

5.0 LAND USE

This section summarizes the proposed project's consistency with adopted goals and objectives in the City of San Luis Obispo General Plan as well as relevant regional land use policy documents. It also evaluates the project's compatibility with nearby land uses, including ongoing operations at the San Luis Obispo Airport. Mitigation measures are recommended to address land use concerns that are not directly tied to the land use-oriented environmental issue areas of air quality, noise, aesthetics, and agricultural resources. These measures would ensure consistency with City and regional land use policy and address site-specific land use issues. The proposed Prado Road/U.S. Highway 101 interchange and associated improvements would alter existing land uses through direct acquisition of property, displacement of one business, and interference with access to existing land uses along Elks Lane adjacent to the proposed improvements during and following construction. These would be considered significant but mitigable impacts.

5.1 POLICY CONSISTENCY

This section evaluates the proposed project's consistency with adopted goals and policies that pertain to the project site.

5.1.1 City of San Luis Obispo General Plan

The City of San Luis Obispo adopted a comprehensive revision of its General Plan Land Use Element (LUE) on August 23, 1994. The EIR that analyzed the LUE evaluated changes proposed to the LUE map, including changes to the Dalidio area from a primarily residential expansion area to an area designated for mostly commercial and open space land uses. The LUE established the planned land use pattern for the subject site. The proposed project includes a request for a General Plan Amendment to change the land use designations on portions of the site from Interim Open Space to Commercial Retail, Office and Open Space, and from Medium-High Density Residential to Office. Therefore, when compared to General Plan buildout projections, the project would include fewer residential units and additional retail and office/business park square footage. The applicant is also requesting approval of rezoning of the property to Retail Commercial (C-R), Office (O), and Conservation Open Space (C/OS).

The LUE establishes the Dalidio property as part of the *Dalidio-Madonna-McBride special design area*. The text of the LUE indicates that the "City plans to preserve significant parts of this signature working agricultural landscape". (LUE Policy 8.8).

The consistency of the proposed project with applicable City General Plan policies is included in the paragraphs below. Table 5-1 summarizes the General Plan policies that apply to the proposed project, and conclusions regarding the project's consistency with them. The table also cross-references further discussion in the appropriate environmental issue section of this EIR, as indicated in the table. Required mitigation measures would be expected to achieve consistency, unless mitigation is not possible for a given issue. If this is the case, it is indicated in the appropriate section of the EIR.



Table 5-1. General Plan Policy Consistency Summary

LUE Policy	Policy Issue	Potential Consistency Finding	Further Evaluation in EIR
<i>Land Use Element</i>			
1.3	Urban Edges Character	Consistent	-
1.8.1	Agricultural Protection	Consistent	Section 4.6, <i>Agricultural Resources</i>
1.8.2	Prime Agricultural Land	Consistent	Section 4.6, <i>Agricultural Resources</i>
1.13.2	Annexation Purpose and Timing	Consistent	-
1.13.3	Required Plans	Consistent	-
1.13.4	Development and Services	Consistent	Section 4.8, <i>Utilities</i>
1.13.5	Open Space	Consistent	Section 4.6, <i>Agricultural Resources</i>
3.1.3	Madonna Road Center Expansion	Consistent	-
3.1.6	Building Intensity	Consistent	-
3.7.10	Madonna Road Center	Consistent	Section 5.0, <i>Land Use</i> , Impact LU-1 below
6.1	Interim Open Space Policies	Consistent	Section 5.0, <i>Land Use</i> , Impact LU-1 below
8.8	Dalidio-Madonna-McBride Area	Consistent	-
<i>Open Space Element</i>			
1	Dalidio Area Annexation	Consistent	Section 4.5, <i>Biological Resources</i> , Section 4.6, <i>Agricultural Resources</i> , Section 7.0, <i>Alternatives</i>
2	Agricultural Buffers	Consistent	Section 4.6, <i>Agriculture</i>
11	Scenic Resources	Consistent	Section 4.7, <i>Aesthetics</i>
<i>Circulation Element</i>			
8.10	Prado Road Extension	Consistent	Sect. 4.10, <i>Transportation</i>
8.15	Prado Road Extension	Consistent	Sect. 4.10, <i>Transportation</i>
14.3	Scenic Roadways	Consistent	Section 4.7, <i>Aesthetics</i>
<i>Housing Element</i>			
1.22.5	Major Annexation Areas	Consistent	-
1.22.10	Affordable Housing	Consistent	-
<i>Water and Wastewater Element</i>			
12.1E	Wastewater Requirement for Annexation Areas	Consistent	Section 4.8, <i>Utilities</i>

Land Use Element (LUE)

The City of San Luis Obispo adopted a comprehensive revision of its General Plan Land Use Element on August 23, 1994. An Environmental Impact Report (EIR) on the revised land use and circulation elements was certified with the adoption of the LUE. That EIR evaluated



changes proposed to the LUE map, including changes to the Dalidio area from a primarily residential expansion area to an area designated for mostly commercial and open space land uses. The adopted LUE map shows the Dalidio property as being part of the Dalidio-Madonna-McBride special design area. The text of the LUE indicates that the "City plans to preserve significant parts of this signature working agricultural landscape".

The following paragraphs contain policies from the adopted LUE which staff has identified as having relevance to evaluating the proposed project. A general finding of consistency is made after each policy excerpt.

Policy: 1.3 Urban Edges Character

The boundary between San Luis Obispo's urban development and surrounding open land should be clear. Development just inside the boundary shall provide measures to avoid a stark-appearing edge between buildings in the city and adjacent open land. Such measures include: using new or existing groves or windrows of trees, or hills or other landforms, to set the edge of development; increasing the required side-yard and rear-yard setbacks.

Conclusion: Potentially consistent. The applicant's proposal includes dedication of 58.67 acres as permanent open space. The open space areas include the farmland nearest Highway 101, as well as a linear area containing a eucalyptus grove adjacent to Prefumo Creek. The incorporation of these open space areas in the project meets the intent of this policy to provide a boundary between the built areas in the City and the undeveloped areas beyond the urban reserve.

Policy: 1.8.1 Agricultural Production

It is the City's policy to encourage preservation of economically viable agricultural operations and land within the urban reserve and city limits. The City should provide for the continuation of farming through steps such as provision of appropriate general plan designations and zoning.

