



MEMORANDUM

TO: CITY COUNCIL

FROM: TERESA MCCLISH, DIRECTOR OF COMMUNITY DEVELOPMENT

BY: MATTHEW DOWNING, ASSOCIATE PLANNER

SUBJECT: CONSIDERATION OF ADOPTION OF AN ORDINANCE APPROVING DEVELOPMENT AGREEMENT 15-002 FOR DEVELOPMENT OF PROPERTY LOCATED AT THE SOUTHWEST CORNER OF EAST GRAND AVENUE AND COURTLAND STREET; APPLICANT - NKT COMMERCIAL; REPRESENTATIVE – RRM DESIGN GROUP

DATE: OCTOBER 27, 2015

RECOMMENDATION:

It is recommended that the City Council adopt the Ordinance approving Development Agreement 15-002.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

There are no financial impacts associated with adopting the Ordinance.

BACKGROUND:

On October 8, 2015, the City Council voted 4-1 to introduce an Ordinance approving Development Agreement 15-002 for the development of property located at the southwest corner of East Grand Avenue and South Courtland Street. The introduction of the Ordinance was in conjunction with voting 3-2 to approve General Plan Amendment 14-002, Specific Plan Amendment 14-001, Vesting Tentative Tract Map 14-001, Conditional Use Permit 14-009, and a Mitigated Negative Declaration for the construction of 15,600 square-feet of commercial development and thirty-six (36) detached residences on undeveloped land identified as Subarea 3 of the Berry Gardens Specific Plan.

ANALYSIS OF ISSUES:

The purpose of a Development Agreement is to enter into a contractual agreement regarding the intensity, timing and conditions of development of real property.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

- Adopt the Ordinance as recommended;
- Do not adopt the Ordinance; or

**CITY COUNCIL
CONSIDERATION OF ADOPTION OF AN ORDINANCE APPROVING
DEVELOPMENT AGREEMENT 15-002 FOR DEVELOPMENT OF PROPERTY
LOCATED AT THE SOUTHWEST CORNER OF EAST GRAND AVENUE AND
COURTLAND STREET
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- Provide direction to staff.

ADVANTAGES:

The proposed Ordinance approves a Development Agreement consistent with the Council's action on October 8, 2015 and outlines how and when the subject property will be developed.

DISADVANTAGES:

None Identified by staff.

ENVIRONMENTAL REVIEW:

Environmental review is not required for adoption of the Ordinance. In accordance with the California Environmental Quality Act (CEQA), the State CEQA Guidelines, and the Arroyo Grande Procedures for the Implementation of CEQA, staff had conducted an Initial Study and prepared a Draft Mitigated Negative Declaration (MND) for the development project, which was certified by the Council on October 8, 2015.

PUBLIC NOTIFICATION AND COMMENTS:

A summary of the Ordinance was published in the Tribune and at City Hall on October 20, 2015. The agenda was posted at City Hall on October 22, 2015 and the staff report was posted on the City's website on October 23, 2015. No comments have been received.

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE APPROVING DEVELOPMENT AGREEMENT 15-002 FOR DEVELOPMENT OF PROPERTY LOCATED AT THE SOUTHWEST CORNER OF EAST GRAND AVENUE AND COURTLAND STREET

WHEREAS, the Property Owner is the owner of real property consisting of approximately 4.47 acres identified as Subarea 3 of the Berry Gardens Specific Plan; and

WHEREAS, the property has been the subject of several development applications in recent history; and

WHEREAS, the Property Owner and City of Arroyo Grande desire to facilitate the development and construction of a mixed-use project on the property; and

WHEREAS, the Property Owner and City of Arroyo Grande entered into a Memorandum of Understanding on February 10, 2015 to negotiate in good faith the terms and conditions of a Development Agreement ; and

WHEREAS, a development agreement is a contractual agreement which specifies the intensity, timing and conditions of development of real property; and

WHEREAS, development agreements are used to provide an enhanced degree of certainty in the development process for both the property owner/developer and the public agency; and

