ORDINANCE NO. 2019-15R

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ESCONDIDO, CALIFORNIA, APPROVING A MASTER AND PRECISE DEVELOPMENT PLAN AND DEVELOPMENT AGREEMENT FOR A 32-UNIT MIXED-USE DEVELOPMENT AND AUTHORIZING THE FILING OF A NOTICE OF EXEMPTION

APPLICANT: 555 W. Grand, LLC
CASE NO.: PHG18-0021

The City Council of the City of Escondido ("City"), California, DOES HEREBY ORDAIN as follows:

SECTION 1. The City Council makes the following findings:

a) 555 W. Grand, LLC ("Applicant") submitted a verified land use development application on approximately 0.45-acres of land generally located on the southeastern corner of W. Grand Avenue and Quince Street, north of Second Avenue, addressed at 555 W. Grand Avenue (APNs 233-022-01, -02, -21 and portion of -23), in the Mercado District of the Downtown Specific Plan, more particularly described as shown on Exhibit "A" (the "Property Description"), attached to this Ordinance and incorporated herein by this reference as though fully set forth. Said verified application was submitted to, and processed by, the Planning Division of the Community Development Department as Planning Case Nos. PHG18-0021 and SUB18-0008. The Applicant seeks approval of a Master and Precise Development Plan, and Development Agreement to construct a 32-unit mixed-use condominium project, as shown on Exhibits "D" (Master and Precise Development Plan), and on file in the Planning Division, and incorporated herein by this reference as though fully set forth.

b) The Planning Division of the Community Development Department completed its review and scheduled a public hearing regarding the application before
the Planning Commission for September 10, 2019. Following the public hearing on September 10, 2019, the Planning Commission adopted Resolution No. 2019-20, which recommended that the City Council approve the project’s Master and Precise Development Plan, Development Agreement, and associated Tentative Subdivision Map.

SECTION 2. An original copy of the proposed Master and Precise Development Plan, Development Agreement, and associated Tentative Subdivision Map and all other related Project materials are on file in the Office of the City Clerk, with a copy of each document submitted to the City Council for its consideration. The City Clerk, whose office is located at 201 North Broadway, Escondido, California 92025, is hereby designated as the custodian of the documents and other materials which constitute the record of proceedings upon which the City Council’s decision is based, which documents and materials shall be available for public inspection and copying in accordance with the provisions of the California Public Records Act.

SECTION 3. The City Council did on October 9, 2019, hold a duly noticed public hearing as prescribed by law. Evidence was submitted to and considered by the City Council, including, without limitation:

a) Written information including all application materials and other written and graphical information posted on the project website.

b) Oral testimony from City staff, interested parties, and the public.

c) The City Council staff report, dated October 9, 2019, which along with its attachments, is incorporated herein by this reference as though fully set forth herein, including the Planning Commission’s recommendation on the request.

d) Additional information submitted during the public hearing.
SECTION 4. Pursuant to the California Environmental Quality Act, a Class 32 CEQA Exemption relative to the Project is attached as Exhibit “E” and incorporated herein by this reference as though fully set forth, and a Notice of Exemption will be filed with the County Clerk.

SECTION 5. That, upon consideration of the Findings of Fact/Factors to be Considered, attached as Exhibit “B”, and the Conditions of Approval, attached as Exhibit “C”, the City Council desires at this time and deems it to be in the best public interest to approve the Master and Precise Development Plan, and Development Agreement, as specified and depicted in the October 9, 2019, City Council staff report, and incorporated herein by this reference as though fully set forth herein.

SECTION 6. That the Development Agreement, attached as Exhibit “F,” is hereby approved as set forth substantially to the same form on file with the Office of the City Clerk, and incorporated herein by this reference as though fully set forth herein.

SECTION 7. All references within this Ordinance to "Applicant" or "Developer," shall be equally applicable to the current property owner and to any successors-in-interest or assigns, whether such successors of assigns own, control, or otherwise have development authority for all, a portion, or portions of that property included within the Project site.

SECTION 8. SEPARABILITY. If any section, subsection sentence, clause, phrase or portion of this Ordinance is held invalid or unconstitutional for any reason by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions.
SECTION 9. That as of the effective date of this ordinance, all ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 10. The City Council authorizes all subsequent action to be taken by City Officials consistent with this Ordinance.

SECTION 11. That the City Clerk is hereby directed to certify to the passage of this Ordinance and to cause the same or a summary to be prepared in accordance with Government Code Section 36933, to be published one time within 15 days of its passage in a newspaper of general circulation, printed and published in the County and circulated in the City of Escondido.

SECTION 12. The Ordinance shall become effective 30 days from the date of the passage.
PASSED, ADOPTED AND APPROVED by the City Council of the City of Escondido at a regular
meeting thereof this 23rd day of October, 2019 by the following vote to wit:

AYES : Councilmembers: DIAZ, MARTINEZ, MASSON, MORASCO, MCNAMARA
NOES : Councilmembers: NONE
ABSENT : Councilmembers: NONE

APPROVED:
PAUL MCNAMARA, Mayor of the
City of Escondido, California

ATTEST:
ZACK BECK, City Clerk of the
City of Escondido, California

*****
STATE OF CALIFORNIA  )
COUNTY OF SAN DIEGO : ss.
CITY OF ESCONDIDO  )

I, Zack Beck, City Clerk of the City of Escondido, hereby certify that the foregoing ORDINANCE
NO. 2019-15R passed at a regular meeting of the City Council of the City of Escondido held on the 23rd
day of October, 2019, after having been read at the regular meeting of said City Council held on the 9th day
of October, 2019.

ZACK BECK, City Clerk of the
City of Escondido, California

ORDINANCE NO. 2019-15R
EXHIBIT “A”

Property Description
SUB18-0008; PHG 18-0021

APN 233-022-0100 and 233-022-0200

Lots 20 through 24 inclusive, Block 75 of Escondido, in the City of Escondido, County of San Diego, according to Map No. 336, filed in the Office of the County Recorder of San Diego County, July 10, 1886.

Also including approximately 2,275 square feet (gross) of land that includes a portion of Lots 1 and 2, Block 75 of Map 336, City of Escondido, County of San Diego (APN 233-022-2100 and portion of 233-022-23, and portion of the public alley) as depicted below:
EXHIBIT “B”

Findings of Fact/Factors to be Considered
SUB18-0008; PHG 18-0021
555 W. Grand Avenue

Environmental Determination(s):

1. Pursuant to the California Environmental Quality Act, (CEQA, Public Resources Code Section 21000 et. seq.), and its implementing regulations (the State CEQA Guidelines), Article 14 of the California Code of Regulations Section 15000 et. seq., the City of Escondido is the Lead Agency for the project (“Project”), as the public agency with the principal responsibility for approving the Project.

2. All of the requirements of the California Environmental Quality Act have been met because it was found that the project will not have a significant effect on the environment as demonstrated in the Class 32 CEQA Exemption prepared for the Project, dated September 4, 2019. Design measures were incorporated into the Conditions of Approval for to address noise and hazardous site impacts.

Tentative Subdivision Map Determination(s):

1. The location, design, and residential density of the proposed planned development are consistent with the goals and policies of the Escondido General Plan because high-density residential and mixed-use development is permitted and encouraged in Specific Plan Area #9. The proposed infill residential project would be in conformance with General Plan Housing Goals and Policies to plan for quality managed and sustainable growth and provide a range of housing opportunities for all income groups and populations with special needs, and which encourage a compact, efficient urban form the promotes transit, supports nearby commercial establishments and takes advantage of infrastructure improvements installed to accommodate their intended intensities. The site is physically suitable for the proposed density of development because the property is within a high-density redevelopment area that was previously a blighted property in the Mercado District. Development of the property will assist in the ongoing revitalization of the downtown retail core by establishing a permanent residential base in the downtown area. The subject site is located within the Mercado District of the DSP, which allows multi-family mixed-use development up to 100 du/ac. Based on the property size of 0.45 acres, the Mercado District would allow up to 45 units and a four-story structure up to 60 feet in height. The request to construct 32 units and a four-story structure ranging in height from up to approximately 57 feet in height is consistent with the land use density and development requirements envisioned for this area. The project density of 71.1 du/ac is consistent with the allowable density of the DSP.
2. The approval of the proposed project would be based on sound principles of land use and is well-integrated with its surroundings near residentially and commercially developed properties because adequate parking, access, on-site circulation, utilities, landscaping and open space would be provided (as detailed in the staff report). The residential project also would not be out of character for the area which contains other multi-story residential developments. The design of the project would be in conformance with the Mercado District because the project would provide residential units with varying number of rooms and sizes to accommodate a wide range of housing needs (with ownership opportunities). The project includes a variety of amenities such as individual balconies units and various common areas and features. All vehicular traffic generated by the project will be accommodated safely and without degrading the level of service on the adjoining streets or intersections.

3. The project would not result in the destruction of desirable natural features, nor be visually obstructive or disharmonious with surrounding areas because the site is not located on a skyline or intermediate ridge, and the site does not contain any significant topographical features. The proposed grading design would not result in any manufactured slopes or pad elevations that would create any significant adverse visual or compatibility impacts with adjacent lots, nor block any significant views.

4. The site is suitable for this residential type of mixed-use development and density because the General Plan and Mercado District allows for multi-story high density residential development. The site is relatively flat and extensive grading is not proposed. The project would be compatible with the surrounding uses because the subject site within an urban commercial area developed with a variety of commercial and multi-story residential developments of varying density and design. Adequate access and public utilities can be provided to the site. All vehicular traffic generated by the project will be accommodated safely and without degrading the level of service on the adjoining streets or intersections. Appropriate noise attenuation would be provided for the new units. The proposed project also would not result in a significant impact to biological or natural resources.

5. The design of the residential map and the type of improvements are not likely to cause serious public health problems because the project would not degrade the levels of service on the adjoining streets or drainage systems. Adequate water and sewer could be provided to the site. The project would not cause substantial environmental damage and avoidably injure fish or wildlife or their habitat because the site is located within an urban setting and previously has been developed with a commercial use.

6. The design of the map and the type of improvements will not conflict with easements of record, or easements established through court judgments, or acquired by the population at large, for access through, or use of property within the proposed map because any existing easements and improvements will either be accommodated within the project design; be quitclaimed prior to recordation of the map; or alternate provisions provided.
7. The design of the map has provided, to the extent feasible, for future passive or natural heating or cooling opportunities in the subdivision. The lot sizes and the subdivision configuration provides opportunities for passive/solar heating.

8. All permits and approvals applicable to the proposed map pursuant to the Escondido Zoning Code (Chapter 33 Zoning) will have been obtained prior to the recordation of the map.

9. The proposed map and associated planned development will not conflict with regional or local housing because the proposed infill residential mixed-use project would be in conformance with General Plan Housing Goals and Policies to expand the stock of all housing; increase homeownership; plan for quality managed and sustainable growth; and encourage a compact, efficient urban form that promotes transit, supports nearby commercial establishments and takes advantage of infrastructure improvements installed to accommodate their intended intensities. The proposed project would not diminish the Quality-of-Life Standards of the General Plan as the project would not materially degrade the level of service on adjacent streets or public facilities, create excessive noise, and adequate on-site parking, circulation and public services could be provided to the site. All lots would maintain all development standards of the applicable zone (in accordance with Article 19, Planned Development) and observe the density of the General Plan and area plans, as noted in the sections above.

10. The proposed map meets all of the requirements or conditions imposed by the Map Act and the Escondido Zoning Code, as detailed in the staff reports, the Escondido General Plan and above findings.

**Master and Precise Development Plan Determination(s):**

1. The location, design, and residential density of the proposed planned development are consistent with the goals and policies of the Escondido General Plan because high-density residential and mixed-use development is permitted and encouraged in Specific Plan Area #9. The proposed infill residential project would be in conformance with General Plan Housing Goals and Policies to plan for quality managed and sustainable growth and provide a range of housing opportunities for all income groups and populations with special needs, and which encourage a compact, efficient urban form the promotes transit, supports nearby commercial establishments and takes advantage of infrastructure improvements installed to accommodate their intended intensities. The site is physically suitable for the proposed density of development because the property is within a high-density redevelopment area that was previously a blighted property in the Mercado District. Development of the property will assist in the ongoing revitalization of the downtown retail core by establishing a permanent residential base in the downtown area. The subject site is located within the Mercado District of the DSP, which allows multi-family mixed-use development up to 100 du/ac. Based on the property size of 0.45 acres, the Mercado District would allow up to 45 units and a four-story structure up to 60 feet in height. The request to construct 32 units and a four-story structure ranging in height from up to approximately 57 feet in height is consistent with the land use
density and development requirements envisioned for this area. The project density of 71.1 du/ac is consistent with the allowable density of the DSP.

