vegetation shall be set back 6 m (20 ft) from the hills open space.  
 D - On an alley, a garage not more than 4 m (13 ft) tall may have a common wall with the neighboring garage.  
 E - Table 2 standards also apply to single-family detached units in the MDR zoning district.

## 2.2 Medium-Density Residential (R-2-SP)

### 2.2.1 Uses

Medium-Density Residential areas are for individual detached houses on relatively small lots or groups of detached dwellings on larger parcels, and for attached dwellings where each is clearly identifiable by its form and relationship to yards and gardens. Figure 5 shows where dwellings must be detached. To maintain residential capacity and airport compatibility, uses such as churches, schools, and secondary dwellings are not allowed.

### 2.2.2 Density

Density will be not less than 20 or more than 39 dwelling units per net hectare (8 to 16 dwelling units per net acre). The method of basing density on bedroom count, as provided in the Zoning Regulations, applies to both detached and attached dwellings.

#### Lot Dimensions (as defined in the Subdivision Regulations)

A. A lot for an individual detached dwelling must be sized to meet the density limit, as follows. (Likewise, once a lot is created, the dwelling's maximum bedroom count will be set by lot area.)

<u>Dwelling</u>	<u>Minimum Area</u>	<u>Minimum Width</u>	<u>Minimum Depth</u>
Studio	169 m <sup>2</sup> (1,815 sf)	9 m (30 ft)	18 m (60 ft)
1-bedrm	223 m <sup>2</sup> (2,400 sf)	11 m (36 ft)	20 m (66 ft)
2-bedrm	337 m <sup>2</sup> (3,630 sf)	11 m (36 ft)	27 m (90 ft)
3-bedrm	418 m <sup>2</sup> (4,500 sf)	12 m (40 ft)	27 m (90 ft)
4+ bedrm	465 m <sup>2</sup> (5,000 sf)	15 m (50 ft)	27 m (90 ft)

B. A lot in the area designated for detached dwellings may contain more than one detached dwelling, so long as it has the necessary area to meet the density limitation based on bedroom count. The width must be at least 14 meters (46 feet). The depth must be at least twice, but not more than three times, the width.

C. A lot in the area not subject to the requirement for detached dwellings may follow the standards of either part A or part B.

D. Corner lots shall be 10 feet wider than other lots.

E. Maximum Structural Lot Coverage: 60%



*Medium-density residential character*

### 2.2.4 Building Form

A. Setbacks: see Table 3.

B. Architectural Character (see also Part 3, Design Criteria).

The number of dwellings attached in a structure may not exceed eight. Parking should be located behind or to the side of dwelling. Front porches or similar features shall be included.

### 2.2.5 Parking

Parking should be located at the rear of lots unless the lot is located on the uphill side of street along the base of the hills, where parking beneath houses will minimize grading.

Covered or enclosed parking in the front part of a lot shall be recessed at least 1.5 meters (five feet) from the front of the house. Porches or verandas overlooking the public street shall be included, to provide architectural interest, a transition from public outdoor space to private indoor space, and opportunities for neighbor interaction. Similar features that accomplish the same goal may be substituted subject to the approval of the Architectural Review Commission.

Car parking shall be provided as follows:

Each studio or one-bedroom dwelling -- one covered space;

Each dwelling with two or more bedrooms--two spaces, one covered. Parking in the street yard is prohibited.

Garages accessible from an alley shall be equipped with automatic garage door openers or shall have a nonenclosed space to the side, or shall be set back at least 6 meters (20 feet) from the alley.

Table 3-A: **Medium Density Residential Building Standards**

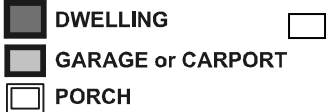
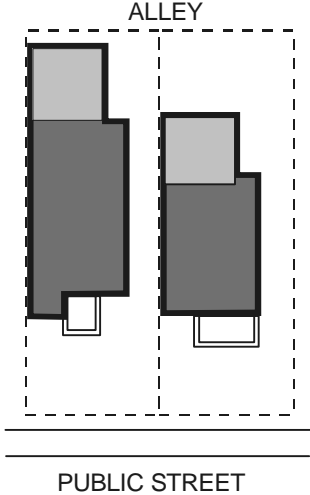
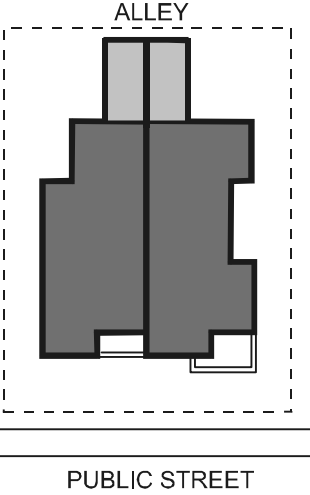
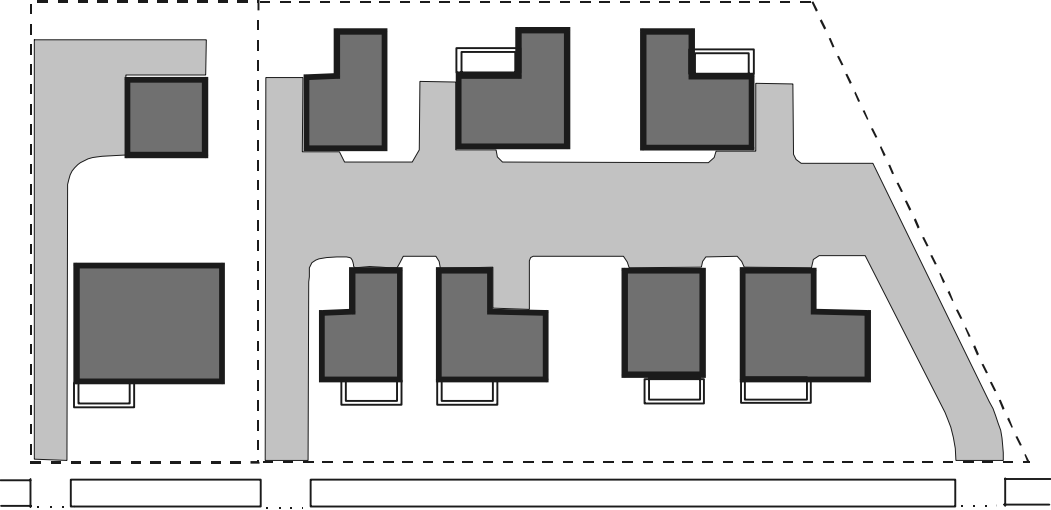
<p><b>EXAMPLES</b></p> <p>These sketches show some basic lot layouts that would follow from the standards. Not all features shown in the sketches are standards. Not all features are shown in each layout.</p> <p>  </p>																							
<p><b>STANDARDS</b> Minimums, unless noted otherwise.</p>	<p style="text-align: center;"><b>ALLEY ACCESS</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 35%; text-align: center;">DETACHED - ZERO LOT LINE</th> <th style="width: 35%; text-align: center;">ATTACHED or DETACHED (attached may include pairs of dwellings on adjacent lots)</th> </tr> </thead> <tbody> <tr> <td>Front Setback: Dwelling</td> <td style="text-align: center;">4.5 m      15 ft</td> <td style="text-align: center;">4.5 m      15 ft</td> </tr> <tr> <td>Front Porch</td> <td style="text-align: center;">3 m          10 ft</td> <td style="text-align: center;">3 m          10 ft</td> </tr> <tr> <td>Rear Setback: Dwelling</td> <td style="text-align: center;">6 m          20 ft</td> <td style="text-align: center;">6 m          20 ft</td> </tr> <tr> <td>Parking</td> <td style="text-align: center;">1 m          3 ft</td> <td style="text-align: center;">1 m          3 ft</td> </tr> <tr> <td>Side Setback (A) Neighboring lot</td> <td style="text-align: center;">0 (at lot line) or as provided in Zoning Regulations R-2 zone</td> <td style="text-align: center;">0 (attached) or as provided in Zoning Regulations R-2 zone</td> </tr> <tr> <td>Street (corner lot)</td> <td style="text-align: center;">3 m          10 ft</td> <td style="text-align: center;">3 m          10 ft</td> </tr> </tbody> </table>			DETACHED - ZERO LOT LINE	ATTACHED or DETACHED (attached may include pairs of dwellings on adjacent lots)	Front Setback: Dwelling	4.5 m      15 ft	4.5 m      15 ft	Front Porch	3 m          10 ft	3 m          10 ft	Rear Setback: Dwelling	6 m          20 ft	6 m          20 ft	Parking	1 m          3 ft	1 m          3 ft	Side Setback (A) Neighboring lot	0 (at lot line) or as provided in Zoning Regulations R-2 zone	0 (attached) or as provided in Zoning Regulations R-2 zone	Street (corner lot)	3 m          10 ft	3 m          10 ft
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Street (corner lot)	3 m          10 ft	3 m          10 ft																					
<p>A - Side setback applies to dwelling and covered parking. Where a building wall is located on a lot line, there shall be an easement at least 1.5-meters (5-feet) wide on the neighboring lot for access to maintain the building wall. B – Reciprocal yard easements are allowed as an alternative.</p>																							

Table 3-B: **Medium Density Residential Building Standards**

<p><b>EXAMPLES</b></p> <p>These sketches show some basic lot layouts that would follow from the standards. Not all features shown in the sketches are standards.</p> <p> <span style="display: inline-block; width: 15px; height: 15px; background-color: gray; border: 1px solid black; margin-right: 5px;"></span> DWELLING  <span style="display: inline-block; width: 15px; height: 15px; background-color: lightgray; border: 1px solid black; margin-right: 5px;"></span> DRIVES &amp; UNCOVERED PARKING              (ENCLOSED PARKING NOT SHOWN SEPARATELY)  <span style="display: inline-block; width: 15px; height: 15px; border: 1px solid black; margin-right: 5px;"></span> PORCH         </p>	 <p style="text-align: center;">PUBLIC STREET</p> <p style="text-align: right;">*For Illustrative Purposes Only</p>						
<p><b>STANDARDS</b>  <b>Minimums, unless noted otherwise.</b></p>	<p><b>NO ALLEY ACCESS</b></p>						
<p>Front Setback: Dwelling              Front Porch</p>	<table style="width: 100%; text-align: center;"> <tr> <td style="width: 33%;"></td> <td style="width: 33%;">4.5 m</td> <td style="width: 33%;">15 ft</td> </tr> <tr> <td></td> <td>3 m</td> <td>10 ft</td> </tr> </table>		4.5 m	15 ft		3 m	10 ft
	4.5 m	15 ft					
	3 m	10 ft					
<p>Rear Setback: First or second story</p>	<table style="width: 100%; text-align: center;"> <tr> <td style="width: 33%;"></td> <td style="width: 33%;">6 m</td> <td style="width: 33%;">20 ft</td> </tr> </table>		6 m	20 ft			
	6 m	20 ft					
<p>Side Setback (A): Neighboring lot              Street (corner lot)</p>	<table style="width: 100%; text-align: center;"> <tr> <td style="width: 33%;"></td> <td colspan="2">as provided in R-2 zone</td> </tr> <tr> <td></td> <td>4.5 m</td> <td>15 ft</td> </tr> </table>		as provided in R-2 zone			4.5 m	15 ft
	as provided in R-2 zone						
	4.5 m	15 ft					
<p>A - Side setback applies to structures, including covered parking.</p>							

## 2.3 Medium-High Density Residential (R-3-SP)

### 2.3.1 Uses

Medium-high Density Residential areas are for attached dwellings, where each dwelling is identifiable by its form, or for detached dwellings on small lots created through a condominium or planned-development process. To maintain residential capacity and airport compatibility, uses such as churches and schools are not allowed.

### 2.3.2 Density

Density will be not less than 32 or more than 44 dwelling units per net hectare (13 to 18 dwelling units per net acre). The method of basing density on bedroom count applies, as provided in the Zoning Regulations.

2.3.3 Lot Dimensions: see Table 4.

### 2.3.4 Building Form

- A. Setbacks: see Table 4.
- B. Architectural Character: See Part 3, Design Criteria

### 2.3.5 Parking

Parking should be located at the rear of lots unless the lot is located on the uphill side of street along the base of the hills, where parking beneath houses will minimize grading.

Covered or enclosed parking in the front part of a lot shall be recessed at least 1.5 meters (five feet) from the front of the house. Porches or verandas overlooking the public street shall be included, to provide architectural interest, a transition from public outdoor space to private indoor space, and opportunities for neighbor interaction. Similar features that accomplish the same goal may be substituted subject to the approval of the Architectural Review Commission.

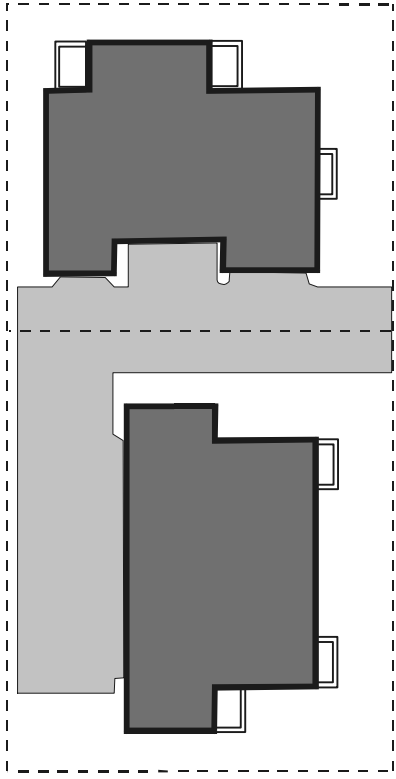
Car parking shall be provided as follows:

Each studio or one-bedroom dwelling: one space;  
 Each dwelling with two or more bedrooms: two spaces.  
 (Parking in a street yard is prohibited).



*Medium-high density residential character*

Table 4: **Medium-High and High Density Residential Lot and Building Standards**

<p><b>EXAMPLES</b></p> <p>This sketch shows a site layout that would follow from the standards. Not all features shown in the sketch are standards.</p> <p> <span style="display: inline-block; width: 15px; height: 10px; background-color: #444; border: 1px solid black;"></span> DWELLING  <span style="display: inline-block; width: 15px; height: 10px; background-color: #ccc; border: 1px solid black;"></span> DRIVES &amp; UNCOVERED PARKING (NOT ALL ENCLOSED PARKING IS SHOWN SEPARATELY)  <span style="display: inline-block; width: 15px; height: 10px; border: 1px solid black;"></span> PORCH         </p> <p>The following are minimums.</p>	 <p style="text-align: center; margin-left: 100px;">PUBLIC STREET</p>
<b>STANDARDS</b>	
Lot Area	560 m <sup>2</sup> 6,000 sf
Lot Width (A)	18.5 m                      60 ft
Lot Depth	30.5 m                      100 ft
Front Setback: Dwelling Front Porch	4.5 m                      15 ft 3m                          10 ft
Rear Setback: Dwelling Parking	3 m                          10 ft 0 m                          0 ft
Side Setback (applies to any structure, including covered parking)	as provided in R-2 zone
Street (corner lot)	4.5 m                      15 ft



## 2.4 High-Density Residential (R-4-SP)

### 2.4.1 Uses

A mix of housing densities, ownership patterns, cost and building types is desirable in the Margarita Area Specific Plan. High-Density Residential areas are intended for attached dwellings in close proximity to the core area. To maintain residential capacity and airport compatibility uses such as churches and schools are not allowed.

### 2.4.2 Density

Density will be not less than 47 or more than 60 dwelling units per net hectare (19 to 24 dwelling units per net acre). Density is based on bedroom count, as provided in the Zoning Regulations.

### 2.4.3 Lot Dimensions

The area designated High-density Residential is expected to be developed as a single parcel (or an airspace condominium). However, to facilitate a combination of market-rate and affordable housing, it may be divided into two land parcels following the standards for Medium-high Density Residential.

### 2.4.4 Building Form

- A. Setbacks: see Table 4.
- B. Architectural Character: See Part 3, Design Criteria.
- C. Porches or verandas overlooking the public street should be included, to provide architectural interest, a transition from public outdoor space to private indoor space, and opportunities for neighbor interaction. Similar features that accomplish the same goal may be substituted subject to the approval of the Architectural Review Commission.

### 2.4.5 Parking

Car parking shall be provided as follows:

- Each studio or one-bedroom dwelling: one space;
- Each two-or-more-bedroom dwelling: two spaces;
- One guest space for five dwelling units;
- Parking in a required street yard is not allowed;

Parking should be located at the rear of lots unless the lot is located on the uphill side of street along the base of the hills, where parking beneath houses will minimize grading.



*High-density residential character*

## 2.5 Neighborhood Commercial

### 2.5.1 Uses

The Neighborhood Commercial area is for small-scale businesses that provide convenient goods and services for nearby residents and workers, as well as a semipublic, central meeting place and architectural focus for the neighborhood. It is recognized that commercial centers to the southeast and southwest of the Margarita Area provide a wider range of goods and services than can be accommodated in the designated Neighborhood Commercial area. Commercial uses here that provide architectural interest and opportunities for residents' socializing have value beyond shortening frequent shopping trips. The retail uses of a TOD are often dependent on the market area developed in the residential and office components of the project.

While this core commercial center must often follow the residential development, the land for public facilities and parks can be set aside and developed concurrently to aid in the marketing and to supply amenities and services to new residents. According to planning sources, it takes approximately 600 units to support a commercial center. For these reasons, the ground floor of the Neighborhood Commercial area will be reserved for commercial use for a period of 10 years from the date that 300 units are constructed and occupied. Dwellings are encouraged above the ground floor (Figure 5 shows parts of the Neighborhood Commercial area where allowable densities may occur).

Uses shall be as provided in the Zoning Regulations for the C-N zone, except that the following are prohibited:

- Any commercial establishment occupying more than 465 square-meters (5,000 square-feet) gross floor area;
- Schools, day-care centers, or public-assembly facilities; and
- Service stations, car washes, or auto repair

### 2.5.2 Density

Maximum density is as depicted in Figure 5.

### 2.5.3 Lot Dimensions

- A. Minimum lot area: 557 square-meters (6,000 square-feet)
- B. Minimum lot width: 18 meters (60 feet)
- C. Minimum lot depth: 27 meters (90 feet)
- D. For residential, lot dimensions as provided in the MDR.

### 2.5.4 Building Form

- A. Maximum building coverage: 80 percent of lot area
- B. Maximum building height: 11 meters (36 feet)
- C. Setbacks:
  - From street property lines to buildings: a maximum of 6 meters (20 feet); no minimum
  - From all other property lines: none
- D. Maximum floor Area ratio: 2.0 gross floor area to site area
- E. Maximum building size: No commercial building shall exceed 45,000 square feet gross floor area.
- F. Architectural Character (see also Design Criteria)

The main building mass shall be located close to the back of sidewalk (no more than 3 feet). At least ten percent of each site shall be developed and maintained as an outdoor customer use area, with appropriate seating and landscaping, and some feature to serve as a focal point (such as an arbor, fountain, sculpture or other public art). Building corners at street intersections will be diagonal to the street or consist of walk-through arcades. Building entries will be clearly defined by features such as changes in wall plane, recessed doors, roof overhang, or awnings. Sign programs are required.

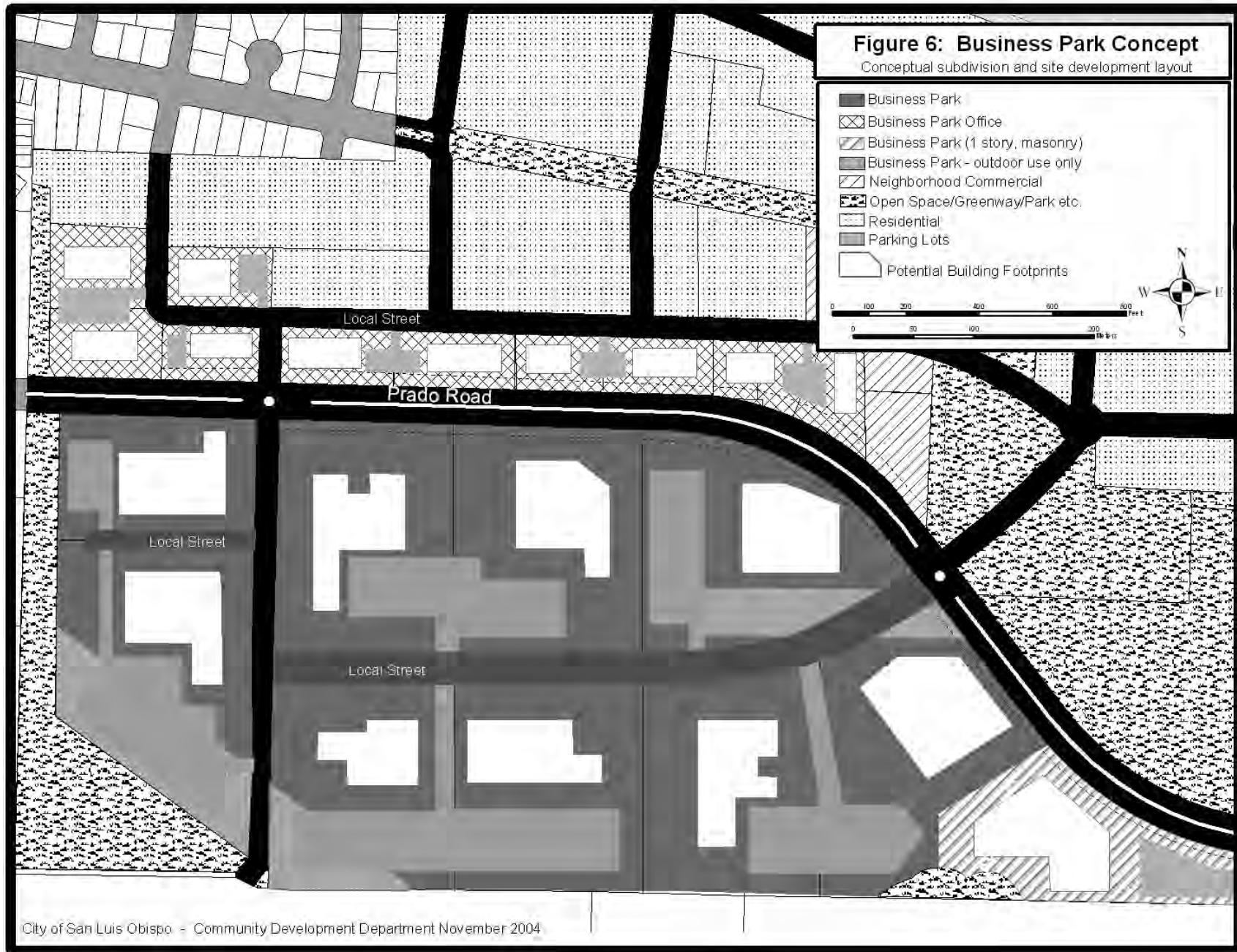
Primary ground floor commercial building entrances must orient to plazas, parks, or pedestrian-oriented streets. Anchor retail buildings may have their entries from off-street parking lots, however on-street entries are strongly encouraged.

### 2.5.5 Parking

On-site vehicle parking spaces for customers are not required, and shall not exceed one space per 46 square meters (500 square feet); they must be located to the side or rear of buildings, not between the street and the building. Curbside commercial loading spaces and curbside handicap parking will be provided on the local street that intersects the principal collector. Parking for dwellings is not required

but may be provided at a rate not to exceed one space per dwelling. Residential parking should be designed to prevent its use by customers or employees. On-site bicycle parking shall be provided at the rate of at least one space per 28 square meters (300 square feet) gross floor area.