WHEREAS, Municipal Code Section 16.16.150 addresses development agreements; and

WHEREAS, pursuant to Municipal Code Section 16.16.150, a duly noticed public hearing was held by the Planning Commission on August 18, 2015; and

WHEREAS, pursuant to Municipal Code Section 16.16.150, the Planning Commission, on September 1, 2015 adopted a resolution recommending that the City Council deny a development agreement for the proposed project; and

WHEREAS, pursuant to Municipal Code Section 16.16.150, after consideration of all testimony and all relevant evidence, the City Council has determined that the following findings of fact can be made in an affirmative manner:

1. The development agreement is consistent with the goals, objectives, policies, general land uses, and programs of the General Plan and any applicable specific plan.

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In conjunction with the proposed General Plan Amendment and Specific Plan Amendment, the proposed Development Agreement is consistent with the goals, objectives, polices, general land uses, and programs of the Arroyo Grande General Plan and the Berry Gardens Specific Plan.

2. The development agreement is compatible with the uses authorized in, and the regulations prescribed for, the land use district in which the real property is located;

In conjunction with the proposed General Plan Amendment and Specific Plan Amendment, the proposed Development Agreement is consistent with the uses authorized in the Gateway Mixed-Use (GMU) district, including commercial development and high-density, single-family detached residential development consistent with mixed-use and multifamily densities prescribed in the Arroyo Grande General Plan Land Use Element and Municipal Code.

3. The development agreement is in conformity with public convenience, general welfare, and good land use practice;

In conjunction with the proposed General Plan Amendment and Specific Plan Amendment, the proposed Development Agreement is in conformity with the uses authorized in the Gateway Mixed-Use (GMU) district, including commercial development and high-density, single-family detached residential development consistent with mixed-use and multifamily densities prescribed in the Arroyo Grande General Plan Land Use Element and Municipal Code, and therefore is in conformity with the public convenience, general welfare, and good land use practice.

4. The development agreement is will not be detrimental to the health, safety, or general welfare;

In conjunction with the proposed General Plan Amendment and Specific Plan Amendment, there is nothing contained within the proposed Development Agreement that will adversely affect the public health, safety or welfare, as the proposed development agreement is in conformity with the uses authorized in the Gateway Mixed-Use (GMU) district, including commercial development and high-density, single-family detached residential development consistent with mixed-use and multifamily densities prescribed in the Arroyo Grande General Plan Land Use Element and Municipal Code.

5. The development agreement will not, in respect to the subject property or any other property, adversely affect the orderly development thereof or the preservation of property values;

The proposed Development Agreement and subsequent permit approvals will complete development of the Berry Gardens Specific Plan Area and in conjunction with the proposed General Plan Amendment and Specific Plan Amendment will not adversely affect the orderly development thereof or the preservation of property values as the resulting development is in conformity with the uses authorized in the Gateway Mixed-Use (GMU) district, including commercial development and high-density, single-family detached residential development consistent with mixed-use and multifamily densities prescribed in the Arroyo Grande General Plan Land Use Element and Municipal Code.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF ARROYO DOES ORDAIN AS FOLLOWS:

SECTION 1: The above recitals and findings are true and correct and are incorporated herein by this reference.

SECTION 2: The City Council hereby approves the Development Agreement with NKT Commercial, LLC as set forth in Exhibit "A", attached hereto and incorporated herein by this reference.

SECTION 3: A summary of this Ordinance shall be published in a newspaper published and circulated in the City of Arroyo Grande at least five (5) days prior to the City Council meeting at which the proposed Ordinance is to be adopted. A certified copy of the full text of the proposed Ordinance shall be posted in the office of the City Clerk. Within fifteen (15) days after adoption of the Ordinance, the summary with the names of those City Council members voting for and against the Ordinance shall be published again, and the City Clerk shall post a certified copy of the full text of such adopted Ordinance. This Ordinance shall take effect and be in full force and effect thirty (30) days after its passage.

SECTION 4: This Ordinance shall take effect and be in full force and effect thirty (30) days after its passage.

SECTION 5: If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed this Ordinance and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the ordinance would be subsequently declared invalid or unconstitutional.