Conclusion: Potentially consistent. The project site is currently designated in the City General Plan for the following land uses: Open Space, General Retail, Interim Open Space, and Medium-High Density Residential. The applicant is requesting approval of a General Plan Amendment to change the land use designations on portions of the site from Interim Open Space to Commercial Retail, Office and Open Space, and from Medium-High Density Residential to Office. The applicant is also requesting approval of rezoning of the property to Retail Commercial (C-R), Office (O), and Conservation Open Space (C/OS). The proposed Prado Road/U.S. Highway 101 interchange would remove approximately 0.8 acre of prime agricultural land from production on the east side of the highway. The development of the Dalidio property would remove about 60 acres of prime agricultural land from production. However, with development of the project, the City will obtain 58.67 acres of open space. About 50 acres of that open space includes prime agricultural soils. In addition, the project applicant proposes to fund off-site conservation easement of 20 acres of prime agricultural soils. The current farmer of the site would consider the on-site agricultural area proposed for conservation to be an agriculturally viable unit for row crop production and has expressed interest in continuing to farm on-site. Additionally, the requested General Plan Amendment would replace the residential land use designation on the site with office land uses that would



be considered more compatible with agricultural uses, when compared to residential uses.

Policy: 1.8.2 Prime Agricultural Land

Development of prime agricultural land may be permitted, if the development contributes to the protection of agricultural land in the urban reserve or greenbelt by one or more of the following methods, or an equally effective method: acting as a receiver site for transfer of development credit from prime agricultural land of equal quantity; 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. Development of small parcels which are essentially surrounded by urbanization need not contribute to agricultural land protection.

Conclusion: Potentially Consistent. The proposed Prado Road/U.S. Highway 101 interchange would remove approximately 0.8 acre of prime agricultural land from production on the east side of the highway. The development of the Dalidio property would remove about 60 acres of prime agricultural land from production. However, with development of the project, the City will obtain 58.67 acres of open space. About 50 acres of that open space includes prime agricultural soils. In addition, the project applicant proposes to fund off-site conservation easement of 20 acres of prime agricultural soils. The current farmer of the site would consider the on-site agricultural area proposed for conservation to be an agriculturally viable unit for row crop production and has expressed interest in continuing to farm on-site.

Policy: 1.13 Annexation and Services

1.13.2 Annexation Purpose and Timing. Annexation should be used as a growth management tool, both to enable appropriate urban development and to protect open space. Areas within the urban reserve line which are to be developed with urban uses should be annexed before urban development occurs. The City may annex an area long before such development is to occur, and the City may annex areas which are to remain permanently as open space. An area may be annexed in phases, consistent with the city-approved specific plan or development plan for the area. Phasing of annexation and development will reflect topography, needed capital facilities and funding, open space objectives, and existing and proposed land uses and roads.

Conclusion: Potentially Consistent. The proposed project is located within the urban reserve line and designated for urban and open space uses. The project would involve the annexation of the property into the City prior to project development in two phases. Phase 1 would begin with approval of the project and annexation of the Dalidio Area into the City. The project phases reflect needed capital facilities and funding, open space objectives, and existing and proposed land uses and roads.

1.13.3 Required Plans. Land in any of the following annexation areas may be developed only after the City has adopted a plan for land uses, roads, utilities, the overall pattern of subdivision, and financing of public facilities for the area. The plan shall provide for open space protection consistent with policy 1.13.5.

For any other annexations, the required plan may be a specific plan, development plan under "PD" zoning, or similar development plan covering the entire area.



Conclusion: Potentially Consistent. The proposed development plan specifies land uses for the entire site. The project would pre-zone the site for Retail-Commercial Planned Development (C-R-PD), Office (O), and Conservation/Open Space (C/OS) uses. Refer also to the Policy 1.13.5 consistency discussion below.

Policy: 1.13.4 Development and Services

Actual development in an annexed area may be approved only when adequate City services can be provided for that development, without reducing the level of services or increasing the cost of services for existing development and for build-out within the City limits as of July 1994, in accordance with the City's water management policies. The water management policies allow part of the available water supplies that would be needed for build-out within the 1994 city limits to be used for annexation projects. Water for development in an annexed area may be made available by any one or any combination of the following:

- A. *City water supply, including reclaimed water;*
- B. *Reducing usage of City potable water in existing development so that there will be no net increase in long-term water usage, consistent with Policy 9.1 of the Water & Wastewater Management Element;*
- C. *Private well water, but only as an interim source, pending availability of an approved addition to City water sources, and when it is demonstrated that use of the well water will not diminish the City's municipal groundwater supply.*

Conclusion: Potentially consistent. This policy ensures that increased water use due to additional development will not jeopardize adequate water service to both existing and new users. As described in Section 4.8, *Utilities*, of this EIR, although the project would reduce demand on the groundwater basin, the project would increase demand on City of San Luis Obispo water supplies by an estimated 103.6 acre-feet per year (AFY). Existing City water supplies could accommodate this 103.6 AFY. The City's Water Impact Fee program ensures that new developments must pay their fair share of the cost for new supplies of water. Therefore, assuming the Dalidio Property Annexation Project complies with applicable City policies regarding the provision of water service, impacts related to water consumption would be considered less than significant and the project would be potentially consistent with this policy.

Policy: 1.13.5 Open Space

Each annexation shall help secure permanent protection for areas designated Open Space, and for the habitat types and wildlife corridors within the annexation area that are identified in policy 6.1.1. Policies concerning prime agricultural land shall apply when appropriate. The following standards shall apply.

- E. *Dalidio area properties (generally bounded by Highway 101, Madonna Road, and Los Osos Valley Road) shall dedicate land or easements for the approximately one-half of each ownership that is to be preserved as open space.*



Conclusion: Potentially Consistent. With development of the project, the City will obtain an open space easement over 58.67 acres of the Dalidio property. About 50 acres of that open space includes prime agricultural soils. In addition, the project applicant proposes to fund off-site conservation easement of 20 acres of prime agricultural soils.

