

THE TRIBUNE

SUNDAY

IN CENTRAL COAST LIVING, H1
Spring to that cleaning!
IN SPORTS, C1
Jeff Maggert in the lead at Masters



APRIL 13, 2003

SAN LUIS OBISPO COUNTY, CALIFORNIA

\$ 1.25 TAX INCLUDED

OUR COUNTY'S NEXT 100,000

A THREE-DAY SERIES EXAMINING GROWTH AND CHANGE IN SAN LUIS OBISPO COUNTY | DAY ONE

LIKE IT OR NOT, HERE THEY COME

WHO WILL WE BE IN 15 YEARS? A TRIBUNE-COMMISSIONED STUDY SHOWS DRAMATIC DIFFERENCES BY AGE

COLLEGE AGE (18-24)

UP 11%

(PLUS 4,000)

College students will be a steady – and slightly growing – part of the county in years to come. And for those not attending college, entry-level service jobs should be plentiful.

Closer look: Most of the growth comes in the early 20s – only 100 of the new residents are between 18 and 20.

Income glance: Households headed by people under 25 had a median income of \$16,535 in 1999, 61 percent below the county median.

TRIBUNE PHOTOS BY DAVID MIDDLECAMP; THANKS TO MODELS RAUL ESTRADA, LORI AND SARAH KRAMER, BRUCE NENADAL AND MARGE CREPPS



YOUNG FAMILIES (25-39)

DOWN 1%

(MINUS 1,000)

With home prices rising and job prospects falling, the county is losing its appeal for many people starting out their lives, families and careers. These upwardly mobile and home-hungry folks are the only segment of the local population expected to shrink by 2015.

Closer look: The deepest losses are in the 30-34 age group (down 12 percent).

Income glance: Households headed by people aged 25 to 34 had a median income of \$37,000 in 1999, 13 percent below the county median.

NOTE: UNDER-18 POPULATION NOT INCLUDED HERE, BUT PROJECTED TO GROW SUBSTANTIALLY. FOR A FULL EXPLANATION, SEE THE METHODOLOGY STORY ON PAGE A14.



OLDER PROFESSIONALS (40-59)

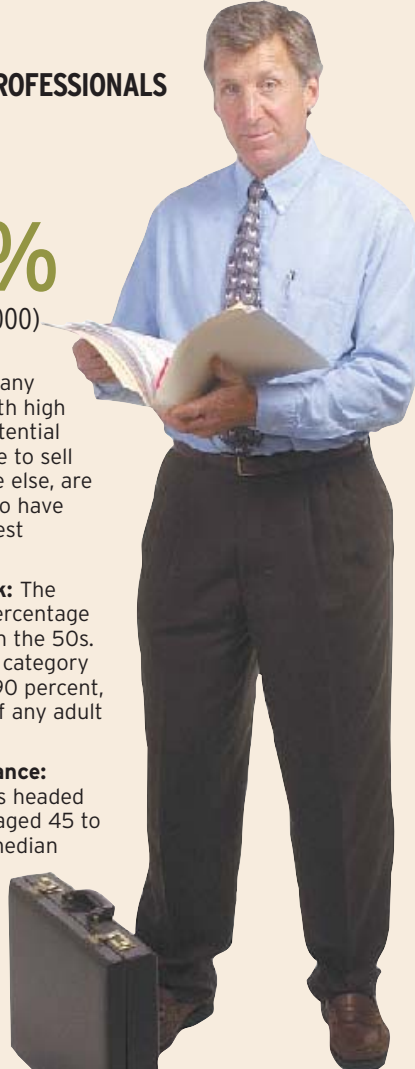
UP 68%

(PLUS 35,000)

Seasoned workers, many of them with high earning potential and a home to sell somewhere else, are projected to have the strongest increases.

Closer look: The greatest percentage growth is in the 50s. The 50-54 category increases 90 percent, the most of any adult age group.

Income glance: Households headed by people aged 45 to 54 had a median income of \$59,500 in 1999, 40 percent above the county median.



RETIREES (60-PLUS)

UP 49%

(PLUS 23,500)

Experts say the county's beauty and climate will keep it popular with retirees. They will be drawn largely from within California.

Closer look: Growth is strongest among the young retirees. The 60-64 group rises 85 percent, and 65-69 rises 64 percent.

Income glance: Households headed by people aged 65-74 had a median income of \$38,600 in 1999, 9 percent below the county median.



A projected flood of new residents would need 50,000 additional homes and increasingly carve growth into SLO County's rural and open areas

>> MORE INSIDE TODAY

All-powerful housing prices: A single force could decide who lives here ... and who doesn't **A14**

Who they are: New wave of residents will be the oldest, wealthiest the county's ever seen. **A14**

>> COMING TOMORROW

Where will they live? Confronting an era of sprawl, congestion and very large houses.