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On motion by Council Member _____, seconded by Council Member _____,
and on the following roll call vote to wit:

AYES:
NOES:
ABSENT:

the foregoing Ordinance was adopted this 27th day of October, 2015.

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JIM HILL, MAYOR

ATTEST:

KITTY NORTON, DEPUTY CITY CLERK

APPROVED AS TO CONTENT:

DIANNE THOMPSON, CITY MANAGER

APPROVED AS TO FORM:

HEATHER WHITHAM, CITY ATTORNEY

RECORDING REQUESTED BY
AND WHEN RECORDED
RETURN TO:

City of Arroyo Grande
Attn: City Clerk
300 E. Branch Street
Arroyo Grande, CA 93421

Space Above This Line For Recorder's Use

DEVELOPMENT AGREEMENT
(Non Recording Fee – Exempt)

THIS DEVELOPMENT AGREEMENT (this “Agreement”) dated as of this ___ day of ____, 2015 (the “Effective Date”), by and between the City of Arroyo Grande (“City”), a municipal corporation, and NKT Commercial, LLC a California limited liability company (“Property Owner”).

RECITALS

WHEREAS, Property Owner is the owner of real property consisting of approximately 4.47 acres identified as Subarea 3 of the Berry Gardens Specific Plan located in the City of Arroyo Grande, State of California and legally described in Exhibit A, attached hereto and incorporated herein by this reference (hereinafter referred to as the “Property”); and

WHEREAS, Property Owner and City desire to facilitate the development and construction of a mixed use (commercial and office/residential) project on the property (the “Project”) in order to accomplish three shared important goals: 1) Provide NKT with sufficient flexibility to induce investment related to the Project; 2) Generate economic revitalization of the Grand Avenue corridor through a high quality Gateway development project; and 3) Preserve the adjacent neighborhood’s residential character; and

WHEREAS, to strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California enacted California Government Code §65864; and

WHEREAS, City, in order to accomplish the same, enacted Arroyo Grande Municipal Code §16.16.150, setting forth the required process for reviewing, processing and approving development agreements; and

WHEREAS, The City has determined that the Project is a development for which a development agreement is appropriate. A development agreement will eliminate uncertainty in

the City's land use planning for, and secure orderly development of, the Project and otherwise achieve the goals and purposes of the city. In exchange for the public benefits and other benefits to the City and the public, Owner desires to receive vested rights, including, without limitation, legal assurances that the City will grant permits and approvals required for the development. Occupancy and use of the Project over the Project's estimated development period in accordance with the Existing City Laws (as defined in this Agreement), subject to the terms and conditions contained in this Agreement. In order to effectuate these purposes, the City and Owner desire to enter into this Agreement; and

WHEREAS, City published a notice of intention to consider adoption of this Agreement pursuant to Government Code Section §§65090 and 65091 and duly held a public hearing; and

WHEREAS, the City finds the following:

- a. This Agreement is consistent with the goals, objectives, policies, general land uses and programs specified in the General Plan.
- b. This Agreement is compatible with the uses authorized in, and the regulations prescribed for, the 2015 Specific Plan Amendment in which the Project is located.
- c. This Agreement is in conformity with public convenience, general welfare and good land use practice.
- d. This Agreement will not be detrimental to the health, safety or general welfare.
- e. This Agreement will not, in respect to the Property, or any other property, adversely affect the orderly development thereof or the preservation of property values; and

WHEREAS, pursuant to Ordinance No. _____, the City approved this Agreement with property Owner, setting forth the permitted uses of the Property, design guidelines, density and intensity of use, and the maximum height and size of building.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, City and Property Owner agree as follows:

Section 1. Recitals. The above recitals are hereby incorporated into the body of this Agreement as though set forth in full herein.

Section 2. Term and Periodic Review.

This Agreement shall be effective immediately upon the Effective Date and shall expire five (5) years from said date, unless otherwise extended by City in writing pursuant to Section 7.

- a. City shall, not less than every twelve (12) months from the Effective Date, comprehensively review Property Owner's efforts to comply with the terms and conditions of this Agreement.

