Atascadero City Council
Staff Report – Community Development Department

Del Rio Road Commercial Area Specific Plan
PLN 2007-1245 (Walmart) & PLN 2007-1246 (The Annex)

applicants:
EDA Inc. / Omni Design Group

owners:
Walmart Inc. / The Rottman Group / Montecito Bank & Trust

Capital Improvement Plan (CIP) Amendment
2012 Update of the Five-Year CIP
PLN 2007-1183

I. RECOMMENDATIONS:

Planning Commission Recommends Council:


2. Adopt Resolution “B”, approving General Plan Land Use Diagram Amendment (GPA 2007-0020 and GPA 2007-0021) based on findings; and,

3. Introduce Ordinance “A”, for first reading by title only, amending the zoning code text to add Specific Plan Zone 2 (ZCH 2007-0141 and ZCH 2007-0142) based on findings; and,
4. Introduce Ordinance “B”, for first reading by title only, approving zoning map amendment (ZCH 2007-0141 and ZCH 2007-0142), including a zoning overlay of the project site to “SP-2” (Specific Plan Zone 2) based on findings; and,

5. Introduce Ordinance “C”, for first reading by title only, adopting the Del Rio Road Commercial Area Specific Plan and Appendix documents [Specific Plan Zone 2 (SP 2009-0003)] as a table in the municipal code, based on findings; and,

6. Adopt Resolution “C”, adopting Specific Plan Master Plan of Development (SP 2009-0003) for the Del Rio Commercial Area, based on findings and subject to Conditions of Approval; and,

7. Adopt Resolution “D”, approving the Walmart Tree Removal Permit TRP 2009-0128, based on findings and subject to Conditions of Approval; and,

8. Adopt Resolution “E”, approving the Annex Tree Removal Permit TRP 2009-0127, based on findings and subject to Conditions of Approval; and,

9. Adopt Resolution “F”, approving the Walmart Vesting Tentative Parcel Map AT 09-0073 (TPM 2009-0095; Walmart) based on findings, subject to Conditions of Approval; and,

   This resolution includes a staff recommendation to include an amended condition of approval regarding the Mission Oak traffic circulation improvements; and,

10. Adopt Resolution “G”, approving the Annex Vesting Tentative Parcel Map AT 07-0059 (TPM 2011-0098; The Annex) based on findings and subject to Conditions of Approval; and,

11. Adopt Resolution “H”, amending the Five-Year Capital Improvement Plan consistent with the General Plan, based on findings; and,

12. City Council allocate funds and direct staff to begin the permitting and design process for the expansion of the Del Rio Road / US 101 interchange; and direct staff to draft a formal agreement between City and the tenants at the Mission Oaks shopping center to meet regularly through any form of communication necessary to discuss timing and phasing of road construction issues to ensure adequate access is provided to the Mission Oaks shopping center during construction of improvements at the Del Rio Road and El Camino Real intersection and US 101 interchange.
II. REPORT-IN-BRIEF

A. Staff Report Organization

The Planning Commission staff report binder has been updated to become the City Council staff report. The report has been updated as follows:

- New City Council staff report – summary of new issues ......................... grey paper
- Attachment A – 6/5/12 Planning Commission staff report (no changes) ...... white paper
- Tabs D to J – reference information (no changes) ................................ pink paper
- Tabs K to Y – updated draft Council resolutions and ordinances ............ blue / yellow
- Tab Z – updated draft Capital Improvement Plan resolution ................. purple paper
- Tabs 1 to 4 – new City Council staff report attachments ...................... tan paper

All of the separate attachments that were issued with the Planning Commission staff report are incorporated into the City Council staff report and must be brought to the City Council hearing. Additional City Council staff report attachments include the following:

- March 2011 Draft EIR / February 2102 PRDEIR / May 2012 Final EIR ................................................................. green label
- Project Specific Plan ..................................................................................................... yellow label
- Walmart-only Specific Plan ......................................................................................... blue label
- Oversized plans and exhibits ..................................................................................... orange label

Note: all attachments printed on blue paper or with blue labels pertain to the “Walmart-only” alternative project. The Planning Commission is not recommending the Walmart-only alternative.

B. Planning Commission Meeting Summary

The Planning Commission heard the project at its June 5, 2012 meeting. The meeting was well attended with over 250 members of the public attending the meeting. During public testimony, 52 people spoke on the project. Of the speakers approximately 22 raised questions or concerns about the project. The remaining speakers expressed some form of support for the project. The primary issues raised by the public included the following:

1. Additional EIR comment letters submitted / whether the project had a cumulative or direct impact on the Del Rio Road / US 101 interchange.
2. How roundabouts operate and safety for pedestrians, bicyclists and wheelchairs.
3. Scope of the traffic study and how traffic was counted.
4. The interchange permitting process, timeframes, funding and interchange cost estimates.
5. Project Revenue Assumptions
6. Changes to the Capital Improvement Plan.
8. The Rottman Group request for continuance and drainage system design options between Montecito Bank and Trust property
9. Police Department and public safety issues and impacts.

Staff provided the Planning Commission with responses to the questions. Those responses are summarized in the following section.

Following questions, the Planning Commission moved to approve the project resolutions one at a time. In all, the Planning Commission recommended approval of all 12 resolutions on 4-1 votes with Commissioner Colamarino dissenting. The draft Planning Commission Minutes are included as Attachment 20 (Tab 3).

C. Response to Comments Received after PRDEIR Comment Period
Since the close of the PRDEIR public comment period on April 30, 2012, the City has received a number of additional comments regarding the project. These comments are included in the staff report as Attachment 18 (Tab 1). Although the California Environmental Quality Act (CEQA) does not require written responses for comments received after the close of the public comment period, the City has taken an additional measure to provide written responses to the comments. The responses are also included in Attachment 18 and are part of the overall record of the project hearing. For Council reference, the resumes and qualifications of the key members of Michael Brandman and Associates’ EIR team have also been included as Attachment 19 (Tab 2).

D. Issues Raised at Planning Commission Hearing
1. Del Rio Road / US 101 interchange Impact
One specific issue raised during the hearing and in a letter submitted by Mr. Wolfe was the issue of whether the project had a cumulative or direct impact on the Del Rio Road / US 101 interchange. Mr. Wolfe asserted this was a direct impact and the proportional share calculations were misapplied to the project.

The EIR consultants have provided a detailed response to the question in Attachment 18. In summary, impacts to a regional transit facility, like the Del Rio Road/US 101 freeway interchange, are inherently cumulative. Steve Weinberger (W-Trans) and Scott Thorpe (RCS) addressed this issue at length at the June 5th Planning Commission meeting. To summarize, the US 101 / Del Rio Road interchange is used by existing and future vehicle trips generated by persons who live, work, shop, or engage in other activities in the interchange vicinity; it would not solely be used by persons associated
with the Del Rio Road Commercial Area Specific Plan. Thus, existing and future traffic impacts at the interchange are inherently “cumulative” and, therefore, payment of proportionate share fees (i.e., “fair share”) is the appropriate method of mitigating impacts.

The City has long since recognized this, identifying in its General Plan that this facility would be cumulatively impacted and implementing a TIF program to fund these improvements. In particular, the Partially Recirculated Draft EIR (PRDEIR) and Final EIR describe that:

- In 2002, the 2025 General Plan and General Plan EIR identified the Del Rio Road/US 101 interchange as a planned improvement project necessary to accommodate General Plan buildout. Both the General Plan and General Plan EIR analyzed this specific interchange and related roadway segments and concluded that they would be significantly impacted under 2025 General Plan buildout conditions, but that interchange improvements were available which would fully mitigate these impacts.
- In recognition of the findings in the General Plan EIR, the City’s 2002 Master Plan and Capital Improvement Plan identified the Del Rio Road/US 101 interchange as a planned improvement project required to implement the General Plan.
- Additionally, the City’s Atascadero Operational Interchange Improvement Study,” adopted by the City Council in 2008, concluded that roundabouts were the best solution to mitigate future traffic impacts at this location.

The PRDEIR and Final EIR described that the interchange improvements in question are part of the City’s TIF program and the long term capital planning undertaken by the City. The City’s TIF program funds these improvements, with all contributing projects paying a proportional share of the cost of the improvements. The proportional share contributions required by the project are based on a detailed consultant analysis that is consistent with Caltrans methodology for determining proportional share responsibility.

2. Roundabout Design and Safety Issues

A number of speakers questioned whether three roundabouts could accommodate the project traffic increases and also if roundabouts were safe for pedestrians, bicyclists and wheelchairs. Steve Weinberger (W-Trans) explained at the Planning Commission hearing that modern roundabouts, unlike historic traffic circles, are engineered traffic control devices with a specific design capacity for a certain level of traffic. As a signalized intersection has a predicable capacity to handle traffic, so does a modern roundabout. W-Trans has conducted an exhaustive traffic analysis of the project and
has specifically designed the triple roundabout system to accommodate future 2035 traffic levels plus the proposed project.

Propose Triple Roundabout Mitigation Measure

Although modern roundabouts are not common in California, they are used extensively in Florida and Oregon with much success (refer to Attachment 21 [Tab 4] – Caltrans publication: Roundabouts in the United States). Experience in other states demonstrates that drivers quickly adapt to using roundabouts. Some people have expressed concern about roundabouts based on their experience with the roundabouts located in Santa Maria off of Betteravia Road. The Santa Maria roundabouts are not particularly well designed and function more like historic traffic circles than modern roundabouts. W-Trans is confident that their proposed designs will function much better than the roundabouts in Santa Maria.
Some speakers expressed concerns for pedestrians, bicyclists and wheelchairs when crossing a roundabout. Mr. Weinberger explained that pedestrian and bicycle safety is specifically designed into a roundabout and roundabouts are as safe as signalized intersections for pedestrians. The roundabouts have specific crosswalks with raised center island refuges that allow pedestrians to cross one direction of traffic at a time. Because of the merging and yielding, cars enter roundabouts slowly which also favors pedestrians. Bicyclists have the choice to use the roundabout as either a vehicle or dismount and use it as a pedestrian. Furthermore, because of the slow design speed of roundabouts, fatal vehicular accidents are extremely rare in roundabouts as compared to signalized intersections. Also, the roundabouts are designed to accommodate the turning radii of the largest tractor-trailer vehicles that are permitted on interstate highways.
3. Traffic Study Scope and Traffic Counts

Some commenters raised questions about the scope of the traffic study and whether actual physical traffic counts were made. This claim is incorrect. W-Trans prepared a 1123 page Transportation Impact Analysis, which is provided in its entirety in Appendix O of the EIR of the Partially Recirculated Draft EIR. The Transportation Impact Analysis included counts of existing traffic volumes on roadways in the project vicinity. The counts are provided in Appendix O.

4. Project Revenue Assumptions

The Planning Commission requested clarification of the percentage revenue increase the project would provide to the City of Atascadero at completion of the project. As cited on page 60 of the Planning Commission staff report, the project has a net annual revenue of $529,000 to the City.

Total City Revenue $15,600,000 = 3% total revenue increase

Total City Sales Tax Revenue $2,583,000 = 22% total sales tax increase

5. Interchange Permitting, TIF and Funding

i. Roundabout Cost Estimates

The $4,500,000 cost estimate of the two freeway ramp head roundabouts includes the cost of design, permitting, right-of-way, construction, traffic control and landscaping. In addition, a 30% contingency factor has been added to the bottom-line of the total estimate. Although City staff is confident that the Del Rio Road / US 101 interchange improvement cost estimates have adequate contingencies built in, there always exists the possibility of a cost overrun. In order to offset this risk, Walmart has agreed to contribute an addition $200,000 to cover potential cost overruns. Since Walmart’s proportional share of the interchange costs is 28.7%, Walmart would only be responsible for 28.7% of any cost overruns. Therefore the $200,000 would cover Walmart’s share of a $696,864 cost overrun, which translates into an additional 15% contingency. This cost overrun provision has been added to the conditions of approval.

ii. TIF Calculations

Scott Thorpe of RCS prepared the proportional share analysis for the project (refer to Attachment 6A [Tab I]). The proportional share analysis was split up between the Walmart and Annex components of the project and then further between the different uses within each component. The traffic impact fee summary in the Planning

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1 $529,000 / $15,000,000 = 3.5% (2010 dollars)
2 $581,000 / $2,583,000 = 22.4% (2010 dollars) The project sales tax revenue number is higher than the overall net project revenue, because the sales tax number is does not subtract out the $106,475 cost of services to the City.
Commission staff report (page 65) breaks out the Walmart store from the other uses on the Walmart property, specifically the multi-family residential and the 10,000 square feet of commercial development on the outlots. This table includes both the regular City wide TIF as well as the EIR specific “Special Interchange Fee.” The Walmart store fees were broken down separately, because the Walmart store will be the first phase and only TIFs from the store will likely be available to help fund the interchange project in the short term. This summary was provided to the Planning Commission because it represents the most conservative assumptions for City TIF collections.
Traffic Impact Fee Summary – page 65 Planning Commission staff report

Walmart Store

- Special Interchange Fee: $1,159,923
- Standard Traffic Impact Fee: $1,443,414
- Street Improvement Credits: <$333,912>
- Walmart Total: $2,269,425

Annex Commercial / Walmart Outlots / Annex single-family residential / Walmart multi-family residential

- Special Interchange Fee: $1,228,176
- Standard Traffic Impact Fee: $1,422,342
- Street Improvement Credits: <$32,529>
- Annex Total: $2,617,969

Total Developer Traffic Fees: $4,887,394

Another way to look at the RCS proportional share analysis is just to focus on the special interchange fee for the Walmart component and the Annex components of the project. This is how the special interchange fees are presented in the PRDEIR document (page 3.11-29).

Walmart Component (Walmart store, outlots, multi-family residential)

- 28.7% of interchange impact = $1,292,798
  - Walmart store: $1,159,923
  - Commercial outlots: $89,520
  - Multi-family residential: $43,355

Annex Component (Annex stores, single-family residential)

- 24.3% of interchange impact = $1,095,301
  - Annex commercial: $1,082,861
  - Annex single-family residential: $12,440
iii. Internal Borrowing Options

Questions were raised by the Planning Commission regarding the impact of borrowing wastewater funds for the interchange project. Currently the wastewater fund has approximately $10,000,000 on account. This money will be needed in the future to fund the expansion of the Wastewater Treatment Plant (WWTP). The existing WWTP is adequate to handle growth through the foreseeable future and consequently there is no plan to use wastewater funds.

In order to fund the Del Rio Road / US 101 interchange project the City will need to borrow a maximum of $1,500,000 from the wastewater fund which is about 15% of the fund balance.

Walmart TIFs $2,270,000
Existing TIFs $ 800,000
Wastewater fund $1,500,000

Total $4,570,000

Since the most expensive part of the interchange project will be the construction phase, the wastewater fund borrowing would not be required until 2014 at the earliest. By 2014, the City will have collected additional TIFs that will further reduced the amount that needs to be borrowed from the wastewater fund.

In the leanest year since 1999 the City has collected at least $150,000 annually in TIFs. At this rate, it would take the City 10 years to pay back the wastewater fund.

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Circulation Impact Fees (TIF)
History of Fees July 1999 - June 12, 2012

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<td>Average</td>
<td>$ 368,308.00</td>
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3 $1,500,000 loan / $150,000 annual payment = 10 years
6. Capital Improvement Plan Amendments

TIF funds may only be used for traffic capacity increasing projects listed in the City Master Facilities plan. These types of projects include interchange expansion, arterial street widening, new signals and new bridges. TIF funds cannot be used for maintenance projects like street repaving and local street repairs. Consequently, no street maintenance projects anywhere in town would be affected by the prioritization of the Del Rio Road / US 101 interchange project because it is funded with TIFs. Currently, the City has no major TIF funded project programmed because there is only $800,000 available which is insufficient to fund another major project somewhere else in town. In summary, prioritization of the Del Rio Road / US 101 interchange project in the Capital Improvement Plan would not have a significant impact on any other City road projects.

7. Mission Oaks Coordination

The City has met with the business owners at Mission Oaks shopping center to discuss their concerns regarding road construction impacts to their businesses. Many of these owners also raised the same issue at the Planning Commission meeting and have submitted a letter (refer to Attachment 18 for detailed response). City staff understands these concerns and is committed to working closely with the businesses to minimize any disruptions to their operations.

