



ATTACHMENT J

**EXACTION ANALYSIS OF RIGHT OF WAY
DEDICATION AND FRONTAGE IMPROVEMENTS**

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August 14, 2025

By Mail and Email

David Hubbard
Gatzke Dillon & Balance LLP
2762 Gateway Road
Carlsbad, California 92009

RE: SP 17-0004/GPA 17-003/MFSDP 19-0001 – Development of 115 age-restricted apartment units; 8th Review/2nd MND Review; APN 220-063-04

Dear Mr. Hubbard:

The City received your letter dated July 24, 2025 to Mr. Chris Garcia in the City's Planning Department regarding his letter dated June 26, 2025 summarizing the City's 2nd review of the Project's proposed MND and providing staff's comments on the various components of Lanikai's application.

Your letter identifies four main items of concern of the outstanding items identified for resolution/correction by City staff. Specifically, you refer to (1) a project-specific VMT analysis, (2) the class IV bike lane the City wants Lanikai to include in the project's site plan, (3) the bulb-out at Woodward and Mission, and (4) elimination of the left-out access from the project onto Woodward.

With respect to the first issue, the City does not dispute that you have informed the City that the project is not subject to the VMT requirement. The City believes that completing the minor edits to the VMT memo already provided in the 8th review to the City would be far less resource intensive than conducting an entirely new transportation analysis using the LOS metric since the transportation analysis submitted in 2019 is not current, having been prepared 6 years ago, and would need to be updated. The VMT memo demonstrated that the project is exempt from a VMT analysis and only requires a minor revision for City staff to resolve the outstanding comment on the VMT memo.

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As to the requirement to install a class IV bike lane, staff does believe there is a nexus and that this requirement is not an unlawful exaction under the Fifth Amendment and applicable legal precedent, including the recent Court of Appeal determination in *Sheetz v. County of El Dorado* on remand from the U.S. Supreme Court as detailed in the attached memorandum.

With respect to item (3), the bulb out is required to address the impact of the Mission Road driveway and the development of a senior residential development on the City's infrastructure. The nexus for this requirement is also detailed in the attached memorandum.

With regard to item (4), based upon the traffic studies and traffic movements the City has reviewed, the City's position is that the Woodward entrance and exit must be right turn in/right turn out only and the left-out access from the project onto Woodward should not be permitted. This is further discussed in the attached memorandum.

We understand that the applicant does not wish to continue debating these four issues. However, we believe the City has provided sufficient basis for requirements it has provided, which basis is consistent with the analysis in the recent determination in the *Sheetz* case.

In addition to these four issues you identified, there are still a significant number of issues to be addressed before the Project is ready to be presented to the Planning Commission. These outstanding issues are:

- Potential impacts on habitat and wildlife agency consensus on wetland buffer;
- Potential impacts on regulatory floodway, draft CLOMR, & revision of the flood analysis;
- Outstanding comments on VMT analysis;
- TDM plan needs to be revised;
- VWD correspondence acknowledging VWD water & study from 2019 does not require an update;
- Updated Fiscal & Economic analysis (existing is out of date);
- Updated LOS analysis (existing is out of date);
- Draft MND to be updated with revised Biology Report with bird survey, LOS, VMT, & updated Fiscal & Economic analysis.

If after reviewing the attached memorandum, it is Lanikai's intent to move forward with the current site plan, please advise whether Lanikai intends to (1) address all other outstanding items and (2) complete CEQA review before presenting the project to Planning Commission. If so, Lanikai should be made aware that it would be moving forward with the risk of a recommendation of denial from staff.

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Additionally, staff is concerned that if Lanikai determines it will move forward without addressing the listed outstanding items and/or completing CEQA review, given the condition precedent for approval of CEQA documentation prior to or concurrent with approval of a project, the City's ability to approve the project would be negatively affected.

Sincerely,

A handwritten signature in blue ink that reads "Punam Prahalad". The signature is fluid and cursive, with the first and last names being more prominent.

Punam P. Prahalad
LOUNSBERY FERGUSON ALTONA & PEAK, LLP

Enclosure as noted

cc: Michelle Bender, City Manager
Isaac Etchamendy, Development Services Director and City Engineer
Joe Farace, Director of Planning
Chris Garcia, Senior Planner

LANIKAI DEVELOPMENT:

EXACTION ANALYSIS OF RIGHT OF WAY DEDICATION AND FRONTAGE IMPROVEMENTS

INTRODUCTION

Lanikai Partners LLC (Lanikai) proposes to construct a senior housing development at the northwest quadrant of the intersection of Mission Avenue with Woodward Drive (the Development) (**Attachment 1**). Analysis of anticipated traffic counts and other aspects of the environmental review conducted to date have identified that the Development will create impacts to the City's infrastructure, particularly the transportation network. Accordingly, the City has required the Development to dedicate public right-of-way to support transportation improvements and to construct frontage improvements.

The applicant disputes the requirement to dedicate the public right-of-way and to construct the frontage improvements, citing *Nollan v. California Coastal Commission* (1987) 483 U.S. 825, *Dolan v. City of Tigard* (1994) 512 U.S. 374, and *Sheetz v. County of El Dorado* (2024) 601 U.S. 267. This memorandum documents the evaluation of those concerns and demonstrates the nexus and the rough proportionality between the imposition of right-of-way dedication and frontage improvements on the one hand and the Development's impact on the City's facilities on the other, as required under current law.

METHODOLOGY

The City's evaluation of whether the exaction of right-of-way and associated frontage improvements for the Development constitutes a taking was conducted using a multi-step methodology grounded in constitutional principles, California statutory requirements, and relevant case law.

The methodology is as follows:

1. **Establish the legal framework** by identifying the applicable legal standards for land use exactions.
2. **Document the development characteristics** for use in determining project impacts.
3. **Identify and quantify the development impacts** to City infrastructure based on project- and site-specific characteristics. These impacts occur at both a citywide and

local level. Citywide infrastructure impacts are quantified on both a physical (i.e., 100 linear feet of travel lane) and a financial basis.

4. **Identify the required exactions and project requirements**, including right-of-way dedication, frontage improvements, public facilities fees, and project impact mitigations. Assess the General Plan consistency implications of the required exactions.
5. **Evaluate the essential nexus** between the project impacts and the required exactions.
6. **Identify and quantify the burden on the development** imposed by the required exactions.
7. **Evaluate the rough proportionality** by comparing the financial and physical scope of the required exactions to the quantified impact of the project on public facilities.
8. **Assess the economic viability of the project with the required exactions** by evaluating whether the required exactions would deny the developer all economically viable use of the property.
9. **Evaluate compliance** under the legal framework established in Step 1.

1. LEGAL FRAMEWORK

The City's authority to impose dedications and exactions is constrained by the U.S. Constitution and California law. The governing principles are:

- **Nollan (1987)**: There must be an *essential nexus* between a legitimate public purpose and the condition imposed.
- **Dolan (1994)**: There must be *rough proportionality* between the exaction and the development's impact.
- **Sheetz (2024) 601 U.S. 267, Sheetz (2025) 2025 WL 2116363**: These requirements apply even to exactions imposed through legislative frameworks, such as development impact fees or general plan policies.
- **Mitigation Fee Act (Gov. Code §66000 et seq.)**: The City must make five findings: (1) purpose of the fee; (2) use of fee; (3) benefit relationship; (4) burden relationship; and (5) proportionality. This methodology was found to be consistent with the essential nexus and rough proportionality tests in the 2025 *Sheetz v. County of El Dorado* decision by the 3rd District Court of Appeals on remand from the Supreme Court. This is further discussed in **Attachment 7**.

2. DEVELOPMENT CHARACTERISTICS

Lanikai is requesting approval of a General Plan Amendment (GPA17-0003), Specific Plan Amendment (SP17-0004), and Multi-Family Site Development Plan (MFSDP19-0001) to construct an age 55+ residential development and associated infrastructure improvements.

The Development proposes to construct 115 units over four floors, with a total building size of approximately 106,300 square feet and 50 feet in height. The Development includes a mix of residential unit sizes including studio, one-bedroom, and two-bedroom units. Interior community areas include a library/TV room, fitness room, and a great room with kitchen. Exterior spaces include private balconies or patios for each unit and a community patio area with lap pool. A site layout is provided in **Attachment 2**.

A rate of 3.1 persons per dwelling unit is typically assumed for population growth determination. However, given the age-restricted nature of the proposed 115-unit project, up to 2 persons per unit are assumed. Therefore, the Development would potentially add an estimated 230 people to the area, excluding employees.

The 174,676 square foot project site (Assessor's Parcel 220-063-04-00) is currently vacant land itself and bounded by vacant land to the north, Woodward Drive to the East, Mission Road to the South, and San Marcos Creek to the West. The surrounding neighborhood includes residential development, light rail transit, a public library, a community center, the Senior Activity Center, regional bike facilities, Richmar Park (0.25 miles west), Hollandia Park (0.8 miles east), and City Hall; see **Attachment 3**. The site is relatively flat.

The Development proposes to include two separate access points, one on Woodward Street and a second on Mission Road. The Development seeks to have a right-turn-in, left-turn-out entry along Mission Road, which is not consistent with the City's Urban Street Design Criteria (USDG). The City has offered that it could contemplate allowing the second (Mission Road) driveway access point if the impacts of the new driveway are properly mitigated.

3. DEVELOPMENT IMPACTS

The Development proposes 230 new residents, adding drivers, pedestrians, transit users, and cyclists to Mission Road, Woodward Street, and the City transportation network in general. The traffic study indicates the Development will generate 167,900 Estimated Annual Trips (EAT). In addition, the introduction of senior residents, proposed driveway locations, and the particular site conditions have specific impacts for both citywide and local infrastructure needs.

The impacts of the Development on the transportation network are not confined to the segment of street directly adjacent to the site. By definition, transportation infrastructure exists to move people and goods across a connected network; it is by definition a system. A trip generated by the Development will not start and end at the project frontage; it will traverse multiple roadway segments and active transportation facilities citywide. Some of these facilities exist, and others do not.

Consequently, when new residents of the Development travel throughout the community, they will impose incremental burdens on the entire citywide transportation system of roadways, pedestrian walkways, and bicycle facilities, extending well beyond the Development's immediate frontage. This principle is widely recognized in transportation planning and impact analyses, where facility needs are expressed in terms of miles traveled rather than just along-site frontage segments.

The constitutional "rough proportionality" standard established in *Dolan v. City of Tigard* (512 U.S. 374, 1994) requires that the extent of an exaction have a reasonable relationship to the magnitude of the project's impacts. (*Sheetz 2025 WL 2116363 *17.*) The citywide network serves the entire trip, and all facilities along the trip are needed for that travel to be possible. Therefore, it is proportionate to require the Development to construct improvements along its own frontage; this is a fair and measurable share of the facilities it will rely upon. This is especially true because the frontage is part of a designated facility in the City's General Plan or Active Transportation Plan, ensuring network continuity and safety.

Even where some or all roadway, pedestrian, or bicycle segments already exist along the frontage, those facilities may require widening, accessibility enhancements, or the addition of missing multimodal elements such as bike lanes, transit enhancements, or sidewalks to complete the Citywide transportation network. In engineering terms, transportation infrastructure is not "present or absent;" it has varying capacity, safety performance, and compliance with standards. A substandard bike lane, for example, may not safely accommodate increased bicycle volumes, especially where vulnerable users (such as seniors) are expected. The additional demand from the Development justifies upgrading that segment to meet the City's ultimate network as required in the General Plan and Active Transportation Plan. In the absence of these improvements, the new residents' ability to safely and efficiently complete their trips would be compromised, and the City's network-level goals such as congestion mitigation and safety for vulnerable road users, and regional goals such as reduction of vehicle miles traveled and greenhouse gases would be undermined.

The transportation network is a system-based public facility, and impacts from the proposed Development will occur citywide, not just at the site frontage. Requiring the Development to

construct improvements along its frontage is an equitable and legally defensible method of ensuring that each new development project contributes a proportionate share toward the network it depends on. This approach satisfies the “essential nexus” and “rough proportionality” standards under *Nollan*, *Dolan*, and *Sheetz*, and complies with the individualized determination requirement of both federal and California law, as discussed below.

3A. Roadway, Pedestrian, and Bicycle Facility Impacts from the Development

Dolan requires “some sort of individualized determination” that the nature and extent of the exaction relate to the development’s projected impacts. In this case, trip generation and citywide roadway, pedestrian, and bicycle demand analyses quantify the incremental facility demand attributable to the project. Those impacts are far greater than the value of the frontage improvements required, satisfying the “extent” prong of *Dolan*.

The Supreme Court in *Sheetz v. County of El Dorado* (601 U.S. 267, 2024) confirmed that the *Nollan/Dolan* standards apply equally to legislatively adopted conditions, such as general plan requirements or fee programs. Thus, even when frontage improvements are required pursuant to citywide policy such as the General Plan or the Active Transportation Plan, the City’s approach of matching each development’s responsibility to its own frontage, rather than a greater segment, is a measured and constitutionally sound allocation of the burden.

For purposes of this analysis, the City considered that the predominant impact of the Development to City facilities would be to the transportation network, primarily to pedestrian, roadway, and bicycle infrastructure citywide. The assessment below quantifies the physical improvements that must be constructed citywide to support the proposed Development and attributes financial costs to the same.

Roadway Infrastructure

The City’s adopted [Development Impact Fee Nexus Study](#)¹ indicates that, “the need for transportation facilities is based on the trip demand placed on the system by development... Vehicle trip generation rates are a reasonable measure of demand on the citywide system of street improvements across all modes because alternate modes (transit, bicycle, pedestrian) often substitute for vehicle trips.” The Development will generate 167,900 Estimated Annual Trips (EAT) and will therefore place an increased demand on the citywide transportation network.