2. The proposed location of the development allows the planned development to be well integrated with its surroundings by providing a high-density mixed-use residential housing project in close proximity to transit, and near retail and other commercially developed properties. Adequate parking, circulation, utilities and access would be provided for the development (as detailed in the staff report). The project also would not be out of character for the area because the Mercado District of the Downtown Specific Plan envisions an upscale urban area with a mix of high-density residential and commercial development, and the proximity to the Escondido Transit Center makes the density appropriate. The overall mass and scale of the buildings is appropriate for the proposed location due to the street-oriented appeal and urban design characteristics, along with the quality of the architectural design and use of a variety of building materials and colors.

3. All vehicular traffic generated by the proposed development would be accommodated safely and without causing undue congestion upon adjoining streets, as determined by the Engineering Division and detailed in the preliminary Traffic Assessment that was prepared for the project by Michael Baker International (dated February 12, 2019, and amended April 22, 2019).

4. The overall design of the proposed residential mixed-use development would produce an attractive, efficient and stable environment for living, because adequate residential amenities, parking, and landscaping would be provided, and the design of the development is consistent with a high quality, urban infill project that will provide housing opportunities within walking distance of downtown commercial and retail services consistent with the City’s vision for the downtown area. The project includes sufficient on-site open space amenities appropriate for this high-density urban development, including a podium and roof-deck common open areas with view decks and outdoor seating areas, and private balconies for each unit.

5. The proposed development would be well integrated into its surroundings, because the new structure would incorporate compatible and integrated architecture, materials and colors, and the project would not be visually obstructive or disharmonious with surrounding areas, or harm major views from adjacent properties. The proposed grading design would not result in any manufactured slopes or pad that would create any significant adverse visual or compatibility impacts with adjacent lots, nor block any significant views. Extensive grading is not required to support the project, and the project would not result in the destruction of desirable natural features, nor be visually obstructive or disharmonious with surrounding areas because the site is not located on a skyline or intermediate ridge, and the site does not contain any significant topographical features.

6. Utilizing the Planned Development process allows flexibility from the Specific Plan requirements to achieve a high-density residential project in the urban core. The project would
provide residential opportunities integrated into a comprehensive and self-contained
development, which creates an environment of sustained desirability and stability through the
controls offered and regulated through the Planned Development process.

7. The project would provide an environment of sustained desirability and stability because city
services and adequate access would be provided; adequate parking would be provided; the
proposed architecture would be integrated into its surroundings; and the project could serve
as a catalyst for further revitalization efforts in the area.

8. The improvements are not likely to cause substantial environmental concerns because the
property was previously developed as a gas station that has since been demolished. The site
does not contain any sensitive or protected habitat or other environmental concerns as
determined during the environmental review. The design of the project and the type of
improvements are not likely to cause serious public health problems because the project will
not degrade the levels of service on the adjoining streets or drainage system as the project
incorporates street and drainage improvements are part of the project and city sewer and
water is available to the site.

**Development Agreement Determination(s):**

1. The Development Agreement is consistent with the goals and objectives of the Mercado
District of the Downtown Specific Plan because it enables the property owner to construct a
higher-density mixed-use development in support a vibrant downtown economy while
maintaining the overall limit of 5,275 dwelling units in the Downtown Specific Plan area.

2. The Development Agreement conforms to the need for public convenience, general welfare
and good land use practices because the project will provide additional housing opportunities
within 1/3 mile of mass transit and is located in close proximity to retail and services, parks,
library, and cultural events.

3. The Development Agreement will not be detrimental to the health, safety and general welfare
as the project as detailed in the findings/factors above and staff report prepared for the project
dated September 10, 2019.

4. The proposed project and Development Agreement will not adversely affect the orderly
development of property or the preservation of property values because the project would
provide residential opportunities integrated into a comprehensive and self-contained
development, which creates an environment of sustained desirability and stability through the
controls offered and regulated through the Planned Development process.

5. The proposed project and associated Development Agreement is consistent with the
provisions of Government Code Section 65864 et seq. (Zoning Code, Ch. 93, § 9309; Ord.
No. 2018-07R, § 7, 4-18-18)
**Density Transfer Determination(s):**

1. The City's Density Transfer Program allows the transfer of unused residential density from the developing properties to another, future project in the downtown area. Through the program, residential units that are transferred from undeveloped or underutilized properties (i.e. sending areas) are placed in a density credit pool and are held until there are developing properties (i.e. receiving areas) acquire the density. Through the application of Planning Case File No. PHG17-0026, the subject property has been deemed a candidate to be a "sending area" and 13 units have been identified for transfer into the density credit pool. There are currently no units in the credit pool. If transferred, the new credit pool balance would be 13 units, as of this writing.

2. The transfer of said units would help incentivize future development - and keep it in the downtown area to support nearby retailers, services, entertainment, and attract other new businesses that are part of a desirable downtown economy. The overall amount of new development within the downtown would remain the same; however, implementation of the program creates a flexible way to still achieve the ultimate build-out of the downtown and create a future sustainable center of activity. Adopting the project and approving the transfer of units would help accommodate the city's share of future regional housing needs with greater mix of housing types and choices, which benefits everyone in the community.
EXHIBIT “C”

CONDITIONS OF APPROVAL
SUB18-0008, PHG18-0021
555 West Grand Avenue

PLANNING CONDITIONS OF APPROVAL

A. General

1. This project is conditionally approved as set forth on the application/plans received by the City of Escondido, dated August 30, 2019, and designated as recommended for approval by the Planning Commission on September 10, 2019, and shall not be altered without express authorization by the Community Development Department.

2. Approval of this request shall not waive compliance with any sections of the Municipal Code and all other applicable City regulations in effect at the time of Building Permit issuance unless specifically waived herein and shown on the project plans. Nothing in this permit shall relieve the Applicant from complying with conditions and regulations generally imposed upon activities similar in nature to the activity authorized by this permit. This action does not relieve the applicant of the obligation to comply with all ordinances, statutes, regulations, and procedures.

Exceptions granted by the Planned Development Permit to the development standards identified in the Downtown Specific Plan are as follows:

a. Allow up to 29.5 percent reduction in the number of parking spaces which will require the project to provide a minimum of 43 parking spaces within the garage to include up to 7 compact spaces.

b. Allow reduction in open space of 1,482 SF as detailed in the September 10, 2019 Planning Commission staff report. Said amount of open space is based on the project set plans, dated August 30, 2019 on file with the Planning Division. Implementation of certain project conditions may require additional reductions of open space. Any modification to open space provision effecting the total number of SF provided as a result of condition compliance shall be deemed to substantially conform with scope of the details of the project request, conditions imposed by the Planning Commission and/or City Council, and satisfy the terms of the Development Agreement.

c. Minor encroachment into the front setback for a ground-floor design feature (curved stairs at northwestern corner to podium level), as shown on the development plans, dated August 30, 2019.
d. Allow upper story architectural features to encroach into the public right-of-way, as shown on the development plans, dated August 30, 2019.

3. Prior to any use of the project site pursuant to this permit, all conditions of approval contained herein shall be completed or secured to the satisfaction of the Community Development Department.

4. The developer shall be required to pay all development fees of the City prior to building permit issuance, including any applicable City-Wide Facilities fees at the established rate. Such fees may include, but not be limited to: Permit and Plan Checking Fees, Water and Sewer Service Fees, School Fees, Traffic Mitigation Fees, Flood Control Mitigation Fees, Park Mitigation Fees, Fire Mitigation/Cost Recovery Fees, and other fees listed in the Fee Schedule, which may be amended. Arrangements to pay these fees shall be made prior to building permit issuance to the satisfaction of the Community Development Department.

5. All construction shall comply with all applicable requirements of the Escondido Zoning Code and requirements of the Planning Department, Building Official, and the Fire Chief.

6. The property description, attached as Exhibit “A” to this Ordinance, has been provided by the applicant and neither the City of Escondido nor any of its employees assume responsibility for the accuracy of said legal description.

7. All requirements of the Public Partnership Program, Ordinance No. 86-70 shall be satisfied prior to building permit issuance. The ordinance requires that a public art fee be added at the time of the building permit issuance for the purpose of participating in the City Public Art Program, unless otherwise specified in the Development Agreement.

8. Three (3) copies of revised plan sets and tentative map, reflecting any modifications identified in these conditions of approval, shall be submitted to the Planning Division for certification. Said plans must be certified by the Planning Division prior to submittal of grading, public improvement and landscape plans for the project.

9. This Planned Development Permit shall expire three (3) years after the date of final approval of this project, that date being the effective date of the ordinance approving the Permit, unless otherwise specified in the Development Agreement. Extensions of time may be requested in the same manner as would be permitted for a tentative map.

10. An inspection by the Planning Division will be required prior to occupancy of the project. Items subject to inspection include, but are not limited to, parking layout and striping, identification of handicap parking stalls and required signage, landscaping, trash enclosures, and architecture, as well as any other conditions of approval. Everything shall be installed prior to calling for an inspection, although preliminary inspections may be requested. Contact the project planner at (760) 839-4671 to arrange a final inspection.
11. In the event that any of the conditions of this permit are not satisfied, the Community Development Department shall cause a noticed hearing to be set before the authorized agency to determine whether the City of Escondido should, acting through the authorized agency, add, amend, or delete conditions and regulations contained in this permit.

12. Nothing in this permit shall authorize the applicant to intensify the authorized activity beyond that which is specifically described in this permit. Any future modifications to the approved project will be reviewed relative to the findings for substantial conformance. Modifications beyond the scope described therein will require submittal of an amendment to the project plans and approval by the authorized agency.

13. The City of Escondido hereby notifies the applicant that the County Clerk’s Office requires a documentary handling fee of $50.00 in order to file a Notice of Exemption for the project (environmental determination for the project). In conformance with California Environmental Quality Act (CEQA) Section 15062, the applicant should remit to the City of Escondido Planning Division, within two working days of the final approval of the project (the final approval being the date of this letter) a check payable to the “County Clerk” in the amount of $50.00. The filing of a Notice of Exemption and the posting with the County Clerk starts a 35-day statute of limitations period on legal challenges to the agency’s decision that the project is exempt from CEQA. Failure to submit the required fee within the specified time noted above will result in the Notice of Exemption not being filed with the County Clerk, and a 180-day statute of limitations will apply.

14. The project shall participate in the Density Transfer Program as a “sending area,” as described in Exhibit “B” to City Council Resolution No. 2019-69. A deed restriction shall be recorded prior to building permit issuance, transferring thirteen (13) units into the Transfer Density Credit Pool.

15. Implementation of the project requires the City to sell and dispose of a .05 city-owned triangle parcel, as described in the September 10, 2019 Planning Commission staff report and as shown in the project plans. Escrow of said city-owned triangle parcel must close prior to Final Map approval by the City.

B. Architecture and Design

1. All signs are to be approved by a separate sign permit. All signs must be consistent with the sign standards in the Downtown Specific Plan, unless otherwise authorized by this Planned Development.

2. A minimum of 80 cubic feet of private storage shall be provided for each residential unit as depicted on the development plans. Said storage shall be in addition to typical cabinets and closets.
3. Any retaining walls and raised planters along the project frontages shall be constructed with split-face block, stucco-finished or other appropriate decorative materials/finish to match the color(s) used on the building.

4. All exterior lighting shall conform to the requirements of Article 35 (Outdoor Lighting Ordinance) of the Escondido Zoning Code. Prior to building permit issuance, proposed outdoor lighting fixtures shall be submitted to the Planning Division for review and approval. Site lighting and photometric plans shall be included with the building plans.

5. The building, architecture, colors and materials, and conceptual landscaping shall be in substantial conformance with the Master and Precise Development Plan attached as Exhibit "D" to the Ordinance and on-file with the Planning Division, except as modified by these conditions of approval. Any major modifications to the exterior architectural building elements or lessening of the quality of the exterior design shall require the processing of a Precise Plan modification, as described in Article 19 of the Escondido Zoning Code. Minor modifications may be approved through the design review process described in Article 64 of the Escondido Zoning Code.

