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INTRODUCTION

2.1 Specific Plan Purpose

The Ontario Plan (TOP) Policy Plan includes requirements for subsequent approval by the City of a Specific Plan and an Area Plan for development within the area of the City known as Ontario Ranch.

Specific Plans are required to ensure that sufficient land area is included to achieve unified districts and neighborhoods. Specific Plans shall incorporate a development framework for detailed land use, circulation, infrastructure including drainage, sewer, and water facilities, provision for public services including parks and schools, and urban design and landscape plans. The Area Plan shall provide additional policy-level guidance and is considered part of the Policy Plan.

The Area Plan for the Ontario Ranch will be initiated by the City of Ontario at a future time. However, until the Area Plan for the Ontario Ranch is adopted, the Policy Plan provides that new specific plans may proceed consistent with the Goals and Policies of the Policy Plan.

The Colony Commerce Center East Specific Plan serves to implement the City's Policy Plan for the project site and provides zoning regulations for development of the project site by establishing permitted land use, development standards, infrastructure-requirements, and implementation requirements for development.

A comprehensive set of design guidelines and development regulations are included to guide and regulate site planning, landscape,

and architectural character within the community ensuring that excellence in community design is achieved during project development. The Colony Commerce Center East Specific Plan establishes the procedures and requirements to approve new development within the project site.

2.2 Authority

California Government Code, Title 7, Division 1, Chapter 3, Article 8, Sections 65450 through 65457 et seq grants local planning agencies the authority to prepare Specific Plans for any area covered by a General Plan for the purpose of establishing systematic methods of implementation of the General Plan.

A Specific Plan is designed to address site specific issues such as existing on-site conditions relative to topography and existing environmental concerns, site design and layout, including setbacks and visual appearance, as well as circulation, utility provisions and infrastructure financing alternatives.

The California Government Code establishes the authority and procedures to adopt a specific plan; identifies the required contents of a specific plan; mandates consistency with the General Plan; and also mandates consistency of any future projects or zoning ordinance amendments with a specific plan. Section 9-1.200 of Title 9 of the City of Ontario's Municipal Code states the purpose and intent of specific plans.

The City's Municipal Code will act as a supplement for those areas and issues not covered by this Specific Plan regulations for administration review procedures, environmental review, and others.

2.3 State Requirements

Section 65451 of the Government Code mandates what a Specific Plan shall contain. A Specific Plan shall include a text and diagram or diagrams which specify all the following in detail:

- » The distribution, location, and text of the uses of land, including open space, within the area covered by the plan.
- » The proposed distribution, location and extent and intensity of major components of public and private transportation, sewage, water, drainage, solid waste disposal, energy, and other facilities proposed to be located within the area covered by the plan and needed to support the land uses describe in the plan.
- » Standards and criteria by which development will proceed, and standards for the conservation, development, and utilization of natural resources, where applicable.
- » A program of implementation measures including regulations, programs, and financing measures necessary to carry out the Colony Commerce Center East Specific Plan project.
- » The Specific Plan shall include a statement of its relationship to the General Plan.

2.4 Severability

If any section, subsection, sentence, clause, phrase, or portion of the Specific Plan, or any future amendment(s) or addition(s) hereto, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Specific

Plan, or any future amendments or additions hereto. The City hereby declares that it would have adopted these requirements and each sentence, subsection, clause, phrase, or portion or any future amendments or additions thereto, irrespective of the fact that any one or more sections, subsections, clauses, phrases, portions or any future amendments or additions thereto may be declared invalid or unconstitutional.