[SANDAG](#) current (2016) data indicates that the project location, Census Tract 200.22, will generate 19.3 vehicle miles traveled per capita per day. The Development population

¹ <https://www.san-marcos.net/home/showpublisheddocument/28857/638639102721170000>

estimate is 230 residents, neglecting employees. Therefore, Lanikai proposes an impact of 1,162,235 annual vehicle miles traveled (VMT) to City infrastructure, each trip requiring an average of 9.65 lane miles of roadway infrastructure.

Therefore, the impact of the development on the citywide need for roadway infrastructure is 9.65 lane miles. The cost of providing this roadway infrastructure is a minimum of \$2,934,835 (**Attachment 6**).

[Pedestrian Infrastructure](#)

The Development will generate a population of 230 residents. Available documentation does not indicate the number of employees proposed; accordingly, the impact of employees on City infrastructure has not been evaluated and is in addition to the impacts addressed here.

SANDAG's nonmotorized database system for location 10016_Eleg further west on Mission Road indicates that segment was used by 336 pedestrians and 106 cyclists, indicative of active transportation usage of Mission Road. Assuming a relatively low walk share proportion at 5% from the proposed Development, 23 pedestrian trips per day can be expected based off the 167,900 Estimate Annual Trips.

The City finds no evidence to support Lanikai's claims in its environmental documents that the age-55+ residents will "recreate onsite" and will not use pedestrian or bicycle facilities. Quite to the contrary, residents are anticipated to use City pedestrian facilities and therefore are considered to increase pedestrian demand. Key destinations within 0.5 miles are shopping and local businesses, the Inland Rail Trail, city hall, the community center, and two parks, all of which are anticipated to be active transportation destinations for the proposed residents. Based on an individualized assessment of the specific resident population and the destinations to which that population may wish to travel, the City established the three most likely pedestrian destinations for the Development residents as the Civic Center Sprinter Station, San Marcos Public Library, and the San Marcos Senior Activity Center. These destinations are mapped in **Attachment 3**.

[Table 1: Active Transportation \(Pedestrian and Bicycle\) Destinations](#)

Destination	Travel Distance (Feet)	Travel Distance (Miles)
Sprinter Station	480 feet	0.09 miles
Library	850 feet	0.16 miles
Senior Activity Center	2,065 feet	0.39 miles

The impact of the Development on the need for citywide pedestrian facilities is 3,395 linear feet of pedestrian pathway, valued at a minimum of \$129,010 (**Attachment 6**).

Bicycle Infrastructure

Bicycle trips generated by the Development are most likely to be to/from the active transportation destinations described in the Pedestrian Infrastructure section in **Attachment 6**. Bicycling distances to the destinations described in Table 1 measured roughly the same as the pedestrian distances. Assuming a low bicycle mode share of just 1%, the Development would generate 1,679 bicycle trips per year.

The impact of the Development on the need for citywide bicycle facilities is 3,395 linear feet of bicycle infrastructure, valued at a minimum of \$130,368 (**Attachment 6**).

3B. Local Impacts of the Development

The bike lanes on the frontage of the property are required as part of the Active Transportation Plan in the City's General Plan and are thus legislatively imposed land use exactions. Additionally, there are required project improvements needed to address specific concerns resulting from the Development design, population, and location. The following sections further analyze the needs of the proposed residents for the transportation improvements required by the City.

Increased Multimodal Demand from Land Use Change

The land use change from Commercial to Senior Residential will shift trip generation from an auto-centric use commercial to a more multi-modal oriented residential use, with senior residents visiting local destinations as shown in **Attachment 3** and generating more active transportation trips than a commercial development would likely have generated. This increased multi-modal demand must be mitigated through the provision of appropriate active transportation facilities.

Lack of Resident Access to Active Transportation Network

No bike lane exists along the Mission Road frontage of the Development. A bike lane currently exists to the east and the west of the Development; only this segment is missing. With the impact introduced by a new population of residents, the missing segment of bicycle infrastructure must be provided and must meet the ultimate standards required in the General Plan and Active Transportation Plan. The comment that the street must be widened and the bike lane added was made on the initial improvement plan review for the Development.

A refusal to provide the facilities to connect the proposed senior residents to their community via the active transportation network will prevent the residents from using active transportation to access the key destinations identified in this analysis and increase the number of near-distance vehicular trips, impacting vehicle miles traveled and further increasing the burden on the City to reduce vehicle miles traveled citywide.

[Pedestrian Crossing Impacts](#)

The Development proposes to introduce senior residents with slower walking speeds, which would increase intersection delay unless mitigated. The Federal Highway Administration (FHWA) Pedestrian Safety Guide and Countermeasure Selection System notes that older pedestrians generally walk significantly slower than the standard design walking speed of 3.5 feet per second, requiring adjustments to the signal timing to allow safe crossing (FHWA, 2013). To accommodate this, the Woodward Street/ Mission Road traffic signal must be retimed to extend the pedestrian clearance interval, which would increase vehicular delay at the intersection. The increase in the pedestrian clearance time over Mission Road would decrease vehicular green time through the intersection. Further, this delay would cause extended vehicular idling at a key intersection, increasing greenhouse gas emissions impacts.

The installation of a curb return popout with the frontage improvements, as proposed by the City in its plan review comments, would mitigate at least a portion of this Development impact. According to the Institute of Transportation Engineers (ITE) Traffic Handbook and NACTO's Urban Street Design Guide, curb extensions can reduce crossing distances, thereby lessening the amount of additional green time that is needed for pedestrian clearance, improving intersection efficiency, and enhancing pedestrian safety (ITE, 2010; NACTO, 2013).

The crossing distance from the Development over Mission Road is approximately 112 linear feet. Therefore, the impact from the senior population could increase pedestrian crossing times by up to 6.6 seconds. For instance, it would take an average resident six seconds to travel a distance of 21 feet at the pedestrian crossing, and it would take an average senior resident 7.2 seconds to travel the same distance. Therefore, construction of a curb popout that shortens the crossing distance by 21 feet would reduce the time of crossing, and the associated vehicular delay, by more than half a second per cycle.

[Accessible Bus Stop](#)

A bus stop exists along the Development frontage to the north side of Mission Road. The proposed senior residents are a target population for transit, and also a population in need of accessible design, as seniors are significantly more likely to be disabled. The bus stop

must provide the proposed residents with Americans with Disabilities Act (ADA) compliant design to facilitate the use of transit. The ADA-compliant bus stop must not negatively impact vehicular travel, bicycle trips, or pedestrian travel continuing along Mission Road. In addition, the bus stop must consider the conflicting movements of the southbound right turns from Woodward Street onto westbound Mission into the non-standard drop lane and the new driveway the Development proposes to introduce on Mission Road, a prime arterial. The City-proposed improvements include a curb return popout, separated bike facility, and ADA-compliant bus bay to achieve these requirements.

[New Driveway on Mission Creates Conflicts](#)

The senior residential development proposes two new driveways: one on Woodward Street and one on Mission Road.

Mission Road is already a complex arterial. The City's [Urban Streets Design Criteria](#) (USDC) provide that new driveways on an arterial are not allowed if any other access is available. Driveways may be provided only when "absolutely necessary." The Development proposes a driveway on Woodward Street, a location that meets the City's USDC, and therefore a driveway on Mission Road should not be allowed. However, staff contemplated allowing the driveway as a concession through collaboration with the developer and expected staff comments to be addressed. Unfortunately, Lanikai has persisted in proposing the Mission driveway opening while not agreeing to address the staff comments to allow it.

The new driveway on Mission would introduce two new traffic conflict points where none exist today, and it is located less than 400 feet away from the Mission/Woodward intersection, in an area with a merge lane and existing bus stop. Introduction of the new driveway poses movements that potentially conflict with:

- Right turns from Woodward to Mission.
- Cyclists traveling westbound along the bike route.
- Impaired visibility and merging issues with bus operations in the vicinity of the proposed driveway.

Without mitigation, such as a protected bikeway, the additional conflict points would expose roadway users to merging, crossing, and turning vehicles, degrading the safety of the corridor. As the National Association of City Transportation Officials (NACTO) Urban Bikeway Design Guide notes, even low-volume driveways can meaningfully affect the comfort and safety of cyclists, and protection is especially important where vulnerable users such as senior residents are expected (NACTO, 2014).

A separated bikeway is designed specifically to reduce the types of conflicts that Lanikai proposes to introduce with the creation of a new driveway on the Mission Road arterial. The separated bikeway provides a physical separation between bicyclists and moving vehicles. Caltrans Design Information Bulletin DIB 89 recommends separated facilities in situations with driveways and the need to enhance cyclist safety. The physical protection offered by a separated bikeway allows vulnerable cyclists to safely stop outside of the travel lane if a vehicle is entering or exiting the new driveway, thereby reducing collision risk, and improving corridor safety.

Likewise, without mitigation, the proposed Mission Road driveway introduces a more hazardous situation for bus operations. Collisions could occur as bus operators attempt to arrive or depart from the bus stop as drivers are entering and leaving the proposed Mission Road driveway and cars are simultaneously merging onto Mission Road from Woodward Street.

In order to allow the Mission Road driveway, its impacts must be mitigated. This can be done with the provision of separated bicycling facilities to remove the conflict between driveway traffic and cyclists, and adding a curb return popout to isolate the proposed driveway traffic from merging Woodward traffic.

[Woodward Driveway Improvements to Prohibit Exiting Left Turns](#)

The Woodward 46 project is on the easterly side of Woodward Street, opposite the Development. Woodward 46 takes its sole access from Woodward Street and has no alternative access available. It was entitled prior to the Lanikai Development with the driveway as proposed.

The Lanikai Development also proposes a driveway on Woodward Street, opposite the Woodward 46 driveway. Vehicles exiting Woodward 46 and the Lanikai Development would need to cross oncoming traffic and travel in the opposing travel lane to avoid colliding with each other (*Figure 1*). Eliminating the conflicting left turn out of the Lanikai Development avoids the conflicting movements, so the Lanikai driveway can only be constructed as a right-in, left-in, and right-out driveway. The City Engineer and City Traffic Engineer therefore require physical improvements such as a “pork chop” to direct exiting vehicles and prevent the left turn out from the Lanikai Development; vehicles wishing to make the northbound movement can make a U-turn at the Woodward/Mission signal.

[illegible]

The City requires a dedication of 16 feet along Woodward Drive and a dedication of 14 feet along Mission Road to accommodate the ultimate public improvements. This dedication is needed to address safety and design concerns particular to this proposed Development and to comply with the City's Active Transportation Plan and the City's General Plan as further discussed in **Attachment 7**.

The City requires that the Development construct frontage improvements including pedestrian facilities, bicycle improvements, and pavement widening for the bus stop and the proposed right turn from Mission Road into the Development. The City also requires a curb pop-out to direct right-turning traffic from Woodward around the vehicles turning into the proposed Mission driveway and to shorten the pedestrian crossing over Mission Road to accommodate the proposed senior residents. Finally, the City requires that the Woodward driveway be constructed in a fashion to avoid conflicts from left turns exiting the Development.

5. ESSENTIAL NEXUS

A direct and essential nexus exists between the City's requirements to dedicate and construct transportation improvements and the burden the Development will impose upon City facilities.

The nexus is the introduction of a population that will utilize the citywide transportation network, which includes roadway, pedestrian, and bicycle facilities. This impact is new, additive, and measurable. Development will contribute to citywide traffic, including increasing vehicular delay in portions of San Marcos Blvd. and Twin Oaks Valley Road. The City has a legitimate interest in mitigating the effects of the Development on the citywide traffic and reducing traffic congestion has been found to be a legitimate government interest. (*Sheetz v. County of El Dorado*, 2025 WL 2116363, *Dolan v. City of Tigard* (1994) 512 U.S. 374, 387).

By the addition of new residents, pedestrian and bicycle demand, and vehicular trips, the Development will generate a clear and direct impact on the citywide transportation network. The right-of-way dedication and the construction of public improvements have an essential nexus to these citywide transportation impacts. The General Plan and Active Transportation Plan identify the ultimate improvements needed to accommodate growth in the city, which are constructed incrementally as new development is proposed.

Further, the Development proposes to cause impacts to bicycle, bus, pedestrian, and vehicular traffic locally, at the intersection of Mission Road and Woodward Street and additional impacts from the Woodward driveway design. Addressing these impacts is warranted and directly related to the impacts posed by Lanikai.

City staff have analyzed the Development and have concluded that the City's requirements have an essential nexus to legitimate public interests. Further, the City has found that the burden of the City's exactions are roughly proportional in nature and extent to the impact of the Development on the City's infrastructure, as discussed below.

6. BURDEN OF THE EXACTION ON THE DEVELOPMENT

The City requires that Lanikai dedicate right-of-way and construct frontage improvements roughly proportional to the demand generated by the Development and to the impacts of the Development on City infrastructure and facilities. Rough proportionality refers to the "degree of connection" between the permit conditions and the projected public impacts or social

costs of the Development. (*Dolan*, supra, 512 U.S. at p. 386; see also *Sheetz v. County of El Dorado, California* (2024) 601 U.S. 267, 275-276). “No precise mathematical calculation is required, but the [government] must make some sort of *individualized determination* that the [land-use exaction] is related both in nature and extent to the impact of the proposed development.” (*Dolan*, at p. 391, italics added.) In other words, the government “*must make some effort to quantify its findings*” in support of the required private property dedication beyond mere conclusory statements. (*Id.* at pp. 395-396, italics added.)

