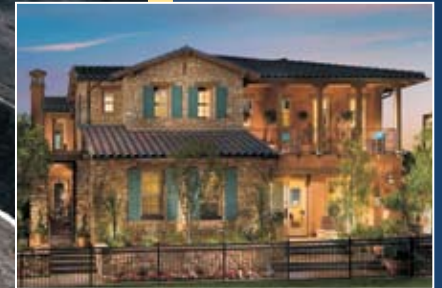


Talega

San Clemente, California



Talega, San Clemente, California

Master-Planned Golf Community with Ocean View

Catellus developed Talega in a coastal environment, distinguished by dramatic hills and valleys three miles from the Pacific Ocean. The 3,510-acre community plan incorporates many special attributes, including an 18-hole championship golf course, 83-acre business park, a K-8 school, significant open space, retail uses and a diversity of housing and employment opportunities. The community also features a 1,200-acre nature reserve that is managed by a citizens' conservancy board.

The Talega land plan, which superceded a previous land plan, designated about 66% of the site – 2,300 acres – as open space. This conserved the land's legacy of arroyos, mature sycamore and oak trees, chaparral, coastal sage, riparian plant communities and natural terrain. By eliminating earlier plans for extensive cut and fill, the new plan reduced grading by 20 million cubic yards, preserving key ridgelines, valleys and tree clusters, and provided more land for balanced development.

Project Summary

- A 3,510-acre, master-planned golf community in south Orange County
- Entitled for over 4,800 homes and an 83-acre business park
- 2,300 acres dedicated as open space
- Obtained multi-jurisdictional entitlements with Orange County and the City of San Clemente
- Close to major highways

About Catellus

Catellus is a master developer focused on creating some of the most innovative and sustainable mixed-use developments in the nation.

Catellus has 25 years experience transforming former brownfields, military land and airports into developments that include retail, commercial, residential and other public uses. Catellus delivers on all aspects of a project, including site planning, entitlements, public financing and sustainable design.

As a ProLogis company, Catellus is uniquely positioned to deliver on the nation's increasing demand for well-planned, mixed-use developments.



CATELLUS™

A PROLOGIS COMPANY

continued on back

Turning Vision Into Reality

continued from front

Environmental Challenges

The U.S. Army Corps of Engineers and the California Department of Fish and Game were responsible for environmental approvals relative to the development. The site is traversed by a “blue line stream,” which required obtaining an Army Corps 404 permit for any development in and around the designated area. Due to the existence of coastal sage, which is a nesting environment for the protected gnat catcher, Talega’s development in affected areas also required a Fish and Game 1603 permit. Talega associates obtained all necessary environmental permits, allowing development to continue as planned without any interruptions due to unresolved environmental issues.

Entitlement

About half of Talega’s site is located in the County of Orange, and half is in the City of San Clemente. The greatest entitlement challenges were in San Clemente, which has a reputation for being slow growth and currently has in place an allocation

system overseen by the Residential Evaluation Board (RDEB) that limits homebuilding to 500 units a year. Talega captured a major portion of the RDEB’s allowable units, allowing unimpeded build-out of the project at market-based velocities. Talega Associates had a close working relationship with both the city and county. Approval of a critical development agreement with the city secured Talega’s development process in return for contributions to improve the city’s circulation system (through the Regional Circulation Financing and Phasing Plan) and public and community services.

Financial Structure

Talega was purchased by three partners: Catellus Residential Group, Standard Pacific of Orange County and Starwood Capital Group.