

Exhibit B

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EXHIBIT B

PROJECT DISCUSSION

DISCUSSION

In 1983, the subject parcel was created as part of a 19-lot commercial subdivision known as Laguna Seca Office Park. An EIR was certified for the subdivision and a prepared EIR anticipated development of 260,000 square feet of Professional Office space within the office park. The EIR identified environmental impacts and provided mitigation measures to minimize the impacts identified.

The Laguna Seca Office Park Subdivision now consists of an area that is approximately a 54-acre “visitor serving and professional office park.” It was subdivided into 19 commercial parcels and 2 residential parcels ranging in size from 0.6 to 2.6 acres. The proposed project includes construction of a 11,200 square foot office building on Parcel Lot 2 within the Laguna Seca Office Park Subdivision.

Site Description

The undeveloped project parcel is bound along the western edge by York Road, parcel lot 3 on the northern edge, northeast edge of Citation Court cul-de-sac and along the southern edge fronting Blue Larkspur Lane. The project site is zoned Visitor Serving/Professional Office (“VO/B-6”) and the proposed office building requires approval of a General Development Plan. A Use Permit is required to allow the removal of 17 oak trees, and an Administrative Permit and Design Approval are required pursuant to Site Plan Review (“S”) and Design Control (“D”). The area is also zoned Urban Review (“UR”) that requires an additional review by the City of Monterey. The City of Monterey reviewed the proposed project and issued no comment.

Vegetation at the site consists of Coast Live Oak trees with grasses and ice plant as understory, along with several thickets of Acacia in the center of the site. Topography of the site is consistent with that of Foothill Woodlands that contain tree dotted rolling hills and gullies interspersed with small grassy terraces. Development is proposed at the southern half of the parcel while the northern half will be open space. The building envelope is covered with a portion of the fragmented Coast live oak forest, grasses, and ice plant. The parcel is located amidst similarly vegetated undeveloped commercial parcels along with existing office buildings and York School.

Project Description

The new office building will sit on a 1.768 acre parcel and involve the construction of an 11,252 square foot office building shell. The main office level is 7,714 square feet, and the upper office level, 3,538 square feet. Shen Properties has projected that approximately 10 office spaces will be created for tenant lease occupancy. The Office Building height proposed is 33 feet 2” (maximum height allowable is 35 feet).

The building site coverage is 7,714 square feet (10% of total parcel lot) and construction grading will involve 1,900 cubic yards “cut” and 1,696.78 cubic yards “fill.” The total net of cut grading is 203.93 cubic yards. Cut will be transported off-site. Within the Office Building footprint, a total of 17 oak trees are proposed for removal.

Pursuant to Chapter 21.22.030 of Title 21, a General Development Plan (GDP) is required for all development on a lot of 1.00 acre or greater. The prepared GDP lists allowed uses, operation standards, design/development standards for the proposed project (**Exhibit C3**). The GDP specifies the total number of parking for the proposed project. 43 parking stalls and 2 blue-zone disabled parking stalls (for persons with a disability) account for a total of 45 parking spaces. The GDP also discloses the intended hours of operation as 7am – 7pm, Monday through Sunday.

The project site is in the Urban Reserve (“UR”) zoning district which identifies areas that should be annexed and developed in a phased manner as part of an incorporated city to ensure effective protection of urban services. Pursuant to Chapter 21.50 of Title 21, City of Monterey staff was contacted to review and provide comment on the proposed project. City of Monterey staff did not comment on the project.

An Administrative Permit is requested as required for development in the “S” district (Chapter 21.45 of Title 21) for those areas of the County where development, by reason of its location has the potential to adversely affect or be adversely affected by natural resources or site constraints.