One method by which to make an individualized determination of the burden imposed upon the Development by the required dedication and improvement construction is to consider the sum of the value of the land dedicated for public improvements plus the cost of construction of the physical improvements. This cost can then be compared to the burden the development places on citywide facilities to assess the proportionality.

Accordingly, in order to quantify its findings in this analysis, the City determines the extent of pedestrian, bicycle, and roadway improvement demand generated citywide by the Development and compares that demand to the physical extent of the facilities needed citywide to serve this specific development. Additionally, this analysis determines the value of the land to be dedicated by Lanikai and calculates the dollar value of the improvement construction required of the development. Finally, the analysis measures the dollar value of the development’s burden against the dollar value of the citywide improvements needed to serve the development.

Land Value

The City estimates a dedication of less than 15,000 square feet with an estimated value of \$369,450. The value of the land is based on the estimated area of dedication multiplied by the average cost per square foot based on recent data for vacant property sold within the City of San Marcos over the preceding 7 months, available through Costar². Sales data includes similar entitled and non-entitled properties for sale or with active options resulting in an average cost of \$24.63 per square foot. Source data is supplied in **Attachment 4** to this letter.

Cost of Improvements

Improvement quantity takeoffs are estimated because Lanikai has not provided plans showing the proposed improvements. The estimated cost of improvements in the public

² Commercial real estate data and analytics system.

right-of-way is calculated in **Attachment 5** and is based upon City's approved [Unit Price List](#)³.

The total sum of the property dedication and the public improvement construction is given in Table 1 below.

Table 2: Estimated Cost Burden of Required Dedication and Frontage Improvements

Location	Item	Cost
Woodward and Mission	Right-of-Way Dedication	\$369,450
Woodward	Improvements to Public Right-of-Way	\$87,560
Mission	Improvements to Public Right-of-Way	\$50,916
	Total Impact to the Development:	\$507,926

7. ROUGH PROPORTIONALITY BETWEEN BURDEN ON DEVELOPMENT AND THE DEVELOPMENT'S IMPACTS

The improvements required of the Development bear a direct and proportional relationship to the transportation impacts generated by the Development on citywide facilities.

One way to assess the rough proportionality of the burden placed on the Development is to analyze the valuation of the land and improvements required of Lanikai and compare it to the valuation of the Citywide facilities necessitated by the Development. The table below sums the total value of the demand for public facilities to serve the Development.

Table 3: Total Burden Development Places on Citywide Facilities

Item	Cost
Pedestrian Infrastructure Burden	\$129,010
Bicycle Infrastructure Burden	\$130,368
Roadway Infrastructure Burden	\$2,934,835
Total:	\$3,194,213

Analyzing only the pedestrian and roadway facilities impacts, the valuation of Development impacts on Citywide infrastructure is \$3,194,213. The approximate financial burden placed on the Development for right-of-way dedication and frontage improvements on Woodward

³ <https://www.san-marcos.net/home/showpublisheddocument/28153/638405912675870000>

Street and Mission Road is \$507,926. Therefore, the impact of the Development on Citywide facilities exceeds the burden placed on Lanikai.

The total area of the right-of-way dedication is estimated at less than 15,000 square feet and represents less than 10% of the gross property area of 174,676 square feet.

The Development will generate a need for 3,395 linear feet each of pedestrian and bicycle facilities Citywide and has been required by the City to construct approximately 985 linear feet each of pedestrian walkway and pavement for bicycles. Similarly, the Development has generated a need for 9.65 lane miles of roadway Citywide and has been required by the City to improve approximately 1,000 linear feet of roadway, less than 0.2 miles. The City's improvement requirements are only that the Development improve the project frontage to the City transportation network, which is proportional to the Development and its impacts.

8. ECONOMIC VIABILITY OF THE DEVELOPMENT

Lanikai has indicated that dedication of required right-of-way will necessitate a redesign of the Development, possibly making the project infeasible. However, numerous design permutations are possible on this property.

For example, the current design does not maximize the developable density of the site. The project site has a General Plan designation of Specific Plan Area (Heart of the City Specific Plan – Commercial). Lanikai is proposing an amendment to the Heart of the City Specific Plan (HOCSP) to change the site to Senior Residential. Commercial uses within the HOCSP have a maximum lot coverage of 35%. The Development proposes lot coverage of approximately 16%, which is far less intense than would otherwise be allowed within the approved Specific Plan and General Plan. As Lanikai's proposed Development uses a significantly lower percentage of the lot than what was contemplated for a commercial use of the project site, the dedication of the right of way will not prevent Lanikai from designing the Development in a viable way.

Additionally, the Development design includes 135 parking spaces, exceeding the 115-space requirement per the Heart of the City Specific Plan. A redesign of the Development's site plan to include the required right-of-way dedication may reduce the space for some of these parking spaces, but it would not make the Development infeasible.

The Supreme Court has "long recognized that land-use regulation does not effect a taking if it 'substantially advance[s] legitimate state interests' and does not 'den[y] an owner economically viable use of his land.'" (*Nollan v. California Coastal Commission* (1987) 483 U.S. 825, 834.) Furthermore, "[o]nly when a permit is denied and the effect of the denial is

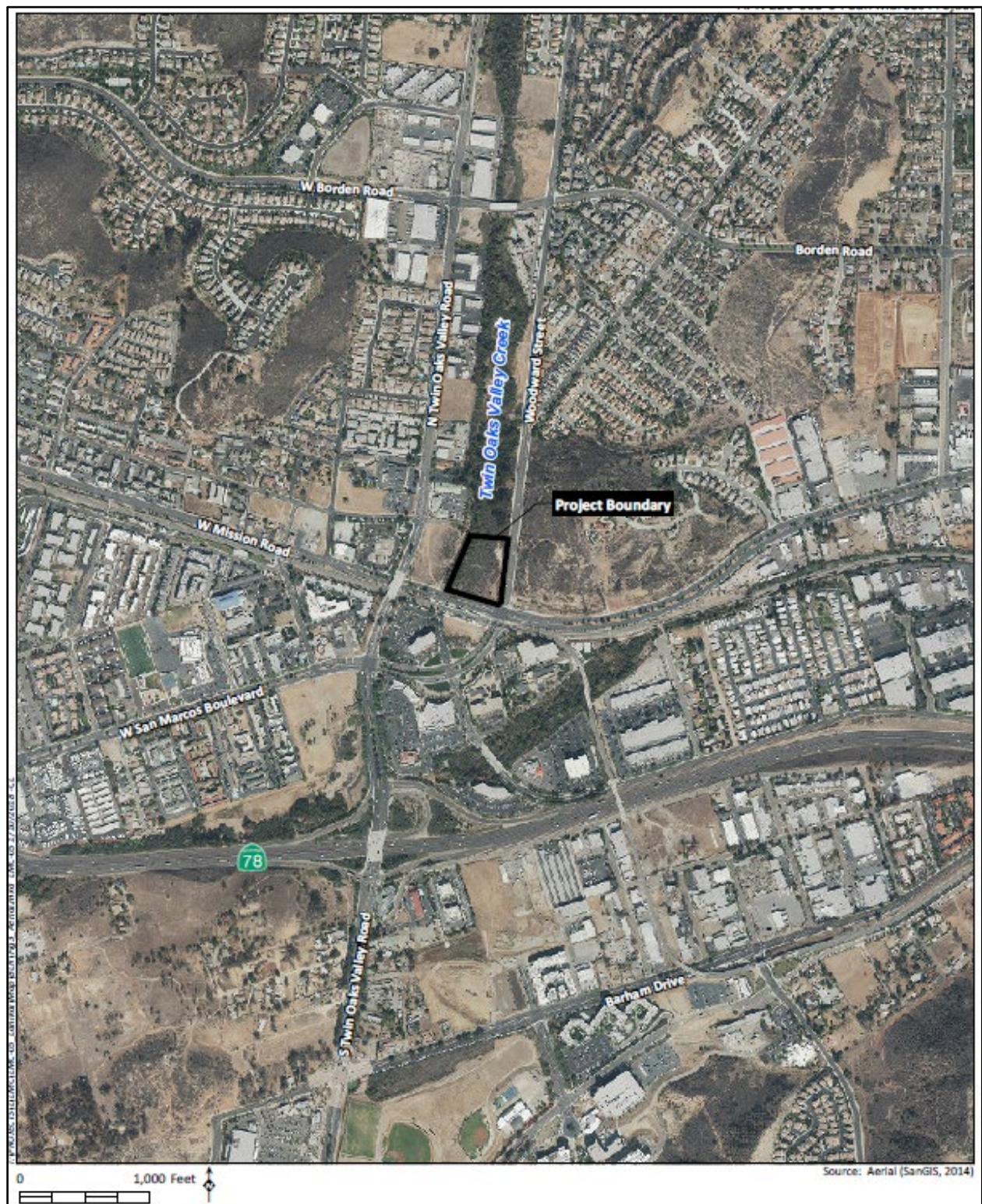
to prevent ‘economically viable’ use of the land in question can it be said that a taking has occurred.” (*United States v. Riverside Bayview Homes, Inc.* (1985) 474 U.S. 121, 127.) The required right-of-way dedication will not prevent **any** economically viable use of the land; many economically viable uses of the project site would still be available.

9. CONCLUSION: EVALUATION OF THE EXACTION

The City has analyzed the specific impacts of the proposed Development on the City’s transportation network and has found an essential nexus between the legitimate government interest of mitigating traffic congestion on the City’s transportation network and the right-of-way dedication and required improvements imposed by the City. Further, the City has provided a financial analysis of the burden placed on the Development and the projected public impact that the Development imposes on City facilities and found that the impacts to the Development are roughly proportional to projected public impact from the Development.

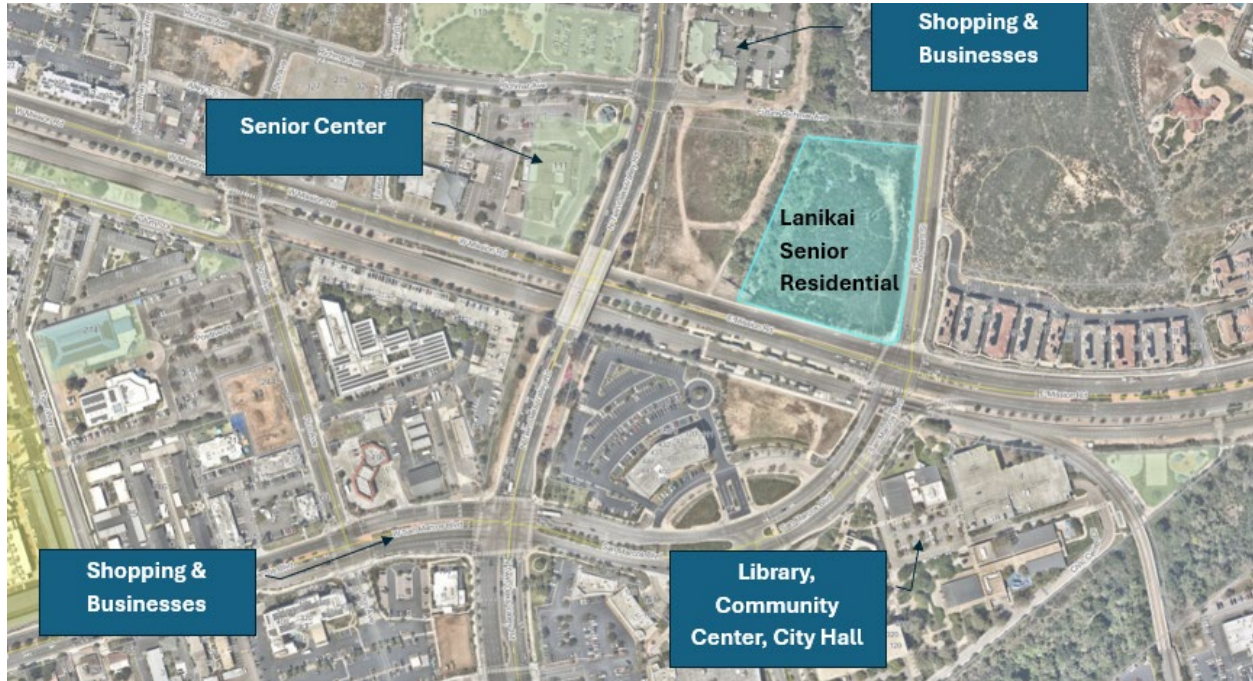
The land use exactions required of the Development have been found to be consistent with the nexus and rough proportionality standards required by *Nollan v. California Coastal Commission*, *Dolan v. City of Tigard*, *Sheetz v. County of El Dorado* (2024) 601 U.S. 267 and *Sheetz v. County of El Dorado* 2025 WL 2116363.

