



Outward Development

John Patrick
Outward Development LLC
839 Marsh St, Unit 1648
San Luis Obispo, CA 93401
jp@outwarddevelopment.com

Sent via email (estrellaproject@horizonh2o.com)

Trevor Pratt, Project Manager
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Tom Engels
Horizon Water and Environment, LLC
266 Grand Avenue, Suite 210
Oakland, CA 94610

Re: Comments on the Recirculated Draft Environmental Impact Report for the Estrella Substation and Paso Robles Area Reinforcement Project

Dear Mr. Pratt and Mr. Engels,

I am writing on behalf of Outward Development LLC (“Outward Development”), a San Luis Obispo-based company of which I am a co-founder and CEO. Since July of 2021, our company has been under contract to purchase a parcel of land in Paso Robles, upon which we have been planning the development of a luxury cabin hotel that pays tribute to the scenic natural beauty of Paso Robles.

In November of 2021, after months of diligence and several hundred thousand dollars of sunk cost spent on planning, we were made aware of the [Draft Environmental Impact Report](#) (“Draft EIR”) prepared for the Estrella Substation and Paso Robles Area Reinforcement Project (“Project”) by Paso Robles City Staff. While we understand the goals of the project, we find several details of the 70 kV transmission line will needlessly have a severe impact upon our land, our project, and the community of Paso Robles. After a brief overview of our project, I will describe these impacts and the simple mitigation measures that can be taken to address them.

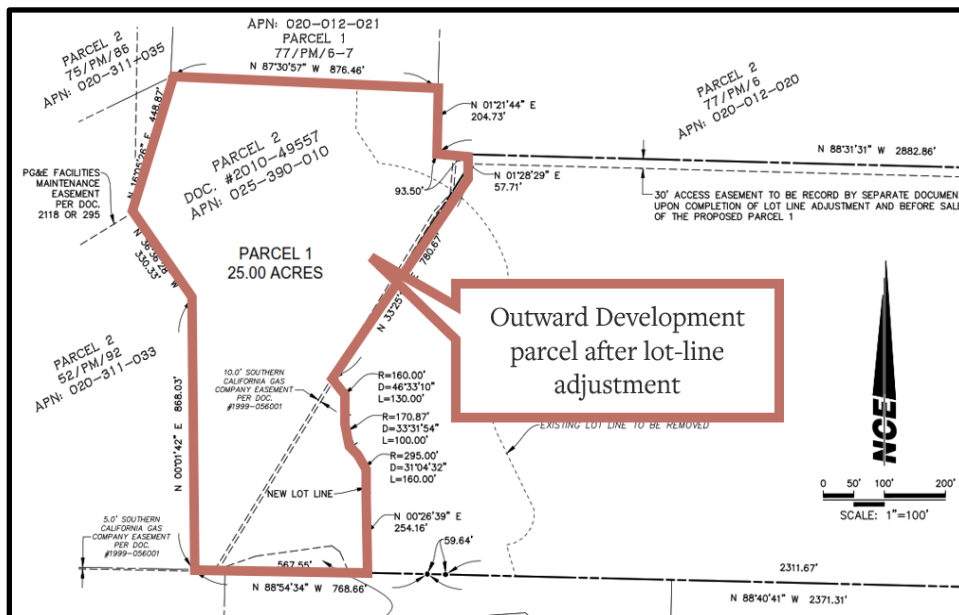
Cabin hotel project description

For nearly a year, we have been planning a luxury cabin hotel that blends indoor / outdoor living and invites young, affluent, urban guests to enjoy the rejuvenating outdoors while surrounded by the scenic beauty of Paso Robles. The hotel will exclusively consist of private cabins that will draw guests seeking an authentic outdoors escape without compromise. Our currently planned program includes a variety of studio, 1-bedroom, and 2-bedroom high-end cabins (many with full kitchens and living space). It also

includes a beautiful central lodge inspired by impressive local wineries, an infinity-edge pool overlooking vineyards, an indoor/outdoor gym, walking trails, an event/wedding lawn, and space for small corporate or executive retreats.

In July of 2021, we entered a Purchase and Sale Agreement (“PSA”) for a parcel of land with an APN of 025-390-010, which is currently planted as a vineyard. A condition of this purchase is a lot-line adjustment that would result in the existing 35-acre parcel being redrawn as a 25-acre parcel¹. These new boundaries are shown in Figure 1 below. Figure 2 highlights the relationship of this parcel to these transmission lines².