6. An art feature shall be incorporated into the project (similar or equal to the concept kinetic art feature) identified on the plans and maintained throughout the life of the project. The final design shall be submitted to the Staff Design Review Board prior to approval of the building plans for the project.

7. The final designs for the garage vent features along Grand Avenue shall be submitted Planning Division design review. The venting/screening features shall incorporate additional vertical architectural elements (while still allowing for adequate ventilation) consistent with the building design to help further break overall horizontal screen area into separate distinct elements.

8. All mechanical equipment shall be screened from view in accordance with Section 33-1085 of the Escondido Zoning Code.

9. All new utilities shall be underground.

10. Exterior drainage downspouts shall be appropriately integrated into the architecture of the building and/or placed in appropriate exterior locations to help blend it into the design of the building. They shall be painted/textured to blend with the building background. This shall be clearly identified on the building plans.

11. Prior to the issuance of a building permit, the applicant shall prepare exterior-to-interior noise report completed by a qualified acoustical consultant for the proposed on-site residential units and the common podium-level open space areas. The report shall also assume a “windows-closed” condition with vehicles traveling along the adjacent roadways in accordance with the identified speed limit. The report would determine the predicted interior noise levels for the units. If predicted noise levels are found to be in excess of 45 CNEL, the report would identify
architectural materials or techniques that could be included in project design plans to reduce noise levels to 45 CNEL in habitable rooms. The report also shall identify any architectural techniques that would be included in the final project design to conform to the General Plan noise level goal for multi-family residential use of 65 dBA CNEL at the exterior common podium use areas. The report shall be submitted and approved by the City prior to issuance of a building permit.

12. The HVAC units on the project rooftop shall be installed with appropriate enclosures such that noise from HVAC operation does not exceed 55 dBA at the nearest off-site receptor. A final acoustical analysis shall be submitted with the building plans to determine whether any final design measures are necessary to conform to the City's Noise Ordinance.

13. Prior to approval of the grading plans and grading permit for the site, a Health and Safety Plan for construction workers (including PPE and testing equipment when working in areas of known residual petroleum impact soils) and a soil and groundwater management plan for soil and groundwater that may be hauled from the site shall be prepared and approved by the San Diego Water Board.

C. Operational

1. Trash and recycling shall be picked up as frequently as necessary to prevent overflow. The property owner/manager shall be responsible for placing/staging the trash bins in an appropriate area for pickup by the local trash hauler (that does not interfere with access to the facility or emergency vehicles). Bins shall be returned to the designed trash room as soon as they have been emptied by the hauler.

2. Provisions shall be made so that trash and recycling materials are not placed in the trash chute(s) while the bins are not in place. This may be accomplished by providing other receptacles in the trash room when the bins are not in place, by locking the chutes, or by other means that will accomplish this provision.

3. Permitted animals/pets shall be allowed in conformance with those identified in the Escondido Zoning Code for R-5 zoned properties, unless more restrictive standards are applied by the property owner.

4. All project generated noise shall conform to the City’s Noise Ordinance (Ordinance 90-08).

5. Security cameras shall be provided if deemed necessary by the Police Chief.

6. Balconies and patios shall be kept in a neat and orderly manner. Items stored on balconies should be kept out of view or properly screened. Items shall not be hung over, across or on balconies or patios (such as towels, clothing, etc.).

7. Any decorative pavement, driveways and sidewalks shall be indicated on the building and landscape plans, including appropriate notes regarding type and color of materials. Any
decorative paving damaged or removed by the City or other utility provider in order to perform maintenance of public utility lines shall be replaced at the sole expense of the property owner.

8. Commercial uses for the 300 square foot flex/office space on the ground floor shall be limited to the uses permitted or conditionally permitted in the Mercado District of the Downtown Specific Plan.

D. Parking, Access and Circulation

1. In accordance with the approved Planned Development Permit, a minimum of 43 parking spaces shall be provided on-site within the parking garage in addition to an area designated for up to 4 motorcycles. The 43 parking spaces shall accommodate at least two accessible parking spaces. No more than 30 percent of the parking spaces shall be designated as compact spaces. All interior parking aisles shall be a minimum of 24 feet wide with appropriate turning radius at the end of the parking aisles, to the satisfaction of the Engineering Division.

2. The parking garage shall be equipped with appropriate infrastructure for the future installation of the eighteen (18) mechanical vehicle lifts (e.g., appropriate pad/footings, electrical conduit/connections, power source, clearance height, etc.). At least five (5) vehicle lifts shall be installed upon initial occupancy of the facility to monitor the effectiveness of its use.

After occupancy, the applicant shall monitor the site’s overall parking provisions on an ongoing basis. The on-going assessment shall be used to help determine if additional parking facilities are necessary to meet the project’s parking demand. The applicant shall post a duly authorized surety bond, to the satisfaction of the Director of Community Development, to pay the City of Escondido up to a stated amount of money to install the balance of the mechanical parking lifts, tender options to do the same, and/or other benefits to ensure the completion of this bonded obligation.

The Director of Community Development has the authority to create/terminate the bonded contract and call upon or cancel the surety at any time prior to the expiration of the Development Agreement. The bond shall spell out the options and make them part of the agreement.

3. Future electric vehicle designated charging stations shall be provided in accordance with 2016 California Green Building Code, Section 4.106.4.2.

4. All parking spaces shall be striped in conformance with Article 39 of the Escondido Zoning Code, and shown on the improvements plans.

5. The gated access to the proposed parking garage shall be electric. All residents with assigned parking spaces shall be provided with remote access for entrance into the garage. An electric/magnetic loop shall be installed on the interior of the garage so that the gate automatically opens for exiting vehicles.
6. Prior to building permit issuance, a parking and garage management plan shall be submitted to the City for review, and approved by the Director of Community Development. Said plan shall address parking lot access, space assignment(s), gate hours (if left open) general maintenance, signage and striping, delivery and other short-term parking allowances/requirements, guest parking, utility access and trash/recycling staging, and any other issues which affect the use and maintenance of the parking garage. The parking and garage management plan shall specify that the surety bond amount, as required in Condition No. 2 of this subsection, meets the minimum capital requirements to remedy a performance default. The applicant also shall provide 30-day transit passes to all tenants during the initial lease up period.

7. Private secure bicycle parking facility for residents (such as bike racks) shall be installed within the parking garage, or other appropriate areas on site, as approved by the Planning Division.

E. Landscaping

1. All landscaping shall be installed prior to final occupancy.

2. All vegetation shall be maintained in a flourishing manner, and kept free of all foreign matter, weeds and plant materials not approved as part of the landscape plan.

3. All irrigation shall be maintained in fully operational condition.

4. The property owner assumes all responsibility for maintaining all on-site landscaping and any landscaping in the public right-of-way adjacent to the property installed as part of the project, including the raised planters adjacent to the building along Grand Avenue and Quince Street, and any potted plants.

5. The raised landscape planter along Grand Avenue shall contain a mix of taller vertical materials at appropriate intervals and medium height shrubs to help screen pedestrian views into the parking garage. The raised planter along the Quince Street frontage also shall include the mix of taller and medium height planting materials, as the bio-filter design will accommodate. A metal trellis type feature also may be required to be installed in front of the garage ventilation screens to allow vines provide additional screening of the parking garage if vines attached to the ventilation screens will affect the effectiveness of the metal screens.

6. The landscaping on the triangular parcel (fronting 2nd Avenue) shall include an upgraded design to include specimen sized trees and a combination of appropriate shrubs, ground cover and other hardscape type features. Appropriate shrubs shall be installed along portions of the public utility easement (driveway and loading area) to help screen these areas. The storm drain basin shall incorporate an appropriate design to be a visual amenity for the project. The driveway entrance from 2nd Avenue shall incorporate decorative type elements into the final design (such as color concrete elements with additional scoring pattern, stamped concrete elements, or pavers).
7. Street trees shall be provided along each of the site’s street frontages, in conformance with the Landscape Ordinance and the City of Escondido Street Tree List.

8. Five copies of detailed landscape and irrigation plans shall be submitted to the Engineering Services Department with the second submittal of the grading plan. The initial submittal of the landscape plans shall include the required plan check fees.

9. The landscape and irrigation plans shall be reviewed and approved by the Planning Division and Engineering Services Department prior to approval of the grading plans, and shall be equivalent or superior to the conceptual landscape plans included as part of the Master and Precise Development Plans, to the satisfaction of the Planning Division. The required landscape and irrigation plans(s) shall comply with the provisions, requirements and standards outlined in Article 62 (Landscape Standards) of the Escondido Zoning Code, except where stricter requirements are imposed by the State of California. The plans shall be prepared by, or under the supervision of, a licensed landscape architect.

10. The installation of the landscaping and irrigation shall be inspected by the project landscape architect upon completion. He/she shall complete a Certificate of Landscape Compliance certifying that the installation is in substantial compliance with the approved landscape and irrigation plans and City standards. The applicant shall submit the Certificate of Compliance to the Planning Division and request a final inspection.

F. On-Site Management Plan

1. Prior to occupancy, the applicant shall submit a Management Plan that provides for ongoing maintenance of lighting, signing and striping, parkway landscaping and irrigation, storm water treatment basins, and facilities, common open spaces, public utilities easements areas, public walkways, and alley, etc. These provisions shall be approved by the Engineering Department prior to occupancy.

2. The Management Plan shall reference the recorded Storm Water Control Facility Maintenance Agreement and approved Storm Water Quality Management Plan for the project.

3. The Management Plan shall identify responsibility for liability for damage and repair to City utilities in the event that damage is caused by tenants, vehicles or personnel servicing the property or delivery personnel, and/or operation of maintenance personnel of the project.

4. The Management Plan shall state that if stamped concrete or decorative pavers or used within walkways within the City right-of-ways, any damage and repair/replacement shall be the responsibility of the management company and/or project owner.
ENGINEERING CONDITIONS OF APPROVAL

GENERAL

1. The applicant shall provide the City Engineer with a Subdivision Guarantee and Title Report covering subject property.

2. The location of all existing on-site and adjacent utilities and storm drain facilities shall be determined by the Developer’s engineer. If a conflict occurs with the proposed project or improvements, arrangements for relocation of the conflicting utilities/facilities shall be made with the owner of the utility/facility prior to approval of the Grading plans and Final Map. This utility/facility relocation work shall be completed prior to issuance of Building Permits.

3. Improvement plans prepared by a Civil Engineer are required for all public street and utility improvements and a Grading/Private Improvement plan prepared by Civil Engineer is required for all grading, drainage and private onsite improvement design. Landscaping Plans shall be prepared by a Landscape Architect for the project.

4. The Developer shall post securities in accordance with the City prepared Bond and Fee Letter based on a final Engineer’s Estimate of Grading and Improvements Cost prepared by the project engineer. The Developer is required to provide a Cash Clean Up deposit for all grading, landscaping, private improvements and onsite drainage improvements prior to approval of Grading Plans and issuance of Grading Permit. This Cash Clean Up Deposit amount shall be 10% of the total cost of the project private improvements, drainage and landscaping. The Developer is required to provide Performance (100% of total public improvement cost estimate), Labor and Material (50% of total public improvement cost estimate) and Guarantee and Warrantee (10 % of total public improvement cost estimate) bonds for all public improvements prior to approval of the Improvement Plans and issuance of Building Permits. All improvements shall be completed prior to issuance of a Certificate of Occupancy.

5. No Building Permits shall be issued for any construction within this Subdivision until the Final Subdivision Map is recorded and either:
   
   a) All conditions of the Tentative Subdivision Map have been fulfilled; or

   b) Those conditions unfulfilled at the time of an application for Building Permits shall be secured and agreements executed in a form and manner satisfactory to the City Attorney and City Engineer.

6. If site conditions change adjacent to the proposed development prior to completion of the project, the developer will be responsible to modify his/her improvements to accommodate these changes. The determination and extent of the modification shall be to the satisfaction of the City Engineer.

7. All public improvements shall be constructed in a manner that does not damage existing public improvements. Any damage shall be determined by and corrected to the satisfaction of the City Engineer.