Section 3. Development Entitlements. The Property Owner agrees to develop and construct Alternative 2 described in the MOU between City and Property Owner dated February 10th, 2015, and as described in further detail in Exhibit "B" and by this reference hereby incorporated. For the term of this Agreement, the Project is hereby approved subject to the terms and conditions set forth herein and in the adopted Mitigated Negative Declaration dated November 14, 2014 and revised July 20, 2015 on file with the office of the City Clerk, located at 300 E. Branch Street, and as further set forth in Exhibit "B" attached hereto and incorporated herein by this reference. The entitlements set forth above will include various additional conditions and requirements including, but not limited to additional discretionary and ministerial approvals, with which Property Owner will be required to comply in order to develop the Property and construct and operate the Project. Such approvals shall be reviewed and approved in accordance with the City of Arroyo Grande Municipal Code, California Environmental Quality Act and all other applicable local, state and federal laws and regulations.

Section 4. Vested Right. Property Owner shall have a vested right to develop the Project in accordance with this Agreement.

Section 5. Fees. Property Owner shall pay to City all fees, including, but not limited to building permit, plan check, inspection, water and sewer connection fees, encroachment permit, improvement plan, application and processing or other City development related fees. Development impact fees shall be payable at the time of the issuance of the permit for such construction activities on the site, as permitted in the City municipal code.

Section 6. Referendum. The parties acknowledge that City's approval of this Agreement is a legislative act subject to referendum.

Section 7. Amendment or Cancellation. This Agreement may be amended, or canceled in whole or in part, by mutual written consent of the parties subject to compliance with Arroyo Grande Municipal Code Section §16.16.150.F.2. Notice of intention to amend or cancel any portion of the Agreement shall be given in a manner provided by Government Code Section §65867.

Section 8. Environmental Compliance. In accordance with the California Environmental Quality Act (CEQA), the State CEQA Guidelines, and the Arroyo Grande Procedures for the Implementation of CEQA, staff has conducted an Initial Study and prepared a Draft Mitigated Negative Declaration (MND) for the proposed project dated July 20, 2015.

Section 9. Attorneys' Fees, Costs, and Expenses. In any litigation, arbitration, or other proceeding in law or equity by which one party to the Agreement seeks to enforce its rights under the Agreement, to resolve any alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, to seek a declaration of any rights or obligations under this Agreement, or to interpret the provisions of this Agreement, the prevailing

party shall be entitled to recover from the losing party actual attorneys' fees incurred to resolve the dispute and to enforce the final judgment, award, decision, or order and such fees, costs; or expenses shall be in addition to any other relief to which the prevailing party may be entitled.

Section 10. Notices. To be effective, all notices, requests, demands, and other communications required or permitted under this Agreement shall be in writing and shall be delivered either in person or by certified mail, postage prepared, return receipt requested. Notice is deemed effective on delivery if served personally on the party to whom notice is to be given and delivery if served personally on the party to whom notice is to be given, by first class mail, registered or certified, return receipt requested, postage prepaid, and properly addressed as set forth below. Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be deemed effective as of the first date that said notice was refused, unclaimed, or deemed undeliverable by the postal authorities. The addresses for purposes of giving notice are as set forth below but each party may change its address by written notice in accordance with this paragraph.

If to Property Owner:

NKT Commerical, LLC
Attn: Nicholas Tompkins
684 Higuera Suite B
San Luis Obispo, CA 93401

If to CITY:

City of Arroyo Grande
Attn: City Manager
300 E. Branch Street
Arroyo Grande, CA 93421-0550

Section 11. Authorizations. All officers and individuals executing, this Agreement and other related documents on behalf of the respective parties do hereby certify and warrant that they have the capacity and have been duly authorized to so execute said documents on behalf of the entity so indicated.

Section 12. Headings and Captions. The captions and headings of this Agreement are inserted for convenience only and shall not be deemed a part of this Agreement and shall not be used in interpreting this Agreement or in determining any of the rights or obligations of the parties to this Agreement.

