

**ROCKAWAY BEACH, LTD.
400 Old County Road
Pacifica, CA 94044**

October 2, 2006

Mayor Sue Digre
Mayor Pro Tem Peter DeJarnatt
Councilmember Cal Hinton
Councilmember James M Vreeland, Jr.
Councilmember Julie Lancelle
City of Pacifica, City Hall
170 Santa Maria Avenue
Pacifica, California 94044

Re: Measure L – Dedications and Pledges for Public Benefits
for the City of Pacifica

Dear Councilmembers:

During meetings with Pacifica citizens concerning the future of the Rockaway Quarry site since Measure L qualified for the ballot, some have raised questions about promises we have made to donate land for public purposes and to address traffic and environmental concerns. By this letter, we would like to respond and look forward.

The process we have begun together consists of three distinct steps: first the charrette provided a foundation for this vision, next Measure L takes the first legal step toward its fulfillment, and, lastly, the development approval process will provide the particulars in a binding development agreement. Although it would put the cart before the horse to attempt to engage in that third step until the voters have spoken, this letter is intended to serve as a further guideline to be used during the planning and negotiation process by the Pacifica Planning Commission, City Council, and other regulatory agencies to ensure that the development proposal we submit conforms to the voters' wishes. To the fullest extent permitted by law, this letter is intended to be a legally binding declaration on behalf of the property owner, Rockaway Beach Ltd., and an agreement with the City of Pacifica.

The Charrette

The charrette provided a foundation for a promising future. The proposed project is a mixed-use development in the spirit of what is called "New Urbanism," as described by Andres Duany in the charrette conducted in Pacifica during the week of May 15, 2006. The Quarry is intended to be the town center of Pacifica, a hub of commercial, civic and recreational activity accessible to all and of benefit to all. It will be pedestrian

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and transit-oriented, with automobile presence minimized as much as possible. It will be connected to the surrounding open space through hiking and biking trails.

Measure L

Measure L provides a legal framework for the vision proposed during the charrette. Measure L authorizes you, the City Council, to approve an application to build various types of residences in a mixed-use development on the Quarry if, *and only if*, the development contains all the elements set forth in Measure L. Those elements include requirements that the development preserve and protect at least 45% of the land as publicly accessible open space and that we must commit to all the other described elements of the development, including a luxury hotel, in a development agreement, pending all necessary regulatory approvals.

Measure L also provides a choice. If the voters approve Measure L we can move forward with this expansive New Urbanism vision. If the voters do not approve Measure L, we will be forced to develop under the current zoning of the Quarry site under a C-3x designation, authorized for up to 2.1 million square feet of commercial development without any residential component.

If Measure L is approved, we will initiate a planning process that will result in a detailed development agreement. Measure L does not give us a "blank check" for what will eventually be built. Rather, as detailed in the study on Measure L by the Pacifica City Attorney, approval of Measure L would be the start of a thorough and exhaustive collaborative process of planning, review, and discussion, among our team, the Pacifica City Council, various regulatory agencies, and others. My hope is that this letter sets clear parameters for that discussion on matters upon which the City must itself agree and which are outside of what voters could approve in Measure L.

Pledges to the City and Its Citizens

If the voters approve of Measure L, then we will submit to the City a detailed development plan that will, among other things, accomplish the following:

Donate Civic Land. We will propose donating up to three parcels of land to the City of Pacifica, one intended for a city hall, another for a library, and a third for an aquatic center. Should the City accept these donations as part of the development agreement, and provided that the City approve a development plan with sufficient scale for these civic uses, the sizes will be appropriate to meet the needs of the City for a city hall, library and aquatic center, and the locations will be determined as part of the overall site plan, subject to Planning Commission and City Council review and approval. This donation would not include the construction of the buildings. However, we pledge to work with the City and approach organizations to help identify creative methods of financing these projects utilizing revenue generated by our project. We have further

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outlined our commitments to the Library Foundation and Pacifica Mother's Club in separate letters. Our donations will be contingent upon their approval.

Improve Traffic. Any development of the Rockaway Quarry that adds more traffic to the area will require mitigation. We pledge that when the project is completed the overall traffic situation, even with the additional impact of the project itself and the re-opening of Devil's Slide, will be improved, as required through mitigation, and as certified by independent traffic experts approved by the City. We commit to working with CalTrans and the City to improve existing traffic problems and have designed several solutions for doing so, including a proposed underpass. We commit to contributing financially and donating land to achieve the most economical and efficient solutions, as mutually agreed between us and the City. Traffic mitigation will have high priority and the improved traffic situation will be achieved as soon as reasonably possible, with the understanding that steps toward mitigation will have short-term traffic impacts. We are confident the project will provide an opportunity to improve the traffic situation in the City long-term.

Preserve Habitat. We pledge that, as part of the development, we will pay for the most economical and efficient, but required, mitigation to achieve a more favorable habitat for the San Francisco Garter Snake, the California Red-Legged Frog, and other species. This mitigation is anticipated to be achieved primarily by the opening up of Calera Creek, including the removal of the culverts, and the strict maintenance of the appropriate setbacks as determined and allowed by the relevant regulatory agencies.

Environmental Design. We further pledge that the project will be designed and built consistent with LEED (Leadership in Energy and Environmental Design) standards, as defined in the LEED ratings for communities in draft as of May 2006. These provide nationally-accepted benchmarks for green building and environmental and economic sustainability in the following areas: sustainable site development, water savings, energy efficiency, materials selection, and indoor environmental quality.

Fix the Wastewater Treatment Plant. One of the requests most often made to us has been to "do something" about the odors that have sometimes come from the wastewater treatment plant. The North Coast County Water District has indicated the solution would cost approximately \$750,000. We pledge that, as part of the development, in the event the City is unable to secure these funds, we will provide them and be repaid by the City from tax revenues solely generated by our project, or other appropriate sources.

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In these and in all matters, we pledge to be open to the Planning Commission and City Council and will engage in good faith discussions about how best to proceed, keeping in mind the spirit and intention of this letter. We along with you understand there may be adjustments given the actions needed by various regulators. Even so, we

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have provided you this letter at the urging of our supporters and in the hopes that it will help others understand our intentions. We intend for this letter to give clarity and assurance to the citizens of Pacifica with regard to the details of the project, and expect it to be binding on us should Measure L pass and the City and other regulatory agencies act favorably on the basic elements of our proposed development agreement.

In short, if Measure L passes, you have our firm commitment that the City will receive a plan for what the citizens have asked for: a dynamic new town center sensitive to its unique environmental setting, with an improved traffic situation and resolution of other long-standing community concerns.

Sincerely yours,



R. Donahue Peebles
Managing Member,
Rockaway Beach, Ltd.

cc: Joseph Tanner, City Manager
Pacifica Library Foundation
Pacifica Mother's Club
Voters of Pacifica