

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Planning and Community Development

BOARD AGENDA # D-2

Urgent

Routine

CEO Concurs with Recommendation YES NO
(Information Attached)

AGENDA DATE January 25, 2005

4/5 Vote Required YES NO

SUBJECT:

DISCUSSION AND CONSIDERATION OF ACTION TO THE UPDATE OF THE SALIDA COMMUNITY PLAN PLANNING EFFORTS

STAFF RECOMMENDATIONS:

A. RECEIVE THE UPDATE OF THE SALIDA COMMUNITY PLAN PLANNING EFFORTS; AND

B. APPROVE ONE OF THE FOLLOWING SETS OF DIRECTIONS TO STAFF DEPENDING ON CURRENT BOARD OBJECTIVES:

(Recommendation Continued on Page 2)

FISCAL IMPACT:

The County has allocated a total of \$500,000 for planning in the Salida Area. The Board approved an Economic Development Bank loan in the amount of \$250,000 to fund the master planning effort for the North Gateway Business Park and has allocated an additional \$250,000 of general fund money to the Planning Department's budget for Salida planning. \$68,000 of the Economic Development Bank funds have been spent so far leaving a balance of \$182,000. The Planning Department and the City of Modesto also allocated \$50,000 each to North Gateway planning. The remaining \$200,000 in the

(Fiscal Impact Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2005-77

On motion of Supervisor Simon, Seconded by Supervisor Mayfield

and approved by the following vote,

Ayes: Supervisors: O'Brien, Mayfield, Simon, DeMartini, and Chairman Grover

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION: The Board received an update of the Salida Community Plan planning efforts, and approved the amended

recommendations as follows: re-affirmed a commitment to the original plan, and directed staff to a) return to the Salida community with a series of workshops designed to provide information regarding the Salida Community Plan, and solicit input from community members regarding their goals and objectives for Salida, and b) return to the Board within 120 days with the results of those workshops and a course of action for continuation of the Salida planning process, with plan alternatives that consider infrastructure, funding and transportation issues, and a recommended budget for future planning efforts

ATTEST:

Christine Ferraro
CHRISTINE FERRARO TALLMAN, Clerk

File No.

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FISCAL IMPACT CONTINUED:

Planning Department budget has been allocated to pay for a portion of the new Salida Community Plan EIR. The private developers have also made a financial contribution in the amount of approximately \$50,000 to cover the cost of a Public Facility Financing Analysis, and landowners and developers have contributed an additional \$517,000 for complete funding of the Hammett Road and Kiernan Avenue Interchange Project Study Reports. The above amounts are in addition to a significant amount of County staff time allocated to the Salida Community Planning effort. Planning and CEO Economic Development staff have expended over 800 hours in the past year on the Salida Community Plan and related actions (At an average labor rate of \$80 per hour, this equates to a County cost of approximately \$64,000.) Additionally, the cost of the EIR related technical studies, i.e. traffic, water quality and water quantity analyses as well as Master Infrastructure Plans, have been funded by project applicants.

STAFF RECOMMENDATIONS CONTINUED:

Option B-1

SHOULD THE BOARD WISH TO RE-ADOPT THE SALIDA COMMUNITY PLAN WITH THE SAME GOALS, OBJECTIVES, BOUNDARIES, AND LAND USE DESIGNATIONS AS WAS ADOPTED IN 2000, STAFF RECOMMENDS THE FOLLOWING:

- a. DIRECT STAFF TO COMPLETE THE EIR BASED ON A SALIDA COMMUNITY PLAN WITH EXACTLY THE SAME GOALS, PRIORITIES, OBJECTIVES, IMPLEMENTATION MEASURES AND LAND USE DESIGNATIONS AS DEFINED IN THE 2000 SALIDA PLAN.
- b. DIRECT STAFF TO INCLUDE THE FOLLOWING LAND USE DESIGNATION ALTERNATIVES IN THE EIR ANALYSIS IN ADEQUATE DETAIL TO ALLOW THE BOARD TO CHOOSE FROM AMONG THEM ALL: (1) CONVERSION OF UP TO 100 ACRES OF PI IN DEVELOPMENT AREA 2 TO COMMERCIAL OR HIGHWAY COMMERCIAL DEVELOPMENT NORTH OF, AND ADJACENT TO THE HAMMETT ROAD INTERCHANGE; (2) CONVERSION OF APPROXIMATELY 62.5 ACRES OF PI IN DEVELOPMENTAL AREA 2 TO LOW DENSITY RESIDENTIAL (LDR) FOR 312 UNITS AND CONVERSION APPROXIMATELY 3 ACRES OF PI TO NEIGHBORHOOD COMMERCIAL (NC) IN DEVELOPMENT AREA 2; (3) CONVERT APPROXIMATELY 16.2 ACRES OF LDR FOR THE EXPANSION OF MODESTO CHRISTIAN SCHOOL IN DEVELOPMENT AREA 2.
- c. DIRECT STAFF TO EXAMINE ADDITIONAL ALTERNATIVES IN THE EIR INCLUDING: (1) EXTENSION OF PIRRONE ROAD FROM SISK TO STODDARD TO ALLOW FOR ACCESS TO THE PROPOSED HIGH SCHOOL; (2) REDUCED PROJECT THAT IS BASED ON CURRENT ABSORPTION RATES AND POTENTIAL BUILD-OUT OF PI USES IN THE NEXT 15 TO 20 YEARS (+/- 1000 ACRES OF BUSINESS PARK) [THIS MAY INCLUDE REMOVAL OF AREAS 4 & 5 FROM THE PLAN BOUNDARY OR RE-DESIGNATION OF AREAS 4 & 5 TO "PLANNED INDUSTRIAL RESERVE"]; AND (3) GENERAL PLAN POLICY GUIDELINE REVISION THAT ALLOWS FOR A LOWER LEVEL OF SERVICE (LOS D RATHER THAN LOS C) FOR TRAFFIC AT SPECIFIED INTERSECTIONS WITHIN THE SALIDA PLAN AREA.

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Option B-2

SHOULD THE BOARD WISH TO MAKE MORE THAN MINOR MODIFICATIONS TO THE UNDERLYING GOALS, OBJECTIVES, BOUNDARIES, OR LAND USE DESIGNATIONS TO THOSE THAT WERE ADOPTED IN 2000, OR, IF THE BOARD BELIEVES THAT THE COMMUNITY OF SALIDA MAY HAVE DIFFERENT GOALS AND OBJECTIVES FROM THOSE PRESENTED IN 2000, STAFF RECOMMENDS:

- a. DIRECT STAFF TO RETURN TO THE SALIDA COMMUNITY WITH A SERIES OF WORKSHOPS DESIGNED TO PROVIDE INFORMATION REGARDING THE SALIDA COMMUNITY PLAN, AND SOLICIT INPUT FROM COMMUNITY MEMBERS REGARDING THEIR GOALS AND OBJECTIVES FOR SALIDA.
- b. DIRECT STAFF TO RETURN TO THE BOARD WITHIN 120 DAYS WITH THE RESULTS OF THOSE WORKSHOPS AND A COURSE OF ACTION FOR CONTINUATION OF THE SALIDA PLANNING PROCESS, INCLUDING A RECOMMENDED BUDGET FOR FUTURE PLANNING EFFORTS.