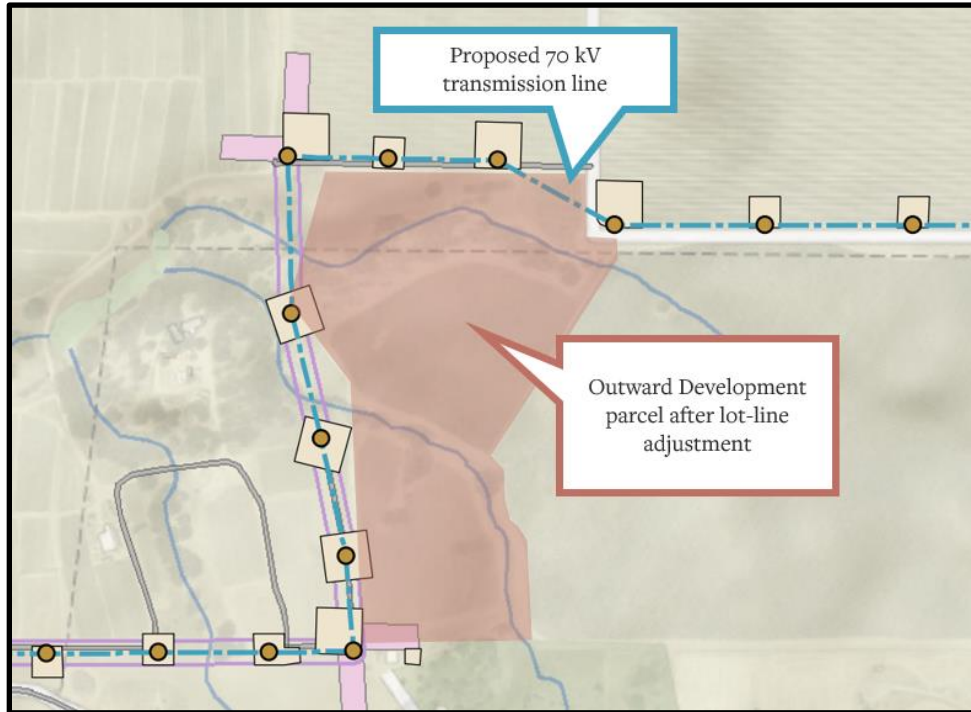
FIGURE 1: Outward Development parcel



¹ This lot-line adjustment has been approved and certificates of compliance have been issued by the city of Paso Robles

² Transmission line plans sourced from Draft EIR Figure 2-7 (“Estrella Substation and 70 kV Power Line Components - Detailed View Sheet 5 of 8”)

FIGURE 2: Relationship of proposed 70 kV transmission line³ to Outward Development parcel



Impacts

As figure 2 depicts, **the currently planned transmission line will cross a significant portion of our property.** Given that easements will “typically be 70 feet wide”⁴ on private property and that the transmission line path cuts off a large Northeast portion of the property, this path will effectively render nearly an acre of land unusable. To-date, we have programmed this portion of the property as an event lawn for weddings, yoga, and community events such as “meet the maker” wine tastings and communal harvest dinners. These will all be made impossible by a 70-foot-wide easement and the safety, aesthetic, and noise impacts of a high-voltage power line crossing overhead. Given the significance of event-driven occupancy, we currently estimate an impact of \$1.8M net present value impact⁵ on our project based on reduced occupancy alone (not including lost venue rental and ancillary wedding revenues).

Additionally, the **transmission lines that wrap the Western and Northern borders of the property will generate significant aesthetic, safety, and noise impacts for guests and employees.** We have planned to convert existing vehicular paths around the border of the property into walking trails where guests can enjoy the natural setting; unfortunately, these paths will now be located near high-voltage transmission lines that generate noise and perceived safety hazards from employees and guests. We have also planned a central lodge building with an infinity-edge pool in the center of the property atop a hill, with a Northern-

³ Transmission line image taken from Figure 2-7 in Draft EIR

⁴Draft EIR Section 2.4 (“Easement Requirements”)

⁵Assumes a 10% occupancy reduction and a 10% discount rate

facing view of the surrounding county vineyards. These natural views will now be marred by transmission lines cutting across the sky on the Northern portion of the property. Finally, we have been considering locating camping sites along the Northwestern portion of the property. Again, these plans will be made infeasible due to the aesthetic, noise, and safety concerns from guests.

These impacts, especially the transmission line that needlessly cuts through a broad portion of our property, put the overall feasibility of our project at risk. Abandoning the project will have a major impact on the Paso Robles community at large. Most directly, it will mean the sacrifice of millions of dollars of transient occupancy tax that our project will generate for the city. It will also cause the loss of affluent tourists our project will attract, and thereby impact the restaurants, shops, and wineries that are part of the Paso Robles community. Finally, it will mean the loss of significant income for the community members involved in the planning, construction, and operation of the project.