ATTACHMENT 1: DEVELOPMENT LOCATION



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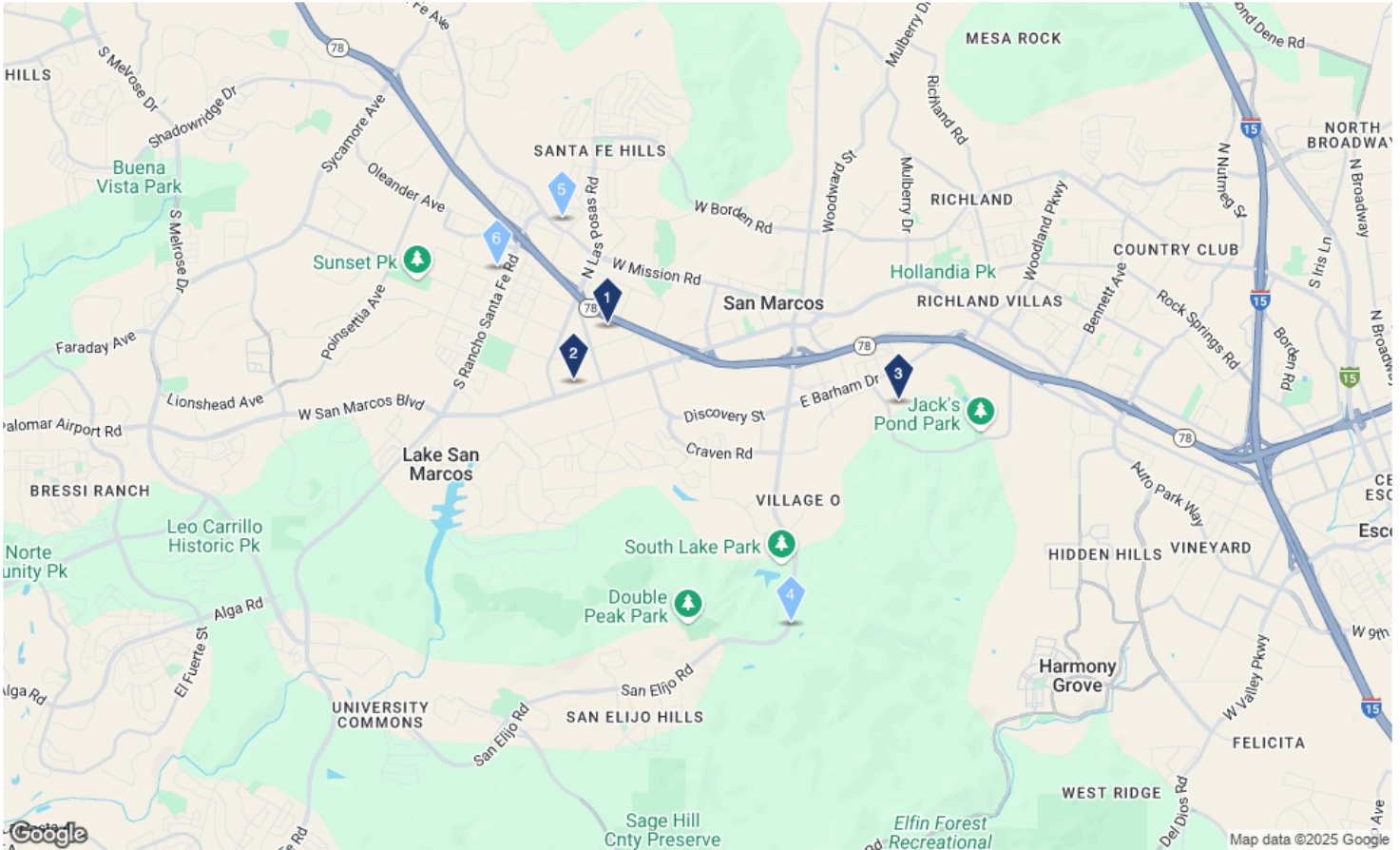
ATTACHMENT 3: ACTIVE TRANSPORTATION DESTINATIONS



ATTACHMENT 4: REAL PROPERTY SALES DATA



Sale Comps Map & List Report



Sale Comparables Summary Statistics

Sale Attributes	Low	Average	Median	High
Sale Price	\$3,600,000	\$7,742,000	\$6,500,000	\$13,126,000
Sale Price Per SF	\$464	-	\$464	\$464
Cap Rate	-	-	-	-
Sale Price Per AC	\$307,956	\$1,042,928	\$1,669,975	\$2,389,706
Property Attributes	Low	Average	Median	High
Building SF	-	-	-	-
Year Built	1973	1973	1973	1973
% Leased At Sale	-	-	-	-
Star Rating	☆☆☆☆ 0	★☆☆☆☆ 1	★☆☆☆☆ 1	★★☆☆☆ 2

Summary Statistics exclude For Sale and Under Contract listings

Sale Comps List

	Property Name Address	Type	Built/Renovated	Size (% Leased)	Sale Date	Price	Cap Rate
1	1023 Grand Avenue San Marcos, CA 92078	Land	-	7.86 AC	3/28/2025	\$13,126,000 (\$1,669,972.60/-AC)	-



Sale Comps List (Continued)

	Property Name Address	Type	Built/Renovated	Size (% Leased)	Sale Date	Price	Cap Rate
2	1100 W San Marcos Blvd San Marcos, CA 92078	Retail ★☆☆☆☆	1973	14,000 SF	2/18/2025	\$6,500,000 (\$464.29/SF)	-
3	00 La Moree Rd San Marcos, CA 92078	Land ★☆☆☆☆	-	11.69 AC	2/10/2025	\$3,600,000 (\$307,955.76/AC)	-
4	801 S Twin Oaks Valley Rd San Marcos, CA 92078	Land	-	159.90 AC	Escrow	\$5,950,000 (\$37,210.76/AC)	-
5	San Marcos Mixed Use Land 302 N Pacific St San Marcos, CA 92069	Land ★★★★☆	-	5.60 AC	Under Con- tract	\$4,750,000 (\$848,214.29/AC)	-
6	3600 Grand Ave San Marcos, CA 92078	Land ★★★★☆	-	0.99 AC	Escrow	\$1,950,000 (\$1,969,696.97/- AC)	-



1023 Grand Avenue

San Marcos, CA 92078 (San Diego County) - San Marcos Submarket



Land

Sale Summary

Sold	3/28/2025
Sale Price	\$13,126,000
Land Area AC	7.86
Land Area SF	342,382
Price/AC Land	\$1,669,973
Price/SF Land	\$38.34
Price Status	Confirmed
Sale Comp Status	Research Complete
Sale Comp ID	7117503
Parcel Numbers	219-152-74 +3



Transaction Details

Sale Date	3/28/2025	Recording Date	3/28/2025
Sale Price	\$13,126,000	Transfer Tax	\$14,439
Land Price	\$1,669,973/AC (\$38.34/SF)	Document Number	0080190
Sale Type	Investment		
Parcel Number	219-152-79, 219-152-74, 219-152-76, 219-152-77		

Contacts

Type	Name	Location	Phone
Recorded Buyer	Paloma Townhomes Llc	-	-
True Buyer	California Pacific Homes	Irvine, CA 92617	(949) 833-6000
Recorded Seller	Aoa San Marcos Llc	-	-
True Seller	Lab Holding LLC	Costa Mesa, CA 92626	(714) 966-6661

Transaction Notes

On March 28th, 2025, Community Management Corporation sold the 7.86-site to California Pacific Homes for \$13,126,000, approximately \$1,669,974.

The buyer is planning to develop a 102-lot SFR townhome community which will be called Paloma Townhomes.

The information provided for this sale transaction was verified by sources deemed reliable.

Sale History

Sale Date	Price	Sale Type	Buyer	Seller
3/28/2025	\$13,126,000 (\$1,669,973/-AC)	Investment	California Pacific Homes	Lab Holding LLC



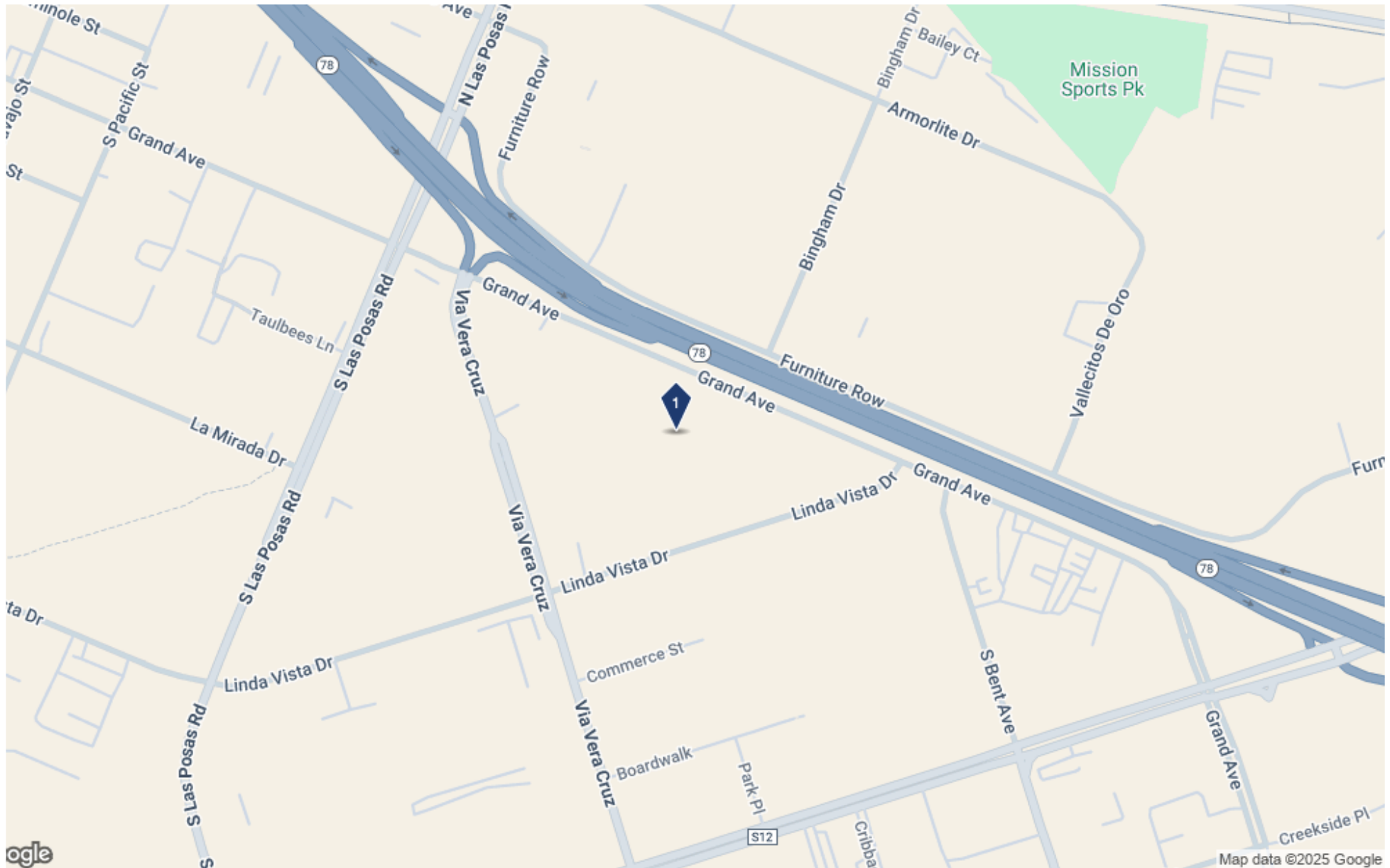


1023 Grand Avenue

San Marcos, CA 92078 (San Diego County) - San Marcos Submarket



Land





1023 Grand Avenue

San Marcos, CA 92078 (San Diego County) - San Marcos Submarket



Land

Transportation

Traffic Volume	8,636 on S Bent Ave (2025); 3,180 on Via Vera Cruz (2025); 9,623 on Linda Vista Dr (2025); 145,867 on W San Marcos Blvd (2025); 7,895 on N Las Posas Rd (2025); 8,108 on N Las Posas Rd (2025); 24,413 on S Las Posas Rd (2025); 4,361 on Vallecitos de Oro (2025); 14,342 on la Mirada Dr (2025); 4,361 on Ryan Dr (2025)		
Transit/Subway	Palomar College		19 min walk
Commuter Rail	Carlsbad Poinsettia		18 min drive
Airport	San Diego International		47 min drive
Walk Score ®	Somewhat Walkable (54)		





1100 W San Marcos Blvd

San Marcos, CA 92078 (San Diego County) - San Marcos Submarket



Retail

Sale Summary

Sold	2/18/2025
Sale Price	\$6,500,000 (\$464.29/SF)
GLA	14,000 SF
Price Status	Full Value
Built	1973
Land Area	2.72 AC/118,483 SF
Sale Comp Status	Research Complete
Sale Comp ID	7069189
Parcel Numbers	219-200-47



Transaction Details

Sale Date	2/18/2025	Recording Date	2/18/2025
Sale Price	\$6,500,000 (\$464.29/SF)	Zoning	C
Land Price	\$2,389,710/AC (\$54.86/SF)	% Improved	3.48%
Sale Type	Investment	Document Number	0039980
Hold Period	41 Months		
Parcel Number	219-200-47		

Property Details

Tenancy	Single	Building FAR	0.12
Docks	None		
Parking Spaces	36 Surface Spaces; Ratio of 2.57/1,000 SF		
Frontage	200' on West San Marcos Boulevard		

Contacts

Type	Name	Location	Phone
Recorded Buyer	Sb-hs Lot Option Pool 01 Lp	-	-
True Buyer	Hearthstone, Inc.	Calabasas, CA 91302	(818) 385-0005
Recorded Seller	San Marcos Development Group Llc	-	-
True Seller	Majid Mortazavi	Cardiff By The Sea, CA 92007	(858) 342-1711

Transaction Notes

A private individual sold this 14,000 square foot retail building to Hearthstone Inc. for \$6,500,000 or \$464.29 per square foot.

The information in this comparable has been sourced from public record.





