Title
Case Studies on Property Development: MANDARIN GROVE

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Case Studies on Property Development:

MANDARIN GROVE*

David E. Dowall and Michael Heimer-Smith

John Watson shifted uneasily in his chair, checking his watcn. A discussion of the revised preliminary development plan for the final phase of Mandarin Grove was scheduled by Mandarin Grove Inc. Board of Directors two hours from now. As President of the firm, he had been asked to recommend how the firm should respond to proposed development approval conditions under consideration by the County Planning Commission. He had spent the past three days detailing a response to the conditions, preparing contingency plans with his staff. He was not entirely comfortable with the options. There were three avenues open to the Mandarin Grove Inc. if the conditions were approved; it could seek additional financial support to pay for the $3.4 million off-site improvements stipulated by the County Planning Commission, it could withdraw the preliminary plan and revise it, increasing densities so the off-site improvements could be financed from the project's cashflow while still retaining the firm's required return on investment, or it could sell the property, cut its losses and move on.

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*This case study is a composite of a number of developments. Basic facts have been modified to assist in illustrating the real estate development process. Any resemblance to any actual development is coincidental.

This situation, though unpleasant, was not unusual for John. In the five years since the firm had acquired the Mandarin Grove property, he had attended scores of County Supervisor and Planning Commission meetings, and innumerable public hearings in order to assure the viability of the Mandarin Grove development. Despite concessions by Mandarin Grove Inc., the County continued imposition of these off-site improvements, challenging the financial feasibility of the project

THE MANDARIN GROVE PROPERTY

The principals of Mandarin Grove Inc. had successfully developed property throughout Arizona during the 1960s. In 1974, they set their sights on California. Continued heavy housing demand in California, coupled with increasing housing prices, created the potential for high yielding residential land development. Their initial investigations indicated the Los Angeles area would enjoy continued growth over the upcoming decade, providing a reasonably secure residential development market.

In mid-1974, the group signed an option to purchase property in Cayucos County. The 2,626 acre parcel had been a successful fruit orchard for over a half century, but as development edged closer, the owners had elected to sell the orchard. The terms of the sale had been advantageous to the corporation, permitting a relatively low initial cost for control of the property.

John glanced out his office window over the expansive valley beyond. The orchard property was spectacular. Situated in the Soledad

Valley, the grove was nestled at the foot of the Paradise Hills. Since it was located adjacent to Paradise Hill County Park, the orchard property had a perpetual backdrop of rolling foothills crowned by an uninterrupted view of the Paradise Hill area. The Mandarin Grove master plan John had originally shaped fully capitalized on these outstanding scenic qualities. Although much of the property was located on relatively steep slopes, there was adequate land in the broad valley floor and lower foothills for the 2,500 housing units originally envisioned.

John leafed through the file detailing the original investigation of the orchard property. In 1974, the orchard property was isolated; housing on the adjacent valley floor was sparse, generally situated on two acre sites. The southern two thirds of the property was zoned for low density housing; however, development opportunities were restricted on the northern third of the orchard. However, the County General Plan permitted the County Board of Supervisors to waive the restrictions, offering the potential for full development of the orchard.

Utilities, while not extended to the property, were nearby; water and sewer connections were located within 500 feet of the property. Nearly 1,600 acres had already been annexed to the Cayucos Regional Utility District. In his early discussions with officials, John had been assured adequate sewer capacity for development of the property existed, and available water supplies would permit development to proceed while additional water reservoirs were constructed.

The property was well situated to capitalize on major road improvements (see Exhibit 1). Interstate 53 offered freeway access five miles from the property. Access to Soledad Valley had been increased by a major expansion of Highway 1Ø2, the northwest connector freeway. The combination of freeways offered a direct connection to the major employment centers in the Los Angeles Basin.

Housing sales remained strong in Cayucos County. For the past decade, people had flocked to the County, seeking the suburban lifestyle. The Mandarin Grove property was situated at the northern edge of this residential explosion. Demand for moderate and higher priced housing in communities surrounding Mandarin Grove continued to outpace the County. John was convinced Mandarin Grove could capitalize on the wealth of potential buyers seeking housing in the northern Los Angeles area.

These characteristics all pointed to one conclusion: Mandarin Grove was in an excellent position to capitalize on the residential growth pressures in the northern Los Angeles area. John was confident that a high quality residential development at Mandarin Grove would provide the extended high yield investment the firm desired.

INITIAL DEVELOPMENT CONCEPT

Mandarin Grove Inc. spent six months developing a preliminary concept plan for the orchard property. John worked closely with his staff, detailing a market profile for the orchard property. They projected a 2Ø year demand for almost 139,ØØØ housing units in the Cayucos County market area (the primary market), with an additional 56,ØØØ housing units in the remaining northern Los Angeles market (Exhibit 2). Household incomes were high; over 5Ø% of the households exceeded $1Ø,ØØØ

(Exhibit 3). Prices of new homes were high; about 30% of the recently constructed houses in the primary market area commanded prices in excess of $45,000 (Exhibit 4). John chose to focus the Mandarin Grove plan on the needs of a broad range of households, targeting on middle to upper income buyers (Exhibit 5). Their studies pinpointed the extent of the Mandarin Grove market; the property could not only draw buyers from Cayucos County, but its amenities could also attract prospective buyers from most of the north Los Angeles area. He recommended phasing the project over a 10 year period, estimating Mandarin Grove could capture about 2% of residential demand over the next decades (Exhibit 6).

In order to showcase the property's exceedingly fine landscape, John's plan focused residential development on the breathtaking views and rolling foothills of the orchard property. Outdoor activities including golf, tennis, swimming, trails, picnicking and county club facilities were planned to accentuate the property. John felt a strong recreational orientation would not only compliment the amenities of the property, but also enhance the drawing power of Mandarin Grove. He was confident the scenic qualities of the property, coupled with a wide range of recreation amenities would provide a competitive edge for the Mandarin Grove development; few developments offered outdoor packages which could match the Mandarin Grove environment.

The final plan interspersed a total of 2,500 housing lots within the recreation spaces and broad open spaces bisecting the property (Exhibit 7). The partners planned to develop finished subdivision lots for sale to homebuilders. The estimated cost of developing Mandarin Grove exceeded $69.3 million (Exhibit 8a,b,c). The plan provided for a

20% rate of return on capital, required by the firm. Costs of development were initially to be financed through construction loans, but increasingly covered through revenue from lot sales and rental income as development proceeded.

In early 1975, John initiated the process to remove the barriers to property development. There were two major roadblocks stopping the project: zoning on the northern portion of the Mandarin Grove property did not permit construction of the plan, and utility service could not be extended to Mandarin Grove property until annexations to the water and sewer districts were approved.

Initial Development Review Process

Mandarin Grove Inc. submitted a rezoning request to the County Planning Commission in January, 1975, unveiling their plans to develop the property. Since the plan envisioned development on the entire valley floor, John requested rezoning for the southern third of the property. Furthermore, since development of Mandarin Grove would span a decade, John sought Planned Residential Development District designation, to gain flexibility in reshaping the plan to potential shifts in buyer demands over the life of the project.

The County Planning Commission staff did not sympathize with John's plan for Mandarin Grove. The staff felt the project would aggravate pressures to develop the northern portion of the county. In early discussions, John had recognized potential difficulties arising from staff objections. He was convinced, however, the County Board of Supervisors would recognize the merits of the plan and approve the rezoning request.

He later realized he had underestimated the leverage of the Planning Commission staff. As time wore on, the staff exerted increasing pressures to block development at Mandarin Grove.

The Planning Commission staff focused their attack on the project through the Environmental Impact Review (EIR) process. The Planning Commission required all firms to undertake an environmental impact review as a part of the review process. County regulations required Mandarin Grove to finance the EIR, with the consultant directly responsible to the Planning Commission staff.