DISCUSSION:

Summary

The purpose of this report to the Board is three-fold:

1. To provide the Board with an update of the status of current planning activities associated with the Salida area, including the infrastructure financing analysis;
2. To determine whether the objectives and priorities of the Board are still the same as those expressed in the 2000 Salida Community Plan; and
3. To recommend future action based on current Board priorities.

Because the County was required to set-aside all previous approvals of the 2000 Salida Community Plan, we are at a crossroads in terms of re-adopting a new Plan. The Board can direct staff to:

1. Do not adopt any new plan and allow the 1989 Salida Plan to remain as the only adopted plan for Salida.
2. Proceed with adopting the Salida Plan exactly as it was adopted in 2000
3. Proceed with adopting a modified Plan.
4. Return to the Community and request additional input prior to proceeding with any new plan or Environmental Review document

Depending on the scope of this direction, a Draft EIR for the Salida Plan could be released anywhere from 60 days from now, to over a year from now, with a final request for approval being brought to the Board between 6 months and two (or more) years from now.

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The following discussion provides a brief description of the primary objectives of the 2000 Salida Plan, the status of various planning efforts that have taken place over the past few years to implement that plan, and a summary of the public facility financing analysis prepared for the projects. Also included is a report of the status of the EIR including a listing of the several land use and other alternatives proposed by the various development interests.

Finally, this report examines the optional actions the Board may choose to direct staff to accomplish.

Salida Community Planning History

The unincorporated town of Salida has had three Community Plans since 1977. The first, encompassed an area of 1013 acres. The existing population at the time it was adopted was about 2,200 people, living in about 670 dwelling units. The 1977 Plan called for residential development to extend to Toomes Road on the west, and to Murphy Road on the South. However, because numerous parcels had previously been designated for urban uses beyond the capability of existing community facilities, the 1977 Plan actually reduced urban transition uses from those previously allowed. Even with the reduction, only a portion of the planned residential development was built between 1977 and 1989 due to the lack of infrastructure improvements and the ability to finance them. By 1990, however, Salida's population had doubled to 4,499.

In 1989, a new, expanded Community Plan, the Salida Planned Development Guidelines and a Financial and Funding Plan were adopted. The Planned Development area in Salida included approximately 770 acres and an additional 2,600 residential units extending north of Pirrone Road and adjacent to Toomes and Murphy Roads. Highway Commercial development was proposed at the southern edge of the Hammett Road interchange. The financial plan provided an overall phased and ongoing mechanism for funding various infrastructure requirements necessary for development. By 1999, nearly 90% of all the planned residential units had been built out. Salida's population in 2000, based on latest Census data, was 18,070 living in about 3,700 dwelling units.

In 2000, after a two year planning effort and extensive public input, the Board adopted the third Salida Community Plan (expected to meet the needs of the Community through 2015). The 2000 Plan extended planned residential and industrial development over approximately 4,472 acres (3,255 acres of which were undeveloped). The Plan area included territory between the planned extension of Ladd Road to the north, Dale Road on the east and Hammett Road on the west. West of State Route 99 the Community Plan was bounded by Murphy/Bacon Road and east of Highway 99 it was bounded by the MID lateral No. 6 and the Modesto city limits. This plan included the potential for an additional 2,700 dwelling units, and an estimated increase in population of 8,400 people for a total population of between 23,000 and 26,500 residents.

The plan also included commercial areas to the west and east of Hwy 99 and an extensive (2500 acres) Planned Industrial area dedicated to regional employment. Based on the North Gateway Business Park's very high estimates of 25 to 32 jobs per acre, the Salida 2000 Plan had the capability of supporting between 60,000 and 80,000 jobs.

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2000 Salida Community Plan - Objectives

From 1998 through mid 1999, four community workshops were held in Salida to encourage residents to help create the vision for the future of the community. In addition, in August, 1999, the Board gave direction to staff regarding the new plan's physical direction and intent. This direction formed the basis for the ultimate plan and the alternatives analyzed in the EIR.

The direction the Board gave at that time, was that the plan needed to emphasize economic development centered around the Hammett Road/Hwy 99 interchange and the existing old Shell Agricultural Chemical sites, with less emphasis on housing. The Board also stated that a higher standard of Design Guidelines should be implemented for both residential and business park development in the area. The Board set the boundaries of the Plan Area at Bacon/Murphy Road in the South, Hammett Road to the west, the extension of Ladd Road to the north and Dale Road to the east.

The objectives of the Board in 2000 were also clearly outlined as the seven goals that were adopted in the Plan. These were as follows:

- Promote a jobs housing balance within the plan and entire County region. (This was identified as having the highest priority in the Salida 2000 Plan.)
- Achieve a harmonious relationship between the urban environment and surrounding agricultural setting.
- Encourage attractive and orderly development which preserves a small town atmosphere.
- Promote highway-oriented commercial development in the State Route 99 corridor.
- Provide an interconnected system of streets and roads to distribute traffic and meet the circulation needs of the Community.
- Provide for the non-motorized transportation needs of the Salida Community.
- Provide for the recreational needs of the residents of the Salida Community.