## 2.6 Business Park

### 2.6.1 Uses

The Business Park designation will provide employment opportunities in close proximity to the core area. The business park designation is intended for well-designed, master-planned, campus-type developments that will contribute to community character and the City's objective of attracting jobs that can support households in San Luis Obispo.

The Business Park zone is divided into sections, based on compatibility with the Airport and adjacent or nearby residential areas.

- A. Business Park/Office. Areas designated Business Park/Office allow for a mix of uses near the core area and along the primary transit corridor. This specific plan envisions small offices and mixed-use (residential and office) developments in this area. Uses shall be as provided in the Office zone, except that those uses listed in part D below are prohibited.
- B. General Business Park. Areas designated General Business Park or one-story, masonry construction is intended for research and development, light manufacturing and business services that are compatible with each other and airport operation. This specific plan envisions this area developed with a campus-like setting consisting of multiple buildings and outdoor employee areas. Uses shall be as follows:

#### Allowed

- Advertising and related services
- ATMs
- Broadcast studios
- Business Support Services
- Computer services
- Copying and Quick Printer Service
- Laboratories (medical, analytical research)
- Light Manufacturing - food, beverages, apparel;

electronic, optical, instrumentation products; jewelry; musical instruments; sporting goods; art materials

- Offices for engineers, architects, and industrial design
- Offices for processing, production and administrative
- Photo finishing - wholesale; and blue-printing and microfilming service
- Printing and publishing
- Research & development - services, software, consumer products, instruments, office equipment and similar items

#### Allowed subject to approval by administrative use permit

- Airport
- Ambulance, taxi, and/or limousine dispatch facility
- Antennas and telecommunications facilities
- Banks and financial services
- Convenience stores
- Equipment rental
- Fitness/Health facility
- Indoor commercial recreational facility
- Medical Service – Clinic, laboratory, urgent care \*
- Medical Service – Doctor office \*
- Office supporting retail, less than 5,000 sf
- Office- Business and Service
- Office-Professional
- Outdoor storage or work areas (screened from off-site views)
- Personal services
- Repair services - limited to office or laboratory equipment and to small-scale, specialty services for power equipment or vehicles
- Research & development - transportation equipment, metals, chemicals, building materials and similar items
- Truck or freight terminal
- Warehousing or new self-storage; distribution (truck terminal allowed south of Prado Road only).

\* With findings as required in Zoning Regulations

Allowed subject to approval by Planning Commission use permit

- Government Offices
- Heavy manufacturing
- Hotels and motels
- Maintenance service, client site services
- Office - processing
- Public safety facilities
- Warehousing, indoor storage
- Water and wastewater treatment plants and services
- Wholesaling and distribution

## C. In the areas characterized as “outdoor uses only,” the following are allowed:

- Landscaped space;
- Recreational space for employees only
- Parking incidental to allowed uses;
- Outdoor storage or work areas, excluding explosive or highly flammable materials

## D. The following are prohibited:

- Circuses, carnivals, fairs, festivals
- Convalescent hospitals
- Dwellings, except as provided in Business Park/Office
- Homeless shelters
- Hospitals
- Schools, day-care centers, or public-assembly facilities such as churches (conference rooms incidental to offices are allowed);

## 2.6.2 Employee Density

This Specific Plan’s building standards and design criteria are intended to provide airport compatibility by considering the numbers of employees or customers that are expected within the area. The City does not directly regulate the number of employees or

customers on a site. However, the gross density of employees in the Business Park, together with clients or customers having long-term stays, should not exceed 100 people per hectare (40 people per acre).

## 2.6.3 Parcel Sizes &amp; Dimensions

- A. Land parcels in the area characterized, as Business Park/Office shall be as provided in the Subdivision Regulations for the Office zone (6,000 sf).
- B. Elsewhere, the minimum land parcel size is 0.4 hectare (one acre). The Business Park shall contain at least one parcel that is at least two hectares (five acres) to accommodate a major tenant. If this parcel is not developed in 10 years from the date of specific plan adoption, the owner may apply for a revision to allow smaller parcel sizes in the Business Park zoning district.

## 2.6.4 Vehicle Access

Local streets within the business park will be loops or extensions of the surrounding grid. Driveways are not allowed on Prado Road. Driveways should be aligned on opposite sides of the collector streets. Common driveways are encouraged to minimize the number of driveways, especially for relatively small parcels. Large parking lots and uses with substantial large-truck traffic shall have multiple driveways allowing pull-through operation.

## 2.6.5 Site and Building Design

- A. Floor area ratio is gross building floor area divided by site area. In the Business Park 1-Story-masonry area, the maximum FAR is 0.29. In other Business Park areas it is 0.44.
- B. Buildings should be clustered at intersections, close to the street line. This orientation makes them convenient to existing or potential bus stops. It also encourages people to walk between different buildings to conduct business or get lunch.
- C. Landscaped outdoor space includes planted areas, water features, and hard surfaces that are primarily for use by

pedestrians. In the Business Park-1 Story- masonry area, at least 20 percent of each development site will be landscaped outdoor space. In other Business Park areas, at least 15 percent will be landscaped outdoor space.

D. Minimum setbacks shall be as follows:

	Business Park/Office area	Other Business Park areas
Street to building	4.5 m (15 feet)	6 m (20 feet)
Street to parking	4.5 m (15 feet)	6 m (20 feet)
Other property line to building	1.5 m (5 feet)	none*
Other property line to parking		
Residential adjacent	1 m (3 feet)	does not occur
Nonresidential adjacent	none	none

\* The Building Code may require a setback, depending on the type of construction. Building walls along property lines must be architecturally attractive, in recognition that they may be exposed to view for a long time. Generous setbacks from property lines are strongly encouraged where buildings of different styles may be located on adjacent lots, and where a traditional style typically had setbacks.

E. Parking lots should be provided to the side or rear of buildings, not between buildings and the street. Where a parking lot is adjacent to a street, additional landscape screening may be required.

F. Maximum building heights shall be as follows:

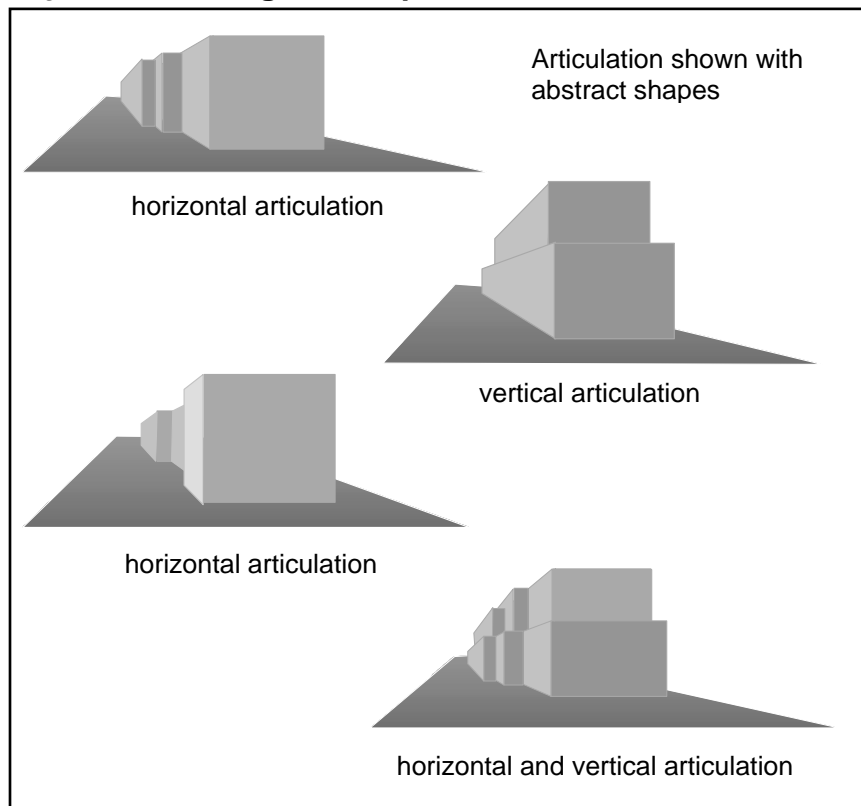
Business Park/Office area: 11 meters (36 feet)

1 story-masonry area: one occupied level, not to exceed 11 meters (36 feet)

Other Business Park areas: 11 meters (36 feet), non-occupied architectural features such as towers may extend to 14 meters (45 feet)

G. Massing: Building facades visible from streets shall vary in modules of 20 meters (66 feet) or less. On any other building facade, continuous wall planes longer than 30 meters (100 feet) should be avoided. Where interior functions require longer continuous spaces, exterior walls shall have architectural features such as columns or pilasters at least every 20 meters (66 feet).



Figure 7: **Building Form Options**

- H. Entries: Each building will have a public entry which is clearly defined by architectural form, such as a change in wall alignment or roof overhang, and one or more pedestrian walkways from the street and any on-site parking lot. Exception: where one or more buildings within a complex of buildings are not accessible to the public (as for security reasons), their entries need not be so defined, but the publicly accessible building within the complex will have an architecturally defined entry.

- I. Building materials: Highly reflective materials are not allowed.

#### 2.6.6 Continuity of Landscape Space

- A. Landscape space shall extend continuously between streets, buildings, and parking areas. Continuity in plant species from site to site is encouraged. Parcel boundaries shall not be defined by walls or fences, except for retaining walls not exceeding three feet in height, and only where necessary for proper drainage and effective use of a site. Where an outdoor area must be enclosed for security reasons, the enclosure will be adjacent to a building. There are three options for enclosing such areas:
- Extending one or more walls of the adjacent building;
  - Walls employing only materials and details used in the building exterior, except for necessary gates;
  - A fence that “fades out” when seen against landscaping or objects, such as vinyl-coated chain-link. Barbed wire and razor wire are not allowed.
- B. Walkways shall link building entries, parking lots, bus stops, and employee amenity areas by direct routes, if sidewalks along streets would provide only indirect routes.
- C. Shared driveways, parking, and outdoor employee amenities (such as areas for play and eating) are encouraged, especially for smaller parcels, to the approval of the ARC.
- D. Dispersed small drainage detention and retention features within the continuous landscaped space are encouraged.

#### 2.6.7 Parking (See citywide Parking & Driveway Standards.)

- A. For all uses, parking will be provided at a rate of not less than one space per 46 square-meters (500 square-feet) of gross floor area, nor more than one space per 28 square-meters (300 square-feet) of gross floor area.

##### Exceptions:

Medical offices may, but are not required to, provide parking at a ratio of one space per 19 square-meters (200 square-feet).

For warehousing, parking will be provided at a rate of not less than one space per 140 square-meters (1,500 square-feet) nor more than one space per 90 square-meters (1,000 square-feet) gross floor area.

- B. Parking aisles should be two-way, Parking lots with more than 100 spaces shall have more than one street access.
- C. Tree planting should provide a nearly continuous canopy at maturity.
- D. Drives and parking used primarily by visitors and visible from public streets should be paved with pervious or semi-pervious, decorative material such as paving blocks.

#### 2.6.8 Screening of Loading, Recycling and Waste Collection, Utilities & Mechanical Equipment

- A. All truck loading areas, outdoor recycling and waste collection facilities, and above-ground components of utility systems will be screened from streets and other parcels by a combination of berms or walls one to two meters (three to six feet) tall, and dense planting.
- B. Equipment on top of buildings shall be located, or screened with integral architectural elements, so that it will not be visible from public streets or dwellings in the Margarita Area.

#### 2.6.10 Outdoor Employee Amenity Areas

Outdoor employee amenity areas are required. Areas for eating, conversation, and similar activities (as opposed to active recreation), shall be shielded from aircraft noise by features such as walls, berms, verandas, or patio covers.



*Examples of Business Park/ office character*



## 2.7 Special Use

The Special Use area, between the eastern end of the hills and Broad Street, consists of 0.5 hectare (1.2 acres) containing a ranch house and small orchard. This special use area is intended to encourage the preservation of the existing home and grounds.

### 2.7.1 Uses, and Subdivision and Design Criteria

The site may be dedicated to the City as part of the hills and creek open space, either initially or after a period of years. If the site is not dedicated to the City, a single separate parcel encompassing the site shall be created and maintained, with an open-space easement for the creek.

The house and grounds should be preserved as an historical and architectural resource. The house may be used for the following: residence; bed-and-breakfast inn; hostel; museum; art or craft gallery with retail sales; restaurant; retail sales of food; office for construction management or real estate sales, for projects within the Margarita Area; or a visitor information center. Use permit approval is not required for these uses.

Parking shall be as required by the Zoning Regulations according to the type of use. Any parking must be contained within the area designated Special Use, and must be at least 6 meters (20 feet) from the top of the creek bank or edge of riparian habitat, whichever is greater. Parking, drives, or other additions to the site should allow sufficient orchard and garden area to maintain the traditional character of the homesite. Installation of parking is subject to approval by the Architectural Review Commission. Paving should be of pervious or semi-pervious, decorative material such as interlocking paving blocks or brick. Any expansion, exterior modification, or replacement of the existing building must be architecturally compatible, and is subject to approval by the

Architectural Review Commission. Additions to, or a replacement of, the existing dwellings shall not exceed a 20 percent increase in floor area.

Access shall be limited to a single driveway on Broad Street, and may be limited to right-turn only in and out.



*Looking toward the special use site in 1998*

## COMMUNITY DESIGN

### Introduction

#### Sense of Place

The intent of the Community Design chapter is to ensure that new development in the Margarita Area is well designed and contributes to the creation of a built environment that enhances San Luis Obispo's unique sense of place.

#### Physical Identity and Image

In order to achieve a built environment in the Margarita Area that is a positive physical expression of its setting, it is important to understand the qualities and elements that constitute its environment. The physical identity of the Margarita Area consists of several diverse elements, including natural factors such as topography, vegetation, and drainage, and human factors such as land use and streets. Using Kevin Lynch's concept of place legibility, a mental map or image of Margarita Area was developed and used to layout the neighborhood. South Street Hills is a natural edge and landmark that borders the area to the north. Broad Street (State Route 227) is a man-made edge to the east. Acacia Creek and a series of streams serve as natural paths throughout the area. There are no existing nodes or social gathering places. Presently under construction, the Damon-Garcia Ball Fields will be a node in the southeast portion of the Margarita Area.

#### Design Principles

The specific plan was designed with the following guiding principles.

- Establish a central transit facility with convenient access;
- Maximize density within ¼ mile of transit center;
- Create a pedestrian-friendly environment;
- Link land use with transit;
- Provide a diversity of housing types;
- Promote the use of narrower streets;

Provide neighborhood-serving retail and commercial uses concentrated in mixed-use developments located at strategic points along the transit system or routes.

#### Central Transit Stop

The Margarita Area TOD is planned around a central transit stop surrounded by housing, retail establishments, business services, employment, neighborhood parks and open space. The transit stop will serve as a focal point with attractive passenger shelter, landscaping and transit information displays.

#### Transit- Supportive Density

This specific plan establishes a range of density with the intent of creating adequate neighborhoods and ridership to support transit service. Residential densities will range from 5 to 24 units per acre, with the highest density development closest to the transit stop (see Land Use Map). This specific plan provides for the development of approximately 960,000 square feet of business park uses and an employee density of 40 employees per acre.

#### Mixed Uses

This specific plan includes diverse and complementary uses such as retail, professional services, housing, and employment within the core of the TOD and adjacent to transit. The neighborhood commercial allows for small retail establishments such as a dry-cleaner and food market to make it easy for bus riders to conduct business going to and from the stop. Active uses such as cafes and restaurants may provide waiting areas and create a safe environment for patrons.

#### Pedestrian-friendly environment

Complemented with tree-lined streets, landscaped space and seating areas, the transit center will be a gathering spot of public activity. To enhance the pedestrian experience, buildings will be set close to the streets and have multiple windows and entries. The transit center will be linked to other activity centers by a series of paths such as roads, trails and sidewalks.

### **Business Park Uses and Design**

Market trends in the region and development trends in the Airport Area suggest greater demand for facilities to accommodate high tech and clean industries, in addition to the manufacturing and warehouse uses that have historically occupied the area. In 1997, the City Council adopted the Targeted Industry Cluster Committee Final Report that targets and encourages as primary local industries computer software/multimedia, light manufacturing, and business/computer service centers, all of which are compatible in business park zones.

The business park district will be located on an interconnected network of streets and blocks. Buildings should be clustered at street corners with parking at the side or rear. The intent is to create an employment center that functions like a neighborhood.

### **Marketability**

One of the primary factors affecting the development of TODs is developer interest and financing. An American Lives survey found that consumers favor developments with town centers, community gathering places, look and feel of neighborhoods, less automobile parking, and pedestrian-oriented elements. When asked about street patterns, people were split between traditional neighborhoods and suburban models. The only characteristic that gave suburban models a definite consumer advantage was its low density.

## **3.1 Building Forms and Materials**

The following design criteria are more specific interpretations of how the community design principles can be applied to site planning, architecture, landscape design and road design. These criteria apply to all development within the Margarita Area.

### **A. Human Scale**

Throughout the Margarita Area, buildings should express human scale. This is done by “articulating” the building mass (avoiding extensive wall or roof planes) and by providing details that can be appreciated by a person walking. Individual land-use categories

have numerical standards that affect building size. However, within the resulting overall dimensions, changes in roof and wall alignments should create visual interest as well as a functional sense of sheltering at building entries.

### **B. Architectural Styles**

The architectural styles contained in this specific plan are preferred for the Margarita Area. However, this specific plan does not mandate a specific design, but encourages flexibility in design with an emphasis on details and construction materials leading to environmentally superior projects, including higher density and increased affordability. The drawings are for illustrative purposes only. Site and building designs must be consistent with the Community Design Guideline, and approved by the City’s Architectural Review Commission.

### **C. Residential Entries**

Individual dwelling entries should be identifiable from streets or pedestrian walkways, and should not be identifiable only from on-site parking areas.

### **D. Universal Access**

While many traditional architectural styles include raised floors, or steps up to the entry or front porch, all buildings should have a path of travel, to the main entry, which is universally accessible (no vertical or horizontal barriers to wheelchairs). Universally accessible entries are encouraged for all buildings, including single-family houses.

### **E. Outdoor Noise Reduction**

All development is encouraged to have some outdoor space that is shielded from aircraft noise, such as covered porches or patios. Also, large multiple-dwelling projects are encouraged to have recreational amenities, such as swimming pools, that are shielded from aircraft noise. In designing such facilities, care must be taken to address noise coming from several directions, including overhead, to avoid reflected noise.

### 3.2 Landscaping

This specific plan calls for an attractive and sustainable landscape pattern that unifies and enhances the quality of the proposed development. Planting should be suited to function and environmental conditions. Long-lived species that provide pleasant aromas or attractive flowers or fruit are encouraged. Due to high water and maintenance needs, turf shall be used only where there is a high demand for flexible play space. Native, drought-tolerant, low groundcovers should be used where the space provides primarily visual openness. All development within the Margarita Area shall comply with the landscaping goals and landscape design guidelines contained in the City's adopted Community Design Guidelines, which are incorporated herein by reference.

In addition to the City's adopted landscape goals and standards, this specific plan establishes the following landscape guidelines:

1. Street trees should be planted to enhance the area's image, and create a strong sense of identity and unity regardless of the variety in land uses and architectural styles.
2. Focal areas, key intersections and project entries should be highlighted through a species of trees, intensified planting schemes, and other landscape enhancements.
3. The character of planted areas near riparian corridors should respect and respond to the natural landscape character of those areas. A gradual transition should be created between zones of purely native vegetation and predominantly ornamental planting areas.
4. The use of specimen trees and ornamental species is appropriate to highlight the importance of building entries to distinguish them from the rest of the landscape.

#### Water Efficiency Landscape Design

Landscaping shall be consistent with Section 13.20.04 (Landscape

Standards) of the Municipal Code. City standards require: 1) that irrigated turf areas not exceed twenty percent of the site's total area; 2) the use of water -conserving turf varieties or turf substitutes (groundcovers), where appropriate; 3) planter and turf areas be designed for maximum water efficiency and ease of maintenance; 4) the use decorative paving and alternative ground covers to attractively landscape pathways, service areas, or areas difficult to maintain; 5) the selection of plants according to their suitability to the climatic, geologic, and topographical conditions of the site; 6) the protection and preservation of native species and natural areas; 7) the use of curbs, pavers, and other decorative materials to define the edges of planters to reduce irrigation runoff into unplanted areas, and to define turf areas; and 8) the use of erosion control measures on planted slopes of 3:1 or steeper.

The City's Water Reclamation Facility (sewage treatment plant) produces effluent of a quality that can be used for many nonpotable uses. Reclaimed water can be used for landscape irrigation of parks, institutional, commercial, and industrial uses, and the common areas of multifamily dwellings.

### 3.3 Lighting

The overall lighting concept is to provide exterior lighting that is compatible with the architectural and landscape design, and not create a nuisance for adjacent and nearby properties. All lighting within the specific plan area shall comply with the lighting standards contained in the San Luis Obispo Community Design Guidelines. In addition to the overall community standards, the specific plan calls for all outdoor illumination of streets, public spaces, and private grounds to:

- be of the most energy-efficient, commercially available type;
- avoid glare visible from off the site of the fixtures;
- avoid illumination exceeding 0.5 foot-candle on property not intended or not desiring to be illuminated; and
- minimize illumination toward the sky.

Figure 8-A: **Craftsman or Bungalow Style**

Most appropriate for low-density and medium-density residential development, and for the Business Park/Office part of the Business Park.

- Roof is hip or gable (2/12 to 5/12 pitch)
- Siding of horizontal boards, wood shingles, board-and-batten, or a combination
- Eave detailing, such as exposed rafter tails, knee braces
- Windows double-hung (or single-hung), wood trim, greater height than width, some with divided lites, some grouped windows
- Composition shingle or simulated wood shingle or shake roof
- Chimneys of noncombustible material (brick, stucco, stone, metal)

Figure 8-B: **Mission Revival or Spanish Style**

Appropriate for all land use types when authentically applied, because it lends itself to a wide range of building sizes.

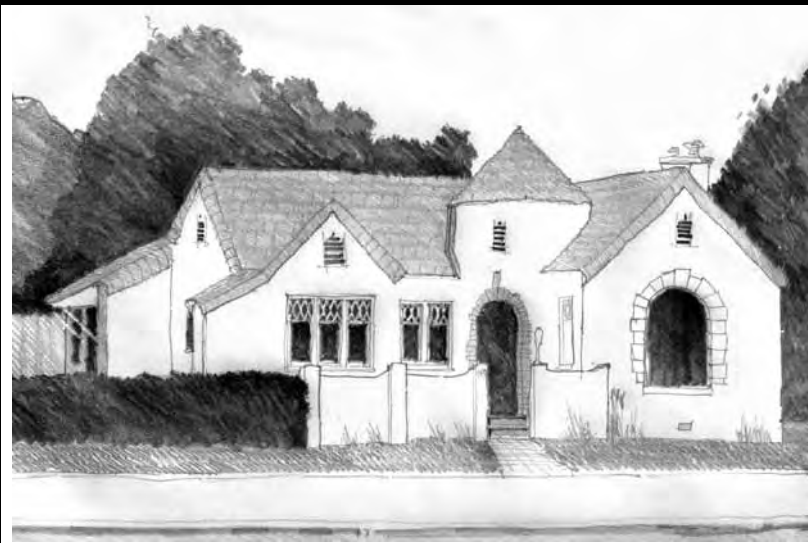
- Low slope roof (about 3/12 pitch, or “flat” roof with parapet)
- Mission tile on sloped roofs, and capping parapet
- Stucco walls
- Double-hung (or single-hung) or casement windows with narrow wood trim, greater height than width; some divided lites
- Exterior window faces recessed from outer wall plane (“cushion” edges for opening)
- Arched doors, windows, or porch or veranda supports
- Arches and columns are properly proportioned for timber or adobe construction

Figure 8-C: **Victorian Style**

Most appropriate for low-density and medium-density residential development, and for the Business Park/office part of the Business Park.