The preliminary EIR, completed in May, 1975, concluded that while there were unavoidable impacts from Mandarin Grove development the overall impact of the development could be minimized by sensitive site planning. In addition, it forecast public revenues from the project to exceed service costs by over $1.65 million per year.

However, the final EIR differed from the preliminary report. The economic assessment completed by the Planning Commission staff in the final EIR infuriated John. While the initial fiscal impact study projected net benefits from the project; the staff fiscal impact analysis forecast an annual deficit exceeding 55,000 per year. The analysis differed in two important respects. The staff report assumed all public costs associated with Mandarin Grove would be cash disbursements; bonding capabilities of public agencies were totally ignored. Moreover, a number of standards for the development were increased, drastically affecting the estimated public costs associated with the project. While later analysis by other public agencies would vindicate Mandarin Grove (for instance, a separate school district assessment projected the

Mandarin Grove development to subsidize future school facilities before it reached full buildout), the Planning Commission report focused on the increased costs required by Mandarin Grove. John felt the analysis undertaken by the Planning Commission staff was unduly restrictive and exaggerated the public costs of Mandarin Grove.

The Planning Commission staff was not alone in its efforts to block the project. Local resistance to the project exploded when the development proposal was unveiled. Environmentalists spearheaded an extensive lobbying effort to kill the project, charging excessive densities, and destruction of Paradise Hill Regional Park environment. Local citizens, concerned over increased densities, and excessive traffic and stormwater, joined the campaign to halt development.

Opposition to the plan remained vehement throughout the review process, fueled by the highly organized environmental coalition. They focused their attack on the adequacy of the EIR, contending the report did not fully address potential impacts of Mandarin Grove development on the natural environment Throughout the review period, "experts" sympathetic to the environmentalists criticized the EIR, identifying extreme impacts on the Paradise Hill environment. Their testimony gave credence to the environmentalist's position. Based on their testimony, the project appeared to be an environmental disaster, with major negative impacts on Paradise Hill Regional Park.

While environmental resistance centered on the effects of Mandarin Grove on Paradise Hill Regional Park, the findings of the Planning Commission staff gave project opponents ample ammunition to polarize local citizens. Flyers detailing the anticipated public outlays required to build Mandarin Grove were distributed. Local residents, already concerned about densities, and potential traffic and flooding problems, packed the public hearings on Mandarin Grove. The combined forces of environmentalists and local citizens supplied a steady barrage of testimony during the public hearings, stretching the public hearing over several months.

Mandarin Grove Inc. persisted in the face of the opposition. Nine months after their initial rezoning request, the County Board of Supervisors approved the Mandarin Grove rezoning request.

The final approval was not an overwhelming victory for the corporation. A number of conditions had been tied to the approval, severely restricting John's ability to develop the Mandarin Grove property (Exhibit 9). The maximum number of housing units permitted on the property was reduced over 7%, to 2,310 units, with a catch: final densities for each phase were still subject to review and approval by the Director of Planning. Commercial development on the east side of the property was prohibited cutting retail space by 41,250 square feet. Lower development intensities were a small sacrifice compared to the other conditions of approval. Off-site exactions were exorbitant; costs for roadway improvements alone exceeded $4 million (Exhibit 9). Furthermore, the corporation was required to offer easements on over 1,300 acres to protect Paradise Hill Regional Park. John was overwhelmed; the conditions of approval had effectively shifted the full burden of Mandarin Grove development to the corporation; no public funds were available for off-site improvements. The project could not absorb these added costs.

The costs of meeting the conditions were not the only price of approval. The County Board of Supervisors did not release control of the project; each project phase required an in-depth review. The door to levy additional conditions was left open. After nearly eighteen months of preparation, the Mandarin Grove project had only been authorized to submit detailed development plans, which the County Board of Supervisors might approve for development.

Utility District Annexation

Rezoning the property was only half of the battle. While review of the rezoning request was underway, John prepared to apply to the service and utility districts necessary to develop the property. This process seemed relatively simple. Public officials foresaw no difficulties in project annexation. However, John did not anticipate the potential footholds afforded project opponents in the annexation process.

Trouble started when John applied for annexation to the Cayucos County Sanitary Sewer District. There were no technical difficulties; sewer interceptors with adequate capacity for development were located near the property, and the treatment plant could accommodate Mandarin Grove development. However, project opponents, recognizing the necessity of sewer service, stormed the annexation hearings to block services to the property.

John was concerned. If opponents could halt annexation of Mandarin Grove property into either the sewer, water, park, road, fire, or police districts, property development could be stopped. John realized that annexation into the multitude of districts provided countless points to kill the development. Rather than allowing opponents to organize efforts to block annexation into separate service districts, John elected to petition for reorganization of the service boundaries for all districts, making them co-terminus with the Mandarin Grove property. This approach served two purposes: it reduced the number of separate service agencies requiring approvals, and eliminated the potential for a referendum vote on the annexation action.

The approach worked. Although the opposition fought reorganization, the Local Area Formation Commission recommended approval of the service boundary reorganization. In February of 1976, the County Board of Supervisors approved the reorganization. John had won one major battle in his efforts to develop Mandarin Grove; urban services could be extended to Mandarin Grove.

Citizen Actions

Environmentalists did not suspend their efforts to stop Mandarin Grove. Instead, they shifted their tactics to the political arena. Shortly after the rezoning request, they initiated a petition drive to repeal the zoning change. Moreover, they intimated potential court action to overturn the service district reorganization. Finally, they charged that the EIR was not sufficiently detailed to meet state requirement. In short, they were poised to fight the project by any means available; in the courts, in the political arena, or any other access point in the public opinion arena.

REVISED PROJECT CONCEPT

John glanced at his watch. He realized it was time to get moving. He gathered his outline detailing the corporation's options, and hurried out to his car. He paused at the car door, staring at the partially finished lots in the distance. The corporation's shift in early 1976 had been necessary. Their detailed plans for Phase 1 of Mandarin Grove had been submitted to the Planning Commission and had taken a severe beating from the coalition. The Mandarin Grove Development Inc. appeared headed for another long battle with project opponents. They decided to rethink the project. John withdrew the plan from consideration and restructured the entire project.

As John set out for the meeting, he remained convinced that his original plans would create an outstanding development. However, it was obvious the plan could not materialize without major restructuring. The project cash flows could not finance the rezoning conditions without dropping below the 20% rate of return required by the firm. Any effort to reduce the conditions seemed futile; violent opposition to the project had intensified after plan approval. Local residents, incensed by Council approval, remained terrified by the prospect of a "high density" environment in their backyard. Environmental resistance had merely shifted to the legal arena. The environmentalists were entrenched for a long battle in order to stop, or at least forestall Mandarin Grove development. John was convinced the corporation would face countless obstacles if they continued to press development as planned. If they elected to continue pushing forward with the approved Mandarin Grove plan, investment in the project would be risky. There were too many footholds for project opponents to gain while the project was going through the review process.

John spent five months revising the Mandarin Grove development plan, focusing on local resident and Planning Commission concerns. He knew area resident fears were based on imagined effects of the project, not an opposition to development of the area. In his discussions with residents, three issues repeatedly surfaced: traffic, density and flooding. If John could develop a plan which addressed these concerns, he felt he could break the alliance between local residents and environmentalists, paving the way for property development.

The revised plan John drafted radically differed from the original plan. To quiet citizen fears concerning density, John reduced densities to match the adjacent residences. Residents felt that multi-family development was inappropriate for the Soledad Valley; only single family development could quiet surrounding residents. John reduced the number of lots by 50%; the revised plan located only 1,162 lots on the property. To address stormwater runoff concerns, additional flood control facilities were integrated into the project. Project amenities were upgraded; tennis, picnicking, swim club, trails, and golf facilities were expanded, expanding the recreational atmosphere (Exhibit 10). Land for office development was eliminated and land reserved for commercial development was limited to neighborhood shopping facilities. Project timing was revised to accomplish buildout in three phases, reducing the number of public hearings required for the development (Exhibit 11). Over 1,155 acres were offered as an easement for expanding Paradise Hill Regional Park. Traffic concerns, expressed by local residents, were alleviated by the reduced project densities.