1100 W San Marcos Blvd

San Marcos, CA 92078 (San Diego County) - San Marcos Submarket



Retail

Amenities

- Storage Space

Previous Sale

Sale Date	9/2/2021	Comp ID	5673378
Sale Price	\$4,600,000 (\$328.57/SF)	Comp Status	Research Complete
Sale Type	Investment	Sale Conditions	Redevelopment Project

Sale History

Sale Date	Price	Sale Type	Buyer	Seller
2/18/2025	\$6,500,000 (\$464.29/SF)	Investment	Hearthstone, Inc.	Majid Mortazavi
9/2/2021	\$4,600,000 (\$328.57/SF)	Investment	Majid Mortazavi	The McDonald Group
5/13/2014	\$1,700,000 (\$121.43/SF)	Investment	The McDonald Group	Sears Roebuck & Company

Market Conditions at Sale

Vacancy Rates	Current	YOY Change	Submarket Leasing Activity	Current	YOY Change
Subject Property	0.0%	0.0%	12 Month Leased	66,159 SF	↑ 17.8%
Submarket 1-2 Star	3.6%	↓ -1.5%	Months on Market	12.6	-
Market Overall	4.2%	↓ -0.1%			

Market Asking Rent Per Area	Current	YOY Change	Submarket Sales Activity	Current	Prev Year
Subject Property	\$2.20/SF	↑ 3.0%	12 Month Sales Volume	\$12.45M	\$15.14M
Submarket 1-2 Star	\$2.48/SF	↑ 1.9%	Market Sale Price Per Area	\$322/SF	\$258/SF
Market Overall	\$2.98/SF	↑ 1.1%			



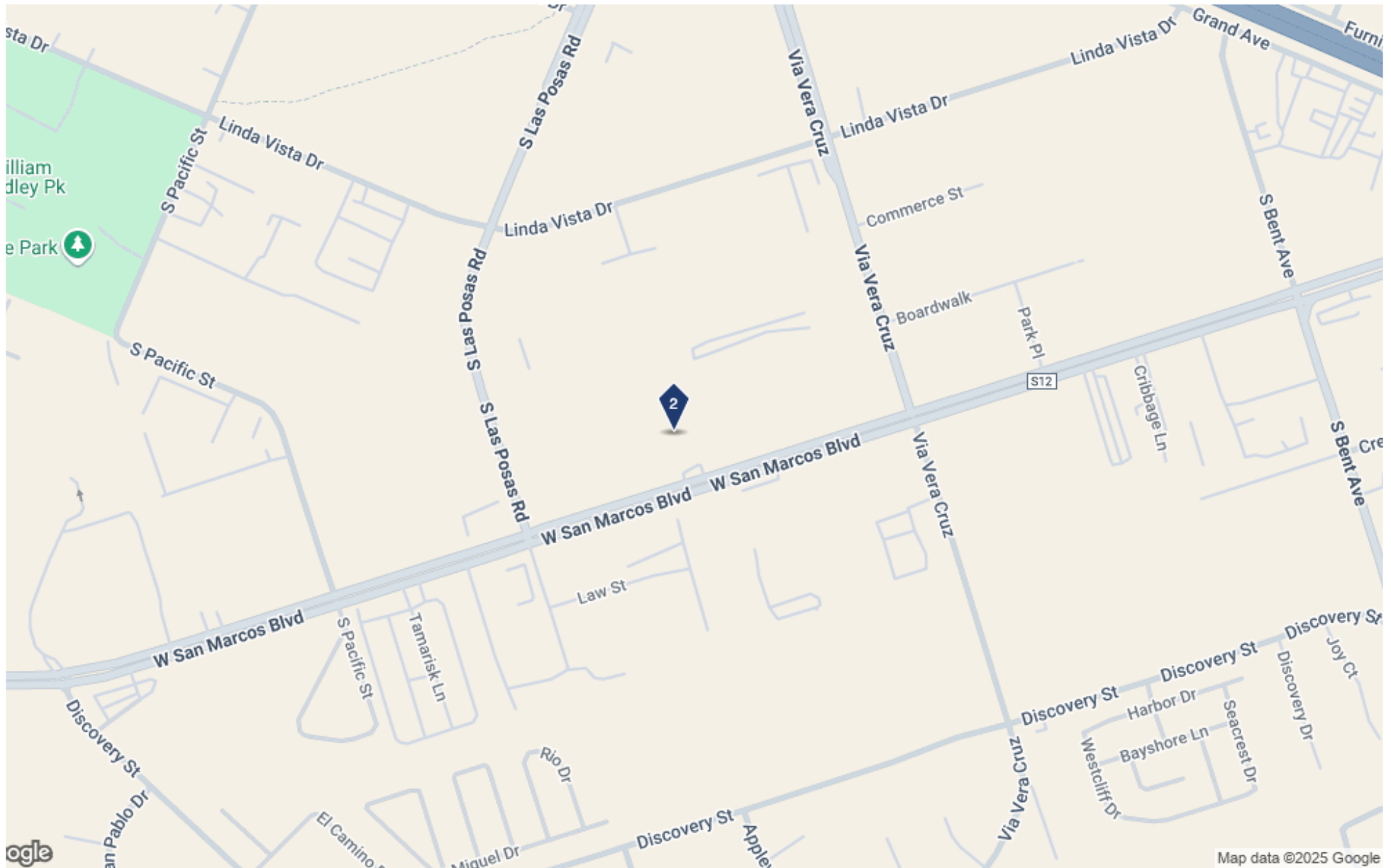


1100 W San Marcos Blvd

San Marcos, CA 92078 (San Diego County) - San Marcos Submarket



Retail





1100 W San Marcos Blvd

San Marcos, CA 92078 (San Diego County) - San Marcos Submarket



Retail

Transportation

Parking Details	36 Surface Spaces; Ratio of 2.57/1,000 SF
Traffic Volume	32,333 on S Las Posas Rd (2025); 4,361 on Ryan Dr (2025); 10,363 on Linda Vista Dr (2025); 7,393 on Discovery St (2025); 7,998 on Applewilde Dr (2025); 9,623 on Linda Vista Dr (2025); 38,281 on PkPI (2025); 35,315 on S Pacific St (2025); 8,006 on Pacific St (2025); 3,180 on Via Vera Cruz (2025)
Frontage	200' on West San Marcos Boulevard
Commuter Rail	Carlsbad Poinsettia  16 min drive
Airport	San Diego International 48 min drive
Walk Score ®	Somewhat Walkable (59)

Nearby Sale Comparables

Property Name Address	Type	Built/ Renovated	Size (% Leased)	Sale Date	Price	Cap Rate
4606 Mission Bay Dr	Retail ★★★★☆	1971/2018	10,000 SF (100%)	10/10/2023	\$5,250,000 (\$525.00/SF)	-
Sante Fe Center 1031 S Santa Fe Ave	Retail ★★★★☆	1991	18,886 SF (100%)	11/9/2023	\$4,387,500 (\$232.31/SF)	5.00% Actual
351 E Pennsylvania Ave	Retail ★★★★☆	1964	10,000 SF (100%)	1/22/2024	\$2,250,000 (\$225.00/SF)	-
6024 Paseo Delicias	Retail ★★★★☆	1926	9,475 SF (90.0%)	4/19/2024	\$11,247,000 (\$1,187.02/SF)	-
Old California Restaurant Row 1020 W San Marcos Blvd	Retail ★★★★☆	-	12,000 SF (100%)	4/12/2024	\$3,000,000 (\$250.00/SF)	-
415 N Ash St	Retail ★★★★☆	2005	14,000 SF	8/15/2024	\$4,000,000 (\$285.71/SF)	-
7865 Balboa Ave	Retail ★★★★☆	1977	7,000 SF (100%)	9/13/2024	\$3,745,000 (\$535.00/SF)	-
375 La Costa Ave	Retail ★★★★☆	-	13,119 SF	9/25/2024	\$2,800,000 (\$213.43/SF)	-
Tip Top Meat 6118 Paseo Del Norte	Retail ★★★★☆	1980	10,500 SF (28.0%)	12/31/2024	\$4,600,000 (\$438.10/SF)	-
Gerber 535 N Quince St	Retail ★★★★☆	1980	10,980 SF	1/17/2025	\$2,953,000 (\$268.94/SF)	-
1916 S Coast Hwy	Retail ★★★★☆	1990	8,844 SF	1/15/2025	\$3,060,000 (\$346.00/SF)	-
South Coast Center 1118-1126 S Coast Hwy	Retail ★★★★☆	1956	10,145 SF (100%)	3/24/2025	\$3,200,000 (\$315.43/SF)	-
305-321 N Ash St	Retail ★★★★☆	1968	7,392 SF	4/4/2025	\$1,600,000 (\$216.45/SF)	3.91% Actual
237 E Valley Pky	Retail ★★★★☆	1982	7,000 SF	2/11/2025	\$1,800,000 (\$257.14/SF)	-
360 Via Vera Cruz	Retail ★★★★☆	-	7,121 SF	6/23/2025	\$3,500,000 (\$491.50/SF)	-
2954 San Luis Rey Rd	Retail ★★★★☆	1988	7,373 SF	7/1/2025	\$2,183,500 (\$296.15/SF)	-



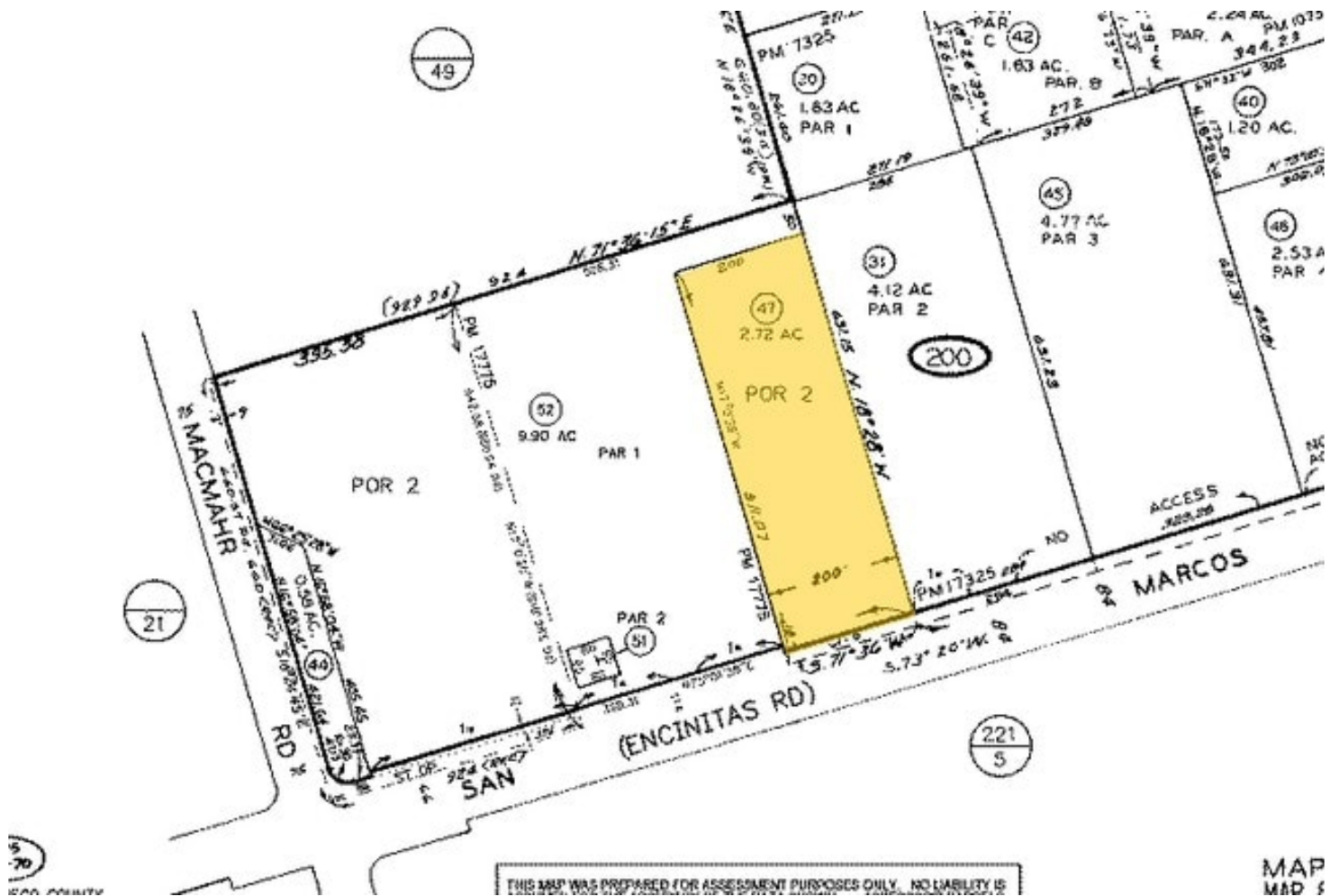


1100 W San Marcos Blvd

San Marcos, CA 92078 (San Diego County) - San Marcos Submarket



Retail





Sale Summary

Sold	2/10/2025
Sale Price	\$3,600,000
Land Area AC	11.69
Land Area SF	509,216
Price/AC Land	\$307,956
Price/SF Land	\$7.07
Price Status	Confirmed
Sale Comp Status	Research Complete
Sale Comp ID	7052891
Parcel Numbers	220-341-02



Transaction Details

Sale Date	2/10/2025	Time On Market	7 Months 16 Days
Sale Price	\$3,600,000	Recording Date	2/10/2025
Land Price	\$307,956/AC (\$7.07/SF)	Zoning	SFDR
Sale Type	Investment	Document Number	0034441
Parcel Number	220-341-02		

Property Details

Topography	Sloping	Density Allowed	2-4du/acre
On-Sites	Raw land	Zoning	SFDR
Proposed Use	Apartment Units, Mixed Use, Single Family Development		
Off-Sites	No Cable, No Curb/Gutter/Sidewalk, Electricity, Gas, No Irrigation, Sewer, No Streets, No Telephone, Water		
Zoning Description	Heart of the City Specific Plan		

Contacts

Type	Name	Location	Phone
Recorded Buyer	Sea Breeze Properties LLC	San Diego, CA 92130	-
True Buyer	Sea Breeze Properties	San Diego, CA 92130	(858) 205-1199
Recorded Seller	Corp Of The Presiding Bishop of the Church Jesus	Salt Lake City, UT 84150	(801) 240-8619
True Seller	The Church of Jesus Christ of Latter-Day Saints	Salt Lake City, UT 84150	(801) 240-1000
Listing Broker	Lee & Associates	Carlsbad, CA 92008	(760) 929-9700

Transaction Notes

This 11.69 acre plot of land traded between The Church of Jesus Christ of Latter Day Saints and Sea Breeze Properties for \$3,600,000 or approximately \$306,000 per acre. The listing was added to market June 25, 2024 with an initial asking price of \$3,100,000 and was on market for 230 days. The land is currently ungraded and will be used for development. The specifics are currently unknown.