- Roof sloped (4/12 to 12/12 pitch)
- Horizontal board siding, wood shingles, or a combination
- Boxed eaves
- Double-hung (or single-hung) windows; wood trim; greater height than width; some with divided lites; round or “diamond” windows
- Composition shingle, simulated shake or slate roofing
- Brick or stone chimneys
- Emphasis on vertical; turrets or towers
- Porch dominates street presentation

“Victorian” and “Queen Anne” encompass many variations, including ornate as well as simpler, regional vernacular styles.

Figure 8-D: **Provincial Style**

Most appropriate for low-density and medium-density residential development, and for the Business Park/Office part of the Business Park.

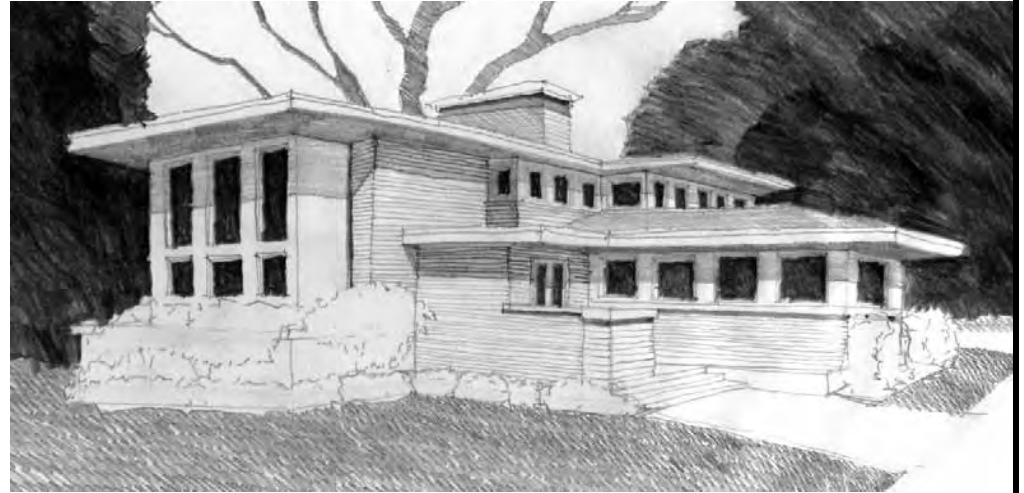
- Stucco walls with stone, brick, or tile accents
- Roof steeply pitched
- Composition shingle, simulated shake or slate roofing
- Shingles may “wrap” at eaves
- Casement or double-hung (or single-hung) windows; wood trim; greater height than width; divided lites;
- Chimneys of stucco, brick, or stone
- Cylindrical or angled entry alcove (no porch, but often with formal front garden having brick or flagstone area and low wall)



Figure 8-E: **Prairie Style**

Most appropriate for low-density and medium-density residential development, and for the Business Park/Office and Business Park 1-story- masonry areas of the Business Park.

- Horizontal form dominates (not recommended for multistory buildings on lots with narrow frontage)
- Roof flat or low pitched
- Wide eaves with soffit
- Stucco, brick, or horizontal board siding on walls
- Double-hung (or single-hung) windows; wood trim; some with divided lites; windows often grouped
- Built-up (gravel) or flat tile roofing
- Stucco, brick, or stone chimneys

Figure 8-F: **Neoclassic Style**

Appropriate for the Business Park or Neighborhood Commercial development.

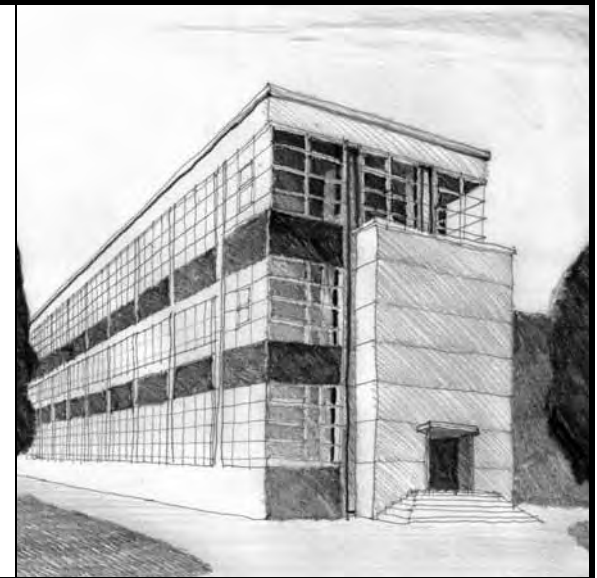
- Low-slope hip or flat roof
- Flat tile or flat-seamed metal roof
- Formal symmetry of main elements
- Stucco or smooth masonry walls
- Tile or stone insets and details
- Entries accented by columns or arches
- Windows accented by pilasters or masonry
- Columns, arches, and pilasters may be fluted or “stepped in,” creating multiple shadow lines
- Very subdued building colors (light beige), which can serve as background for dark trees



Figure 8-G: **Industrial Style**

Appropriate for the Business Park.

- Horizontal form dominates
- Flat, shed, or arched roof
- Banks of clerestory, rectangular, or pyramidal skylights
- Walls of brick or block, or metal with closely spaced vertical corrugation or ribbing

Figure 8-H: **Agricultural Heritage Forms**

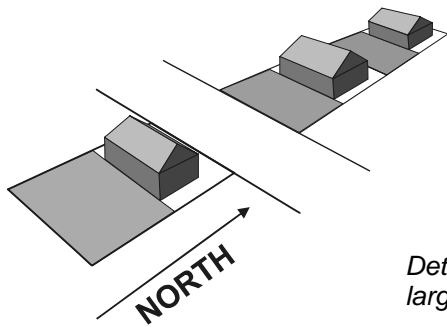
Appropriate for the Business Park or Neighborhood Commercial development.

- Although not a single style, simple expressive forms should reflect the area's agricultural heritage
- Vertical wall lines and monitor roof forms dominate overall building massing, but may include dramatic vertical elements
- Facades facing public streets or entrances should be articulated to give human scale and reduce apparent mass of building
- Walls such as metal, wood, or block avoiding highly reflective surfaces and modest window areas should be used
- Massing should vary between buildings but must reinforce concept of a harmonious and unified cluster of buildings
- Site/building design should provide for pedestrian wind protection

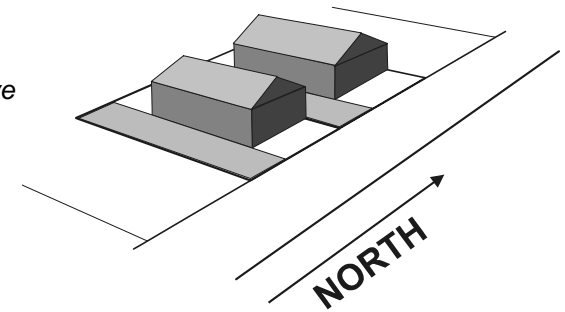
Figure 8-I: **Main Street Style**

Appropriate for Neighborhood Commercial development.

- Buildings have two or three stories
- Buildings extend from side lot line to side lot line, and are at or very close to the sidewalk
- Walls are durable materials (stucco, brick, textured block)
- Numerous windows face the street
- Details such as planter boxes, awnings, and small balconies provide interest
- If building wall is at back of sidewalk, entry doors are recessed
- Buildings at street corners have corner angles or arcades



*Detached houses have their larger yards to the south.*



*Zero-lot-line dwellings have their yards to the south.*

### 3.4 Solar Exposure

Building form and placement must meet the General Plan's solar exposure objectives. All other factors being equal, it is generally better for an owner to have control of property to the south of that owner's proposed or potential solar collectors. So, larger yards should be to the south of buildings. Also, it is generally better for larger roof planes to have a southerly exposure.

### 3.5 Public Art

The City wishes to enhance the cultural and aesthetic environment to encourage creativity and an appreciation of the arts and its cultural heritage. Public visual arts will be included in the Margarita Area, in conformance with citywide policies and requirements. The neighborhood park and the principal collector street, particularly their entries, are favored locations for public art. Small-scale development projects are encouraged to contribute to public art at these locations.

### 3.6 Road Traffic Noise Mitigation

A basic concept of the neighborhood design is to have most of the vehicle traffic between the southeastern and southwestern parts of the community, as well as trips to and from the neighborhood, carried by Prado Road as a “regional route,” with design features of a “parkway arterial.” While this approach avoids heavy traffic and unacceptable noise along local and collector streets, it makes noise mitigation more of a challenge for Prado Road, particularly where noise-sensitive uses such as dwellings are relatively close. Noise-blocking walls are not consistent with the General Plan, due to their impact on street and neighborhood character. The General Plan encourages sound attenuation through building orientation and design. As a result, distance and berms are the desired noise attenuation solutions.

Dwellings, and some outdoor space associated with dwellings, are to be separated from Prado Road by greenways, green space, and business-park uses. Walls or fences for security and privacy will also help reduce noise exposure for residential yards. A low, landscaped berm will further shelter greenway paths and noise-sensitive uses from tire noise. (The berm will not continue along the segment of roadway that is elevated or on the bridges.)

### 3.7 Fencing Standards

Fences and walls provide safety, security, screening and privacy, but can be unsightly elements because of their length and visibility. Fence and wall designs must comply with the standards contained in the Community Design Guidelines.

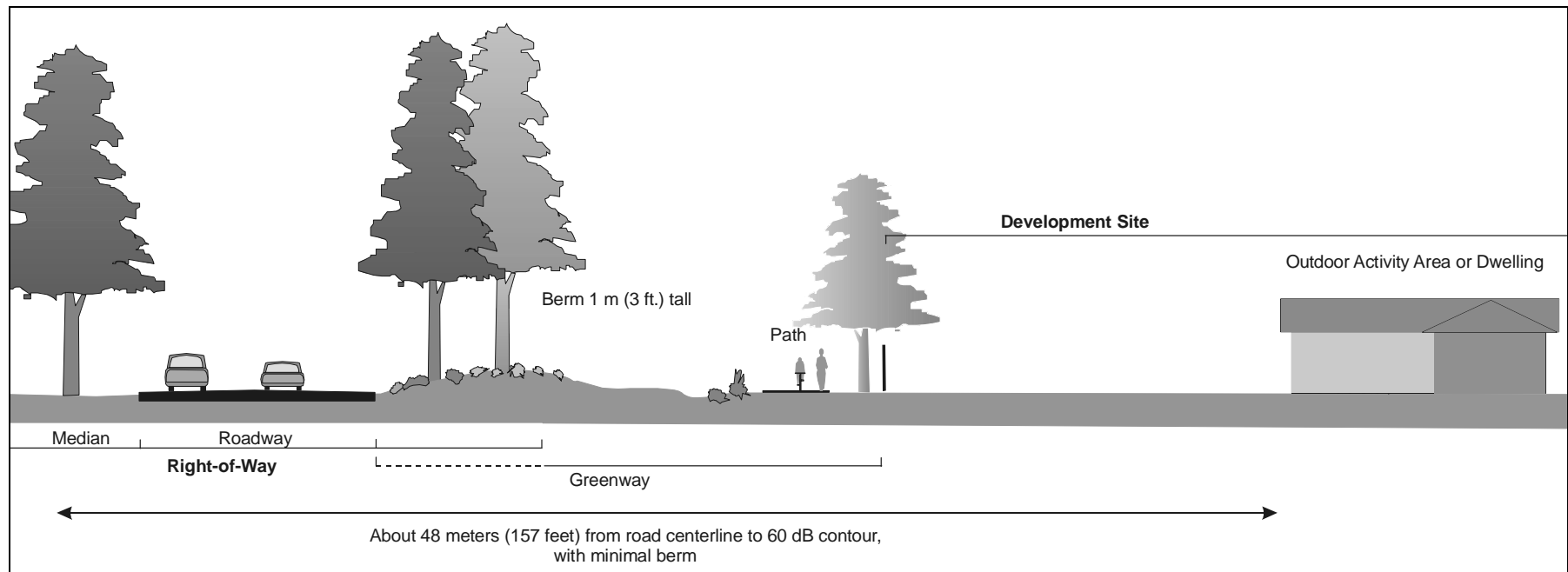


Figure 9: Noise Mitigation Along Prado Road

## AIRPORT COMPATIBILITY

### 4.0 Setting

The Margarita Area is located in the vicinity of the San Luis Obispo County Regional Airport, and it is subject to the County Airport Land Use Plan (Figure 10). Due to present and projected future aircraft overflight, various parts of the area are within noise-exposure and safety zones that require special land-use limitations or design features to assure that development will be compatible with the Airport (Figures 10 and 11).

### 4.1 Types and Intensities of Land Use

The types and intensities of land uses described in Part 2 of this plan are intended to be consistent with the County Airport Land Use Plan. Several types of uses such as schools, churches, and day-care centers that are typically allowed in residential and commercial zones in other parts of the city are not allowed in the Margarita Area. (However, because State law prevents the City from regulating state-licensed “family day care homes” and “residential care facilities” differently from single-family dwellings, there is a possibility that they may occur in the area.) The residential densities and their locations are meant to concentrate residential development in locations where it will have the least problems with Airport compatibility.

### 4.2 Performance Standards

#### A. Risk of Injury

No use shall be established and no activity conducted which entails a risk of physical injury to operators or passengers of aircraft (such as outdoor laser light shows).

#### B. Airspace Protection

No object or structure may be erected, and no plant allowed to grow, to penetrate any “imaginary surface” as defined in Federal Aviation Regulations Part 77. Any proposed feature approaching these surfaces will be referred to the airport manager for review and recommendation. Buildings within the height limits of this specific plan will not approach the FAA

imaginary surfaces.

#### C. Operations Interference

No material, equipment, or facility shall be used which causes smoke or vapors, illumination or reflective glare, or an electromagnetic disturbance that would interfere with aircraft navigation or communication.

#### D. Bird Attractants

No use shall be established and no activity conducted which attracts birds to the extent of creating a significant hazard of bird strikes. Examples are outdoor storage or disposal of food or grain, or large, artificial water features. This provision is not intended to prevent enhancement or protection of existing wetlands or the mitigation of wetlands impacts.

#### E. Indoor Noise.

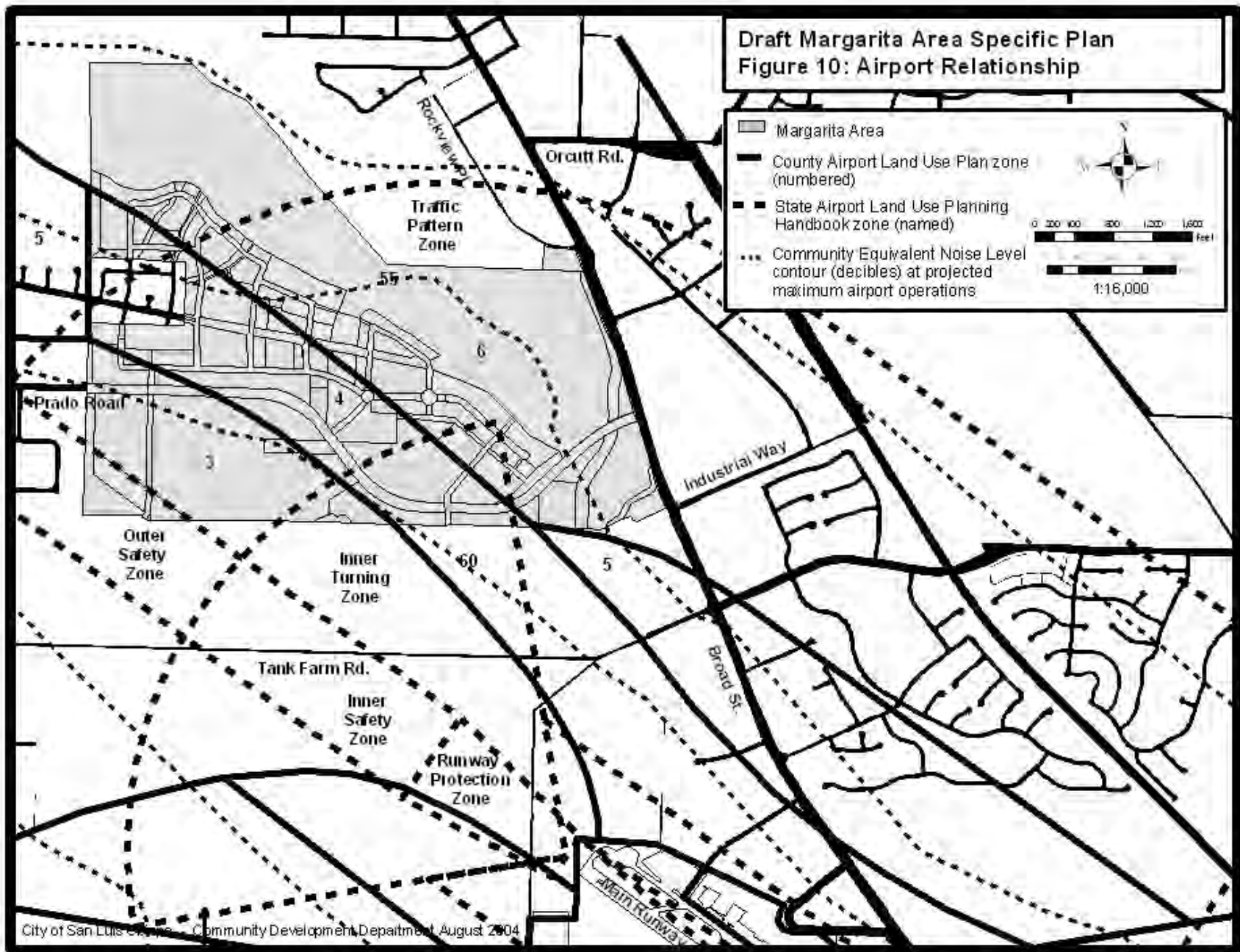
Indoor space for the following uses shall provide a maximum noise exposure not exceeding 45 decibels Community Noise Equivalent Level, and a 60 dB maximum for aircraft single events: dwellings; offices and incidental meeting rooms; public reception areas; worker break rooms; research, development, and production areas where concentration is required and interior-generated noise is typically at or below the level of an office.

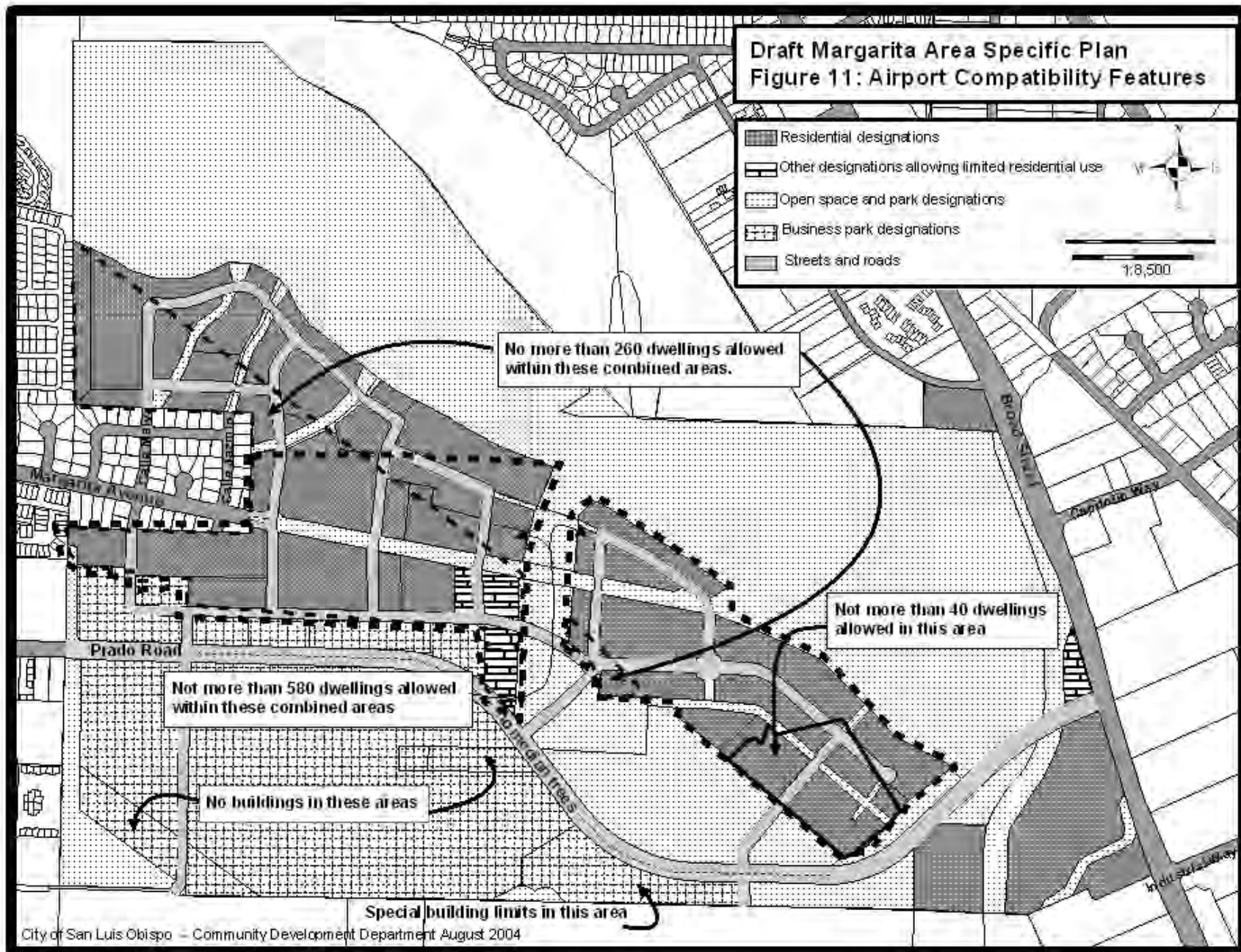
#### F. Avigation Easements

At the time of subdivision or development, each affected parcel shall be made subject to an avigation easement, in a form approved by the County of San Luis Obispo.