Section 13. Severability. If any term, provision, covenant, or condition of this Agreement shall be or become illegal, invalid, null, void, unenforceable, or against public policy, in whole or in part, or shall be held by any court of competent jurisdiction to be illegal, invalid, null, void, unenforceable, or against public policy, in whole or in part, or shall be held by any court of competent jurisdiction to be illegal, invalid, null, or void, or against public policy, the term, provision, covenant, or condition shall be deemed severable, and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected, impaired, invalidated. The term, provision, covenant, or condition that is so invalidated, voided, or held to be unenforceable shall be modified or changed by the parties to the extent possible to carry out the intentions and directives set forth in this Agreement.

Section 14. Counterpart Execution. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

Section 15. Entire Agreement. This Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the parties pertaining to the Agreement and supersedes all prior and contemporaneous agreements, promises, representations, warranties, understandings, or undertakings by either of the parties, either oral or written, of any character or nature. No party has been induced to enter into this Agreement by, nor is any party relying on, any representation or warranty outside those expressly set forth in this Agreement.

Section 16. Ambiguities. Each party and its counsel have participated fully in the review and revision of this Lease. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement which shall be deemed effective as of the first date set forth above.

CITY OF ARROYO GRANDE

NKT COMMERCIAL, LLC

By: _____
Jim Hill, Mayor

By: _____
Nicholas Tompkins, Managing Member

Date: _____

Date: _____

Attest:

As Approved to Form:

Kelly Wetmore, City Clerk

Paul F. Ready

Date: _____

Date: _____

As Approved to Form:

Heather K. Whitham, City Attorney

Date: _____

Exhibit "A" Legal Description

Exhibit "B"

For purposes of clarity, the Project is described as two separate areas; Subarea 3a and Subarea 3b.

Subarea 3a will refer to the commercial portion of the Project fronting onto East Grand Avenue, while Subarea 3b will refer to the residential portion of the Project fronting onto South Courtland Street.

a. Project Specifics:

- i. Subarea 3a will include approximately 15,600 square feet of commercial or office space divided among three (3) separate buildings, representing a 5,000 square foot expansion from the Project submitted to the City Council on December 9, 2014. The buildings will be located on three (3) separate lots ranging in size from approximately 10,000 square feet to approximately 26,000 square feet. The western building will front onto East Grand Avenue and will include approximately 5,500 square feet of mixed-use commercial or office space. The eastern building will front onto East Grand Avenue and will include approximately 6,500 square feet of commercial or office space. The third building will be located along South Courtland Street and will include approximately 3,600 square feet of commercial or office space. Parking for Subarea 3a will be located behind and to the side of the two buildings fronting onto East Grand Avenue. In addition, three (3) outdoor plaza/paseo spaces at ground-level will be incorporated within Subarea 3a and will provide opportunities for outdoor dining. The central plaza spaces located along the central driveway will incorporate planters, furnishings, and/or other features to separate the plaza spaces from the central driveway. The plaza space at the corner of East Grand Avenue and South Courtland Street will incorporate a low wall feature to minimize noise and will include planters, furnishings, and/or other features.
Front yard setbacks for the commercial buildings fronting East Grand Avenue will be between zero (0) to five (5) feet. The side yard setbacks for the commercial buildings along South Courtland Street and the interior side yard setbacks along the City Limit Line will be a minimum of zero (0) to five (5) feet. Rear yard setbacks for the commercial buildings along Subarea 3b will be a minimum of zero (0) to five (5) feet.
- ii. Subarea 3b will include thirty-six (36) single-family residential units in a small lot, detached format that includes driveways, on- and off-street parking, and a centrally located Neighborhood Green. This represents a reduction in area devoted to housing by five (5) units from the Project submitted to the City Council on December 9, 2014. The minimum lot size for the single-family residential parcels will be 2,000 square-feet. Front yard setbacks for residential units fronting onto South Courtland Street will be a minimum of ten (10) feet. The residential unit adjacent to Subarea 3a parking areas will have a minimum setback of ten (10) feet. Units with a rear yard to the City Limit Line will have a minimum setback of ten (10) feet. Those units facing the private drive will

have a minimum street setback of two (2) feet, with a minimum side yard setback of four (4) feet. Units fronting onto the Neighborhood Green will have a front yard, open space setback of eight (8) feet.