2.5 Project Objectives

The Colony Commerce Center East Specific Plan is designed to implement a series of project-specific objectives that have been carefully crafted to ensure the project develops with a quality industrial and business park development. The project objectives have been refined throughout the planning and design process for the project. They are identified below:

- » To provide for the development of industrial and business facilities which utilize the site's prime location to Ontario Airport.
- » To create a high quality industrial and business development that attracts an array of businesses and provides employment opportunities to area residents.
- » To provide industrial and business park uses within the project boundaries which are compatible with surrounding uses.
- » To develop a flexible plan that meets the needs of an ever-changing business market, while assuring compliance with high development standards.
- » To provide a plan for roadways, infrastructure, and utilities to support on-site land uses as the project evolves.
- » Promote opportunities for water efficiency in the project architecture and project landscaping to promote water conservation.

2.6 Specific Plan Summary

The Colony Commerce Specific East Plan creates a master-plan comprised of industrial and business park development. The project consists of three planning areas:

- » PA-1, Approximately 35.19 gross acres of business park development on the eastern portion of the site allowing for a total development up to 919,725 SF at a Floor Area Ratio (FAR) of .60.
- » PA-2, Approximately 49.65 gross acres of industrial development on the western portion of the site allowing for a total development up to 1,189,514 SF at a .55 FAR.
- » PA-3, Approximately 9.65 gross acres of industrial development on the southwestern portion of the site allowing for a total development up to 231,195 SF at a .55 FAR.

Assessor's parcel numbers within the Colony Commerce Center East Specific Plan are:

- » 0218-311-07
- » 0218-311-13
- » 0218-311-08
- » 0218-311-03
- » 0218-311-10
- » 0218-311-02

Exhibit 2.1 shows the assessor's parcel numbers within the Specific Plan area.

2.7 Discretionary Actions and Approvals

2.7.1 The Ontario Plan

The Ontario Plan (TOP) establishes the direction and vision for the City of Ontario providing a single guidance system that will shape the Ontario community for the future. The Plan provides for policies to accommodate change over a 30 year period commencing in 2010,

the beginning of the planning period. The Ontario Plan consists of a six part Component Framework: 1) Vision, 2) Governance Manual, 3) Policy Plan, 4) City Council Priorities, 5) Implementation, and 6) Tracking and Feedback.

2.7.2 Specific Plan

The Policy Plan requires the approval of a Specific Plan for development of the project site to ensure that sufficient land area is included to achieve unified districts and neighborhoods. The City of Ontario has zoned the project site as AG-Specific Plan as illustrated in Exhibit 2.3 Ontario Zoning Map.