The Planning Commission has added a condition of approval that requires the City to establish a formal agreement with the tenants at the Mission Oaks shopping center to meet regularly to discuss timing and phasing of road construction issues. The purpose of these meetings is to ensure adequate access is provided to the Mission Oaks shopping center during construction of improvements at the Del Rio Road and El Camino Real intersection and US 101 interchange.

Although these are not environmentally significant issues, the existing Mission Oaks main access point could be improved through lane geometric modifications as shown in the attached graphic. Left-turn movement out of the Mission Oaks could be served by a center refuge lane that would allow for a ‘two-stage’ left turn (left-turn movement into the refuge lane, then merge with northbound traffic). These geometrics would help to reduce delay and increase safety for movements out of the Mission Oaks access. Also, U-turns could be permitted at the southernmost driveway to allow vehicles exiting the Mission Oaks shopping center on southbound El Camino Real to turn around and head north. City staff is recommending a new Parcel Map condition that would require left-turn refuge lane and widening to accommodate U-turns, to be installed by the project.
In summary, Mission Oaks would experience no loss of vehicular access to or from El Camino Real and would also have its existing main access improved through the installation of a center refuge lane, and have its service entrance improved with signal.

8. **Rottman Group Request for Continuance / Annex Drainage System Design Options**

During the Planning Commission meeting, The Rottman Group’s representative, Bob Winslow, raised questions about the drainage system connections between Rottman’s property and Montecito Bank and Trust’s property. Mr. Winslow and Rottman’s attorney Nicki Carlson requested that the Planning Commission meeting be continued.
The City Attorney advised the Planning Commission the project conditions addressed the drainage issues and that a continuance was not necessary. In Attachment 18 staff has prepared a detailed response to Winslow and Carlson’s concerns. Should the two parties fail to reach an agreement, the City believes that adequate storm drainage can be provided within the Montecito Bank & Trust-owned parcels. Russ Thompson, City Engineer, prepared a memo describing how adequate storm drainage could be provided to the Montecito Bank & Trust-owned parcels. Refer to Attachment 18 page LC-27 for the City Engineer’s memo.

9. Police Department and Public Safety Issues

Questions regarding public safety and Police Department service issues were raised by multiple comments. The Atascadero Police Department was consulted during the preparation of the Draft EIR; refer to Draft EIR pages 3.10-15 through 3.10-17. The Atascadero Police Department contacted the Paso Robles and Arroyo Grande Police Departments to identify potential issues of concern as they related to Walmart stores in those communities. Based on input from those police departments, the Atascadero Police Department recommended various security measures that are reflected in Mitigation Measure PSU-2 including provision of professionally trained security officers, alarms in the Walmart pharmacy, adequate lighting in parking areas, video surveillance of parking areas, and signage in parking areas and driveways advising patrons of prohibited activities. All Atascadero Police Department recommended measures are required as mandatory mitigation measures for the project.

III. COUNCIL ALTERNATIVES

The following alternative actions are available for the City Council considerations:

A. Modify Project Conditions

The City Council may modify the project or conditions of approval. The City Council needs to clearly identify the project modifications and include those modifications with the motion for the appropriate ordinance or resolution. Any proposed project modification must be consistent with the scope of the EIR analysis.

Staff can assist the City Council in preparing an appropriate motion.

B. Refer Back to Staff / Planning Commission

The City Council may determine that additional information is required prior to making a recommendation. In this case, the City Council should refer the item back to either staff or the Planning Commission.

The City Council should clearly identify the additional information that needs to be provided.
C. **Denial**
The City Council may deny or continue on one or more of the attached ordinances and resolutions.

The City Council needs to make clear findings of denial on any of the ordinances or resolutions it is denying.

D. **Walmart Only Alternative from the EIR**
Under the requirements of the California Environmental Quality Act, EIR’s must include the analysis of feasible alternative projects. One of the alternatives that was analyzed was the construction of the Walmart portion of the project without the Annex portion. This alternative is described on page 5-11 of the PRDEIR. As part of the PRDEIR process, the Walmart Only alternative was expanded so that it could stand alone as an approvable project if the Annex portion of the project became infeasible.

Although there has been a change in ownership and Montecito Bank and Trust is now an additional applicant, the Annex portion of the project is still feasible. The Bank has signed a new project application and is very interested in entitling the property for commercial development. **Therefore, Planning Commission is not recommending this alternative action be considered.**

However, if the City Council determines that the Walmart Only Alternative should be acted on, the following motion should be considered. The Walmart Only Alternative ordinances and resolutions are designated with an “X” and printed on blue paper in the original staff report.

1. Adopt Draft Resolution A-X Certifying the Final Environmental Impact Report with the Walmart Only Alternative, including Mitigation Monitoring Program, and Statement of Overriding Considerations; and,

2. Adopt Draft Resolution B-X recommending approval of the Walmart Only General Plan Land Use Diagram Amendment (GPA 2007-0020) based on findings; and,

3. [Note – this ordinance is the same and printed in yellow] Introduce Ordinance A for first reading to establish zoning code text for Specific Plan Zone 2 (ZCH 2007-0141) based on findings; and,

4. Introduce Ordinance B-X for first reading approving the Walmart Only Zoning Map Amendment (ZCH 2007-0141), including a zoning overlay of the project site to “SP-2” (Specific Plan Zone 2) based on findings; and,

5. Introduce Ordinance C-X for first reading approving of the Walmart Only Del Rio Commercial Area Specific Plan for Specific Plan Zone 2 (SP 2009-0003) which includes the Del Rio Road Commercial Area Specific Plan and Appendix documents, based on findings; and
6. Adopt Draft Resolution C-X approving the Walmart Only Specific Plan Master Plan of Development (SP 2009-0003) for the Del Rio Commercial Area, based on findings and subject to Conditions of Approval; and,

7. [Note – this resolution is the same and printed in yellow] 
   Adopt Resolution D approving the Walmart Tree Removal Permit TRP 2009-0128, based on findings and subject to Conditions of Approval; and,

8. [Note – this resolution is the same and printed in yellow] 
   Adopt Resolution F approving the Walmart Vesting Tentative Parcel Map AT 09-0073 (TPM 2009-0095; Walmart) based on findings and subject to Conditions of Approval;

   This resolution includes a staff recommendation to include an amended condition of approval regarding the Mission Oak traffic circulation improvements; and,

9. Adopt Resolution “H”, amending the Five-Year Capital Improvement Plan consistent with the General Plan, based on findings; and,

10. City Council allocate funds and direct staff to begin the permitting and design process for the expansion of the Del Rio Road / US 101 interchange; and direct staff to draft a formal agreement between City and the tenants at the Mission Oaks shopping center to meet regularly through any form of communication necessary to discuss timing and phasing of road construction issues to ensure adequate access is provided to the Mission Oaks shopping center during construction of improvements at the Del Rio Road and El Camino Real intersection and US 101 interchange.

E. Capital Improvement Plan Alternatives
1. The City Council may choose not to amend the Capital Improvement Plan.

2. The City Council may continue the Capital Improvement Plan item and refer it back to staff for additional information or analysis.
IV. COUNCIL ATTACHMENTS

1. Attachment A: 6/5/12 Planning Commission Staff Report
2. Attachment 1: Location Map, Zoning and General Plan
3. Attachment 2: Project Master Plan
4. Attachment 3: Existing General Plan Land Use Diagram
5. Attachment 4: Existing Zoning Map
6. Attachment 5: Fiscal Impact Analysis
7. Attachment 6A: Resource Cost Specialist - Proportional Share of Circulation System Improvements
8. Attachment 6B: Walmart Annex Project Milestones
9. Attachment 7: Draft Resolution A certifying the Final Environmental Impact Report, including Mitigation Monitoring Program, and Statement of Overriding Considerations
10. Attachment 7-X: Draft Resolution A-X certifying the Final Environmental Impact Report with the Walmart Only Alternative, including Mitigation Monitoring Program, and Statement of Overriding Considerations
11. Attachment 8: Draft Resolution B approving General Plan Land Use Diagram Amendment
12. Attachment 8-X: Draft Resolution B-X approving the Walmart Only General Plan Land Use Diagram Amendment
13. Attachment 9: Draft Ordinance A approving Zone Text Amendment to establish Specific Plan Zone 2
14. Attachment 10: Draft Ordinance B approving Zoning Map Amendment
15. Attachment 10-X: Draft Ordinance B-X approving the Walmart Only Zoning Map Amendment
16. Attachment 11: Draft Ordinance C approving the Del Rio Commercial Area Specific Plan
17. Attachment 11-X: Draft Ordinance C-X approving the Walmart Only Del Rio Commercial Area Specific Plan
18. Attachment 12: Draft Resolution C approving the Specific Plan Master Plan of Development
19. Attachment 12-X: Draft Resolution C-X approving the Walmart Only Specific Plan Master Plan of Development

20. Attachment 13: Draft Resolution D approving the Walmart Tree Removal Permits TRP 2009-0128


22. Attachment 15: Draft Resolution F approving Vesting Tentative Parcel Map on Walmart site

23. Attachment 16: Draft Resolution G approving Vesting Tentative Parcel Map on The Annex site

   a. Attachment 17a: Draft Resolution H approving the Capital Improvement Plan amendment
   b. Attachment 17b: General Plan Summary of Circulation Element Capital Improvements, Table III-11.
   c. Attachment 17d: General Plan Circulation Mitigation Projects Map

25. Attachment 18: Response to Comments Received after the PRDEIR Comment Period

26. Attachment 19: EIR Consultant Qualifications

27. Attachment 20: Draft Planning Commission Minutes: 6/5/12 Meeting

28. Attachment 21: Caltrans publication: *Roundabouts in the United States*
# Staff Report

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### VI. ATTACHMENTS

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| 111 | DRAFT RESOLUTION PC 2012-0005 RESOLUTION “A-X” FEIR Certification |
| 122 | DRAFT RESOLUTION PC 2012-0006 RESOLUTION “B” GPA LAND USE DIAGRAM AMENDMENT |
| 142 | DRAFT RESOLUTION PC 2012-0006-X RESOLUTION “B-X” GENERAL PLAN LAND USE DIAGRAM AMENDMENT (Walmart Only) |
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| 340 | DRAFT RESOLUTION PC 2012-0016 RESOLUTION “H” UPDATE TO THE FIVE-YEAR CAPITAL IMPROVEMENT PLAN |
I. RECOMMENDATIONS:

Staff Recommends Planning Commission:

1. Adopt Resolution PC 2012-0005 recommending that the City Council adopt Resolution “A”, certifying Proposed Final Environmental Impact Report SCH No. 2010051034 for the Del Rio Road Commercial Area Specific Plan, including Mitigation Monitoring Program, and Statement of Overriding Considerations; and,

2. Adopt Resolution PC 2012-0006 recommending the City Council adopt Resolution “B”, approving General Plan Land Use Diagram Amendment (GPA 2007-0020 and GPA 2007-0021) based on findings; and,

3. Adopt Resolution PC 2012-0007 recommending that the City Council introduce Ordinance “A” for first reading to establish zoning code text for Specific Plan Zone 2 (ZCH 2007-0141 and ZCH 2007-0142) based on findings; and,
4. Adopt Resolution PC 2012-0008 recommending that the City Council introduce Ordinance “B” for first reading to approve a zoning map amendment (ZCH 2007-0141 and ZCH 2007-0142), including a zoning overlay of the project site to “SP-2” (Specific Plan Zone 2) based on findings; and,

5. Adopt Resolution PC 2012-0009 recommending that the City Council introduce Ordinance “C” for first reading, for the adoption of Specific Plan Zone 2 (SP 2009-0003) which includes the Del Rio Road Commercial Area Specific Plan and Appendix documents, based on findings; and

6. Adopt Resolution PC 2012-0010 recommending the City Council adopt Resolution “C”, adopting Specific Plan Master Plan of Development (SP 2009-0003) for the Del Rio Commercial Area, based on findings and subject to Conditions of Approval; and,

7. Adopt Resolution PC 2012-0011 recommending the City Council adopt Resolution “D”, approving the Walmart Tree Removal Permit TRP 2009-0128, based on findings and subject to Conditions of Approval; and,

8. Adopt Resolution PC 2012-0012 recommending the City Council adopt Resolution “E”, approving the Annex Tree Removal Permit TRP 2009-0127, based on findings and subject to Conditions of Approval; and,

9. Adopt Resolution PC 2012-0013 recommending the City Council adopt Resolution “F” to approve the Walmart Vesting Tentative Parcel Map AT 09-0073 (TPM 2009-0095; Walmart) based on findings and subject to Conditions of Approval; and,

10. Adopt Resolution PC 2012-0014 recommending the City Council adopt Resolution “G” to approve the Annex Vesting Tentative Parcel Map AT 07-0059 (TPM 2011-0098; The Annex) based on findings and subject to Conditions of Approval.

11. Adopt Resolution PC 2012-0016 / “H” notifying the City Council that the Planning Commission has found the 2012 Update of the Five-Year Capital Improvement Plan consistent with the General Plan, based on findings.

12. Recommend the City Council allocate funds and direct staff to begin the permitting and design process for the expansion of the Del Rio Road / US 101 interchange.
II. REPORT-IN-BRIEF

A. Project Summary

The Del Rio Commercial Area Specific Plan consists of approximately 39.3± acres located at the intersection of El Camino Real and Del Rio Road in the City of Atascadero. The Specific Plan encompasses two components the Walmart component and the Annex component.

1. Walmart component:

A Walmart Supercenter store (consisting of approximately 123,112 square feet of retail and grocery sales floor area and 6,448 square feet of outdoor garden center), two commercial outlots (approximately 10,000 square feet retail space total), and one multifamily residential remainder parcel (to be developed with up to 44 multi-family residential dwelling units at a later date under separate approvals) would be developed on approximately 26.2± acres located at the southeast quadrant of the El Camino Real / Del Rio Road intersection.

The Walmart component of the project is owned by Walmart Inc. and is represented by EDA Inc. Walmart intends to build the Walmart store once entitlements have been approved. The commercial outlots will be built and likely sold to a separate developer. The multi-family residential will not be graded initially and will be sold to a developer that will process a development plan.

2. Annex component:

Approximately 120,900 square feet of commercial uses including food and beverage retail sales, general merchandise stores, eating and drinking places (including drive-through eating and drinking places) and one single family residential remainder parcel (to be developed at a later date under separate approvals with up to 6 dwelling units) would be developed on approximately 13.1± acres at the northeast quadrant of the El Camino Real / Del Rio Road intersection and on the west side of El Camino Real.

The Annex component was originally owner entirely by The Rottman Group who was represented by Omni Design Group. On May 8, 2012, The Rottman Group’s lender, Montecito Bank and Trust foreclosed on the properties located on the northeast corner of El Camino Real and Del Rio Road and is now an owner of 11.4 acres of the Annex project. The Rottman Group continues to own the 1.7 acre parcel located between El Camino Real and US 101.

B. Approvals and entitlements

Approvals and entitlements necessary for the proposed project include Environmental Impact Report certification, General Plan Amendment, Zoning Ordinance Text and Map Amendment, Specific Plan adoption, Specific Plan Master Plan of Development, Tree Removal Permits, and Subdivision via Vesting Tentative Parcel Maps.
C. **Walmart-Only Alternative**

A “Walmart-only” alternative to the project is included in the 2011 Draft Environmental Impact Report (DEIR) and then supplemented in the 2012 Partially Recirculated Draft Environmental Impact Report (PRDEIR). Although this alternative project has been fully analyzed and could be adopted as the preferred project, staff is recommending the approval of the combined Walmart / Annex project. A complete discussion of the Walmart-only alternative is contained in the alternatives section of the staff report.
D. Outline of Staff Report

In order to make the review of the staff report, attachments, resolutions and ordinances easier, the packet has been color coded as follows:

- Staff report............................................................. White paper
- Informational attachments: ........................................... Pink paper
- Resolutions and Ordinances for Walmart / Annex project: .......... Yellow paper
- Resolutions and Ordinances for Walmart-only alternative: ....... Blue paper

There are a number of attachments that are separate from the staff report that are part of the project:

- March 2011 Draft EIR / February 2102 PRDEIR / May 2012 Final EIR ......................................................... Green stickers
- Project Specific Plan..................................................... Yellow stickers
- Walmart-only Specific Plan......................................... Blue stickers
- Oversized plans and exhibits........................................ Orange stickers

In addition, there an additional staff report that should be considered under the same hearing:

- Capital Improvement Program Amendment ..................... Purple paper
III. DISCUSSION

A. Background

1. Application history / changes

The idea of the Annex project was first presented to the City Council in May 2006 at a well-attended Council meeting (a summary of the project history and milestones is included as Attachment 6B). By January 2007, Walmart Inc. had purchased part of the project site and submitted a General Plan Amendment application for a 207,000 square foot Supercenter store. This application was withdrawn the following month. Later that year, in September, both Walmart and the Rottman Group submitted General Plan Amendment applications for a 194,000 square foot Walmart Supercenter and a 115,000 square foot Annex shopping center. Processing of this project was denied by the City Council and sent back for a redesign. In January 2008, Walmart submitted a third store design, this time a 146,000 square foot Supercenter which the Council approved for processing. Over the next two years, Walmart revised their store plan three more times in response to changing economic conditions and the company’s new store branding strategy. It wasn’t until April 2010, that Walmart submitted their final 129,000 square foot store design. The following month, the City issued the Notice of Preparation to begin the Environmental Impact Report process.