John and his staff penciled out a rough analysis of the revised project. Current lot prices ranging from \$25,000 to 40,000 were required to support the plan. At 1976 interest rates, the revisions would definitely shift Mandarin Grove to higher income residents (see Exhibit 12). However, if the Planning Commission dropped the off-site roadway improvements, John felt the revised plan offered a workable solution meeting the firm's 20% required rate of return (Exhibit 13a,b,c).

John submitted the first Phase of the revised plan to the Planning Commission in November 1976. He selected a 510 acre parcel located on the southern edge of the property (at a great distance to the Regional Park). This would isolate the revised submission from the controversy surrounding the Regional Park encroachment.

The revised project sped through the review process. In less than five months, the plan was approved by the Planning Commission and the County Board of Supervisors. As he had hoped, local resistance to the proposal was almost nonexistent. While environmental resistance continued, local residents embraced the plan, undermining the environmentalist's influence. The Planning Commission praised the revised plan, recommending only minor conditions for the project. The County Public Works remained concerned about the effect of Mandarin Grove traffic on Moro Canyon Road, but questioned major road improvements based on the proposed density reductions. In lieu of dropping the off-site road requirements, the Commission forced Mandarin Grove firm to contribute to the improvement of Moro Canyon Road from Casitas Valley Road to Dospalos Road. The fee for the first two phases was set at $33,500; however, subsequent phases would also be assessed for Moro Canyon Road improvements.

Mandarin Grove financial feasibility was not yet safe. Construction of the Madranio Hill Road extension was postponed. However, requirements outlined in the original Mandarin Grove approval had been questioned by the Commissioners. If reduced project densities continued in subsequent phases, they indicated a willingness to drop most of the remaining off-site requirements. John's plan to eliminate off-site costs requirements appeared to be working. The firm could not yet relax, however. The revised development plan was still burdened by prior Planning Commission conditions. The off-site road improvement conditions still remained tied to future project approvals with Madranio Hill Road extension construction required as part of Mandarin Grove's second phase.

John felt it was time to unveil the critical shift of the revised plan. In late 1977, John submitted Phase II for Planning Commission review. The submittal outlined plans to route traffic south along an upgraded Dospalos Road, limiting impacts on Moro Canyon Road. Commercial land was restricted to neighborhood commercial facilities on the southern edge of the property near existing development. Major school facility sites were reserved within the development. Mandarin Grove Inc. planned to grade and prepare the sites for the school district.

Moreover, Mandarin Grove had agreed to furnish an elementary school to the school district, if needed, at a cost of over half a million dollars. Finally, the plan reserved a location for a fire station. In short, the revised plan squarely addressed Mandarin Grove Inc.'s responsibilities for providing public facilities and limiting development impacts on the surrounding community.

The Planning Commission embraced the plan concept. The revised project absorbed the majority of public impacts; it mitigated the impact of increased public costs and overcrowded roadways to the maximum extent possible. The staff indicated that the reduction in density by 50% with the first two phases indicated that the implementation of the Madranio Road Extension was no longer an appropriate action and the prior condition should not be imposed as a prerequisite to development. John's plan to eliminate major off-site road requirements appeared to have worked.

There were other conditions for plan approval (John had come to expect conditions). Three off-site road requirements were added as conditions. As already mentioned, Mandarin Grove Inc. was assessed additional costs for upgrading Moro Canyon Road between Casitas Valley Road and Dospalos Road; however, total costs levied on Mandarin Grove were limited to $165,000. Two additional roadway improvements were required; widening of Puerco Canyon Road between Madranio Road and Dospalos Road and upgrading of Dospalos Road

John was elated. While the off-site road improvements were not cheap (over $1.1 million was needed to upgrade Dospalos Road), the Planning Commission had limited the Company's off-site road liabilities greatly. The Planning Commission, County Public Works, and County Board of Supervisors had all indicated that Mandarin Grove's off-site roadway responsibilities would be discharged with construction of these roadway segments.

With the clear statement of the off-site road requirements, Mandarin Grove Inc. felt safe to proceed with rapid development of Mandarin Grove, concentrating on preparing Phase I lots for sale to homebuilders. Construction costs had exceeded estimates, but land appreciation had offset these increased costs. Everything was moving smoothly. However, in mid-1978, the project was dealt a major setback. Although John could not recognize the side effects of the California spending limitation movement, the rippling effects of the movement reached Mandarin Grove. John submitted the final Phase of Mandarin Grove in early 1979, anticipating speedy approval. He could not believe the shift that had occurred in the intervening period. The Planning Commission and County Board of Supervisors, aware of limited abilities to fund long term improvements, pressed Mandarin Grove to construct an additional $5.2 million in road improvements (Exhibit 14). These requirements dwarfed previously discussed improvements; the County wanted Mandarin Grove Inc. not only to construct five major road segments, but also to acquire right-of-ways for four of the road segments.

John was aghast. He had anticipated responsibility for upgrading Dospalos Road and Puerco Canyon Road. However, the County Public Works Department had revived Madranio Road and the San Elijo Road extensions, and expanded the scope of Puerco Canyon Road construction, pushing off-site road costs over $3.85 million. After extensive negotiations, John managed to convince the County Board of Supervisors to drop the San Elijo Road extension. However, about $3.4 million in off-site improvements remained as conditions for approval. Moreover, the County wanted to force Mandarin Grove Inc. to negotiate purchase of right-of-way for two of these road segments. They were only willing to employ eminent domain to assist right-of-way purchase as a last resort; Mandarin Grove people would have to negotiate with private landowners. This was beyond reason. The legal costs would be horrendous. The project cashflows could not absorb the additional costs for the roads and still provide the minimum rate of return required by Mandarin Grove Inc.

John snapped to consciousness; a late model Volkswagen had swerved directly into his path. He hit the brakes, blasted his horn, and mumbled a few choice comments. Better watch myself, or I'll never make it to the meeting, he thought. He refocused his concentration on the oncoming traffic, trying to ignore his desire to reevaluate the Company's options instead of driving. But as he reached the freeway interchange and merged with the freeway traffic, his mind drifted back to the plight of the Company. He began weighing each of the alternatives; in one hour he had to recommend a course of action to the firm.