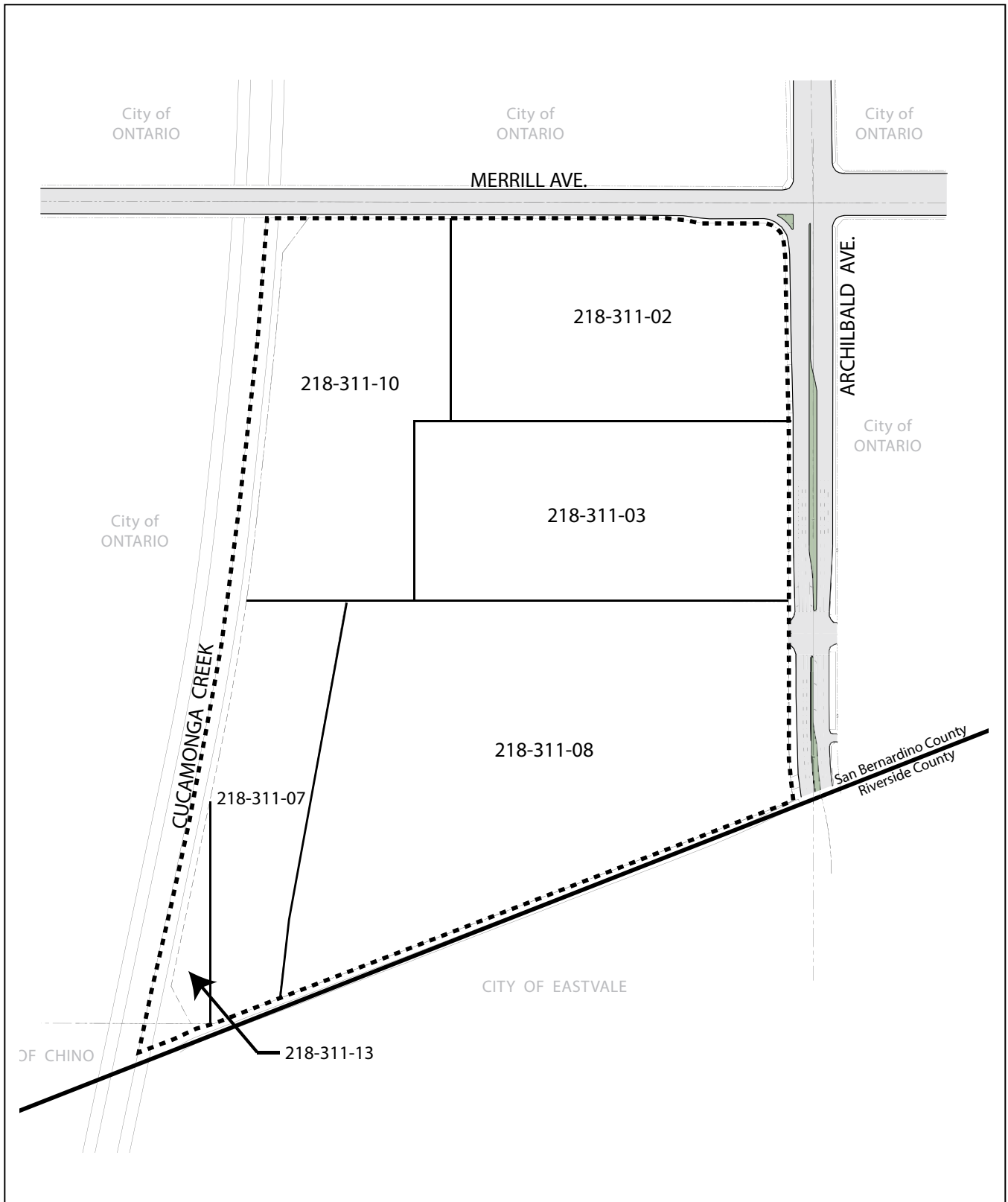
The zoning designation of AG-Specific Plan requires that a Specific Plan be approved to guide development of the project site and to implement the goals and policies of the Policy Plan. Pursuant to adoption by the City of Ontario of the Colony Commerce Center East Specific Plan by ordinance, the Specific Plan shall take precedence over the City of Ontario Development Code. In instances where the Specific Plan is silent, the City of Ontario Development Code shall prevail.

2.7.3 Development Agreement

Unless developed in a coordinated manner and with adequate fiscal planning, development projects within the City are likely to present a challenge in their implementation because of the lack of existing public facilities including streets, sewerage, transportation, drinking water, schools, and utility facilities. California law establishes a mechanism for ensuring the adequate provision of such facilities while providing assurances to applicants that, upon project approval, applicants can proceed with their projects.

Approval of the Colony Commerce Center East Specific Plan is accompanied by an application for approval of a development agreement to encourage investment in and commitment to comprehensive planning as envisioned by the City, which seeks to take maximum efficient utilization of resources at the least economic cost to the public. A statutory development agreement, authorized pursuant to California Government Code Sections

Exhibit 2.1, Assessor's Parcels



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65864 et seq., shall be required as part of the approval of the Colony Commerce Center East Specific Plan.

The development agreement shall include, but not be limited to, methods for financing acquisition and construction of infrastructure, acquisition and development of adequate levels of parkland and schools, as well as the provision of adequate housing opportunities for various segments of the community consistent with the City's regional housing needs assessments. The Colony Commerce Center East development agreement shall be fully approved before the issuance of the first building permits for the project.