The information in this comparable has been verified via the listing brokers.





00 La Moree Rd

San Marcos, CA 92078 (San Diego County) - San Marcos Submarket



Land

Sale History

Sale Date	Price	Sale Type	Buyer	Seller
2/10/2025	\$3,600,000 (\$307,956/AC)	Investment	Sea Breeze Properties	The Church of Jesus Christ of Latter-Day Saints



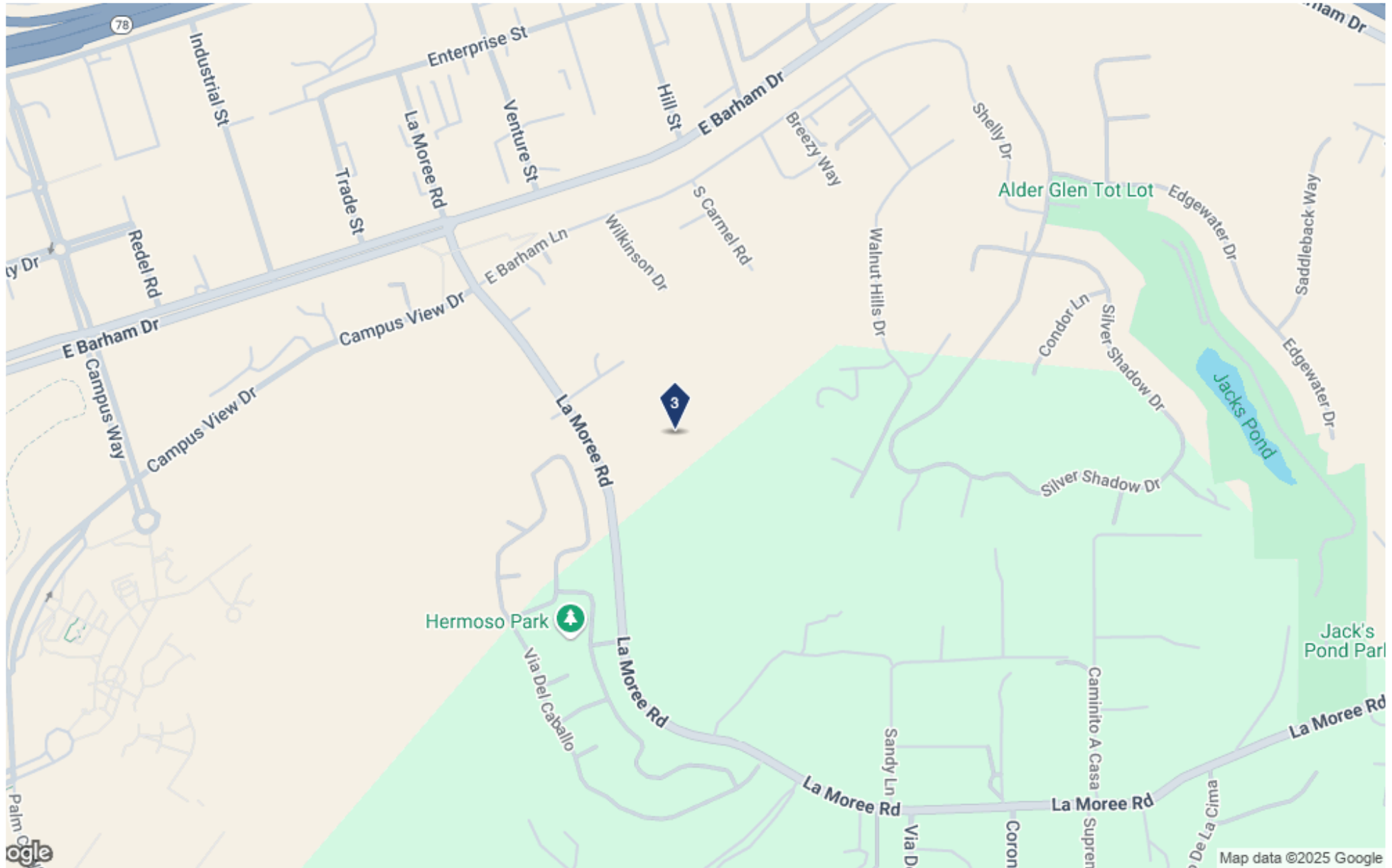


00 La Moree Rd

San Marcos, CA 92078 (San Diego County) - San Marcos Submarket



Land





00 La Moree Rd

San Marcos, CA 92078 (San Diego County) - San Marcos Submarket



Land

Transportation

Traffic Volume	2,673 on Calli del Verano (2025); 12,795 on Walnut Hills Dr (2025); 14,156 on Redel Rd (2025); 173,597 on N Twin Oaks Valley Rd (2025); 5,725 on Woodland Pkwy (2025); 7,191 on Mata Way (2025); 14,732 on Woodland Pkwy (2025); 909 on Via del Campo (2025); 2,015 on Cam de la Cima (2025); 6,391 on Woodland Pkwy (2025)		
Transit/Subway	Cal State San Marcos		6 min walk
Airport	San Diego International		45 min drive
Walk Score ®	Car-Dependent (35)		

Nearby Sale Comparables

Property Name Address	Type	Built/ Renovated	Size (% Leased)	Sale Date	Price	Cap Rate
Twain Ct	Land ★★★★☆☆	-	21.82 AC	9/29/2023	\$12,000,000 (\$550,002.89/-AC)	-
Oceanside Blvd & Melrose Dr	Land ★★★★☆☆	-	9.15 AC	12/15/2023	\$13,000,000 (\$1,420,765.03/-AC)	-
Valley Center Valley Center Rd	Land ★★★★☆☆	-	13.98 AC (0%)	7/15/2024	\$5,500,000 (\$393,402.89/-AC)	-
North Village Shopping Center Valley Center Rd	Land ★★★★☆☆	-	13.51 AC	7/15/2024	\$5,500,000 (\$407,105.57/-AC)	-
Highway 67	Land ★★★★☆☆	-	8.00 AC	1/29/2025	\$10,600,000 (\$1,325,000.00/-AC)	-
Bella Vista Drive 10.1 Acres 000 Bella Vista	Land ★★★★☆☆	-	10.10 AC	3/19/2025	\$11,963,000 (\$1,184,455.45/-AC)	-





801 S Twin Oaks Valley Rd

San Marcos, CA 92078 (San Diego County) - San Marcos Submarket



Land

Sale Summary

Escrow	886 Days on Market
Asking Price	\$5,950,000
Number of Lots	1
Lot Size	159.90 AC
Price/AC Land	\$37,211
Price/SF Land	\$0.85
Land Area AC	159.90
Land Area SF	6,965,244
Parcel Numbers	222-121-05 +7



Transaction Details

Sale Type	Investment	Zoning	CA-6
Parcel Number	222-190-09, 222-190-11, 222-190-10, 222-180-41, 222-121-27 +3		

Property Details

Topography	Sloping	Current Use	Vacant
On-Sites	Raw land	Zoning	CA-6
Off-Sites	No Cable, No Curb/Gutter/Sidewalk, Electricity, Gas, No Irrigation, Sewer, No Streets, No Telephone, Water		

Transaction Notes

801 S Twin Oaks Valley Rd, also known as the "White-Attebury Specific Plan" is the largest contiguous residential specific plan in the City of San Marcos. The Specific Plan allows 68 dwelling units. The S Twin Oaks Valley property offers builders and developers the opportunity to capture the demand for upscale housing in the City of San Marcos. The subject property is located just South of the high-end Rancho Tesoro and Village O residential communities. The elevation of the property allows for panoramic ocean, mountain, and city views. The newly constructed North City project by Sea Breeze Communities at CSU San Marcos hosts multiple new dining and entertainment options.



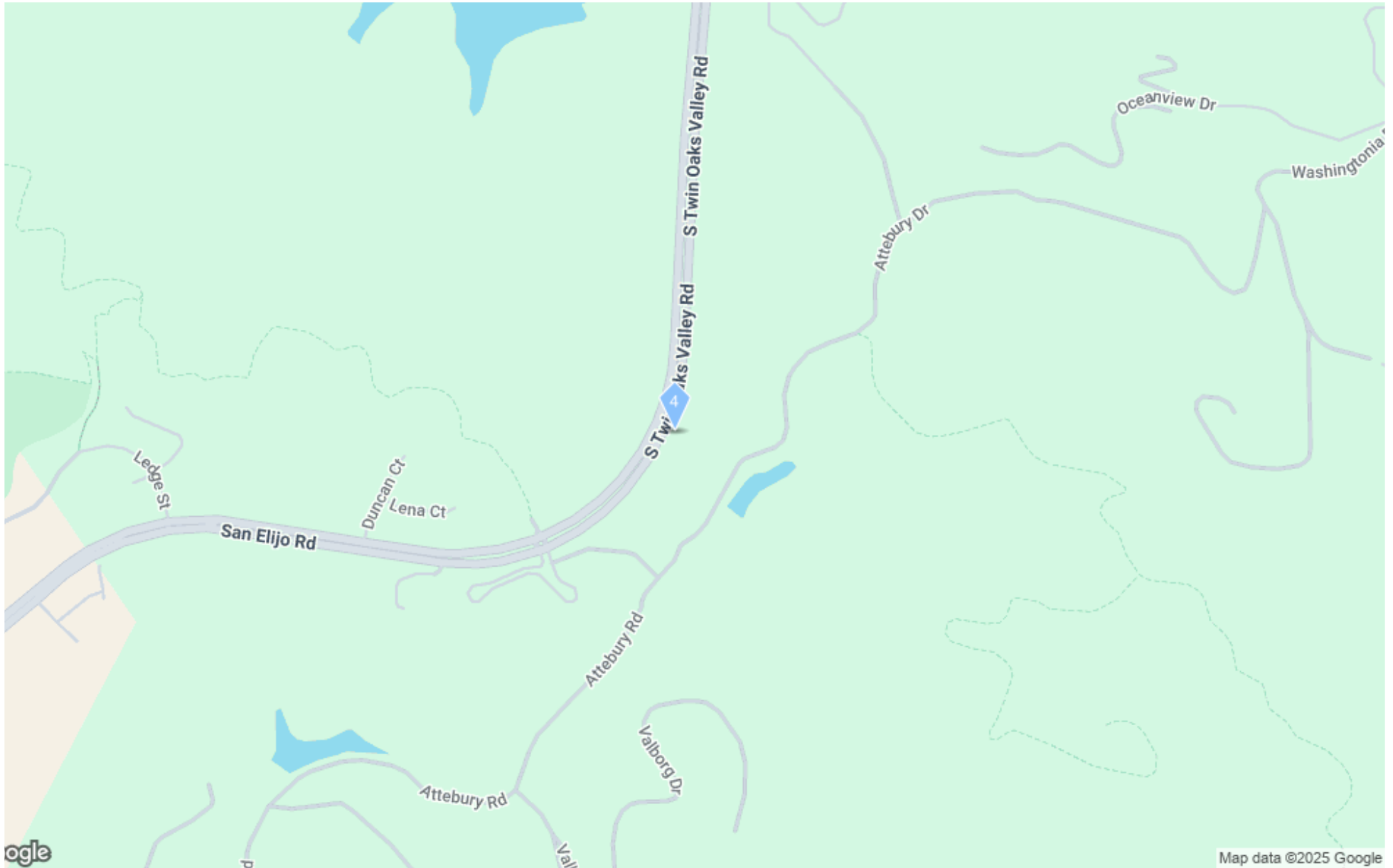


801 S Twin Oaks Valley Rd

San Marcos, CA 92078 (San Diego County) - San Marcos Submarket



Land





801 S Twin Oaks Valley Rd

San Marcos, CA 92078 (San Diego County) - San Marcos Submarket



Land

Transportation

Traffic Volume	15,197 on Double Peak Dr (2025); 16,527 on Village Dr (2025); 20,487 on Campus Vw (2025); 4,679 on Little Creek Rd (2025); 15,301 on Eclipse Dr (2025); 1,344 on Windriver St (2025); 15,402 on Echo Ln (2025); 5,435 on Reflection (2025); 24,124 on Discovery St (2025)	
Airport	San Diego International	47 min drive
Walk Score ®	Car-Dependent (5)	





Sale Summary

Under Contract	1,147 Days on Market
Asking Price	\$4,750,000
Number of Lots	1
Lot Size	5.60 AC
Price/AC Land	\$848,214
Price/SF Land	\$19.47
Land Area AC	5.60
Land Area SF	243,936



Transaction Details

Sale Type	Investment or Owner User	Zoning	MU-1
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Property Details

Topography	Level	Dimensions	Irregular
On-Sites	Raw land	Zoning	MU-1
Current Use	Vacant Land		
Proposed Use	Apartment Units, Apartment Units - Condo, Hold for Development, Hold for Investment, Mixed Use, MultiFamily, Storefrnt Retail/Residntl, Storefront		
Improvements	Vacant Land		
Off-Sites	Cable, No Curb/Gutter/Sidewalk, Electricity, Gas, No Irrigation, No Sewer, No Streets, No Telephone, Water		
Frontage	883' on W Mission Rd		

Contacts

Type	Name	Location	Phone
Listing Broker	Doug Ross Real Estate	San Diego, CA 92191	-

Transaction Notes

Seller may finance. Prime investment opportunity in the heart of San Marcos, CA.