>> COMING TUESDAY

An expert opinion: Why we're unlike the rest of California, and why that means more growth.

BY SILAS LYONS
THE TRIBUNE

San Luis Obispo County will gain 100,000 residents within about 15 years, bringing wealth, sprawl and congestion.

Those conclusions are the highlights of a study commissioned by The Tribune and conducted by Solimar Research Group of Ventura.

The research, conducted by a top demographer and a nationally recognized planning expert, shows how forces both within and outside the county will cause some of the greatest changes in its history. Among them:

- Californians will continue to stream toward the coast, accounting for most of the 100,000 new residents who will arrive in less than two decades and require more than 50,000 new homes;

TRIBUNE EXCLUSIVE REPORT

- Driven both by demand and local policies, the new growth will pour into the rural parts of the county and onto open land at the edges of existing communities;

- The typical new arrival will be an active retired couple from the Bay Area, Central Valley or a wealthy enclave of Southern

California;

- Demand for individual homes will be far greater than for condominiums and apartments, as older buyers with equity choose comfort over frugality.

Starting today, The Tribune will present the conclusions of the research and explore the meaning of growth and change.

The timing couldn't be more critical: The county and six out of seven cities are asking residents this year to help rewrite housing plans. Knowing what the future might hold will help to decide wisely.

Iraqi scientific adviser gives up; forces reach Tikrit

BY TOM LASSETER,
PETER SMLOWITZ
AND MARTIN MERZER
KNIGHT RIDDER TRIBUNE

BAGHDAD, Iraq — Saddam Hussein's top scientific adviser surrendered Saturday — a possible breakthrough in the hunt for hidden chemical and biological weapons — as U.S. forces reached Saddam's home city of Tikrit and struggled elsewhere to restore order.

Amer al Saadi, one of the U.S. military's 55 most-wanted Iraqis, turned himself over to Marines in Baghdad, officers said. The highest-ranking Iraqi to fall into U.S. hands, he was expected to undergo intense questioning.

"He is a big fish," a Marine intelligence officer said of the 64-year-old nuclear scientist. "A really big fish."

At the same time, officers said a "significant" Marine contingent advanced on Tikrit, the last major city left to fall. Earlier, a U.S. Special Forces unit drove through the ancestral hometown of Iraq's now-deposed strongman and found abandoned

Please see IRAQ, A10

WORLD AND LOCAL COVERAGE INSIDE

For breaking coverage of the war with Iraq, visit our Web site at www.SanLuisObispo.com

Nation | **A4**
Jessica Lynch is back in the United States



Weather

Periods of rain and perhaps a gusty thunderstorm or two today; some heavy rain is possible. Showers tonight; chance of a thunderstorm.

Page C16

A reader's guide to The Tribune

Arts & Culture	H5	Horoscope	C13	Opinion	B6	Sunday Classifieds
Books	H2	Jumble	C13	Sports	C1	Careers
Crossword	C13	Movies	C8	State	B7	Classifieds
Environment	A8	Nation & World	A3	Travel	H3-4	Rentals
Dear Abby	C13	Obituaries	B2	TV Listings	INSIDE	Showcase



Coming tomorrow

The popularity of banking on the Internet is expected to keep soaring. In **PERSONAL TECH**, Page B4

Iraq

From Page A1

doned military outposts and government buildings that had been looted.

The larger Marine force was believed headed to the airport south of Tikrit, which sits about 80 miles north of Baghdad.

Earlier Saturday, firefights erupted between Marines and Iraqi fighters in central Baghdad and outlying neighborhoods of the turbulent capital. One Marine died, raising the U.S. military toll to 114 dead, with many more wounded.

Looters again plundered the capital of 5 million people. In an ominous turn of events, Marines said they found dozens of explosive-stuffed vests in a Baghdad school and empty hangers — evidence that some vests were missing, possibly taken by suicide bombers still at large.

In the ransacked northern cities of Kirkuk and Mosul, some measure of stability returned as U.S. forces or their Kurdish allies patrolled the streets. But ethnic violence flared between Arabs and Kurds, reportedly leaving dozens dead in the region.

"The war begins now, the war with ourselves," a man named Ala'a said as he watched crowds gleefully loot a bank in southwest Baghdad.

On a happier note, U.S. and British military officials signaled that combat was diminishing: They said two of the three U.S. aircraft battle groups in the Persian Gulf could be sent home within days and 2,000 British troops were returning to England.

Also Saturday, rescued prisoner of war Jessica Lynch returned to the United States aboard a military transport plane that carried 50 other injured soldiers. Accompanied by relatives, the 19-year-old soldier was taken to Walter Reed Army Medical Center in Washington, D.C.