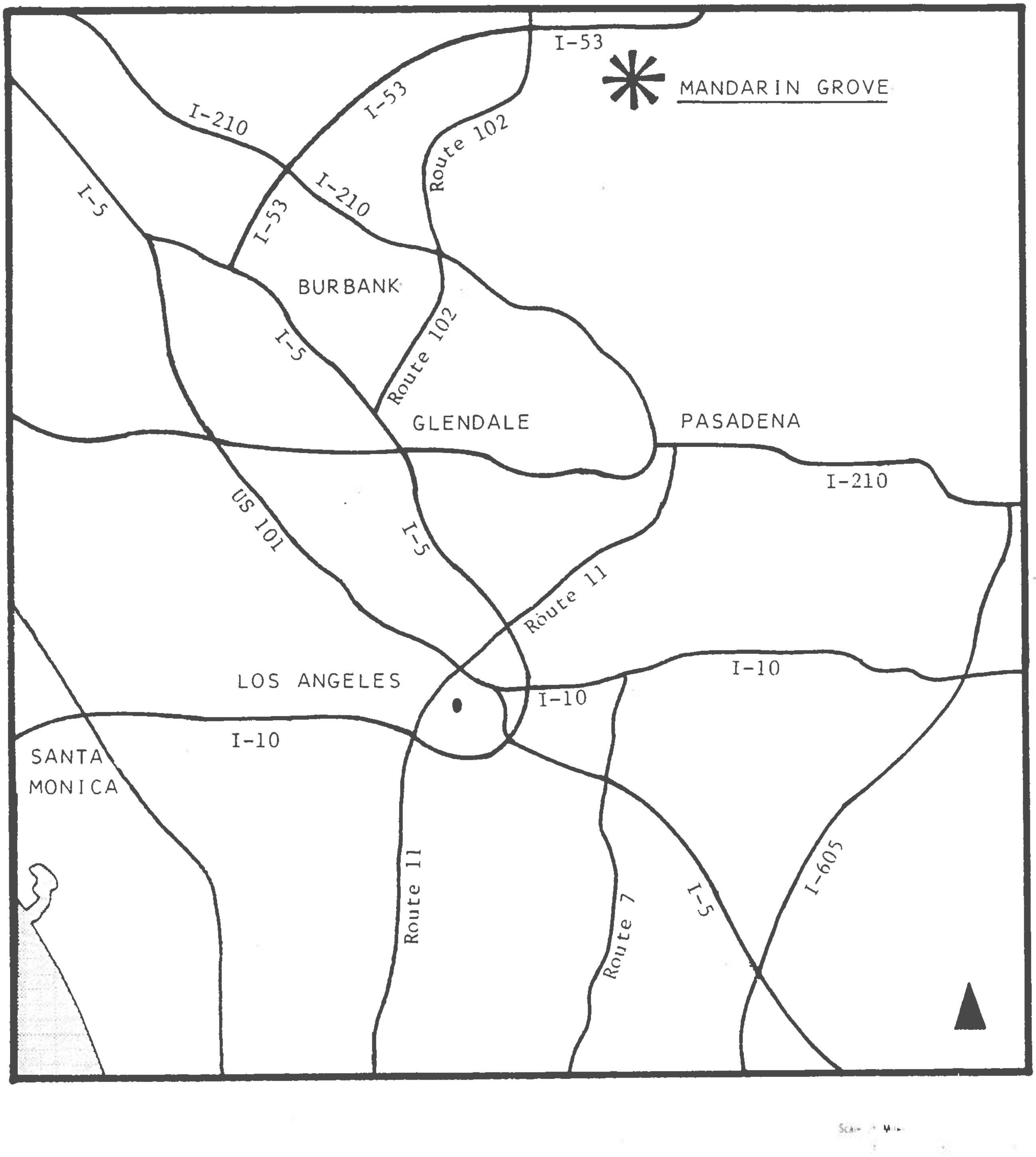

EXHIBIT 1
GENERAL LOCATION,
MANDARIN GROVE

Exhibit 2
MANDARIN GROVE MARKETING FEASIBILITY
ESTIMATED HOUSING DEMAND: 1970-90

		E S T I M A T E			
	ACTUAL HOUSEHOLDS 1970	TOTAL HOUSEHOLDS 1975	TOTAL HOUSEHOLDS 1980	TOTAL HOUSEHOLDS 1985	TOTAL HOUSEHOLDS 1990
TOTAL HOUSING NEED					
PRIMARY MARKET AREA (Cayucos County)	295,924	331,980	371,250	415,800	456,500
SECONDARY MARKET AREA (Northern Los Angeles Market Area)	264,111	278,025	291,500	306,240	321,750

DEMAND FOR NEW HOUSING	1970-1975	1975-1980	1980-1985	1985-1990
PRIMARY MARKET AREA	36,056	39,270	44,550	40,700
SECONDARY MARKET AREA	13,914	13,475	14,740	15,510

SOURCE: 1970 U.S. Census
Mandarin Grove Inc.

EXHIBIT 3
ESTIMATED NUMBER OF HOUSEHOLDS BY INCOME LEVEL
MANDARIN GROVE MARKET AREA
1973-1980

INCOME GROUP	1973 NUMBER OF HOUSEHOLDS PRIMARY MARKET AREA	1973 NUMBER OF HOUSEHOLDS SECONDARY MARKET AREA	1980 NUMBER OF HOUSEHOLDS PRIMARY MARKET AREA	1980 NUMBER OF HOUSEHOLDS SECONDARY MARKET AREA
UNDER $1,000	5,418	4,936	2,763	2,309
$1,000- 1,999	6,806	5,686	5,570	4,502
2,000- 2,999	8,882	7,799	5,166	4,077
3,000- 3,999	10,481	9,017	5,570	4,349
4,000- 4,999	11,145	9,347	6,156	4,858
5,000- 5,999	12,181	10,620	6,503	5,178
6,000- 6,999	13,557	12,297	7,592	6,031
7,000- 7,999	15,930	13,541	8,600	6,776
8,000- 8,999	18,519	15,103	11,820	9,276
9,000- 9,999	19,529	15,190	17,399	13,445
10,000-11,999	38,757	30,067	32,997	24,850
12,000-14,999	52,346	42,151	57,409	42,659
15,000-24,999	71,952	62,346	98,533	74,430
25,000-49,999	28,462	28,216	76,549	61,635
50,000 UP	5,561	6,883	28,625	27,125
TOTAL HOUSEHOLDS	319,526	273,199	371,250	291,500

SOURCES: 1970 U.S. Census
Mandarin Grove Inc.

Exhibit 4
NUMBER AND PRICE RANGE OF SINGLE FAMILY AND PLANNED UNIT DEVELOPMENTS
CONSTRUCTED IN 1974

HOUSING TYPE/LOCATION	UNDER $25,000	$25,000-34,999	$35,000-44,999	$45,000-59,999	OVER $60,000	TOTAL UNITS CONSTRUCTED 1974
PRIMARY MARKET AREA						
Single Family construction	72	782	1,142	782	468	3,246
% total construction	1.31	14.22	20.78	14.22	8.51	59.04
Housing Units in PUD's	421	809	653	369		2,252
% total construction	7.67	14.71	11.88	6.70		40.96
TOTAL HOUSING UNITS, 1973	493	1,591	1,795	1,151	468	5,498
% Primary Market	8.98	28.93	32.66	20.92	8.51	100.00
SECONDARY MARKET AREA						
Single Family construction	0	73	420	387	524	1,404
% total construction		3.19	18.30	16.87	22.83	61.19
Housing Units in PUD's	7	193	414	277		891
% total construction	.31	8.39	18.04	12.07		38.81
TOTAL HOUSING UNITS, 1973	7	266	834	664	524	2,295
% Secondary Market	.31	11.58	36.34	28.94	22.83	100.00

SOURCE: Southern California Research Inc.

