

Exhibit B

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Setting

The new commercial building is proposed on Lot 3 within the Laguna Seca Office Park north of Highway 68 and east of Ryan Ranch Industrial Park and York Road. Lot 3 is in the northwesternmost corner of the approximately 54-acre visitor serving and professional office park subdivided into 19 commercial parcels and 2 residential parcels ranging in size from 0.6 to 2.6 acres. Canyon Del Rey Creek, a seasonal water course, runs parallel to Highway 68 and crosses under York Road. The Monterey Regional Airport is approximately 2 miles from the subject parcel.

Site Description

The undeveloped subject parcel is bound along the western edge by York Road and by York School along the northern boundary, Lots 4 & 2 share the eastern and southern boundaries, respectively. Zoning of the site includes Design Control (“D”) and Site Plan Review (“S”) overlays.

Vegetation consists of Coast live oak canopy 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 uneven ground amidst small grassy terraces. The hillside from York Road dips down to the parcel area where the southeasternmost corner of the property is carved out by the Citation Court cul-de-sac. This parcel is currently accessed from Blue Larkspur Lane and approached from the existing improved Citation Court roadway. 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 developed properties and York School.

Project Description

The proposed project includes construction of a 10,011 square-foot two-story commercial building, twenty-eight parking spaces, and removal and replacement of eleven oak trees. Site improvements also include ornamental landscaping, lighting, and retaining walls. Expected grading is approximately 2,500 cubic yards of cut and 2,500 cubic yards of fill, balanced onsite. Upon completion, the building is proposed to contain approximately 6,138 square feet of floor area for rental by tenants seeking professional office space.

The site is zoned “VO” (Visitor Serving/Professional Office) wherein, professional offices are an allowed use subject to a Use Permit in each case. A General Development Plan (GDP) is also required for the establishment of development on a lot of one acre or greater. The subject property is approximately 1.5 acres. The GDP (Exhibit C3) submitted for the proposed project lists the allowed uses of the building (Chapter 21.22 of Title 21), proposed parking (28 spaces total, 2 of which are handicap only), intended hours of operation (7am-7pm), design guidelines, and development standards.

The project site is in the Urban Reserve (“UR”) zoning district which identifies areas that are

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within the sphere of influence of an incorporated city. The project was referred to the City of Monterey staff for review and comment. City staff expressed concern regarding replacement of removed oak trees. County staff communicated that the applicant would be required to implement a 1:1 replacement ratio. City staff was satisfied with the County staff response and had no other issues.

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. Discussion of potential natural resource constraints follows.

Tree Removal

The number of oaks (eleven) proposed for removal is the minimum number required for implementation of the project in accordance with Section 21.64.260.5.A of Title 21. Impacts to “Foothill Woodlands” were analyzed in the Office Park FEIR. The FEIR identified that Oak woodlands would be converted to commercial development that represented a potentially significant impact for which mitigations were adopted. Commercial development on Lot 3 was considered in the environmental analysis for the FEIR. No changes or additions are proposed from what was previously analyzed for Lot 3 that would provide new information, cause new environmental impacts, or increase the severity of previously identified impacts. The project proposal is consistent with that which was analyzed in the FEIR. Tree replacement is required at a 1:1 ratio pursuant to Section 21.64.260.D.4 of Title 21 (Condition No. 11) using 5-gallon or larger container trees (Exhibit F2) and in accordance with a tree planting plan prepared by a qualified landscape professional (Condition No. 8).

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. This estimate is approximately 3.6% of the 54.75 AFY usage for the nineteen commercial lots.

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

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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 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- to six-lane expressway. Buildout of the office park would have had significant and unavoidable traffic impacts for which mitigations were applied and adopted in the FEIR. Highway 68 is still a two-lane roadway and Highway 68, along with the York Road intersection, currently operates at LOS F. Notwithstanding, the mitigations adopted in the FEIR were implemented concurrently with the buildout of the Office Park roadway infrastructure.

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.

Monterey Dusky-footed Woodrat

Nest piles of the Dusky footed Woodrat were observed at the base of Oak trees during preparation of a biological assessment (Exhibit F3) that was initiated as a survey for California Tiger Salamander (CTS). The Monterey Dusky-footed Woodrat is a nocturnal rodent considered a Species of Concern by both the federal Fish and Wildlife Service and the California Department of Fish and Wildlife (CDFW). Since the Dusky Footed Woodrat is listed as a Species of Concern, but not as endangered or threatened, and is not identified in the Greater Monterey Peninsula (GMP) Area Plan (AP) map of Areas of Special Biological Importance (ASBI), it is not protected within definitions of environmentally sensitive habitat (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.

Design Review

The project site is in the Design Control ("D") combining overlay district that provides for the

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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). Proposed materials are gray rough stone veneer, shell white plaster walls with aluminum channels, vertical Douglas fir wood siding, brown-stained wood stair well, and dark bronze metal standing 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.

Location

The parcel is not visible from a public viewing area. The proposed project is appropriately located on the site for avoidance of the following: 60-foot wide easement along the western boundary of the parcel, the need for excessive grading of the hillside at the northern half of the site, and greater amount of paving for driveway entrance to onsite parking at the southern half of the site. The west side setback is the minimum width allowed for the development and contiguous open space is maximized toward the boundary shared with York School at the northern edge of the site.

Size & Configuration

The proposed size is appropriate and consistent with other office buildings to fit 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 proposal meets development standards as follows:

<u>Development Standards for VO/B-6</u>	<u>Proposal</u>
Front Setback: 25 feet (minimum)	95 feet
Side Setback: 10% of average lot width (minimum)	65 feet (west side) 17 feet (east side)
Rear Setback: 10 feet width w/max. required 8 feet	160 feet
Maximum Height: 35 feet	28 feet, 2 inches
Building Site Coverage: 50% maximum	9.5%
Parking: 1 Space per 250 square feet usable office area	28 spaces

CEQA

An Addendum to the certified Laguna Seca Office Park FEIR (File No. 80-109, Resolution No. PC-3734) has been prepared for this project on Lot 3. The Addendum describes changes in circumstances and conditions that had occurred subsequent to approval of the office park (1983)

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including groundwater, traffic, and greenhouse gases. The proposed project has been found to be in keeping with the groundwater adjudication for the Seaside groundwater basin and overall traffic anticipated within the subdivision. Since the EIR was certified, the seaside groundwater basin was adjudicated and a basin wide solution was adopted. The adjudication allocates no more than 5 acre feet per year (AFY) to any person or entity from the Bishop Unit that serves this Office Park. 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 184,294 square feet and when combined with the proposed development on Lot 2 (11,206 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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