Marine officers said al Saadi surrendered at the Palestine Hotel in central Baghdad during a meeting of Marine officers and American civilian reconstruction specialists. He told journalists staying at the hotel that Iraq had no weapons of mass destruction.

Marine troops took him away to a counter-intelligence interrogation center.

U.S. intelligence officials said al Saadi was in charge of Saddam's secret programs for developing, testing and producing banned nuclear, chemical and biological weapons. They said they believed he could pinpoint hidden production facilities, but not the locations of chemical and biological warheads.

Meanwhile at the Kirkuk Military Airport, U.S. soldiers said they found a warhead ringed by a green band recognized by international experts as a symbol of chemical agents.

Initial tests by a hand-held vapor monitor found trace amounts of an unspecified nerve agent, according to Lt. Rafael Camporese, a chemical weapons officer for the Army's 173rd Airborne Brigade, whose soldiers found the warhead during a routine patrol.

Later, a U.S. officer said the warhead appeared to contain conventional explosives. More sophisticated tests were planned.

The airbase's former Iraqi commander told U.S. officers that members of Saddam's regime recently brought chemical weapons there and ordered their use on nearby Kurdish



SOURCES: CIA; United Nations; Associated Press

Associated Press

"we must go and put an end to it."

cities. Instead, the weapons were hidden, the former Iraqi colonel told American officials, according to Capt. John Guerrero, a U.S. intelligence officer. He said the Iraqi's story has not been verified.

"He told us that the chemical attack on Halabja originated from this installation," Guerrero said, referring to Saddam's use of poison gas on the Kurdish city of Halabja in 1988. Five thousand men, women and children died in that attack.

Previous reports of suspected chemical or biological weapons in Iraq have proven erroneous or have not yet been confirmed. The discovery and confiscation of such weapons is a key objective of President Bush and his military commanders, who argued that a main reason for the war was disarming Iraq of weapons of mass destruction.

The fate of Saddam remained unknown and U.S. military officials said they would offer bounties for the capture of Iraq's former strongman and his top aides. "The price tags vary," said Brig. Gen. Vincent Brooks.

He said American troops in Baghdad had reached the rubble created Monday by an air strike that targeted Saddam and his sons. "We have not searched rock by rock, stone by stone," Brooks said.

In northern Iraq, travelers coming from Tikrit said Iraqi army and Baath Party leaders had fled, but large numbers of heavily armed pro-Saddam paramilitaries remained in the city. "It is too dangerous in Tikrit," Mohammad Jassem Hassan, an Arab driver, said about 25 miles northeast of the city. "There are large numbers of gunmen there and they have different kinds of weapons. They want to fight."

Nevertheless, U.S. commanders did not expect a major battle in Tikrit. They said many Iraqi soldiers already have fled or have been killed by air strikes.

Brooks said U.S. and British troops also continued to target special security organizations, intelligence services, paramilitary forces and other agencies that strengthened Saddam's grip on power.

"Any place we find there is evidence of the regime," he said,

KEY DEVELOPMENTS FROM SATURDAY

MILITARY UPDATE

Ground troops conducted "ongoing operations" to seize Saddam's hometown of Tikrit, the last of Iraq's major cities to be defended. Coalition commanders didn't expect a large battle, because the regime's backbone already has fled, but they said the war wouldn't end even after a successful invasion.

"If Tikrit falls . . . that's just one more city," U.S. Brig. Gen. Vincent Brooks said at coalition headquarters in Qatar. "There would still be work to be done beyond that. We still have a tremendous amount of work to be done in the weapons of mass destruction program."

In the western town of Qaim, 15 Iraqi planes were destroyed. Special forces also raided several sites, including an air defense headquarters, a cement factory and a phosphate plant, where two suspicious chemical drums were found. The drums are being investigated, Brooks said.

Americans also focused on the city of Kut, southeast of Baghdad, after receiving indications of what Brooks called a "regime presence."

Reinforcements in southern Iraq allowed soldiers from the 101st Airborne Division to arrive in Baghdad, helping to defeat remaining pockets of resistance and begin restoring order.

CASUALTIES TO DATE

U.S. military: At least 114 dead. British military: 31 dead. Iraqi forces: Coalition officials estimate 2,300

killed in the defense of Baghdad.

IN WASHINGTON

Former POW Pfc. Jessica Lynch returned to the United States on Saturday, along with about four dozen other injured soldiers. Lynch was bound for Walter Reed Army Medical Center in Washington.