2.7.4 Subdivison Maps

Tentative tract maps will be approved by the City of Ontario for the project indicating the approximate boundaries and dimensions of lots and streets and the proposed grading for the project site. Following approval by the City of tentative tract maps, final maps will be prepared for City approval. Following recordation, final maps become the legal documents defining parcels that can be developed.

2.7.5 Development Plan Review

All development proposals for individual Planning Areas within the Colony Commerce Center East Specific Plan shall be subject to Development Plan Review pursuant Division 4.02 Discretionary Permits and Action of the City's Development Code.

2.7.6 CEQA Compliance

A Project Level Environmental Impact Report (EIR) prepared by the City of Ontario for the Colony Commerce Center East Specific Plan in accordance with the California Environmental Quality Act (CEQA), analyzes impacts associated with the implementation of the Specific Plan and subdivision maps.

The EIR is prepared as a basis for the environmental review of all subsequent discretionary and ministerial actions within the Colony Commerce Center East Specific Plan.

2.7.7 Williamson Act

A portion of the specific plan, parcel 218-311-08 contains an active Williamson Act contract. The contract will be cancelled without completing the process of term nonrenewal. Contract cancellation involves a comprehensive review and approval process, and the payment of fees by the landowner.

2.8 Subsequent Actions and Approvals

Following adoption of the Colony Commerce Center East Specific Plan, subsequent actions and approvals will be required, which are identified below:

- » Approval of Subsequent Tentative Maps: Implementing Tentative Maps will be prepared and processed through the City of Ontario in accordance with the requirements of Title 9, Article 4, Tentative Maps, of the Ontario Municipal Code and in accordance with the Subdivision Map Act.
- » Approval of Grading and Improvement Plans: After approval of the Tentative Map, the City of Ontario will process the corresponding Grading and Improvement Plans (e.g., water plans, wastewater plans, drainage plans, grading plans, street improvement plans, final maps, etc.).

2.9 Airport Land Use Compatibility Planning Consistency

All development proposals of Specific Plan Amendments are required to be consistent with the California Airport Land Use Planning Handbook published by Caltrans Division of Aeronautics and the Airport Land Use Compatibility Plans of Chino Airport and Ontario International Airport.

2.10 General Plan and Zoning Designations

The Colony Commerce Center East Specific Plan area is designated as Industrial and Business Park with a Chino

Airport Overlay covering the entire site as shown on the City of Ontario General Plan Land Use Map (see Exhibit 2.2, Existing General Plan Land Use Designation). No changes in land use categories are proposed.

The project site is currently zoned as (AG) Agriculture requiring a Specific Plan (see Exhibit 2.3, Existing Zoning Designation). Upon adoption of the Colony Commerce Center East Specific Plan, the zoning designation for the site will not need to change; it will remain as Specific Plan.