By March 2011, the public review period for the Draft EIR had closed. At this time it became evident to staff that Walmart and the Rottman Group were not in agreement regarding funding of Del Rio Road / US 101 interchange mitigation requirements. In June 2011, the City Council directed staff to investigate options for the interchange improvements. Ultimately, this process resulted in a partial recirculation of the Draft EIR (PRDEIR) in March of 2012. Having completed the draft EIR process and prepared a Final EIR, the project was ready for public hearings.

2. Project Area

The Del Rio Road Commercial Area Specific Plan consists of a 39.3 acre area surrounding the intersection of El Camino Real and Del Rio Road. The project area is primarily zoned for commercial development with a large multi-family residential area and some small single-family residential fragments. Historically, the area’s use was rural residential. Today most of the residential dwellings have been removed and the site is vacant with the exception of two Colony era houses. The project proposes to rezone the entire site as retail commercial with a 2.8 acre multi-family residential parcel and a 1.7 acre single-family residential parcel. The entire site will have a specific plan overlay and will be regulated by the policy and design standards of the Del Rio Road Commercial Area Specific Plan.
3. **Public Participation and Noticing**

Public interest in the project has been extremely high. The Council has prioritized public information for the project. The City has maintained a website page that includes all of the project information and documents. Public notices for project meetings and the EIR process have been posted on-site, published in the *Atascadero News*, emailed and sent out in the mail. In addition, well beyond the legal noticing requirement, the City has sent out a city-wide mass mailing of post cards three separate times for the October 23, 2007 Council meeting, the March 11, 2008 Council meeting and the June 5, 2012 Planning Commission meeting. There have been a number of opportunities for the public to voice their opinion regarding the project, including:
<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 2006</td>
<td>Council Meeting: Annex concept presentation</td>
</tr>
<tr>
<td>October 23, 2007</td>
<td>Council Meeting: GPA authorization consideration</td>
</tr>
<tr>
<td></td>
<td>(City wide post card sent)</td>
</tr>
<tr>
<td>October 29, 2007</td>
<td>Council Meeting: GPA authorization consideration</td>
</tr>
<tr>
<td>March 11, 2008</td>
<td>Council Meeting: GPA authorization consideration</td>
</tr>
<tr>
<td></td>
<td>(City wide post card sent)</td>
</tr>
<tr>
<td>June 24, 2008</td>
<td>Council Hearing: Decision to place Shield Initiative on ballot</td>
</tr>
<tr>
<td>November 2008</td>
<td>Public Vote: Shield Initiative does not pass</td>
</tr>
<tr>
<td>January 2009</td>
<td>Council Meeting: Project amendment / RFP for EIR approved</td>
</tr>
<tr>
<td>May 2010</td>
<td>Open House: Applicant hosts open house at City Hall to present project plans.</td>
</tr>
<tr>
<td>May 13, 2010</td>
<td>Public Notice: Notice of Preparation of EIR released</td>
</tr>
<tr>
<td>May 25, 2010</td>
<td>Public Meeting: City hold a public scoping session for the EIR</td>
</tr>
<tr>
<td>February 2, 2011</td>
<td>Public Review: DEIR issued for 45 day public review and comment</td>
</tr>
<tr>
<td>June 2011</td>
<td>Council Meeting: Council directs staff to investigate interchange options</td>
</tr>
<tr>
<td>December 2011</td>
<td>Council Meeting: Council authorizes contract amendment for EIR</td>
</tr>
<tr>
<td>March 15, 2012</td>
<td>Public Review: PRDEIR issued for 45 day public review and comment</td>
</tr>
<tr>
<td>June 5, 2012</td>
<td>Public Hearing: Planning Commission project recommendation</td>
</tr>
<tr>
<td></td>
<td>(City wide post card sent)</td>
</tr>
<tr>
<td>June – July 2012</td>
<td>Public Hearing: City Council project decision</td>
</tr>
</tbody>
</table>
B. **Summary**

1. **Project description**

The Del Rio Commercial Area Specific Plan consists of 39.3± acres located at the intersection of El Camino Real and Del Rio Road in the City of Atascadero. The Specific Plan has two separate components controlled by three different owners:

**Walmart Inc. (Walmart Component)**  
26.2± acres located at the southeast quadrant of the El Camino Real / Del Rio Road intersection:

- A 129,560 square foot Walmart Supercenter store consisting of:
  - 95,219 square feet of retail sales and support area
  - 27,894 square feet of grocery sales and support area
  - 6,448 square feet of outdoor garden center
- Two commercial outlots with 10,000± square feet retail space
- One 2.8 acre multifamily residential remainder parcel with up to 44 multi-family residential dwellings (to be developed at a later date under separate approvals)
- Due to the slope of the Walmart site approximately 330,000 cubic yards of earth will be moved on the site. Approximately 255,000 cubic yards will be exported off-site.

**The Rottman Group / Montecito Bank and Trust Project (The Annex Component)**  
13.1± acres at the northeast quadrant of the El Camino Real / Del Rio Road intersection and on the west side of El Camino Real:

- Approximately 120,900 square feet of commercial uses including:
  - food and beverage retail sales
  - general merchandise stores
  - eating and drinking places (including drive-throughs)
- One single family residential remainder parcel with up to 6 dwelling units (to be developed at a later date under separate approvals)

Planning approvals and entitlements required for the proposed project include:

- Environmental Impact Report certification
- General Plan Amendment
- Zoning Ordinance Text and Map Amendment
- Specific Plan adoption
- Specific Plan Master Plan of Development
- Tree Removal Permits
- Subdivision via Vesting Tentative Parcel Maps.

---

4 Concept grading plans indicate that approximately 75,000 cubic yards (“cy”) of earth will be moved internally and approximately 50,000 cy will be transported to the Annex Site. Further, an additional approximately 205,000 cy of dirt is expected to be exported to one or more sites within an approximately 10-mile radius of the project.
Specific Plan Project Area Boundary and Plan

- Single-family residential (6 units)
- Annex Shopping Center
- Walmart Store
- Multi-family residential site (44 units)
- Del Rio Road / US 101 interchange
- Specific Plan boundary
- Existing Mission Oaks Center
- Commercial Outlots
## Specific Plan Land Use Summary

<table>
<thead>
<tr>
<th>Land Area</th>
<th>Floor Area/Density</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>WALMART PROJECT</strong></td>
<td></td>
</tr>
<tr>
<td>Walmart</td>
<td>19 ac.</td>
</tr>
<tr>
<td>Commercial Out-parcel</td>
<td>1 ac.</td>
</tr>
<tr>
<td>Commercial Out-parcel</td>
<td>1 ac.</td>
</tr>
<tr>
<td>Multiple Family Residential</td>
<td>2.8 ac.</td>
</tr>
<tr>
<td><strong>SUBTOTAL WALMART</strong></td>
<td>26 ac. (gross)⁵</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ANNEX PROJECT</strong></td>
<td></td>
</tr>
<tr>
<td>Retail “A”</td>
<td>1.4 ac.</td>
</tr>
<tr>
<td>Retail “B”</td>
<td>2.3 ac.</td>
</tr>
<tr>
<td>Retail “C”</td>
<td>1.9 ac.</td>
</tr>
<tr>
<td>Retail “D”</td>
<td>1.4 ac.</td>
</tr>
<tr>
<td>Retail “E”</td>
<td>1.1 ac.</td>
</tr>
<tr>
<td>Retail “F”</td>
<td>0.8 ac.</td>
</tr>
<tr>
<td>Retail “G”</td>
<td>0.4 ac.</td>
</tr>
<tr>
<td>Retail “H”</td>
<td>1.7 ac.</td>
</tr>
<tr>
<td>Single Family Residential</td>
<td>1.7 ac.</td>
</tr>
<tr>
<td><strong>SUBTOTAL ANNEX</strong></td>
<td>13 ac. (gross)⁷</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>39 ac. (gross)</td>
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</tbody>
</table>

### Walmart Project Floor Area Summary

<table>
<thead>
<tr>
<th>Use</th>
<th>Store Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Merchandise</td>
<td>63,506 sq. ft.</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>759 sq. ft.</td>
</tr>
<tr>
<td>Grocery Sales</td>
<td>21,506 sq. ft.</td>
</tr>
<tr>
<td>Grocery Sales Support Area</td>
<td>6,388 sq. ft.</td>
</tr>
<tr>
<td>Stockroom/Receiving Area</td>
<td>15,476 sq. ft.</td>
</tr>
<tr>
<td>Ancillary Area</td>
<td>10,074 sq. ft.</td>
</tr>
<tr>
<td>Future Tenant Area</td>
<td>1,934 sq. ft.</td>
</tr>
<tr>
<td>Indoor Garden/Seasonal sales</td>
<td>3,469 sq. ft.</td>
</tr>
<tr>
<td><strong>Total Building Interior</strong></td>
<td>123,112 sq. ft.</td>
</tr>
<tr>
<td>Outdoor Garden Center and Bagged Goods Storage Area</td>
<td>6,448 sq. ft.</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>129,560 sq. ft.</td>
</tr>
</tbody>
</table>
2. **General Plan Consistency**

The City of Atascadero completed a major update of all elements of the City’s General Plan in 2002. The General Plan is based on a framework of Smart Growth Principles. These Principles encourage a land use program that balances residential with commercial and industrial uses. New “infill” development was targeted along existing transportation corridors, where infrastructure was already in place. And finally, the Principles identified the need for a secure and balanced local revenue base which required the expansion of the local commercial sales tax base. **The relevant sections of the “Atascadero Smart Growth Principles” have been underlined** (page I-4 2025 Atascadero General Plan):

1. **Provide for well-planned new growth.** Recognize and preserve critical areas of open space, environmental habitats, and agricultural lands, while accommodating new growth in compact forms in areas designated for higher density, in a manner that encourages multi-modal transportation opportunities, integrates the new growth, and creates housing and job opportunities for people of all ages and income levels.

2. **Maximize use of existing infrastructure.** Accommodate additional growth by first focusing on the use and reuse of existing urbanized lands supplied with infrastructure, with an emphasis on reinvesting in the maintenance and revitalization of existing infrastructure.

3. **Support vibrant city centers.** Give preference to the redevelopment and reuse of Downtown Atascadero and appropriate nodes along existing transportation corridors through the encouragement and retention of mixed-use development, business vitality, housing opportunities for people of all income levels, and safe, reliable and efficient multi-modal transportation systems.

4. **Establish a secure local revenue base.** Create/support the establishment of a secure, balanced, and discretionary local revenue base necessary to provide the full range of needed services and quality land use decisions.

Based on the Principles, an Urban Form Framework plan was developed as the basis of the General Plan update during the community outreach process. The Framework has four key principles:

- Protect the Natural Environment
- Improve the Appearance and Character of Atascadero
- Provide a Secure Revenue Base
- Promote Well Planned Neighborhoods
A central component of the Framework Plan was the “Urban Core” along the El Camino Real and Morro Road corridors. This was identified as the logical place to direct new commercial, industrial, mixed use and multi-family development. These corridors were designated as the Urban Core because of the existing commercial development patterns, the existing circulation arterials, the existing infrastructure networks, the collocation with the Redevelopment Agency project area, and the availability of underutilized land. The Framework also identified a series of nodes within the Urban Core where development would be concentrated in mixed use commercial and residential nodes. One of these nodes was identified surrounding the intersection of El Camino Real and Del Rio Roads (Walmart / Annex project area). This area was identified as the location for a large, master planned regional commercial center surrounded by higher density and single family residential neighborhood.
Furthermore, the General Plan included a series of “Master Plan Overlay” districts that provided development criteria for critical areas within Atascadero. The Del Rio Road Node was identified as Master Plan areas 5 and 6 in the General Plan. The General Plan Master Plan criteria identified this Node for 300,000 square feet of neighborhood and regional commercial development.
Based on the General Plan’s Principles and Policies, which were developed from an extensive public participation process, the City Council adopted the following land use diagram for the Del Rio Road Node area. The land use plan included two large commercial areas surrounded by high density and small lot single family residential development.
The proposed Walmart / Annex project is a consistent refinement of the Principles and Policies of the 2025 General Plan. The project applicant includes a General Plan amendment to enlarge the size of the commercial land use area in order to accommodate the footprint and grading required for the Walmart Store. The medium density multi-family residential (10 du/ac max) that is displaced by this amendment will be offset by designating additional high density residential (20 du/ac min.) adjacent to the main entry to the Walmart site. The change was anticipated in the City’s recently certified Housing Element.
New single family residential

New high density residential

New road connection to future high density residential area

New commercial development next to existing Mission Oaks center

Existing infrastructure, traffic capacity and transit service in El Camino Real

Future high density residential
3. **Project Objectives and General Plan Consistency**

The basic objectives of the Del Rio Road Commercial Area Specific Plan are as follows:

1. Provide the City of Atascadero with a regionally oriented, major retail anchor and other retail uses that provides a wide variety of household items consistent with General Plan Policy LOS 14.3.

2. Provide a major anchor that serves as a draw for other retail and restaurant uses at El Camino Real and Del Rio Road consistent with General Plan Policy LOS 14.3.

3. Locate a commercial project in an “infill” location along existing transportation corridors, where infrastructure was already in place, including arterial streets, sewer mains, water mains, and transit routes consistent with Atascadero Smart Growth Principle #2.

4. Provide for the creation of new job opportunities consistent with Atascadero Smart Growth Principle #1.

5. Provide for the creation on new housing for people of all ages and income levels in an area with multi-modal transportation opportunities consistent with Atascadero Smart Growth Principle #1.

6. Positively contribute to the secure and balanced local revenue base through new capital investment, the creation of new employment opportunities, and the expansion of the tax base to support local service and infrastructure for the benefit of the residents of Atascadero consistent with Atascadero Smart Growth Principle #10.

7. Facilitate the re-use of underutilized rural residential land to higher and better uses consistent with Atascadero Smart Growth Principle #2.

8. Enhance the local economy by capturing retail expenditures that are leaking to other markets consistent with General Plan Goal LOS 14.

9. Promote economic growth and development that is consistent with the policies of the City of Atascadero General Plan Goal LOS 13 and 14 and Economic Strategic Plan.

10. Reduce local residents’ vehicle miles traveled by developing a major retail anchor that retails a wide variety of goods within an urbanized area currently served by existing infrastructure which will result in reduced air quality impact, less congestion on US 101, and reduced transportation costs for residents.
4. Planning Entitlements

i. General Plan Amendment / Zone Changes

The project will require changes to both the General Plan Land Use Map and the Zoning Maps. The primary change that is required by the project is the re-designation of existing residential land to a retail commercial designation to accommodate the commercial footprint of the project. The project is consistent with the General Plan policy document and no text changes are required.
ii. Specific Plan

The development of the entire site will be regulated by the Del Rio Road Commercial Area Specific Plan. The rezoning will include a Specific Plan-2 overlay district that will tie all of the properties to the Specific Plan. The Specific Plan creates development policies for the area and includes a master site plan and architecture design standards. All future development will be consistent with the Specific Plan.

iii. Parcel Maps

Both the Walmart and Annex portions of the project will require parcel maps to reconfigure existing parcel lines. The applicants have applied for separate vesting tentative parcel maps. The parcel maps are conditioned to require all of the necessary on and off-site improvements to be completed or bonded prior to the final map. The Specific Plan requires final maps to be recorded prior to the issuance of any permits for structures. Both projects will include a “remainder” lot for future residential development. The residential lots will be further subdivided in the future subject to Specific Plan policies and conditions.