ELSEWHERE

The war brought out protesters and supporters Saturday. In Washington, a few thousand gathered in separate demonstrations. Supporters in the "Rally for our troops, rally for America" gathering outnumbered war opponents about 2 to 1. Outside the United States, protests were bigger and decidedly against the war. About 20,000 jammed city streets in a rally for peace in London. Tens of thousands demonstrated in Rome, Paris and Bangladesh.

WEATHER IN BAGHDAD

Sunday: Sunny High temperature: 86 Low temperature: 57

QUOTE

"The U.S. promised to protect us. They destroyed the city and left us. We cannot have freedom if we don't have peace."

- Hazeem Hashan, a 38-year-old Baghdad resident who said he was protecting his home with a gun.

RETIREMENT PLANNING FINANCIAL WORKSHOPS
ATTENTION: IRA, ANNUITY & MUTUAL FUND OWNERS
NEW 2003 LAWS AND PROGRAMS AFFECT YOU NOW!

"PROTECTING YOUR LIFE SAVINGS IN TROUBLED TIMES"

IF YOU ARE AGE 50 OR OVER, YOU WILL NOT WANT TO MISS THIS "ONE OF A KIND" EDUCATIONAL SEMINAR!

- *How to Lock in the Highest Performing Month in the Market for the Rest of Your Life for You and Your Spouse.
- *The Difference between Market Investments and Market Guarantees.
- *New Qualified Plan Portability Rules for 401(k), 457 and 403(b) Participants.
- *Temporary Estate Tax Changes through 2010.
- *New IRA Minimum Distribution Laws.
- *How your IRA could be your Best Estate Planning Tool.
- *How to Receive up to a 55% Bonus on Every Dollar of Market Recovery for Your Spouse.
- *How to Control Your Asset Distribution After Death Without Costly Trusts.

PLEASE CALL NOW FOR RESERVATIONS: 1-800-224-0870 (24 Hrs.)
 Presented by: Vincent P. Loban, CFS
 Strategies for a Successful Retirement • Join us for this FREE, easy-to-understand and FUN informational workshop

TWO SEMINARS OFFERED!!! REFRESHMENTS WILL BE SERVED!!!
 Thursday, April 17, 2003 Hampton Inn & Suites 212 Alexa Court Paso Robles 9:00 am to 11 am
 Thursday, April 17, 2003 Embassy Suites Hotel 333 Madon na Road San Luis Obispo 2:00 pm to 4:00 pm
 Reservations Required 1-800-224-0870 (24 Hrs.) Call Now!!!
 Please no agents/brokers...seating is limited

Securities offered through High Mark Securities, Inc. Securities Broker/Dealer
 Branch Office: 1150 Los Osos Valley Road, Suite #100, San Luis Obispo, CA 93405 (805) 785-0185. Member NASD/SIPC/MISRB. CA License # 082366

Have you made your IRA contribution?

Don't miss out on one of two great ways to save for retirement:

- Contributions to traditional IRAs grow tax-deferred and may be tax-deductible.
- Roth IRAs offer the potential for tax-free income.

You can't afford to wait!
Call or stop by to make your contribution today!

Edward Jones
 Serving Individual Investors Since 1871
 www.edwardjones.com Member SIPC CA Insurance License 0C24309

PASO ROBLES Jeff Orcutt James and Ray... 1401 N. Hwy. 237-2044	PISMO BEACH Joe Brittingham James and Ray... HWY 101, Suite 101 475-9200	PISMO BEACH David Cadden James and Ray... 300 Cypress St., Ste. 512 773-4143	SAN LUIS OBISPO Edward Priddy James and Ray... 1218C Barro St. 785-2219	SAN LUIS OBISPO Kevin Swanson James and Ray... 1411 Marsh Street, Suite 205 544-6641	SANTA MARIA Kelly M. Smith James and Ray... 500 E. Main Street, Ste. 210 925-0279	TEMPLETON Mittie Pugh James and Ray... 529 Main St., Ste. 1 434-5336
--	--	--	---	--	---	--

REGAL • JORDANO • GRAFF • ALFRED DUNNER • FRENCH DRESSING • CITY GIRL • BLAST

A Basket Full of Savings at Rosa's Boutique

10%-35% OFF!

Fine Women's Apparel *Name Brand Clothing*

Incredible Savings

From April 13th to April 19th, at the time of purchase, select an Easter Egg and open it to determine your discount!

773-5373

Open Mon-Sat. 9:30-6:50 Sun. 11-5

Rosa's Boutique

535 FIVE CITIES DRIVE • PISMO COAST SHOPPING PLAZA

Real Estate Showcase

Sundays in The Tribune

OVERVIEW

Home prices forcing change

This impetus, more than any other, could determine who will live here ... and who won't

By SILAS LYONS
THE TRIBUNE

Home prices may be the single most powerful force shaping the future of San Luis Obispo County.