Outward Development was started this year by three entrepreneurial co-founders who believe deeply in the vision of inspiring guests with the natural beauty of Paso Robles. We have left jobs and put significant unrecoverable personal capital representing many years of savings to prepare for this project. All of this stands to come to ruin if the project proceeds as planned. Fortunately, there are several options that could be exercised to avoid these impacts entirely.

Mitigation options

Option 1 (complete mitigation)

The first strategy is to choose an alternative per the Draft EIR's Alternatives Analysis. The EIR finds that Alternative Combination #2 meets all project requirements and is economically, legally, and technically feasible. This alternative would significantly reduce the environmental impact of this project and upon the entire City of Paso Robles. Comments previously submitted by various parties, including the City of Paso Robles and Cava Robles RV Resort cover the basis of our support for this option.

Option 2 (significant mitigation)

The second strategy is to underground all transmission lines that border our property. While some surrounding transmission lines will still be visible and aesthetically disturbing, the undergrounding of bordering lines will mitigate perceived safety issues, avoid condemning the Northeast corner of the property, and generally reduce noise and aesthetic issues to a tolerable level.

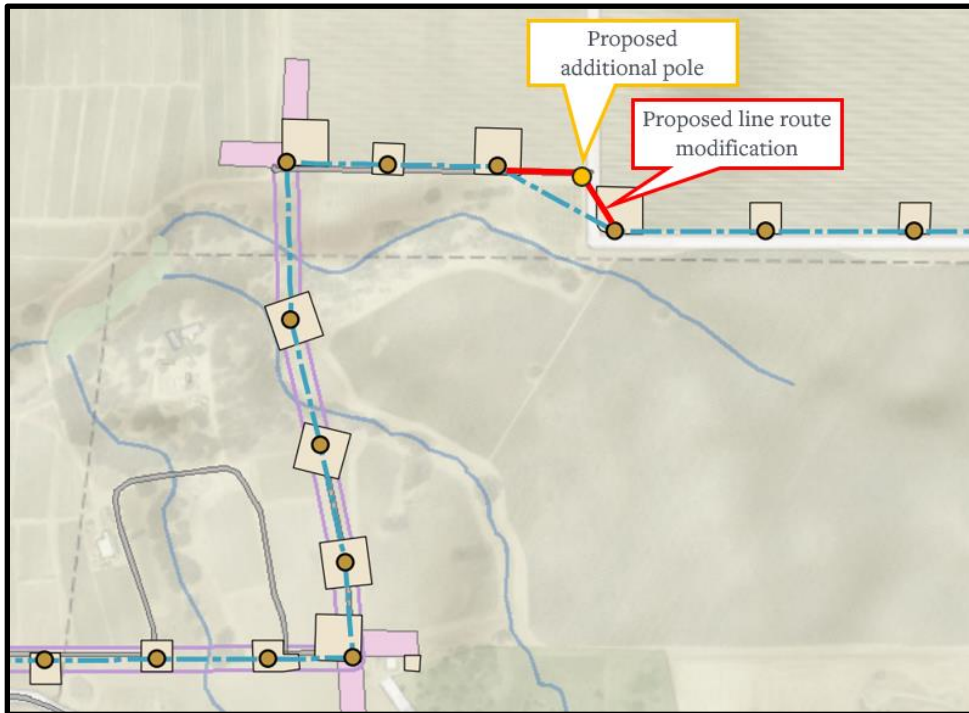
Option 3 (somewhat significant mitigation)

The third strategy would be to underground the transmission line along the northern border of the property. While less desirable than undergrounding *all* surrounding lines, this would mitigate the most severe aesthetic impacts and allow for us to plan the wedding/event lawn as originally envisioned. This would avoid the most direct impact upon occupancy, although the Eastern transmission line impacts will continue to impact our rates and cause some financial impacts to our project.

Option 4 (partial mitigation)

The fourth strategy would be to add an additional pole such that a transmission line does not needlessly cross a major portion of the property. An example is depicted in Figure 3 below. Under no circumstances will we support the sale of an easement through the middle of our property when such a simple and low-cost change could avoid millions of dollars of damages to our project, the city, and the community. If we are pressed to sell such an easement, we will expect to be compensated for the full present value of the damage this transmission line will cause our project.

FIGURE 3: Additional power pole and line route modification



Outward Development appreciates the opportunity to review and comment upon the proposed Project. We hope that the impacts we have described can be mitigated via one of our proposed options without escalation beyond an administrative process. Should any questions arise regarding the contents of this letter or wish to further discuss the impacts and mitigations we have described, please do not hesitate to contact me.

Best,

John Patrick
Co-founder and CEO
Outward Development LLC