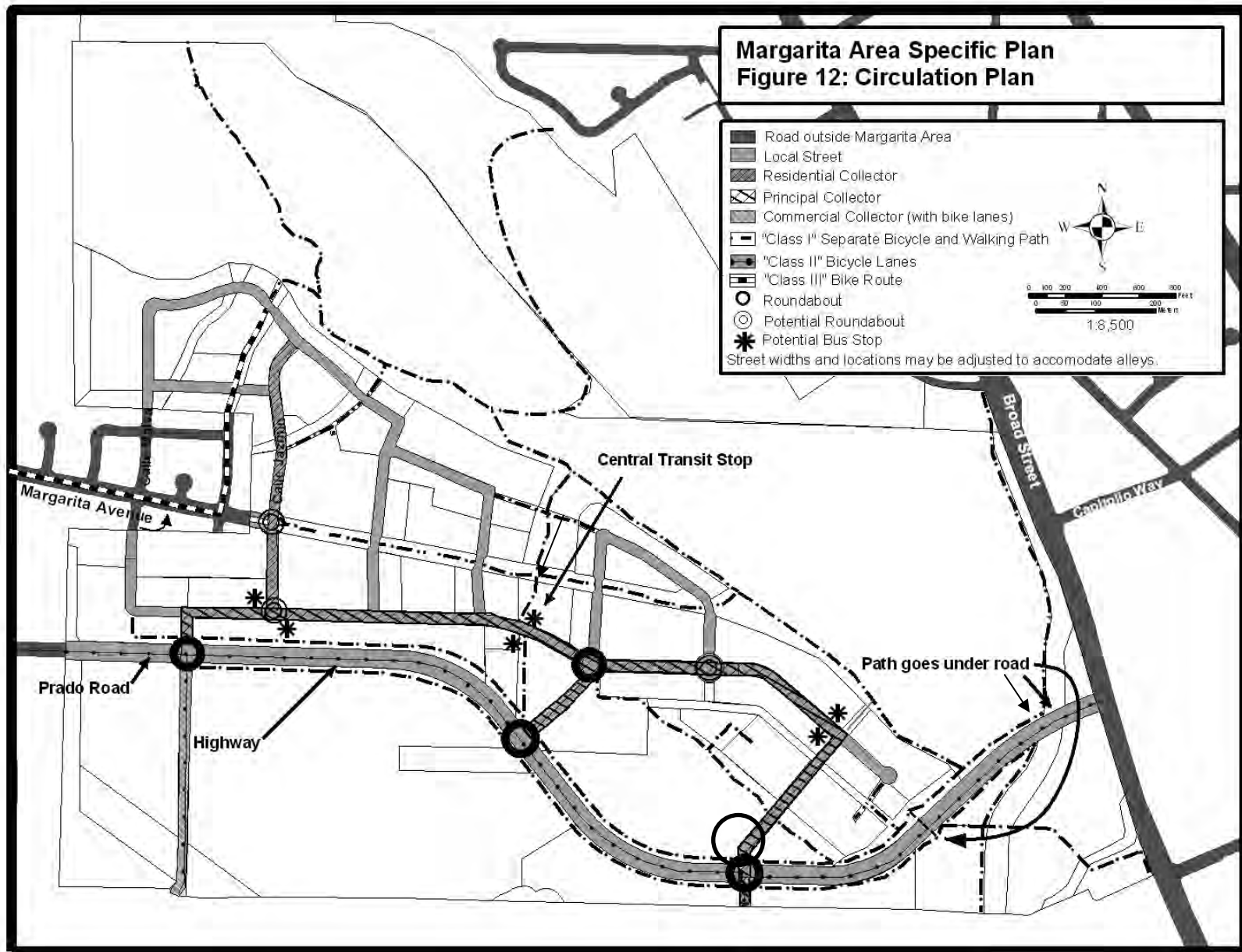
#### G. Real Estate Disclosure

Notice of airport operations, in a form approved by the San Luis Obispo County Airport Land Use Commission, shall be provided to all prospective buyers and renters.











## CIRCULATION FEATURES AND STANDARDS

### 5.0 Overall Approach – Transit Oriented Development

Pursuant to the City’s Circulation Element, development in the Margarita Area should facilitate walking, biking, and the use of transit. The Plan requires connectivity in streets and trails to the maximum extent possible, instead of dead-end cul-de-sacs, to establish appropriate traffic flow in and through the Specific Plan area consistent with the policies established in the Circulation Element. The land uses and development standards will help achieve this objective, and should be coordinated with circulation features, especially those that create a safe and convenient environment for pedestrians and bicycles. All circulation features should allow convenient movement within the neighborhood and between the neighborhood and other areas of the city. Only those vehicle traffic volumes and speeds that are compatible with safety and a pleasant living environment should be accommodated through the residential streets. Street design must be consistent with the desired maximum traffic volumes and speeds identified in the General Plan Circulation Element. However, because of the constraints of the planning area, some residential collector streets may experience higher traffic volumes in the long-term implementation of the Plan. Therefore traffic calming features should be developed and implemented in the Specific Plan area at the time of development to create the long-term infrastructure necessary to meet City and neighborhood objectives. Streets and driveways should provide adequate access to sites while avoiding unnecessary pavement.

To assure safety for all users of streets and a desirable neighborhood ambiance, precise street designs will include “traffic-calming” features to the approval of the City’s Public Works Department. Traffic-calming features are particularly important where separate pedestrian and bicycle paths encounter streets at the same grade and at intersections of collector streets.

#### 5.1 Transit

The City will extend transit service into the area as road extensions, development, and funding allows. Service within the area is

expected to require changes to routes existing before development. Figure 12 shows potential transit stop locations. The locations may be modified at the direction of the Public Works Department, without amending this plan. Transit facilities will include a central transit stop adjacent to the Neighborhood Commercial and Neighborhood Park land use areas. The central transit stop shall be incorporated into neighborhood park improvements located at the boundary of these two land uses. Public improvements incorporating the central transit stop will be designed and oriented to create a landmark that contributes to the creation of a central public place and neighborhood center. These features should be sited to complement the neighborhood commercial services. The central transit stop may incorporate public art to further leverage public improvements that can contribute to the creation of a central landmark.

Transit stops will include transit turnouts, shelters, benches, trash and recycling receptacles, real-time arrival-status displays where appropriate, and signage. For the design of a typical transit stop, consult the City’s Short Range Transit Plan. (See also the discussion of Transportation under the section “Public Facilities & Services,” page 45.)

#### 5.2 Pedestrian and Bicycle Facilities

New development shall include sidewalks, pedestrian paths, bike lanes and bike paths that encourage walking and cycling for all local trips that might otherwise be made by car, including trips for work, school, neighborhood services, and recreation. Within the Margarita Area, there will be several walking and cycling trails as shown in Figure 12. The precise alignments will be determined with subdivision and development plans, and shall include landscaping, lighting, and other amenities for visual affects and to increase pedestrian comfort. Bicycle and pedestrian facilities should be provided to support the use of transit in the Margarita Neighborhood.

A Class 1 bicycle and walking path will connect the central transit stop to the bicycle and pedestrian paths that serve the entire neighborhood (Figures 4 and 12). Pedestrian and bicycle ways separate from streets will connect the Margarita Neighborhood to major destinations including the commercial areas at Tank Farm Road and Broad Street, at Tank Farm Road and South Higuera Street, and the business park. Cross-sectional illustrations for street

types show how streets accommodate pedestrians and bicycles. Paths on the hills will be located on existing roads and utility easements, wherever possible.

A separate path is proposed along the west side of the Acacia Creek corridor. In addition, there should be a continuous walkway, installed as part of the Plan, along Broad Street, from Rockview Place to the Prado Road intersection, and on to the Industrial Way intersection. Where space is limited between the roadway and Acacia Creek, along the frontage of the hills open space; a 2-meter (six-foot) sidewalk adjacent to the curb may be used. Along the Special Use and Sports Fields sites, a parkway and detached sidewalk like that shown for Prado Road (Figure 21) should be provided.

Bicycle path width, paving, signs, and other features will be as described in the City's Bicycle Transportation Plan. Paths in parks may be lighted, while avoiding glare for neighboring property. Open-space paths will be individually evaluated on the need for lighting. Lighting that is exclusively for paths and walkways shall be pedestrian scale (not more than about four meters or 13 feet tall). Public walkways outside open space, all bike paths, and private walkways on sites other than individual dwellings will be paved with a continuous, all-weather surface as approved by the Public Works Department.

Pedestrian and bicycle crossings of major streets is an area that deserves careful consideration. Pursuant to the City's adopted Pedestrian Crosswalk Policy, project design adjacent to major roads should encourage convenient and pleasant pedestrian connections between neighboring sites on the same side of the street, and should encourage pedestrians to cross streets at appropriate locations. Along major streets, crossing should be at street intersections rather than at mid-block.

Along less heavily traveled streets, proposed crossings at other than street intersections will include features such as pavement changes, signs, and bulb-outs or islands to slow traffic and alert drivers that they are approaching a location where pedestrians may have the right-of-way. These features may also be appropriate at intersections.

Pedestrian and bicycle access to the sports fields will be by an enhanced under- or over-crossing, which must provide visibility for safety and an open feeling that will promote a sense of place. Portal features should be incorporated on both sides of the crossing to denote access to the Margarita Area and Damon-Garcia Park. Figure 14 shows a schematic design that would provide these qualities.

Figure 13: **Bicycle & Walking Paths**

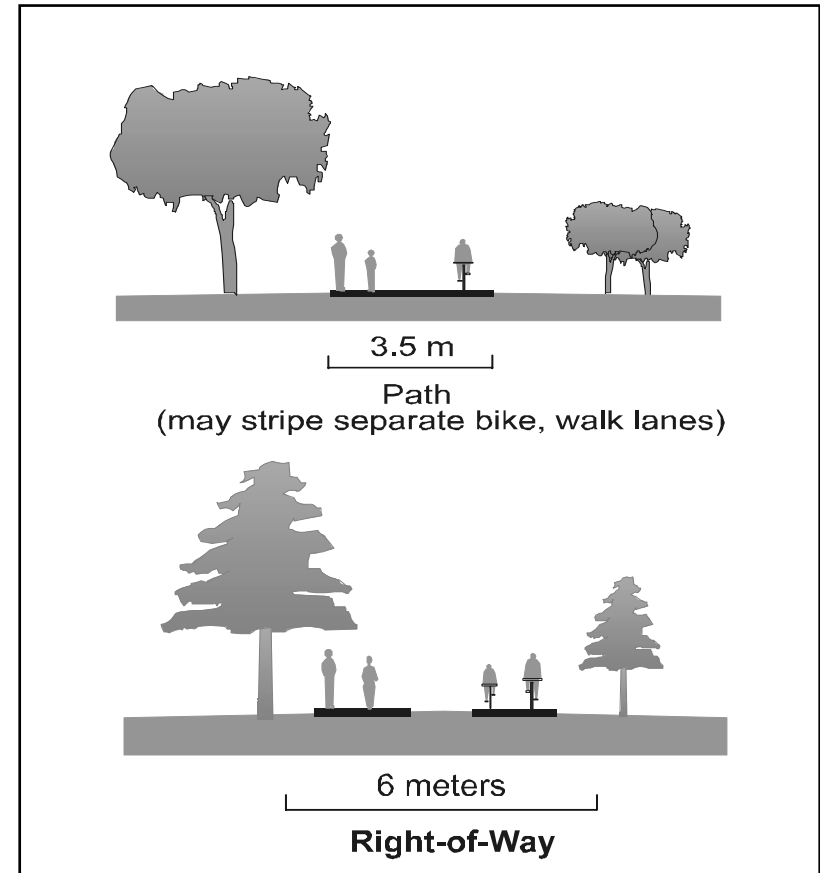
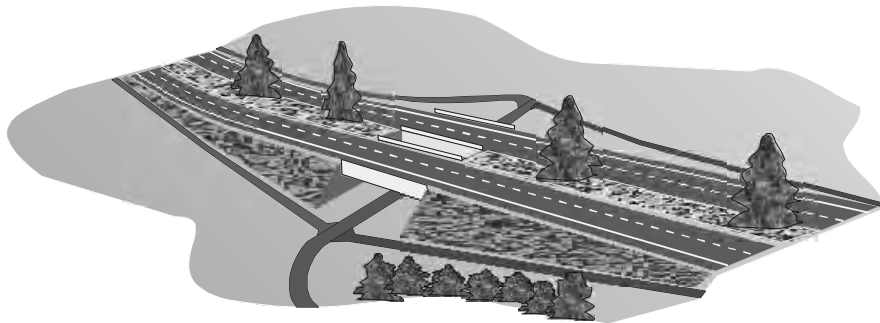


Figure 14: **Path under Prado Road**



This sketch shows schematically how separate bridges over the path would avoid a “tunnel” feeling. Not all details, such as fencing, berms, and lighting, are shown.

### 5.3 Neighborhood Traffic Management

Street and land-uses have several features meant to foster traffic volumes and speeds that will be compatible with the neighborhood:

- A. Prado Road avoids residential frontages and the sports-fields access and parking area.
- B. Margarita Avenue extends to the east only as far as the first north-south street.
- C. Calle Jazmin does not extend to the south; to the north it would be a pedestrian link only.
- D. Calle Malva extends relatively short distances.
- E. The longer, new north-south streets have changes in alignment that limit a driver’s direct view ahead to about 150 meters (500 feet) or less.
- F. Where streets cross the greenway along the power lines, there is a narrowing of the roadway and a change of alignment. These features and changes in pavement texture also alert drivers that pedestrians and cyclists may be approaching.
- G. The middle segment of the principal collector is fronted by park, office, and neighborhood-commercial uses.
- H. Streets serving low- and medium-density development at the eastern end of the area terminate, with greenways extending

from their ends.

- I. The street serving development at the base of the hill is not continuous, though, by way of greenways and open-space trails, bicycle and pedestrian movement can be continuous.

Traffic volumes and speeds will be monitored after development; the Circulation Element may establish additional measures to keep them within the limits identified as desirable.

### 5.4 Alleys

Where feasible, alleys should be used to serve residential and commercial developments. Public alleys are intended to allow access to on-site parking while placing the more “social” aspects of the home fronting the streets. They can accommodate collection of trash and recyclables, and utility meters. Alleys can also provide emergency access, but this requires that vehicles, waste containers, or other objects not obstruct them.

Alleys serving residential development should be as in Fig. 15 with a 1m (3’) setback to each garage or parking area.

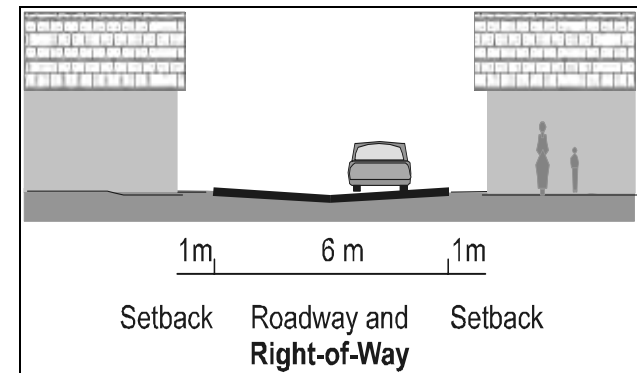


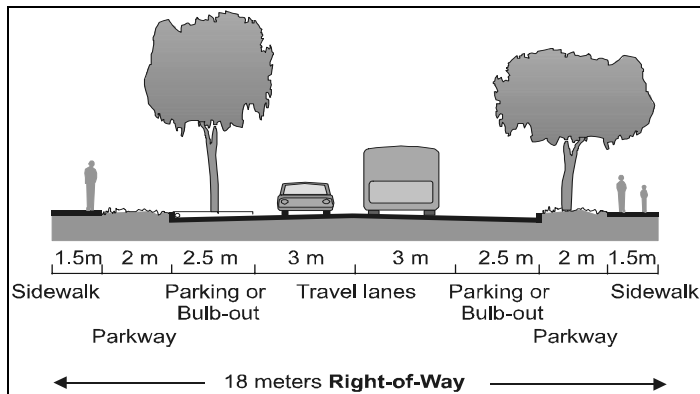
Figure 15: **Alley Cross-section**



**5.5 Local Streets**

Local streets shall be as shown in Figure 16. Unless waived by the Public Works Department, bulb-outs will be provided in the parking lane at the ends of blocks, and at mid-block for blocks longer than 150 meters (500 feet).

Business Park local streets shall be as provided in the Subdivision Regulations for “commercial/ industrial minor.”



**Figure 16: Local Street Cross-section**

**5.6 Collector Streets**

Collector streets connect local streets with activity centers and with arterial streets. This specific plan establishes the following types of collector streets.

- A. The Principal Collector is the primary link between the neighborhood and Prado Road. It is intended to provide a pedestrian-friendly atmosphere, a convenient vehicle route, and a sense of entry to and continuity through the area. Wide parkways (wide sidewalks along the commercial area) and single-species street-tree planting are among the features to achieve these objectives (Figure 18).
- B. The residential collector is intended to divert traffic from the previously developed El Camino Estates area, while discouraging fast vehicle traffic past its fronting residential development (Figure 17).
- C. The commercial collectors link parts of the area with Prado Road or points south (Figure 19). Driveway locations are subject to approval by the Public Works Department.

**Figure 17: Residential Collector Cross-section**

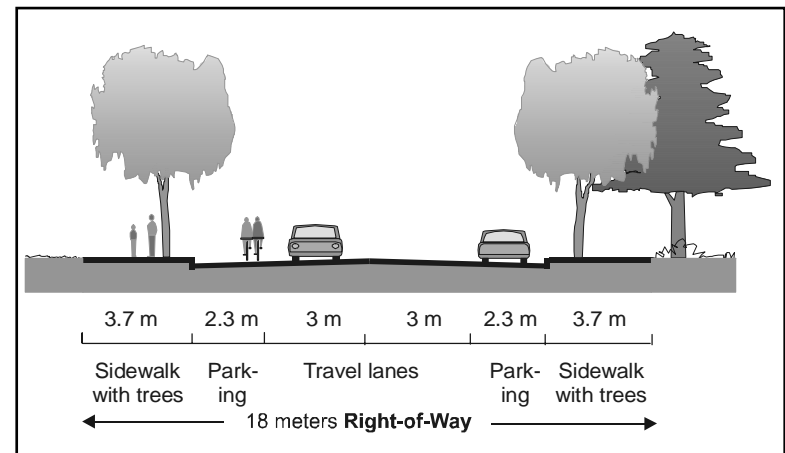


Figure 18: **Principal Collector Cross-section**

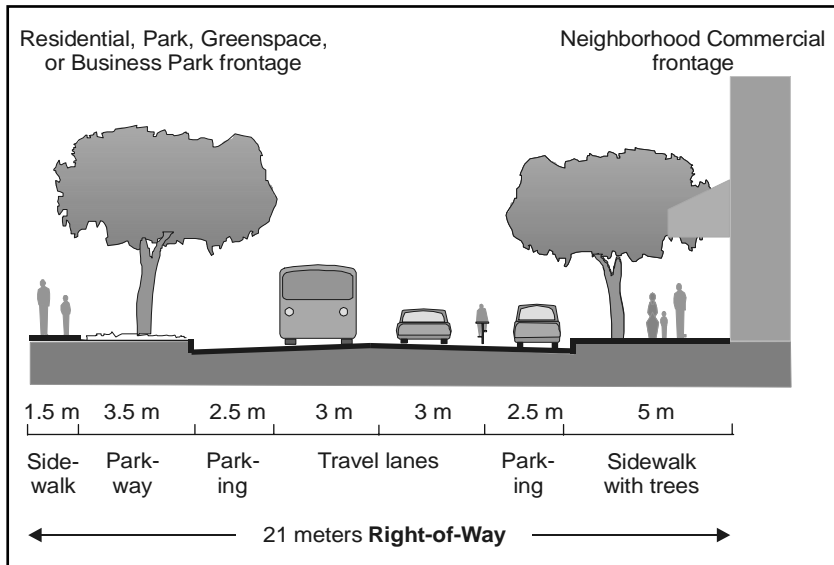
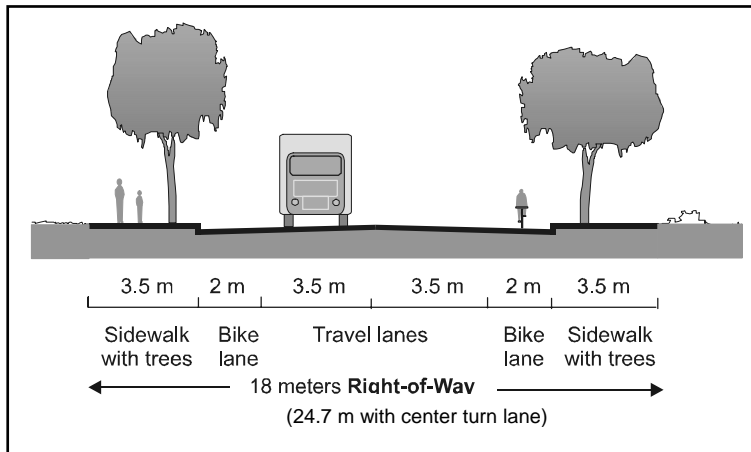


Figure 19: **Commercial Collector Cross-section**



### 5.7 Highway/Regional Routes of Significance

Highways/Regional Routes of significance are facilities intended to carry higher volumes of traffic, access the regional transportation system such as Highway 101, as well as serve as the primary freight routes. Regional highways connect different parts of the region and accommodate through traffic. There are two regional routes in the planning area—Broad Street (S.R. 227) and Prado Road.

#### 5.7.1 Broad Street

Though Broad Street is the eastern boundary of the Margarita Area, its design is important for both the neighborhood setting and as an entry to the whole city. Broad Street will have a minimum right-of-way of 33.2 meters consisting of a 4.3-meter outside lane and a 3.7-meter inside lane in each direction. Each side of the road will have a 2-meter bike lane, vertical curbs, a 2-meter landscaped parkway and a 1.5-meter sidewalk. Broad will have a 5-meter wide center median.

Figure 20: **Typical Broad Street Cross-Section**

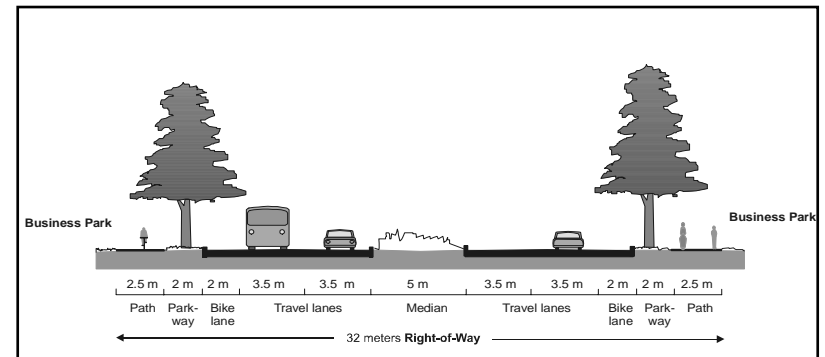
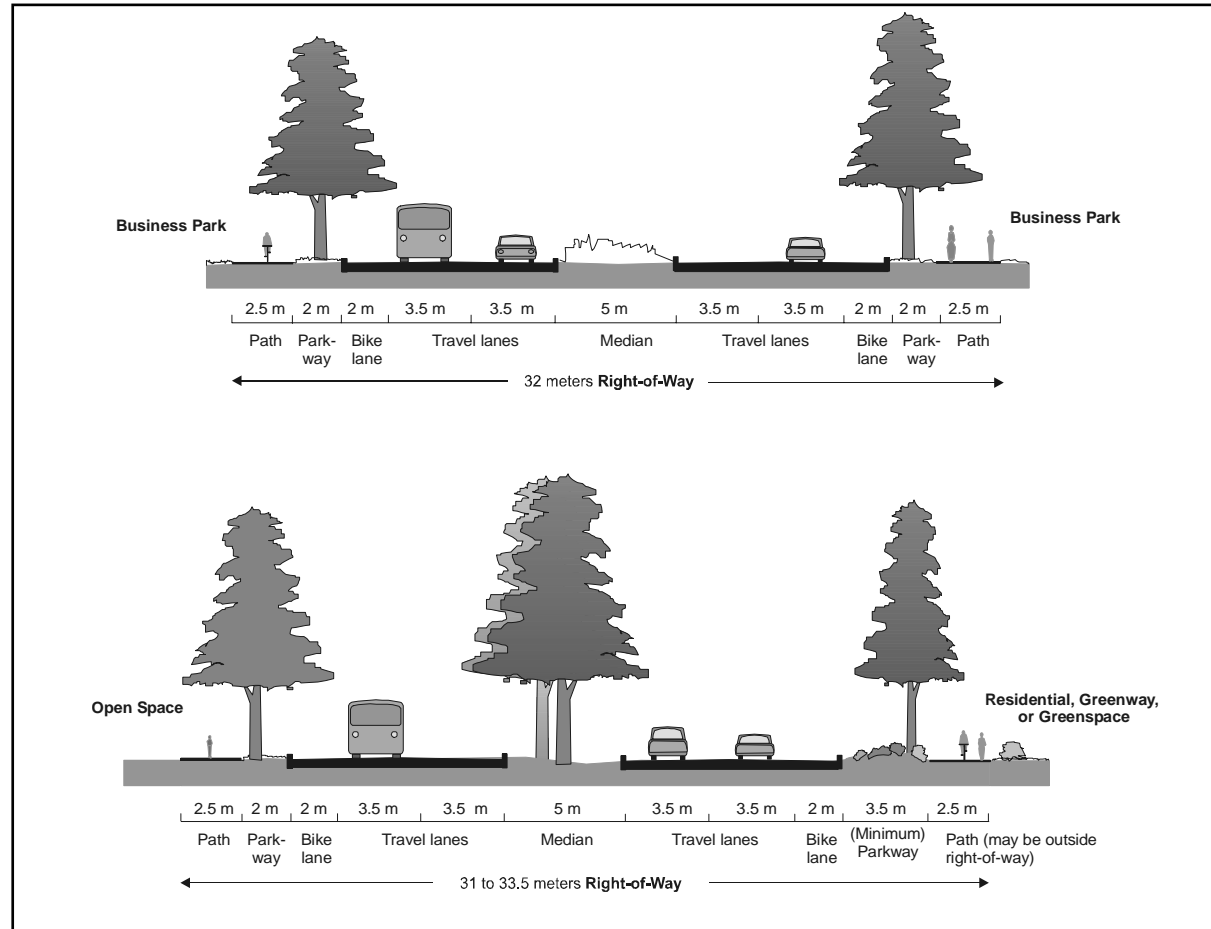


Figure 21: Prado Road Cross-sections



### 5.7.2 Prado Road

Prado Road provides the main vehicle connection between the Margarita Area and the rest of the community. It also links the southeastern and southwestern parts of the city. The Circulation Element designates it as a “highway/regional route.” Prado Road will be an access controlled facility and will not have direct driveway access unless approved by the Public Works Department.