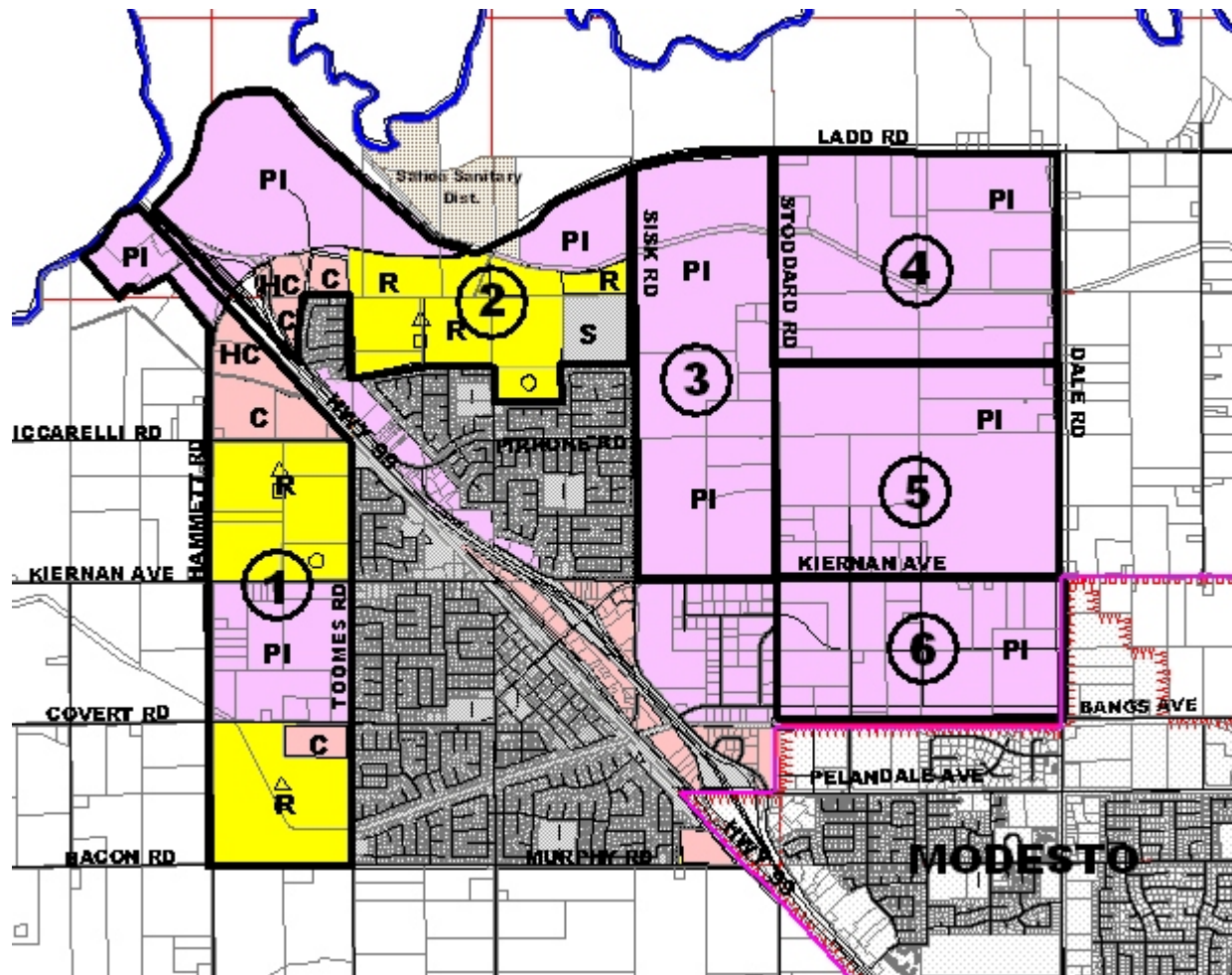
The Plan also included numerous policy statements and implementation measures regarding each goal. One key policy required that development be phased in such a way that planned industrial developments receive the highest priority, and another encouraged establishment of a mechanism to stabilize Salida's annual growth. Another, specifically identified the extension of Ladd Road to the Highway 99/Hammett Road Interchange as important to improve local and regional east-west traffic circulation. Still another, required designating lands adjacent to that interchange for Highway Commercial uses. Another discouraged designating residential uses adjacent to surrounding agriculture, and another encouraged schools and parks to be neighborhood focal points.

The land use designations adopted by the Board reflected the goals, policies and implementation measures of the plan, and included approximately 64% Commercial and

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Planned Industrial designations, 32% Residential designations, and 4% Parks and Schools. The graphic on the following page provides a representation of the land use designations and planning areas adopted in 2000.



Since this plan was adopted, several actions have occurred that could affect - (or are affected by) - some or all of these goals and policies. For example, Modesto City Schools is desirous of locating a high school within the areas designated for Business Park and not neighborhoods. Master Infrastructure Improvement Plans have been drafted and a Financial Feasibility analysis has been completed to assess the feasibility of actually funding those infrastructure improvements. Regional transportation planning for State Route 219 improvements are further along, and Project Study Reports are being completed for the two major interchanges in Salida at State Highway 99. Additionally, the Salida MAC has recently focused on the possibility of future incorporation, and has stated that they may be interested in re-examining land use designations. And finally, numerous land use alternatives have been brought forward by development interests that do not necessarily conform with the existing goals and policies.

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A key component of this report is to determine whether the objectives of the Board in 2005 are the same as the objectives the Board had in 1999 and 2000. A copy of the 2000 Salida Community Plan, including the goals, policies, and implementation measures is attached as Exhibit 1 for your review.

Legal Status of the 2000 Salida Community Plan

Immediately following Board approval of the updated Community Plan in 2000, a lawsuit was filed by Steve Burke and Protect Our Water alleging a variety of California Environmental Quality Act (CEQA) concerns. The local Superior Court found in favor of the County, but the Fifth Appellate District on appeal eventually ruled that the County had erred in a procedural matter regarding specific findings. On November 9, 2004, the Board set aside certification of the Salida Community Plan EIR, and all 2000 Community Plan approvals.

Because of that action (as required by the Courts) the Salida 2000 Community Plan no longer exists as a guidance document for development in the Salida area. Salida planning reverts back to 1989 Plan - which is essentially built out as far as residential development is concerned. Some Highway Commercial and Planned Industrial areas within the 1989 plan are still vacant. The 1989 Salida Community Plan map is provided as Exhibit 2.

Planning Efforts to Date

Salida 2000 Plan Implementation

County staff, City of Modesto staff, Service District representatives, landowners and several development interests, have been in the process of planning to implement the Salida 2000 Plan for the past few years. The Salida Community Plan, as it existed prior to the Court decision and Board action included six development areas with three primary land uses: Low Density Residential (R), Planned Industrial (PI) and Commercial (C). School and Park sites were also included.

Actions to date have included:

- Submittal and review of the River Ranch Specific Plan for Areas #2, #3, and the crossover area (the commercial areas at the Hammett Road Interchange);
- Submittal and review of the West Salida Specific Plan for Area #1;
- Submittal and review of the North Gateway Business Park Master Plan for Areas #3, #4, #5, and #6;
- Continued development of the existing PSI Corporate Campus site (the former Shell Research Facility site) in Area #3;
- Issuance of a draft EIR by the Modesto City School District for development of the proposed Joseph Gregori High School on Stoddard Road in Area #5;
- Planning by the County Parks Department and Salida School District for a combined elementary school/middle school/Park Site in Area #2;
- Planning by Modesto Christian School for expansion onto 15 acres north of the existing school in Area #2;
- Development and annexation by the City of Modesto of the Kaiser Hospital facility and Cornerstone commercial center on Kiernan and Dale in Area #6;
- Completion of Master plans for water, sewer, storm drainage, and roadways for the entire Community Plan Area;

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- Near completion of two Interchange Project Study Reports for the two interchanges in the Salida area (at Hwy 99/Hammett Road and Hwy99/Kiernan Avenue);
- On-going discussion by the Salida MAC incorporation subcommittee regarding possible future incorporation of the town of Salida; and,
- Completion of a Financial Feasibility analysis for funding of all infrastructure improvements.

Additionally, a Draft EIR for the Salida Community Plan (as adopted in 2000) and the River Ranch Specific Plan is nearing completion. In, 2002, because of the uncertainty regarding the court case associated with the original approvals, the Board authorized an expenditure of \$200,000 to be paid to Pacific Union Homes upon completion of a combined EIR that would evaluate impacts associated with adoption of the Salida Community Plan and the River Ranch Specific Plan. Numerous technical studies necessary to evaluate potential environmental impacts of the proposed plans have been completed or are in final revision.

Since the inception of work on the EIR, numerous development interests in the area have come forward with several land use designation alternatives that they wish to see evaluated in the EIR. Most of these relate to conversion of Planned Industrial or Commercial uses to low density residential uses. One includes a significant expansion of the boundaries of the entire Community Plan Area. Each proposed alternative could result in significant changes to the impact analysis, and taken as a whole, seem to result in a substantially different Community Plan than was adopted by the Board in 2000.