Policy: 3.1 General Retail

3.1.3 Madonna Road Area Retail Expansion. No substantial additional land area should be added to the commercial centers at Madonna Road and Highway 101 until a detailed plan for the retail expansion has been approved by the City. The plan should describe the limits of commercial expansion, acceptable uses, phasing, and circulation improvements. Any permitted expansion should be aesthetically and functionally compatible with existing development in the area. Before approving an expansion plan, the City should consider an evaluation of how much it would transfer sales from existing retail areas in the City and whether the proposed uses could be developed in existing retail areas.

Conclusion: Potentially consistent. The applicant has submitted a detailed development plan package that describes the scale of retail development contemplated and needed extensions of roads and services. As described in Section 4.7, *Aesthetics*, the project would be aesthetically compatible with the adjacent existing commercial development, pending review of components by the City's Architectural Review Commission (ARC).

An independent economic analysis was conducted by Allan D. Kotin and Associates (ADKA; "Fiscal Impact of Proposed San Luis Marketplace and Implications for Downtown Retail Activity", October 25, 2002) to evaluate whether the project will transfer sales from existing retail areas in the City and whether the proposed uses could be developed in existing retail areas. According to this report, the proposed project would have "minimal or only modest detrimental impact on retailing in downtown" San Luis Obispo. The report also notes that the proposed project would result in increased sales at the adjacent shopping centers due to "symbiotic effects, added market recognition, and enhanced drawing power that the combined centers will have in the region." The report mentions that, as a share of total new sales from the project, about 25% would be transferred from other City retail uses. However, the report concludes that the generation of substantial additional shopping traffic to the project site, whether it comes from new visitors, new out of town shoppers, or from in-town shoppers no longer leaving town to seek retail offerings elsewhere, will have a clear economic benefit for the City and the Downtown. Potentially significant but mitigable functional compatibility impacts are addressed in Impacts and Mitigation Measures LU-1, 3, and 4. As described therein, with implementation of recommended mitigation measures, the project would be considered functionally compatible with surrounding development.

Policy: 3.1.6 Building Intensity

The ratio of building floor area to site area shall not exceed 3.0, except that downtown sites which receive transfers of development credits for open space protection shall not exceed 4.0. The Zoning Regulations will establish maximum building height and lot coverage, and minimum setbacks from streets and other property lines, as well as procedures for exceptions to such standards in special circumstances. Architectural review will determine a project's realized building intensity, to reflect existing or desired architectural character in a neighborhood. When dwellings are provided in General Retail districts, they shall not exceed 36 units per acre. So long as the floor area ratio is not exceeded, the maximum residential density may be developed in addition to nonresidential development on a site. (See the residential section



for policies on density bonuses for affordable housing.)

Conclusion: Potentially consistent. The proposed building floor area to site area ratio is approximately 0.31. The project would be subject to review by the City's Architectural Review Commission (ARC).

Commercial and Industrial Development

Policy: 3.7.10 Madonna Road Center

The City will investigate ways to encourage more intense commercial development within, and more cohesion between, the existing shopping centers on Madonna Road.

Conclusion: Potentially consistent. Although the policy does not require the applicant to provide direct linkages with the other shopping centers, a pedestrian route connecting the San Luis Obispo Promenade shopping center and the San Luis Obispo Marketplace is proposed. In addition, the proposed Dalidio Drive will provide additional access to the San Luis Obispo Promenade shopping center.

Policy: 6.1 Open Space Policies

6.1.4 Interim Open Space Designation The General Plan Land Use Element Map shows desired future uses for most land within the urban reserve line. However, the City has not decided the best eventual use for some areas. Such areas are designated Interim Open Space, indicating that they will be suitable for urban development when certain conditions are satisfied. Examples of such conditions include demonstrated need for further urban development that cannot be satisfied on already urbanized land, provision of proper access and utility service, and environmentally acceptable reduction of flood hazards. The Interim Open Space designation is to be changed to an urban classification only when the conditions necessary for development can be satisfied and a certain type of development is approved. After further study, it may be found that permanent Open Space is an appropriate classification for areas initially classified as Interim Open Space.

6.1.5 Interim Open Space Uses and Parcel Sizes Uses within Interim Open Space areas should be the same as in Open Space areas (policies 6.1.1 and 6.1.2). Interim Open Space areas should not be further subdivided until a development plan or a specific plan is approved (pursuant to policy 1.13.3), except to separate land to be dedicated in fee to the City, or other responsible public or nonprofit agency, for permanent open space.

Conclusion: Potentially consistent. The Dalidio property currently contains about 20 acres of land designated as Medium Density Residential and Interim Open Space in the northwest portion of the site. The project would convert this area to permanent open space and Office uses in Phase 2 of the project. During Phase 1 of the project, this area would remain as open space. Ultimately specific plans for the development of a business park, consistent with the proposed Office zoning, would need to be approved by the City's Architectural Review Commission (ARC).

Optional Use and Special Design Areas

Policy: 8.8 Dalidio-Madonna-McBride Area



This approximately 180-acre area of prime farmland bounded by Madonna Road, Highway 101, Central Coast Plaza, and Prefumo Creek is in three ownerships. The City intends to preserve significant parts of this signature working agricultural landscape at the southern gateway to San Luis Obispo.

Conclusion: Potentially Consistent. The proposed Prado Road/U.S. Highway 101 interchange would remove approximately 0.8 acre of prime agricultural land from production on the east side of the highway. The development of the Dalidio property would remove about 60 acres of prime agricultural land from production. However, with development of the project, the City will obtain 58.67 acres of open space. About 50 acres of that open space includes prime agricultural soils. In addition, the project applicant proposes to fund off-site conservation easement of 20 acres of prime agricultural soils. The current farmer of the site would consider the on-site agricultural area proposed for conservation to be an agriculturally viable unit for row crop production and has expressed interest in continuing to farm on-site.

Open Space Element

The following paragraphs contain policies from the adopted Open Space Element which City staff has identified as having relevance to evaluating the proposed project. A general finding of consistency is made after each policy excerpt.