b: *Architecture and Design*

- i. All buildings located within Subarea 3a will be designed in a contemporary architectural style. Building designs will include changes in wall planes, glazing at ground level, a variety of materials, awnings, and signage. Materials will include but are not limited to brick, plaster, steel, and aluminum. Street/Parking lot lighting and wall lighting will be incorporated within Subarea 3a. Signage will allow for up to one (1) wall sign per building face with the total area for each tenants sign on each building face not exceeding one and a half (1.5) square feet of sign area for each linear foot of building frontage for the business. Perimeter fencing or walls along the East Grand Avenue and South Courtland Street frontages will be limited to three and a half (3.5) feet in height unless the portion over three and a half (3.5) feet, up to six (6) feet, is 75% light emitting, or combined with a raised planter. All fences and walls will be subject to discretionary review. Maximum allowed building height for Subarea 3a, including all architectural features, will not exceed 40 feet in height.

- ii. Subarea 3b will be designed in a contemporary, mid-century architectural style that complements Subarea 3a. Color and material selection will be consistent with the mid-century architectural style. Materials will include but are not limited to plaster, fiber cement siding, asphalt shingles, corrugated metal, and natural wood. Street/Parking lot lighting, bollard path lighting, and wall lighting will be incorporated within Subarea 3b. Those residential units facing onto South Courtland Street will include porches that address the street. Residential units facing the Neighborhood Green will address the common open space. All units will have a side yard reciprocal easement that creates a useable eight (8) foot patio space for said units. Units adjacent to Subarea 3a and units adjacent to the City Limit Line will include a maximum six (6) foot retaining wall with six (6) foot fences placed on top, for a maximum height of 12 feet, where appropriate. Fencing between Subarea 3a parking and Subarea 3b residential units will be double sided to buffer between parking areas and residences. Perimeter fencing or walls along the East Grand Avenue and South Courtland Street frontages will be limited to three and a half (3.5) feet in height unless the portion over three and a half (3.5) feet, up to six (6) feet, is 75% light emitting, or combined with a raised planter. All fences and walls will be subject to discretionary review. Maximum allowed building height for Subarea 3b will not exceed 35 feet or two-stories, whichever is less. Total building height including all architectural features will not exceed 40 feet.

c. *Neighborhood Green*

- i. The Neighborhood Green will be centrally located in Subarea 3b and will include a pavilion, sitting areas, play structure, flex spaces, and mailbox area. A mixture of hardscape and greenscape will be included with the landscape palette focused on drought tolerant plantings. Pedestrian pathways will be incorporated to provide access to the Neighborhood Green throughout Subarea 3b.

d. *Density*

- i. As calculated by AGMC Subsection 16.36.030.C, Subarea 3b will have 17.58 units per acre.

e. *Circulation and Access*

Improvements to streets and intersections shall be generally limited to the proposed improvements associated with Proposed General Plan Amendment 14-002, Specific Plan Amendment 14-001, Conditional Use Permit 14-009 and Vesting Tentative Tract Map 14-001.

- i. Subarea 3a will include three (3) access points, two (2) along East Grand Avenue and one (1) along South Courtland Street. The westernmost driveway along East Grand Avenue will be designed to only allow vehicular egress in an eastbound manner. The center driveway along East Grand Avenue will be designed to only allow vehicular ingress. The single driveway along South Courtland Street will allow full ingress and egress to Subarea 3a.
- ii. Subarea 3b will include two (2) access points, one (1) along South Courtland Street and one (1) emergency access from the People's Self Help Housing Development located to the south. The South Courtland Street private drive will allow full ingress and egress to Subarea 3b and will be aligned with the existing commercial driveway to the east. The private drive will allow shared use by vehicles, bicyclists, and pedestrians. The emergency access drive will only allow emergency vehicle access to and from the People's Self Help Housing Development and will be maintained as part of the Project.