From the eastern Principal Collector intersection westward to west edge of the specific plan area, the median will not contain trees that would be a substantial obstacle to aircraft making emergency landings, though medium-height shrubs should be planted.

The bridge over Acacia Creek will be long and high enough to allow bicycles and pedestrians to pass under, passage of floodwaters during a 100-year storm, and create a “critter crossing” where

terrestrial wildlife movement along the creek corridor can occur.

The cross-sections for Prado Road assume State of California design standards. If alternate designs are shown to achieve similar traffic volumes, while improving landscaping, noise mitigation, and safety for all street users, the City may approve such designs without amending this specific plan.

### **Prado Road Phasing and Construction**

Establishing the east-west connection of Prado Road between Broad Street and Higuera Street at the earliest possible stage of development is a goal of the Specific Plan and City development process. However, because multiple property ownership issues as well as development phasing of individual properties may hinder this objective, plans for phased implementation of Prado Road are necessary.

At a minimum, Prado Road will be built concurrently with development of the Margarita Area. The respective properties would dedicate all right-of-way for the road in fee and also dedicate access control at the time of development. During initial development of the Plan area, the Western Enclave developers will: a) form their own joint development firm (for bonding purposes) or a much smaller Mello-Roos district or equivalent; b) provide plans and specifications for full construction of Prado Road; and c) construct a minimum of the northern half of Prado Road – two lanes of roadway, one bike path, and one sidewalk with street lighting and furniture within right-of-way available at the time of construction. Should the owners/developers decide to form their own joint development firm, or equivalent, to construct the road, the City will credit the design and construction costs against all Margarita Area impact fees to be collected with each respective development until the amount of fees equals the amount of construction costs.

### **5.8 Traffic-Calming Features**

Street design must be consistent with the desired maximum traffic volumes and speeds identified in the General Plan Circulation Element. However, because of the constraints of the planning area, some residential collector streets may experience higher traffic volumes in the long-term implementation of the Plan. Therefore traffic calming features should be developed and implemented in the Specific Plan area at the time of development to create the long-term infrastructure necessary to meet City and neighborhood objectives. Streets and driveways should provide adequate access to sites while avoiding unnecessary pavement.

Traffic calming is the combination of design and operational measures that reduce the negative effects of motor vehicle use, alter driver behavior, and improve conditions for non-motorized street users. This specific plan also uses traffic-calming features to enhance the community's appearance. This specific plan envisions the use of a multitude of traffic-calming measures, including street layout, roundabouts, traffic circles, speed tables, and intersection treatments. As development occurs in the Plan area, individual projects shall consult with the Public Works Department and City adopted Neighborhood Traffic Management Guidelines to determine the most appropriate forms of traffic calming to include in phased development.

#### **Roundabouts**

Roundabouts can be a desirable form for traffic control at intersections, while avoiding stop signs or traffic signals. Roundabouts should be placed at strategic locations along Prado Road and the principal collectors.

Figure 12 shows where roundabouts are to be used with initial street construction, and where right-of-way will be preserved for potential future installations. Detailed roundabout designs will follow standards available from the Public Works Department. Detailed designs are subject to approval as part of subdivision improvement

plans, or the construction plans for Prado Road if that road is installed before individual subdivisions.

### **Example Single-Lane Roundabout. Potential Short Term Traffic Control for Prado Road**



### **Example Multi-Lane Roundabout. Potential Long Term Traffic Control for Prado Road**

Traffic circles are effective in moderating speeds and improving safety. If designed well, they can have a positive aesthetic value. Their disadvantages include maneuvering difficulty for large vehicles such as fire trucks, potentially encroachment into crosswalks, and required maintenance for landscaping. This specific plan envisions the installation of a traffic circle at the intersection of Margarita Avenue and the residential collector. Below is a photograph of an existing traffic circle with mature landscaping.



*Example Neighborhood Street Traffic Circle*

### **Intersection Treatment**

Intersection treatment will be used to create a unifying theme and create gateways throughout the Margarita Area. This type of treatment is illustrated below.

### **Choke Downs or Bulb-outs**

This specific plan discourages the use of long straight residential streets. Bulbouts will be used at the end of blocks and mid-block to calm traffic. Bulbouts will be placed every 80 to 100m (250 to 300 feet) to ensure that there is adequate on-street parking. Where residential streets intersect with the greenbelt that aligns with



Margarita Avenue, traffic will be calmed and non-auto cross traffic enhanced by narrowing the street and installing a speed table, hump or similar measure. The photo below shows an effective use of mid-block bulbouts.



**Potential neighborhood intersection treatment.**



**Potential bulb-out design.**

### **5.9 Street Names**

Naming of streets will follow standard City requirements, which aim for continuity with existing street names, ease of understanding, avoidance of similar sounding names for different streets, and historical or geographic associations.

## **PUBLIC SERVICES & FACILITIES**

### **6.1 Education**

Public preschool programs, including Headstart, are expected to continue operating in the San Luis Obispo area. Due to airport compatibility, none will be located within the Margarita Area.

Public elementary and secondary educational services are provided by the San Luis Coastal Unified School District. The elementary campuses most likely to serve students in the Margarita Area are Hawthorne, Los Ranchos, Sinsheimer, and possibly a new elementary school in the Orcutt Area. Attendance-area boundaries are expected to change during development and occupancy of the Margarita Area, due to additional households in this and other parts of the city and the changing age structure of neighborhoods. Students in the Margarita Area are expected to attend Laguna Middle School and San Luis Obispo High School.

The Cuesta College District provides community college services. Cuesta's campus, north of San Luis Obispo, will be available to residents and workers in the planning area. Cal Poly, on the north edge of the city, offers a wide range of regular and extension courses at the university level.

In the San Luis Obispo area, there are several private schools, with programs from preschool to high school and college levels.

### **6.2 Law Enforcement**

Police services are provided by the City of San Luis Obispo, based at the station at Highway 101 and Santa Rosa Street. Patrols, and outreach services such as Neighborhood Watch, will be extended into the Margarita Area as it is occupied. No substations are proposed within the Margarita Area, though the City has considered establishing one in the southern part of the city. Offices of the county district attorney, and municipal and superior courts, are located in downtown San Luis Obispo.

### **6.3 Fire Protection**

The City provides fire prevention and suppression, hazardous materials mitigation, and disaster planning services. The area will be served primarily by the fire stations at Broad Street and South Street, at Laurel Lane and Augusta Street, and at Madonna Road and Los Osos Valley Road.

In the Margarita Area, fire-department activated signal control devices will be required for all intersections with traffic signals. For fire hydrant spacing, the Prado Road extension is considered a major roadway.

### **6.4 Paramedic & Ambulance**

The City's Fire Department provides paramedic services. A private ambulance company provides emergency medical transportation.

### **6.5 Health**

The County provides environmental health services (such as food-business and well-water quality checks) and some animal control services, from offices located in the San Luis Obispo area. The County operates a clinic within the city. There are two private hospitals and several private clinics in the city. No special provisions are anticipated to meet the service demands resulting from development of the Margarita Area. No additional health facilities are proposed for the Margarita Area.

### **6.6 Recreation**

The City provides a wide range of recreational services for all ages. No recreational activities are programmed exclusively for the Margarita Area.

### **6.7 Parks Maintenance**

The City will maintain public parks, street trees, and landscaped medians. Property owners in the Margarita Area may be assessed to help fund maintenance of amenities that benefit primarily

occupants of the Margarita Area, in addition to citywide taxes and fees that fund citywide amenities.

The greenway associated with the power lines will be maintained by an assessment district, or by owners' associations.

## 6.8 Transportation

Transportation encompasses a wide range of services.

Public streets and pedestrian and bicycle paths will be maintained by the City. Street maintenance typically includes roadway pavement and markings, curb, gutter, and sidewalk, and signs and signals. Adjacent properties typically maintain any parkway (planted area between the curb and sidewalk), but not parkway trees, which are maintained by the City. When this Specific Plan was adopted, the State had primary maintenance responsibility for Broad Street, because it was a State highway. The balance of City and State maintenance responsibilities for Broad Street and for the extended Prado Road may change if Prado Road is designated as Highway 227, or if Highway 227 is eliminated as a State highway route.

The City expects to continue providing citywide transit service, through a contract operator. The City intends to extend transit service through the Margarita Area as street connections and adjacent development are completed. Such service extensions will require changes to established transit routes. This specific plan does not contain a schedule for transit service extensions, because it is not possible to predict the actual sequence of street connections and development, service demands from other areas, and the availability of resources to provide service extensions. The City's short-range and long-range transit plans will provide more guidance on these matters.

Regional transit agencies are expected to continue providing connections between San Luis Obispo and other points in the county. The potential for a countywide transit agency has been discussed. At least in the initial years of development in the Margarita area, riders to and from this area are likely to use the City

transit system to connect with the regional routes and other public transportation modes.

A countywide, nonprofit Transportation Management Agency, "Ride-On," is expected to continue providing supplemental, vanpool-type services. Amtrak trains and busses, a private long-distance bus company, air carriers, and bus charter companies also are expected to continue to serve the community, with their public transportation connections for the Margarita Area provided by the City transit system.

## 6.9 Solid Waste & Recycling

The City intends that solid waste collection will continue to be provided by a private operator under a City franchise, with extensions into the Margarita Area as streets and development are completed. Disposal is expected to continue at the Cold Canyon Landfill until at least the year 2018. The City also intends that curbside collection of materials for composting or recycling will continue to be provided by a private operator under a City franchise, with extensions into the Margarita Area as streets and development are completed. The potential for automated collection of trash and recyclables will be assured by the placement of street trees, signs, fire hydrants, and other items, and allowed spots for roadside parking.

The City expects that additional recycling opportunities for beverage containers will continue to be provided by private firms, including retail outlets convenient to the Margarita Area. Also, a regional agency is expected to continue sponsoring drop-off opportunities for household hazardous wastes in the San Luis Obispo area.



### **6.10 Planning, Development Review, and Code Enforcement**

The City will provide planning for land use and local transportation, development review, and enforcement of City zoning and building codes within the Margarita Area. These services are based at City Hall in downtown San Luis Obispo. There are no plans for satellite

facilities. However, for any planning or development issues that are important to the whole Margarita Area but of little citywide concern, the City can hold public meetings within the Margarita Area.

### **6.11 General Government**

The County and the City provide services involving property and human records, public notices, elections, and utility billing, based at City Hall and the downtown County Government Center. No special provisions are anticipated to meet the service demands resulting from development of the Margarita Area. There are no plans for satellite facilities in the Margarita Area.

### **6.12 Information Access**

In addition to the publications and public notices provided by local government, the City and the County jointly operate a library, which is part of a cooperative regional system, and make information available through computer networks. No branch facilities are anticipated to meet the service demands resulting from development of the Margarita Area.

## UTILITIES

This specific plan describes the primary facilities needed to serve the area. Subdivision plans will provide additional detail, subject to City approval.

### 7.1 Water

Because safe yield exceeds the calculated current water use and the City Council had determined that water-conservation retrofitting is essentially complete, some water is available for allocation to development. However, this amount will not support buildout of the Margarita area or the Airport Area. Development in the Margarita Area can occur only if adequate water supply is available. It is anticipated that water availability will be based on some combination of citywide water conservation, specific water offset (retrofit) credits, reclaimed water, and well water. The City is also pursuing participation in the Nacimiento Pipeline Project which is projected to bring on an additional 3,380 acre-feet per year of safe annual yield by 2010.

#### 7.1.1 Potable Water

The City's potable water distribution system will be extended into the area. The basic elements of this system are shown in Figure 22. This system will serve human consumption and sanitation needs, landscape irrigation for most detached single-family dwellings, and fire suppression. Except for new sources of supply, no major changes to the City's treatment, storage, or distribution systems outside the Margarita Area are prerequisites for development.

#### 7.1.2 Reclaimed Water

Wastewater reclaimed by the City will be made available for a wide range of uses, as allowed by state and local regulation. The City's reclaimed water distribution system will be extended into this area, with the basic elements as shown in Figure 22. In the Margarita Area, reclaimed water is expected to meet all demands for landscape irrigation of parks and play fields, institutional, commercial, and industrial sites, and the common areas of

multifamily dwellings. Reclaimed water also may be used for toilet flushing in commercial and industrial facilities that will have professional maintenance.

#### 7.1.3 Well Water

The City does not anticipate adding Margarita Area wells to its water system. Private well water may be used, subject to City policies and State requirements. It is expected that any private well water will be used mainly for nonpotable uses on large commercial parcels.

### 7.2 Sewer

The City's sewer collection system will be extended into the area. The basic elements of this system are shown in Figure 22. As the Margarita Area and other areas of the city develop, sewage treatment (water reclamation) capacity will need to be increased. Adding equipment modules at the existing Water Reclamation Facility will provide the increased capacity.

### 7.3 Drainage

Development in the Margarita Area will affect drainage patterns and increase storm runoff. Increases in storm runoff can affect land uses in the planning area and property downstream in the county where some flooding problems already exist. It is the intent of the following flood control strategy (7.3.3) to ensure that development of the Margarita and Airport areas will not increase these problems. In fact, under certain storm conditions, the proposed strategy may reduce existing flooding. For example, altered drainage patterns in the Margarita Area provide an opportunity to solve drainage problems affecting the previously developed El Camino Estates area along Margarita Avenue and the mobile home park on Prado Road. Subdivision plans must show detailed solutions for these problems.

### 7.3.1 Overall Policy

Peak flows originating within the Margarita Area will be detained so they do not exceed the discharge rate that existed prior to development. Natural or semi-natural features will handle most storm water drainage from and through the area. Drainage is included as a utility because some features will require construction and maintenance. Main components of the drainage system are shown conceptually in Figure 22.

Detention facilities may be provided for individual subdivisions or as shared features, and may include downstream detention in the Airport Area. Waterways and facilities immediately downstream from Margarita Area development may need to be modified for adequate capacity, depending on the location of detention.

Drainage basins will be owned by the subdivider, a property owners' association, or a major nonresidential parcel owner, and will be maintained by an owners' association or a special district. Ownership and maintenance of minor waterways will be the same, with a City easement for open space and, where trails occur, public access.

Developers are responsible for drainage facilities serving their parcels, including needed facilities through adjoining properties when development will occur before shared or area wide facilities are available. Where facilities serve more than one parcel, developers may form benefit districts or establish reimbursement agreements. The design of detention and conveyance facilities will be subject to City approval as subdivisions are reviewed, and will be based on runoff studies and recommendations by qualified professional engineers. Detention facilities will be compatible with natural features and the desired neighborhood character. Shallow basins with curvilinear sides, adjacent to waterways, are acceptable, while steep-sided, rectangular basins are not. Use of detention areas for habitat protection and enhancement, or for appropriate recreation, is encouraged.

### 7.3.2 Water Quality

All drainage facilities must comply with the recently mandated National Pollutant Discharge Elimination System (NPDES) Phase II permit requirements. The City of San Luis Obispo has a set of standards for Post Construction runoff control that must be implemented by property owners as they develop.

### 7.3.3 Flood Control Strategy

To limit storm runoff from the Margarita Area to pre-development levels, a series of basins shall be constructed. The basins will detain storm runoff within the primary planning area. It will be the responsibility of future subdividers and developers of the Margarita area to construct and maintain all flood control improvements including the detention basins. Plans for the first subdivision or development within the Margarita Area shall spell out the design, location and maintenance of all detention basins within the area. The scope of these plans shall be to the approval of the City Engineer. All basins shall be eventually owned and maintained by private property owners or homeowner's associations.

### 7.3.4 Storm Runoff Calculations

The analytical methods outlined in the Waterway Management Plan Drainage Design Manual shall be used to assist in the future design of flood control improvements. The Waterway Management Plan is available through the Public Works Department and incorporated by reference.

## 7.4 Energy

Electricity and natural gas distribution will be provided by the two State-regulated private utilities that serve the region, with facilities extended into the area as it develops. There are no plans for on-site wind, geothermal, or biomass energy production, due to lack of economically feasible resources. Energy efficiency and solar opportunities will be fostered by State building standards, citywide solar exposure standards and development review procedures, and incentives and advice offered by the utility companies.

### **7.5 Future High-Speed Data Access**

Each habitable structure shall have one 50-millimeter (2-inch) conduit connected with an underground system to facilitate future installation of a high-speed, high-capacity data supply system.

### **7.6 Telecommunications**

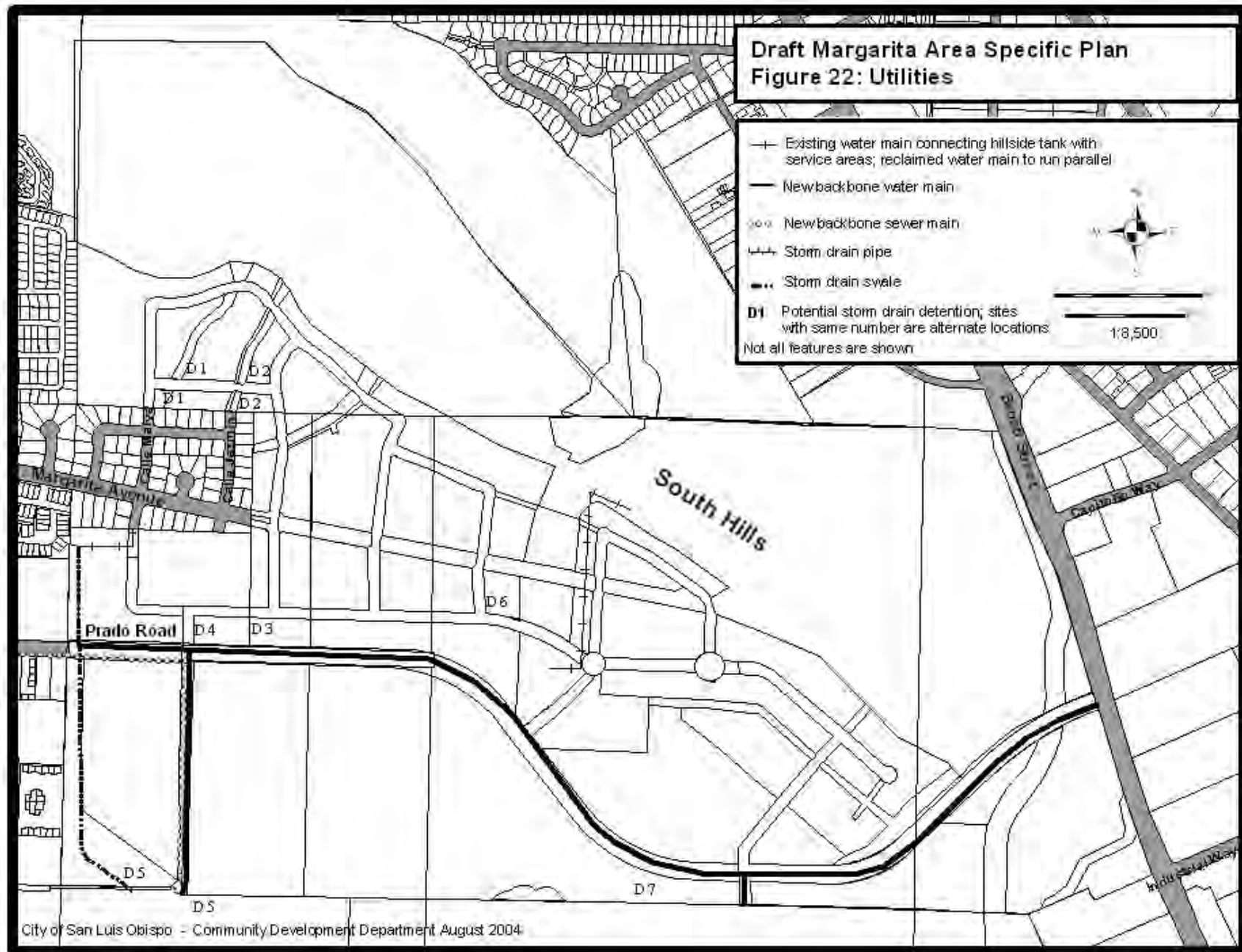
Local line-connected telephone and television services are provided by City-franchised private companies, which will extend their facilities into the area as it develops. The expanding range of broadcast (including satellite) services are expected to be available for the Margarita Area to the extent they are available throughout the San Luis Obispo area.

### **7.7 Underground Facilities**

All new power, telephone, and cable communications lines shall be placed underground. All existing line facilities shall be placed underground at the time of frontage construction (excluding the high-voltage transmission lines parallel with Margarita Avenue).

### **7.8 Phasing & Coordination**

To ensure that later projects build upon systems that are properly located and sized when installed by earlier projects, extensions of streets and utility lines will need to be coordinated among owners, the City, and utility companies. The initial projects may need to provide interim utility solutions, if the permanent systems cannot be made available at the time of development. Such interim systems must be consistent with the planned permanent systems.





## HOUSING AFFORDABILITY

### 8.1 Housing

Margarita Area development will provide affordable housing by increasing the supply of modest dwellings. This plan's land-use designations and Design Criteria enable sites for a substantial number of modest dwellings, allowing economical use of land, streets, and utility lines.

Also, the area must comply with the City's Inclusionary Housing Requirement (Municipal Code Chapter 17.91). Inclusionary dwellings are to be integrated throughout the neighborhood, and to be of the same design quality as market-rate dwellings.

The San Luis Obispo Housing Authority develops projects to serve those least able to afford housing, and often those with special housing needs. The area shall accommodate at least two sites with a combined capacity of at least 40 dwellings, within the Medium Density (attached housing allowed), Medium-high Density, or High Density designations. This specific plan does not identify specific locations for Housing Authority sites. The Housing Authority may acquire the sites through purchase at market rate or by receiving dedications at reduced or no cost, toward fulfillment of the Inclusionary Housing Requirement.