Agricultural Lands

Policies Within the Urban Reserve Line and the City Limit Line (Page 65; Policy OS 10.2.1 in the General Plan Digest)

Policy: 1. *The City should:*

- A. *When the remaining unincorporated area bounded by Los Osos Valley Road, Madonna Road, and Highway 101 is annexed to the City (see Site # 12, Site Map):*
 - 1. *Preserve as agriculture the southern portion of the Dalidio property, and the northern portions of the McBride and Madonna properties (all designated open space by the LUE Map);*
 - 2. *Preserve as open space (A) Prefumo Creek and associated creek setback area, and (B) the portion of the Dalidio property utilized by herons and other unique resources or sensitive habitat; and*
 - 3. *Consider a transfer of commercial development potential from the Dalidio site's commercial area to the Madonna plaza and Central Coast Plaza sites. Such a program could (A) form one viable shopping center versus three largely independent centers, and (B) allow additional prime farmland to be preserved as agriculture.*

Conclusion: Potentially consistent. The proposed Prado Road/U.S. Highway 101 interchange would remove approximately 0.8 acre of prime agricultural land from production on the east side of the highway. The development of the Dalidio property would remove about 60 acres of prime agricultural land from production. However, with development of the project, the City will obtain 58.67 acres of open space. About 50 acres of that open space includes prime agricultural soils. In addition, the project applicant proposes to fund off-site conservation easement of 20 acres of prime agricultural soils. The permanent Open Space proposed by the project would protect great blue heron habitat and would comply with the policy requirement to preserve Prefumo Creek and the associated creek setback area. As described in Section 4.5,



Biological Resources, of this EIR, all proposed site disturbance is required to be set back at least 200-feet (radius) from great blue heron active nest sites, and at least 50-feet from great blue heron roosting sites. In addition, construction within 500 feet of heron nest trees shall be limited to the time period after young have fledged and prior to next season's breeding. Proposed site disturbances shall be set back at least 35 feet from Prefumo Creek and 20 feet from the drainage channel on the Dalidio property in accordance with City of San Luis Obispo Zoning Regulations (Section 17.16.025; 1999). This EIR also includes mitigation for potential disturbance to Monarch butterfly habitat.

The intensification and/or redevelopment of the existing San Luis Obispo Promenade shopping center is discussed in the alternatives section of the EIR.

Policy: 2. Within the city limits the City shall require, and outside the city limits encourage the County to require, that urban uses adjacent to agricultural lands provide an agricultural buffer. Only eliminate or modify the agricultural buffer requirement if there are significant topographical differences, a barrier of vegetation capable of eliminating potentially adverse impacts associated with agriculture on adjacent development, or existing physical barriers between the urban development and the agricultural land. If a developer cannot provide an adequate agricultural buffer between urban uses and agricultural land, the developer shall pay a mitigation fee to purchase agricultural protection elsewhere within the greenbelt.

Conclusion: Potentially consistent. As proposed, a portion of the existing agricultural land would be developed and a portion would remain as open space and continue to be farmed. The entire site is within the urban reserve line, but outside the city limits. The open space area is located on the south and east sides of the property and the shopping center expansion is proposed closest to the San Luis Obispo Promenade. As described in Section 4.6, *Agricultural Resources*, of this EIR, a 100-foot buffer between urban and agricultural uses is required to be incorporated into the design the San Luis Marketplace, and other urban uses on the Dalidio property.

Policy 11.2.3. Development Practices for Protecting Scenic Resources. Public or private development should be required to protect scenic resources by:

- A) *Prohibiting structures along ridgelines, steep slopes, or in other highly visible locations unless no practicable alternative is available, otherwise provided for in the Land Use Element, or such a location is necessary to protect public health and safety.*
- B) *Utilizing natural landforms and vegetation for screening structures, access roads, building foundations, and cur and fill slopes.*
- C) *Including landscaping which: (1) provides a landscape transition between developed areas and adjacent open space or undeveloped areas; and (2) is compatible with the scenic resource being protected.*
- D) *Incorporating sound Soil Conservation Service practices and minimizing land alterations. Land alterations should be minimized by: (1) keeping cuts and fills to a minimum; (2) limiting grading to the smallest practical area of land; (3) limiting land exposure to the shortest practical amount of time; (4) replanting graded areas to insure establishment of plant cover before the next rainy season; and (5) creating grading contours that blend with the natural contours on site or look like contours that would naturally occur.*
- E) *Designing roads, parking, and utilities to minimize visual impacts. If possible, utilities should be underground. Roadways and parking should fit the natural terrain.*
- F) *Designing projects to fit the site's scale and character. Structures should be designed and located so: (1) they do not silhouette against ridgelines, mountaintops, or hilltops, (2) roof lines and*



vertical architectural features blend with and do not detract from the natural background or ridge outline, (3) residential density and massing is decreased with increased elevation where it would mar the scenic quality of the scenic resource, (4) they fit the natural terrain, and (5) they utilize building materials, colors, and textures that blend with the natural landscape and avoid the creation of high-contrast situations.

Conclusion: Potentially consistent. The aesthetic impacts of the proposed project are evaluated in Section 4.7, *Aesthetics*, of this EIR. As described therein, the proposed development would result in significant but mitigable impacts on the aesthetic character of the site vicinity through alteration of viewsheds from U.S. Highway 101, Madonna Road, and Los Osos Valley Road. The structures would not be expected to block background views of the mountains to the east of the site. The site does not contain ridgelines or steep slopes. The project would therefore not include any buildings that would silhouette against ridgelines, mountaintops or hilltops. Due to the flat topography of the site, the project could not feasibly be designed to use natural landforms and vegetation to screen site improvements from certain views of the project site. However, aesthetic impacts related to modifications to foreground views would be reduced by the proposed landscape screening. Implementation of recommended mitigation measures, including planting of replacement screening trees and other tree screening specifications, would reduce this impact to a less than significant level. Additionally, as described in Mitigation Measure AES-3(a), the applicant shall submit plans to the Architectural Review Committee (ARC) for review prior to applying for construction permits. Plans shall specifically be evaluated for consistency with Chapter 3.2, Large-Scale Retail Projects, of the City's Community Design Guidelines.

Circulation Element

The City Council adopted the Circulation Element to the General Plan on November 29, 1994. Figure #4: Transportation Capital Projects shows the following major street network changes that are related to the development of the Dalidio Area:

- A. Extending Prado Road from Highway 101 west to Madonna Road to parkway arterial street standards.
- B. Building a full freeway interchange at Highway 101.

