

V.N. SOCIO-ECONOMICS

This section summarizes the findings presented in Chapter V.M, of the *Willow Road/Highway 101 Interchange Final Environmental Impact Report*, prepared by Douglas Wood & Associates, Inc. (March 1999: pp V191-V200). Per the California Environmental Quality Act (CEQA) Guidelines, Section 15150, this Supplemental Environmental Impact Report (SEIR) incorporates the previous study by reference. This section addresses the issues of population, housing, and economics as potentially affected by the proposed project. This section has been updated with year 2000 census data.

1. Existing Conditions

Population. In 2000, the population of the County of San Luis Obispo was 246,681 persons. Between 2000 and 2003, the population increased at an annual growth rate of 1.1%. The State Department of Finance projects that the County's population will increase by approximately 100,000 people by the year 2050.

In 2000, the population of the community of Nipomo was 12,600 persons. Between 1990 and 2000, the population of Nipomo increased at an annual growth rate of 77%.

Housing. According to the 2000 census, 65% of the houses in the San Luis Obispo County region are single family units. Nineteen percent of the houses are multi-family units. The average number of people per household in San Luis Obispo County is 2.48. Nipomo has a higher household average of 2.62 people. In the 2000 census, the median priced house in San Luis Obispo County was \$223,100 (by the year 2004 the median house price had risen to \$476,000). During this same time period, the median priced house in Nipomo was \$244,200, up from \$188,600 in 1990.

Economics. According to the 2000 census, the median family income in Nipomo is \$54,338 as compared to the county median of \$52,447. The South County area generates approximately 24% of the County employment total.

The largest employment sectors in the San Luis Obispo region in 2000 were retail /leisure, government, and trade, transportation and utilities. Agricultural related employment totaled approximately three percent of the total County employment. The retail trade and services sectors of the County economy are expected to continue gaining employment (verified by personal communication, SLO COG, March 2005).

The community of Nipomo provides a variety of retail and service businesses. A list of retail businesses from 1997 was included in the 1999 FEIR in Table 27, pages V-192-195. The majority of these businesses are located in the main thoroughfares such as Tefft Street, Thompson Road, Pomeroy/Orchard Road, and US 101. Many of these businesses are oriented towards and depend on local customers who travel less than 10 miles for these services. The Nipomo Old Town Association is working with other community groups, such as the Chamber of Commerce to boost the number of new businesses and customers.

2. Thresholds of Significance

Significance criteria for evaluating project impacts on socio-economic conditions are derived from the CEQA Guidelines Appendix G and the County of San Luis Obispo Initial Study Checklist. For the purposes of this EIR, the proposed project would represent a significant socio-economic impact if it does one or more of the following:

- Generates a substantial growth of population or housing;
- Displaces a significant number of people;
- Impacts and/or eliminates a significant portion of an existing housing inventory;
- Creates the need for substantial new housing in the area; or
- Substantially influences the operations or viability of existing businesses in the Nipomo area.

3. Project Impacts

Population and Housing. The proposed Willow Road extension, frontage road and US 101 interchange will not directly generate any additional population or housing. However, the proposed project could indirectly lead to an increase in Nipomo's population and housing in the following ways:

- Provision of roadway and access facilities can increase land values and create economic pressures to develop in areas served by or adjacent to these roadways;
- Project roadways offer a logical point for the extension of public utilities (water, sewer, storm, drain, energy) to serve these areas; and
- Project roadways remove an impediment to growth potentially hastening the conversion of vacant or existing agricultural land to more developed uses including additional housing.

Chapter IX, Growth Inducing Impacts, provides a detailed analysis of several potential development scenarios for the project area assuming provision of the proposed project facilities. These future development scenarios assume that development adjacent to Willow Road and the frontage road will be at a density of one dwelling unit per five acres (residential rural) or one unit per acre (residential suburban). An additional development scenario is provided which assumes commercial uses will be developed adjacent to the proposed frontage road. Based on this analysis, it is estimated that the proposed project (Alignment 2), as evaluated in the 1999 FEIR, will in total, indirectly generate between 360 and 640 dwelling units. The eastern frontage road is estimated to indirectly generate between 16 and 80 additional dwelling units or a total of 1.582 million square feet of freeway-oriented commercial use.