8. The engineer shall submit to the Planning Department a copy of the Tentative Map as presented to the Planning Commission and the City Council together with any changes
contained in the adopted final conditions of approval. The Tentative Map will be certified by the Planning Department verifying that it is an accurate reproduction of the approved Tentative Map and must be included in the first submittal for Final Map and grading plan check to the Engineering Department.

STREET IMPROVEMENTS AND TRAFFIC

1. Public street improvements shall be constructed to City Standards as required by the Subdivision Ordinance in effect at the time of the Tentative Map approval and to the satisfaction of the City Engineer. Specific details, including final concrete driveway apron design for the project entrances, concrete curb & gutter and sidewalk replacement, drainage, street lighting, etc. shall be resolved to the satisfaction of the City Engineer.

2. The Developer shall remove and replace all damaged sidewalk, curb and gutter, along all project frontages to the satisfaction of the City Engineer prior to issuance of a Certificate of Occupancy.

3. Access to this project shall be provided from W. 2nd Avenue and improved with an alley-type driveway apron in accordance with Escondido Standard Drawing No. G-5-E with a minimum throat width of 24 feet. The final location and design of this driveway apron and paved access into the project shall be approved by the City Engineer and City Fire Marshal as part of the Grading plans.

4. The project’s access drive and unloading area shall be adequately illuminated from the project building structure to the satisfaction of the City Engineer and Building Official. This lighting shall be maintained by the Home Owner’s Association.

5. All on-site driveways, and parking areas will be private. Typical sections and design details shall be to the satisfaction of the City Engineer and Community Development Director.

6. The Developer’s engineer shall prepare and submit for approval by the City Engineer a complete final Signing and Striping plan for all improved and modified roadways. The developer will be responsible for removal of all existing and the construction of all new signing and striping in compliance with the current CA MUTCD standards and to the satisfaction of the City Engineer.

7. The developer will be required to install “No Parking – Bike Lanes” signs along the project’s Quince Street frontage at 150-foot spacing. The signs shall be mounted on the street light poles where possible.

8. The Developer shall repaint all pavement striping and markings adjacent to the project that have been damaged and prematurely faded due to project construction traffic to the satisfaction of the City Engineer.

9. The developer will be required to provide a detailed detour and traffic control plan, for all construction within existing rights-of-way, to the satisfaction of the City Engineer. This plan shall be approved prior to the issuance of an Encroachment Permit for construction within the public right-of-way.
10. The developer may be responsible for an overlay of S. Quince Street due to the many utility trenches necessary to serve this project. The determination of the extent of the overlay shall be to the satisfaction of the City Engineer.

11. Adequate horizontal sight distance shall be provided at all driveways. Increased parkway widths, open space easements, and restrictions on landscaping may be required at the discretion of the City Engineer.

12. Pedestrian access routes shall be provided into the project to the satisfaction of the City Engineer and City Building Official.

13. All gated entrances shall be designed and improved to the satisfaction of the City Engineer and Fire Marshal.

14. The developer shall install trash capture devices on existing storm drain inlets along the project's frontage to the satisfaction of the City Engineer.

15. Existing driveways along the project's W. Grand Avenue and S. Quince Street frontages shall be completely removed and shall be replaced with full height curb, gutter, and sidewalk in accordance with City standards. curb, gutter, and sidewalk shall be replaced in-kind to match existing color and patterns.

16. Short-term parking spaces shall be installed along the project's W. Grand Avenue frontage to the satisfaction of the City Engineer. The parking spaces shall be installed to match the existing paving, color, patterns and striping along Grand Avenue.

17. Only those Mercado street furniture items, lighting fixtures, and architectural features specifically identified for removal or relocation shall be disturbed. All other items shall be protected in place and any damage to these items shall be corrected or compensated for to the satisfaction of the City Engineer and Director of Community Development. Before work in this area commences a final review and tabulation of the items in the Mercado right-of-way to be disturbed shall be approved by the City Engineer.

GRADING

1. A site grading and erosion control plan prepared by a registered Civil Engineer shall be approved by the Engineering Department. The first submittal of the grading plan shall be accompanied by 3 copies of the preliminary soils and geotechnical report. The soils engineer will be required to indicate in the soils report that he/she has reviewed the grading design and found it to be in conformance with his/her recommendations.

2. Any proposed retaining walls not a part of the building foundations or stem walls shall be shown on and permitted as part of the site grading plan. Profiles and structural details shall be shown on the site grading plan and the Soils Engineer shall state on the plans that the proposed retaining wall design is in conformance with the recommendations and specifications as outlined in the Geotechnical report. Structural calculations shall be submitted for review by a Consulting Engineer for all walls not covered by Regional or City Standard Drawings. Stem walls, foundation structures, or deepened footings that are to be constructed as part of a building structure will be permitted as part of the Building Dept. plan review and permit process.
3. Erosion control, including riprap, interim slope planting, sandbags, or other erosion control measures shall be provided to control sediment and silt from the project. The developer shall be responsible for maintaining all erosion control facilities throughout the project.

4. The developer shall be responsible for the recycling of all excavated materials designated as Industrial Recyclables (soil, asphalt, sand, concrete, land clearing brush and rock) at a recycling center or other location(s) approved by the City Engineer.

5. A Construction General Permit is required from the State Water Resources Control Board for all storm water discharges associated with a construction activity where clearing, grading, and excavation results in a land disturbance of one or more acres.

6. All blasting operations performed in connection with the improvement of the project shall conform to the City of Escondido Blasting Operations Ordinance.

7. All existing foundations and structures, other than those designated “to remain” on the Tentative Map, shall be removed or demolished from the site.

8. The developer will be required to obtain permission from adjoining property owners for any off-site grading necessary to construct the project and/or the required improvements.

9. All driveway grades shall conform to current Escondido Design Standards and Escondido Standard Drawings.

**DRAINAGE**

1. Final on-site and off-site storm drain improvements shall be determined to the satisfaction of the City Engineer and shall be based on a drainage study to be prepared by the Engineer of Work. The drainage study shall be in conformance with the City of Escondido Design Standards.

2. All on-site storm drains not in public easements are private. The responsibility for maintenance of these storm drains shall be that of the Home Owner’s Association. Provisions stating this shall be included in the CC&Rs.

3. The project shall limit drainage flows to their pre-construction rates. Details and calculations for the detention basins shall be submitted and approved as part of the grading plan check.

4. A Storm Water Quality Management Plan (SWQMP) in compliance with the City’s latest adopted Storm Water Design Manual shall be prepared for all newly created or replaced onsite impervious areas, impervious frontage, and required offsite improvements. The SWQMP shall be submitted for approval with the final improvement and grading plans. The SWQMP shall include hydro-modification calculations, treatment calculations, post-construction storm water treatment measures, and maintenance requirements.

5. All site drainage with emphasis on the parking and driveway areas shall be treated to remove expected contaminants using a high efficiency non-mechanical method of treatment. The City highly encourages the use of bio-retention areas as the primary method of storm water retention and treatment. The landscape plans will need to reflect these areas of storm water treatment.
6. The developer will be required to have the current owner of the property sign, notarize, and record a Storm Water Control Facility Maintenance Agreement.

**WATER SUPPLY**

1. All new water main locations and sizing shall be to the satisfaction of the City Engineer. Required water main improvements for the project shall include the design and construction of a 12-inch public water line in S. Quince Street, from 2nd Avenue to W. Valley Parkway, in accordance with the current City of Escondido Design Standards and Standard Drawings and to the satisfaction of the Utilities Engineer.

2. Fire hydrants together with an adequate water supply shall be installed at locations approved by the Fire Marshal. Fire hydrants shall connect to a minimum 8-inch water main.

3. A fire suppression sprinkler system shall be designed and constructed per current City of Escondido Design Standards and Standard Drawings and per the requirements of the Fire Marshal.

4. Water meters and back flow prevention devices shall not be installed within a driveway apron or private drive areas.

5. All on-site water lines and backflow prevention devices beyond the City water meter shall be considered a private water system. The property owner shall be responsible for all maintenance of these water lines and appurtenances.

6. No trees or deep rooted plants shall be planted within 10-feet of any water mains.

7. There shall be no permanent structures located within the City’s Public Utilities Easements.

**SEWER**

1. A private 6-inch minimum PVC sewer lateral with a standard clean-out within 18-inches of the Public Utilities Easement or right-of-way shall be constructed for the project and shown on the Improvement and Grading plans. The private sewer lateral shall connect to the existing 18-inch sewer main in S. Quince Street. Sewer laterals less than 8-inches in diameter shall connect to the sewer main with a wye fitting or Inserta-Tee.

2. All sewer laterals shall be constructed per current City of Escondido Design Standards and Standard Drawings and per the current Uniform Plumbing Code.

3. No trees or deep rooted bushes shall be planted within 15-feet of any sewer main or within 10-feet of any sewer lateral. Sewer laterals shall be 5-feet horizontally clear from other utilities.

4. All sewer lateral(s) shall be considered a private sewer system. The Home Owners Association will be responsible for all maintenance of the sewer lateral(s) to the sewer main. Provisions stating this shall be included in the CC&Rs.

5. There shall be no permanent structures located within the City’s Public Utilities Easements.
FINAL MAP - EASEMENTS AND DEDICATIONS

1. All easements, both private and public, affecting subject property shall be shown and delineated on the Final Map.

2. Public utility easements for sewer, water, storm drain, etc. which are deemed necessary by the City Engineer shall be granted to the City.

3. The project includes a street vacation of the public alley right-of-way within or adjoining the project boundary. Specific areas to be vacated shall be determined to the satisfaction of the City Engineer. A public utility easement shall be reserved over the portion of the alley to be vacated. The street vacation with the reservation of a public utility easement must be approved by the City Council prior to recordation of the Final Map.

4. The following public utility easements shall be granted to the City on the Final Map: 2-feet along S. Quince Street and 2-feet northerly of and in addition to the public utility easement reserved from the alley street vacation.

5. The developer is responsible for making the arrangements to vacate all streets or quitclaim all easements of record which conflict with the proposed development prior to approval of the final map. All street vacations shall be accomplished by means of a separate public hearing. If an easement of record contains an existing utility that must remain in service, proof of arrangements to quitclaim the easement once new utilities are constructed must be submitted to the City Engineer prior to approval of the Final Map. Building permits will not be issued for lots in which construction will conflict with existing easements, nor will any securities be released until the existing easements are quitclaimed.

REPAYMENTS AND FEES

1. A cash security shall be posted to pay any costs incurred by the City to clean-up eroded soils and debris, repair damage to public or private property and improvements, install new BMPs, and stabilize and/or close-up a non-responsive or abandoned project. Any moneys used by the City for cleanup or damage will be drawn from this security and the grading permit will be revoked by written notice to the developer until the required cash security is replaced. The cleanup cash security shall be released upon final acceptance of the grading and improvements for this project. The amount of the cash security shall be 10% of the total estimated cost of the grading, drainage, landscaping, and best management practices items of work with a minimum of $5,000 up to a maximum of $50,000, unless a higher amount is deemed necessary by the City Engineer.

2. The developer shall be required to pay all development fees of the City then in effect at the time, and in such amounts as may prevail when building permits are issued.

CC&Rs

1. Copies of the CC&Rs shall be submitted to the Engineering Department and Planning Department for approval prior to approval of the Final Map.

2. The developer shall make provisions in the CC&Rs for maintenance by the Home Owners' Association of private driveways, parking areas, private utilities (including sewer and water), storm water and drainage facilities, private street lighting, landscaping both onsite and within
fronting public right-of-ways. These provisions must be approved by the Engineering Department prior to approval of the Final Map.

3. The CC&Rs must state that the Home Owners’ Association assumes liability for damage and repair to City utilities in the event that damage is caused by the property owners’ association when repair or replacement of private utilities is done.

4. The CC&Rs must state that (if stamped concrete is used in the private driveway) the homeowners’ association is responsible for replacing the stamped concrete in kind if the City has to trench the street for repair or replacement of an existing utility.

**UTILITY UNDERGROUNDING AND RELOCATION**

1. All existing overhead utilities within the subdivision boundary or along fronting streets shall be relocated underground as required by the Subdivision Ordinance. The developer may request a waiver of this condition by writing a letter to the City Engineer explaining his/her reasons for requesting the waiver. The developer will be required to pay a waiver fee as adopted by City Council resolution.