Footnote (3) to both these entries in the chart states:

The design of the Prado Road interchange and modifications to the ramps system for the Los Osos Valley Road interchange will be determined as part of the Project Study Reports (PSRs) required by Caltrans. The alignment of Prado Road northwest of Route 101 and its connection point to Madonna Road will be coordinated with the City's consideration of plans to expand commercial development consistent with the General Plan Land Use Element.

The following policies relate specifically to these anticipated improvements:

Policy: 8.10 *The City will ensure that changes to Prado Road and other related system improvements are implemented in a sequence that satisfies circulation demands caused by area development.*

The sponsors of development projects that contribute to the need for the Prado Road interchange will be



required to prepare or fund the preparation of a Project Study Report for the interchange project. The Project Study Report shall meet the requirements of the California Department of Transportation.

Conclusion: Potentially consistent. As described throughout this EIR, the Prado Road interchange improvements would be constructed during the first phase of project development. A Project Study Report (PSR), sponsored by the applicant, was prepared per Caltrans requirements.

Policy: 8.15 As part of any proposal to further develop the Dalidio-Madonna-McBride area, the alignment and design of a road connecting Prado Road (west of Route 101) with Los Osos Valley Road shall be evaluated and established.

Conclusion: Potentially consistent. This policy reinforces the requirement for this roadway, which has been established as part of previous studies. The proposed project includes a roadway connection between Prado Road and Los Osos Valley Road. The environmental impacts of this roadway connection are described throughout this EIR.

Policy: 14.3 Development along scenic roadways should not block views or detract from the quality of views.

Conclusion: Potentially consistent. Highway 101, just south of the Dalidio site, is identified as being a road of high scenic value. Madonna Road, north of the site, is identified as being a road of moderate scenic value. The aesthetic impacts of the proposed project are evaluated in Section 4.7, *Aesthetics*, of this EIR. As described therein, the proposed development would result in significant but mitigable impacts on the aesthetic character of the site vicinity through alteration of viewsheds from U.S. Highway 101, Madonna Road, and Los Osos Valley Road. The structures would not be expected to block background views of the mountains to the east of the site. In addition, aesthetic impacts related to modifications to foreground views would be reduced by the proposed landscape screening. Implementation of recommended mitigation measures, including planting of replacement screening trees and other tree screening specifications, would reduce this impact to a less than significant level. Additionally, as described in Mitigation Measure AES-3(a), the applicant shall submit plans to the Architectural Review Committee (ARC) for review prior to applying for construction permits. Plans shall specifically be evaluated for consistency with Chapter 3.2, Large-Scale Retail Projects, of the City's Community Design Guidelines.

Housing Element

The City Council adopted an update of its Housing Element on September 20, 1994. The following paragraphs contain policies from the adopted Housing Element which staff has identified as having relevance to evaluating the proposed project. A general finding of consistency is made after each policy excerpt.

Program: 1.22.10

The City will amend its regulations to require that new development projects include affordable housing units, with guarantees that they remain permanently affordable, or pay an in-lieu fee to assist in the development of affordable housing Citywide, as described in Table 1 on Page 14.

Conclusion: Potentially consistent. On March 2, 1999, the City Council adopted Ordinance No.



1348 to implement the inclusionary housing program. Consistent with this program, the applicant may pay applicable fees rather than developing housing on the site. The specific requirement is to pay in-lieu fees equal to 2% of building valuation. However, it should be

noted that the Residential/Commercial Mixed Use Plan Alternative, in Section 7.3 of this EIR, describes the possibility of providing about 4 acres of on-site housing.

Water and Wastewater Element

Policies related to water supply contained in this element were addressed above under the discussion of Policy 1.13.3. The circumstances under which a proposed annexation can be considered in terms of wastewater treatment capacity is included in the following policy: Policy: 12.1 E. (also LUE Policy 1.15) *The City will not annex an area unless it can meet the wastewater treatment needs of the area to be annexed, in addition to the wastewater treatment requirements for all development, consistent with the Land Use Element, within the city including the annexed area. The only exceptions to this policy are:*

- (1) *Areas which have prior agreements for wastewater service.*
- (2) *Minor infill parcels within area which have prior agreements for wastewater service.*

Conclusion: Potentially consistent. As described in Section 4.8, *Utilities*, of this EIR, buildout of the proposed project would generate an estimated 72,000 gallons (0.072 mgd) of wastewater per day, which would be treated by the City's Water Reclamation Facility. Because this facility and the expanded Laguna lift station have sufficient capacity to accommodate the proposed project, this impact is considered less than significant with payment of standard Wastewater Impact Fees.

5.1.2 County of San Luis Obispo Area Plan

As an unincorporated area within the county, development within the project site is currently guided by the County's General Plan, with incorporates the San Luis Obispo Area Plan. The Area Plan is one of 13 prepared for different areas within the County, and it guides development within unincorporated portions of the County. In this case, it addresses the unincorporated portions of the San Luis Obispo planning area, including the Dalidio area, which is currently outside the City limits.

The County's Area Plan includes the project site in the Agriculture category. Specifically, it acknowledges the agricultural productivity of the property and discusses the long-term importance of preserving the site's existing agricultural uses. However, the Area Plan also recognizes that the site could eventually be annexed to the City of San Luis Obispo and that the site is essentially within the urban area since it is bordered on three sides by urban development. Because the area would be annexed to the City as part of the proposed project, the provisions of the San Luis Obispo Area Plan would no longer apply to the site. The Environmental Impact Report for the San Luis Obispo Area Plan (1995) incorporates a detailed policy discussion regarding the City's planned land uses for this area.

5.1.3 Local Agency Formation Commission (LAFCO) Policies



Pursuant to Government Code 56375, the San Luis Obispo Local Agency Formation Commission (LAFCO) must review proposals that request annexation. Since the proposed project would include annexation to the City of San Luis Obispo, LAFCO policies would apply. In general, LAFCO policies require that annexation, if it occurs, follow adopted guidelines related to the provision of public services and orderly development. LAFCO policies also encourage the conservation of prime agricultural lands.