Some sites in the area are expected to be available to nonprofit, "tax-credit," or "co-housing" developers, as well as to conventional, for-profit developers. The City encourages participation by not-for-profit, self-help housing organizations.

The Design Criteria do not distinguish between "stick-built" structures and manufactured or modular housing. All the residentially designated areas are available for modular or manufactured dwellings, so long as they comply with this specific plan.

Pursuant to State law, certain density bonuses are generally available for projects providing affordable housing. However, due to the need for consistency with the County Airport Land Use Plan, in the Margarita Area such bonuses are available only in the area identified in Figure 5. However, the City may approve other types of incentives.

Secondary dwellings will be allowed as provide for in the Zoning Regulations provided that each secondary unit will count toward the maximum densities allowed under this plan.

## PUBLIC FACILITIES FINANCING

### 9.1 Purpose

This Public Facilities Financing Plan update (“PFFP”) was prepared to evaluate the ability of land uses proposed in the Specific Plan to fund required public facilities. This chapter describes the approach and major findings of the PFFP. Additionally, because development in the Airport Area Specific Plan is expected to occur concurrently with that in the Margarita Area, the PFFP also incorporates the land uses and infrastructure facilities needs for that area as well. In summary, this PFFP does the following:

- Summarizes the proposed land uses and estimated phasing assumptions for the Airport and Margarita areas
- Summarizes the public facilities required to serve the Airport and Margarita areas
- Summarizes the costs of required public facilities and allocates the costs to the proposed land uses based on a benefit rationale
- Outlines the phasing of transportation facilities needed to keep pace with projected development
- Considers a combination of impact fees, debt financing and developer contributions to fund public facilities as they are needed
- Identifies the total one-time burdens (impact fees) and potential annual burdens (annual special taxes) proposed to be assessed to fund the improvements
- Discusses future steps associated with implementation and administration of the financing plan

The PFFP represents the culmination of a cooperative process that involved public and private participants with interests in the Margarita and Airport areas. The PFFP may serve as a blueprint to guide individual development applications and ensure that future development conforms to the financing strategy outlined in the plan. It must be noted that the PFFP is also a test of overall financial feasibility.

As the Airport and Margarita areas develop, the timing and mix of costs and funding sources may change. The assumptions and results in the PFFP are generally based on year 2003 estimates and future results could be different. However, regardless of the extent to which the proposed financing mechanisms are used, or other financing mechanisms are introduced later in the Margarita and Airport areas, the feasibility of the overall burden has been evaluated in detail. The analysis shows that the Margarita and Airport areas, incorporating the estimated future development mix and facilities costs from the backbone infrastructure master plans, are feasible proposals from a financial standpoint. Ultimately, the marketplace will determine whether the impact fees are competitive and whether the infrastructure, services and other amenities provided by the City are of great enough benefit to foster development in the Margarita and Airport areas under City jurisdiction.

### 9.2 City Financing Policies

As part of developing the financing strategy employed in this PFFP, a review of the City’s financing policies was conducted. The City’s 2003-05 Financial Plan sets forth the following policies:

#### 9.2.1 General Financing Policies

- Development Impact Fees - Development impact fees should be created and implemented at levels sufficient to ensure that new development pays its fair share of the cost of constructing necessary community facilities.

- Debt Financing - The City will consider the use of debt financing only for one-time capital improvement projects and only if, 1) the facilities' useful life will exceed the term of the financing and 2) the specific revenues or resources will be sufficient to service the long-term debt.
- Recurring O & M Costs - Debt financing will not be considered appropriate for any recurring purpose such as current operating and maintenance expenditures.
- Capital Improvements - Capital Improvements will be financed primarily through user fees, service charges, assessments, special taxes, or developer agreements when benefits can be specifically attributed to users of the facility.

#### 9.2.2 Land-Secured Financing Policies

- Public Purpose - There will be a clearly articulated public purpose in forming an assessment or special tax district in financing public infrastructure improvements. This should include a finding by the Council as to why this form of financing is preferred to other funding options such as impact fees, reimbursement agreements or direct developer responsibility for the improvements.
- Reserve Fund - A reserve fund should be established in the lesser amount of: the maximum annual debt service; 125% of the annual average debt service; or 10% of the bond proceeds.
- Value-to-Lien Ratio - The minimum value-to-lien ratio should generally be 4:1. This means the value of the property in the district, with the public improvements, should be at least four times the amount of the special tax debt. The City may consider allowing a value-to-debt ratio of 3:1, but the Council would make special findings in this case.
- Capitalized Interest - Decisions to capitalize interest will be made on a case-by-case basis, with the intent that if allowed, it should

improve the credit quality of the bonds and reduce borrowing costs, benefiting both current and future property owners.

- Maximum Burden - Annual assessments (or special taxes in the case of Mello-Roos or similar districts) should generally not exceed 1% of the sales price of the property, and total property taxes, special assessments and special tax payments collected on the tax roll should generally not exceed 2%.
- Special Taxes - Assessments and special taxes will be apportioned according to a formula that is clear, understandable, equitable and reasonably related to the benefit received by, or burden attributed to, each parcel with respect to its financed improvement. Any annual escalation factor should generally not exceed 2%.
- Special Tax District Administration - In the case of Mello-Roos or similar special tax districts, the total maximum annual tax should not be less than 110% of the annual debt service.

Where applicable, these City policies have been incorporated into the financing strategy in this PFFP.

### 9.3 Land Use Assumptions

#### 9.3.1 Land Uses

The Margarita and Airport areas comprise a little over 1,400 acres zoned for residential, commercial, industrial, and open space. While the Airport Area will develop mainly as commercial/industrial, the Margarita Area, when fully developed, is expected to include approximately 868 residential units in addition to 69 acres of business park and 3 acres of neighborhood commercial. Table 6 shows a breakdown of the residential and commercial land use components in the Airport and Margarita areas.

**Table 6**  
**LAND USE SUMMARY FOR RESIDENTIAL & NONRESIDENTIAL PROPERTIES**  
**IN THE MARGARITA AREA & AIRPORT AREA SPECIFIC PLANS**

<b>Residential Land Use Designations</b>	<b>Acres</b>	<b>Estimated Dwelling Units</b>
<b>Margarita Area</b>		
Low, Medium Density	60.8	685
Medium-High; High Density Mixed Use	9.9	183
<b>Subtotal</b>	<b>70.7</b>	<b>868</b>
<b>Airport Area (Existing Development)</b>		
Medium Density (Existing Mobile Homes)	7.6	32
<b>Total Residential Property</b>	<b>78.3</b>	<b>900</b>
<hr/>		
<b>Non-Residential Land Use Designations</b>	<b>Gross Acres</b>	<b>Estimated Square Feet</b>
<b>Margarita Area - Undeveloped</b>		
Neighborhood Commercial	3.1	10,000
Business Park	68.8	959,017
<b>Subtotal</b>	<b>71.9</b>	<b>969,017</b>
<b>Airport Area - Undeveloped</b>		
Business Park	110.1	1,534,706
Services Commercial Zone	63.7	554,954
Manufacturing Zone	49.0	426,965
<b>Subtotal</b>	<b>222.8</b>	<b>2,516,625</b>
<b>Airport Area - Developed Land (1)</b>	<b>229.4</b>	<b>2,116,000</b>
<b>Airport Area - Developed &amp; Undeveloped Land</b>	<b>452.2</b>	<b>4,632,625</b>
<b>Total Non-Residential in Margarita &amp; Airport Areas</b>	<b>524.1</b>	<b>5,601,642</b>
<b>Total Residential &amp; Non-Residential Acreage</b>	<b>602.4</b>	

(1) The total square footage (and associated acreage) shown for the Airport Area Specific Plan includes 2.1 million square feet of existing or approved for development building space on non-county owned properties; also not included is approximately 325,000 square feet of building space on county-owned property.

The estimated nonresidential building capacity in the Airport and Margarita areas is approximately 5.6 million square feet. In 2001, the Airport and Margarita areas had approximately 1.9 million square feet of existing commercial development and another 0.2 million square feet that had been approved or was awaiting building

approvals for development. This suggests that future developable commercial/industrial in the Airport and Margarita areas is just under 3.5 million square feet. Of this 3.5 million square feet of future space, approximately 2.5 million square feet are assumed will develop in the Airport Area and 962,000 square feet of space will develop in the Margarita Area.

### 9.3.2 Land Use Absorption Estimates

Based on historic development trends in San Luis Obispo, the City's Community Development Department estimates that on average, approximately 70 to 80 residential units and 100,000 square feet of commercial/industrial building space will develop annually. Based on these absorption assumptions, the residential portion of the Margarita Area should build out in approximately ten to fifteen years and the commercial/industrial acreage in the Airport and Margarita areas will fully develop in about thirty-five years.

The land use absorption estimates used in the PFFP illustrate one potential development scenario. Because of the inherent uncertainty associated with market conditions and evolving events, it is emphasized that this absorption scenario is for planning purposes only so as to provide an indication of Airport and Margarita areas feasibility. It should not be relied on as a forecast of future events, or for any other purpose other than as an illustration. Actual development in the Airport and Margarita areas most likely will not follow the smooth development pattern incorporated in the PFFP analysis but instead will go in cycles with more intense residential activity in the early years.

## 9.4 Cost Estimates And Allocation

### 9.4.1 Summary Of Cost Estimates

The total cost of transportation infrastructure and planning costs associated with the specific plans for which the Airport and Margarita areas are responsible is estimated to be approximately \$23.5 million.

It is important to note that the \$23.5 million amount does not include the costs for 1) land acquisition associated with roadway infrastructure improvements, 2) existing City, school district, and other public agency development impact fees, 3) on-site storm drainage detention costs, and lastly 4) in-tract, frontage, and other improvements which individual project developers will fund as their specific projects develop.

The City will require that fronting property owners dedicate roadway right-of-way since these property owners will benefit most from improving the roadway. Development in the Airport and Margarita areas will be required to provide on-site or sub-regional storm drainage facilities.

#### 9.4.2 Allocation Methodology

With input from the City and its consultant engineers, the transportation facility costs were allocated among the various land uses that will benefit from the improvements. Cost allocation factors were selected, and fair share allocations were assigned to the land uses. Table 7 shows the allocation factors used to allocate transportation facilities and specific plan costs to the benefiting land uses.

The following policies and criteria were utilized to assign benefit to the Airport and Margarita areas:

- New development must mitigate impacts it creates on public facilities and it is fully responsible for the costs of the required mitigation. The City's General Plan states that the City may choose to contribute to certain facilities that it deems will provide community-wide benefits.
- Assigned benefit is based on a proportional benefit analysis using allocation factors that were determined by the engineers and City staff.

- Roadway infrastructure costs are allocated to the areas that benefit from these improvements. Prado Road improvements, a portion of the cost of Prado Interchange, and intersection improvements at Prado and South Higuera are allocated to future development in the Margarita Area since this area will benefit from these improvements.
- Improvements to Tank Farm Road, the Unocal collector, Santa Fe Road, and the Buckley Extension are allocated to future development in the Airport Area since this area primarily will benefit from them.
- The City will require property owners whose land adjoins roadways to dedicate the right-of-way for improvements; therefore, roadway land acquisition costs are not included in the transportation infrastructure costs.
- Currently, roadways in the Airport and Margarita areas operate at an adequate level of service. The roadway improvements proposed in the Airport and Margarita areas specific plans will ensure that an adequate level of service is maintained as properties in the Airport and Margarita areas develop. Since the roadway improvements will benefit future development in the Airport and Margarita areas, the cost of these improvements is allocated to them and not the existing development in the Airport and Margarita areas.

Costs provided in Table 8 include only that portion of the total transportation and planning cost that will be allocated to properties in the Airport and Margarita areas. Costs funded by the City or that are the responsibility of the developers, such as in-tract facilities, are not included in the costs or allocation shown in Table 8. Interim fees may be used to reduce the total cost of transportation facilities applied to future development.

**Table 7**  
**COST ALLOCATION FACTORS**

Land Use	Capital Facility:	Transportation	Specific Plan Costs
	Allocation Factor:	Average Daily Trip Generation	Acres
<b>Residential</b>			
		<u>Trips</u>	
Single Family		7.00 per unit	per acre
Multi-Family		4.24 per unit	per acre
<b>Non-Residential</b>			
Neighborhood Commercial		32.41 per ksf	per acre
Office/R&D/Lt. Man.		13.48 per ksf	per acre
Service Commercial		10.15 per ksf	per acre
Manufacturing		2.02 per ksf	per acre

**Table 8**  
**COST ALLOCATION SUMMARY**

	Transportation Costs	Specific Plan Costs	Total Cost Allocation
<b>Total Facility Costs</b>	<b>\$22,749,897</b>	<b>\$717,000</b>	<b>\$23,466,897</b>
<b><u>Margarita Area</u></b>			
<b>Residential</b>	<b>Per Unit</b>	<b>Per Unit</b>	<b>Per Unit</b>
Single Family Detached	\$4,787	\$161	<b>\$4,948</b>
Multifamily	\$2,900	\$153	<b>\$3,053</b>
<b>Nonresidential</b>	<b>Per KSF</b>	<b>Per KSF</b>	<b>Per KSF</b>
Retail	\$22,165	\$141	<b>\$22,306</b>
Office/R&D/Lt. Man.	\$9,219	\$141	<b>\$9,360</b>
<b><u>Airport Area</u></b>			
<b>Nonresidential</b>	<b>Per KSF</b>	<b>Per KSF</b>	<b>Per KSF</b>
Office/R&D/Lt. Man.	\$4,846	\$141	<b>\$4,986</b>
Service Commercial	\$3,649	\$225	<b>\$3,874</b>
Manufacturing	\$726	\$225	<b>\$951</b>

### 9.4.3 Infrastructure Phasing

Development of the Airport and Margarita areas will require approximately \$22.7 million in transportation facilities that will be funded by properties in the Airport and Margarita areas. Due to the lack of existing infrastructure networks in these two areas, a considerable amount of transportation improvements is required within the Airport and Margarita areas. Infrastructure costs are identified and phased according to estimated infrastructure phasing intervals. These intervals are defined in Table 9 below.

**Table 9**  
**ESTIMATED INFRASTRUCTURE PHASING**

Infrastructure Phasing	Transportation Costs	Specific Plan Costs	Total
<b>Years</b>			
<b>1 - 4</b>	<b>\$9,832,229</b>	<b>\$717,000</b>	<b>\$10,549,229</b>
<b>5 - 9</b>	<b>\$286,303</b>	<b>-</b>	<b>\$286,303</b>
<b>10 - 14</b>	<b>\$8,451,078</b>	<b>-</b>	<b>\$8,451,078</b>
<b>15 - 19</b>	<b>\$4,180,288</b>	<b>-</b>	<b>\$4,180,288</b>
<b>Total</b>	<b>\$22,749,897</b>	<b>\$717,000</b>	<b>\$23,466,897</b>

Table 9 provides a breakdown of facility costs for each of the separate phases of development. As illustrated in the table, \$10.5 million, or about half of the costs allocated to the Airport and Margarita areas, require funding in the early years of development. An additional \$0.3 million is needed in Phase 2, and another \$8.5 million is required in Phase 3. The total facilities cost for Phase 4 is approximately \$4.2 million. Within the first 15 years of the estimated 35-year development timeline, approximately 82% of the funding for the Airport and Margarita areas costs is required. This clearly presents a funding imbalance since fee revenue will be collected

over the 35-year life of the estimated Airport and Margarita areas development period, however, a large majority of the facilities require funding much earlier.

While project-specific development impact fee revenue will be available to fund a portion of Phase 1 facilities, sufficient impact fee revenue will not be available to fully fund the first phase infrastructure nor will fee revenues keep up with major facility cost components in subsequent phases. Either public debt financing or developer financing will be needed to close the funding shortfalls and generate lump sum proceeds to keep up with facility demands. Therefore, the PFFP for the Airport Area and Margarita Area incorporates a combination of Airport and Margarita area-specific impact fees, land-secured debt and developer financing to fund the required facilities.

### 9.4.4 Water Facilities

In 2002, the City adopted updated citywide water fees and area-specific water add-on impact fees. The area-specific water add-on fees were developed to fund the specific water facilities that would be required in the Airport and Margarita areas. These facilities include only the backbone water pipelines that will serve the Airport and Margarita areas and do not include in-tract pipelines at specific developments or water mains that will be required to tie into the water system; these types of facilities will be funded directly by the developers when they are ready to develop.

Funding for the expansion of the City's water treatment plant will come from the citywide water impact fee. The citywide water impact fee is, effective September 1, 2004, \$13,967 per single-family dwelling unit and the area-specific water add-on fee is \$779 per single-family dwelling unit (see Table 12 in this chapter for other land use category impact fee rates).

The citywide water fee pays for water supplies and treatment facilities required to serve new development and as such must be paid by development in addition to the Airport and Margarita area-specific water add-on fee. The water impact fees will be collected at

building permit issuance or possibly at some other time, as specified by the City.

The City anticipates that 1.7 million square feet of the existing 2.1 million square feet of developed and/or approved building space will tie into the water system over a 30-year period. Approximately 0.4 million square feet of developed space is in the Fiero Lane Water District and is not expected to connect to the City's water system. Of the remaining 1.7 million square feet, approximately 0.5 million square feet of development has already paid interim impact fees to the City.

Existing development requesting to tie into the City's water system will be required to pay the Airport and Margarita area-specific water add-on fee and the citywide water impact fee.

#### 9.4.5 Wastewater Facilities

The cost of the Airport and Margarita area specific plans' portion of the water reclamation facility upgrade will be funded through the citywide wastewater impact fee. The collection system pipes, which will connect individual developments to the backbone system are considered to be an in-tract improvement and therefore will be financed by the individual developers.

Development in the Airport and Margarita areas will be required to pay the citywide wastewater impact fee, which is, effective September 1, 2004, \$3,377 per single family dwelling and the area-specific wastewater add-on fee is \$1,489 per single-family dwelling unit.

Revenue from the citywide wastewater fee will fund capacity improvements at the water reclamation facility and therefore all development in the Airport and Margarita areas will be required to pay this fee in addition to the Airport and Margarita area-specific wastewater add-on fee.

The City expects that the existing and/or approved 2.1 million square feet of building area in the Airport and Margarita areas will eventually

tie into the City's sewer system. Approximately 0.5 million square feet of development has already paid interim impact fees to the City. The City anticipates that most of the remaining 1.6 million square feet of developed building space will tie into the wastewater system over a 30-year period. Existing development requesting to tie into the City's sewer system will be required to pay the Airport and Margarita area-specific wastewater add-on fee and the citywide wastewater impact fee.

#### 9.4.6 Transportation Facilities

Road and bikeway improvements required for the Airport and Margarita areas are estimated to cost \$22.7 million, \$6.0 million less than the \$28.5 million cost in the original PFFP. This amount reflects the costs associated with improvements for Prado Road, Tank Farm Road, the Unocal Collector, Santa Fe Road Extension and Buckley Road Extension. Also included is the Airport Area's share of bike path costs and Margarita Area's share of the cost for the Prado Interchange and intersection improvements at South Higuera and Prado. Costs have been increased by approximately 4.1%, based on the two-year increase in the U.S. Bureau of Labor Statistics consumer price index for all urban consumers all cities average, to reflect cost increases since the original PFFP was completed in 2001 and will continue to reflect changes in the CPI.

As previously mentioned, the City will require that roadway right-of-way be dedicated by the adjoining property owners and as a result, land acquisition costs are not included in the transportation infrastructure costs.

Future development in the Margarita Area will benefit from the improvements to Prado Road (including the Prado Road creek crossing) and the intersection at South Higuera Street. Therefore, costs associated with these improvements, about \$10.1 million, have been allocated only to future development in the Margarita Area. Additionally, based on a prior study, the City estimates that future development in the Margarita Area is responsible for 13%, or \$2.9 million, of the \$22 million Prado Interchange. The total cost of the aforementioned improvements, approximately \$13 million, is



allocated among all future development in the Margarita Area based on the trip generation factors shown in Table 7.

Future development in the Airport Area will primarily benefit from the improvements to Tank Farm Road, the Unocal Collector, Santa Fe Road Extension and Buckley Road Extension and therefore, existing development in the Airport Area is not allocated these costs. Costs include roadway improvements and median landscaping and irrigation for Tank Farm Road. The original PFFP did not include the Buckley Road Extension and assigned the Unocal Collector and Santa Fe Road Extension improvement costs to the fronting property owners.

The total cost of these roadway improvements is approximately \$7.8 million and is allocated solely to future development in the Airport Area. Additionally, \$2.0 million in bikeway costs is allocated to the Airport Area (similar improvements in the Margarita Area will be built as part of specific development projects).

Utility line undergrounding for Tank Farm Road and Broad Street will be funded through the City's Rule 20A program. In the original PFFP, undergrounding costs were to be funded by development in the Airport Area. Additionally, the cost of constructing medians on Broad Street, south of Prado Road, will be funded by the City through grants, STIP and TEA funds. In the original PFFP, the Broad Street median cost was proposed to be funded by development in the Airport Area.

In addition to the Airport and Margarita areas transportation impact fee, future development in the Airport and Margarita areas will also be required to pay the citywide transportation impact fee, (\$1,519 per single family dwelling as of September 1, 2004). Revenue from this fee funds transportation projects which provide a citywide benefit and therefore development in the Airport and Margarita areas will be required to pay this impact fee in addition to the Airport and Margarita area-specific transportation impact fee.

All traffic mitigation measures, taken as a whole at full build out of the Airport Area, assure compliance with the Circulation Element

LOS D policy. However, due to the fact that the rate and exact development patterns within the Airport Area cannot be predicted, no fixed implementation schedule of overall traffic mitigation measures can be determined. Therefore, and although not anticipated, certain projects may cause a temporary traffic level of LOS E to be reached. The City shall, on a bi-yearly basis or as needed, review LOS levels and make recommendations for use of accumulated Airport Area transportation impact fees toward new CIP projects to address the higher LOS levels and assure ultimate LOS levels are achieved with ultimate build-out of the Airport Area.

#### 9.4.7 Storm Drainage Facilities

Future development in the Airport and Margarita areas will be required to provide on-site drainage facilities instead of the regional storm drainage facilities. The funding for the on-site drainage facilities will be the responsibility of the individual developers and therefore Airport and Margarita area-specific storm drainage fees are not calculated in this PFFP.

#### 9.4.8 Specific Plan Costs

Funds have been advanced by the City to pay consultants' costs associated with preparing the specific plans and other analyses to support development of the Airport and Margarita areas. These costs are estimated to total \$717,000 and have been allocated to all future development in the Airport and Margarita areas on a per-acre basis. The existing development in the Airport and Margarita areas is not included in the cost allocation. The cost allocation for this item ranges from \$153 per multi-family unit to \$141 per 1,000 square feet of service commercial and manufacturing building space.

### 9.5 FINANCING METHODS

#### 9.5.1 Mello-Roos Community Facilities Act Of 1982

In 1982, the California State Legislature enacted the Mello-Roos Community Facilities Act (the "Act") [Section 53311 et. seq. of the

Government Code] to provide an alternate means of financing public infrastructure and services subsequent to the passage of Proposition 13 in 1978. The Act complies with Proposition 13, which permits cities, counties, and special districts to create defined areas within their jurisdiction and, by a two-thirds vote within the defined area, impose special taxes to pay for the public improvements and services needed to serve that area. The Act defines the area subject to a special tax as a Community Facilities District.

A CFD may provide for the purchase, construction, expansion, or rehabilitation of any real or other tangible property with an estimated useful life of at least five years. A CFD may also finance the costs of planning, design, engineering, and consultants involved in the construction of improvements or formation of the CFD. The facilities financed by the CFD do not have to be physically located within the CFD.