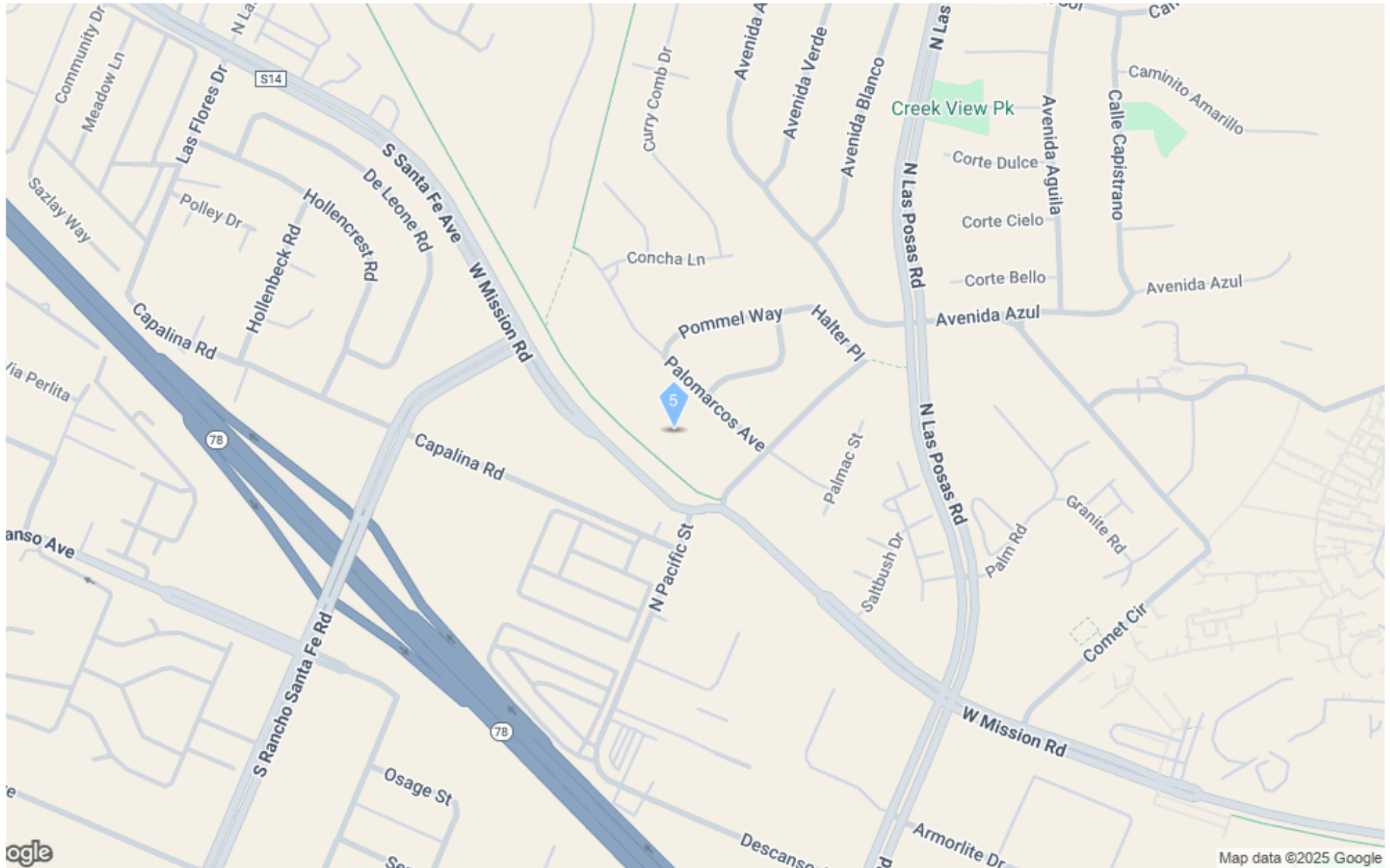


302 N Pacific St - San Marcos Mixed Use Land

San Marcos, CA 92069 (San Diego County) - San Marcos Submarket



Land





302 N Pacific St - San Marcos Mixed Use Land

San Marcos, CA 92069 (San Diego County) - San Marcos Submarket



Land

Transportation

Traffic Volume	14,449 on N Rancho Santa Fe Rd (2025); 16,176 on N Pacific St (2025); 12,133 on Capalina Rd (2025); 20,087 on Capalina Rd (2025); 22,032 on Palm Rd (2025); 8,662 on N Rancho Santa Fe Rd (2025); 142,869 on N Rancho Santa Fe Rd (2020); 9,162 on N Rancho Santa Fe Rd (2025); 9,205 on S Rancho Santa Fe Rd (2025)		
Transit/Subway	Palomar College		20 min walk
Airport	San Diego International		48 min drive
Walk Score ®	Very Walkable (70)		

Nearby Sale Comparables

Property Name Address	Type	Built/ Renovated	Size (% Leased)	Sale Date	Price	Cap Rate
NEC Twin Oaks Valley Rd & Ri... Twin Oaks Valley Rd	Land ★★★★☆	-	3.37 AC	11/2/2023	\$5,800,000 (\$1,719,559.51/-AC)	-
Oceanside Blvd & Melrose Dr	Land ★★★★☆	-	9.15 AC	12/15/2023	\$13,000,000 (\$1,420,765.03/-AC)	-
1058 Old Taylor St	Land ★★★★☆	-	3.64 AC	8/8/2024	\$6,200,000 (\$1,703,311.74/-AC)	-
Town Center Pkwy & Mission G...	Land ★★★★☆	-	5.26 AC	1/21/2025	\$10,000,000 (\$1,901,137.37/-AC)	-
Highway 67	Land ★★★★☆	-	8.00 AC	1/29/2025	\$10,600,000 (\$1,325,000.00/-AC)	-
10650 Scripps Ranch Blvd	Land ★★★★☆	-	2.98 AC	1/24/2025	\$9,000,000 (\$3,017,874.46/-AC)	-
Bella Vista Drive 10.1 Acres 000 Bella Vista	Land ★★★★☆	-	10.10 AC	3/19/2025	\$11,963,000 (\$1,184,455.45/-AC)	-





3600 Grand Ave

San Marcos, CA 92078 (San Diego County) - San Marcos Submarket



Land

Sale Summary

Escrow	818 Days on Market
Asking Price	\$1,950,000
Number of Lots	1
Lot Size	0.99 AC
Price/AC Land	\$1,969,697
Price/SF Land	\$45.22
Land Area AC	0.99
Land Area SF	43,124



Transaction Details

Sale Type	Investment	% Improved	81.36%
Zoning	MU-1		

Property Details

Topography	Level	Dimensions	Irregular
On-Sites	Rough graded	Zoning	MU-1
Current Use	Vacant Land		
Proposed Use	Apartment Units, Commercial, Hold for Development, Hold for Investment, Mixed Use, Storefrnt Retail/Residntl		
Improvements	Vacant Land		
Frontage	238' on Grand Ave		

Transaction Notes

The property is located just west of the corner of Grand Avenue and Rancho Santa Fe Road in the City of San Marcos, County of San Diego. Positioned less than 1/4 mile south of Highway 78, this site is ideally suited for commercial development adjacent to one of San Marcos' busiest roads. With excellent ingress/egress accessibility and street visibility, this site presents developers, builders, and investors with tremendous current and future financial upside.



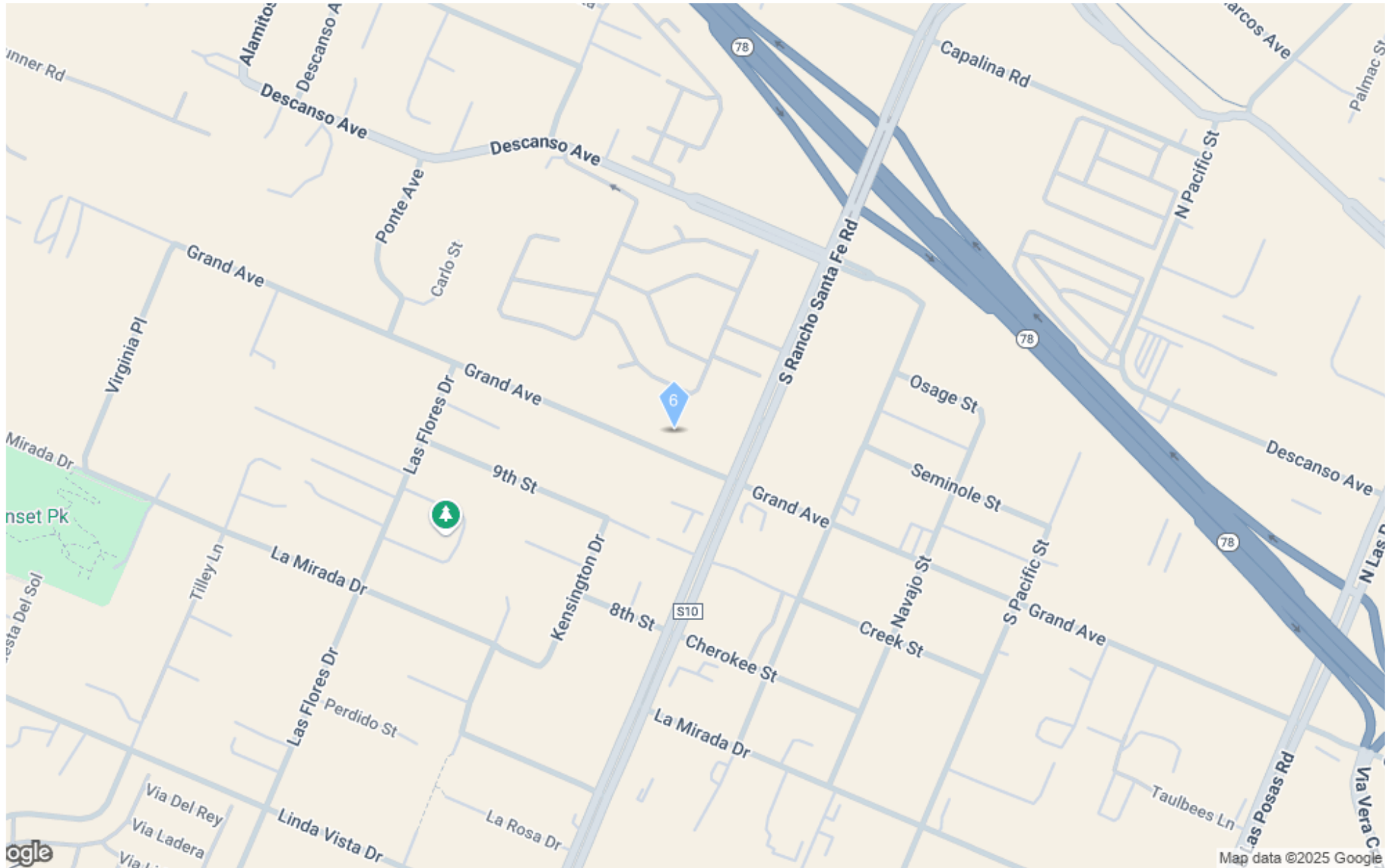


3600 Grand Ave

San Marcos, CA 92078 (San Diego County) - San Marcos Submarket



Land



**3600 Grand Ave**

San Marcos, CA 92078 (San Diego County) - San Marcos Submarket



Land

Transportation

Traffic Volume	3,032 on Kensington Dr (2025); 29,829 on Descanso Ave (2025); 28,032 on 8th St (2025); 8,765 on Pawnee St (2025); 6,913 on Las Flores Dr (2025); 2,085 on S Rancho Santa Fe Rd (2025); 29,371 on Descanso Ave (2025); 9,205 on S Rancho Santa Fe Rd (2025); 10,001 on S Rancho Santa Fe Rd (2025)		
Commuter Rail	Carlsbad Poinsettia		16 min drive
Airport	San Diego International		47 min drive
Walk Score ®	Very Walkable (77)		

Nearby Sale Comparables

Property Name Address	Type	Built/ Renovated	Size (% Leased)	Sale Date	Price	Cap Rate
W Citracado Pky & Miller - Lot A W Citracado Pky	Land ★ ★ ☆ ☆ ☆	-	0.78 AC	7/27/2023	\$797,500 (\$1,022,429.88/-AC)	-
Vista Business Park 2232 La Mirada Dr	Land ★ ★ ☆ ☆ ☆	-	0.61 AC	9/5/2023	\$1,125,000 (\$1,844,234.53/-AC)	-
Resort View Apartments Viejo Castillo Way	Land ★ ★ ☆ ☆ ☆	-	0.87 AC	1/31/2024	\$3,565,000 (\$4,085,755.63/-AC)	-
M54 Zoned Parcel & Business... 1339 Walnut St	Land ★ ★ ☆ ☆ ☆	-	0.53 AC	4/29/2024	\$782,500 (\$1,476,402.30/-AC)	-
N Las Posas Rd	Land ★ ★ ★ ☆ ☆	-	1.95 AC	12/12/2024	\$3,700,000 (\$1,897,435.90/-AC)	-
2608 S Escondido Blvd	Land ★ ★ ☆ ☆ ☆	-	1.78 AC	12/20/2024	\$7,650,000 (\$4,297,741.72/-AC)	-
Highly Visible Commercial Land Business Park Dr	Land ★ ★ ☆ ☆ ☆	-	1.00 AC	6/3/2025	\$2,076,500 (\$2,076,500.00/-AC)	-
10180-10190 Riverford Rd	Land ★ ★ ☆ ☆ ☆	-	1.49 AC	5/30/2025	\$2,300,000 (\$1,541,828.25/-AC)	-
Retail / Hospitality Developme... 1 Bedford Ct	Land ★ ★ ☆ ☆ ☆	-	1.88 AC	6/10/2025	\$4,400,000 (\$2,340,419.82/-AC)	-



ATTACHMENT 5: IMPROVEMENT COST CALCULATIONS

The City provides the costs for various types of construction in its approved [Unit Price List](#). As with the calculations for the impact of the Development on City facilities, these calculations likewise neglect grading, demolition, curb and gutter, retaining structures, utility relocations, landscaping, driveways, and other incidental work; clearing and grubbing is included in pavement costs. Land values are calculated separately, as given in **Attachment 4**.