C. Analysis

1. Overall project

The overall project consists of the Walmart property and the Annex property as described in the project description. The overall intent is to create a master planned commercial center that compliments the existing Mission Oaks Center. The Specific Plan will include architectural guidelines, signage standards, and landscape plans that will ensure a high quality project with a unified character. Although the project is not formally phased, it is understood that the Walmart Store will be the first phase constructed. The grading of the Walmart site will be a significant undertaking and a portion of the fill soil will be needed to raise Del Rio Road and the Annex commercial site.

One issue of concern with a large commercial project is neighborhood compatibility with the existing residential neighborhoods. The EIR has looked at the issues of traffic, noise, air quality, aesthetics and lighting. Mitigation measures have been proposed that will minimize the project’s impact on the surrounding neighborhoods located on Rio Rita and Obispo Road to the extent possible. Specific neighbor compatibility issues are discussed in the following sections.
2. Walmart Project Design

i. Site Design

The Walmart site is currently a sloping hillside that rises from El Camino Real to Rio Rita Road. In order to accommodate the Walmart store and its parking lot, the site will need to be significantly graded to create a large flat pad. The result will be the removal of 255,000 cubic yards of earth from the site. This will create a 10 to 15 foot tall landscaped fill slope along El Camino Real and a 50 foot tall landscaped cut slope at the rear of the site. A beneficial result is the parking lot will have limited visibility from El Camino Real and the Rio Rita neighborhood will be shielded from the rear of the Walmart store.

Cross Section of Walmart Site

Proposed Site Grading

10-foot landscaped fill slope

50-foot landscaped cut slope

Existing grade (dashed line)

Walmart store

El Camino Real

Proposed grade

Rio Rita Road
The Walmart part of the project also includes two commercial outlots and a 2.8 acre multi-family residential site. The commercial outlots will be graded at the same time as the Walmart site, but will be left as finished pads. Site improvements and building plans will be prepared by a future user. The new public street will be constructed as part of the Walmart parcel map public improvements. The multi-family residential site will not be graded or developed at this time. The Specific Plan requires a conditional use permit approval for the site plan, grading and architectural for the multi-family residential site to be approved. Walmart does not intend to develop the multi-family residential parcel and will seek a buyer.

**ii. ADA Access to Del Rio Road**

The project as proposed does not include a pedestrian connection from the Walmart store to Del Rio Road. This has been identified as a deficiency in the transportation section of the EIR and by the City's Building Department. An accessible, pedestrian route of travel is required to facilitate non-vehicular access to the project from the Annex project and Del Rio road. The project has been conditioned to provide an accessible route of travel from Del Rio Road to the Walmart store.

**iii. Architecture and Signage**

The Walmart store will incorporate the latest corporate branding elevations. This design is significantly enhanced from previous Walmart elevations. The design enhances the human scale of the building with lower roof heights, more windows, enhanced entry features, trellis style canopies, decorative lighting, street furniture and earth tone colors. The building will also incorporate a variegated blonde brick treatment reflective of the Historic City Hall. Signage on the building will include the "Walmart" logo, "Market & Pharmacy" and "Outdoor Living" facing toward El Camino Real. No signs are proposed facing Del Rio Road. A freestanding monument sign is proposed along the El Camino Real frontage.

![Proposed Freestanding Signage](image-url)
iv. Landscaping

Over 226,000 square feet of the Walmart site (27% of site) will be landscaped with four distinct treatment areas. All landscaped areas will incorporate drought tolerant plantings and minimal use of turf.

- El Camino Real / Del Rio Road / new street frontages / fill slope: Ornamental trees, shrubs and ground covers
- Parking lot / bio swale: Ornamental trees, shrubs and ground covers
- Detention basin: Native trees, native shrubs, hardy ground covers
- Rear hillside cut: Native trees, native shrubs, hardy ground covers

In summary, the overall landscape concept appears to be consistent with City standards. Staff is recommending that additional native oak trees be incorporated into the El Camino Real frontage and the rear cut slope. Also native landscaping is recommended along the Rio Rita frontage.
v. Parking Lot Landscaping

The project applicant is proposing through the Specific Plan a parking lot landscaping plan that does not meet the City’s Zoning Code requirements. The Zoning Ordinance requires 6-foot wide landscape islands be provided for every eight parking spaces and 10% of the interior of parking lots to be landscaped. The current landscape plan provides large 15-foot wide planters at the ends of each parking aisle, but no landscape islands within the parking field. The project proposes small 4x4-foot tree wells throughout the parking field. This provides limited area for healthy tree growth and no space for groundcovers and shrubs. Since the parking lot is oversized to accommodate Walmart’s parking standards, staff is concerned that a “sea of asphalt” will be created in front of the store.

Staff is recommending that additional parking lot landscaping and pedestrian features be required in the parking lot including:

- Additional planter islands.
- Double the number shade trees consistent with APCD mitigation.
- Pedestrian walkway in parking lot central to main entry
- Decorative shopping cart corrals with landscaping.

Walmart Proposed Parking Lot
Staff Recommended
Additional Parking Lot Landscaping and Pedestrian Features

- Additional planter islands with shade trees and cart corrals
- Pedestrian walkway with shade trees
vi. Multi-Family Residential Parcel

The Walmart portion of the project includes a 2.8 acre multi-family parcel which would allow for up to 44 multi-family residential units to be developed at a later date. This site will not be improved or graded as part of the Walmart store construction. This project will require a subsequent conditional use permit to be approved by the Planning Commission. The conditional use permit will require a site plan, grading plan, tree protection plan, landscape plan and architectural elevations to be consistent with the Specific Plan. The project will be required to provide affordable housing consistent with the City’s Inclusionary Affordable housing policy.

vii. Neighborhood Buffering

The City has received a number of comments from neighbors along Rio Rita Road regarding the project’s impact on their neighborhood. The primary concerns appear to be noise, glare and appearance issues. The project is designed with no vehicular access to Rio Rita Road, so there will not be any changes to traffic patterns on this residential street. As part of the project street improvements, the intersection of Del Rio Road and Rio Rita Road will be modified to improve sight distance and turning safety.
The project EIR is requiring both noise and glare mitigation measures to protect the Rio Rita neighborhood. An extensive noise analysis was conducted as part of the EIR. This noise analysis took into account the site topography and determined the sound walls should be built around the loading dock and trash compactor to minimize off-site noise impacts. Because of the 50-foot elevation slope change between Walmart and Rio Rita Road, a sound wall is not proposed along the street. Instead, a decorative rail fence with native plants will be installed along the property frontage.
3. **Annex Project Design**

   i. **Site Design**

   The Annex project is laid out as a typical community retail shopping center, with medium size anchor stores at the rear of the site with in-line retail spaces. The frontages of the site have freestanding pads for restaurants and drive-thru uses. Across El Camino Real is a smaller standalone center with small retail and office spaces. The project is designed around a central parking area with numerous landscape planters and pedestrian walkways. The El Camino Real frontage will include a generous 40 foot wide landscape area that will also function as a bio-swale for storm water run-off.

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**Annex Site Plan**

- **Retail / office center**
- **Free standing pads.**
- **Medium size anchor store**
- **Future single-family residential parcel**
- **In-line retail**
- **Landscape bio-swale**
ii. Single-family ResidentialParcel

The Annex site plan includes a 1.7 acre parcel that is intended for a future single-family residential subdivision. The Specific Plan requires a separate map and plan approval from the Planning Commission for this project. In order to develop lots ¼ acre lots in the RSF-X (1/2 acre min lot size zone), a PD-17 overlay zone is included in the Specific Plan. Approval of a subdivision map and conditional use permit for architecture and landscaping will require a separate Planning Commission approval process. Mirasol Way will end as a cul-de-sac on the parcel, with a pedestrian and emergency access to the neighboring single-family residential parcel to the north.
iii. Architecture

The Annex project proposes a Mediterranean architectural character with stucco walls and tile roofing. The proposed elevations depict a variety of building details, awnings, trellises, accent lighting, signage and accent features typical of a quality commercial project. The overall architectural concept is complementary to the Mission Oaks center and Walmart’s proposed elevations. Since the Annex does not have any specific tenants at this time, these elevations should be considered as guidelines that will regulate the design of future proposed buildings.
iv. Signage

The Specific Plan provides for design and size standards for the commercial signage. The proposed standards are consistent with the intent of the City’s sign ordinance and appropriate for a master planned commercial center. A unique signage feature is the proposed tower pylon along the US 101 frontage. The purpose of this sign is to provide freeway signage for any of the tenants within the overall specific plan area. The Specific Plan includes special provision that would allow other tenants including Walmart to use the tower sign.

Propose US 101 Frontage Tower and Monument Signs

Tower sign limited to a maximum of 50 feet in height and 200 square feet of sign area per face
v. **Landscaping / Neighborhood Buffering.**

The Annex project proposes a high quality landscape design concept. The plan will include a variety or drought tolerant trees, shrubs and ground covers. The plan includes adequate landscape areas and shade tree planting throughout the parking lot, consistent with the Zoning Ordinance. The primary deficiency is the lack of adequate landscape area at the rear of the site to buffer residences along Obispo Road and Mirasol Way. Staff is recommending conditions that would require a minimum 30 foot building setback with landscaping along the residential property lines. The EIR identified the potential for noise and glare impacts to this residential area as well. Mitigation measures will include additional noise buffering walls and shielding of exterior lighting. These mitigation measures plus the additional landscape setbacks should provide for adequate neighborhood buffering.

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**Annex Landscape Plan**

- **Freeway landscape buffer**
- **Parking lot is well landscaped**
- **Lack of landscape buffering along residential boundary**
vi. Neighboring Commercial Parcel Access

The Annex project is adjacent to undeveloped commercial property that was not included in the Specific Plan. In order to minimize future traffic congestion on El Camino Real and improve the appearance and function of the commercial district, staff is recommending that shared driveway access be required between the Annex project and contiguous vacant commercial parcels. The project has been conditioned to require reciprocal access easements be recorded to allow shared access of Annex driveways, as part of the final map.

Reciprocal Access Parking Lot Connections
4. **Parcel Maps and Public Improvements**

   **i. Subdivision Improvements and Off-site Improvements**

   The project includes two separate vesting parcel map applications. The parcel maps will reconfigure and merge the existing parcel lines to accommodate the proposed commercial project. Although parcel maps typically allow for the deferment of subdivision improvements, this is not appropriate for this project. Due to the complexity of the project, it is important the subdivision improvements including grading and street improvements be completed or bonded for prior to recordation of final maps. Staff is conditioning the parcels to require the completion of improvements consistent with section 66411.1(2) of the Subdivision Map Act to ensure the “orderly development of the surrounding area.”

   **State Subdivision Map Act**

   66411.1. (a) Notwithstanding Section 66428, whenever a local ordinance requires improvements for a division of land which is not a subdivision of five or more lots, the regulations shall be limited to the dedication of rights-of-way, easements, and the construction of reasonable offsite and onsite improvements for the parcels being created. Requirements for the construction of offsite and onsite improvements shall be noticed by a statement on the parcel map, on the instrument evidencing the waiver of the parcel map, or by a separate instrument and shall be recorded on, concurrently with, or prior to the parcel map or instrument of waiver of a parcel map being filed for record.

   (b) Notwithstanding Section 66428, fulfillment of the construction requirements shall not be required until the time a permit or other grant of approval for development of the parcel is issued by the local agency or, where provided by local ordinances, until the time the construction of the improvements is required pursuant to an agreement between the subdivider and the local agency, except that in the absence of such an agreement, a local agency may require fulfillment of the construction requirements within a reasonable time following approval of the parcel map and prior to the issuance of a permit or other grant of approval for the development of a parcel upon a finding by the local agency that fulfillment of the construction requirements is necessary for either of the following reasons:

   (1) The public health and safety.

   (2) The required construction is a necessary prerequisite to the orderly development of the surrounding area.

   (Amended by Stats. 1977, Ch. 234. Effective July 7, 1977; Amended by Stats. 1987, Ch. 982; Amended by Stats. 1994, Ch. 655.)

   Prior to recording final maps for either the Walmart or Annex site, the applicant will be required to prepare complete on-site grading and public improvement plans as well as off-site improvements like street frontages. The improvements must be installed or
bonded prior to final map recordation. These plans will be consistent with the requirements of the Specific Plan and the EIR’s mitigation monitoring program.

<table>
<thead>
<tr>
<th>Subdivision improvements – Installed or bonded for prior to final map</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Pad grading and drainage</td>
</tr>
<tr>
<td>2. Retaining walls</td>
</tr>
<tr>
<td>3. On-site utilities(mains within easements, and service lateral stub-outs)</td>
</tr>
<tr>
<td>a. Storm Drainage</td>
</tr>
<tr>
<td>b. Sewer</td>
</tr>
<tr>
<td>c. Water</td>
</tr>
<tr>
<td>d. Gas / Electric / Communication (joint trench conduits within easements)</td>
</tr>
<tr>
<td>4. On-site public improvements (new street)</td>
</tr>
<tr>
<td>5. Off-site public improvements</td>
</tr>
<tr>
<td>a. El Camino Real frontage improvements</td>
</tr>
<tr>
<td>b. Del Rio Road frontage improvements</td>
</tr>
<tr>
<td>c. El Camino Real / Del Rio roundabout</td>
</tr>
<tr>
<td>d. San Anselmo (north) / El Camino Real new signal light (building permit trigger)</td>
</tr>
<tr>
<td>e. Rio Rita frontage improvements</td>
</tr>
<tr>
<td>f. Sewer, storm drain and Utility improvements that are required on all affected streets.</td>
</tr>
<tr>
<td>g. Low Impact Development/Hydromodification required improvements</td>
</tr>
<tr>
<td>h. New signal (El Camino Real / new street)</td>
</tr>
</tbody>
</table>

### ii. Drainage Study

The project will alter the historic drainage pattern with the creation of large paved parking lots and building roofs. The area naturally drains to the west under the freeway to Graves Creek via open swales and street culverts. In many places the drainage crosses private residential property that would be impacted by any increase stormwater flows. Impacts to the downstream drainage system were identified as potential impact in the EIR.

The project is designed with a system of bio-swales and detention basins that are intended to clean storm water and maintain the historic off-site flow pattern after the project is developed. The project has been conditioned and mitigation measures require that a comprehensive drainage study be prepared for the project to ensure that the historic downstream flow is maintained after the project is completed.

### iii. Rio Rita improvements

Rio Rita is a narrow, rural street that serves five parcels along the rear of the Walmart parcel. Although the project will not take access from or utilize Rio Rita, the Zoning Ordinance requires all frontage streets to be improved to City Standards when
subdivided. The City Engineer is recommending that Rio Rita be improved to a Rural Hillside Local street with a paved width of 20 feet. The existing pavement will require an overlay of new asphalt. The intersection of Rio Rita and Del Rio Road will be reconfigured and improved to improve sight distance and visibility.

iv. Del Rio Road

Pedestrian safety along Del Rio Road between the project and San Benito Road was mentioned multiple times during the EIR process, specifically by Atascadero School District. While the Final EIR concluded the project would not have significant impact on Del Rio Road traffic levels east of the project site, the issue of pedestrian safety should be addressed as a project condition. Staff is recommending that the existing street shoulder be re-graded and finished with a class II base material to create a 4-foot wide walking surface. This will provide an improved route for pedestrians between the project and San Benito School.
Staff is recommending that prior to occupancy of the first building of either the Annex or Walmart site, the applicant(s) shall install a four foot wide, class II base shoulder on one side of Del Rio Road. The design of the widened shoulder shall be approved by the City Engineer and installed from the Del Rio Road Project boundary to San Benito Road.

The Annex sidewalk frontage along Del Rio Road abruptly ends at the project boundary. The project is conditioned to provide an appropriate vehicular and pedestrian transition between the project boundary and Obispo Road.
v. New Collector Street

As part of the Walmart parcel map, a new public street is proposed. The street will include a fully signalized intersection with El Camino Real. This street will provide the primary access to the Walmart store as well as the two commercial outlots and the multi-family residential site. The street is designed to continue south, parallel to El Camino Real. The future extension of this street would improve circulation and access to the vacant multi-family residential parcels south of the project area. Since this new street will act as a common collector street, it will be a City maintained street. All other streets and drives within the project will be privately maintained.

vi. Mission Oaks Circulation and Exiting

There are no proposed mitigations identified in the traffic report at the main drive entrance to the Mission Oaks commercial development opposite the Walmart site. Exiting from the Mission Oaks Main Access driveway will be impacted by increased traffic on El Camino Real as the project builds-out. Generally speaking westbound (in-
bound) traffic into the site will enjoy a high level of service throughout the project. The level of service (LOS) remains at “C”, or better, for eastbound (out bound) traffic through the Baseline + Walmart scenario.