Exhibit 5
AFFORDABILITY ANALYSIS, MANDARIN GROVE PROPERTY
1974 ESTIMATED SALES PRICES

	UNIT VALUE $100,000	UNIT VALUE $70,000	UNIT VALUE $45,000	RENTAL UNITS
Mortgage Cost (See Note 1)	560	390	250	
Real Estate Tax (3.2%)	265	185	120	
Rent				250
TOTAL COSTS	825	575	370	250
Household Income Required to Qualify for Loan (25% Housing costs to Income)	39,600	27,600	17,760	12,000
Number of Eligible Households (See Note 2)				
PRIMARY MARKET AREA	20,680	31,063	93,024	158,321
Percent of all households	6.47	9.72	29.11	49.55
SECONDARY MARKET AREA	21,871	32,164	86,222	139,595
Percent of all households	8.01	11.77	31.56	51.10

NOTES:

1. Loan Assumptions: 80% loan to value ratio
   7.5% interest rate
   30 year loan term
2. Primary Market area includes Cayucos County
   Secondary Market Area includes North Los Angeles Market Area

SOURCES: 1970 US Census
Mandarin Grove Inc.
Federal Reserve Bank

Exhibit 6
MANDARIN GROVE DEVELOPMENT PHASING

USE	PHASE 1 (1976) UNITS	PHASE 1 (1976) ACRES	PHASE 2 (1979) UNITS	PHASE 2 (1979) ACRES	PHASE 3 (1982) UNITS	PHASE 3 (1982) ACRES	PHASE 4 (1985) UNITS	PHASE 4 (1985) ACRES	TOTAL PROJECT UNITS	TOTAL PROJECT ACRES
RESIDENTIAL										
Estates	19	62	9	31					28	93
Single Family	393	158	198	79	396	158	198	78	1,185	473
Condominiums	199	18	279	25	599	55			1,077	98
Multi-Family					89	4	121	11	210	15
TOTAL RESIDENTIAL	611	238	486	135	1,084	217	319	89	2,500	679
COMMERCIAL			82,500 SF	8			41,250 SF	4	123,750 SF	13
OFFICE			159,500 SF	15					159,500 SF	15
GOLF FACILITIES	9 HOLES	103			9 HOLES	103			36 HOLES	207
SCHOOL FACILITIES				6		6		11		22
RECREATIONAL FACILITIES		48		27		43		18		136
OPEN SPACE										1,555
TOTAL ACREAGE										2,626

ESTIMATED HOUSING ABSORPTION	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	TOTAL
Estate Housing	3	5	4	5	4	4	3							28
Single Family	33	99	96	99	99	99	99	99	99	99	99	99	66	1,185
Condominiums			66	99	116	138	165	220	116	87	70			1,077
Multi-family							89			121				210
TOTAL HOUSING	36	104	166	203	219	241	356	319	215	307	169	99	66	2,500

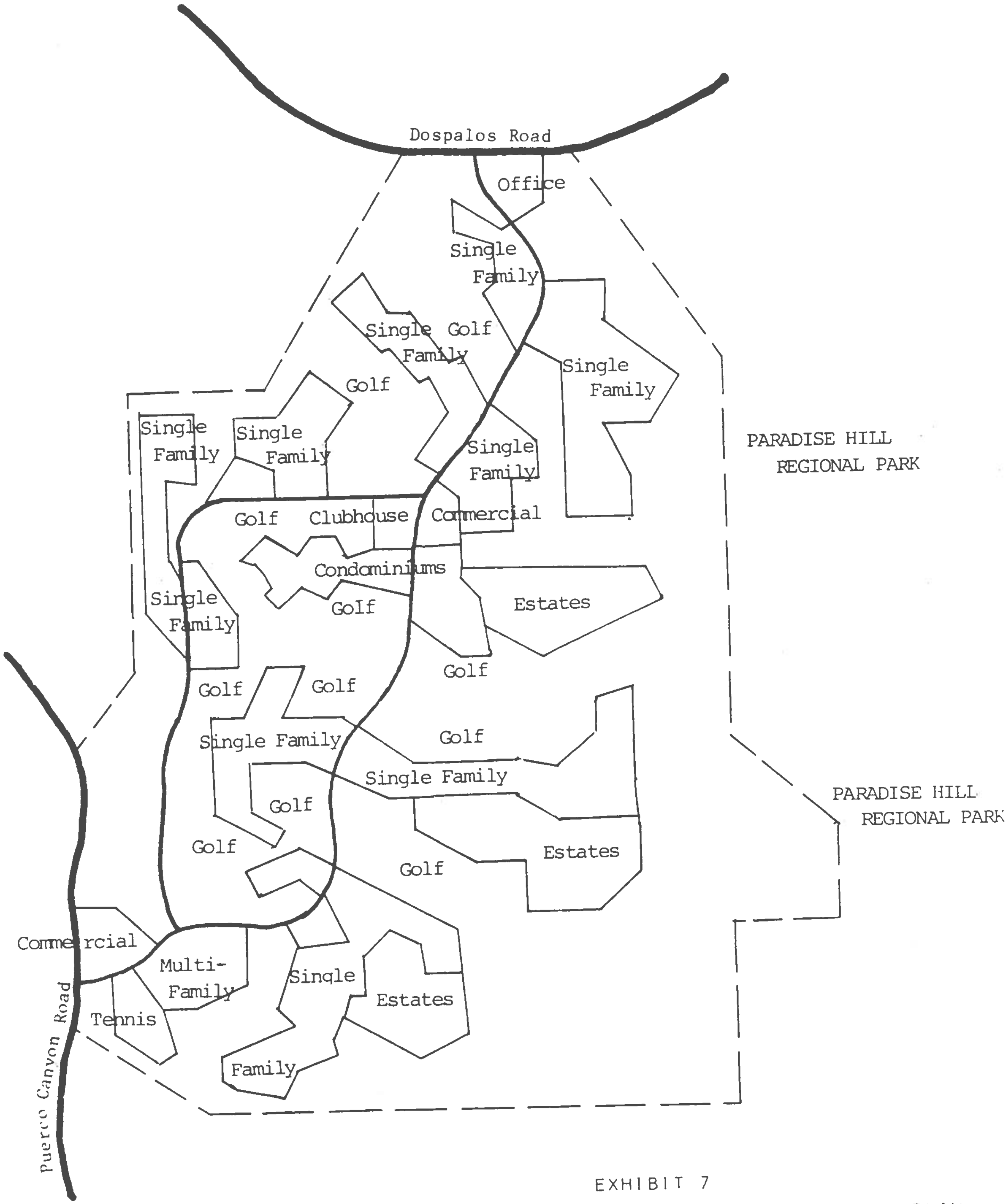

EXHIBIT 7

PRELIMINARY DEVELOPMENT PLAN
MANDARIN GROVE

Exhibit 8A
REVENUE PROJECTIONS, MANDARIN GROVE

	PHASE 1			PHASE 2			PHASE 3			PHASE 4				
	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	TOTAL PROJECT 1975-1987
REVENUE SOURCES														
LOT SALES														
Estate	75,000	136,250	118,810	161,880	141,160	153,860	125,785							912,745
Single Family	577,500	1,888,425	1,996,010	2,243,640	2,445,565	2,665,670	2,905,575	3,167,080	3,452,115	3,762,805	4,101,460	4,470,590	3,248,630	36,925,065
Condominium			882,165	1,442,340	1,842,115	2,388,715	3,113,120	4,524,400	2,600,300	2,125,740	1,864,300			20,783,195
MULTI-FAMILY REVENUE							223,900	463,680	505,415	945,100	1,416,870	1,544,385	1,683,380	6,782,730
COMMERCIAL RENTAL REVENUE						495,000	1,025,145	1,117,410	1,217,975	1,676,960	2,170,615	2,365,970	2,578,905	12,647,980
OFFICE RENTAL REVENUE						1,192,500	2,058,055	2,243,280	2,445,180	2,665,240	2,905,115	3,166,575	3,451,565	20,127,510
GOLF COURSE REVENUES	264,000	287,760	313,660	341,900	372,660	406,200	442,750	482,600	1,052,070	1,146,760	1,249,970	1,362,465	1,485,090	9,207,885
UTILITY REIMBURSEMENTS														
Water	33,020	94,550	151,070	184,580	242,715	278,070	430,290	425,980	286,435	310,700	247,325	170,825		2,855,560
Electric		31,725	17,655	25,300	14,080	47,685	26,565	27,830	15,455	40,150	22,330	46,860	26,070	341,705
Return of Performance bond			55,720		24,350		66,675		92,790		95,055		120,130	454,720
TOTAL REVENUES	949,520	2,438,710	3,535,090	4,399,640	5,082,645	7,627,700	10,417,860	12,452,260	11,667,735	12,673,455	14,073,040	13,127,670	12,593,770	111,039,095