These known alternatives are summarized below:

1. Pacific Union Homes. Convert approximately 13.8 acres of Planned Industrial (PI) in Development Area 2 to Medium Density Residential (MDR) for 75 units and a 1.7 acre park.
2. Girardi & Veltheon. Convert approximately 60 acres of PI in Development Area 2 north of Ladd Road and Highway 99 to LDR for 288 units
3. River Ranch Specific Plan Option for New Cities Development Group Properties. Convert approximately 3 acres of PI to Neighborhood Commercial (NC) in Development Area 2
4. River Ranch Specific Plan Option for New Cities Development Group Properties. Convert approximately 62.5 acres of PI in Developmental Area 2 to Low Density Residential (LDR) for 312 units
5. River Ranch Specific Plan Option for New Cities Development Group Properties. Convert approximately 92 acres of PI in Development Area 3 (between Ladd Road, Sisk Road, Stoddard Road, and the MID canal) to LDR for 350 units and a 14-acre school/park area
6. Braddock and Logan. Convert approximately 30 acres of commercial in the "crossover area" in Development Area 1 to LDR for 144 units
7. Modesto Christian School. Convert approximately 16.2 acres of LDR for the expansion of Modesto Christian School in Development Area 2

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8. Girardi & Veltheon. Convert approximately 80 acres of Development Area 2 (PI) north of Ladd Road and Highway 99 to Commercial Shopping Center
9. Modesto City Schools. Extension of Pirrone Road from Sisk Road to Stoddard Road in Development Area 3 to access
10. EIR Consultant/Traffic Engineer. Change roadway LOS standards in entire Salida Community Plan Area from LOS C to LOS D
11. New Cities Development Group. Expand the Salida Community Plan boundary to include all of the area north of the proposed Ladd Road extension and west of Stoddard Road to the Stanislaus River for additional residential, neighborhood commercial, park, school and open space on approximately 350 acres..

Additionally, prior to approval of the Community Plan in 2000, a proposal for a General Plan Amendment and Rezone was submitted to the County by Sandpoint Ranch, Inc., for development of approximately 325 acres on the corner of Dale and Kiernan in Development Areas #5 & #6. This proposal includes approximately 270 acres of residential (1,350 units), and approximately 50 acres of Planned Industrial and Commercial. The project proposal originally included portions of the properties currently under development by the Kaiser Hospital in the City of Modesto. This application is still on file with the County and has not been withdrawn by the applicant. This project application has been “oh-hold” by the applicant for several years.

Additionally, Anderson Homes owns approximately 187 acres in Development Areas #4 and #5, and could ultimately decide to pursue residential development in these areas. At an average of five homes per acre, Anderson Homes could request approximately 935 additional homes in this area. No applications have been filed, however.

Exhibit 3 provides a summary of Planning efforts to date, a discussion of the status of the EIR, and an outline and summary of the specific land use designation alternatives that have been proposed by various development interests in the Salida Planning Areas.

Public Facility Financing Analysis

A key component of the work that has been completed is the Financial Feasibility analysis that evaluates whether or not it is financially feasible to construct the infrastructure required to build-out the Salida Community Plan.

Financial Feasibility Analysis. The Goodwin Consulting Group has prepared a feasibility analysis to determine the financial burden required of development as proposed in the 2000 Salida Plan. The anticipated burden consists of the cost of the backbone infrastructure necessary to serve the entire area as well as county-wide impact fees imposed on the various projects. By comparing the total burdens to expected development values for each land use, the report was designed to provide an indication of the feasibility of financing implementation of the entire Salida Plan area. There is additionally, a comparison between the projected Salida area burdens with those of other developments in the region’s competitive market.

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The underlying purpose of the analysis was to determine, prior to developing a financing and funding plan, whether or not development of the Salida Community Plan as adopted in 2000 was financially feasible. The conclusion is: “yes, *it is feasible*”. However, the report also lists several "risk factors", that may prohibit successful development of the type in the plan (i.e. oversupply condition, slow or no build out, and the up-front cost for over sizing infrastructure to accommodate the later phases of development perhaps 20 to 30 years from now). Some staff and development interests argue that the 2000 Salida Plan is not practical due in part to the slow absorption and the huge up-front costs of the necessary infrastructure. Others, believe it may be more feasible with the offer of additional fees on residential development from the River Ranch and West Salida project proponents (up to an additional \$14,777 per house).

The entire Feasibility Analysis is attached to this report as Exhibit 4. The following provides a summary of the findings of that report.

Summary of Project Areas. West Salida, River Ranch, and North Gateway consist of an estimated 2,319 acres, 35.4 million square feet of business space and 78,800 jobs or approximately one job per 450 square feet of building space. West Salida and River Ranch also contain a total of 2,062 dwelling units and a projected population of 6,248 residents on 403 acres of land.

River Ranch contains a 17.2-acre general commercial site that will support approximately 225,000 square feet of building space and could produce 516 new jobs. The Crossover Area located to the west of Highway 99 is included in the River Ranch analysis and contains a total of 55 acres of commercial and highway commercial land capable of supporting approximately 599,000 square feet of building space that could provide 1,375 new jobs.

Cost Burden. Infrastructure improvements needed to serve development in the Salida Planning Area are water, sanitary sewer, storm drainage, road, and miscellaneous categories (including landscaping, street lighting, bike paths, etc.). The roughly estimated cost of infrastructure improvements required in West Salida equals \$45.2 million, including the mark-up. The total cost for River Ranch, including the mark- up, is approximately \$62.8 million. The total cost for North Gateway, including mark- ups, is approximately \$161.4 million.

Low density residential costs range from \$7,400 per dwelling unit in River Ranch to \$12,400 per dwelling unit in West Salida. However, when all the land uses and all the costs in the Planning Area are consolidated, the cost allocation process results in a \$9,500 average cost per dwelling unit for low density residential. Office/business park infrastructure burdens range from a low of \$74,000 per acre in River Ranch to a high of \$147,000 in North Gateway. North Gateway planning area has an average burden of \$83,000 per acre. The burden for this land use declines to \$73,000 when considering the full Salida Planning Area. Retail/commercial burdens range from \$65,000 per acre in River Ranch to \$93,000 per acre in North Gateway, with a planning area wide burden of \$86,000.

Burden-to-Value Ratio. A burden-to-value ratio less than approximately 15% in this area of the Central Valley is considered to be feasible. Evaluating the three planning areas separately reveals that each planning area could stand alone and produce viable development. The only land use that approaches the 15% burden-to-value ratio is the high visibility business park in North Gateway, which yields a ratio of 13.7%.

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Combining all of the Salida Planning Area land uses and infrastructure costs into one planning area allows a more equitable distribution of costs that accounts for the impact of cumulative development expected to occur over a long period of time. The burden-to-value ratios for residential land uses continue to appear feasible at 9.9% for low density and 11.7% for medium-high density. Of the nonresidential land uses, the manufacturing, distribution, and industrial designation appears to constitute the most viable development at a ratio of 7.3%, but it represents less than 17% of the total non-residential land uses in the Salida Planning Area. Approximately three-quarters of the non-residential land uses in North Salida fall into the office/business park category, and these uses experience a burden-to-value ratio of 11.4%. Retail commercial produces a ratio that is feasible at 10.5%.