2. The developer shall sign a written agreement stating that he has made all such arrangements as may be necessary to coordinate and provide utility construction, relocation and undergrounding. All new utilities shall be constructed underground.

**FIRE DEPARTMENT CONDITIONS**

1. All fire underground line, fire sprinkler, fire alarm, and any standpipe systems shall comply with the current additions of NFPA and the California Fire Code.

2. All Fire protection system plans shall be deferred submittals to the Escondido Fire Department.

3. An approved paved access and approved adequate water supply shall be provided prior to any combustibles being brought to the site.

4. The number and location of FDC/ PIV ‘s shall be determined by the Fire Marshall. These devices shall not be on the building and shall be placed in an approved location.

5. Fire access shall be paved all-weather surface able to support the weight of the Fire apparatus (75,000 lbs.).

6. A minimum turning radius of 28ft inside shall be provided on all fire department access roadways, to the satisfaction of the Fire Marshal.

7. An adequate water supply with minimum fire flow shall be as determined by the Fire Marshal.
8. Fire lanes shall be designated and approved by the Fire Marshal and painted red with white letter, marked “no parking fire lane.” Fire lane shall be maintained by the project management company for the duration of the project.

9. Bollards may be required for fire hydrants in close proximity to vehicular traffic aisles.
AERIAL VIEW FROM QUINCE

CORNER OF QUINCE AND GRAND

PROPOSED PROJECT: SUB 18-0008
CONCEPTUAL RENDERINGS
CORNER OF QUINCE AND GRAND

WEST GRAND AVENUE LOOKING TOWARDS WEST

PROPOSED PROJECT: SUB 18-0008
CONCEPTUAL RENDERINGS
PROPOSED PROJECT: SUB 18-0008
COLOR SCHEME
PROPOSED PROJECT: SUB 18-0008
EXISTING TOPOGRAPHY
PROPOSED PROJECT: SUB 18-0008
SITE PLAN (PODIUM LEVEL)
**PROPOSED PROJECT: SUB 18-0008**

**TYPICAL UNIT PLANS**

**PRIVATE OPEN SPACE S.F.**

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**B5 (2) 1,123 s.f.**

**B6 (3) 1,088 s.f.**
PROPOSED PROJECT: SUB 18-0008
TYPICAL UNIT PLANS
PROPOSED PROJECT: SUB 18-0008
TYPICAL UNIT PLANS
PROPOSED PROJECT: SUB 18-0008
BUILDING ELEVATIONS
EXHIBIT “E”
CITY OF ESCONDIDO
PLANNING DIVISION
201 NORTH BROADWAY
ESCONDIDO, CA 92025-2798
(760) 839-4671

Notice of Exemption

To: San Diego Assessor/Recorder/County Clerk  From: City of Escondido
   Attn: Fish and Wildlife Notices                 201 North Broadway
          1600 Pacific Highway, Room 260
          San Diego, CA  92101
          MS A-33

Project Title/Case No.: TENTATIVE SUBDIVISION MAP, MASTER AND PRECISE DEVELOPMENT PLAN, AND DEVELOPMENT AGREEMENT – SUB 18-0008 and PHG 18-0021:

Project Location - Specific: The approximately 0.40-acre site (0.45 acres with approximately 0.05 of city-owned property to be included/purchased) generally is located on the southern side of W. Grand Avenue, east of Quince Street, north of 2nd Avenue and addressed at 555 W. Grand Avenue (APNs 233-022-01, 02, 21 and portion of 23).

Project Location - City: Escondido, Project Location - County: San Diego

Description of Project: A one-lot Tentative Subdivision Map and a Master and Precise Development Plan to construct a four-story, 32-unit air-space condominium development with 300 SF of flex office space and a ground floor parking garage within the Mercado District of the Downtown Specific Plan. The project contains a mix of one- and two-bedroom units ranging from 700 SF to 1,123 SF; a ground-floor garage that would accommodate 43 parking spaces; podium level common outdoor spaces and individual private balconies. The overall height of the approximately 57-foot high building is within the allowable limits of the Downtown Specific Plan. Zoning provisions require a minimum of 61 parking spaces and the project is requesting a reduction in the parking requirement to provide 43 standard and 4 motorcycle spaces within the parking garage, along with three new on-street spaces along Grand Avenue. The project includes the purchase of an approximately 2,275 sf City-owned property fronting onto 2nd Avenue and vacation of a portion of the alley that would be used for access, utilities, storm water quality improvements, and landscaping. A Development Agreement also is requested to allow a reduction in open space (up to approximately 16 percent or 253 SF per unit) where the zoning provisions currently require 300 SF per unit; and a credit for Art Fees in exchange for the development of a dynamic construction/art feature incorporated into the building design.

Name of Public Agency Approving Project: City of Escondido

Name of Person or Agency Carrying Out Project:

Name: 555 W. Grand LLC (Ed McCoy)  Telephone: (858) 752-4121
Address: 3305 Jasmine Place  Escondido, CA 92025

☐ Private entity ☐ School district ☐ Local public agency ☐ State agency ☐ Other special district

Exempt Status: Categorical Exemption. CEQA Sections 15332 “In-fill Development Projects.”
Reasons why project is exempt:
The proposed project qualifies for an exemption from the California Environmental Quality Act (CEQA) under Section 15332, Class 32 In-fill Development Project. CEQA Guidelines lists classes of projects that have been determined to not have a significant effect on the environment and as a result are exempt from review under CEQA. The approximately 0.40-acre site (0.45 total acres with approximately 0.05 with city property included) is currently vacant, disturbed, and cleared of all structures, except for the previous foundations and asphalt paving. Vegetation primarily consists of ornamental landscaping, mature palm trees, various weeds and grasses from the previous development/activities.

The proposed project or its circumstances would not result in any exceptions identified in CEQA Guidelines, Section 15300.2. Among the classes of projects that are exempt from CEQA review are those projects that are specifically identified as urban in-fill development. CEQA Guidelines, Section 15332, defines in-fill development (Class 32 exemptions) as being applicable to projects meeting the following conditions:

- The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.
- The proposed development occurs within city limits on a project site of no more than five (5) acres substantially surrounded by urban uses.
- The project site has no value as habitat for endangered, rare or threatened species.
- Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.
- The site can be adequately served by all required utilities and public services.

No circumstances previously evaluated in the previously certified Final EIR for the General Plan and Downtown Specific Plan (May 23, 2012) and the Addendum to the certified Final EIR (March 21, 2019) have changed with respect to the proposed development. In addition, the proposed project would not create substantial changes or bring to light new information of the substantial importance that was not previously examined in these Final EIR and Addendum. As a result, the project qualifies for a Categorical Exemption pursuant to the CEQA’s requirements for an “in-fill development” within an urbanized area as detailed below:

General Plan and Zoning Consistency
The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations. The General Plan land-use designation for the project site is Specific Plan (SPA 9 - Downtown Specific Plan) and located within the Mercado District. The General Plan and the Downtown Specific Plan (DSP) contain guidelines and regulations to promote higher density urban residential growth in the Downtown SPA. Permitted uses within the Mercado District include multi-family units with residential on the ground floor and mixed-use multi-family development with densities up to 100 du/ac, up to four (4) stories and 60 feet in height. The Mercado Residential Land-Use Matrix for this specific area requires ground-floor commercial to be incorporated into the project, and ground-floor residential may be permitted subject to Permit authorized subject to approval of a Planned Development pursuant to Article 19.

The project proposes 32 residential units and up to 300 sf of flex office space fronting onto Grand Avenue, on approximately 0.4 acres. The density of the project is 80 du/ac (only factoring in the two subject parcels of 0.401 acres) with an overall density of 71.1 du/ac (which includes the adjacent 0.05-acre city-owned parcel for a total of 0.45 acres) which is in conformance with the density provisions of the Mercado District that allows up to 100 du/ac. Overall, the project would conform to the development and design regulations outlined in the Downtown Specific Plan, as allowed through the Planned Development and Development Agreement process for site development flexibility (DSP Section III.C.1 and 9). The project requests up to a 29.5 percent reduction in on-site parking, and 25 percent reduction in open space. Modifications to parking are allowed through the Planned Development Process (Section III.B.1) and reductions to required common open space up to 50 percent are allowed subject to a Development Agreement (DSP Section III.B.6). The proposed project would be four stories in height and up to approximately 57 feet in height, which is consistent with the Mercado Development Standards. The design of the
project meets the criteria of CEQA Guidelines, Section 15332(a), as being consistent with the General Plan and applicable zoning for the project site.

Project Location, Size and Context

The approximately 0.45-acre site is located within the highly developed and urban Downtown Specific Plan area of the City. The site is adjacent to Grand Avenue (Local Collector Road) on the north, Quince Street (Collector Road) on the west, and Second Avenue (Collector Road) on the south. A mix of commercial and limited residential uses are located to the east and southeast. CEQA, Section 21072, defines a qualified urban use as “any residential, commercial, public institutional, transit, or transportation passenger facility, or retail use, or any combination of those uses.” The project is on a site within City limits that is no more than five (5) acres and substantially surrounded by urban uses.

Endangered, Rare or Threatened Species

The project site is located within the highly developed and urban Downtown Specific Plan area of the City. The project site currently is vacant, disturbed and has been clear of all structures, except for the previous concrete foundations/pads and asphalt paving. Vegetation primarily consists of ornamental landscaping, mature palm trees, various weeds and grasses from the previous development/activities. The project site does not contain habitat suitable for candidate, sensitive or special status species. In addition, no riparian habitat or other sensitive natural community, or potential jurisdictional features were observed within the project site or within a 100-foot boundary from the project site. The project site has no value as a habitat or special-status species and, therefore, adheres to the criteria of CEQA Guidelines, Section 15332(c).

Traffic

The Engineering Division concluded the project would not result in any significant traffic or transportation-related impacts. A preliminary Traffic Assessment was prepared for the project by Michael Baker International (dated February 12, 2019, and amended April 22, 2019). The preliminary traffic assessment includes a review of the proposed project trip generation as well as estimated project trip distribution and vehicle trip assignment onto the surrounding street system. The evaluation of project traffic generation and estimated traffic assignment onto the area roadways was then compared to the City’s guidelines for determining if the traffic that would be added by the project is at a level that is considered potentially significant. The proposed project would generate a total of 194 average daily trips (ADT), with 14 AM peak hour trips and 18 PM peak hour trips. The net project trip generation includes the standard 5 percent reduction in vehicle trips suggested by SANDAG due to the project’s proximity to transit. The nearby Escondido Transit Center is a multi-modal facility offering access to both the Breeze bus service, as well as the Sprinter rail service.

Primary access to the site (parking garage) would be from a new driveway fronting onto 2nd Avenue. Access also could be provided from Pine Street via the existing alley. The traffic assessment indicated the project does not meet any of the trigger categories to conduct a Traffic Impact Analysis (TIA) as the number of daily trips on the surrounding street segments would be below the threshold guidelines. The project also does not trigger TIA thresholds for project traffic added to a leg of an intersection during AM or PM peak hour. Based on the City’s roadway and intersection project contributions threshold guidelines, the project would not add a significant amount of traffic to the surrounding street network. The project would not require alterations to the roadways or intersections such that the project would conflict with SANDAG's Congestion Management Program.

Noise

The residential nature of the project and less than significant traffic impacts (as detailed above) is such that the project is not anticipated to generate any significant increases to the existing ambient noise level. Vehicle noise is the main source of ambient noise in the vicinity of the project site. Grand Avenue (Local Collector), Second Avenue (Collector) and Quince Street (Collector) are identified in the Escondido General Plan as circulation element streets. The project site is within existing noise contour areas of 65 dBA CNEL from the adjacent roadways (City of...
Escondido General Plan EIR Appendices, Noise Figure 2) and future noise contours of 65 dBA CNEL along Quince Street and Grand Avenue, and 70 dBA CNEL along Second Avenue (Noise Figure 3). As stated in the City’s General Plan Community Protection Element (City of Escondido 2012) the noise level goal for multi-family residential uses is 65 dBA CNEL at the exterior use areas. In addition, the General Plan Noise Policy 5.4 establishes an interior noise standard of 45 dBA CNEL. In order to comply with the City’s General Plan Community Protection Element interior noise standard, the following project design features would be included as conditions of project approval:

**PDF-NOI-1** Prior to the issuance of a building permit, the applicant shall prepare an exterior-to-interior noise report completed by a qualified acoustical consultant for the proposed on-site residential units and the common podium-level and roof-level open space areas. The report shall also assume a “windows-closed” condition with vehicles traveling along the adjacent roadways in accordance with the identified speed limit. The report would determine the predicted interior noise levels for the units. If predicted noise levels are found to be in excess of 45 CNEL, the report would identify architectural materials or techniques that could be included in project design plans to reduce noise levels to 45 CNEL in habitable rooms. The report also shall identify any architectural techniques that would be included in the final project design to conform to the General Plan noise level goal for multi-family residential use of 65 dBA CNEL at the exterior common podium and roof-level use areas (private balconies exempted). The report shall be submitted and approved by the City prior to issuance of a building permit.