Tree Removal

In May 2016, a Tree Resource Assessment was prepared by Frank Ono, Urban Forester (FO Consulting). As designed, the project will require the removal of 17 oak trees. FO Consulting determined the removal of oak trees to consist of 15 “live” oak trees and 2 “dead” oak trees. Chapter 21.64.260.3 in Title 21 requires a Forest Management Plan if more than 3 trees are removed. The Laguna Seca Office Park FEIR analyzed environmental impacts to “Foothill Woodlands” and identified oak woodlands that would be converted to professional offices for development. Office development on Lot 2 was considered in the FEIR environmental analysis. FO Consulting is recommending that the removal of oak trees be replaced on a 1:1 ratio. Tree replacement is required at a 1:1 ratio as a condition of approval. The replanting of oak trees will consist of 17, five gallon or larger oak trees in accordance with Chapter 21.64.260 of Title 21.

Water Supply

Monterey County General Plan Policy PS-3.1 prohibits approval of discretionary permits without proof, based on specific findings and supported by evidence, that there is a long-term sustainable water supply, both in quality and quantity. The Office Park FEIR identified significant impact to water use based on actual water use for Professional Offices at approximately 22,000 gallons per day (0.084 gallons per day per square foot), plus another 27,000 gallons per day for irrigation. This is approximately 0.15 acre foot per day (54.75 acre feet per year, or AFY) usage estimated for the nineteen commercial lots. Using the Monterey Peninsula Water Management District (MPWMD) standard water use factors for office space (10,011 square feet) and public restrooms (2 urinals, 10 water closets), the proposed project is estimated to require approximately 1.353 AFY of water not including landscaping. The landscape plan is estimated to require approximately 203,975 gallons per year (0.626 AFY). The total water use for the proposed project on the subject parcel is an estimated $1.353 + 0.626 = 1.979$ AFY.

Water for the development is provided by California American Water Company (Cal-Am) Bishop Unit which would provide the parcel with water from the Seaside Groundwater Basin, adjudicated as of 27 March 2006. Under the terms of the adjudication (Superior Court of the

State of California in and for the County of Monterey Case No. M664343), rights to the adjudicated water source will come from connection to the Cal-Am Standard Production allocation. The adjudication describes *de minimis* production by any person or entity less than five (5) AFY is not likely to significantly contribute to material injury to or any interest related to the Seaside Groundwater Basin. The estimated total water use for the proposed project is 1.979 AFY and is within the legal Standard Production Allocation for Cal-Am.

Traffic

Pursuant to Policy C-1.1 of the 2010 General Plan, Level of Service (LOS) D is acceptable for County Roads and intersections, while Policy C-1.4 requires traffic impacts be mitigated concurrently with development where a project impacts a County road that operates below LOS D. The Office Park FEIR projected LOS F in the year 2000 for Highway 68 as implemented with a proposed four-lane expressway. Buildout of the office park would have significant and unavoidable traffic impacts for which mitigations were applied and adopted in the FEIR. Highway 68 is still a two-lane roadway and along with the York Road intersection, currently operates at LOS F.

The Office Park FEIR anticipated generation of between 2,500 and 3,900 average daily trips (ADT) based on a buildout of 260,000 square feet of office space. An average of the buildout between nineteen commercial lots is approximately 13,684 square feet per lot. Using the Institute of Traffic Engineer's (ITE) Trip Generation Manual 8th Edition formula (11.01 trips per 1,000 square feet), a project proposal on any one of the nineteen lots could generate up to 151 ADT, or 2,862 ADT attributed to complete buildout. This is well within the anticipated range (2,500 to 3,900 ADT) analyzed in the FEIR. The proposed project would generate approximately 110 ADT based on the 10,011 square-foot building on Lot 3, well under the potential generation of 151 ADT.

The proposed office building on Lot 2 is consistent with the size and traffic generation projections disclosed and mitigated for as part of the Laguna Seca office park subdivision both individually (Lot 2) and cumulatively (19 lots total).

Design Review

The project site is in the Design Control ("D") combining overlay district that provides for the regulation of location, size, configuration, materials, and colors in order assure the protection of the public viewshed, neighborhood character, and to assure visual integrity (Chapter 21.44 of Title 21). The proposed office building has a relatively modern design with ample windows and clean lines. Proposed exterior materials are darkish gray rough stone veneer, shell office body, brown-stained wood stair well, and dark bronze metal seam roof. The building is proposed in a modern style of architecture providing visual interest with textured natural materials and rhythm in the placement of a generous number of windows. The design of the colors and materials assure visual integrity of the building within both the context of the business park and the wooded grassland hillside settings. The size, design, massing and materials are all in keeping with other structures erected in the vicinity.