Market Comparison. A fee comparison study was conducted for eight different project areas located within eight different jurisdictions in Central Valley and Sacramento Valley communities. (Please see attached.) Of the eight competitive residential projects, four are higher and four are lower with respect to the one-time burden; two are higher, five are lower, and one is identical with respect to the annual burden.. Of the seven non-residential land uses, five have lower one-time burdens as a percentage of value, and the other two are higher. Four have lower and three have higher annual burdens as a percentage of value.

Of Retail Development the seven competing projects, four have lower and three have higher one-time burdens. The annual burden as a percentage of value for three of the seven competing projects is higher than that of North Salida. Industrial development appears to be as competitive as office or retail development when compared against neighboring projects.

It should be noted that most development projects utilize a debt financing solution to fund a portion of the required facilities in order to pay for infrastructure needed early in the development cycle and to push the financial impact associated with infrastructure costs into the future. Therefore, portion of one-time cost burden versus annual cost burden is determined by the debt financing mechanism such as bonding, Mello Roos and community assessment districts. Another option may be to implement regional infrastructure mitigation fees for partial funding of infrastructure improvements such as major roadways and/or sewer and water systems.

Summary of Findings and Conclusions of Feasibility Analysis. Industrial land uses, characterized as manufacturing, distribution, and industrial, as well as retail land uses, appear to be feasible to develop and moderately competitive. The remaining two thirds of the Project include high visibility business park space, business park, and office product space. If constructed as proposed, these uses would occupy nearly 1,800 acres of land and over 27 million square feet of building space. The burden-to-value ratio for office uses is estimated to be 11.4%, which is far enough below the 15.0% threshold to assume that these land uses would be feasible in the Central Valley. Also, the estimated one-time burden and annual burden on these uses in North Salida are somewhat competitive relative to the burdens on other similar projects in the regional office and business park market.

At the above ratios, these uses should be profitable, but there are numerous risk factors that could adversely affect the burden to- value ratio and could prohibit successful development of this type. Three risk factors are: Less building square footage on the same quantity of acres could drive infrastructure costs higher on a per square foot basis; An oversupply condition could develop that drives lease rates lower and, in turn, suppresses values resulting in higher burden-to-value ratios; The necessary over sizing costs could drive the burden-to-value ratios higher, creating a barrier to development that may not be overcome even if reimbursements for the over sizing occur in later years.

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The Countywide building space absorption rate is estimated to be approximately 1.5 million square feet per year (100 acres). With aggressive marketing and high quality inventory this rate may double to 3 million square feet a year (200 acres). The assumption is that one half of the absorption will occur in the Salida area. If this proves to be the case 35.4 million acres of building space inventory under the existing Planned Industrial designation will last approximately twenty-four years before full build out occurs. Based on historical business park development in Stanislaus County this is a very optimistic scenario and an absorption half of the amount projected will be considered a success. Therefore, the projected inventory base on the 2000 Community Plan designation could last between twenty-five to fifty years.

River Ranch and DeSilva Group additional subsidy. Pacific Union Homes and the DeSilva Group have proposed to provide an additional \$14,777 per home beyond that which is required to fund construction of the infrastructure necessary to service their respective residential subdivision proposals. This proposal is contingent upon expedited processing of the Salida Community Plan and subsequent Specific Plans.

The added funding would increase the burden on each residential unit within the River Ranch Specific Plan and West Salida Specific Plan areas from an estimated \$9,500 per home to approximately \$24,000 per home, and could ultimately reduce the burden per acre of Industrial or Business Park development.

The added funds would allow for construction of off-site infrastructure necessary to serve approximately 200 acres of Planned Industrial development in Area #3. This would include full improvements on Sisk and Stoddard Roads including all necessary water, sewer, storm drain, curb, gutter, sidewalk, landscaping, street lighting, roadway improvements and signals. This includes signals at Kiernan Avenue, but does not include any improvements north of the MID canal.

The added funds also include similar full improvements on Bacon Road, Covert Road, Kiernan Avenue, and Ciccarelli Road and on portions of Hammett and Toomes Roads. Exhibit 5 provides graphic representations, and comparisons of the differences between what the developer believes is the minimum required to service their subdivisions and the expanded offer of additional funding for Planned Industrial infrastructure.

Request for Guidance - Alternative Approaches to the Future

Because various developers have expressed a desire to have one or more of their particular land use designation alternatives examined in the Salida Community Plan EIR, and because these alternatives could both significantly alter the Community Plan and the related financial capability of constructing necessary infrastructure, staff requests guidance from the Board as to the Board's current policy and priorities for planning in the Salida area.

Should the Board wish to examine all of the proposals on an equal basis and have adequate detail in the EIR to allow the Board to pick-and-choose from a laundry list of alternative scenarios, numerous of the technical analyses may need to be revised, expanded, or otherwise modified to incorporate each of the various iterations of alternatives. This will significantly delay release of the EIR.

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In addition, it could be considered that the proposed land use designation changes or the expansion of the Plan boundary, when taken *en masse* or individually, result in a significantly different Salida Plan than that which was adopted in 2000. If this is the case, the Board may wish to involve the Community to a level commensurate with that which was originally done in 1999 and 2000, before proceeding with the EIR. This would likely include additional Community meetings and requests for public input prior to determining which, if any, alternative land use designations should be examined.

With the Salida MAC now examining possible future incorporation, they, and the Community, may desire to examine a different mix of other land use designations (that have not been proposed by any of the developers) that would be more appropriate for a self-sustaining community.

Depending on the Board's objectives in regards to the future of Salida, several optional pathways to the future are possible.

The Board may wish to consider whether the any of the Objectives for future planning in Salida may include:

1. Planning to provide a Regional Job Center and promoting a jobs housing balance within the plan and the entire County Region. (Included as a Priority in the original Salida 2000 Plan)
2. Planning for Highway-oriented commercial development along State Route 99 (Included in the original Salida 2000 Plan)
3. Plan for regional and local transportation improvements including the extension of Ladd Road to the Hammett Road/Hwy 99 Interchange (Included in the original Salida 2000 Plan)
4. Planning for land use patterns that do not result in conflicts between Residential Development and adjacent agricultural uses. (Included in the original Salida 2000 Plan)
5. Planning for future incorporation of Salida as an independent City. (Not included in original Salida 2000 Plan)
6. Planning for an expanded Salida Area that includes additional residential development and open space north of the Ladd Road extension. (Not included in the original Salida 2000 Plan)
7. Planning for alternative roadway locations that re-direct traffic circulation away from the eastern reaches of Ladd Road or include direct access from the existing residential areas to the proposed Gregori High School Site.. (Not included in the Salida 2000 Plan.)
8. Planning for a specific type of domestic water supply provider such as a JPA, Mutual Water Company, or independent District. (Not included in original Salida 2000 Plan - 2000 Plan assumed the City of Modesto would provide water)

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The Question is: Are the Board's priorities, goals, and objectives the same as they were in 2000, or have they changed?