Stationary operational noise sources are regulated by the limits outlined in the Escondido Municipal Code, Section 17-229, which states that multi-family residential zones shall not exceed 55 dBA Leq from 7:00 a.m. to 10:00 p.m., or 50 dBA Lea from 10:00 p.m. to 7:00 a.m. For commercial zones, noise shall not exceed 60 dBA Leq from 7:00 a.m. to 19:00 p.m. or 55 dBA Leq from 10:00 p.m. to 7:00 a.m. The City’s Noise Ordinance also states that if the ambient noise level exceeds that permissible standard, the allowable noise exposure standard shall be the ambient noise level.

The HVAC units for the project would be installed in three clusters ranging from 4 to 19 units per cluster for a total of 32 units. Clusters would be situated on the roof of the four-story building and set back from the edge of the rooftop by approximately 17 feet or more at all locations. Individual HVAC units not installed within an enclosure may have the potential to generate noise levels of up to 79 dBA Leq at the unit (approximately 3 feet). Combined noise level from 32 up to 29 units simultaneously operating at 79 dBA Leq would be approximately 94 dBA at 3 feet. The closest residence to the proposed building would be one single-family structure towards the southeast of the site fronting onto Second Avenue, and second-story multi-family units located east of the site along Grand Avenue. Unenclosed HVAC units could generate a noise level in excess of the noise standard at the nearest residence. The proposed project is four stories and the surrounding commercial and residential units are one- and two-stories in height. This difference in height and proposed screens around the HVAC units would likely break the line of sight between the HVAC units and receptors. However, as a project feature, the HVAC units on the project rooftop will be required to install appropriate noise attenuation barriers/enclosures such that the noise from HVAC operations would not exceed 50 dBA at the nearest off-site residential receptor. Specific screening design and materials would be included with the building plans and the following project design features would be included as conditions of project approval:

**PDF-NOI-2** The HVAC units on the project rooftop shall be installed with appropriate noise attenuation screens/enclosures such that noise from HVAC operation does not exceed 50 dBA at the nearest off-site residential receptor and 55 dBA for adjacent commercial structures. A final acoustical analysis shall be submitted with the building plans to determine whether any final design measures are necessary to conform to the City’s Noise Ordinance.

Construction would result in a temporary noise increase on and around the project site. Construction-related impacts are short term and would cease once the project is completed. No special construction techniques (i.e. pile driving or blasting) are anticipated to be necessary for construction of the project. The City also has a maximum 1-hour average construction noise limit of 75 dB at noise-sensitive land uses. Contractors are required to comply with the Noise Ordinance for noise levels from project-related grading and construction activities set forth in the Escondido Municipal Code. The Escondido Municipal Code also restricts the times of day when construction may occur (7:00 a.m. to 6:00 p.m., Monday through Friday; 9:00 a.m. to 5:00 p.m. on Saturday; and not at all on Sunday or public holidays). Construction of the project would take place within the hours specified in Section 17,234 of the Escondido Municipal Code.
Air Quality
Based on technical studies prepared for similar type multi-family residential project of similar size/land area and construction requirements (The Ivy Project – Class 32 CEQA Exemption prepared by Harris & Associates, 2019), the project is not anticipated to exceed screening-level criteria thresholds for construction or operational level impacts. The project is smaller than the air-quality study trigger criteria presented in Table 4.3-12 of the City's General Plan EIR that would trigger the need for an air-quality impact assessment (the level for apartment land-uses with a density of 20 or more dwelling units per acres is 420 dwelling units).

Water Quality
The project would not result in any significant effects related to water quality. A preliminary drainage study and Storm Water Quality Management Plan (SWQMP) was prepared for the project. Storm water quality impacts during construction would be prevented through implementation of a grading and erosion control plan that is required by the City's Grading and Erosion Control Ordinance (Article 55 of the Municipal Code) and the State General Permit to Discharge Stormwater Associated with Construction Activities (NPDES No. CA2000002), which requires preparation of a SWPPP by a Qualified SWPPP Developer. Adherence to applicable requirements and implementation of the appropriate BMPs would ensure that potential water quality degradation associated with construction related activities would be minimized and impacts less than significant.

The Project would mimic the existing drainage pattern, and runoff from the roof, outdoor area decks would be discharged from roof drains into a raised planter/biofiltration planter BMP located along Quince Street. A separate storm drain basin also would be installed along the Second Avenue frontage to treat pollutants and meet flow control requirements for the project. With the implementation of the operational treatment control biofiltration basin BMPs that would be required by the City pursuant to the SUSMP, potential pollutants would be reduced to the maximum extent possible. Therefore, development would not violate any water quality standards or water discharge requirements.

Utilities and Public Services:
The Fire Department indicated that appropriate fire protection can be provided with the implementation of the required building/site design features. Appropriate fire flow will be provided to the project site with the installation of the required fire hydrants and 12-inch upgrade to the water line in Quince Street.

The Engineering Division indicated that appropriate utilities will be provided to the project with existing facilities located within adjacent Quince Street and Second Avenue, and the public alley/utility easement along the southern boundary of the site.

Section 15300.2 (Exceptions)
Location: Not applicable to Class 32 exemption

Cumulative Impact: All resource topics associated with the project have been analyzed and were found to pose no significant impact. Therefore, the project would not make a cumulatively considerable contribution to a significant cumulative impact.

Significant Effect: There are no known unusual circumstances applicable to the project or project site that could result in a significant effect on the environment.

Scenic Highway: The project is not located in the vicinity of any designated or eligible state scenic highway.

Hazardous Waste Site: The site previously was used as a gas station that has since been removed. The previous owners processed a corrective action for the underground storage tanks formally located on the site. In August 2013, the Regional Water Quality Control Board (RWQCB) San Diego Region issued a closure letter for the site. On May 2, 2019, the RWQCB issued a concurrence letter stating that "the Site is suitable for its proposed use with commercial uses on the ground level and residential unit above." Additionally, the letter states that a Health and Safety Plan for construction workers and a soil and groundwater management plan for soil and groundwater that may be hauled from the site are required prior to site work. The following project design features would be included as conditions of project approval:
Prior to approval of the grading plans and grading permit for the site, a Health and Safety Plan for construction workers (including PPE and testing equipment when working in areas of known residual petroleum impact soils) and a soil and groundwater management plan for soil and groundwater that may be hauled from the site shall be prepared and approved by the San Diego Water Board.

**Historic Resource:** The project site is vacant and disturbed from previous development. The existing commercial development/buildings that were located on the site were previously demolished. These structures were not listed as a historic resource pursuant to City Municipal Code Article 40 (Historic Resources) and the site does not contain any historic resources or know cultural resources.

**Lead Agency Contact Person:** Jay Paul, Planning Division  Area Code/Telephone/Extension (760) 839-4537

Signature: ___________________________  September 4, 2019

Jay Paul, Senior Planner  Date

☒ Signed by Lead Agency  Date received for filing at OPR: N/A

☐ Signed by Applicant
RECORDING REQUESTED BY:
CITY CLERK, CITY OF ESCONDIDO

WHEN RECORDED MAIL TO:
CITY CLERK
CITY OF ESCONDIDO
201 N. BROADWAY
ESCONDIDO, CA 92025

THIS SPACE FOR RECORDER’S USE ONLY

APNs: 233-022-0100 and 233-022-0200

Recording Fees Exempt Per Government Code Section 27383

DEVELOPMENT AGREEMENT
for 555 W. Grand Avenue

between

CITY OF ESCONDIDO

and

555 W. GRAND AVENUE, LLC

___________, 2019
DEVELOPMENT AGREEMENT

This Development Agreement ("Agreement") is entered into by and between the City and Owner.

RECITALS

WHEREAS, Government Code Sections 65864 through 65869.5 and Articles 58 and 68 of the City's Zoning Code authorize the City to enter into binding development agreements with persons or entities having legal or equitable interests in real property for the purpose of establishing certainty in the development process for both the City and the property owner, and to enable specific terms regarding property development, to be negotiated and agreed upon; and

WHEREAS, the purposes of the Agreement are to eliminate uncertainty in the planning and development of the Project by assuring Owner that it may develop the Property, in accordance with existing laws, subject to the terms and conditions contained in the Agreement; assure the orderly installation of necessary improvements and the provision for public services appropriate for the development of the Project; and enable the City to obtain substantial public benefits by virtue of the Agreement.

NOW THEREFORE, in consideration of the mutual covenants and conditions set forth herein, the Parties agree as follows:

ARTICLE I

Definitions

1. "Amendment" refers to any written amendment to this Agreement approved by the City Council as provided in Article II, Section 3.

2. "Annual Review" refers to the Owner’s demonstration of compliance with the terms of this Agreement every 12 months.

3. "Assignee" refers to an assignee of this Agreement in accordance with Article II, Section 2 and approved by the City in writing.

4. "CEQA" refers to the California Environmental Quality Act, California Public Resources Code §§21000 et seq.

5. "City" refers to the City of Escondido, its City Council, its mayors and council members, past and present, and employees and agents.
6. “Cure Period” refers to the period of time in which a default may be cured, which will be
30 days.

7. “Development Fees” refers to the development related fees as provided in the City’s Fee
Guide for Development Projects applicable at the time of issuance of building permits.

8. “Director” refers to the Director of Community Development.

9. “Effective Date” The effective date of the Agreement shall be the day that is 30 days after
the City Council’s adoption of an ordinance approving this Agreement.

10. "Entitlements" refers to all approvals and permits necessary or incidental to the
development of the Project or any portion thereof, whether discretionary or ministerial, including
but not limited to, specific plans, tentative or final tract map approvals, whether standard or
vesting, conditional use permits, variances, project plans, grading permits, building permits, and
this Agreement and includes all conditions of approval regarding any particular Entitlement.

11. "Exaction" refers to any fee, tax, requirement, condition, dedication, restriction, or
limitation imposed by the City upon the development of the Property at any time in accordance
with the Existing Laws.

12. "Existing Laws" refers to the ordinances, resolutions, codes, rules, regulations, general
plan, stormwater regulations and official policies of the City and the State of California governing
the development of the Property, including, but not limited to, the permitted uses of the Property,
the density or intensity of use, the design, improvement and construction standards and
specifications for the Project, including the maximum height and size of proposed buildings, and
the provisions for reservation and dedication of land for public purposes, in effect on the Effective
Date of this Agreement.
13. "Future Exaction" refers to Exactions imposed after the Effective Date, whether by ordinance, initiative, resolution, rule, regulation, policy, order or otherwise.

14. "Future Laws" refers to all ordinances, resolutions, codes, rules, regulations, and official policies implemented by the City after the Effective Date, whether by ordinance, initiative, resolution, rule, regulation, policy, order or otherwise. Future Laws includes changes to the Existing Laws.

15. "General Fees" refers to all general development fees which the City may levy pursuant to Government Code Sections 66000 et seq. ("the Mitigation Fee Act"), including, but not limited to, application fees, processing fees, utility connection fees, inspection fees, capital facilities fees, development impact fees, traffic impact fees, park fees and such other similar fees as may be enacted from time to time and generally applied throughout the City, excluding Development Fees.

16. "General Plan" refers to the City's General Plan in effect on the Effective Date.

17. “Minor Modifications” refers to minor modifications regarding the performance of this Agreement that are consistent with the Entitlements and have minimal impacts to the City’s operations in terms of timing, performance, or value.