Exhibit 8B
ESTIMATED DEVELOPMENT COSTS, MANDARIN GROVE

	PHASE 1 1976	PHASE 1 1977	PHASE 1 1978	PHASE 2 1979	PHASE 2 1980	PHASE 2 1981	PHASE 3 1982	PHASE 3 1983	PHASE 3 1984	PHASE 4 1985	PHASE 4 1986	PHASE 4 1987	PHASE 4 1988	TOTAL PROJECT 1976-1988
COSTS														
LAND COST (1973 price)	-2,000,000-													2,000,000
SITE IMPROVEMENTS														
Grading	283,140	157,530	220,170	122,495	642,015	357,200	599,100	333,300	611,420	340,170	611,280	340,100		4,617,920
Streets/curbs	402,785	224,100	321,450	178,840	605,670	336,970	353,225	196,520	510,100	283,800	595,000	331,025		4,339,485
Sanitary Sewers	117,250	65,230	93,570	52,060	176,310	98,100	102,820	57,200	148,490	82,610	173,195	96,360		1,263,195
Water lines	96,560	53,720	77,060	42,875	145,195	80,780	84,670	47,100	122,285	68,035	142,630	79,350		1,040,260
Storm Drainage	151,730	83,850	119,520	66,110	222,670	123,255	128,590	71,230	184,130	102,050	213,200	118,225		1,584,560
Electricity	62,070	34,535	49,540	27,560	93,340	51,930	54,430	30,285	78,610	43,760	91,700	51,015		668,775
Landscaping	36,300	30,200	49,325	27,445	60,500	33,660	66,820	37,175	46,760	26,020	50,780	28,250		493,235
GOLF COURSE CONSTRUCTION	1,100,000								2,191,900					3,291,900
SANITARY SEWER INTERCEPTORS	170,500				302,500									473,000
Sewer Tap in Fees	9,985	28,585	45,830	55,810	60,200	66,250	164,010	95,440	59,000	51,425	130,075	27,225	18,150	811,985
WATER SYSTEM DEVELOPMENT	588,500				896,500		1,037,300			1,306,250				3,828,550
Water Tap in Fees	7,260	20,790	33,330	40,590	43,780	48,180	114,420	69,410	42,900	37,400	85,800	19,800	13,200	576,860
BUILDING CONSTRUCTION COSTS														
Multi-Family							2,646,270				4,889,610			7,535,880
Commercial						4,054,050					1,984,125			6,038,175
Office						5,858,435								5,858,435
TOTAL SITE IMPROVEMENT COSTS	3,026,080	698,540	1,009,795	613,785	3,248,680	11,108,810	5,351,655	937,660	3,995,595	2,341,520	8,967,395	1,091,350	31,350	42,422,215
OPERATING EXPENSES (INCL. R.E. TAX)														
Multi-family expenses							69,650	152,320	164,510	177,670	290,190	84,750	527,750	1,466,840
Retail Operating Expenses						148,500	320,760	320,760	346,420	374,130	404,065	580,400	654,585	3,149,620
Office Operating Expenses						803,880	1,446,985	1,562,740	1,687,760	1,822,785	1,968,605	2,126,095	2,296,180	13,715,030
Golf Operating Expenses	137,500	148,500	160,380	173,210	187,070	202,030	218,200	235,650	509,005	549,725	593,700	641,200	692,500	4,448,670
ANNEXATION FEES														
Sanitary Sewer District	456,500													456,500
Water District	227,700													227,700
PLANNING/ENGINEERING FEES	316,885	166,015	131,275	79,790	422,325	155,520	682,290	121,900	519,415	304,400	899,260	141,875		3,940,950
GOVERNMENT FEES														
Real Estate Tax (land only)	49,020	52,270	55,655	59,070	62,670	66,385	122,100	134,520	143,610	163,885	164,950	176,840	185,650	1,436,625
School Bedroom Taxes	115,500		175,780		199,270		242,220		165,910		124,990			1,023,670
Inspection Fees	97,500	41,090	40,400	24,550	130,000	47,850	210,000	37,510	159,820	93,660	276,700	43,655		1,202,735
Performance Bond	55,720		24,350		66,675		92,790		95,055		120,130			454,720
TOTAL DEVELOPMENT COSTS	4,482,405	1,106,415	1,597,635	950,405	4,316,690	12,532,975	8,756,650	3,503,060	7,787,100	5,827,775	13,809,985	4,886,165	4,388,015	75,945,275
ADMINISTRATION/OVERHEAD	198,000	213,840	230,950	249,430	269,400	291,000	314,200	339,340	366,480	395,800	427,475	461,675	498,600	4,256,190
CONTINGENCIES	194,700	84,750	80,000	47,500	215,800	131,000	432,750	175,150	389,350	291,000	588,000	264,500	219,500	3,114,000
TOTAL COST	4,875,105	1,405,005	1,908,585	1,247,335	4,801,890	12,954,975	9,503,600	4,017,550	8,542,930	6,514,575	14,825,460	5,612,340	5,106,115	82,578,660

Exhibit 8C

PROFITABILITY ANALYSIS, MANDARIN GROVE

	PHASE 1			PHASE 2			PHASE 3			PHASE 4				TOTAL PROJECT
	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1975-1987
TOTAL REVENUES	949,520	2,438,710	3,535,090	4,399,640	5,082,645	7,627,700	10,417,860	12,452,260	11,667,735	12,673,455	14,073,040	13,127,670	12,593,770	111,039,095
LAND VALUE (1973 price)	-2,000,000-													-2,000,000-
TOTAL DEVELOPMENT COSTS	4,482,405	1,106,415	1,597,635	950,405	4,316,690	12,532,975	8,756,650	3,503,060	7,787,100	5,827,775	13,809,985	4,886,165	4,388,015	73,945,275
ADMINISTRATION/OVERHEAD	198,000	213,840	230,950	249,430	269,400	291,000	314,200	339,340	366,480	395,800	427,475	461,675	498,600	4,256,190
CONTINGENCIES	194,700	84,750	80,000	47,500	215,800	131,000	432,750	175,150	389,350	291,000	588,000	264,500	219,500	3,114,000
TOTAL COST	4,875,105	1,405,005	1,908,585	1,247,335	4,801,890	12,954,975	9,503,600	4,017,550	8,542,930	6,514,575	14,825,460	5,612,340	5,106,115	81,315,465
Excess/Deficit(-): Operations	(3,925,585)	1,033,705	1,626,505	3,152,305	280,755	(5,327,275)	914,260	8,434,710	3,124,805	6,158,880	(752,420)	7,515,330	7,487,655	29,723,630
Finance Costs (10 %)	(196,279)	(308,816)	(177,047)	(97,376)		(266,364)	(467,938)	(257,366)			(37,621)	(39,502)		(1,848,309)
OUTSTANDING DEBT	(4,121,864)	(3,396,975)	(1,947,517)			(5,593,639)	(5,147,317)				(790,041)			
NPV OF PROJECT (20%)	2,678,705													

NOTE: Land cost not included in calculations

Exhibit 9
ESTIMATED COSTS OF SELECTED CONDITIONS FOR APPROVAL,
MANDARIN GROVE (IN 1976 DOLLARS)

CONDITION	PHASE ACTION REQUIRED	ESTIMATED 1976 COST
OFF-SITE ROAD IMPROVEMENTS:		
Widen Madranio Road	II	918,500
Widen Puerco Canyon Road	III	2,052,050
Widen San Elijo Road	IV	1,155,000
LAND USE CHANGES:		
Provide 1,300 acre easement to Park	I - IV	1,424,528
Lost Revenues from 190 unit reduction (average revenue per lot=$15,000)	I - IV	2,850,000
Eliminate 4.12 acres commercial space (41,250 square feet)	IV	574,475
Construct various Public Facilities	UNK	66,000
Detailed site Studies	I - IV	39,600
Donate 5 acre Picnic site	UNK	35,805
TOTAL COST OF CONDITIONS		9,115,958