Formation of a CFD authorizes a public agency to levy a special tax on all taxable property within the CFD in the manner prescribed in the formation documents. Property owned or irrevocably offered to a public agency may be exempted from the special tax. Mello-Roos special taxes are collected at the same time and in the same manner as property taxes, unless otherwise specified by the agency. Special tax revenues may be used to pay debt service on bonds sold to provide funding for the construction or acquisition of public capital facilities. Special taxes may also be used to pay directly for facilities and public services. Formation of a CFD can be initiated by:

- A motion by the legislative body (the City Council);
- A written request signed by two members of the City Council; or
- A petition filed with the clerk signed either by ten percent of the registered voters residing within the proposed CFD, or owners of ten percent of the land area within the proposed CFD.

Within 90 days of initiating the proceedings to form the CFD, the City Council would adopt a resolution of intention to establish a CFD and a resolution of necessity to incur bonded indebtedness, and

determine a date for a public hearing on the formation of the CFD. The hearing must be not less than 30 days or more than 60 days from the date the resolution of intention was adopted. At the public hearing, if the City Council makes a decision to proceed with formation of the CFD, a resolution of formation, a resolution to incur bonded indebtedness, and a resolution calling for elections to authorize special taxes and the issuance of bonds, will be adopted by the City Council.

If the City Council decides to proceed with establishing a CFD, it must submit the levy of the special tax to the qualified electors of the proposed CFD in the next general election or in a special election to be held at least 90 days, but not more than 180 days, following the close of the public hearing. However, these time limits may be waived with the unanimous consent of the qualified electors. As required by Proposition 13, two-thirds of the voters casting ballots must support the tax if it is to be imposed. However, if there are fewer than 12 registered voters residing in the proposed district, the vote shall be by the landowners of the proposed CFD, and each landowner shall have one vote for each acre or portion of an acre of land owned within the CFD.

There are two limitations on the amount of financing available from a CFD. The first is the value-to-lien ratio. "Value" is considered to be the appraised value of the property, including entitlements and improvements in place on the date the CFD bonds are to be sold. The value of improvements to be constructed with bond proceeds is included in the value calculation. "Lien" refers to the proposed Mello-Roos bond issue, as well as any other public debt secured by the property. Senate Bill 1464, which became effective January 1993, requires a minimum value-to-lien ratio of 3:1. The City's policy is 4:1, but may also allow 3:1 in some cases.

The second restriction on the amount of financing available from a CFD is the total effective tax rate ("ETR") paid by a homeowner or property owner in the CFD. The ETR consists of the basic one percent ad valorem property tax levy mandated by Proposition 13, plus overrides from voter-approved bonded indebtedness and non-

ad valorem taxes, assessments and parcel charges (expressed as a percentage of market value).

There is no legal limit, but a maximum ETR of two percent of market value has developed as a standard for residential development in many areas throughout the State; the City has adopted this standard as one of its financing policies. It is thought that ETRs higher than two percent may lead to market resistance by prospective home buyers, or potential “taxpayer revolts” by overburdened homeowners. The maximum supportable ETR for a given project should also consider the maximum tax rates paid by homes in competing projects in the area and, based on the strength of the real estate market, the demand for homes in general. Commercial/industrial projects often support higher ETRs, as the property owner is able to spread the tax burden among many tenants and, therefore is less sensitive to a higher ETR.

### 9.5.2 Impact Fees

Impact fees are monetary exactions (other than taxes or special assessments) that are charged by local agencies in conjunction with approval of a development project. Impact fees are levied for the purpose of defraying all or a portion of the costs of a public facility, improvement, or amenity that benefits the project. The collection of impact fees does not require formation of a special district; instead, a fee program is implemented by a public agency’s adoption of a resolution or ordinance.

Builders or developers pay impact fees, typically at the time a building permit is issued. The public facilities funded by impact fees must be specifically identified, and there must be a reasonable relationship, or “nexus,” between the types of development project and the need for the facilities, the need to impose a fee, and the portion of the facilities cost allocated to the development project, pursuant to Section 66000 et. seq. of the Government Code.

While developer fees cannot typically be leveraged (i.e., provide security for bonds or other debt instruments), fees can be used in conjunction with debt financing to help retire bonds secured by other

means (e.g., land). In this case, developer fees can generate supplemental revenues to reduce future special taxes or assessments, or free up tax increment or other revenues for alternative uses. Developer fees can also be used to generate reimbursement revenue to property owners or public agencies that have previously paid more than their fair share of public improvement costs.

### 9.5.3 Developer Financing

In many cases, developers fund facilities or dedicate land as a means of mitigating the impact of their developments. For example, the City may impose, as a condition of development, construction of a facility that is needed, such as a roadway. Once the roadway is constructed and accepted by the City, fee credits equal to the amount of the cost of the facility or the cost of the facility as estimated in the capital improvement plan, can be issued to the developer. The developer can then apply them to offset fees imposed on his development or enter into a reimbursement agreement for any constructed facility that is oversized.

## 9.6 Recommended Project Financing Strategy

### 9.6.1 Overview

The financing strategy for funding infrastructure serving the Airport and Margarita areas is a combination of impact fees specific to the Airport Margarita areas, community facilities district debt financing, citywide and add-on impact fees, and developer funding and land dedications. Additionally, funding from the City will be required for the construction of a median on Broad Street. Table 10 summarizes the facilities required and the infrastructure funding sources for the Airport and Margarita areas.

#### *Margarita Area*

The City expects that construction of Prado road will be set as a condition of development in the Margarita Area. Initial development

will be required to construct the roadway and will then receive fee credits, which can be used against the Margarita area-specific transportation impact fees. Reimbursement agreements between developers and the City may also be entered into on a case-by-case basis in which the developers would be repaid for any facilities that are oversized.

Another financing strategy, as shown in Table 10, for the Margarita Area's share of its allocated infrastructure costs would fund these facilities costs through a community facilities district. Based on the bond and special tax assumptions outlined in Table 11, the Margarita Area CFD would fund approximately \$13.0 million of transportation improvements and specific plan costs.

If CFD bond funding is used, development in the Margarita Area will not pay Margarita Area project-specific impact fees for transportation facilities or the specific plan (except for parks) but would still be required to pay the citywide water, wastewater and transportation fees and the add-on impact fees for water and wastewater. The citywide impact fees fund facilities that provide community-wide benefits and therefore, development in the Margarita Area must contribute to its fair share of the costs. The Margarita Area will be required to dedicate and/or pay impact fees toward parkland and park improvements, as well as impact fees imposed by other agencies such as the school district. Land dedications for Prado Road will also be required from fronting property owners.

#### *Airport Area*

The recommended financing strategy for the Airport Area's share of its allocated infrastructure costs is a combination of Airport Area-specific transportation impact fees developer-constructed roadways and land dedication. In addition, payment of citywide water, wastewater, and transportation impact fees and the add-on impact fees for water and wastewater will be required. The Airport Area Project impact fees, shown in Table 12, will fund the Airport Area's fair share of the transportation and specific plan costs. Owners of properties fronting roadways will be required to dedicate road right-of-way. Existing and/or approved development in the Airport Area

which has not already paid interim impact fees to the City, will also be required to pay citywide and add-on water and wastewater impact fees when the property owner decides to tie into the City's water and wastewater systems.

**Table 10  
PUBLIC FACILITIES FINANCING MATRIX**

Facility	Margarita Area Impact Fees		Airport Area Impact Fees (1)	Development East of Broad Street	Rule 20A Funding Program	Project Developers	Citywide Impact Fees or Service Rates	City Funding Via Grants	Totals
	Transportation & Specific Plan Preparation	Water & Sewer (1)							
<b>Water Facilities</b>									
Water Pipelines		X	X						
In-Tract Water Distribution System						X			
Portion of Water Treatment Plant Cost							X		
<b>Wastewater Facilities</b>									
Pump Stations		X	X						
Collection System Piping						X			
Portion of WRF Upgrade Cost							X		
<b>Transportation Facilities</b>									
Prado Road Improvements	\$9,832,229								
Portion of Prado Road Interchange	\$2,860,000								
Prado & Higuera Intersection	\$286,303								
Tank Farm Road (incl. Median Improvements)			\$4,953,635						
Tank Farm Road Utility Undergrounding					X				
Unocal Collector			\$746,582						
Santa Fe Extension			\$1,403,646						
Buckley Extension			\$664,207						
Bike Paths - Airport Area			\$2,003,295						
Bike Paths - Margarita Area						X			
Broad Street Median Improv. (south of Prado)								X	
Broad Street Median Improv. (north of Prado)				X				X	
Broad Street Utility Undergrounding					X				
<b>Subtotal</b>	\$12,978,531		\$9,771,366						\$22,749,897
<b>Storm Drainage Facilities</b>									
On-Site Drainage Detention						X			
<b>Specific Plan Costs</b>	\$279,814		\$437,186						\$717,000
<b>Park Costs &amp; Land Dedication (2)</b>		X				X			
<b>Total</b>	\$13,258,346	-	\$10,208,551	-	-	-	-	-	\$23,466,897

Note: An "X" in a column signifies that funding from the specified source will be required.

(1) Includes the City's area-specific "add-on" fees.

(2) See Table 12

### *Other Financing Options*

The financial imbalance caused by the need to fund the majority of infrastructure costs upfront while development in the Airport and Margarita areas is expected to occur over a thirty five-year period poses a challenging situation for the City. While conditioning development to construct roadway facilities or forming a CFD for the Margarita Area to fund these upfront costs, other costs still may require funding. Several options are available to the City to address these funding shortfalls. The City will, on a case-by-case basis, review the funding shortfall as it occurs and determine the appropriate solution at that time. Several funding options available to the City are discussed below.

Forming one or more community facilities districts in the Airport Area will provide upfront funding for infrastructure facilities in the initial stages of development when much of this is needed. A CFD could incorporate all the undeveloped Airport Area or simply portions of the Airport Area, such as the properties on the east or west side of the Airport Area. The CFD(s) could be formed when properties in the Airport Area are ready to develop and could finance facilities that would otherwise be funded through Airport and Margarita area impact fees.

Another potential funding option would be to impose, as a condition of development, a requirement that a developer construct a required facility and then receive credits in the amount of the construction cost. The developer could then apply these credits against his development impact fees. This approach is used frequently by public agencies when facilities are needed before development can proceed.

A third option would be to delay construction of all nonessential infrastructure until the required fee revenues or other funding are collected. This approach, however, may not be feasible in many cases.

The City could also provide the necessary funding and then be reimbursed as impact fee revenue is collected. This could be

accomplished by borrowing from other City capital improvement funds and then repaying, with interest, the fund when impact fee revenues are collected from the Airport and Margarita areas.

### 9.6.2 Community Facilities District Bond Analysis

Table 11 summarizes the results of the CFD bond analysis. As mentioned, the analysis assumes that the CFD boundary would encompass the Margarita Area. Facilities funded through the CFD would include all the transportation facilities and specific plan costs allocated to the Margarita Area. The total cost of the facilities funded in year 2003 dollars is approximately \$13.0 million. Assuming 2 years of capitalized interest, bond issuance costs and a reserve fund, the bond issue is estimated to be approximately \$18 million. Based on this bond amount, the annual special tax rates shown in the bottom half of Table 11 will need to be levied annually to cover bond debt service. The tax rate for a single-family unit will be \$1,100. This annual tax as a percentage of the average home value is about 0.35%. With the 1.11% property tax (including voter-approved taxes), the total annual tax burden is 1.45% of property value. This is much lower than the City's limit of 2.0% and well within range of typical tax burdens found throughout the state. For office development, the annual tax burden is 1.89%, which also is within the range of typical annual tax burdens on office properties in the state.

The initial value-to-lien ratio, which is required to be, at a minimum, 4 to 1 pursuant to City policy, may or may not be a limiting factor to the size of the initial bond issue. Based on a \$ 18 million bond size, the value of entitled undeveloped land within the CFD would have to be approximately \$360,000 per acre to achieve the necessary 4 to 1 value-to-lien ratio. An appraisal of the properties in the CFD would be conducted just prior to a bond sale to determine the value and whether the value-to-lien ratio is within City policy guidelines.

If the value-to-lien is less than 4 to 1, two possible solutions exist. First, two separate bonds could be issued, one in the first year and a second when property values are high enough to support a second issue. Second, the City could issue the full \$18 million bond amount

in the first year and escrow a portion of the construction funds until a 4 to 1 value-to-lien is reached. Once the necessary 4 to 1 value-to-lien ratio is reached, construction funds would be released to fund the remaining infrastructure costs. Alternatively, the City could decide that a value-to-lien ratio of 3 to 1 is sufficient for the CFD.

**Table 11**  
**COMMUNITY FACILITIES DISTRICT CASH FLOW ANALYSIS SUMMARY**  
(MARGARITA AREA ONLY)

CFD Boundary Area	Margarita Area SP		
Facilities Financed	Margarita Area's Allocated Share of Transportation & Specific Plan Costs		
Total Facility Costs Funded	\$13,258,346		
Bond Term	30 Years		
Bond Interest Rate	7.0%		
Capitalized Interest	2 Years		
Bond Debt Service Annual Increase	1.0%		
Bond Issuance Costs (as % of Bond)	5.0%		
Bond Reserve Fund (as % of Bond)	9.0%		
Total Bond Sales Required	\$18,060,000		
<b>Annual CFD Tax Rates &amp; Total Burden</b>			
		<b>Annual Facilities Special Tax</b>	<b>Annual Burden as % of Avg. Property Value (Incl. Base Property Tax &amp; Voter Approved Taxes)</b>
<b>Residential</b>			
	<u>Units</u>	<u>Per Unit</u>	<u>Per Unit</u>
Single Family Detached	741	\$1,100	1.45%
Multifamily	127	\$880	1.55%
<b>Nonresidential</b>	<u>Acres</u>	<u>Per KSF</u>	<u>Per KSF</u>
Retail	3.1	\$649	1.64%
Office/R&D/Lt. Man.	68.8	\$649	1.89%

9.6.3 Impact Fee Analysis

*Margarita Area Transportation and Specific Plan Fees*

Table 12 shows the Margarita area-specific impact fees for transportation and specific plan costs. The table also shows the citywide and add-on impact fees for the Margarita Area. Should the City pursue the facilities funding through CFD bond funding, impact fees for transportation and the specific plan for the Margarita Area would not be required since all costs allocated to the Margarita Area could be funded through the CFD. All citywide and water and wastewater add-on impact fees and owner-specific park fees will be imposed, however.

Citywide and add-on water and wastewater impact fees shown in Table 12 for nonresidential development assume a 1.0 inch size meter. This is for illustration only; the meter size and thus the water and wastewater impact fees will vary based on water and wastewater needs and requirements.

*Airport Area Transportation and Specific Plan Fees*

The bottom section of Table 12 shows the Airport area-specific impact fees and the citywide and add-on impact fees for the Airport Area. Airport area-specific transportation and specific plan impact fees combined range from \$726 to \$4,846 per 1,000 square feet of building space for nonresidential properties.

Existing development in the Airport Area will be subject to the citywide and Airport area add-on water and wastewater impact fees when these properties decide to tie into the City systems.

The City may wish to establish one capital facilities account for the Airport Area and pool the separate Airport area-specific impact fees. This would preclude the necessity of inter-fund borrowing between separate accounts. The City will still be required to justify the separate impact fee components within the consolidated Airport Area impact fee as required by the Mitigation Fee Act, also known as AB 1600. The impact fees presented in this PFFP are subject to

change as cost estimates and assumptions are refined, or if the City makes policy decisions that affect the plan.

#### *Margarita Area: Park Fees*

The City's parkland standards are set forth in the General Plan at 10 acres per 1,000 residents. In implementing this standard, the Council adopted the policy *Park Land Acquisition and Improvement in Annexation Areas* in April 1998. In summary, this policy provides that new development in annexation areas (as well as when discretionary approvals are requested, such as zone changes, general plan amendments or specific plans) is responsible for the cost of acquiring and improving park land as required to meet this General Plan standard.

Since this standard is only applicable to residential development, it was not included with the joint Airport/Margarita Area infrastructure analyses. Instead, the City prepared a separate analysis of parkland costs, fees and credits in March 1998. This analysis has been updated to reflect changes since then, and the results are presented in Table 12 A and B.

The following summarizes the key assumptions in this analysis:

1. Based on 868 housing units and population per household from the 2000 Census, there will be 2,156 residents in the Margarita Area.

2. At 10 acres per 1,000 residents, this means that new development in this area is responsible for providing 21.56 acres of developed parkland.
3. Overall, the plan calls for 25 acres of parkland in this area: 9.9 acres in neighborhood park and 15.1 acres in sports fields. Of the total parkland planned for the area, new development is responsible for 21.56 acres and the City for 3.44 acres. In meeting the standard for this area, this results in 9.9 acres in neighborhood parks and 11.66 acres in sports fields.
4. Land costs are estimated at \$200,000 per acre and park development costs at \$235,000 per acre.
5. The analysis of costs and credits assumes that the land for the neighborhood park will be dedicated by the property owners. As such, they will receive a credit for the value of this dedication in meeting their parkland requirement. Likewise, the City will be reimbursed for its advanced costs of acquiring and improving the portion of the sports field costs allocable to the Margarita Area.

This results in the following park fees per unit:

<b>MASP Park Fees Per Residential Unit</b>	Single Family	Multi-Family
Development Dedicating Land for 9.9 Acre Neighborhood Park	\$6,481	\$4,823
Other Development	11,223	8,352



**Table 12  
AIRPORT AREA/MARGARITA AREA PROJECT SPECIFIC & CITYWIDE IMPACT FEES**

	Transportation	Specific Plan Costs	Total Project Impact Fees (Note 1)	Citywide Water Fee	Airport & Margarita Areas Water Add-On Fee	Citywide Wastewater Fee	Airport & Margarita Areas Wastewater Add-On Fee	Citywide Transportation Fee
<b><u>Margarita Area: Project Impact Fees</u></b>				<b><u>Citywide and Add-On Impact Fees (Note 2)</u></b>				
<b>Residential</b>	<b>Per Unit</b>		<b>Total Per Unit</b>	<b>Per Unit</b>				
Single Family Detached	\$4,787	\$161	<b>\$4,948</b>	\$13,967	\$779	\$3,377	\$1,489	\$1,519
Multifamily	\$2,900	\$153	<b>\$3,053</b>	\$11,174	\$623	\$2,702	\$1,191	\$1,348
<b>Nonresidential</b>	<b>Per 1,000 SF</b>		<b>Total Per 1,000 SF</b>	<b>Per 1" Meter (Note 3)</b>				<b>Per 1,000 SF</b>
Retail	\$22,165	\$141	<b>\$22,306</b>	\$27,934	\$1,558	\$6,990	\$2,978	\$2,398
Office/R&D/Lt. Man.	\$9,219	\$141	<b>\$9,360</b>	\$27,934	\$1,558	\$6,990	\$2,978	\$3,049
<b><u>Airport Area: Project Impact Fees</u></b>				<b><u>Citywide and Add-On Impact Fees (Note 2)</u></b>				
<b>Nonresidential</b>	<b>Per 1,000 SF</b>		<b>Total Per 1,000 SF</b>	<b>Per 1" Meter (Note 3)</b>				<b>Per 1,000 SF</b>
Office/R&D/Lt. Man.	\$4,846	\$141	<b>\$4,986</b>	\$27,934	\$1,558	\$6,990	\$2,978	\$3,049
Service Commercial	\$3,649	\$225	<b>\$3,874</b>	\$27,934	\$1,558	\$6,990	\$2,978	\$1,653
Manufacturing/Indus.	\$726	\$225	<b>\$951</b>	\$27,934	\$1,558	\$6,990	\$2,978	\$879

(1) Excludes Park Improvement Fees: See Tables 12a and 12b.

(2) In addition to the Airport/Margarita Area project specific impact fees, new development in the Specific Plan areas will also be subject to citywide and Airport/Margarita add-on impact fees; citywide and add-on impact fee rates are effective as of September 1, 2004.

(3) Water and wastewater impact fees are based on meter size for non-residential uses in determining "equivalent dwelling units." For example, a 3/4- inch meter is the equivalent of one single-family residence (EDU); a one-inch meter is two EDU's; a two-inch meter is 6.4 EDU's; and a three-inch meter is 14 EDU's.

**TABLE 12a**  
**City of San Luis Obispo**  
**Margarita Area Specific Plan**  
**PARK IMPROVEMENT FEES**

<i>Single Family Residential</i>		<i>Multi-Family Residential</i>	
<b>Population per Household</b>	2.58	<b>Population Per Household</b>	1.92
<b>City Park Standard (acres per 1,000 res.):</b>	10.00	<b>City Park Standard (acres per 1,000 res.):</b>	10.00
<b>Parks Acres Required per Household:</b>	0.0258	<b>Parks Acres Required per Household:</b>	0.0192
<b>Park Costs:</b>	\$235,000 per acre	<b>Park Costs:</b>	\$235,000 per acre
<b>Cost/Fee per Single Family Unit (1)</b>	\$6,063 per unit	<b>Cost/Fee per Multi-Family Unit (1)</b>	\$4,512 per unit

(1) Does not include the cost of land acquisition.

**TABLE 12b**  
**City of San Luis Obispo**  
**Margarita Area Specific Plan**  
**PARK IMPROVEMENT FEES**

**Value of Acreage Dedications and Net Fee Contributions**

**1. Parkland Dedication Surplus/(Deficit)**

(1A)	(1B) Residential Units Proposed		(1C) Population Generated	(1D) Park Acreage Required Based on City Standard	(1E) Actual Park Acres Dedicated/1	(1F) Surplus/(Deficit) Acreage Contribution
Owner	Single Family	Multi-Family	From Units			
King	181	20	505	5.05	0	(5.05)
DeBlauw	159	23	454	4.54	0	(4.54)
Cowan	46	0	119	1.19	0	(1.19)
Garcia/Damon	355	84	1,077	10.77	9.90	(0.87)
City of San Luis Obispo	na	na	na	na	11.66	11.66
Total	741	127	2,156	21.56	21.56	0.00

**2. Net Fee Calculation After Parkland Dedication**

(2A)	(2B) Surplus/(Deficit) Acreage Contribution	(2C) Land Acquisition/ Reimbursement Value/2	(2D) In-Lieu Fee for Deficit Acreage	(2E) Payment Due to City for Surplus Acreage	(2F) Gross Impact Fees for Park Improvements	(2G) Payment Due to City for Park Improvements	(2H) Net Fee Revenue after Reimbursement for Surplus Acreage/3	(2I) Net Impact Fee or Reimbursement per Unit after Acreage Credit	
Owner								Single Family	Multi-Family
King	(5.05)	\$200,000	\$1,010,760	\$0	\$1,187,643	\$0	\$2,198,403	\$11,223	\$8,352
DeBlauw	(4.54)	\$200,000	\$908,760	\$0	\$1,067,793	\$0	\$1,976,553	\$11,223	\$8,352
Cowan	(1.19)	\$200,000	\$237,360	\$0	\$278,898	\$0	\$516,258	\$11,223	\$8,352
Garcia/Damon	(0.87)	\$200,000	\$174,360	\$0	\$2,531,373	\$0	\$2,705,733	\$6,481	\$4,823
City of San Luis Obispo	11.66	\$200,000	\$0	\$2,331,240	\$0	\$2,739,207	(\$5,070,447)		
Total	0.00	-	\$2,331,240	\$2,331,240	\$5,065,707	\$2,739,207	\$2,326,500		

**3. Total City Contribution Towards Surplus Parkland Acquisition and Improvement**

(3A) Per Acre Land Acquisition Cost	(3B) Cost per Acre to Improve Property	(3C) Total Park Acres Improved By City	(3D) Total Cost of Improved Parks Provided By City	(3E) Park Fees to Be Collected By City	(3F) Portion of Park Fees Used to Reimburse City	(3G) Remainder of Park Fees Used for Improvements
\$200,000	\$235,000	11.66	\$5,070,447	\$7,396,947	\$5,070,447	\$2,326,500

1. Includes property used for neighborhood park and existing sports fields; excludes power line easements.
2. Value based on City estimates.
3. Does not reflect a credit if improvements are made by developer. Developer will receive fee credits for improvements per City annexation policy.