The intersection will exceed the LOS C requirement only during the Saturday peak hour traffic scenarios when both the Walmart and Annex projects are built-out. However, even at this level of intersection delay the required Traffic Signal Warrants for improvement are not met. Therefore no mitigation is required. As delays increase drivers exiting the Mission Oaks property may elect to exit southbound onto El Camino Real and make a U-turn movement at the Walmart entrance signal, as opposed to waiting for sufficient gap to make the northbound left-turn movement.

5. Environmental Impact Report

i. Overview

An Environmental Impact Report (EIR) has been prepared for the project to determine what impacts the project will have on the environment. The EIR has been prepared and circulated consistent with the California Environmental Quality Act (CEQA). In order for the City of Atascadero to approve the proposed project, the Environmental Impact Report must be certified by the City Council. The Planning Commission will need to make a recommendation to the City Council regarding EIR certification. Two separate Draft EIR’s were prepared and circulated for the project. The complete EIR consists of the following components:

- February 2, 2011 Draft EIR (DEIR)
- March 15, 2012 Partially Recirculated EIR (PRDEIR)
- May 25, 2012 Final EIR (FEIR)
- May 25, 2012 Mitigation Monitoring and Reporting Program (MMRP)
- CEQA Finding of Fact and Statement of Overriding Considerations (Attachment 7 / Resolution Planning Commission 2012-0005)

The Planning Commission must consider all of these documents in their entirety prior to making a recommendation regarding certification of the EIR.
ii. Summary of Impacts

The EIR identified that the following environmental impacts for the project would need to be mitigated (Refer to Executive Summary of the DEIR and PRDEIR, the Final EIR, and Mitigation Monitoring and Reporting Program for detailed information):

<table>
<thead>
<tr>
<th>Impact</th>
<th>Mitigation Measures</th>
<th>Level of Significance After Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Aesthetics, Light and Glare</td>
<td>Five mitigation measures proposed</td>
<td>Less than significant</td>
</tr>
<tr>
<td>2. Air Quality and Greenhouse Gas Emissions</td>
<td>Nine mitigation measures proposed</td>
<td>One significant and unavoidable impact remains</td>
</tr>
<tr>
<td>3. Biological Resources</td>
<td>Six mitigation measures proposed</td>
<td>Less than significant</td>
</tr>
<tr>
<td>4. Cultural Resources</td>
<td>Five mitigation measures proposed</td>
<td>Less than significant</td>
</tr>
<tr>
<td>5. Geology, Soils and Seismicity</td>
<td>Four mitigation measures proposed</td>
<td>Less than significant</td>
</tr>
<tr>
<td>6. Hazards and Hazardous Materials</td>
<td>Four mitigation measures proposed</td>
<td>Less than significant</td>
</tr>
<tr>
<td>7. Hydrology and Water Quality</td>
<td>Six mitigation measures proposed</td>
<td>Less than significant</td>
</tr>
<tr>
<td>8. Noise</td>
<td>Eight mitigation measures proposed</td>
<td>Less than significant</td>
</tr>
<tr>
<td>9. Public Services and Utilities</td>
<td>Eight mitigation measures proposed</td>
<td>Less than significant</td>
</tr>
<tr>
<td>10. Transportation</td>
<td>Fifteen mitigation measures proposed</td>
<td>Three (3) significant and unavoidable impacts remain</td>
</tr>
<tr>
<td>11. Urban Blight</td>
<td>No mitigation required</td>
<td>No Impacts</td>
</tr>
</tbody>
</table>

iii. Statement of Overriding Considerations

All project impacts can be mitigated to a level of less than significant with the exception of one Air Quality and three Transportation impacts. Even after all feasible mitigation measures are applied there remains the potential for significant unavoidable impacts. CEQA allows for a project to be approved with significant unavoidable impacts if a Statement of Overriding Consideration is adopted with the appropriate Findings of Fact. Attachment 7 to this staff report contains the necessary Findings of Fact and Statement of Overriding Consideration to certify the EIR and approve the project.

iv. Mitigation Monitoring and Reporting Program / Conditions of Approval

CEQA requires a Mitigation Monitoring and Reporting Program (MMRP) to be adopted as part of the EIR certification process. The purpose of the MMRP is to ensure that the mitigation measures identified in the EIR are incorporated into the project during the design, permitting and construction phases. The MMRP is attached to the CEQA Findings of Fact, which is Exhibit C of EIR certification resolution. The MMRP supersedes the conditions of approval for the specific plan and tentative maps and therefore the mitigation measures are not repeated as conditions.
6. **Key Environmental Issues and Proposed Mitigation Measures**

   **i. Transportation**

One of the primary project impacts are the impacts on the surrounding street system. The transportation section of the PRDEIR replaced the previous section located in the DEIR. The PRDEIR transportation report analyzed the impacts on 18 separate intersections and the street system between Downtown and the Home Depot Center. The traffic analysis modeled seven separate traffic scenarios that could occur and recommends mitigation measures for each of these possibilities.

1. Existing Traffic plus Walmart
2. Existing Traffic plus Entire Project
3. Baseline 2013 Traffic plus Walmart
4. Baseline 2013 Traffic plus Entire Project
5. Future 2035 Traffic plus Walmart
6. Future 2035 Traffic plus Entire Project
7. Baseline 2013 Traffic plus Walmart plus Del Rio Road / US 101 interchange construction

Each of these scenarios analyzed the traffic impacts at the weekday A.M. Peak (7 a.m. to 9 a.m.), the weekday P.M. Peak (4 p.m. to 6 p.m.) and the Saturday Afternoon Peak (11 a.m. and 1 p.m.) on the following traffic constraints:

- Intersection operations
- Roadway segment operations
- Freeway operations
- Key intersection queuing (vehicle stacking)

The traffic analysis is recommending the following mitigations for traffic impacts:

<table>
<thead>
<tr>
<th>Impact</th>
<th>Mitigation Summary</th>
<th>Level of Significance After Mitigation</th>
</tr>
</thead>
</table>
| **1. Existing Plus Project / Baseline Plus Project / Future Plus Project** Impacts to intersections, roadways, freeway segments, and queues. (PRDEIR pg. ES-16) | - Pay TIF's at building permits 
- Install signal at El Camino Real / San Anselmo (north) [K-Mart driveway] 
- Install roundabout at El Camino Real / Del Rio Road. 
- Pay Proportional Share fee for Del Rio Road / US 101 interchange roundabouts | Significant and unavoidable. The proposed mitigation measures would maintain all traffic operations at the City's minimum level-of-service of C (LOS C) and reduce the impact to a level of less than significant. However, since the City cannot control the Caltrans permitting process for the interchange mitigation measures, legally the

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5 The Baseline 2013 scenario includes the development of other planned and approved projects that could potentially be completed by the time the proposed project opens.
**2. El Camino Real and new street**  
(PRDEIR pg. ES-18)  
- Provide left turn lane into Mission Oaks Center.  
Less than significant

**3. Additional transit, bicycle, and pedestrian facilities**  
(PRDEIR pg. ES-19)  
- Provide a bus stop  
- Provide bike racks and storage space  
- Provide Class II bike lanes on El Camino Real  
- Provide to additional sidewalk connection to Del Rio Road.  
- Provide high visibility crosswalks  
Less than significant

**4. Del Rio Road / US 101 interchange construction will create traffic impacts**  
(PRDEIR pg. ES-20)  
- Construction staging and coordination required  
- Flaggers at San Anselmo / US 101 interchange  
Less than significant

**ii. Options for Interchange Mitigation Measures**

In August 2007, as part of the City’s CIP monitoring process, Whitlock & Weinberger Transportation, Inc. (W-Trans) was tasked to prepare the “Interchange Improvement Study” for the City. This study evaluated the entire City’s local street interchanges along US 101 (with the exception of State Route 41) and the associated El Camino Real intersections adjacent to these locations. The report determined specific improvements needed in the future, and recommended modern roundabouts as the most cost effective solution to expanding the capacity of the City’s interchanges. The report estimated conventional “bridge widening” projects at the interchanges would vary by interchange with approximate costs ranging from $8 to $11 million dollars, while an equally effective “modern roundabout” project could be constructed for approximately $4.5 million dollars.

Consistent with the Interchange Improvement Study, the EIR mitigation measures call for three modern roundabouts to be constructed along Del Rio Road to accommodate future traffic demands. Two of the roundabouts will be located at the freeway ramp heads and the third will be located at the intersection of El Camino Real / Del Rio Road.
In June 2011, staff reported to Council that the project applicants, Walmart Inc. and The Rottman Group, were unable to reach an agreement to fund the interchange mitigation measures recommended in the DEIR. The Council directed staff to investigate options for the interchange mitigation measures. As a result of that direction, staff hired Scott Thorpe of Revenue & Cost Specialists (RCS) to look at different mitigation options. Previously, Mr. Thorpe and RCS prepared the City’s 2002 Master Facilities Plan and Development Impact Fee Calculation and Nexus Report. These reports identified a list of circulation improvements required to build out the General Plan and created a Transportation Impact Fee (TIF) to fund these improvements.

Mr. Thorpe, working closely with the City Attorney, determined that the appropriate legal standard for mitigating an impact to a shared facility like a freeway interchange was to prepare a proportional impact analysis\(^6\). Working with the traffic consultant, Mr. Thorpe

\(^6\) Proportional share is a legal standard that requires an essential nexus between the mitigation measure and a legitimate governmental interest and the mitigation measure must be roughly proportional to the impacts of the project." (CEQA Guidelines Section 15126.4(a)(4); see also Dolan v. City of Tigard, 512 U.S. 374 (1994); Ehrlich v. City of Culver City, 12 Cal. 4th 854 (1996).)
determined that the Walmart / Annex project’s proportional share of the impact on the interchange was 53%. Mr. Thorpe prepared a “Proportional Cost Summary” (Attachment 6A) that distributed the project’s proportional cost among the different components of the project.

Walmart Store

<table>
<thead>
<tr>
<th>Fee Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Interchange Fee</td>
<td>$1,159,923</td>
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<tr>
<td>Standard Traffic Impact Fee</td>
<td>$1,443,414</td>
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<tr>
<td>Street Improvement Credits</td>
<td>&lt;$333,912&gt;</td>
</tr>
<tr>
<td><strong>Walmart Total</strong></td>
<td><strong>$2,269,425</strong></td>
</tr>
</tbody>
</table>

Annex Stores / Walmart Outlots /

Annex single-family residential / Walmart multi-family residential

<table>
<thead>
<tr>
<th>Fee Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Interchange Fee</td>
<td>$1,228,176</td>
</tr>
<tr>
<td>Standard Traffic Impact Fee</td>
<td>$1,422,342</td>
</tr>
<tr>
<td>Street Improvement Credits</td>
<td>&lt;$32,529&gt;</td>
</tr>
<tr>
<td><strong>Annex Total</strong></td>
<td><strong>$2,617,969</strong></td>
</tr>
</tbody>
</table>

Total Developer Traffic Fees .............................................................................$4,887,394

RCS’s proportional cost share analysis was incorporated into the PRDEIR as a recommended feasible mitigation measure. The primary change in the interchange mitigation between the DEIR and The PRDEIR was that the responsibility for the construction of the interchange and the obligation to be reimbursed by future development shifted from the project applicant (Walmart Inc. and The Rottman Group) to the City. In both cases the project applicant was responsible to fund only their proportional share of the interchange impacts. The primary difference is, originally the project applicant would need to wait for future development to occur before they would be reimbursed for costs beyond their proportional share. Now the City will be in the position of being reimbursed as TIF’s are paid by future development. This change occurred, because the Walmart store’s individual impact on the Del Rio Road / US 101 interchange was less than significant and therefore there was not a legal nexus to require Walmart to individually reconstruct the interchange.

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7 The RCS analysis determined that the Walmart project’s proportional share of the cost to construct the contemplated roundabout improvements is 28.7% or approximately $1,292,798. The Annex project’s proportional share of the cost is 24.3% or approximately $1,095,301. Together, the proportional share contributions from each of the Walmart and Annex projects will fund approximately 53% of the roundabout improvements or $2,388,099. A special interchange impact fee is proposed for the Specific Plan area to cover the project’s proportional share of interchange impact cost.
Major infrastructure projects like freeway interchanges and bridges are funded with the City’s Traffic Impact Fee or “TIF.” Every time a house or store is built in Atascadero, a TIF is collected and put in a restricted account that may only be used for major circulation infrastructure projects. A good example of this is the Lewis Avenue Bridge across Atascadero Creek. This bridge was built by the City using TIF that were paid for by development projects.

### iii. Offsite Circulation Improvements

In addition to the freeway interchange improvements, the EIR identified the project will require a number of other circulation improvements including:

- a third roundabout at El Camino Real / Del Rio Road
- a new signal at El Camino Real / New Public Roadway (serving Walmart)
- a new signal light at El Camino Real / San Anselmo Road (North)
- improve 0.5 mile of El Camino Real as an 4-lane arterial
- improve 1,000 lineal feet of Del Rio Road as multi-lane collector
- amenities including a enhanced transit stop, Class II bike lanes, street landscaping, and sidewalks

All of these improvements will be parcel map conditions that must be installed by the developer prior to store opening and will benefit the City’s circulation system.
Comparison of DEIR and PRDEIR Interchange Mitigation Measures

February 2011 DEIR – Interchange Mitigation Measure (northbound and southbound ramps)

**MM TRANS-1c** Prior to issuance of the final certificate of occupancy for Walmart, the project applicant shall convert the intersection of Del Rio Road/US 101 Northbound Ramps to a single-lane modern roundabout with a 150-foot-long right-turn bypass lane on the westbound approach. The City of Atascadero shall determine the financial obligation of the applicant for the cost of the improvement and the applicant shall be eligible for reimbursement for costs outside its fair share.

**MM TRANS-1d** Prior to issuance of the final certificate of occupancy for Walmart, the project applicant shall construct a five-legged, single-lane modern roundabout at the intersection of Del Rio Road/US 101 Southbound Ramps that incorporates Ramona Road as the fifth approach. The City of Atascadero shall determine the financial obligation of the applicant for the cost of the improvement and the applicant shall be eligible for reimbursement for costs outside its fair share.

March 2012 PRDEIR – Interchange Mitigation Measure (northbound and southbound ramps)

**MM TRANS-1d** Prior to issuance of each building permit for the project, the project applicant shall provide the City of Atascadero with proportional-share fees for the conversion of the intersection of Del Rio Road/US 101 Northbound Ramps to a single-lane modern roundabout with a minimum 150-foot-long, right-turn bypass lane on the westbound approach. The traffic impact fee shall be based on the size of the building subject to the building permit and shall be consistent with the proportional-share methodology prepared by RCS as described in the “TIF Collection Process” discussion on page 3.11-28 in Section 3.11, Transportation. The City of Atascadero shall collect the fees and shall be responsible for constructing the roundabout improvements. Implementation of the northbound and southbound roundabouts shall occur in tandem.

**MM TRANS-1e** Prior to issuance of each building permit for the project, the project applicant shall provide the City of Atascadero with proportional-share fees for the construction of a five-legged, single-lane modern roundabout at the intersection of Del Rio Road/US 101 Southbound Ramps that incorporates Ramona Road as the fifth approach. The traffic impact fee shall be based on the size of the building subject to the building permit and shall be consistent with the proportional-share cost methodology prepared by RCS as described in the “TIF Collection Process” discussion on page 3.11-28 in Section 3.11, Transportation. The City of Atascadero shall collect the fees and shall be responsible for constructing the roundabout improvements. Implementation of the northbound and southbound roundabouts shall occur in tandem.
iv. FEIR Mitigation Update

In response to comments received from Caltrans and other parties, the interchange mitigation measures Trasn-1d and 1e are proposed to be modified in the Final EIR. Since the construction of the Annex phase of the project results in an unacceptable level of service for the Del Rio Road / US 101 interchange, Caltrans has requested that occupancy of the Annex portion of the project not occur until the interchange improvements are completed. The FEIR includes the following mitigation measures changes consistent with Caltrans’ request. Under the revised mitigation measures, the City will need to complete the interchange improvements prior to occupancy of any building in the Annex portion of the project.