Depending on the answer, the Board may choose to meet these (or other) objectives in a variety of ways. These include: Doing nothing and allowing the 1989 Salida Plan to stand; Proceeding to re-adopt the Salida Community Plan exactly as it was adopted in 2000; Making changes to land use designations, roadway locations, and Levels of Service Standards within the same boundaries of the Plan; expanding or contracting the boundaries of the Plan Area; and integrating the desires of the Salida MAC Incorporation Committee into the Plan. These objectives may be limiting in themselves, or may be considered in conjunction with others.

Simply, there are four primary options available to the Board:

- Do not adopt any new plan and allow the 1989 Salida Plan to remain as the only adopted plan for Salida.
 - Proceed with the 2000 Salida Community Plan
 - Proceed with developing a new Salida Community Plan
 - Return to the Community of Salida for additional Community input prior to proceeding with anything
1. Do Nothing. The Board could choose to literally do nothing thereby reverting back to the 1989 Plan. This would put the Salida Community Planning efforts and the Community Plan EIR on hold. This would likely precipitate numerous individual applications for general plan amendments and rezones for individual projects desired by the various developers. Independent CEQA analysis would be required for each proposal, and there would be no overall Community Plan, policies or guidelines, by which to guide future decisions. The only guiding document in this case would be the 1989 Salida Community Plan. (Of all of the options, staff does NOT recommend this approach)
 2. Proceed with The Salida 2000 Plan. The Board could choose to move forward to adopt 2000 Plan exactly as adopted previously, with no change to land use designations or boundaries. The Draft EIR can likely be released within two months, and depending on the comments received, a Final EIR and the overall Plan could be brought back to the Board for approval by mid-summer. Staff time required would be the same as is currently anticipated, and no additional funding would be required.
 3. Proceed with developing a new Salida Community Plan. The Board could choose to move forward to adopt a plan that is different from that which was approved in 2000. This could include everything from minor modifications to land use designations in a few selected locations, to major revisions to policies and plan boundaries. Depending on the scope of the specific changes the Board chooses, a whole new set of Community input meetings may be required, as well as significant changes to the technical studies prepared for the EIR. Some specific alternative scenarios are described below:

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3a. Examine one or more Land Use Designation Alternatives within the previous boundaries. The Board could choose to move forward to examine one or more of the many land use designation changes proposed by the various developers for the 2000 Plan within the same plan area boundaries.

With so many different alternatives being proposed, the EIR could easily become excessively cumbersome if detailed impact analyses are conducted for each alternative and each possible combination of alternatives. It would be more efficient to select one or more land use alternatives and evaluate them in the EIR as a single alternative. This may limit the Boards ultimate ability to pick-and-choose from a laundry list of separate land use alternatives, but would be much more time efficient.

The Draft EIR may be able to be released within two months (or as long as several months), depending upon the level of modifications proposed and the additional technical studies required. Depending on the comments received, a Final EIR and the overall Plan could be brought back to the Board for approval at the earliest by late-summer. A moderate amount of additional staff time from the Departments of Planning and Community Development, Public Works, County Counsel, the CEO's Economic Development Division, Parks and DER would be required beyond that which is currently anticipated.

3b. Evaluate Reduced Traffic Level of Service (LOS) Standards. The Board may wish to consider examining the reduction of LOS standards in the Salida Area from LOS C to LOS D. This could entail an eventual modification to existing General Plan Policies. However, examining potential impacts associated with development in the Salida area to a lower LOS threshold would not significantly affect the EIR schedule or the staff time needed for processing the Community Plan, the Specific Plans, or the related EIRs.

3c. Evaluate an Extension of Pirrone Road to provide direct access to the proposed Gregori High School. A proposal to extend Pirrone Road from Sisk to Stoddard has been evaluated by the Modesto City School District to allow for direct access from residential areas west of Sisk Road to the proposed Gregori High School Site. Originally, in the 2000 Plan, the Board did not include this alternative as the Community was concerned about truck traffic from the North Gateway Business Park area impacting residential traffic patterns on existing Pirrone Road. Since the High School is now incorporated into the Business Park Plans, the Board may wish to include this option in the final analysis of the Salida Community Plan.

3e. Evaluate different Roadway classifications and locations. The Ladd Road extension to the Hammett Road/Highway 99 Interchange was an integral part of the traffic circulation plan for the Salida Community Plan. Concerns have been raised, however, by the Cities of Riverbank and Oakdale regarding traffic circulation patterns along Ladd Road/Patterson Road and Kiernan Avenue/Claribel. One suggestion was to connect the Hammett Road Interchange directly to Kiernan (State Route 219) rather than to an extension of Ladd Road. The Board may wish to examine possibilities of a different traffic circulation pattern as it relates to the proposed Ladd Road Extension. A new alignment could have significant effects on necessary improvements on Kiernan Avenue and on the internal traffic circulation patterns within the Salida Plan Area #2,#3, #4, #5, and #6. Substantial additional traffic analysis and coordination with CalTrans would be required to include this option in the Plan, and could significantly delay release of an EIR. A potentially significant amount of additional staff time from the Departments of Planning and Community Development, Public Works, and the CEO's Economic Development Division, would be required beyond that which is currently anticipated

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3f. Re-examine the boundaries of Community Plan Area. The Board could choose to examine the possibility of expanding or contracting the boundaries of the Community Plan Area.

3f1. Expand the Boundary of the Salida Plan Area. One proposal brought forth by a developer includes the possibility of expanding the boundaries from the proposed Ladd Road extension to the Stanislaus River for development of additional residential, commercial and open space uses. This proposal is currently not included in the EIR analysis or in the related technical studies

Specifically, New Cities Development Group has requested the following:

“If the Board of Supervisors adopts the direction to revise the 2000 Community Plan in 2005 to include a number of land owner requests and to better meet public policy concerns, and subsequent Specific Plans are prepared to achieve that direction, New Cities would like the Board to direct the staff to accept amended or new applications from land owners that include these requests. The Board would further direct that one landowner or land owner group or partnership pay all subsequent fees and costs, subject to appropriate reimbursement, and be the direct contact with staff. The purpose is to cut down on staff inefficiencies, confusion and misdirection in the planning process. New Cities would like to be in a leadership role for the land ownership group contact with County staff and help staff facilitate a successful, well planned Community and Specific Plan process that meets the public policy objectives of the County Board.”

Should the Board choose to move forward with this, additional technical analyses will be required before the EIR can be completed. Additionally, the Board may wish to consider whether to require additional Community input in regards to any proposed expansion of the Plan Area boundaries.

3f2. Reduce the Boundary of the Salida Plan Area. Another possible scenario that could be examined in the EIR is a “reduced project” alternative that removes Development Areas #4 and #5 from consideration or places these areas in a “Planned Industrial Reserve” classification. The 2000 Salida Plan was originally designed to guide development in the Salida area for a period of 15 years. Based on recent analyses related to absorption rates conducted by the CEO’s economic development division and others, it is likely that it may take up to 50 years for all of the industrial lands within the 2000 Salida Plan Area to fully build out.