Moving in lock step with the statewide demand for the county's quality of life, these prices will determine who moves in, who stays and who moves out.

The price to buy into the coastal dream stood at a median level of \$362,000 in February. The median is the point where half of all homes sold for more and half sold for less. That median price could jump to more than \$500,000 in less than five years, the UCSB Economic Forecast projects.

With job growth weak and prices continuing to rise, the county is already the fourth least-affordable home-buying market in America, according to the National Association of Home Builders.

The changes bode well for many home owners.

Phyllis Porter, a retired high school teacher who bought in Pismo Beach six years ago, has

seen her investment more than double.

The escalation of Porter's modest ocean-view home to a value of about \$330,000 from \$148,000 has changed her lifestyle. She applied for a reverse mortgage, a loan secured by her house that shouldn't

'We didn't make enough money between the two of us to barely make ends meet.'

Former Arroyo Grande resident **Elizabeth Rittenhouse**, on the county's high cost of housing

come due for as long as she lives and doesn't sell.

That additional \$814 to her fixed monthly income helped finance a trip she always dreamed of to New Zealand.

"I get what I get because the house is valued over \$300,000 and it's paid for," Porter said.

Demographers say Porter will be followed by a parade of re-

tirees who want to do what she did: Get out of the city (South Pasadena, in her case) and move to the coast.

But for all the people who discover the comfort and beauty of coastal living, there will be stories like that of Elizabeth Rittenhouse, who now lives in Tucson, Ariz.

She and her husband recently left Arroyo Grande, where they paid \$800 monthly rent on an apartment in "not one of the nicest complexes."

"We didn't make enough money between the two of us to barely make ends meet," Rittenhouse said. "It was either pay the rent and buy groceries or pay the rent and bills and survive on what we had. Even coupon clipping didn't help much."

Hoping to keep families here, local officials have taken steps to introduce lower-cost housing and change planning rules to encourage developers to build smaller homes and apartments.

In one such effort, the cities of San Luis Obispo and Pismo Beach require that a percentage of every new residential development meet affordability



Retired teacher Phyllis Porter has seen her home in Pismo Beach appreciate so much that she was able to acquire a reverse mortgage and boost her monthly income by more than \$800.

TRIBUNE PHOTO BY DAVID MIDDLECAM

standards or that the builder pay into a fund for subsidized housing.

Paso Robles recently changed its rules to allow commercial and industrial developments to include worker housing.

Other communities have already begun to try various strategies. And this year, the cities and county are updating their housing plans through a series of workshops that will en-

gage citizens in tough conversations about the future.

But big-picture trends may prove difficult to stop. With America's largest generation nearing retirement age, the call of coastal living is growing louder.

Back at Phyllis Porter's house, evidence of that appeal is abundant. Standing on her back deck and looking across the rooflines below, the ocean

stretches out in a panorama that starts at Point Sal in the south and sweeps up past the Pismo pier.

She remembers a line Tom Selleck always used on "Magnum, P.I.," the 1980s TV show that was set in Hawaii, and quotes it frequently to herself.

"Another morning in paradise," she said. "That's what I say when I go out on the deck in the morning."

METHODOLOGY

How we reached these findings

By SILAS LYONS
THE TRIBUNE

The rough sketch of our county's future that appears on these pages today through Tuesday is based on several population projections and shaped by educated assumptions about the people who will move here.

Of course, there's no guarantee the future won't be something radically different. But during months of research and interviews, consistent themes emerged. These themes are supported by events already under way, such as the trend toward an older population.

The two researchers



William Fulton is the president of Solimar Research Group



Christopher Williamson is research vice president for Solimar Research Group

The study of San Luis Obispo County's future was commissioned by The Tribune and conducted by Solimar Research Group late last year. That Ventura-based organization is a national leader in planning research and analysis.

The report's authors are recognized experts. William Fulton, Solimar's president, wrote the most widely used college text on California planning (along with several other influential books) and publishes the California Planning and Development Report.

Christopher Williamson, Solimar's vice president for research, holds a doctorate in planning and policy analysis and is a former special assistant to the director of the U.S. Census Bureau.

Using Solimar's data, The Tribune conducted interviews and scoured additional data sources to complete the picture. Here's a closer look at where we got the information on which we based our series.

Growing population
The projection of 100,000 new residents is based on several sources. The state's Department of Finance predicts that the county will reach a population of 350,000 by 2015, a 100,000-head

OUR NEXT 100,000: WHO THEY ARE

WITH THE SILVER COMES THE GOLD

Influx of new residents will be the oldest and wealthiest in county history

By SILAS LYONS
THE TRIBUNE

Meet Abe Viero, a typical citizen of the county's future: Viero, 65, works at a second career, lives on a golf course and volunteers compulsively.