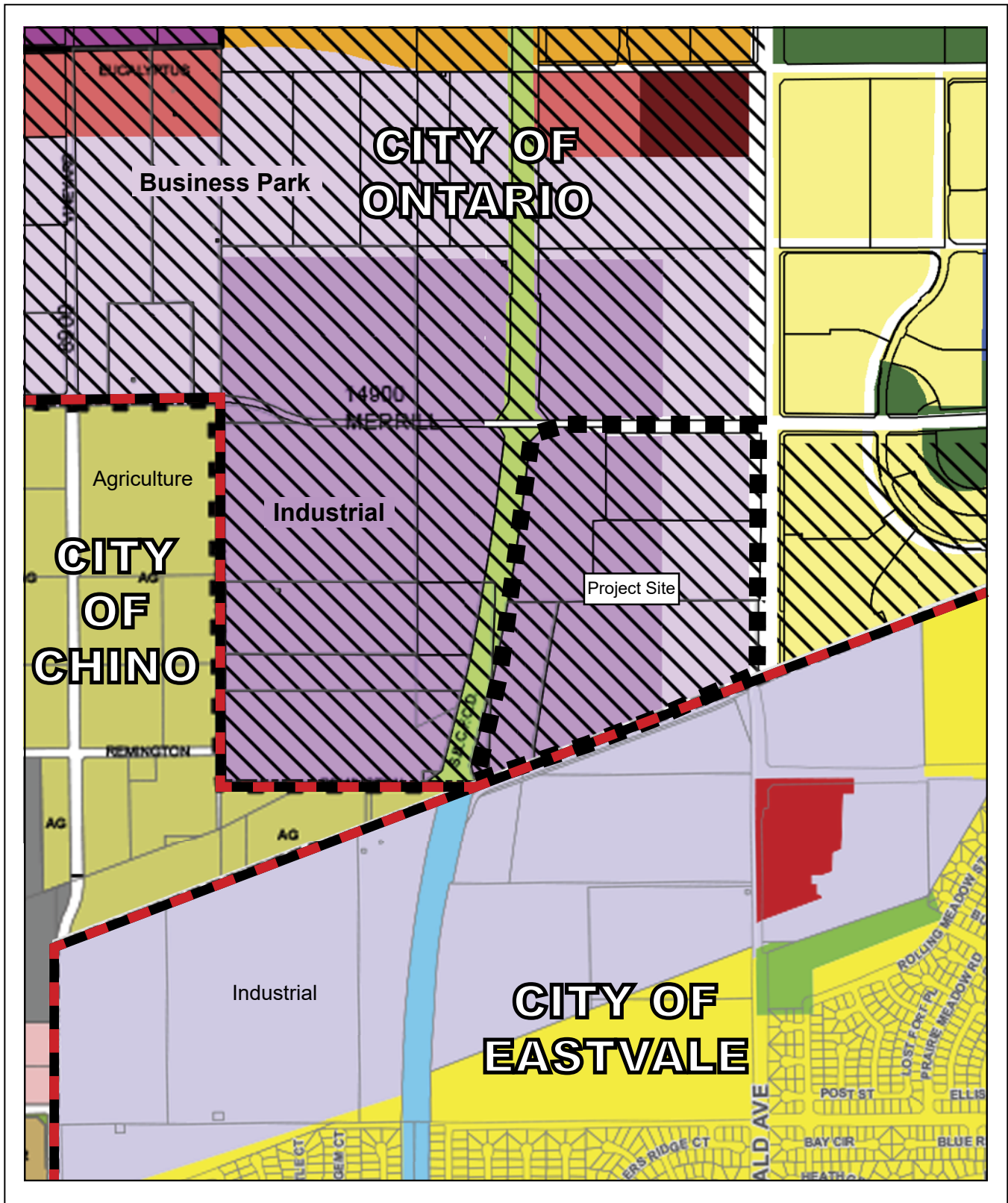
The City of Ontario Zoning Code states that specific plans are created to enable land to be planned and developed as coordinated, comprehensive projects providing for the systematic implementation of the Ontario General Plan. The Colony Commerce Center East Specific Plan will implement the Ontario General Plan as it relates to the Specific Plan area.

2.11 General Plan Consistency

California Government Code (Title 7, Division 1, Chapter 3, Article 8, Section 65450-65457) permits the adoption and administration of specific plans as an implementation tool for elements contained in the local general plan. Policy plans must demonstrate consistency in regulations, guidelines, and programs with the goals and policies set forth in the general plan.

The Colony Commerce Center East Specific Plan has been prepared in conformance with the goals and policies of the City of Ontario Policy Plan. The policy analysis listed in Appendix A1 describes the manner in which the Colony Commerce Center East Specific Plan complies with the Policy Plan policies applicable to the project.