The Board may choose to include an alternative that reduces the designation of Planned Industrial areas to those that could reasonably be built out within 15 years, and to keep those lands currently designated PI in Areas #4 and #5 as Agriculture. The impacts of the proposed projects would obviously be less and the costs of mitigating the impacts associated with 25 to 32 jobs per acre over these Areas, could also result in implementation of the Salida Plan being more financially feasible.

Because such a large expanse of Planned Industrial uses result in significantly greater infrastructure and roadway needs, and because these needs lead directly to significantly higher costs for development, the Board may wish to focus all infrastructure improvements and development in those areas that could reasonably be expected to build out in the next 15 years.

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There may also be other overall Salida Plan boundary changes that the Board may wish to examine.

Should the Board choose to move in this direction, the EIR could be delayed for up to a year or more depending on the modifications needed in the various technical studies. There could be additional staff time needed from the Departments of Public Works, Planning and Community Development, County Counsel, the CEO's Economic Development Division, Parks, and DER.

3g. Include Priorities defined by the Salida MAC Incorporation Committee. The Board may wish to work with the Salida MAC Incorporation Committee to define specific land use alternatives that would enhance and support future incorporation of Salida. This would include examining other possible land use designation scenarios such as increasing the areas designated for commercial development. This could be done within the 2000 Salida Plan Area boundaries, within expanded Plan Area boundaries, or within reduced Plan Area boundaries.

If planning for eventual incorporation of Salida is a priority objective for the Board, prior to adopting new goals, policies, and land use designations for the Salida Plan Area, it would be appropriate to also include verification that the combined land use designations have the financial capability of supporting a City.

Should the Board choose to move in this direction, the EIR could be delayed for up to a year or more depending on the modifications needed in the various technical studies. There could be additional staff time needed from the Departments of Public Works, Planning and Community Development, County Counsel, the CEO's Economic Development Division, Parks, and DER.

A fourth option is also available.

4. Return to the Community and request additional input prior to proceeding with any new plan or Environmental Review document. Regardless of the ultimate determination by the Board, the Board may choose to first re-open the planning process to the Community of Salida. Significantly greater detail is known today regarding necessary infrastructure planning and financing than was known in 2000 when the original plan was adopted. There may be additional overlying goals and policies that the Board and/or the Community may wish to see included in the Plan. There may be other land use designation mixes that could make development of the job-center or possible future incorporation significantly more financially viable.

The Board must first determine what its ultimate objectives are for the town of Salida, before selecting one or more pathways to follow.

RECOMMENDATION:

Should the Board wish to re-adopt the Salida Community Plan with the same goals, objectives, boundaries, and land use designations as was adopted in 2000, staff recommends the following:

1. Direct staff to complete the EIR based on a Salida Community Plan with exactly the same goals, priorities, objectives, implementation measures and land use designations as defined in the 2000 Salida Plan.

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2. Direct staff to include the following land use designation alternatives in the EIR analysis in adequate detail to allow the Board to choose from among them all:
 - A. Conversion of up to 100 acres of PI in Development Area 2 to Commercial or Highway Commercial development north of, and adjacent to the Hammett Road Interchange.
 - B. Conversion of approximately 62.5 acres of PI in Developmental Area 2 to Low Density Residential (LDR) for 312 units and Conversion approximately 3 acres of PI to Neighborhood Commercial (NC) in Development Area 2.
 - C. Convert approximately 16.2 acres of LDR for the expansion of Modesto Christian School in Development Area 2.
3. Direct staff to examine additional alternatives in the EIR including:
 - A. Extension of Pirrone Road from Sisk to Stoddard to allow for access to the proposed High School
 - B. Reduced Project that is based on current absorption rates and potential build-out of PI uses in the next 15 to 20 years (+/- 1000 acres of Business Park) [This may include removal of Areas 4 & 5 from the Plan Boundary]
 - C. General Plan Policy guideline revision that allows for a lower Level of Service (LOS D rather than LOS C) for traffic at specified intersections within the Salida Plan Area.

Should the Board wish to make more than minor modifications to the underlying goals, objectives, boundaries, or land use designations to those that were adopted in 2000, staff recommends:

1. Direct staff to return to the Salida Community with a series of workshops designed to provide information regarding the Salida Community Plan, and solicit input from Community members regarding their goals and objectives for Salida.
2. Direct staff to return to the Board within 120 days with the results of those workshops and a plan for continuation of the Salida planning process, including a recommended budget for future planning efforts.

POLICY ISSUES:

The ultimate question posed by this report is one of determining current Board Policy. The latest direction staff was provided by the Board, was to implement the Salida Community Plan exactly as it was adopted in 2000. Two Specific Plans have been submitted to do just that. A Master Plan for the extensive North Gateway Business Park area has been drafted, and a Financial Feasibility Analysis for the entire Community Plan Area has been completed. However, with the numerous alternative objectives, development scenarios, and land use alternatives being proposed, including the desire for incorporation championed by the Salida MAC, the Board may wish to re-examine the original directions, goals, and policies of the Salida Community Plan, including re-examining the primary objectives of the Plan itself and

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other land use designations. The Board should determine whether any of the above alternative approaches (or some other approach) to future planning in the Salida area meet current Board goals and priorities. Additionally, the Board should provide a clear understanding to both staff and the development interests as to the relative priority, in relation to other existing County activities, for accomplishing the approach or approaches identified.

STAFFING IMPACT:

Should the Board choose to direct staff to move forward to adopt the Community Plan exactly as it was adopted in 2000, there would be no staffing impact, as we are well along the way to releasing a Draft EIR.

Should the Board wish to re-examine planning area boundaries or to otherwise modify the 2000 Plan land use designation alternatives, there may be a significant amount of staff time required, depending on the direction and priorities given by the Board. Staff from the CEO's Economic Development Division, and the Departments of Planning and Community Development, Public Works, Environmental Resources, and others may be required to re-prioritize existing workloads in order to participate in renewed and expanded planning efforts. One additional full-time Associate or Senior Planner would likely be required in the Planning and Community Development Department in order to coordinate the Salida Planning efforts. Funding is not available in the Departments current budget to fill this position.

- ATTACHMENTS:**
- 1: Salida Community Plan (2000) **(Map Attached - Text Available from the Clerk)**
 - 2: Salida Community Plan Map (1989)
 - 3: Summary of Planning Actions to Date
 - 4: Financial Feasibility Study **(Available from the Clerk)**
 - 5: Pacific Union Homes and De Silva Group Proposal

The DeSilva Group

Pacific Union

BOARD OF SUPERVISORS
January 24, 2005

2005 JAN 24 A 11: 36

Stanislaus County Board of Supervisors
1010 Tenth Street, Suite 6500
Modesto, California 95354

Re: Staff Report Regarding the Salida Community Plan Update

Dear Board Members:

Having reviewed the staff report "Discussion and Consideration of Action to the Update of the Salida Community Plan Planning Efforts, dated January 25, 2005, we thought it would be helpful if we provided some comments to the Board in writing.