The proposed project would be contiguous with the existing City limits, and within the City's designated urban reserve line. Urban services would be extended to the site upon development. Consequently, annexation of the site is potentially consistent with LAFCO policies that address adjacency and the provision of urban services.

The project would involve the conversion of prime agricultural land to urban uses, which LAFCO policies generally discourage. However, the site has already been contemplated for urban development under the City's General Plan, at an intensity similar to what is anticipated under the current proposal.

Although it appears that the proposed project would be generally consistent with LAFCO policies, a final determination must be made by LAFCO during the annexation process.

5.1.4 San Luis Obispo County Airport Land Use Plan

The project site is located about two miles northwest of the San Luis Obispo County Airport, in the direct flight path of one of the airport's runways. Because of the site's proximity to the airport, development would be subject to the restrictions of the Airport Land Use Plan (ALUP), adopted in 1973 by the Airport Land Use Commission.

The ALUP is currently undergoing an update, which is expected for completion sometime in 2004. Further discussion of impacts related to airport operations, and the relationship of the adopted and proposed ALUP to the proposed project is included as part of the *Impact LU-2* discussion below.

5.2 PHYSICAL IMPACTS

5.2.1 Setting

a. Regional Land Use. The project site is located adjacent to the southern boundary of the City of San Luis Obispo, at the southeastern end of the Los Osos Valley. Within the City of San Luis Obispo, existing development is urban and suburban in character, with highest densities occurring downtown (north of the site). Suburban residential and commercial developments characterize the Laguna Lake area of the City, west of the site. At the same time, the City's boundaries are adjacent to substantial open space areas, including Laguna Lake Park and the hills and morros extending to the northwest, framing the Los Osos Valley.

b. Existing Land Uses in the Project Site Vicinity. The 131-acre Dalidio property is currently used for agricultural purposes, primarily as cultivated row crops. The western portion of the property adjacent to Madonna Road contains a farmhouse and outbuildings, and is currently used as a produce packing facility. Broad swales and drainage channels run through the western



portion of the property. These systems drain toward Prefumo Creek at the property's southwestern edge. The Prefumo Creek edge of the property is visually prominent, and is lined with multiple rows of mature Blue Gum Eucalyptus trees.

Aside from the drainage channels and swales, the property is relatively flat. This topographic condition and the low profile of the row crops provide for expansive views across the property. For northbound travelers on U.S. Highway 101, foreground views are of the San Luis Obispo Promenade shopping mall complex, with background views of Cerro San Luis and Bishop's Peak. Southbound travelers view the willows of Prefumo Creek and the edges of the commercial uses clustered at the Los Osos Valley Road/U.S. Highway 101 interchange in the foreground and the Irish Hills in the background.

Figure 2-1 (in Section 2.0, *Project Description*) shows the regional location of the project site, while Figure 2-2 illustrates the site within its local context.

c. Proposed Land Uses. Along with the proposed development plan, the applicant is requesting approval of a General Plan Amendment to change the land use designations on portions of the site from Interim Open Space to Commercial Retail, Office and Open Space, and from Medium-High Density Residential to Office. The applicant is also requesting approval of rezoning of the property to Retail Commercial (C-R), Office (O), and Conservation Open Space (C/OS). The proposed project would include development of the Dalidio property with commercial retail, office/business park, and open space uses, as well as the construction of the Prado Road Interchange. The centerpiece of development at the Dalidio property would be a commercial retail center comprising about 47 acres, adjacent to the San Luis Obispo Promenade shopping mall, extending about ¼-mile southward from the Dalidio Drive/Prado Road alignment. The commercial area would support about 635,200 square feet of retail uses and a 150-room hotel. About 2,540 surface parking spaces would be provided. This area would be pre-zoned Retail Commercial/Planned Development (C-R-PD), consistent with the current land use designation of General Retail.

The area adjacent to Madonna Road and the existing post office would be developed with 198,000 square feet of office/business park uses. The adjacent eucalyptus grove would be thinned. Aside from on-site roadways, the remaining area would be kept as open space, the majority of which (58.67 acres) would be set aside as permanent open space (Conservation/Open Space). This corridor includes the banks of the creek, and a semi-continuous corridor of mature eucalyptus trees.

This facility includes a six-lane overpass connecting the Prado Road existing Prado Road on the east side of U.S. Highway 101 with the proposed Prado Road Extension on the west side of the freeway. The interchange would also include construction of a southbound on and off-ramps on the west side of the freeway. Northbound on and off-ramps are currently present on the east side of the freeway; however, preliminary designs for the interchange show modifications to the existing ramps. On the east side of the freeway a northbound auxiliary lane would be constructed between Prado Road and Madonna Road. Construction of the proposed interchange would also involve realignment of Elks Lane.

The proposed land use plan and zoning plan are illustrated in Figures 2-8 and 2-9 within Section 2.0, *Project Description*. Details concerning the physical components of development are



also found in Section 2.0, *Project Description*, and illustrated in greater detail in Figures 2-10 and 2-11. The preliminary design for the Prado Road Interchange is illustrated in Figure 2-17.

d. Proposed Circulation System Modifications. The circulation system would be provided through arterial roads, collector roads, internal private roads, public sidewalks, private sidewalks, and Class II bikeways.

The proposed Dalidio Drive would provide the primary access to the site through its provision of a connection between U.S. Highway 101 and Madonna Road. The road would be connected to the east side of U.S. Highway 101 via the planned Prado Road interchange, which is described in the section above.

A connector road to link the Prado Road extension with Los Osos Valley Road would also be developed. The northerly segment of this road would be constructed adjacent to the northwestern edge of the General Retail component area. This roadway would only be completed to the southernmost edge of the San Luis Marketplace area of the project site at such time as the City obtains access through the intervening private property between the subject property and Los Osos Valley Road. It would be developed as a Collector Road to City standards. Two travel lanes would be provided.

The proposed circulation system is illustrated in Figure 2-12 in Section 2.0, *Project Description*.

e. Regulatory Setting. The project site is located in unincorporated San Luis Obispo County. However, the project would include annexation of the site to the City of San Luis Obispo. This action would require the approval of the San Luis Obispo Local Agency Formation Commission (LAFCO). If annexation were approved, the City's General Plan and zoning code would govern development on the site. Until annexation occurs, the County's San Luis Obispo Area Plan would apply. The project would be subject to Airport Land Use Commission review, as it is within the land use plan area of the County Airport.