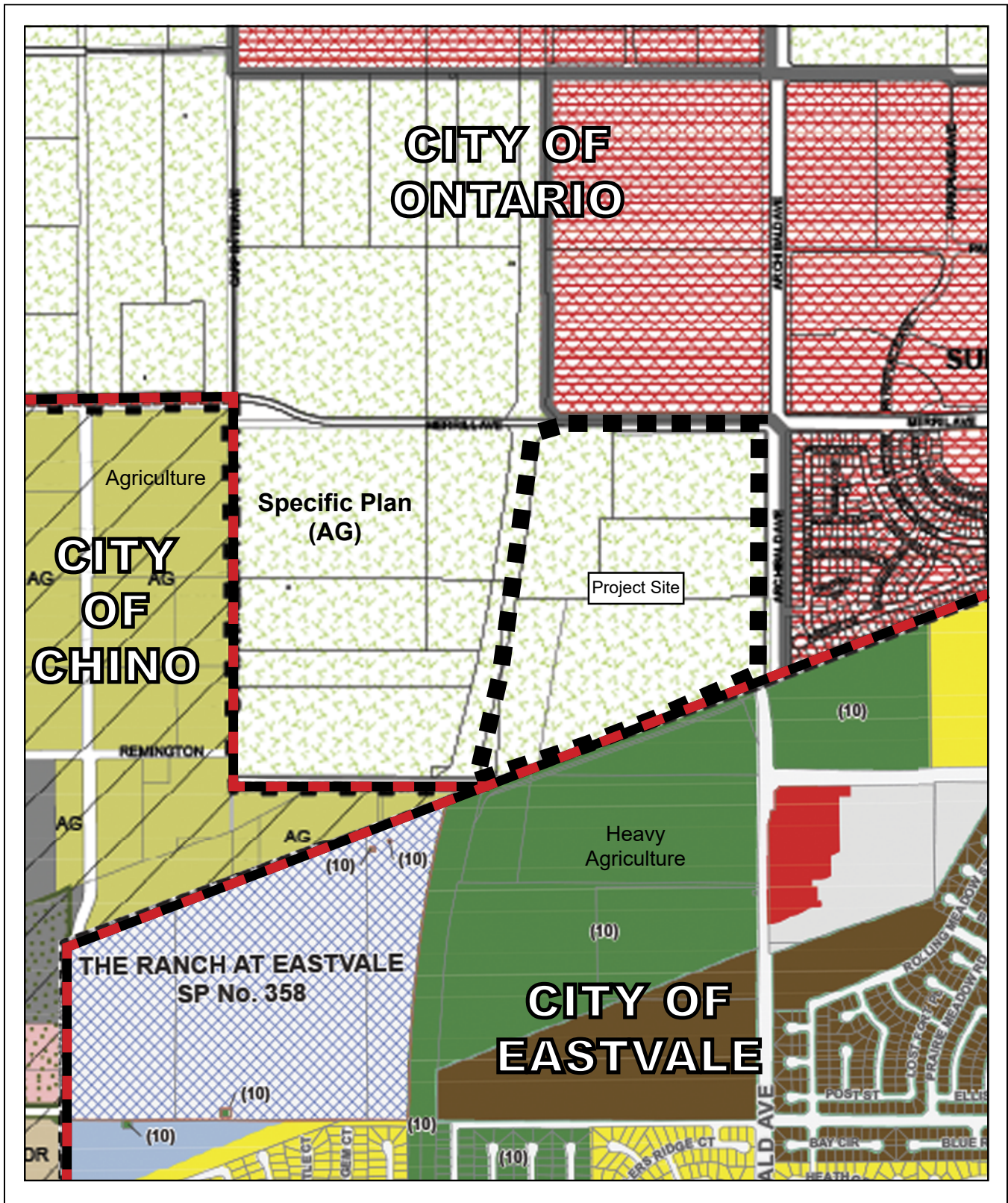
Exhibit 2.2, Existing General Plan Land Use Designation



Source: Exhibit LU-01 (Land Use Plan) 2010



Exhibit 2.3, Existing Ontario Zoning Map



Source: City of Ontario Zoning Map

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