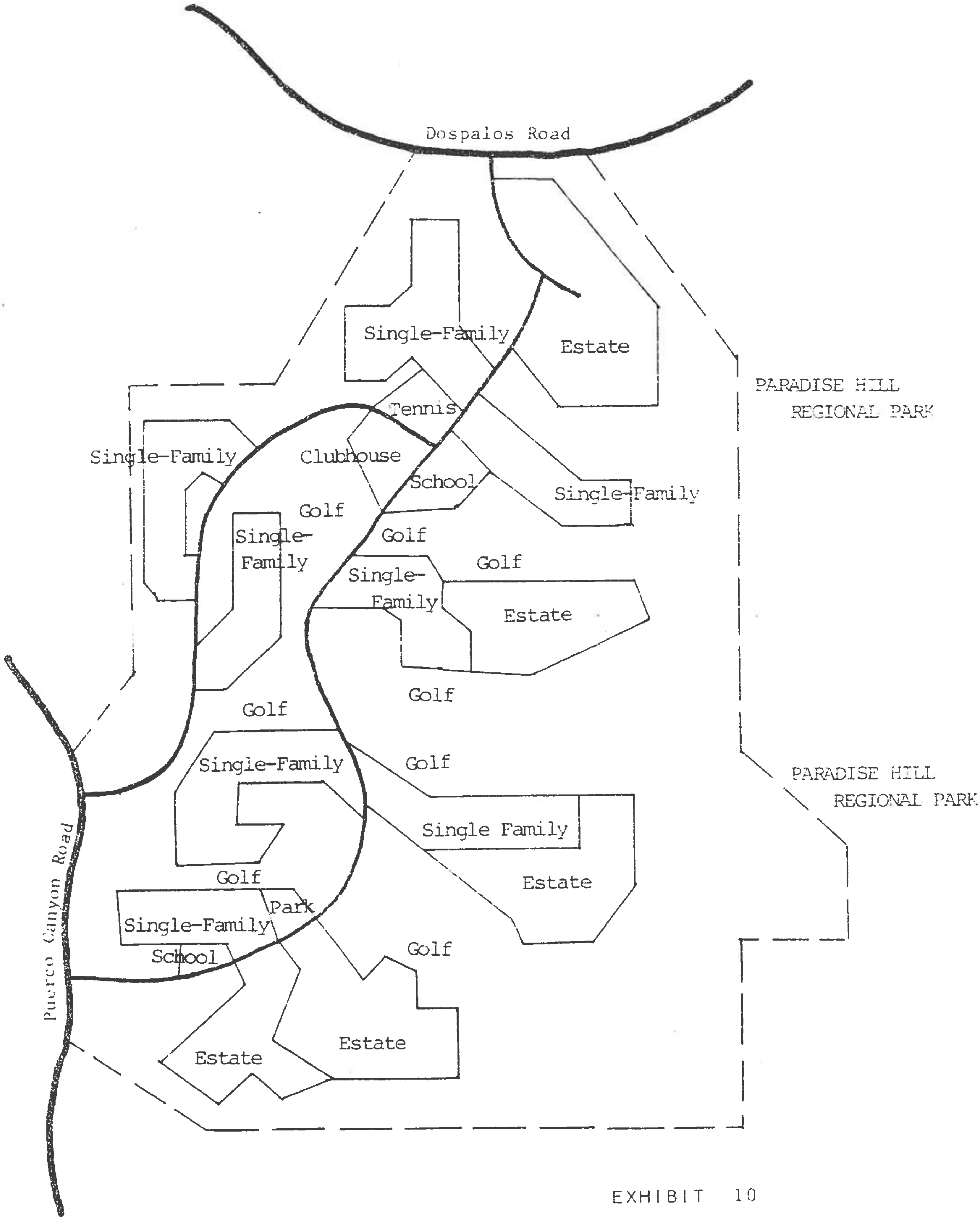

EXHIBIT 10

REVISED DEVELOPMENT PLAN, MANDARIN GROVE

Exhibit 11
MANDARIN GROVE REVISED DEVELOPMENT PHASING

USE	PHASE 1(1977) UNITS	PHASE 1(1977) ACRES	PHASE 2(1980) UNITS	PHASE 2(1980) ACRES	PHASE 3(1984) UNITS	PHASE 3(1984) ACRES	TOTAL PROJECT UNITS	TOTAL PROJECT ACRES
RESIDENTIAL								
Estates	65		143		130		338	
Single Family Cluster	95		399		330		824	
TOTAL RESIDENTIAL	160	141	542	266	460	260	1162	667
COMMERCIAL			44,000 SF	9			44,000 SF	9
RECREATIONAL FACILITIES								
Golf Course			9 HOLE	101	9 HOLE	124	18 HOLE	225
Swim Club		1						1
Tennis Club						33		33
Picnic Facilities		10						10
Trails		15						15
SCHOOL FACILITIES				17		6		23
PRIVATE OPEN SPACE		115		230		188		532
OPEN SPACE DONATED TO STATE		313		266		532		1,111
TOTAL ACREAGE		595		889		1,142		2,626

Estimated Housing Absorption	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	TOTAL
Estate Single Family	11	25	28	36	36	36	36	33	33	33	31	338
Cluster Single Family	28	33	34	102	99	99	99	83	83	83	83	824
TOTAL HOUSING	39	58	62	138	135	135	135	116	116	116	114	1,162

Exhibit 12
AFFORDABILITY ANALYSIS, MANDARIN GROVE PROPERTY
1977 ESTIMATED SALES PRICES

	UNIT VALUE $140,000	UNIT VALUE $89,000
MONTHLY COSTS		
Mortgage Cost (See Note 1)	881	560
Real Estate Tax (3.2%)	373	237
TOTAL COSTS	1,254	797
Household Income Required to Qualify for Loan (33% Housing costs to Income)	45,200	28,700
Number of Eligible Households (See Note 2)		
PRIMARY MARKET AREA	49,403	112,410
Percent of all households	7.23	17.90
SECONDARY MARKET AREA	46,596	100,507
Percent of all households	9.08	19.58

NOTES:

1. Loan Assumptions: 80% loan to value ratio
   8.75% interest rate
   30 year loan term

2. Primary Market area includes Cayuco County
   Secondary Market Area includes remaining Northern Los Angeles Market Area

SOURCES: U. S. CENSUS
Mandarin Grove Inc.
Federal Reserve Bank

Exhibit 13A
REVISED REVENUE PROJECTIONS, MANDARIN GROVE

	PHASE 1			PHASE 2				PHASE 3				TOTAL PROJECT
	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1977-1987
REVENUE SOURCES												
LOT SALES												
Large Lot Single Family	479,600	1,188,100	1,450,430	2,032,680	2,215,700	2,415,000	2,632,400	2,630,200	2,886,900	3,124,920	3,199,725	24,255,655
Clustered Single-family	686,700	882,160	990,700	3,239,580	3,427,300	3,735,740	4,071,950	3,721,000	4,056,000	4,421,000	4,819,000	34,051,130
COMMERCIAL RENTAL REVENUE							620,780	676,650	737,550	804,000	876,300	3,715,280
GOLF COURSE REVENUES					418,935	452,450	488,650	527,740	1,139,900	1,231,100	1,329,600	5,588,375
TENNIS/SWIM CLUB REVENUES	120,000	140,000	151,200	326,500	352,650	380,850	411,300	444,225	479,750	518,150	559,600	3,884,225
UTILITY REIMBURSEMENT												
Water	34,330	51,500	55,425	122,625	120,150	141,320	160,670	138,375	137,720	137,720	137,720	1,237,555
Electric		21,395	11,935	13,750	5,940	47,135	33,935	18,315	79,200	47,905	34,485	313,995
Return of Performance Bond			57,000				169,350				139,625	365,975
TOTAL REVENUES	1,320,630	2,283,155	2,716,690	5,735,135	6,540,675	7,172,495	8,589,035	8,156,505	9,517,020	10,284,795	11,096,055	73,412,190