18. “Modification” refers to a modification approved by the City Council as provided in Article VI, Section 5.

19. “Operating Memorandum” refers to addenda to this Agreement to document changes or adjustments in the performance of this Agreement as specified in Article III, Section 7.

20. “Owner” refers to 555 W. GRAND AVENUE, LLC, a California limited liability company, who has legal or equitable interest in the real property which is the subject of this Agreement.

21. “Party” City or Owner may be referred to individually as Party or collectively as Parties.
22. "Project" shall mean and refer to the improvement and development of the Property as described in the Entitlements and this Agreement.

23. "Property" shall mean the certain real property located in the County of San Diego, State of California as described in the Exhibit A.

24. "Public Benefits" shall refer to the consideration given by Owner to the City, as described in Exhibit B attached hereto, in return for the City's good faith performance of all applicable terms and conditions in this Agreement.

25. “Public Improvements” refers to any public improvements required to be constructed as conditions of approval to the Entitlements or as additionally provided in this Agreement.

26. “Review Letter” refers to a letter from the City regarding a statement of Owner’s compliance with this Agreement, following a positive Annual Review by the City.

27. “Term” shall refer to the term of this Agreement as provided in Article II, Section 1.

ARTICLE II

General Provisions

1. Term of Agreement. The term of this Agreement shall commence on the Effective Date and shall continue for five (5) years unless terminated, modified, amended or extended as permitted by this Agreement. After the expiration of the Term, this Agreement shall be deemed terminated and of no further force or effect. This Agreement shall terminate with respect to any lot and such lot shall be released and no longer subject to the Agreement, without the execution or recordation of any further document, when a certificate of occupancy has been issued for the building(s) on the lot.

2. Assignment. The rights and obligations of Owner under the Agreement may be assigned by Owner as part of an assignment of the Property, only after receiving written approval from the
City. Owner shall provide thirty (30) days advance written notice to the City of any requested assignment, which may not be unreasonably conditioned, delayed, or withheld. The City shall have the right to ensure that the proposed assignee has the financial capability to complete and fulfill any uncompleted requirements relating to the Public Benefits and Public Improvements. Any assignment agreement must be in writing and expressly provide that (a) the assignment shall be subject to this Agreement; and (b) the Assignee assumes all of Owner’s rights and obligations with respect to the Property assigned.

3. **Amendment of Agreement.** The Agreement may be amended in writing by the mutual consent of the Parties in accordance with Article 58, Chapter 33 of the Escondido Zoning Code as well as any applicable state or federal law. The Agreement shall include any amendment properly approved and executed. Minor Modifications in the manner of performance shall not constitute an Amendment to the Agreement and may be accomplished through an Operating Memorandum.

4. **Enforcement.** Unless amended or terminated as provided herein, this Agreement is enforceable by either Party or its successors and assigns, notwithstanding any Future Laws, which alter or amend the Existing Laws.

5. **Defense and Indemnification.**
   
a. Owner agrees to defend, indemnify, and hold harmless, City, and provide and pay all costs for a defense of and judgment against the City, including any award for attorney’s fees and litigation costs, in any legal action filed in a court of competent jurisdiction by a third party challenging the Project, or any component thereof, or this Agreement. Upon the Effective Date, the Owner shall deposit security, such as a bond, letter of credit, or other security to cover the costs of any such defense in a reasonable amount as determined by the City of Escondido City Attorney. Said security may be released after all applicable statutes of limitation have expired.
b. Owner shall further indemnify, defend and hold harmless the City and its officers, employees and agents from and against any and all liabilities, claims, actions, causes of action, proceedings, suits, administrative proceedings, damages, fines, penalties, judgments, orders, liens, levies, costs and expenses of whatever nature, including reasonable attorneys' fees and disbursements, arising out of any violation, or claim of violation of the San Diego Municipal Storm Water Permit (Order No. R9-2015-0001) of the California Regional Water Quality Control Board Region 9, San Diego, as amended or extended, which the City might suffer, incur, or become subject by reason of or occurring as a result of or allegedly caused by the construction of the Project.

c. The City shall have no liability to the Owner or any other person for, and Owner shall indemnify, defend, protect and hold harmless the City from and against, any and all liabilities, claims, actions, causes of action, proceedings, suits, damages, judgments, liens, levies, costs and expenses of whatever nature, including reasonable attorneys’ fees and disbursements, which the City may suffer or incur or to which the City may become subject as a result of or allegedly caused by the payment of prevailing wages for construction of the Project or any of the Public Benefits or Public Improvements.

d. If any action or proceeding is brought against the City by reason of any of the matters against which Owner has agreed to indemnify the City as provided above, Owner, upon notice from the City, shall defend the City at Owner’s expense by counsel chosen by the City. The City need not have first paid for any of the matters to which the City is entitled to indemnification in order to be so indemnified. The provisions of this section shall survive the expiration or earlier termination of this Agreement.
6. **Third Party Challenges.** In the event the validity, applicability, or implementation of the Agreement is challenged by means of legal proceedings by any party other than the City and Owner, it shall be the City's option, at its sole and absolute discretion, whether to undertake the defense of such challenge. If the City determines not to defend such challenge, it shall be the option of Owner, to defend the validity, applicability, or implementation of this Agreement in the proceeding at Owner's sole expense. The City and Owner agree to cooperate in the defense of any such challenges.

7. **Notices.** All notices or communication between the City and Owner pursuant to the Agreement shall be in writing and shall be given by personal delivery, overnight delivery service, certified or registered mail, facsimile or telecopy to the addresses set forth below. The addresses may be changed by giving (ten) 10 days written notice.

   **A. City**

   City of Escondido  
   Attention: Director of Community Development  
   201 N. Broadway  
   Escondido, CA 92025  
   with a copy to:  
   City Attorney  
   201 N. Broadway  
   Escondido, CA 92025

   **B. Owner**

   555 W. GRAND AVENUE, LLC  
   Attention: Ed McCoy  
   3305 Jasmine Place  
   Escondido, CA 92025  
   (858) 752-4121
8. **Conflict of State or Federal Laws.** If state or federal laws or regulations enacted after the Effective Date prevent compliance with any provision of this Agreement or require changes in any Entitlements, those laws or regulations shall be controlling and the Parties shall make a good faith, reasonable attempt to modify this Agreement to comply both with the intent of the Agreement and with the new laws or regulations.

The City shall timely assist Owner in securing any permits, including permits from other public agencies, which may be required as a result of the modifications, suspensions, or alternate courses of action.

**ARTICLE III**

**Development of the Property**

1. **Applicable Rules, Regulations, and Policies.** Owner shall have the vested right, to the fullest extent allowed by law, to develop the Property in accordance with the Entitlements, Existing Laws and this Agreement. During the Term, the Entitlements, Existing Laws and this Agreement shall control the overall design, development and construction of the Project. Notwithstanding the foregoing, nothing in this Agreement shall preclude the City from applying changes occurring from time to time in the uniform codes published in Title 24 of the California Code of Regulations and adopted by the City, including local amendments, in effect when the building permits are issued.

2. **Future Laws.** Future Laws shall not apply to the Project except as expressly provided in this Agreement. Future Laws may be applied to the Project if they are not in conflict with the Existing Laws. Owner may give the City written notice of its election to have any Future Law applied to the Property, in which case such Future Law will be considered an Existing Law for purposes of this Agreement.
3. **Future Discretionary Reviews.** Except as set forth in this Agreement, the City shall retain its discretionary rights in reviewing applications for Entitlements. Owner's applications for Entitlements and the City's review thereof, must comply with the Existing Laws and with the terms and conditions of this Agreement. The City shall not impose any conditions upon Entitlements that are more restrictive than or inconsistent with the terms of this Agreement or the Existing Laws, except as required by state or federal law. The City may conduct, in accordance with CEQA and the Existing Laws, an environmental review for Entitlements. The City may impose, if required by CEQA, additional mitigation measures to mitigate significant adverse environmental effects that were not previously considered, or were found to be infeasible to mitigate at the time of approval of this Agreement. Nothing herein is intended to require or authorize additional CEQA environmental review or mitigation measures beyond that otherwise required by CEQA.

4. **Permitted Uses and Density.** The Agreement shall vest the right to develop the Property to the fullest extent allowed by law with respect to the permitted uses of land, density and intensity of uses, and the rate or timing and phasing of development as described in the Entitlements which are hereby incorporated as if fully set forth in this Agreement. The permitted uses, density, and intensity of use of the Project, the maximum height and size of proposed buildings and provisions for reservation or dedication of land for public purposes, shall substantially conform to those specified in the Entitlements, Existing Laws and this Agreement. All other aspects of the Project that are not specified in the Entitlements shall be determined by the Existing Laws, except as expressly provided herein.

5. **Time for Construction and Completion of the Project.** Owner cannot predict when or the rate or the order in which the Property or the parcels will be developed, if at all. Such decisions depend upon numerous factors that are not within the control of the Owner, such as market
orientation and demand, interest rates, absorption, completion, and other similar factors. Therefore, Owner shall have the right to develop the Property in phases, in such order, at such rate, and at such times as Owner deems appropriate in Owner’s business judgment, subject only to the provisions of this Agreement and the Entitlements. Owner shall be entitled to apply for and receive approval of permits, building permits, and other Entitlements for use at any time and for any or all portions or phases of the Project, provided that application is made in a manner consistent with this Agreement and the Entitlements.

The City may require, and will process, all customary plans and agreements generally applicable to developers in the City for similar works of onsite or offsite improvements.

6. **Moratorium.** No City-imposed moratorium or other limitation (whether relating to the rate, timing or sequencing of the development or construction of all or any part of the Property, whether imposed by ordinance, initiative, resolution, policy, order or otherwise, and whether enacted by the City Council, an agency of the City, the electorate, or otherwise) affecting parcel or subdivision maps (whether tentative, vesting tentative, or final), building permits, occupancy certificates or other entitlements to use or service (including, without limitation, water and sewer) approved, issued or granted within the City, or portions of the City, shall apply to the Property to the extent such moratorium or other limitation is in conflict with this Agreement; provided, however, the provisions of this Section shall not affect the City's compliance with moratoria or other limitations mandated by other governmental agencies or court-imposed moratoria, as established by the initiative process, or as otherwise established by law.

7. **Operating Memoranda.** The Parties acknowledge that the provisions of this Agreement require cooperation between the City and Owner, and that the refinements and further development of the Project hereunder may demonstrate that changes are appropriate with respect to the details
of performance of the Parties hereunder. The Parties desire, therefore, to retain a certain degree of flexibility with respect to those items covered in general terms under this Agreement. If and when, from time to time during the Term, the Parties find that such Minor Modifications are necessary or appropriate, they may effectuate such Minor Modifications through Operating Memoranda approved by the Parties, which, after execution, shall be attached hereto as addenda and become a part hereof, and may be further changed and amended from time to time as necessary with further approval by the City and Owner. No such Operating Memorandum shall require prior notice or hearing, or constitute an amendment or modification to this Agreement; and in the case of the City, such Operating Memorandum may be acted upon by the City Manager or his designee. Failure of the Parties to enter into any such Operating Memorandum shall not affect or abrogate any of the rights, duties or obligations of the Parties hereunder or the provisions of this Agreement. An Operating Memorandum may be recorded as an addendum to this Agreement.

8. **Term of Project Approvals.** The term of each of the Entitlements shall be extended for a period of time through the Term of the Agreement. Should this Agreement be terminated, the Owner shall have thirty (30) days to submit an application for the extension of any of the approved Entitlements.

9. **Infrastructure Capacity.** Subject to Owner's proportionate contribution to infrastructure and the Public Benefits provided by Owner, in accordance with the requirements of the Entitlements, the City hereby acknowledges that it will have sufficient capacity in its infrastructure services and utility systems, including, without limitation, traffic circulation, flood control, sanitation service and, except for reasons beyond the City's control, sewer collection, sewer treatment, water supply, treatment, distribution and service, to accommodate the Project. To the extent that the City renders such services or provides such utilities, the City hereby agrees that it
will serve the Project and that there shall be no restriction on connections or service for the Project except for reasons beyond the City's control. Notwithstanding the foregoing, the City acknowledges that sufficient capacity for sewer collection and treatment for the Project exists as of the Effective Date.