5.2.2 Impact Analysis

a. Methodology and Significance Thresholds. Land use impacts were assessed based upon the level of physical impact anticipated in the various issues that can affect compatibility (air quality, noise, aesthetics, and hazards). In accordance with the State CEQA Guidelines, the project would result in a potentially significant land use impact if it would:

- *Physically divide an established community;*
- *Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect; or*
- *Conflict with any applicable habitat conservation plan or natural community conservation plan.*

Land Use issues directly related to air quality, noise, aesthetics, and agricultural resources are discussed in the respective issue analysis sections in this EIR.



b. Project Impacts and Mitigation Measures. EIR sections related to air quality, noise, aesthetics, and agricultural resources include issue-specific impacts and mitigation measures relative to land use. Other land use issues are addressed below.

Impact LU-1 The proposed project would alter the present land use pattern on the site, and may result in incompatibilities with adjacent existing and planned land uses. This is considered a Class II, *significant but mitigable* impact.

While most of the proposed project site is currently in agricultural production, what distinguishes the site is that it maintains viable agricultural production while generally surrounded by urban uses. However, the neighboring urban uses (retail commercial to the north, ancillary agricultural uses adjacent to Madonna Road to the west, auto-oriented commercial development to the south, and U.S. Highway 101 to the east) are typically not sensitive to ongoing agricultural operations. According to Agricultural Commissioner's office and the current ranch manager, there have been very few complaints regarding ongoing agricultural operations (Furakawa, 1999; also see Section 4.6, *Agricultural Resources*).

Proposed development could introduce potential incompatibilities, such as glare from proposed lighting and noise from increased traffic and on-site uses like loading activities, between the proposed commercial and office/business park uses and adjacent existing residential uses. Refer to Impact and Mitigation Measures LU-4 for a discussion of project impacts related to access to existing land uses along Elks Lane. Refer also to Section 4.4, *Noise*, and Section 4.7, *Aesthetics*.

Mitigation Measures. The following measure would reduce the potential compatibility impacts.

LU-1(a) Pedestrian Access to Commercial Center. All commercial buildings that abut a public street should have an entrance onto the street or provide a continuous sidewalk from the street to the main entrance of the building. The project shall provide explicit and clear pedestrian connections from its commercial retail component to the commercial retail development immediately north across the Prado Road extension, with safe and visually prominent street crossings in accordance with the City's Policy on Pedestrian Crosswalks, adopted January 2000.

Significance After Mitigation. Implementation of the above mitigation measure, in combination with the measures recommended to mitigate impacts to air quality, noise, aesthetics, and agricultural resources, would reduce impacts to a less than significant level.

Impact LU-2 The proposed project may conflict with ongoing operations at the San Luis Obispo County Airport, exposing lives and property to potential safety hazards. Impacts are considered Class II, *significant but mitigable*.

Land development in areas near the San Luis Obispo County Airport is regulated by the County Airport Land Use Commission (ALUC) Airport Land Use Plan (1973). The ALUP is based on State and Federal guidelines relating to land use compatibility with respect to airport operations. The plan delineates six zones near the airport based on potential noise and/or safety concerns, and imposes land use restrictions for development within each zone.



The proposed project site is currently within airport restriction Zone 5, Overflight Zone, where shopping centers are considered compatible, and multi-family housing is considered conditionally approvable, subject to Airport Land Use Commission review. The restriction on multi-family housing is based on the relatively high density of such development, and the resulting increase in risk associated with a high concentration of people in a hazardous area.

The County is currently updating its ALUP, scheduled for final consideration in 2004. It should be noted that the proposed General Plan Amendment that would change the existing residential land use designation on the site to office would be considered more compatible with airport operations. In general, the update contemplates a revised map showing new compatibility zones, based on current airport operations and a potentially extended runway. Based on preliminary work completed toward the update, it appears that the project site will remain in Zone 5 (Draze, San Luis Obispo County, 1999; Matteson, City of San Luis Obispo, 1999). The updated ALUP contemplates revised land use restrictions within each airport zone. The nature of these revisions has not been determined, but it is likely that they will be at least as restrictive as those in the currently-adopted plan.

Historically, many residents around Laguna Lake and the staff at C.L. Smith School (northwest of the site) have complained about overflights and the proximity of aircraft. In 1992, an approaching Cessna Citation business jet crashed in the project area at the location of the proposed office/business park (Gimer, 1999). This is the only recorded instance of an accident occurring within the project site, and accidents associated with airport operations have been very infrequent even in areas closer to the airport.

Partially due to ALUC concerns regarding potential future residential uses on the project site, the applicant has not included residential uses as part of the proposed project. Nevertheless, the project would result in a new concentration of people on the project site. Because of existing regulatory restrictions, historic concern regarding overflights, and one recorded accident within the project site, impacts related to airport operations are considered significant.

Mitigation Measures. The following mitigation measures address airport-related land use impacts.

- LU-2(a)** Avigation easements, which provide important disclosure information to prospective buyers and lessees, shall be required. Easements shall be in the form approved by the County of San Luis Obispo, (per Part 150, Airport Compatibility Planning, of the Federal Aviation Regulations) which stipulates that commercial and office property on the site would be exposed to aircraft noise, and provides legal protection to the airport, City and County against noise lawsuits. These easements shall also grant the airport the right to maintain the safety of airspace, including the right to clear any obstructions into that airspace.

- LU-2(b)** In accordance with state law, the seller or lessor of property within the project site shall disclose to potential buyers or lessees that aircraft overflights occur, and that such flights may result in periodic increases in noise levels within the area.



- LU-2(c)** Buildings within the project area shall incorporate non-reflective roofing material and roof-mounted equipment in order to minimize glare impacts to passing aircraft.

Significance After Mitigation. Implementation of the mitigation measures would reduce airport-related impacts to less than significant levels.