FEIR Revised Interchange Mitigation Measures

| MM TRANS-1d | Prior to issuance of each building permit for the project, the project applicant shall provide the City of Atascadero with proportional-share fees for the conversion of the intersection of Del Rio Road/US 101 Northbound Ramps to a single-lane modern roundabout with a minimum 150-foot-long, right-turn bypass lane on the westbound approach. The traffic impact fee shall be based on the size of the building subject to the building permit and shall be consistent with the proportional share methodology prepared by RCS as described in the “TIF Collection Process” discussion in Section 3.11, Transportation. The City of Atascadero shall collect the fees and shall be responsible for constructing the roundabout improvements. Implementation of the northbound and southbound roundabouts shall occur in tandem. The roundabout shall be in place no later than the issuance of the first certificate of occupancy for the Annex commercial uses. |
| MM TRANS-1e | Prior to issuance of each building permit for the project, the project applicant shall provide the City of Atascadero with proportional-share fees for the construction of a five-legged, single-lane modern roundabout at the intersection of Del Rio Road/US 101 Southbound Ramps that incorporates Ramona Road as the fifth approach. The traffic impact fee shall be based on the size of the building subject to the building permit and shall be consistent with the proportional share cost methodology prepared by RCS as described in the “TIF Collection Process” discussion in Section 3.11, Transportation. The City of Atascadero shall collect the fees and shall be responsible for constructing the roundabout improvements. Implementation of the northbound and southbound roundabouts shall occur in tandem. The roundabout shall be in place no later than the issuance of the first certificate of occupancy for the Annex commercial uses. |

v. Air Quality and Greenhouse Gas Emissions

The Air Quality and Greenhouse Gas Emissions section of the EIR is perhaps the most technical section of the EIR. The EIR evaluated the air quality impacts of both the construction phase of the project as well as the operational phase. The air quality factors of concern are dust, ozone precursors and carbon monoxide. In addition, Greenhouse Gas (GHG) emissions, a Health Risk Assessment, and consistency with
the San Luis Obispo County APCD Clean Air Plan were also assessed. The air quality section of the PRDEIR replaced the previous section located in the DEIR.

The EIR determined the project would have a significant unavoidable impact for air quality impacts related to daily emissions of dust (PM10 - particulate matter) and smog producing gases (ROG and NOX) in the years 2013 (construction) and 2021. On an annual basis, the project does not have a significant impact. The EIR also determined that the project would not be a significant source of greenhouse gas emissions. Project design features and State mandated improvements to vehicle efficiency are forecast to reduce the project’s GHG impact 33% below a “business as usual” threshold which is consistent with the emissions reduction objectives of AB 32.

The EIR includes the following recommended mitigation measures for air quality impacts:

<table>
<thead>
<tr>
<th>Impact</th>
<th>Mitigation Summary</th>
<th>Level of Significance After Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Proposed project would not conflict with or obstructed implementation of the applicable air quality plan. (PRDEIR pg. ES-7)</td>
<td>• No mitigation required.</td>
<td>Less than significant. The project is consistent with the APCD’s Clean Air Plan.</td>
</tr>
</tbody>
</table>
| 2. The project may violate an air quality standard or contribute substantially to an existing or project air quality violation. (PRDEIR pg. ES-7) | • AIR-2a: construction air quality impacts (dust, diesel emissions)  
• AIR-2b: dust control  
• AIR-2c: APCD mitigation requirements.  
• AIR-2d: vehicle reduction and energy efficiency mitigations.  
• AIR-2e: offsite mitigation  
• AIR-2f: Transportation Demand Management Program | Significant unavoidable impact  
Even after the application of feasible mitigation measures, there remains a residual significant impact to air quality on certain days in 2013 and 2021. |
| 3. The project would not violate ambient carbon monoxide (CO) standards. (PRDEIR pg. ES-13) | • No mitigation required.                                                           | Less than significant impact                                |
| 4. The proposed project may expose sensitive receptors to substantial pollutant concentrations. (PRDEIR pg. ES-7) | • HAZ-1b: Asbestos materials will be properly handled during demolition of existing structures. | Less than significant impact                                |
| 5. The proposed project may | • AIR-5: proper restaurant | Less than significant impact |
create objectionable odors affecting a substantial number of people.  
(PRDEIR pg. ES-7)

kitchen venting shall be installed.

<table>
<thead>
<tr>
<th>Impact</th>
<th>Mitigation Summary</th>
<th>Level of Significance After Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. <strong>The project would not emit significant amount of greenhouse gases.</strong></td>
<td>• No mitigation required – project design features, energy efficiency measures and applicable laws forecast a 33% reduction in greenhouse gas emissions consistent with the requirements of AB 32. (PRDEIR pg 3.2-132)</td>
<td>Less than significant impact.</td>
</tr>
</tbody>
</table>

### vi. Noise

The Noise section of the EIR looked at the potential impacts that noise and vibration could have both during project construction and the operations phases. Noise impacts from construction equipment, passenger vehicles, delivery trucks, roof top equipment, loading areas, forklifts, public address systems, trash compactors, and parking lots were all analyzed. The noise section of the PRDEIR replaced the previous section located in the DEIR.

The areas most susceptible to noise impacts are the existing residential neighborhoods along Rio Rita and Obispo Road. During construction and grading operations, there is a potential for noise impacts to neighboring residential dwellings. The project will be required to install temporary noise barriers during construction to mitigate this impact. During operation, noise from the rear loading areas is a potential impact. A system of noise barriers will be constructed along property lines, around loading docks and trash compactors to mitigate this impact.

The EIR includes the following recommended mitigation measures for noise impacts

<table>
<thead>
<tr>
<th>Impact</th>
<th>Mitigation Summary</th>
<th>Level of Significance After Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. <strong>Construction activities may expose nearby land uses to noise levels that exceed adopted standards.</strong> (PRDEIR pg. ES-14)</td>
<td>• NOI-1: limit construction hours, noise reduction feature on equipment, equipment staging locations, temporary noise barriers near residences.</td>
<td>Less than significant impact.</td>
</tr>
<tr>
<td>2. <strong>The proposed project would not generate stationary noise levels that impact nearby receptors.</strong> (PRDEIR pg. ES-15)</td>
<td>• NOI-4a, 4b, 4c, 4d, 4e, 4f. Installation of sound walls along residential property lines, loading docks, trash compactors and roof parapets.</td>
<td>Less than significant impact.</td>
</tr>
</tbody>
</table>
vii. Aesthetics, Light and Glare

The EIR reviewed the project’s potential visual impact as well as its potential to create light and glare impacts (refer to page ES-7 of the DEIR). The EIR concluded that the architectural and landscape requirements of the specific plan would mitigate any potential visual impacts of the project. All exterior parking lot, loading areas and security lighting will be subject to a photometric analysis. The location, wattage and design of all exterior lighting fixtures will be controlled to prevent off-site light and glare impacts to the surrounding residential areas.

viii. Biological Resources

The Biological Resources section reviewed the project’s potential impact on protect animals and plants. Although site has limited habit value, there is the potential for certain transitory species of animals and birds to be on the site. Mitigation measures are proposed that would require the site to be surveyed for sensitive animal species prior to construction beginning.

The project will also have impacts on native trees. The project area contains 166 native trees, primarily coast live oaks. Due to a number of factors including grading requirements, size of trees, condition of trees and locations of trees, the project is proposing to remove 132 trees. The removal of the trees will be mitigated with a combination of on-site replanting and payment of mitigation fees as required by the City’s Native Tree Ordinance.

ix. Cultural Resources

The Cultural Resources section looked at both pre-historic and historic resources that may be contained on the site (refer to pg. ES-24 of the DEIR). Consistent with Senate Bill 18, the City has consulted with local Native American tribes. Both the Salinan and the Northern Band of the Chumash have been included in the EIR process. Neither tribe has submitted any comments on either the DEIR or PRDEIR. The EIR has concluded that the likelihood of Native American artifacts being located within the
project area is low. However, archaeological monitoring of the site will be required during grading activities.

There are two Atascadero Colony era houses located within the project site at 1800 El Camino Real (Rordorf House) and 2115 El Camino Real (Palms House). The historic analysis determined that the Rordorf has is a good example of a “Colony Home” and therefore must be documented and relocated rather than demolished. The Palms House was found to be in poor condition and highly altered and therefore not significant. The Palms House may be demolished without further mitigation.

x. Geology, Soils, and Seismicity / Hazards and Hazardous Materials

The Geology and Hazards sections did not identify any significant hazards or areas of concerns (refer to pg. ES-27 of the DEIR). Standard building code required soils and geotechnical reports will be required to ensure the site is properly prepared for construction. Remediation of an old industrial site as well as asbestos containing construction material will be required as part of the site demolition project.

xi. Hydrology and Water Quality

The Hydrology and Water Quality section reviewed the impact the project would have on water quality and downstream drainage (refer to pg. ES-29 of the DEIR). The project was designed with a system of bio-swales and on-site detention ponds that would both protect water quality and maintain historic downstream flows. The mitigation measures require additional plans and calculations to be submitted to the City prior to construction that would demonstrate that water quality and downstream flow requirements will be met.

The EIR is recommending the following hydrology mitigation measures:

<table>
<thead>
<tr>
<th>Impact</th>
<th>Mitigation Summary</th>
<th>Level of Significance After Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Construction activities have the potential to degrade water quality. (DEIR pg. ES-29)</td>
<td>• HDY-1: Storm Water Pollution Prevention Plan (SWPPP) required for construction.</td>
<td>Less than significant impact.</td>
</tr>
<tr>
<td>2. Operational activities have the potential to degrade water quality. (DEIR pg. ES-30)</td>
<td>• HDY-2a: Standard Urban Storm Water Mitigation Plan required to prevent polluted runoff from leaving the site. • HYD-2d: Store procedures for the handling of fertilizers.</td>
<td>Less than significant impact.</td>
</tr>
<tr>
<td>3. Proposed project may impact groundwater quality.</td>
<td>• HYD-3a: RWQCB review of groundwater plume. • HYD-3b: abandon all existing septic systems.</td>
<td>Less than significant impact.</td>
</tr>
</tbody>
</table>
xi. Proposed project may cause downstream drainage problems from increased runoff.

(xii. Public Services and Utilities)

The public services section analyzed the project’s potential impact on the Fire Department, Police Department, public water supply, City sewer system, storm drainage system, land-fill capacity and energy supplies. The DEIR did not identify any unusual impacts or impacts that could not be easily mitigated (refer to pg. ES-36 of the DEIR).

xiii. Urban Decay

Projects that include “supercenters” (discount retail plus grocery sales) typically include an urban decay analysis as part of the CEQA process. The purpose of this analysis is to determine if the project will cause urban decay or blight to occur somewhere else in the community. The primary concern is whether the project would cause competing businesses in the Trade Area to close and, if so, whether vacant spaces would physically deteriorate to the point that they would manifest signs of urban decay (e.g., broken windows, graffiti, overgrown vegetation, etc.). To be clear, less of sales or even closure of a competing outlet by itself does not constitute urban decay; rather, it is the subsequent chain of events resulting in significant physical environmental impacts that is considered urban decay. Although the urban decay analysis relies on economic and fiscal models to reach its conclusions it is not intended to be an economic analysis of the project.

The primary finding of the urban decay analysis is that the project would not result in urban decay or blight occurring in Atascadero. This finding is based on an analysis of the local market area and the mix of current retailers. Although the project would capture a portion of existing sales at competing retailers like K-Mart, Food-4-Less, Albertsons, Spencer’s Fresh Market, CVS, Rite Aid, and Walgreens, the analysis found that market area can support all of the existing stores plus the proposed Walmart store. Part of this finding is based on the fact that a significant portion of local resident’s discount retail purchase already occurs outside of Atascadero, referred to as leakage. In addition, the K-Mart store was found to be performing well above K-Mart average levels and therefore should be able to remain competitive (pg. 3.12-56 DEIR). The analysis also concluded that none of the existing supermarkets would close as a result of the project. Since the Downtown is comprised primarily of restaurant, specialty retail and entertainment uses, the Walmart store would not be expected to have a significant impact on the Downtown.
D. Conclusion

1. Project Overview

The proposed project would allow for the construction of a regional scale shopping center at the north end of town anchored by a Walmart superstore. Creation of a regional commercial node at El Camino Real and Del Rio Road is a General Plan policy. In addition, the project is consistent with the City’s economic development goals to recruit new businesses in town and expand the local sales tax base. The project would also include single-family residential and multi-family residential units in close proximity to the project that would provide additional workforce and affordable housing opportunities. The overall project is master planned with consistent architectural, landscape and signage standards that will provide a first class shopping experience for local residents as well as visitors to the community.

2. Project Benefits

The project provides a number of benefits to the community including:

- Regional scale shopping center with large discount retail anchor.
- Fulfills General Plan policy to create a commercial node at El Camino Real and Del Rio Road.
- Increases City revenues by $529,600 annually.
- The project will create 507 jobs.
- Reduces existing sales leakage patterns when residents shop out of town.
- Provides $1.9 million in transportation improvements along El Camino Real including:
  - the third roundabout at ECR and Del Rio Road
  - a signal light at ECR and San Anselmo North
  - improve 2000 linear feet of El Camino Real as an 4-lane arterial
  - improve 1000 linear feet of Del Rio Road as multi-lane collector
  - pedestrian amenities including a public bus stop, bike lanes, street landscaping, and sidewalks
- Creates a modern, master planned shopping area in Atascadero.
- The project will provide $4.8 million dollars in Transportation Impact Fees that can be used to expand the Del Rio Road / US 101 interchange.

3. Project Impacts

The project will change the existing appearance and character of the area. The project’s impacts have been thoroughly analyzed in the EIR and a variety of mitigation measures are proposed that with address these impacts. The primary impacts of the project include the following:

- The project will create significant impacts to the Del Rio Road / US 101 interchange.

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8 The Walmart store will create 246 jobs, the Annex center will create 241, and the Walmart outlots will create 20 jobs.
• The City of Atascadero will need to expand the Del Rio Road / US 101 interchange and cover its proportional share of the costs (47% or $2,115,000). As discussed in the staff report, all interchange costs will be funded by the City’s Transportation Impact Fund and there will be no impact to the City’s General Fund.

• The project will exceed the daily air quality thresholds in 2013 and 2021. Although this qualifies as a significant impact, on an annual basis the project never exceeds any air quality standards.

• The project will create increased traffic, noise and glare impacts to the surrounding neighborhoods. With project conditions and mitigation measures, these impacts will be reduced to a level of less than significant.

• There will be a significant amount of grading that will be required to create a flat pad for the Walmart site. Approximately 250,000 cubic yards of earth will be removed from the Walmart site and placed on the Annex property and sites out of town. Although temporary, this will be a lengthy and disruptive process.

• The project will result in the removal of 132 native trees, primarily Coast Live Oaks. These trees will be mitigated with on-site replantings and payments to the City Tree Fund.

4. **Staff Recommendation**

Staff is recommending approval of the project. The primary factors in the recommendation are:

1. The project is consistent with General Plan goals to create a commercial shopping node at El Camino Real and Del Rio Road.

2. The project will increase City revenues and stimulate economic development.

3. The project impacts can be mitigated.
IV. FISCAL IMPACT

A. Fiscal Impact Analysis Summary
A fiscal impact analysis (refer to Attachment 5) was prepared for the project by Bay Area Economics (BAE) who also prepared the Urban Decay section of the EIR. As a result, all of the sales and property tax generation and sales capture\(^9\) assumptions of the EIR are incorporated into the fiscal analysis.

B. Project Revenue Assumptions
The fiscal impact analysis determined the project at build out (Walmart and Annex) will have a net positive annual revenue of $529,637 to the City of Atascadero.

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\(^9\) Sales capture is when sales at existing retail outlets in Atascadero shift to the new retailers in the project.
This would include $581,730 in sales tax revenue and an additional $54,382 in other recurring revenues for a total of $636,112. One time revenues like building permits and capital facility fees are not included in this total. The sales tax estimate subtracts sales tax that is captured from existing businesses in Atascadero. The analysis found that the project would require $106,475 in City services primarily from the Police and Fire Departments.