Viero sold a private alarm business to move from the San Bernardino Mountains to Nipomo, where his new bride had purchased a home in BlackLake Village. When he isn't selling real estate, he flies his own helicopter on search-and-rescue missions for the Sheriff's Department or volunteers at the golf course.

Within the next 15 to 20 years, there will be a lot more people here like Viero. The next 100,000 residents will be the oldest and wealthiest influx the county has ever seen. If current trends continue, they will flock here primarily from the Bay Area, Central Valley and affluent enclaves encircling Los Angeles.

This picture emerges from an analysis conducted by Solimar Research Group, a nationally known planning research firm. State population and employment projections, along with a careful look at who has been moving here in recent years, help complete the picture.

About 250,000 people lived in the county in 2000.

Between 2000 and 2015, Solimar projects the population between age 40 and 59 could grow 68 percent, and those 60 and over could swell by 49 percent. Some of this is due to the aging of the baby boomer generation, but incoming seniors will push the numbers even higher.

Unlike in most of California, Hispanics are not projected to form the underpinning of population growth here.

In fact, state demographers say that while Hispanics may account for 64 percent of the state's new residents by 2015, they represent just 23 percent of the expected growth in San Luis Obispo County.

Like those before them, affluent newcomers will be drawn by coastal beauty, tranquility and fresh air. For many, home prices will not be a barrier.

Still, their arrival will come at a cost. State demographers and local experts expect rising home prices to block out many of the middle-class families who have traditionally given the county its boots-and-blue-jeans character. The 25 to 39 group, starting out their lives and careers, are

expected to diminish by about 1 percent from their current total while the overall population swells by 100,000 people.

"We know that these are people that want to buy a home," said Bill Watkins, head economist with the UCSB Economic Forecast. "That drive is an American dream, to own a home, and so they will go other places to do it."

High-paying jobs seem unlikely to present an answer. Job growth will lag behind population growth, state projections indicate.

In a projection through 2006, the state Employment Development Department calls for the majority of new jobs to be in low-paying service positions like retail sales, clerks, groundskeepers and maids.

But there's an alternate theory floated by economic developers. In it, the wave of smart, rest-

'You want to be an attractive area to people with wealth. You can always tax wealth; you can't tax poor people. You can't tax people with affordable homes. Good things are going to happen.'

Paso Robles Realtor **Pete Dakin**, on why rising home prices are not a bad thing

less professionals who come here at the end of their careers use their money and know-how to launch new ventures and support entrepreneurs.

"I would find out who those people are, and I would be looking at them as angel investors," said Wayne Schell, chief executive of the nonprofit California Association for Local Economic Development in Sacramento.

"Angels" help launch companies that could eventually offer jobs to younger workers.