Location

The parcel is not visible from a public viewing area. The proposed project is most appropriately located on the site for avoidance of the following: 60-foot wide road and utility easement along the western boundary of the parcel, the need for excessive grading of the hillside at the southern half of the site, and greater amount of paving for driveway entrance to onsite parking at the northern half of the site. The southside setback, along Blue Larkspur Lane, is contiguous open space to minimize noise and public view from York Road and Highway 68.

Size & Configuration

The proposed size is appropriate and consistent with other office buildings and will fit in with the neighborhood character. The building and parking are configured to place onsite parking adjacent to the entrance on Citation Court, minimizing the amount of paving for additional driveway area as well as retaining wall materials at higher portions of the hillside. The project meets the following development standards:

Development Standards for VO/B-6	Proposed
Front Setback: 25 ft (minimum); vehicle entrance from Citation Court cul-de-sac	210 feet
Side Setback: 10% of average lot width (minimum)	60 feet (west side) 200 feet (east side)
Rear Setback: 10 ft width w/max required 8 ft; public entrance to building from Blue Larkspur Lane	180 feet
Maximum Height: 35 feet	33 feet, 2 inches
Building Site Coverage: 50% maximum	10.01%
Parking: 1 space per 250 sq. ft. useable office (44)	45 parking stalls

Monterey Dusky-footed woodrat

Nest piles of the Monterey Dusky Footed Woodrat (DF Woodrat) were observed at the base of oak trees during preparation of a biological assessment that was initiated as a survey for the California Tiger Salamander (**Exhibit F3**). The DF Woodrat is a nocturnal rodent considered a Species of Concern by both the U.S. Fish and Wildlife Service and the California Department of Fish and Wildlife. Since the DF Woodrat is listed as a “Species of Concern”, but not as endangered or threatened species and is not identified in the Greater Monterey Peninsula Area Plan map of Areas of Special Biological Importance, it is not protected within definitions of environmentally sensitive habitat area or ESHA. Therefore, the nest piles would not be considered ESHA, and would not be subject to further CEQA review or required mitigations. Notwithstanding, a condition is included that addresses a pre-construction survey, the maintenance of buffers (10-feet) and the method of removal, if necessary, prior to tree removal, grading, or construction.

CEQA

An Addendum to the certified Laguna Seca Office Park FEIR (File No. 80-109, Resolution No. PC-3734) was prepared for Lot 2 (**Exhibit E2**). The Addendum to the Laguna Seca Office Park FEIR describes changes in circumstances and conditions that had occurred subsequent to approval of the office park subdivision including groundwater, traffic and greenhouse gases.

The Office Building project has been found to be in keeping with the groundwater adjudication for the Seaside groundwater basin and overall traffic within the subdivision. Subsequently, the subdivision remains within the traffic projected and mitigated in the original FEIR. The water adjudication allocates 5 acre feet per year (AFY) to any person or entity from the Bishop Unit that serves this Office Park. The present water usage in Bishop Unit does not currently nor would exceed 5 AFY per person or entity as overseen by the State-appointed Water Master.

The proposed project would not exceed 5 AFY, in keeping with the adjudication. Traffic from the office park was mitigated by the original developer based on estimated traffic demand of up to 81,780 Average Daily Traffic on State Route 68. Mitigation for traffic impacts included installation of improvements at York Road and Highway 68 and payment of regional traffic mitigation fees. Those mitigations have already been completed. Traffic impacts are in keeping with original assumptions. The EIR projected traffic based on 260,000 square feet of professional office buildings on the 19 office park lots. To date 174,283 square feet of office buildings have been approved. This project would increase that amount to 185,489 square feet and when combined with the proposed development on Lot 3 (10,011 square feet) would total 195,554 square feet which is well under the 260,000 square feet analyzed and mitigated for. Therefore, there are no new significant impacts due to implementation or operation of the proposed project.

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