As you are all aware, Pacific Union and The DeSilva Group have been working cooperatively with the County for several years in an effort to successfully complete the Salida Community Plan Update ("Plan"). We have spent a great deal of time and resources analyzing the technical issues associated with the Plan, and have discussed many of the issues and concerns with the Board members, staff, and community. We can certainly understand, especially for the new Board members, why it would be appropriate for the County to take an additional 120 days to review the options before the Board at this juncture, and, if requested, we will cooperate as much as we can in this process.

We have several summary points we would like to make as the Board considers the staff report. The three points we would like to address are the following:

- We recommend six specific amendments and concepts to the 2000 Plan, which we believe will strengthen the public policies underlying the Plan;
- We advocate retaining the existing Plan boundaries for a number of reasons; and
- We believe additional technical reports should be supplied to the Board prior to making any final decisions about the Plan. These reports include a Phasing Plan, a Financing Plan, Comments regarding Future Incorporation, and a Regional Traffic Analysis.

1. Key amendments to the existing Plan

The staff report in its Option B-1 recommends examining a number of alternatives in the EIR process. We have reviewed these alternatives and do not object to any of them. However, after extensive discussions with the community and stakeholders, we think additional alternatives also should be considered for their benefits to the County. We think the following six items should be given serious consideration:

- i. We support the staff option B-1 to convert 62.5 acres of Planned Industrial (PI) to 312 units of Low Density Residential (LDR) in Developmental Area 2 and reduce 16.2 acres of LDR to support the expansion of the Modesto Christian School. We think it makes sense to supplement this increase in residential development by converting an additional 92 acres of PI in Developmental Area 3 (between Ladd Road, Sisk Road, Stoddard Road, and the MID canal) to LDR for 350 units and a 14-acre school/park area. This addition of 662 residential units will substantially increase the amount of developer contribution to regional infrastructure, including a park, and still conform to the existing environmental analysis.

- ii. Maintain PI for the Shell Labs property and in the corridor adjacent to Kiernan Ave. identified as "High Visibility Business Park" as it appears in the North Gateway Plan presentation (10/23/03). The Plan should fund the full improvement for the east half of Sisk Road and the west half of Stoddard Road. These business parks are some of the most viable industrial land in Stanislaus County for job attraction. The burden for industrial users is about \$3.00 a square foot, which will make Salida very competitive for job creation based on comparables in San Joaquin and Stanislaus County areas. Using reasonable floor area ratios, this land set aside could yield four million plus square feet of Business Park.
- iii. Convert a portion of PI to Urban Reserve in Subareas 4 and 5, not including the School Site or the above mentioned High Visibility Business Park corridor on Kiernan. This will lessen the environmental impacts of the Community Plan by reducing the oversupply of PI, and allow for a new Specific Plan in Subareas 4 and 5 in the future.
- iv. Support the Staff recommendation to convert the 100-acre Girardi property in Development Area 2 to a regional shopping center. The designation of this property is a first step towards creating a regional shopping center and would provide sales tax revenue for the future incorporation of Salida. The improvement of the Hammett interchange should be a priority to support the regional shopping center
- v. Immediately authorize a Regional Traffic Analysis and Regional Impact Fee study funded by the Developers for the Board's future consideration. The Plan is currently programmed to fund the extension of Ladd Road to the Hammett interchange from the MID Canal, relieving traffic on Kiernan. The Regional Plan should also consider diverting eastbound Ladd Road traffic east of Stoddard back to Kiernan Ave to improve regional traffic flow in the East County.
- vi. The Board should consider a North of Ladd Community Plan following adoption of the Plan. This will allow for planning additional land elements to Salida without disrupting the opportunities created by the Plan.

2. The Benefits of the Retaining the Existing Community Plan Boundaries

During the 120-day review period, the issue of changing the existing community plan boundary is certain to arise. Unlike amendments to the existing plan, the legal requirements regarding changing the plan boundary is akin to starting the planning process over again. Such a decision would be certain to cause major delays and substantial and additional technical work. We think there is a lot of merit in retaining the existing plan, with amendments, for the following reasons:

- i. River Ranch and West Salida are well planned residential neighborhoods, where residents will be able to walk or bicycle from home to employment, shopping, recreation, parks, elementary, middle, and high school, county park, and church, within five to ten minutes. These residents will increase the critical mass of skilled workers that will help attract future high quality jobs to the County.
- ii. The County will get about 300-acres of low burdened business park with supporting infrastructure. This industrially zoned land will make the County competitive in the Central Valley for job creation.
- iii. The County will receive an entitled 100-acre regional shopping center location in the shortest time frame available to capture any timely opportunities, facilitating the future incorporation of Salida.
- iv. The County will get funding from this Plan as soon as possible for major regional infrastructure, including urgently needed traffic improvements, such as freeway interchange

improvements at Kiernan and Hammett, prior to construction of large non-residential development.

v. Retaining the momentum of the current plan is critical to capture this cycle of residential growth. Delays in the plan could result in an opportunity lost if the market for residential construction changes.

vi. Changing the Community Plan boundaries requires an extensive public process with many new potential landowners desiring to participate. The environmental impacts of expanding the plan are unknown, but certain to provide more difficulties than solutions. Expansions to Salida are more logical to occur following the adoption of this plan, as opposed to starting over.

3. Technical Reports to be Developed during the 120-day Review Period

There are several important work elements that need to be drafted and brought before the Board if the Board chooses to continue work on the amended 2000 Plan. To date, the required infrastructure to support the residential and planned industrial has been discussed in an aggregated manner, which has been confusing to the stakeholders. We propose to develop a specific report demonstrating what backbone infrastructure gets built, at what time, and what the mechanism will be for how it is financed. We think these reports will help alleviate some of the confusion as to whether the Plan is financially balanced and feasible. Similarly, it is important to understand how regional traffic flows through the Salida area and how the East County is impacted by cumulative growth. Understanding the traffic analysis will help prioritize regional traffic investments. The technical reports that we should be able to complete by the conclusion of the 120-days are the following:

i. A Phasing Plan for Infrastructure, that demonstrates the timing and scale of infrastructure improvements through build out. The Phasing Plan will demonstrate how each of the infrastructure improvements will be built over the life of the project. All cost estimates and schedules will be complete at that time.

ii. A Financing Plan which demonstrates the timing of funds available to meet the infrastructure required for the Plan.

iii. A Salida Incorporation Analysis that demonstrates how the Plan conforms to the Municipal Advisory Committee comments and the future incorporation of Salida.

iv. A Regional Traffic Analysis, that prioritizes traffic investments within the Plan and makes recommendations as to how to address other cumulative traffic impacts throughout related areas of the County.

Conclusion

The Salida Community Plan is the County's "vision" document, which is intended to be modified and adjusted over time. The Plan was designed to create a balance of jobs and housing, and we believe the Plan, with modifications, achieves this objective. We recognize the importance and complexity of the decisions before the Board, and our comments are meant to reflect the best advice we can offer given our years of experience working in the Salida community and other communities throughout the State of California.

Respectfully,


Jim Summers, The DeSilva Group

Chris Garwood, Pacific Union