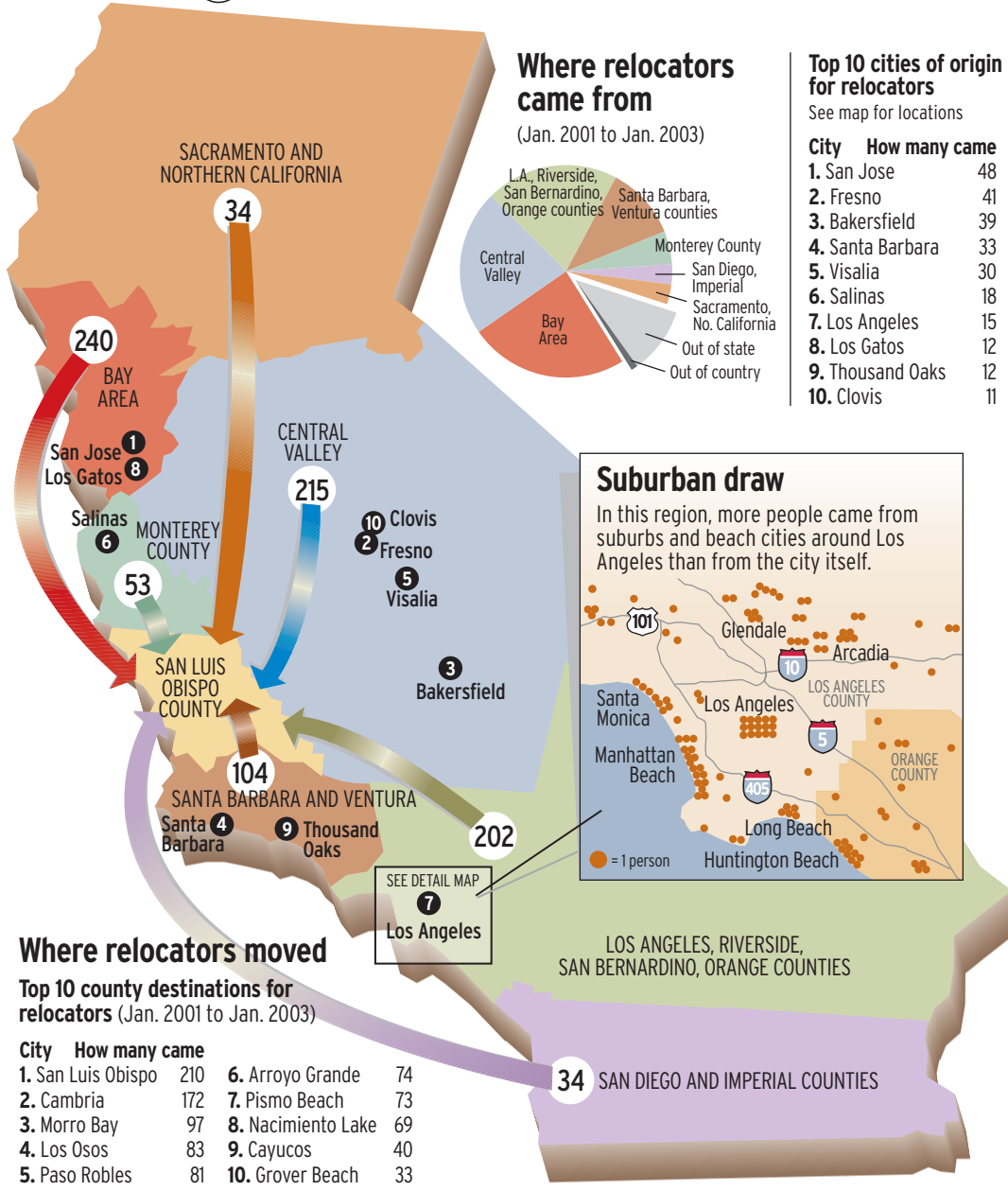
Powerful demand

San Luis Obispo's changing population will be governed largely by influences beyond the county's borders. Experts say much of the demand that keeps

Who's moving to San Luis Obispo County?

Californians are drawn to San Luis Obispo County property for its coastal serenity and central location. Here's where they come from:

KEY TO MAP NUMBERS: # Number of homebuyers who moved to SLO County, Jan. 2001 to Jan. 2003 # Rank among cities of origin



SOURCE: SLOCO DATA, TRIBUNE RESEARCH

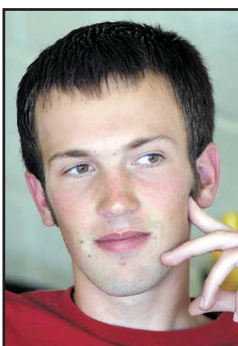
TRIBUNE GRAPHIC BY ANDREW CASTAGNOLA

Abe Viero, 65, sold his alarm business and moved from the San Bernardino Mountains to Nipomo, where his new bride, Syril, had purchased a home in Blacklake Village.



TRIBUNE PHOTO BY JAYSON MELLOW

LOCAL VOICES: HOW DO YOU THINK THE COUNTY WILL CHANGE IN THE NEXT 15 YEARS?



'There will be more traffic on the freeway. I could see it really getting populated. The oceans might be affected by offshore oil drilling. The wildlife could be damaged.'

Name: Brian Service
Community: Arroyo Grande
Lived here: 9 years



'I think it's going to be a very high suburban population but with a lot of big businesses coming in and taking over the scene. I'd love to see everything just stay nice and clean.'

Name: Jeremy Heller
Community: Paso Robles
Lived here: 4 years



'New homes will fill in the hillsides, and there will be a few more big box stores. Overall, I think San Luis Obispo is going to maintain its charm and its small-town feel.'