Woodward Street Frontage

A 16' dedication is required to accommodate ultimate public improvements. The frontage to Woodward Street measures approximately 550 feet long.

[Table 4: Woodward Street Frontage Improvements](#)

Item	Quantity	Unit Price	Total Price
Sidewalk 5' Wide	2,750 square feet	\$7.60/sf	\$20,900
Concrete pavement, 12' wide	6,600 square feet	\$7.60/sf	\$50,160
Curb and Gutter	550 linear feet	\$30.00/lf	\$16,500
Total:			\$87,560

Mission Road Frontage

A 14' dedication is needed to accommodate ultimate public improvements. The frontage to Mission Road measures approximately 435 feet long. A curb popout is required; 70 linear feet are removed from the frontage curb and gutter length to avoid double-counting.

[Table 5: Mission Road Frontage Improvements](#)

Item	Quantity	Unit Price	Total Price
Sidewalk 5' Wide	2,175 square feet	\$7.60/sf	\$16,530
Concrete pavement, 6' wide	2,610 square feet	\$7.60/sf	\$19,836
Curb and Gutter	365 linear feet	\$30.00/lf	\$10,950
Curb and Gutter Pop-out	120 linear feet	\$30.00/lf	\$3,600
Total:			\$50,916

ATTACHMENT 6: IMPACT OF THE DEVELOPMENT ON CITY INFRASTRUCTURE

When new residents of the Development travel throughout the community, they will impose an incremental burden on the entire citywide transportation system of roadways, pedestrian walkways, and bicycle facilities extending well beyond the project's immediate frontage. Therefore, the citywide impacts of the Development are considered in this analysis.

Pedestrian Infrastructure

Based on a reasonable and individualized assessment of the specific resident population and the destinations to which that population may wish to travel, The City found the most likely pedestrian destinations from the Development as the Civic Center Sprinter Station, San Marcos Public Library, and the San Marcos Senior Activity Center. The Development has a main entrance located at the corner of Woodward and Mission. Estimated door-to-door distances are measured from this corner and traveling within the public right-of-way to the key pedestrian locations are summarized in Table 3 below.

The City constructs, at minimum, a five-foot-wide pedestrian facility. The City provides the costs for various types of construction in its approved [Unit Price List](#). Neglecting grading, demolition, retaining structures, utility relocations, landscaping, driveways, and other incidental work, and including only the cost of clearing the area and the sidewalk pavement itself, the sidewalk would cost \$7.60 per square foot.

Table 6: Estimated Cost of Pedestrian Facilities Required of City

Destination	Travel Distance (Feet)	5' Wide Sidewalk Area (Square Feet)	Sidewalk Segment Cost at \$7.60/ sf
Sprinter Station	480'	2,400	\$18,240
Library	850'	4,250	\$32,300
Senior Activity Center	2,065'	10,325	\$78,470
Total	3,395	16,975	\$129,010

In total 3,395 linear feet of pedestrian pathway, valued at a minimum of \$129,010, are needed to support the proposed development.

Roadway Infrastructure

[SANDAG](#) current (2016) data indicates that the project location, Census Tract 200.22, will generate 19.3 vehicle miles traveled per capita. The Development population estimate is 230 residents, neglecting employees. The employees would add additional trips not calculated here. Therefore, Lanikai proposes an impact of 1,162,235 annual vehicle miles traveled (VMT) to City infrastructure.

Based upon the traffic study, the Development would generate 167,900 Estimated Annual Trips (EAT). Dividing the 1,162,235 annual vehicle miles traveled by the annual trips indicates that each trip will be an average of 9.65 miles long.

The City provides the costs for various types of construction in its approved [Unit Price List](#). A travel lane is typically 11 to 13 feet wide. Our calculations assume an average 12-foot lane width. Neglecting grading, demolition, curb and gutter, retaining structures, utility relocations, landscaping, driveways, and other incidental work, and including only the cost of clearing the area and placing 6 inches of aggregate base and 4 inches of asphalt concrete, the cost to the City of providing the necessary facility would be \$4.80 per square foot.

The square footage of roadway needed to accommodate the Development's VMT is:

$(9.65 \text{ lane miles}) \times (5280 \text{ feet/ mile}) \times (12\text{-foot lane width}) = 611,424 \text{ square feet}$

The cost of providing the needed roadway facility is:

$(611,424 \text{ square feet}) \times \$4.80 \text{ per square foot} = \mathbf{\$2,934,835}$

The cost of providing the 9.65 lane miles of roadway infrastructure to support the development is \$2,934,835.

Bicycle Infrastructure

The Development will generate bicycle trips; the Development will provide one bike parking area per five residential units proposed, resulting in storage for a minimum of 23 bicycles.

Based on a reasonable and individualized assessment of the specific resident population and the destinations to which that population may wish to travel, bicycle trips generated by the Development are most likely to be to/from the active transportation destinations described in the Pedestrian Infrastructure section above. These trips result in the need for 3,395 linear feet of bicycle infrastructure.

A bicycle facility can be constructed of either asphalt or concrete, depending upon location. This analysis assumes asphalt, which results in a lower cost of the burden placed by the Development on the City. A minimum of an eight-foot width is needed for a bicycle facility.

Neglecting grading, demolition, retaining structures, utility relocations, landscaping, driveways, and other incidental work, and including only the cost of clearing the area and placing 6 inches of aggregate base and 4 inches of asphalt concrete, the cost to the City of providing the necessary facility would be \$4.80 per square foot.

The square footage of roadway needed to accommodate the Development's bicycle miles traveled is:

$$(3,395 \text{ linear feet}) \times (8\text{-foot width}) = 27,160 \text{ square feet}$$

The cost of providing the needed roadway facility is:

$$(27,160 \text{ square feet}) \times \$4.80 \text{ per square foot} = \textbf{\$130,368}$$

ATTACHMENT 7: CITY FEE STUDY, ACTIVE TRANSPORTATION PLAN, AND CONFLICT WITH GENERAL PLAN

2024 Development Impact Fee Study and Nexus Study

In evaluating Lanikai's position, City staff and consultants have also evaluated the Public Facilities Fees proposed to be assessed to the Development.

General Plan Policy LU-7.2 states: "Update and revise existing fee programs as needed, to ensure adequate funding for infrastructure improvements and community facilities are available to serve new development. Amend appropriate codes to require new projects to pay for the infrastructure and services." [emphasis added]. The primary policy objective of the City's Public Facilities Fee (PFF) program is to ensure that new development pays the capital costs associated with growth.

Accordingly, the 2024 Development Impact Fee Nexus Study⁴ (Nexus Study) (incorporated here by reference) analyzed infrastructure demands in San Marcos to support growth through the year 2040 and the development impact fees needed to support that development. City Council adopted the study and fees in the fall of 2024. The City Council's action ensures that the costs representing future development's share of necessary public facilities and capital improvements are imposed on that development in the form of a development impact fee or Public Facilities Fee (PFF). The fees studied in the Nexus Study and approved by City Council represent the proportional funding required by developers for the public facilities that are required to be constructed when a property is developed. (Nexus Study p. 51.) The Nexus Study assumes that right-of-way (ROW) will be dedicated by future development as a condition of development and therefore does not consider the costs of ROW acquisition, only the costs of improvement construction.

The Nexus Study analyzes the impact fees contemplated by the City and finds a nexus with a legitimate City purpose and that the fees are reasonably related to the impact of the future development on those public improvements. In the nexus study, the five statutory findings are made: specifically, 1) the purpose of the fee, 2) use of fee revenues, 3) benefit relationship, 4) burden relationship, and 5) proportionality. In the most recent *Sheetz* case, the Court found that the "*Nollan/Dolan* test is similar to the reasonable relationship standard employed in California to assess the validity of land-use exactions (e.g., impact fees) in the context of individualized (i.e., project specific) conditions imposed on an ad hoc basis through administrative action." (*Sheetz v. County of El Dorado*, 2025 WL 2116363, *17.)

⁴ <https://www.san-marcos.net/departments/development-services/planning/applications-forms-fees/fee-adjustment>

Accordingly, California’s Mitigation Fee Act (Government Code Section 66000 et seq.) has effectively incorporated the *Nollan/Dolan* test and as the City’s PFF was adopted pursuant the Mitigation Fee Act, the City’s PFF thus complies with the nexus and rough proportionality tests required by *Nollan/Dolan* and *Sheetz*.

Active Transportation Plan

In its July 24, 2025 letter to the City, Lanikai states that, “*Lanikai will not be amending its site plan or any other element of its application to include a bike lane that requires it to dedicate to the City, without compensation, frontage property for such purpose.*”

However, the bicycle facility is not only appropriate in nexus and in rough proportionality to the Development; it is also required by the General Plan, as discussed below.

Developments must demonstrate consistency with the General Plan prior to approval: “Local government land use approvals-whether for public or private projects-require general plan consistency.” (*Corona-Norco Unified School District v. City of Corona* (1993) 17 Cal.App.4th 985.) Government Code section 65302 requires cities to adopt a general plan containing specified mandatory elements.

In 2024, City Council adopted the Active Transportation Plan (ATP) as part of its General Plan Mobility Element. The City’s adoption of the ATP aligns with the Active Transportation Program created by:

- Senate Bills 99 and 101 (2013 Active Transportation Program)
- Assembly Bill 1358 (California Complete Streets Act, 2008)

These state laws require the City to modify circulation plans to increase biking and walking trips while increasing safety and mobility of non-motorized users and creating a balanced, multimodal transportation network that meets the needs of all users of streets, roads, and highways for safe and convenient travel. As a result of the adoption of the ATP, Developers have a role in implementing these infrastructure elements, which is well supported by the Development Impact Fee Nexus Study. This shows the essential nexus between the legitimate state interest of increasing safety and mobility of non-motorized users and requiring bike lanes to be installed on Mission Road.

The ATP requirements for bicycle facilities on Mission Rd were specifically contemplated in the Nexus Study. The Planned Bike Facilities in the ATP for the City are listed in Table 3.5 on page 17 of the Nexus Study. The Nexus Study analyzed the nexus and rough proportionality

of these specific ATP land use exactions using the reasonable relationship test that was upheld in the most recent *Sheetz* case.

The ATP has ranked Mission Road as the number one Interim Bike Prioritization Roadway, signifying the importance of these improvements being implemented in the City. Mission Road and Woodward Street facilities are included in the General Plan and ATP. The ATP clearly states that Developers will be required to incorporate the ultimate bicycle network recommendations when considering setbacks, frontage improvements, and design, and may be required to construct the ultimate facilities based upon roadway characteristics, adjacent facilities, and the ability to design and construct appropriate transitions into the ultimate improvements.

The Development Impact Fee nexus study already supports the need for these facilities citywide. Without the construction of these facilities in the future, the City's ability to ensure compliance with the goals of the General Plan and the greenhouse gas reduction goals contained in the City's Climate Action Plan will be greatly impacted. Further, the Climate Action Plan requires the construction of the bicycle facilities identified in the Active Transportation Plan in order to achieve the required greenhouse gas reductions targets therein.

Conflict with the City's General Plan

If the improvements associated with the ATP are not installed, the City cannot make the finding that the Development is consistent with the General Plan and approve the Development. A project is consistent with a general plan if “it will further the objectives and policies of the general plan and not obstruct their attainment.” (*Corona-Norco Unified School Dist.* at 994.)

Accordingly, if the Development builds according to its existing site plan and does not provide the right-of-way dedication as required, the City will be obstructed from implementation of ATP improvements, which will prevent the City from meeting the City's and State's goals for active transportation, complete streets, and greenhouse gas reductions.

Lanikai's development proposal would place site improvements and portions of the building within land that the City requires as right-of-way for legitimate state interests. In addition, Lanikai proposes to change the land use from Commercial to Senior Residential, which will result in a demand for a greater number and proportion of multi-modal trips than the existing Commercial land use. At the same time as it increases pedestrian and bicycle demand, the Development would prevent the City from being able to construct these bicycle and pedestrian facilities for a period of approximately 50 years, the life of the building, by

constructing the building within the same area needed for active transportation improvements. Without appropriate facilities available, trips that could be made by walking or bicycling must instead be made only by vehicle. This forced mode shift would increase vehicle miles traveled (VMT) within the City and the region and reduce the City's ability to meet greenhouse gas reductions targets adopted in the Climate Action Plan. These effects would increase the Development's burden on the City's transportation network far more than what has been analyzed from a financial perspective in this memorandum.