10. **Easements.** Easements dedicated for pedestrian use shall be permitted to include public easements for underground improvements, including but not limited to, drainage, water, sewer, gas, electricity, telephone, cable and other utilities and facilities, so long as they do not unreasonably interfere with pedestrian use.

11. **Public Benefits and Improvements.** Owner agrees to design and construct the improvements as provided in the Entitlements and provide the Public Benefits as described in Exhibit B. These requirements shall survive the termination of this Agreement.

12. **Fees.** The Owner shall pay the Development Fees and General Fees in the amounts applicable at the time of building permit issuance. The payment of Development Fees and General Fees may be deferred in accordance with City requirements separately from this Agreement.

**ARTICLE IV**

**Provision of Public Benefits**

1. **Description of Public Benefits.** Owner shall provide the City with the Public Benefits, as further described in Exhibit B, as consideration for the City's good faith performance of all applicable terms and conditions in this Agreement and Exhibit B.

2. **Occupancy Contingent on Construction of Public Improvements.** Owner acknowledges that the City shall not grant a certificate of occupancy for any building constructed on the Property prior to the construction of all Public Improvements and provision of all Public Benefits. This contingency for occupancy shall survive the termination of this Agreement.
3. **Grading Permit Contingent on Security for Public Benefits.** Prior to issuance of a grading permit, Owner must enter into an improvement agreement or agreements which will detail Owner's construction obligations for Public Improvements and the Public Benefits, and will require Owner to provide financial security for completion of construction, in a form or forms as approved by the City Attorney.

4. **Processing During Third Party Litigation.** The filing of any third party lawsuit(s) against the City or Owner relating to this Agreement, any Entitlements, or to other development issues affecting the Property shall not delay or stop the development, processing or construction of the Project or approval of Entitlements, unless the third party obtains a court order preventing the activity, in which case the term of this Agreement shall be tolled for the duration of the legal action and the expiration date of the Agreement shall be extended by the time during which the term is tolled.

**ARTICLE V**

**Annual Review**

1. **Owner Responsibilities.** At least every twelve (12) months during the Term, Owner shall demonstrate good faith substantial compliance with the major provisions of the Agreement and provide, to the best extent possible, the status and timing of development of the Project and related public improvements to the City for an Annual Review. If requested by the City, Owner shall provide any additional detail or information necessary to demonstrate good faith compliance with any particular provision of this Agreement identified by the City.

2. **Opportunity to be Heard.** Owner shall be permitted an opportunity to be heard orally and in writing at any noticed public hearing regarding its performance under this Agreement.
Owner shall be heard before each appropriate board agency or commission and the City Council at any required public hearing concerning a review of performance under this Agreement.

3. **Information to be Provided to Owner.** The City shall mail to Owner a copy of staff reports and related exhibits concerning Agreement performance, a minimum of ten (10) calendar days prior to consideration and review by the City Council.

4. **Annual Review Letter.** If Owner is found to be in substantial compliance with this Agreement after the Annual Review, the City shall issue, upon written request by Owner, a Review Letter to Owner stating that, based upon information known or made known to the City Council, the City Planning Commission, and/or the City Manager, this Agreement remains in effect and Owner is in compliance. Owner may record the Review Letter in the Official Records of the County of San Diego.

5. **Failure of Annual Review.** The City's failure to perform an Annual Review of Owner's substantial compliance with the terms and conditions of the Agreement shall not constitute or be asserted as a default by Owner.

**ARTICLE VI**

**Delay, Default, Remedies, and Termination**

1. **Notice and Cure of Default.** In the event of a material default, the Party alleging a default shall give the defaulting Party a notice of default in writing. The notice of default shall specify the nature of the alleged material default. During the Cure Period, the Party charged shall not be considered in breach. If the default is cured within the Cure Period, then no breach shall be deemed to exist. Any notice given pursuant to the preceding sentence shall specify the nature of the alleged failure and, where appropriate, the manner in which such alleged failure satisfactorily may be cured.
2. **Waiver.** Failure or delay in giving notice of default shall not constitute a waiver of any other material default. Except as otherwise expressly provided in this Agreement, a failure or delay in asserting any rights or remedies as to any default shall not operate as a waiver of any default or of any rights or remedies otherwise available to a Party or deprive a Party of the right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any rights or remedies it may have.

3. **Default by Owner.** The Director may recommend the review and termination of this Agreement to the City Council upon an occurrence of a material default that is not cured within the Cure Period. The foregoing does not limit any of the City’s other remedies upon a material breach of this Agreement by the Owner.

4. **Default by the City.** Upon a material default by the City, that is not cured within the Cure Period, Owner, without limiting any of its other remedies, shall not be obligated to complete any of its obligations under this Agreement.

5. **Termination or Modification.** Any termination or modification of this Agreement shall be done in accordance with Article 58, Chapter 33 of the Escondido Zoning Code as well as any applicable state or federal law. Owner shall have sixty (60) days from the Effective Date to sign the Agreement or the Agreement shall automatically expire.

**ARTICLE VII**

**Encumbrances and Releases on Property**

1. **Discretion to Encumber.** This Agreement shall not prevent or limit Owner, in any manner, from encumbering the Property or any portion of the Property or any improvement on the Property by any mortgage. The City acknowledges that lenders providing financing may require modifications to this Agreement and the City agrees, upon request, from time to time, to meet with
Owner and/or representatives of lenders to negotiate in good faith any lender request for modification provided any modification does not will not affect the timely completion or fulfillment of any requirements in the Entitlements or this Agreement relating to the Public Benefits.

ARTICLE VIII

Miscellaneous Provisions

1. **Rules of Construction.** The singular includes the plural; the masculine gender includes the feminine; "shall" is mandatory; "may" is permissive.

2. **Severability.** If any non-material provision of this Agreement shall be adjudged by a court of competent jurisdiction to be invalid, void, or illegal, it shall in no way affect, impair, or invalidate any other provision of this Agreement. If any material part of the Agreement is adjudged by a court of competent jurisdiction to be invalid, void, or illegal, the Parties shall take all steps necessary to modify the Agreement to implement the original intent of the Parties in a valid and binding manner. These steps may include the waiver by either of the Parties of their right under the unenforceable provision. If, however, this Agreement objectively cannot be modified to implement the original intent of the Parties and the Party substantially benefited by the material provision does not waive its rights under the unenforceable provision, the executory portions of the Agreement shall become void.

3. **Entire Agreement.** Except as expressly referred to herein, this Agreement constitutes the entire understanding and agreement of the Parties with respect to the subject matter of this Agreement. This Agreement supersedes all other negotiations and previous agreements between the Parties with respect to that subject matter.
4. **Waivers.** All waivers of the provisions of this Agreement must be in writing and signed by the appropriate agents of the City or of Owner.

5. **Recording.** The City Clerk shall cause a copy of this Agreement to be recorded with the Office of the County Recorder of San Diego County, California within (ten) 10 days following the Effective Date. Upon the completion of performance of this Agreement or its revocation or termination, a statement evidencing completion, revocation, or termination signed by the appropriate agents of Owner and the City shall be recorded in the Official Records of San Diego County, California.

6. **Project as a Private Undertaking.** It is specifically understood by the Parties that the Project is a private development and that Owner shall have the full power and exclusive control of the Property subject to the provisions of this Agreement. Any improvements completed remain the property of the Owner unless the City has explicitly accepted any improvement.

7. **Captions.** The captions of the Agreement are for convenience and reference only and shall not define, explain, modify, construe, limit, amplify or aid in the interpretation, construction or meaning of any of the provisions of the Agreement.

8. **Consent.** Where the consent or approval of a Party is required or necessary under this Agreement, the consent or approval shall not be withheld unreasonably.

9. **The City's Ongoing Statutory Authority.** Except as expressly stated, nothing in this Agreement shall limit the City's authority and responsibility under the California Constitution and applicable California statutes to act in the best interests of the public health, safety, and welfare, and nothing in this Agreement is intended to limit in any way the legislative discretion otherwise afforded the Escondido City Council under state or federal law.
10. **Covenant of Cooperation.** The Parties shall cooperate with and assist each other in the performance of the provisions of the Agreement including assistance in obtaining permits for the development of the Property which may be required from public agencies other than the City. The covenant of cooperation shall include, to the maximum extent permitted by law, that the City shall use its best efforts to prevent any ordinance, measure, moratorium or other limitation from invalidating, prevailing over or making impossible any provision of the Agreement, and the City shall cooperate with Owner to keep this Agreement in full force and effect. Owner reserves the right to challenge any such ordinance, measure, moratorium, or other limitation in a court of law if it becomes necessary to protect the development rights vested in the Property pursuant to this Agreement.

11. **Further Actions and Instruments.** Each of the Parties shall cooperate with and provide reasonable assistance to the other in the performance of all obligations under this Agreement and the satisfaction of the conditions. Upon the request of either Party, the other Party shall promptly execute, with acknowledgment or affidavit if reasonably required, and file or record such required instruments and writings and take any actions as may be reasonably necessary under the terms of this Agreement to carry out the intent and to fulfill the provisions of the Agreement or to evidence or consummate the transactions contemplated herein.

12. **Successors and Assigns.** Subject to Article II Section 2 above, the burdens of this Agreement shall be binding upon, and the benefits of this Agreement inure to, all successors-in-interest and assigns of the Parties.

13. **Time of the Essence.** Time is of the essence of this Agreement and of each and every term and condition hereof.
14. **Applicable Laws.** This Agreement shall be construed and enforced in accordance with the laws of the State of California. All statutory references are to California statutes.

15. **No Waiver of Existing Rights or Applicable Laws.** This Agreement shall not constitute a waiver of any of Owner's existing rights or applicable laws, nor shall it limit or expand Owner's right to challenge any General Fee as being contrary to applicable law or to challenge any existing or Future Exaction as being in excess of Exactions permitted by applicable law.

16. **Authorization.** Each person executing this Agreement hereby warrants and represents that he/she has the authority to enter into this Agreement and to bind his/her respective entity to the provisions hereof. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original.

17. **No Third Party Beneficiaries.** This Agreement and each and every provision hereof is for the exclusive benefit of the Parties hereto and not for the benefit of any third party.

SIGNATURE PAGE FOLLOWS
IN WITNESS WHEREOF, the Parties have executed this Agreement:

CITY OF ESCONDIDO    CITY OF ESCONDIDO

By: ______________________________   By: ______________________________

   Paul McNamara                    Zack Beck

Its:  Mayor                        Its:  City Clerk

555 W. GRAND AVENUE, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

By: ______________________________

   Ed McCoy

   Its:  Authorized Member

APPROVED AS TO FORM:

CITY OF ESCONDIDO

OFFICE OF THE CITY ATTORNEY
Micheal R. Mcguinness, City Attorney

By: ______________________________

Exhibit A
LEGAL DESCRIPTION

Real property in the City of Escondido, County of San Diego, State of California, described as follows:

(On file with the City’s Department of Community Development)
Exhibit B

I. PUBLIC BENEFITS AND PUBLIC IMPROVEMENTS

A. DYNAMIC ART FEATURE. Owner shall design, construct and maintain a public art piece on the Project site that includes a dynamic and kinetic feature. The size shall be a minimum of 234 square feet and should be featured on the northwest corner of the Project. The final design, including but not limited to the location, colors and materials, shall be subject to the approval of the City staff design review committee. The final design shall be approved before a building permit shall issue for the Project. The Owner shall maintain the dynamic art feature in perpetuity and any assignment of this Agreement or the Property shall be subject to this maintenance obligation.

B. PARKING LIFTS. Owner shall design, construct and maintain five (5) parking lifts, each capable of stacking two vehicles in one parking space for the use of the residents of the Project. The Owner shall maintain the lifts in perpetuity and any assignment of this Agreement or the Property shall be subject to this maintenance obligation.

C. CONTRIBUTIONS TO OPEN SPACE. Owner shall contribute $20,000 towards open space improvements elsewhere in the City as a public benefit and to offset any impact from the Project. To the extent a reduction in the required open space is necessary as provided in the Downtown Specific Plan, the open space shall be allowed at 225 square feet per unit for the Project.
II. FEE CREDITS

A. PUBLIC ART FEE CREDITS. In recognition of the dynamic art feature the Project is providing, the Owner shall receive a fee credit towards the Public Art Fees required of the Project in an amount of $0.30 per square foot, not to exceed $30,000.