C. Redevelopment Agency Revenues

When the analysis was prepared in December 2010, the City Redevelopment Agency was still in place, so the analysis included revenue assumptions for the Agency. Since then, the State of California has dissolved all redevelopment agencies. Consequently, the RDA revenue assumptions in the analysis should be ignored. Due to the complexities of the RDA dissolution process, staff is unable to determine how much of the Agency’s property tax increment will be redistributed back to the City of Atascadero.

D. Transportation Impact Fee Funds (TIF’s)

1. What is a TIF?

A Traffic Impact Fee (TIF) is a specific fee that is charged on building permits to cover the cost of major “shared” circulation infrastructure, such as freeway interchanges. TIFs are paid for by developers to mitigate the impacts of development on the community. Since this fee is charged to cover the specific cost of providing circulation facilities for new development, it is a fee and not a tax under State law. Specifically:

- TIF’s are paid as part of building permit fees by developers of residential, commercial and industrial projects.
- TIF’s are based on the circulation facility project list in the 2002 Master Facilities Plan.
- The actual TIF dollar amount is set by the City’s 2006 Development Impact Fee Calculation and Nexus Report.
- TIF funds go to a restricted account that can only be used to fund circulation facility list projects.

The interchange mitigation measures will obligate the City of Atascadero to spend Transportation Impact Fees (TIF’s) on the Del Rio Road / US 101 interchange. The cost estimate for the interchange improvements is $4.5 million. The cost of improving the interchange will be accomplished using developer paid TIF’s that are separate from the City’s General Fund.

2. General Plan Master Facilities Plan

The General Plan Circulation Element’s traffic model identified the EIR required citywide backbone transportation infrastructure and the projects required to keep circulation at the desired level of service. Projects such as the Del Rio Road / US 101 and San Anselmo Road / US 101 interchanges, and the widening of El Camino Real are a few
examples of projects planned since 2002. Consistent with Assembly Bill 1600 (AB 1600) the backbone infrastructure projects became the basis for the transportation portion of the November 2002 “Master Facilities Plan” and “Development Impact Fee Calculation and Nexus Report” prepared by Revenue & Cost Specialist, LLC. The Development Impact Fee Study was updated in February of 2006 to adjust for inflationary increases.

The Development Impact Fee Calculation and Nexus Report provides a proportional analysis of the TIF’s necessary to fund the Circulation System Facilities.

The Del Rio Road / Highway 101 (ST-41) interchange is significantly impacted by the proposed projects. The project EIR recommends mitigation measures to rebuild the interchange with two modern roundabouts which would provide acceptable levels of service at the worst case “future plus Walmart and Annex” build out scenario. Since the adoption of the 2002 General Plan and Circulation Element, reconstruction of the Del Rio Road / US 101 interchange has been identified as a necessary improvement by the City. The General Plan Final EIR (GPFEIR) identified the need to rebuild this interchange prior to build-out of the General Plan. Following adoption the General Plan, the City of Atascadero took the following actions to plan for the improvement of both the Del Rio Road / US 101 and the San Anselmo / US 101 interchanges:

<table>
<thead>
<tr>
<th>Planning Action</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. 2002 General Plan Circulation Element / GPFEIR (CMS)</strong></td>
<td>Identified both the Del Rio Road / US 101 and San Anselmo / US 101 interchanges as a key circulation facility for General Plan build-out that would require improvements.</td>
</tr>
<tr>
<td><strong>2. 2002 Master Facilities Plan (RCS)</strong></td>
<td>Identified the cost of improving both the Del Rio Road / US 101 and San Anselmo / US 101 interchanges.</td>
</tr>
<tr>
<td><strong>3. 2002 Development Impact Fee Calculation and Nexus Report (RCS)</strong></td>
<td>Identified the proportional share funding requirements for new development and established a Traffic Impact Fee schedule that included the Del Rio Road / US 101 and San Anselmo / US 101 interchanges</td>
</tr>
<tr>
<td><strong>4. 2008 Interchange Operational Improvement Study (W-Trans)</strong></td>
<td>Modeled specific traffic level of service impacts and identified roundabouts as mitigation for the Del Rio Road / US 101 and San Anselmo / US 101 interchanges.</td>
</tr>
<tr>
<td><strong>5. 2009 San Luis Obispo Council of Governments (SLOCOG) Priorities for Interchange Operation Improvements Study</strong></td>
<td>Identified the Del Rio Road / US 101 interchange as the #4 funding priority and the San Anselmo / US 101 interchange at the #5 funding priority.</td>
</tr>
<tr>
<td><strong>6. 2011 City of Atascadero 5-year Capital Improvement Program</strong></td>
<td>Identified the Del Rio Road / US 101 and San Anselmo / US 101 interchanges as a &quot;Unfunded Project&quot; (page F-8 2011-2013 City of Atascadero Budget).</td>
</tr>
</tbody>
</table>
3. Capital Improvement Project Planning

Since adoption of the General Plan and Circulation Element in 2002, the City has included a five-year CIP as part of its bi-annual budgeting process. During the preparation of each two-year budget, the City evaluates current traffic conditions and prioritizes needed projects based on anticipated revenues. The CIP includes TIF funded Circulation System Facilities as well as non-TIF funded local street projects.

The priorities of the CIP change over time based on economic conditions associated with land development activities, changing traffic patterns, the availability of State and Federal funding programs and other factors. The City constantly monitors current conditions (traffic counts, accident reports, etc.) and updates the CIP as circulation demands change. With each budget cycle, projects needs and priorities are evaluated and updated in the CIP.

In August 2007, as part of the City’s CIP monitoring process, Whitlock & Weinberger Transportation, Inc. (W-Trans) was tasked to prepare the “Interchange Improvement Study” for the City. This study evaluated the entire City’s local street interchanges along US 101 (with the exception of State Route 41) and the associated El Camino Real intersections adjacent to these locations. The report determined specific improvements needed in the future, and recommended modern roundabouts as the most cost effective solution to expanding the capacity of the City’s interchanges. The report estimated conventional “bridge widening” projects at the interchanges would vary by interchange with approximate costs ranging from $8 to $11 million dollars, while an equally effective “modern roundabout” project could be constructed for approximately $4.5 million dollars.

Although identified in the City's five-year CIP, all of the interchange improvement projects are currently unfunded. The EIR has identified that the Del Rio Road Commercial Area Specific Plan projects will have a “significant impact” on both the Del Rio Road / US 101 interchange and the San Anselmo / US 101 interchange. The two interchange improvements are currently ranked fourth (Del Rio Road) and fifth (San Anselmo Road) in the City’s CIP priority listing of interchange improvements. In 2009, the City Council adopted the following ranking “priorities” for all freeway interchanges as follows:

<table>
<thead>
<tr>
<th>City’s 2009 Adopted Interchange Priority Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Traffic Way roundabout at SB on-ramp</td>
</tr>
<tr>
<td>2. Curbaril Avenue Interchange</td>
</tr>
<tr>
<td>3. Santa Barbara Road roundabout at NB on-ramp</td>
</tr>
<tr>
<td>4. Del Rio Road Interchange</td>
</tr>
<tr>
<td>5. San Anselmo Road Interchange</td>
</tr>
<tr>
<td>6. Santa Rosa Road Interchange</td>
</tr>
</tbody>
</table>
The CIP funding list is determined by Council policy and is reviewed or amended as needed. If the Del Rio Road Commercial Area Specific Plan is approved, the City Council may consider amending the CIP to include the Del Rio Road / US 101 interchange to address the mitigation of the projects’ significant impact on this interchange. Since the project creates a minor contribution to the existing level of service deficiency at the San Anselmo / US 101 interchange, no CIP action would be warranted for this interchange at this time.

4. Proportional Share Analysis

The RCS analysis determined, that the Walmart project’s proportional share of the cost to construct the contemplated roundabout improvements is 28.7% or approximately $1,292,798. The Annex project’s proportional share of the cost is 24.3% or approximately $1,095,301. A Special Interchange Fee is required for the Specific Plan areas to offset this impact. Together, the proportional share contributions from each of the Walmart and Annex projects will fund approximately 53% of the roundabout improvements. Each of the Walmart and Annex projects will also be required to pay the standard TIF amounts of approximately $1,699,220 and $1,166,536, respectively, for their proportional share impact on other TIF funded Circulation System Facilities. These are total TIF amounts before deducting credits for Circulation System Facilities installed by the projects.
The total TIF fees generated by the project are estimated as follows:

**Walmart Store**

<table>
<thead>
<tr>
<th>Fee Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Interchange Fee</td>
<td>$1,159,923</td>
</tr>
<tr>
<td>Standard Traffic Impact Fee</td>
<td>$1,443,414</td>
</tr>
<tr>
<td>Street Improvement Credits</td>
<td>&lt;$333,912&gt;</td>
</tr>
<tr>
<td><strong>Walmart Total</strong></td>
<td><strong>$2,269,425</strong></td>
</tr>
</tbody>
</table>

**Annex Commercial / Walmart Outlots / Annex single-family residential / Walmart multi-family residential**

<table>
<thead>
<tr>
<th>Fee Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Interchange Fee</td>
<td>$1,228,176</td>
</tr>
<tr>
<td>Standard Traffic Impact Fee</td>
<td>$1,422,342</td>
</tr>
<tr>
<td>Street Improvement Credits</td>
<td>&lt;$32,529&gt;</td>
</tr>
<tr>
<td><strong>Annex Total</strong></td>
<td><strong>$2,617,969</strong></td>
</tr>
</tbody>
</table>

**Total Developer Traffic Fees**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$4,887,394</strong></td>
</tr>
</tbody>
</table>

5. **City Funding Obligation**

The City’s proportional share of future capacity of the Del Rio Road / US 101 interchange is 47% of the $4,500,000 costs or $2,115,000. Currently the City has about $800,000 unallocated in the TIF account that could be used to fund the City’s 47% share of the costs for the Del Rio Road / US 101 interchange project. If the City encountered a funding shortfall due to the project phasing, the City could borrow from another City fund.

The Wastewater Fund (Fund) currently has a substantial cash balance that may be available for loans. The nature of the Wastewater Fund is that it must accumulate funds for large capital replacement items. Replacement of a sewer plant or the sewer mains under El Camino Real will cost millions of dollars; therefore rate-payers must contribute

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10 Proportional share is a legal standard that requires an essential nexus between the mitigation measure and a legitimate governmental interest and the mitigation measure must be roughly proportional to the impacts of the project. (CEQA Guidelines Section 15126.4(a)(4); see also Dolan v. City of Tigard, 512 U.S. 374 (1994); Ehrlich v. City of Culver City, 12 Cal. 4th 854 (1996).)

The RCS analysis determined that the Walmart project’s proportional share of the cost to construct the contemplated roundabout improvements is 28.7% or approximately $1,292,798. The Annex project’s proportional share of the cost is 24.3% or approximately $1,095,301. Together, the proportional share contributions from each of the Walmart and Annex projects will fund approximately 53% of the roundabout improvements or $2,388,099. A special interchange impact fee is proposed for the Specific Plan area to cover the project’s proportional share of interchange impact cost.
funds over time, saving cash for these very large expenditures in later years. The Wastewater Fund currently has sufficient cash on hand to accommodate the more modest short-term capital replacement needs of the Fund. This leaves the Fund with cash that can be loaned out at an appropriate interest rate, but paid back in time for the more substantial long-term capital expenditures of the Fund. The City’s Circulation Impact Fee Fund could internally borrow from the Wastewater Fund cash account and then pay back the Fund with interest over time.

6. Cost Overrun Provisions and Applicant Payment Schedule

Although City staff is confident that the Del Rio Road / US 101 interchange improvement cost estimates have adequate contingencies built in, there always exists the possibility of a cost overrun. In order to offset this risk, Walmart has agreed to contribute an addition $200,000 to cover potential cost overruns. Since Walmart’s proportional share of the interchange costs is 28.7%, Walmart would only be responsible for 28.7% of any cost overruns. Therefore the $200,000 would cover Walmart’s share of a $696,864 cost overrun. This cost overrun provision has been added to the conditions of approval.

In order to expedite the construction of the Del Rio Road / US 101 interchange, the City will need to begin spending money on permit processing and consultants this calendar year. Since the EIR does not require the payment of fees until the issuance of building permits for commercial structures, the City will likely have to spend over $800,000 before receiving Walmart’s TIF’s. Staff is recommending that the condition below be added to the project to require Walmart to make progress payments toward the interchange. The timing and amount of the progress payments would be set forth in the Improvement Agreement.

20. Prior to the issuance of any permits or recordation of any final maps, for the Walmart portion of the project the applicant shall enter into an Improvement Agreement with the City of Atascadero. At a minimum, the Improvement Agreement shall include the following:

a. Timing and amount of City traffic impact fee for the Del Rio Interchange roundabouts to be paid in progress payments in the following amounts: (1) Payment of $250,000 when the Walmart entitlements are final; (2) Payment of $600,000 due at the time of grading permit and (3) Payment for the balance due at time of building permit. Timing and amount of other City traffic impact fees to be paid in amounts and times as set forth in the Improvement Agreement.

b. Provisions for Walmart relating to its proportional share for the roundabouts at the Del Rio 101 Interchange. In the event of a cost overrun above the $4.5 million estimated costs for these roundabouts, then Walmart will pay to the City its proportional share of the overrun up to a maximum of $200,000. In the event of a cost underrun below the $4.5 million estimated cost for these roundabouts, then Walmart will receive a credit or refund for its proportional share of the underrun up to a maximum of $200,000.

c. Requirements and timing of all off-site circulation improvements.

d. The provisions in the Improvement Agreement shall be consistent with the applicable mitigation required in the certified Final Environmental Impact Report.

11 $696,864 x 28.7% = $200,000
E. Update of the Five-Year Capital Improvement Plan

1. Planning Commission Review of the CIP

The City of Atascadero is in the first fiscal-year of the 2011 – 2016 Five Year Capital Improvement Plan (Capital Plan). The Atascadero Planning Commission is required to annually review the Capital Improvement Plan and forward its findings to the City Council. City staff continues to implement the Capital Improvement Plan to fulfill the City’s goals.

The City of Atascadero General Plan identifies the following policies and programs that require the City to prepare, review, and approve a Capital Plan that is consistent with the General Plan Goals, Policies, and Programs. The policies and programs are as follows:

- **Policy 15.2**: Maintain an updated Capital Improvements Plan (CIP) that forecasts needs at least five years into the future and conforms to General plan policies and programs.
  - **Program 1**: The Planning Commission shall annually review the Capital Improvements Program for consistency with the General Plan and forward its findings to the City Council.

With the recent changes to and elimination of the City’s Redevelopment Agency (RDA) the funding of capital projects has been in a state of flux for the past several years, and accordingly funding for the Capital Improvement Plan has been uncertain. Now that the RDA has been eliminated it is important to revisit this project list. Staff has prepared this report, attachments, and exhibits for Planning Commission review, comment, and recommendation to the City Council. Per the General Plan, this CIP review should occur on an annual basis. The last Planning Commission review occurred on June 2, 2009.

2. Prioritization of the Del Rio Road / US 101 Interchange Project

City Staff has selected projects for the next five years that will conform to the General plan policies and programs under the available funding.

One of the main considerations of the proposed updated CIP are freeway interchange improvements identified in the General Plan Circulation Element updated in June 2004, Master Facilities Plan and Development Impact Fee Calculation & Nexus Update Report dated February 2006, and the Interchange Improvement Study dated August 2007. The City Council in April 2010 reviewed the Interchange Improvement Study and prioritized the interchanges in order of capital project planning as follows:

1. Traffic Way Roundabout at SB on-ramp
2. Curbaril Avenue Interchange
3. Santa Barbara Road Roundabout at NB on-ramp
4. Santa Rosa Road Interchange
5. Del Rio Road Interchange
6. San Anselmo Road Interchange

Traffic conditions and development patterns impact needed transportation improvements over time, and require the City to update project priorities regularly. Based on the current City Council focus on economic development, and recent environmental and financial analysis of the Del Rio Specific Plan (Walmart / Annex Development), Staff recommends that the Del Rio Road and San Anselmo Road interchanges be advanced to the highest priority projects. Based on current and anticipated traffic levels (and near term mitigation measures identified in the Del Rio Specific Plan) Staff recommends the above listed priorities be revised to:

1. Del Rio Interchange
2. San Anselmo Road Interchange
3. Traffic Way roundabout at SB on-ramp
4. Curbaril Avenue Interchange
5. Santa Barbara Road Roundabout at NB on-ramp
6. Santa Rosa Road Interchange

Based on the assumption the Del Rio Road Specific Plan is approved, and the Walmart store and other baseline traffic generators (as defined in the referenced EIR) are constructed in a timely manner, the Del Rio Road and the San Anselmo Road interchanges will need significant improvements in the near term. To advance these projects their priority status should be acknowledged by the City Council as being consistent with their identified overall strategic priorities, and current development patterns.