Exhibit 13B
REVISED DEVELOPMENT COSTS, MANDARIN GROVE

	PHASE 1 1977	1978	1979	PHASE 2 1980	1981	1982	1983	PHASE 3 1984	1985	1986	1987	TOTAL PROJECT 1977-1987
COSTS:												
LAND COST (1973 price)	-2,000,000-											-2,000,000-
SITE IMPROVEMENTS												
Grading	143,100	79,675	231,000	1,176,650	953,100	686,200	370,550	600,300	486,250	350,100	189,050	5,265,975
Streets/curbs	272,000	151,325	175,000	739,000	598,650	431,025	232,750	1,005,500	608,500	438,125	236,600	4,888,475
Sanitary Sewers	67,900	44,100	50,900	215,100	173,715	125,475	67,750	292,700	177,125	127,540	68,875	1,411,180
Water lines	65,200	36,300	41,900	177,200	143,515	103,325	55,800	241,050	145,875	105,030	56,720	1,171,915
Storm Drainage	101,000	56,000	64,250	270,350	217,950	156,225	84,025	361,550	218,050	156,475	84,250	1,770,125
Electricity	42,000	23,300	26,950	114,000	92,260	66,425	35,870	155,000	93,775	67,525	36,460	753,565
Landscaping	10,000	15,000	16,250	38,000	32,750	33,000	15,000	46,175	29,925	21,650	24,000	281,750
Retention Basins		82,500		106,850				151,350				340,700
GOLF COURSE CONSTRUCTION				791,200				1,446,450				2,237,650
SANITARY SEWER INTERCEPTORS	170,500						357,500					528,000
Sewer Tap in Fees	8,325	11,500	11,500	12,400	35,550	37,800	37,800	37,650	31,750	31,925	31,760	287,960
WATER SYSTEM DEVELOPMENT	588,500				1,061,500							1,650,000
Water Tap in Fees	6,050	8,360	8,360	9,020	25,850	27,500	27,500	27,500	23,100	23,210	23,100	209,550
BUILDING CONSTRUCTION COSTS												
Swim Club		52,250	266,200					372,350				690,800
Recreational facilities				825,000				775,475				1,600,475
Commercial							1,816,300					1,816,300
TOTAL SITE IMPROVEMENT COSTS	1,474,575	560,310	892,310	4,474,770	3,334,840	1,666,975	3,100,845	5,513,050	1,814,350	1,321,580	750,815	24,904,420
OPERATING EXPENSES (INCL. R.E. TAX)												
Retail Operating Expenses							195,360	227,850	246,100	265,800	287,050	1,222,160
Golf Operating Expenses					232,910	253,875	276,725	301,625	657,550	716,725	781,230	3,220,640
Other Recreation Operating Expenses	35,225	38,900	125,550	136,850	149,200	162,600	177,240	322,000	351,000	382,600	417,000	2,298,165
ANNEXATION FEES												
Sanitatary Sewer District	456,500											456,500
Water District	227,700											227,700
PLANNING/ENGINEERING FEES	114,600	148,500	115,650	581,700	433,520	215,500	402,820	716,700	235,900	171,800	96,000	3,232,690
GOVERNMENT FEES												
Real Estate Tax (land only)	48,975	52,825	55,650	60,650	66,100	68,200	87,800	93,450	100,420	106,625	113,100	853,795
School Bedroom Taxes	89,225		35,525	426,625				364,250				915,625
Inspection Fees	35,250	45,700	35,585	179,000	133,400	66,300	123,950	220,525	72,575	52,860	29,530	994,675
Performance Bond	57,000			169,350				139,625				365,975
TOTAL DEVELOPMENT COSTS	2,539,050	846,235	1,260,270	6,028,945	4,349,970	2,433,450	4,364,740	7,899,075	3,477,895	3,017,990	2,474,725	38,692,345
ADMINISTRATION/OVERHEAD	200,150	216,165	233,460	252,130	272,300	294,100	317,620	343,025	370,475	400,100	432,125	3,331,650
CONTINGENCIES	96,625	71,400	63,550	301,450	217,500	121,200	218,125	425,250	173,900	150,900	123,120	1,963,020
TOTAL COST	2,835,825	1,133,800	1,557,280	6,582,525	4,839,770	2,848,750	4,900,485	8,667,350	4,022,270	3,568,990	3,029,970	43,987,015

Exhibit 13C

REVISED PROFITABILITY ASSESSMENT, MANDARIN GROVE

	PHASE 1 1977	PHASE 1 1978	PHASE 1 1979	PHASE 2 1980	PHASE 2 1981	PHASE 2 1982	PHASE 2 1983	PHASE 3 1984	PHASE 3 1985	PHASE 3 1986	PHASE 3 1987	TOTAL PROJECT 1977-1987
TOTAL REVENUES	1,320,630	2,283,155	2,716,690	5,735,135	6,540,675	7,172,495	8,589,035	8,156,505	9,517,020	10,284,795	11,096,055	73,412,190
LAND VALUE (1973 price)	-2,000,000-											
DEVELOPMENT COSTS	2,539,050	846,235	1,260,270	6,028,945	4,349,970	2,433,450	4,364,740	7,899,075	3,477,895	3,017,990	2,474,725	38,692,345
ADMINISTRATION/OVERHEAD	200,150	216,165	233,460	252,130	272,300	294,100	317,620	343,025	370,475	400,100	432,125	3,331,650
CONTINGENCIES	96,625	71,400	63,550	301,450	217,500	121,200	218,125	425,250	173,900	150,900	123,120	1,963,020
TOTAL COST	2,835,825	1,133,800	1,557,280	6,582,525	4,839,770	2,848,750	4,900,485	8,667,350	4,022,270	3,568,990	3,029,970	43,987,015
Excess/Deficit(-): Operations	(1,515,195)	1,149,355	1,159,410	(847,390)	1,700,905	4,323,745	3,688,550	(510,845)	5,494,750	6,715,805	8,066,085	29,425,175
Finance Costs	(75,760)	(44,160)	(24,288)	(42,370)	(44,488)			(25,542)	(26,819)			(283,427)
OUTSTANDING DEBT	(1,590,955)	(485,760)		(889,760)				(536,387)				
NET PRESENT VALUE OF PROJECT (20%)	4,516,671											

NOTE: Land cost not included in calculations

Exhibit 14
MAJOR CONDITIONS FOR APPROVAL,
REVISED BLACKHAWK RANCH PROJECT
(IN UNDEFLATED DOLLARS)

ACTION	PHASE REQUIRED	YEAR COST INCURRED	ESTIMATED COST	COMMENTS:
UPGRADE ROAD SEGMENTS:				
Moro Canyon Road	I	1977	33,500	Upgrade road, add bikeway.
	II	1980	165,000	" " " "
DosPalos Road	I	1977	110,000	Corporation planned road upgrade.
	II	1980	825,000	" " " " "
	III	1984	206,250	" " " " "
Madranio Road	III	1984	825,000	Widen Section to four lane
Puerco Canyon Road Upgrade	II	1980	385,000	Provide 2 lane upgrade.
Puerco Canyon Road Reconstruction	III	1984	2,365,000	Provide 4 lane road--cost excludes right-of-way. (right-of-way to be purchased by Mandarin Grove)
Crow Canyon Road Extension	III	1984	1,870,000	Planning Commission may drop this requirement.
Construct 5,000 SF Police Station	III	1984	660,000	
Provide easements for Park	I-III		2,175,000	