- Impact LU-3** **The proposed Prado Road/U.S. Highway 101 interchange and associated improvements would alter existing land uses through direct acquisition of property, and would displace one business. Impacts are considered Class II, significant but mitigable.**

The proposed Prado Road/U.S. Highway 101 interchange and associated improvements would require the acquisition of 10.6 acres through fee title and 0.83 acre through public service easements for the interchange. Most of these property annexations would not result in displacement of residences or businesses. However, one business, the U-Haul storage lot located on the corner of Prado Road and Elks Lane, would be displaced. This would be considered a potentially significant impact.

Mitigation Measures. The following mitigation measure addresses land use impacts related to property acquisition and displacement.

- LU-3(a)** All real property transactions shall comply with the property acquisition and relocation standards of the State of California, the Caltrans Relocation Assistance Program, and the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended. Property owners shall be compensated in accordance with fair market values based on appraisals. Business owners shall be compensated based on an assessment of the value of the business and any loss of goodwill. All efforts shall be made to identify relocation opportunities for affected businesses that would reduce the loss of goodwill and historic patronage. Wherever feasible, assistance shall be made available in identifying suitable relocation sites within the service area of existing businesses.

Significance After Mitigation. Implementation of the mitigation measure would reduce land use impacts related to property acquisition and displacement to less than significant levels.

- Impact LU-4** **The proposed Prado Road/U.S. Highway 101 interchange and associated improvements would hinder access to existing land uses along Elks Lane adjacent to the proposed improvements during and following construction. Impacts are considered Class II, significant but mitigable.**

Although the proposed interchange and associated improvements would generally improve vehicle access in the project area by providing direct access to U.S. Highway 101 from Prado Road, and by linking Prado Road and Madonna Road, the improvements would affect access in the immediate area of the intersection on Elks Lane. At this location, the project would create an Elks Lane cul-de-sac at the Sunset Drive-In property, which would eliminate the Elks Lane connection



with Prado Road. Access to land uses along Elks Lane would be available from South Higuera Street to the north of the proposed interchange. Provision for access to the undeveloped parcels with frontage on Prado Road would be made with construction of an intersection at Prado Road, east of the proposed interchange, to serve a future street. However, emergency access to the area south of San Luis Obispo Creek would be hindered if flooding along the Creek washed out the bridge. The mobile home park, Action Towing, and Sunset Drive-In properties would be isolated in this event. In addition, access to the Sunset Drive-In, businesses on Prado Road, east of the interchange, and residences at the mobile home park would be affected during construction of the improvements. Construction period impacts would include temporary closures of roadways, access restrictions, and detours. This would be considered a potentially significant impact.

Mitigation Measures. The following mitigation measures address land use impacts related to access to existing land uses during and following construction of the Prado Road/U.S. Highway 101 interchange and associated improvements.

- LU-4(a)** Provisions for future access to undeveloped parcels located at the northeastern quadrant of the interchange (APN 053-04-034) shall be incorporated into the design of the interchange and associated improvements.
- LU-4(b)** Prior to the initiation of construction of the proposed interchange and associated improvements, the applicant shall coordinate with the City to establish a public outreach/community liaison program to provide a point of contact with businesses that will be affected by construction. The program shall maintain a hotline to take messages and to provide updates in construction scheduling and road closures, detours, and alternative access points.
- LU-4(c)** As feasible and appropriate, temporary signage shall be installed by the project applicant in consultation with the City Public Works Department notifying the public of road closures or detours and the expected duration of the closure.
- LU-4(d)** The applicant shall minimize temporary disruptions of access to businesses in the area of the proposed interchange and associated improvements by coordinating construction to provide alternate access points and by ensuring that all businesses have at least one open driveway during construction.
- LU-4(e)** Provisions for emergency access to the area located south of San Luis Obispo Creek along Elks Lane shall be made by the project applicant throughout the construction period and following completion of construction. Plans for interim access shall be provided by the applicant to the City of San Luis Obispo Fire, Police, and Public Works Departments. Prior to the initiation of construction, the applicant shall coordinate with the California Highway Patrol, San Luis Obispo City Police Department, San Luis Obispo City Fire Department, San Luis Obispo City Public Works Department, County Sheriff's Department, County Fire Districts, and local public and private ambulance and paramedic providers in the area to prepare a Construction



Period Emergency Access Plan. The Emergency Access Plan shall identify phases of the project and construction scheduling, and shall identify appropriate alternative emergency access routes. During construction, the applicant shall review and update the Emergency Access Plan as necessary based on the work scheduling. The public outreach program shall be responsible for notifying emergency services of any changes in emergency access and providing details regarding alternative access routes. In addition, the Emergency Access Plan shall specify alternative access routes in the event of flooding to this area during and following construction.

Significance After Mitigation. Implementation of the mitigation measures would reduce land use impacts related to access to existing land uses during and following construction of the Prado Road/U.S. Highway 101 interchange and associated improvements to less than significant levels.

Impact LU-5 The project includes retail structures that would exceed size limits established by City Ordinance 1405, unless the Planning Commission makes findings that the size of the structures is acceptable. With such findings, impacts would be considered Class III, less than significant.

City Ordinance 1405 indicates that no retail-commercial establishment shall exceed 60,000 square feet of gross floor area, unless the Planning Commission makes special findings, in which case retail-commercial establishments can have a gross floor area of up to 140,000 square feet in size. The proposed retail building area of approximately 635,200 square feet would include four major buildings ranging from 100,000 square feet to 135,000 square feet, mid-size buildings ranging from 10,000 square feet to 35,000 square feet, and several smaller buildings for retail and restaurant uses from 1,000 square feet to 8,000 square feet. The four major buildings would all exceed the 60,000 square feet gross floor area limit established by Ordinance 1405, but would not exceed the upper size limit of 140,000 square feet gross floor area allowable with special Planning Commission findings. Therefore, with such findings, impacts would be less than significant.

Mitigation Measure. No mitigation measures are required.

Significance After Mitigation. Impacts would be less than significant.

c. Cumulative Impacts. Under the City of San Luis Obispo General Plan, development will occur within expansion areas adjacent to the existing city limits in many areas. The overall effect will be to increase development, but generally retain the existing pattern of urbanization while maintaining a definite urban edge. The General Plan includes policies (including those pertaining to architectural review requirements) that would minimize most land use impacts on an individual basis. Environmental review requirements for discretionary projects would further reduce such impacts on a case-by-case basis. The cumulative land use impact of such development would be less than significant.