## 9.7 Implementation And Administration

The Airport and Margarita areas are anticipated to build out over an extended period. During this time, there are likely to be changes in land use plans, facility standards and design, cost estimates, and other assumptions that are incorporated in this financing plan. The PFFP and City finance policies are designed to accommodate such changes, while maintaining the security of bondholders. The impact fee component of the PFFP will be put into effect by adoption of a fee ordinance by the City Council. Pursuant to this ordinance, fees will be collected by the City, deposited into the designated account(s), and used to fund improvements in the Airport and Margarita areas. In addition, a Mello-Roos Community Facilities District may be formed to provide a mechanism for debt issuance to generate lump sum funding for facilities in the first phase of development and potentially later phases. Following is a brief summary of tasks that will be required to implement the PFFP.

### 9.7.1 Updates And Revisions

The PFFP should be updated each time there is a significant change in facility plans, land use plans, or infrastructure cost estimates. When these items are revised, there will be a corresponding change in the fair-share cost allocation to each type of land use anticipated within the Airport and Margarita areas. The Airport and Margarita area specific plans impact fees must also be adjusted to maintain a nexus between facilities being funded and land uses paying such fees.

The Mello-Roos formation documents set forth a list of facilities that are authorized to be funded by the CFD. Should the City form a CFD, maximum special tax rates will be adopted by the City Council in the Resolution of Intention to form the CFD. Because a vote would be required in future years to amend the list of authorized facilities or the maximum special tax rates, it is unlikely that either of these items will change. However, the actual special tax levied each fiscal year may vary due to changes in development activity, interest earnings on CFD accounts, bond interest rates, and debt service

requirements. The actual amount to be levied each year will be determined by the City and will be reflected on the property tax bill.

### 9.7.2 Individual Project Applications And Developer Reimbursements

When an individual project is submitted to the City for processing and approval, the facilities required to serve that project must be identified. Due to the incremental nature of public facility phasing, it is likely that certain projects will be required to oversize improvements to accommodate future development. By comparing the project's assigned fair share of facility costs to the costs of improvements required to allow the project to proceed, the City will be able to calculate an equitable reimbursement to the developer paying for oversized improvements. The City will likely enter into an agreement with the developer to affect such a reimbursement.

### 9.7.3 Action Items For The City

Prior to commencement of development in Airport and Margarita areas, the City will need to adopt a fee ordinance or resolution implementing the fees. The initial ordinance will reflect fees based on the information provided in this PFFP. Fees may be adjusted in future years to reflect actual costs, updated infrastructure cost estimates, changes in the amount of property anticipated to develop, and other factors. In addition to specific fees for the Airport Area, development in the Airport and Margarita areas will be subject to citywide and add-on (for water and wastewater) fees as well as fees levied by other public agencies.

Pursuant to section 66006 of the Government Code, the City will establish a capital facility account(s) for collected fees. Establishment of this account(s) will prevent commingling of the fees with other City revenues and funds. Interest income earned by fee revenues in these accounts will be deposited in the accounts and applied to facility construction costs. Within one hundred eighty days of the close of each fiscal year, the City will make information pertaining to each account [as required by Section 66006 (b)(1)]

available to the public and will review this information at a regularly scheduled public hearing.

Debt financing may be required to close funding gaps in the initial years of development. Development on certain properties in the Airport and Margarita areas cannot begin until certain backbone facilities are funded and constructed. Action items associated with implementing such a CFD funding mechanism are discussed further below.

#### 9.7.4 Community Facilities District Formation And Bond Sales

The City will need a financing team if it chooses to use land-secured debt financing to provide services associated with the formation of the Mello-Roos Community Facilities District. Financing team members include a bond counsel, bond underwriter, financial advisor, appraiser, absorption consultant, and special tax consultant. The City Council will need to approve a Resolution of Intention which will notify the public of its intention to form the CFD, identify the boundaries of the CFD, list the authorized facilities to be funded, and identify the maximum special tax rates. At least 30 days after this, a public hearing needs to be held, after which, the council will adopt the Resolution of Formation of the CFD ("ROF"). The Mello-Roos law requires a 90-day waiting period between adoption of the ROF and the CFD election. However, if a unanimous agreement exists among all landowners in the CFD, the election can occur at the same meeting at which the ROF is adopted. Whenever the election is held, a two-thirds vote is required to authorize the levy of special taxes within the CFD. The actual amount and location of acreage owned by landowners who do not want to participate in the CFD initially will be identified prior to adoption of the ROF and landowner election. Existing developed properties in the specific plan areas will be excluded from the CFD. Once the CFD is formed and a successful election has occurred, the underwriter will prepare a bond-offering document in order to market the initial bond issue to potential investors. As a matter of policy, the City may require that the bond obligation associated with residential development be fully

prepaid by the homebuilder prior to the sale of the residence to the homeowner, which would eliminate the annual CFD tax.

#### 9.7.5 Community Facilities District Administration

Formation of a Community Facilities District commits the City to the ongoing administration of the CFD. A Mello-Roos special tax is not a fixed lien on a parcel, but an annual lien that must be calculated and levied each year. The appropriate special tax will be determined by the City or its designee after consideration of annual debt service requirements, direct construction funding, administrative costs of the CFD, prepayments received, and development activity within the CFD. After the special taxes have been calculated each fiscal year, they will be submitted to the county auditor to be included on the secured property tax bill.

Unlike property taxes, there is not a four to five year grace period for collection of delinquent Mello-Roos special taxes. The City will covenant in the bond documents to pursue foreclosure on delinquent parcels within a specified time frame, usually 150 days. As part of this covenant, the City must monitor delinquencies, notify delinquent taxpayers, and begin foreclosure proceedings if the delinquencies are not remedied.

The City is also responsible for disclosing information regarding the CFD to the California Debt Advisory Commission and national repositories (pursuant to SEC Rule 15c2-12). Various information regarding delinquent special taxes, the balance in CFD accounts, assessed valuation, and other items must be compiled and submitted by designated due dates. As part of the bond issuance process, the City will enter into a Continuing Disclosure Agreement that will specifically identify the information that must be disclosed.

## IMPLEMENTATION

### 10.1 Annexation

If all of the Margarita Area has not been annexed by the time this Specific Plan is adopted, it will be annexed soon after.

### 10.2 General Plan

The General Plan Land Use Map will be amended to reflect the land use categories contained in this specific plan. City land use designations will take effect upon adoption of this specific plan.

### 10.3 Zoning

The Margarita Area will be zoned consistent with this Specific Plan, using City zone categories in combination with the “SP” overlay. City zoning designations will take effect upon annexation. The Community Development Director may approve zone boundary adjustments to reflect subdivision maps.

### 10.4 Subdivision

The precise location of streets and utilities and the precise boundaries of development sites will be determined as subdivision maps are approved. There may be a sequence of subdivision maps, as first large sections of the planning area and then groups of individual lots are made available for individual ownership and development.

Avigation easements for the benefit of the County airport, providing notice to all future buyers of parcels, will be recorded concurrently with subdivision final maps.

### 10.5 Architectural Review

Consistent with required citywide procedures, commercial, industrial, institutional, multifamily residential, and single-family tract

construction will be subject to architectural review. Individually built single-family dwellings will not be subject to architectural review, unless they are proposed for “sensitive sites.” Since creek and hillside open space areas are to be preserved through public ownership or easements, single-family lots adjacent to such areas will not be considered sensitive sites. For projects subject to architectural review, the “minor or incidental” procedure will be used for those projects meeting this specific plan’s design standards.



### 10.6 Building Permits

The City building permit process of plan-check, inspection, and occupancy release will typically be the final and most detailed step in City review of private site development.

### 10.7 Natural Resource Mitigation

Harm to, or loss of, relatively small areas of wetlands and grassland plant communities is an inevitable consequence of developing the specific plan area. All such losses are to be mitigated in kind and within the Margarita Area, at a ratio of two area units created and permanently projected for each area unit adversely affected.

City acquisition of the Prado Road extension right-of-way and neighboring wetlands mitigation area, and of the Greenspace grasslands mitigation area, is expected to occur early in development of the Margarita Area. Ownerships where development would eliminate wetlands or grasslands, and where no space for mitigation is planned, may pay a mitigation fee to be used by the City or a responsible conservation organization to acquire sites and carry out mitigation.

### **10.8 Inclusionary Housing and Housing Authority Sites**

Development in the Margarita Area must comply with the City's Inclusionary Housing Requirement (Municipal Code Chapter 17.91). The preferred means of compliance is dedication of land or construction of dwellings in each increment of development, rather than payment of in-lieu fees. However, there are expected to be some development increments where actual construction is not feasible. The means of compliance will be determined through individual developer's affordable housing agreement.

Initial subdivision of the King, Sierra Gardens (DeBlauw), and Damon-Garcia properties will be subject to a requirement that the City be granted a right of first refusal to acquire a site within each ownership of sufficient size to accommodate 20 dwellings for development by the Housing Authority of San Luis Obispo or other qualified non-profit housing provider. One means to meet the inclusionary housing requirement would be to make the site available at less than market price.

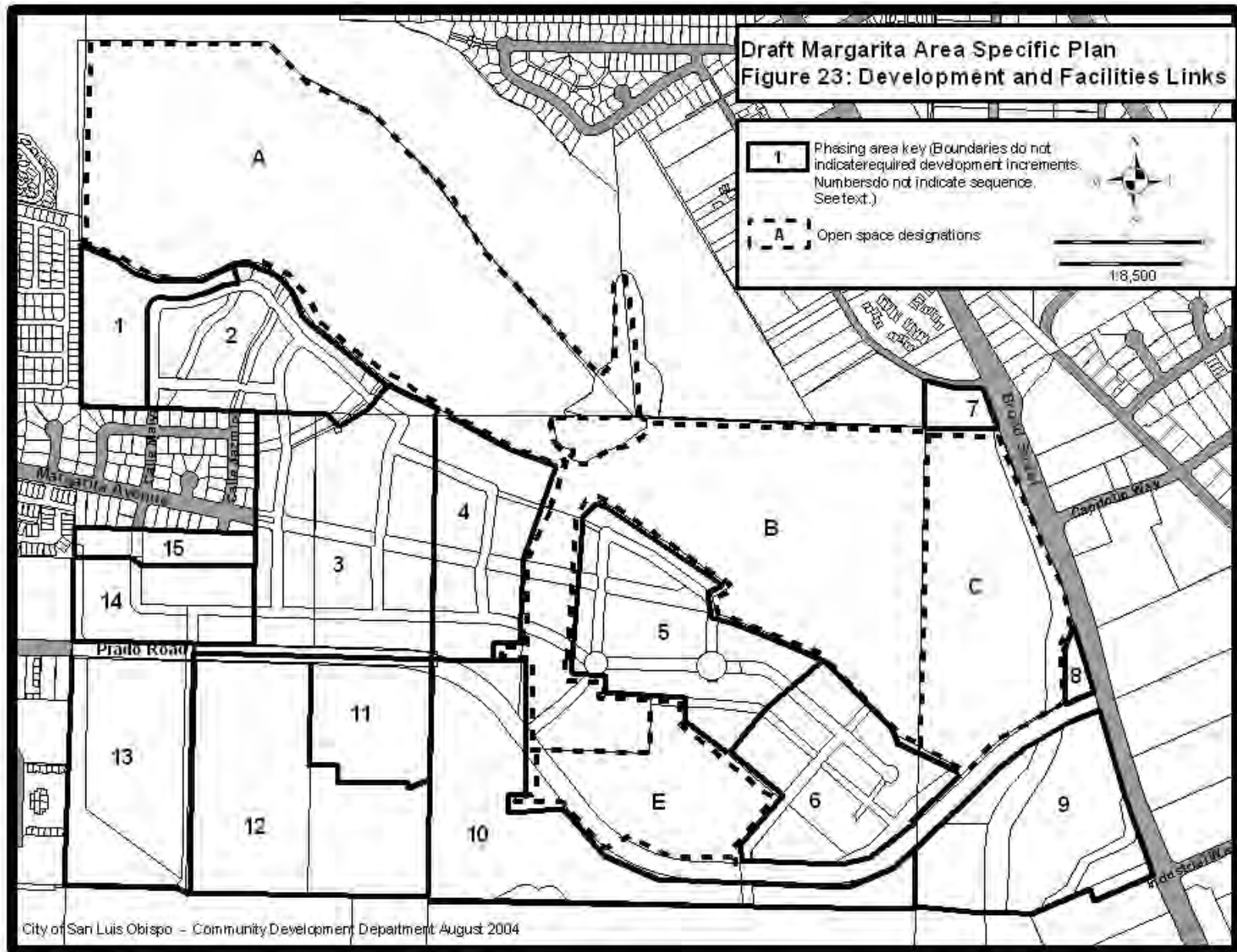
### **10.9 Phasing**

Development is expected to start in 2004 and to be completed no sooner than about 2018. Development timing must be consistent with the City's Residential Growth Management Regulations (Municipal Code Chapter 17.88 and City Council Resolution No. 8972 or its successor). Also, adequate facilities and services must be available before or concurrent with development. Table 13 outlines the major links between development and supporting facilities. The numbered areas, which are not sequential phases, are identified in Figure 23.

**Table 13: Development and Facilities Links**

<b>Phasing Area</b>	<b>Requirements</b> (These must be met before starting construction of buildings in the designated area, unless provided otherwise below. These requirements are in addition to the usual fees and facilities within the designated areas.)
1	Before or concurrent with recording subdivision map: dedication of area "A."
2	Before or concurrent with recording subdivision map: dedication of area "A." Completion of looped water main through areas 1 and 2. Provision of access alternative to Calle Malva or Margarita Avenue (for construction traffic only, it may be a temporary road).
3	Dedication of full right-of-way width and construction of Prado Road as a two-lane roadway fronting the property.
4	Dedication and improvement of Neighborhood Park (area "D"). Before or concurrent with recording subdivision map: dedication of area "B." Dedication of full right-of-way width and construction of Prado Road as a two-lane roadway through the Margarita Area. Completion of the principal collector through the Margarita Area.
5	Before or concurrent with recording subdivision map: dedication of areas B, and E. Dedication and improvement of Neighborhood Park (area "D"). Completion of the principal collector through the Margarita Area. Dedication of full right-of-way width and construction of Prado Road as a two-lane roadway through the Margarita Area.
6	Before or concurrent with recording subdivision map: dedication of areas B & E. Dedication of full right-of-way width and construction of Prado Road as a two-lane roadway through the Margarita Area.
7	Before or concurrent with recording subdivision map: dedication of area C.
8	Before or concurrent with recording subdivision map: dedication of area C.
9	Before the sports fields are used, there must be adequate access to Broad Street.
10	Before or concurrent with recording subdivision map: dedication of area E. Dedication of full right-of-way width and construction of Prado Road as a two-lane roadway through the Margarita Area.
11	This area, corresponding to pre-annexation development, may be redeveloped with Business Park uses, temporarily using the previously offered Prado Road right-of-way for access, subject to adequate water, wastewater, and storm drainage service being available.
12	Dedication of full right-of-way width and construction of Prado Road as a two-lane roadway through the Margarita Area. Construction of the "Unocal Collector" between Prado Road and the southerly boundary of the Margarita Area.
13	Dedication of full right-of-way width and construction of Prado Road as a two-lane roadway through the Margarita Area. Construction of the "Unocal Collector" between Prado Road and the southerly boundary of the Margarita Area.
14	Provision of access alternative to Calle Malva or Margarita Avenue (for construction traffic only, it may be a temporary road). This area may be developed with Business Park (Business park/office) uses, temporarily using the previously offered Prado Road right-of-way for access, subject to adequate water, wastewater, and storm drainage service being available.
15	No prerequisites beyond adequate utilities and storm drainage connections to serve area 15.





### 10.10 Interpretation and Amendment

Implementation of this Specific Plan is expected to occur over several years. During that time, questions may arise which the plan does not completely answer. Also, there may be desires to develop some features differently from original proposals.

*Interpretations* are judgments that apply the stated intent of this plan to specific situations. Interpretations generally are limited to details where the features of this plan may appear to provide different guidance from each other, or from other adopted City policies or the requirements of other agencies. They may be needed when the City is considering a discretionary development application, such as a subdivision map, or a ministerial application, such as a building permit. The person or body with approval authority for the application makes the interpretation. In the case of ministerial development applications, this is the Community Development Director. In making such an interpretation, the Community Development Director will consult with any other affected City departments. Decisions involving City facilities may be within the authority of the Public Works Director or the Utilities Director, who likewise would make the interpretation after consulting with any other affected departments.

The Community Development Director, the Architectural Review Commission, the Planning Commission, or the City Council, depending on the type of application, makes interpretations for discretionary applications. These types of decisions are subject to appeal, from staff to commissions, and from commissions to the City Council.

*Adjustments* are minor changes to precise features of the plan, where the resulting difference in development type or capacity is not significant and the change is clearly consistent with the intent of the specific plan. The City anticipates that the boundaries of land use zones, areas for development and facilities links, and street locations may be adjusted through approval of subdivision maps.

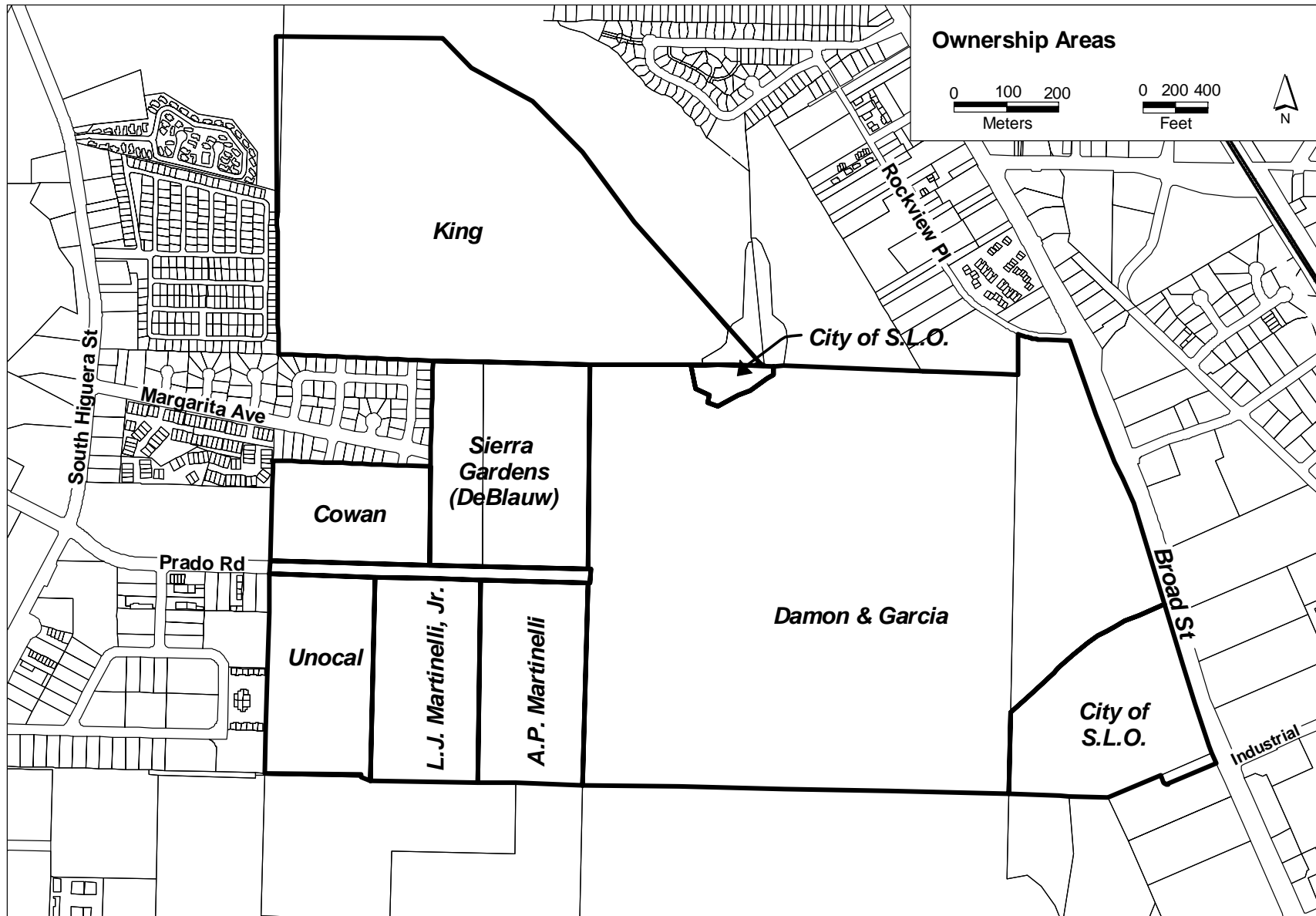
*Amendments* are changes to features of the plan involving differences in development type or capacity (including public facilities). Amendments usually involve a question of consistency with the original intent of the specific plan, or with the General Plan or the County Airport Land Use Plan. Amendments require a hearing and recommendation by the Planning Commission, referral to the County Airport Land Use Commission, and action by the City Council.

### 10.11 Environmental Review

Nearly all actions to implement this specific plan (excluding financing mechanisms) are subject to environmental determinations by the City. For projects that are consistent with this specific plan, the environmental determination is expected to be that further environmental review is not needed because the Environmental Impact Report for the specific plan has adequately addressed all potential environmental impacts. Further environmental review would be required for a project within this specific plan area if (A) it involves an amendment to the specific plan, (B) a previously unknown environmental resource or hazard is discovered on the site, or (C) citywide conditions have changed substantially since the certification of the Environmental Impact Report.

Table 14: **Public Facilities Funding**

<b>FACILITY</b>	<b>POTENTIAL FUNDING SOURCES</b>	<b>DEBT FINANCING (if any)</b>
Local streets, paths	Owners/developers	Private investors or lenders
Transit stops	Owners/developers	Private investors or lenders
Local utility lines	Owners/developers	Private investors or lenders
Areawide drainage facilities	Owners/developers	Private investors or lenders
Prado Road extension	Owners/developers	Private investors or lenders
Prado Road & Highway 101 interchange	Developers in Margarita Area and other benefiting sites via impact fees; State Department of Transportation	Private investors or lenders
Citywide transportation projects	Development impact fee to City	Private investors or lenders
Citywide potable water supply, treatment, and distribution	Development impact fee to City	Private investors or lenders
Citywide sewer collection & treatment	Development impact fee to City	Private investors or lenders
Neighborhood Park (dedication & improvements)	Developers	Private investors or lenders
Other parks and greenways (dedication & improvements)	Developers; City (on land associated with sports fields)	Private investors or lenders



# Margarita Area Specific Plan

access court, med density	Neighborhood Commercial
Business Park	Neighborhood Commercial SF
Business park-1 story - masonry	Open Space
bpo	Open Space - Hills
business park - outdoor use only	Open Space - Riparian
Greenspace	Neighborhood Park
Greenway	Streets
High Density Residential	Sports Fields
Low Density Residential	Special Use
Medium Density Residential	street_medians
Medium Density Residential SF	trails
Medium High Density & Minor Commercial	