f. *Parking*

- i. Subarea 3a will include a total of seventy-seven (77) open, unassigned parking spaces for commercial use. All parking spaces will be located to the rear and the side of Subarea 3a buildings.
- ii. Subarea 3b will include a total of one hundred nine (109) parking spaces. Seventy-two (72) will be enclosed, off-street parking spaces, representing two (2) spaces per unit. In addition, thirty-seven (37) guest parking spaces will be provided, representing 1.03 guest parking spaces per

unit. Guest parking spaces will be dispersed throughout Subarea 3b with a majority located in the southwest corner and north portion of the site.

g. Pedestrian Improvements

- i. Pedestrian improvements will include improved and widened sidewalks for the project frontage along East Grand Avenue and South Courtland Street. Street trees will be provided along East Grand Avenue and South Courtland Street within ten (10) feet of curb edge where feasible. South Courtland Street will be widened and will allow for on-street parallel parking along the Project frontage. A Class II bicycle lane will be provided along the Project frontage on South Courtland Street. The Project's fair share of cross walk enhancements at the East Grand Avenue and South Courtland Street will also be incorporated.

h. Storm Drain

- i. Each drainage subarea will incorporate post-construction storm water management measures consistent with Regional Water Quality Control Board standards. Project water quality measures will be provided on-site and include low-impact design features such as disconnected downspouts, rain gardens and/or other measures promoting storm water infiltration through surface and/or sub-surface infiltration basins. Mitigation of post-development peak storm water run-off will be directed to the east, across Courtland Street to the Poplar Basin, which was designed and built to accommodate development of the Subareas.

j. Timing

- i. Property Owner will commence construction of both Subarea 3a and 3b within five (5) years of approval.

EXHIBIT A

Order Number: 4001-4741519 (LI)

Page Number: 6

LEGAL DESCRIPTION

Real property in the City of Arroyo Grande, County of San Luis Obispo, State of California, described as follows:

(Certificate of Compliance 2009-038585) (A.P.N.: 077-131-052 and 077-131-054)

A portion of Block 86, Block 114 and Rockaway Avenue of the Town of Grover, in the City of Arroyo Grande, County of San Luis Obispo, State of California, according to map filed November 23, 1892 in Book A, Page 6 of Maps, in the office of the County Recorder of said County, and that portion of Remainder of Tract 2471, in the City of Arroyo Grande, County of San Luis Obispo, State of California, according to map filed August 16, 2004 in Book 24, Pages 9, 10 and 11 of Maps, in the office of the County Recorder of said County, and being more particularly described as follows:

Beginning at the Northeast Corner of Lot 1 of Tract 2158, in the City of Grover Beach, County of San Luis Obispo, State of California, according to map filed May 2, 1994 in Book 17, Page 23 of Maps, in the office of the County Recorder of said County;

thence along the Easterly line thereof and along the East line of the land described in deed to John Bradley Forde and Anita Madeline Forde in Document No. 2003122906 filed October 22, 2003 in the office of the County Recorder of said County, South 03°14'51" West, 645.07 feet to the Northwest Corner of Lot 7 of said Tract 2471;

thence along the Northerly line of said Tract 2471 and the Northerly line of Tract 2260 Phase I, in the City of Arroyo Grande, County of San Luis Obispo, State of California, according to map filed November 3, 2000 in Book 19, Page 43 of Maps, in the office of the County Recorder of said County thereof, South 86°45'35" East, 411.86 feet to a point on the Westerly line of an existing 50-foot Easement for Road Purposes, as shown on Parcel Map AG 00-301, in the City of Arroyo Grande, County of San Luis Obispo, State of California, according to map filed June 25, 2002 in Book 56, Page 54 of Parcel Maps, in the office of County Recorder of said County, which point is South 86°45'35" East, 7.00 feet from the Northeast Corner of Lot 84 of said Tract 2260 Phase I;

thence along the Westerly line of said 50-foot Easement for Road Purposes, North 03°14'46" East, 645.00 feet to a point along the Southerly Right-of-Way of East Grand Avenue;

thence along said Southerly Right-of-Way line thereof, North 86°45'00" West, 411.84 feet to the Point of Beginning;

EXCEPT the South 172.25 feet thereof.

APN: 077-131-052 and 077-131-054