The residential growth will also generate additional population in the Nipomo area. The proposed extension road is estimated to generate an additional 1,127 to 2,003 persons and the proposed frontage road is estimated to generate an additional 50-250 persons. These figures are based on the population generation factor of 3.13 persons per household in the Nipomo area.

The potential for this project to indirectly generate additional population and housing could result in a significant *indirect* impact upon the existing population and housing inventory of the project area, as well as add to the overall growth of the project area.

Economics. The proposed Willow Road extension, US 101 interchange and frontage road will not directly generate any new commercial uses or employment. However, the proposed project could indirectly cause growth in new commercial uses and employment if areas adjacent to the eastern frontage road are developed commercially.

If adjacent land is developed commercially, it is projected that it would generate between 1.3 and 1.58 million square feet of commercial space. This additional commercial space would benefit from increased visibility from and exposure to US 101 as compared to existing commercial uses in Nipomo.

Future development of freeway-oriented commercial use along the proposed eastern frontage road would likely attract new businesses of similar character to some of the existing businesses in the Nipomo area. It is possible that commercial development along the frontage road could be a source of competition to existing commercial uses in the Nipomo area. It must be noted, however, that before properties adjacent to the frontage road can be developed commercially, they will require separate environmental review and development approvals by the County of San Luis Obispo. In addition, commercial development in this area will require an amendment to the land use portion of the South County Area Plan. The indirect generation of additional commercial land uses along the proposed eastern frontage road is, however, not considered to represent a potentially significant impact upon the existing economic profile of the Nipomo area. From an economic perspective, the impact of any additional commercial space is reduced to an insignificant level because this future addition will occur within an already diverse business base (approximately 163 different businesses).

Provision of the proposed Willow Road extension, US 101 interchange and frontage road will also potentially generate beneficial impacts to existing businesses in the Nipomo area. Project facilities, through reduced traffic congestion and improved access, will encourage potential customers to travel to and to patronize existing businesses in Nipomo. This improved access should broaden the customer base for these existing businesses.

The traffic and circulation benefits associated with the proposed project facilities are likely to result in positive economic impacts to existing businesses in the Nipomo area.

4. Cumulative Impacts

Completion of the proposed project is not expected to result in any direct cumulative or regional impacts upon the existing population and housing inventory nor directly impact the existing economic profile of the Nipomo area. However, cumulative impacts upon Nipomo's existing population and housing will occur as a result of the indirect growth-inducing impacts potentially caused by new roadways and access facilities.

Chapter IX, Growth Inducing Impacts, of this EIR provides a detailed analysis of the extent of future development and the potential growth-inducing impacts of various project roadways and possible development scenarios in the project area. The proposed project may represent a contributing step in

the long-range development of the cumulative projects listed in Section IVB. Development of these cumulative projects could have a potentially adverse influence (i.e., noise, traffic, air quality) on the population and housing inventory of the project area, while also having a potentially positive economic impact upon the existing businesses in the Nipomo area.

The San Luis Obispo County General Plan provides for residential and commercial growth in the Nipomo area. There are no specific mitigation measures to reduce the potentially significant indirect generation of housing and population in the project area that would be caused by the proposed project.

5. Mitigation Measures

There are no specific mitigation measures to reduce the potentially significant indirect generation of housing and population in the project area that would be caused by the proposed project.

6. Residual Impacts

The proposed Willow Road extension, US 101 interchange and frontage road will not have a significant direct impact on the population, housing inventory, or the existing economic profile of the Nipomo area.

The indirect or growth-inducing impacts of the proposed project facilities upon the population and housing inventory of the Nipomo area are considered to be potentially significant unavoidable adverse impacts which require adoption of a Statement of Overriding Considerations.

The proposed project facilities will, through reduced traffic volumes and congestion, improved access and reduced travel times, provide a beneficial economic impact to existing businesses in the Nipomo area.