Listed below are General Plan Policies and how the Capital Improvement Plan complies with them:

3. Roads and Bridge Projects
   i. Circulation Element Policy 1.3.
      Maintain a Level of Service\(^{12}\) (LOS) C or better as the standard at all intersections and on all arterials and collector roads.

      - Minor Interchange Improvements – Minor improvements to increase capacity and level of service to the following roads crossing US 101 from El Camino Real to westerly connectors: Santa Barbara Road, Santa Rosa Road, Curbaril Avenue, San Anselmo Avenue and Del Rio Road. It is anticipated that near-term improvements to the capacity of San Anselmo Road between

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\(^{12}\) Traffic operations are evaluated by determining level of service, a quantitative measure of traffic operating conditions, whereby a letter grade of A through F is assigned to an intersection or roadway segment to represent progressively worsening traffic conditions. A level of service of C or better represents stable traffic conditions. A level of service of C will have delays of 20 to 35 seconds at signalized intersections and 15 to 20 seconds at stop controlled intersections.
El Camino Real and the northbound on-ramp at Highway 101 will be needed within the 5-year planning horizon of this CIP.

ii. **Circulation Element Policy 1.1.1.**

Maintain an updated Capital Improvement Plan and pursue construction of the circulation system improvements listed in the Table III-11 of the Circulation Element.

- **Del Rio/ Highway 101 Interchange Improvements** – Prepare Plans, Specifications and Estimate documents for Caltrans for the construction of two roundabouts and related interchange improvements at the Del Rio/Highway 101 interchange.

- This project is included in the 2012 update to the 2011 Capital Improvement Plan due to the proportional share analysis alternative for construction of the interchange improvements as outlined in the Partially Re-Circulation Draft EIR (PRDEIR) for the Del Rio Road Commercial Area Specific Plan.

iii. **Circulation Element Policy 2.1.**

Provide for a comprehensive system of creekside trails, roadside pathways, equestrian trails, multi-use trails and bikeways to connect neighborhoods, schools, commercial and recreation areas, in accordance with the Bikeway and Trail Plan.

- **Downtown Pedestrian Bridge** – Prepare Plans, specifications and construct the pedestrian bridge between Colony Square and Sunken Gardens. (Funding subject to approval by RDA Successor Agency).

- **Santa Rosa Road Bridge at Atascadero Lake Alternatives Study** – Preliminary design of alternative for bridge replacement and development of funding plan, including application for State and Federal Safety Grant Funds.

4. **Drainage Projects**

i. **Safety & Noise Element Policy 2.2.2.**

“Develop a prioritized list of proposed capital improvement projects for low-lying, flood-prone areas, and seek funding for these projects.”

- **Drainage Improvement Program.** This CIP program includes the following projects that will mitigate current minor flooding problems and mitigate future drainage impacts:

  o Marchant Avenue Drainage project
  o Portola Road Drainage project
ii. **Policy 8.5:**

The City shall implement a storm water control program consistent with the requirements of the National Pollution Discharge Elimination System (NPDES) Permit Program (Phase II).

- **Storm Water Management Plan (SWMP)** - Continued efforts to manage storm water design, construction and maintenance activities and improve storm water quality through implementation of the current SWMP in accordance with RWQCB requirements.

5. **Facilities Projects**

i. **Land Use, Open Space and Conservation Element Policy 6.4.**

“Encourage conservation and preservation of structures and houses that have historical and architectural significance.”

- **Historic City Hall Project** – Repairs, mitigation and rehabilitation. (Funding subject to approval by RDA Successor Agency).

ii. **Land Use, Open Space and Conservation Element Goal LOC 10.**

“Conserve energy and resources by preventing or correcting degradation of the environment.”

- **Energy Efficiency Improvements** – Upgrades to the HVAC and lighting systems at City-wide facilities.

6. **Parks Projects**

i. **Land Use, Open Space and Conservation Element Policy 12.2.1.**

Promote the Zoo, Lake Park, and other City Parks as unique and valuable attractions.

- **Centennial Plaza Master Plan and Construction** - Design and construction of pedestrian plaza and walkways between the proposed pedestrian bridge and East Mall Avenue, including parking lot upgrades at the Historic City Hall. (Funding subject to approval by RDA Successor Agency).
Atascadero Creek Trail Enhancement Project – Design and construction of a pedestrian trail from El Camino Real to the Colony Park Community Center. Finish construction of the existing Portola to San Gabriel portion. This project was delayed and has been re-scheduled for 20012-2013.

Morro Road Multi-purpose Trail Improvements – Provide a multi-purpose trail linkage to the Lake Park along Highway 41 from the Lake Park Frontage Project pathway at the zoo driveway to the San Gabriel Road Safe Routes to School project along the south side of Highway 41. This project was funded by an HSIP Grant in 2012.

Zoo Green Parking Lot Project – Design and construct improvements to the parking lot adjacent to the Charles Paddock Zoo. The project will include storm water quality best management practices, and will serve as a demonstration project for future Low Impact Development techniques required by the Storm Water Management Plan. This project will go to construction in 2013.

7. Miscellaneous Projects

i. Circulation Element Policy 2.3.4.

“Enhance the Downtown streetscape so that it is an enjoyable experience for pedestrians.”; and

LOC Policy 4.2.3. “Develop a comprehensive streetscape and pedestrian access plan for the Downtown area.

- Barrier Removal Projects (CDBG) – Design and construction of sidewalk and pedestrian accessible ramps in areas of existing non-compliant sidewalks and public access facilities.
- Downtown Property Purchase – This project is to purchase property in the Downtown to advance the City’s parking and economic development goals. (Funding subject to approval by RDA Successor Agency).
- Maiden Statue Placement – The Maiden statues have been undergoing restoration for the past several years. The placement of the statues project will include reinstallation at the previous site in the Sunken Gardens, including minimal improvements to the statue pedestal and surrounding fencing and landscaping. (Funding subject to approval by RDA Successor Agency).
- Transit Center Design and Construction – Design and construction of a downtown transit center in accordance with the Transit Center Site Selection Study.
- Wayfinding Program – The City will be installing Wayfinding Signage to provide residents and tourists with additional information regarding the location of the downtown and its amenities. (Funding subject to approval by RDA Successor Agency).
8. **Wastewater Projects**

1. *Land Use, Open Space and Conservation Element Goal LOC 15.*
   
   “Provide adequate public services for high quality, orderly and sensible growth.”

The following are projects planned to maintain and improve the operation of the wastewater collection and treatment system:

- **Biosolids Final Processing Area** – sludge bed improvements at WWTP.
- **Collection System Master Plan** – update of pipe and lift station planning and capacity, infrastructure needs planning.
- **Collection System Priority Projects** – pipe replacement, lift station improvements.
- **Effluent Meter at Treatment Plant** – meter on discharge piping to document permit compliance.
- **Jetter Truck Replacement** – maintenance equipment replacement.
- **Lift Station 2 Redesign / Replacement** – lift station replacement.
- **Lift Station 5 Overflow Pond Replacement** – safety improvement that will allow more usable space at the Colony Park Community Center grounds.
- **Lift Station 6 Redesign / Replacement** – lift station replacement, reliability improvements.
- **Loader Replacement** – maintenance equipment replacement.
- **Manhole Repairs** – on-going manhole repairs.
- **Pond Edge Stabilization Rip-Rap** – erosion protection improvements at treatment ponds.
- **Salt & Nutrient Plan** – Joint effort with other north county wastewater agencies to develop the RWQCB required plan to reduce salts in effluent.
- **Septage Receiving Facility Abandonment** – removal of antiquated facilities.
- **Sewer Line Trench Settlement Repairs** – on-going pavement repairs.
- **Sewer Main Replacement** – El Camino Real (Mission Oaks Center) – replacement of damaged sewer pipe fronting Mission Oaks Center.
- **Treatment Plant Barscreen / Headworks** – barscreen installation at WWTP.
- **Treatment Plant Master Plan** – update of Treatment Plant capacity and operational needs.
- **Treatment Plant Priority Projects** – on-going equipment and facility improvements to maintain high level of effectiveness and efficiency.
- **Treatment Plant Road Repairs** – miscellaneous paving
- **Wastewater Fee Study** – update of 20+ year old sewer fees.

According to Program 1 above, the Planning Commission shall review the improvement plan for consistency with the General Plan and forward its findings to the City Council. General Plan Circulation Capital Improvements Table III-11 (Attachment 1), provides a summary of circulation-related capital improvements to be implemented. The proposed Five-Year CIP incorporates improvements from this adopted list to be constructed.
9. **Findings:**

As identified in the General Plan, and attached as Exhibit A, the Capital Improvement Plan shall be approved by the Planning Commission with appropriate findings, as follows:

1. The updated Capital Improvement Plan forecasts needs at least five years into the future and conforms to General Plan Goals, Policies and Programs and the overall intent of the General Plan;

2. Implementation of the Capital Improvement Plan aides in providing a safe and efficient circulation system that serves all segments of the community, and is designed and constructed to preserve rural character; and

3. Implementation of the Capital Improvement Plan will not create any new significant and unavoidable impacts to traffic, infrastructure or public services; and

4. The Capital Improvement Plan is consistent with the adopted General Plan EIR and mitigation monitoring program.
V. ALTERNATIVES

The following alternative actions are available for the Planning Commission’s considerations:

A. Modify Project Conditions
The Planning Commission may recommend project approval with modifications to the project or conditions of approval. The Planning Commission needs to clearly identify the project modifications and include those modifications with the motion for the appropriate ordinance or resolution. Any proposed project modification must be consistent with the scope of the EIR analysis.

Staff can assist the Commission in preparing an appropriate motion.

B. Refer Back to Staff
The Planning Commission may determine that additional information is required prior to making a recommendation. In this case, the Planning Commission should refer the item back to staff and select a “date certain” for the item to be reheard by the Planning Commission.

The Planning Commission should clearly identify the additional information needs to be provided.

C. Recommend Denial
The Planning Commission may recommend denial to the City Council on one or more of the attached ordinances and resolutions.

The Planning Commission needs to make clear findings of denial on any of the ordinances or resolutions it is recommending be denied.

D. Walmart Only Alternative from the EIR
Under the requirements of the California Environmental Quality Act, EIR’s must include the analysis of feasible alternative projects. One of the alternatives that was analyzed was the construction of the Walmart portion of the project without the Annex portion. This alternative is described on page 5-11 of the PRDEIR. As part of the PRDEIR process, the Walmart Only alternative was expanded so that it could stand alone as an approvable project if the Annex portion of the project became infeasible.

Although there has been a change in ownership and Montecito Bank and Trust is now an additional applicant, the Annex portion of the project is still feasible. The Bank has signed a new project application and is very interested in entitling the property for commercial development. Therefore, staff is not recommending this alternative action be considered by the Planning Commission.
However, if the Planning Commission determines that the Walmart Only Alternative should be recommended to the City Council, the following motion should be considered. The Walmart Only Alternative ordinances and resolutions are designated with an “X” and printed on blue paper in the original staff report.

11. Adopt Draft Resolution PC 2012-0005-X (Resolution A-X) recommending Certification of Final Environmental Impact Report with the Walmart Only Alternative, including Mitigation Monitoring Program, and Statement of Overriding Considerations; and,

12. Adopt Draft Resolution PC 2012-0006-X (Resolution B-X) recommending approval of the Walmart Only General Plan Land Use Diagram Amendment (GPA 2007-0020) based on findings; and,

13. [Note – this resolution is the same and printed in yellow]
   Adopt Resolution PC 2012-0007 recommending that the City Council introduce Ordinance “A” for first reading to establish zoning code text for Specific Plan Zone 2 (ZCH 2007-0141) based on findings; and,

14. Adopt Draft Resolution PC 2012-0008-X (Ordinance B-X) recommending approval of the Walmart Only Zoning Map Amendment (ZCH 2007-0141), including a zoning overlay of the project site to “SP-2” (Specific Plan Zone 2) based on findings; and,

15. Adopt Draft Resolution PC 2012-0009-X (Ordinance C-X) recommending approval of the Walmart Only Del Rio Commercial Area Specific Plan for Specific Plan Zone 2 (SP 2009-0003) which includes the Del Rio Road Commercial Area Specific Plan and Appendix documents, based on findings; and

16. Adopt Draft Resolution PC 2012-0010-x (Resolution C-X) recommending approval of the Walmart Only Specific Plan Master Plan of Development (SP 2009-0003) for the Del Rio Commercial Area, based on findings and subject to Conditions of Approval; and,

17. [Note – this resolution is the same and printed in yellow]
   Adopt Resolution PC 2012-0011 recommending the City Council adopt Resolution “D”, approving the Walmart Tree Removal Permit TRP 2009-0128, based on findings and subject to Conditions of Approval; and,

18. [Note – this resolution is the same and printed in yellow]
   Adopt Resolution PC 2012-0013 recommending the City Council adopt Resolution “F” to approve the Walmart Vesting Tentative Parcel Map AT 09-0073 (TPM 2009-0095; Walmart) based on findings and subject to Conditions of Approval; and,
E. **CIP ALTERNATIVES**

1. The Planning Commission may find the CIP inconsistent with the General Plan.

2. The Planning Commission may continue the application and refer the project back to staff for additional information or analysis.
VI. ATTACHMENTS

1. Attachment 1: Location Map, Zoning and General Plan
2. Attachment 2: Project Master Plan
3. Attachment 3: Existing General Plan Land Use Diagram
4. Attachment 4: Existing Zoning Map
5. Attachment 5: Fiscal Impact Analysis
6. Attachment 6A: Resource Cost Specialist - Proportional Share of Circulation System Improvements
7. Attachment 6B: Walmart Annex Project Milestones
8. Attachment 7: Draft Resolution PC 2012-0005 (Resolution A) recommending Certification of Final Environmental Impact Report, including Mitigation Monitoring Program, and Statement of Overriding Considerations
10. Attachment 8: Draft Resolution PC 2012-0006 (Resolution B) recommending approval of General Plan Land Use Diagram Amendment
11. Attachment 8-X: Draft Resolution PC 2012-0006-X (Resolution B-X) recommending approval of the Walmart Only General Plan Land Use Diagram Amendment
12. Attachment 9: Draft Resolution PC 2012-0007 (Ordinance A) recommending approval of Zone Text Amendment to establish Specific Plan Zone 2
13. Attachment 10: Draft Resolution PC 2012-0008 (Ordinance B) recommending approval of Zoning Map Amendment
14. Attachment 10-X: Draft Resolution PC 2012-0008-X (Ordinance B-X) recommending approval of the Walmart Only Zoning Map Amendment
15. Attachment 11: Draft Resolution PC 2012-0009 (Ordinance C) recommending approval of Del Rio Commercial Area Specific Plan
16. Attachment 11-X: Draft Resolution PC 2012-0009-X (Ordinance C-X) recommending approval of the Walmart Only Del Rio Commercial Area Specific Plan

17. Attachment 12: Draft Resolution PC 2012-0010 (Resolution C) recommending approval of Specific Plan Master Plan of Development

18. Attachment 12-X: Draft Resolution PC 2012-0010-x (Resolution C-X) recommending approval of the Walmart Only Specific Plan Master Plan of Development

19. Attachment 13: Draft Resolution PC 2012-0011 (Resolution D) recommending approval of the Walmart Tree Removal Permits TRP 2009-0128


21. Attachment 15: Draft Resolution PC 2012-0013 (Resolution F) recommending approval of Vesting Tentative Parcel Map on Walmart site

22. Attachment 16: Draft Resolution PC 2012-0014 (Resolution G) recommending approval of Vesting Tentative Parcel Map on The Annex site

23. Attachment 17: CIP Draft Resolution and Report Attachments
   a. Attachment 17a: Draft Resolution PC 2012-0016
   b. Attachment 17b: General Plan Summary of Circulation Element Capital Improvements, Table III-11.
   c. Attachment 17d: General Plan Circulation Mitigation Projects Map