Name: Michelle Jones
Community: San Luis Obispo
Lived here: 14 years

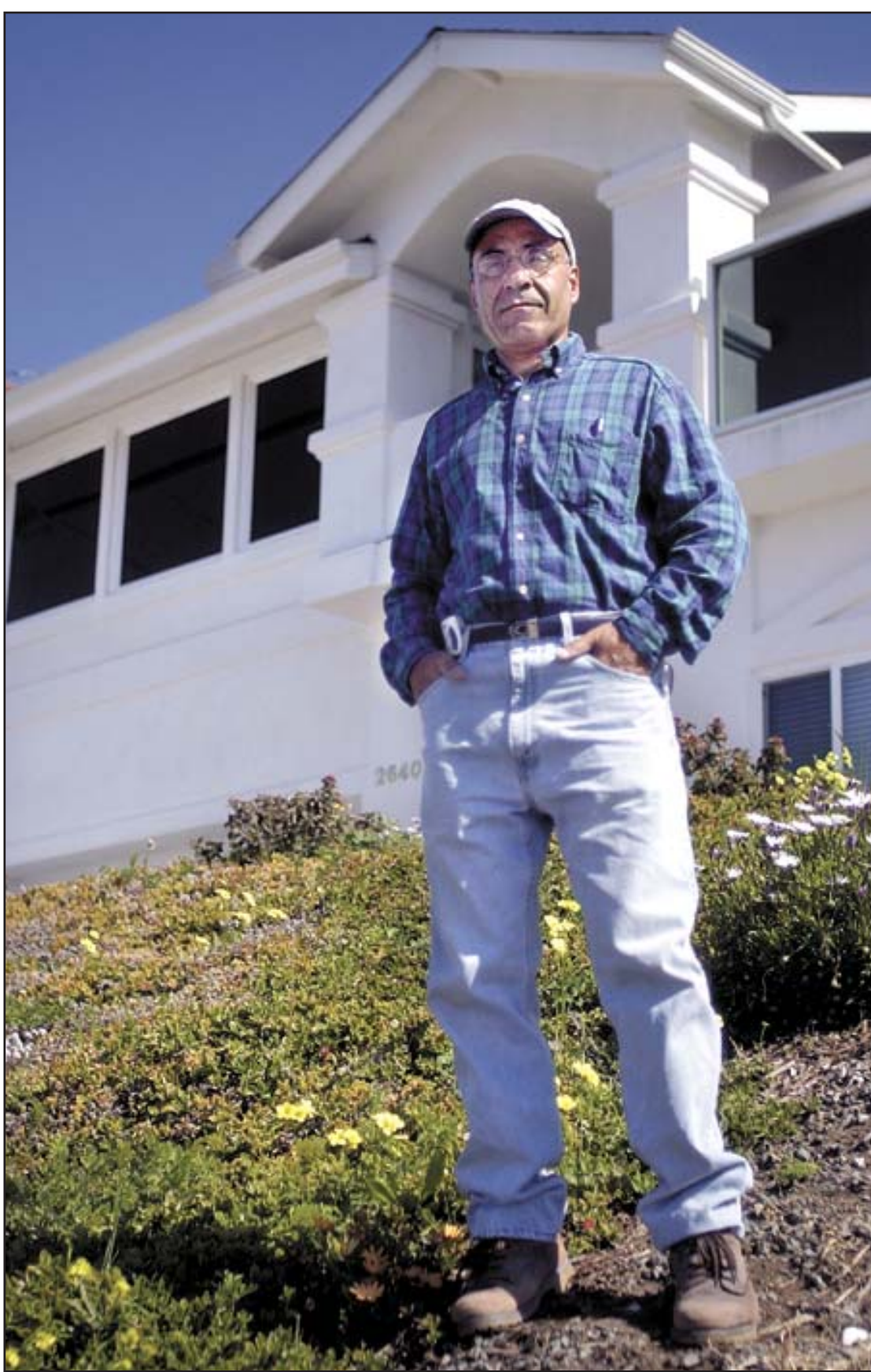


'I think we need better transportation all over the county.'

Name: Sheila Hunter
Community: Morro Bay
Lived here: 33 years

'A guy's coming in, and he says, "OK, how much is this house?" You say, "\$600,000." He says, "OK," and writes a check for \$600,000.'

Morro Bay developer **Fred Niknamfard**, on the behavior of recent buyers



TRIBUNE PHOTO BY JOE JOHNSTON

Morro Bay developer Fred Niknamfard, standing by one of his ocean-view properties, sees a lot of buyers in their early 60s who want large homes and extra rooms for the grandchildren.

Who

From Previous Page

home prices rising comes from elsewhere in California and the nation.

By 2006, the first of the massive baby boom generation will turn 60.

"They're due to inherit a small fortune, and retiring on the coast of California is one option," said Watkins, the UCSB economist. The impact of the baby boomers will be felt disproportionately in coastal California, he added.

"Truly, the Central Coast is going to be one of the active adult capitals in the western United States," says John Scardino, developer of the giant Woodlands neighborhood in Nipomo.

The effect on San Luis Obispo County could be even more dramatic than on some coastal neighbors.

Unlike Ventura and Santa Barbara counties to the south and Monterey County to the north, San Luis Obispo County can't attribute much of its population growth to babies being born.

The increase is caused almost entirely by new residents moving in from elsewhere.

That trend means more houses. Babies live with their parents, but people relocating need a place of their own.

Favored destination

A Tribune analysis of real estate transactions over the past two years confirms that homebuyers from outside the county come largely from high-dollar locales in the Bay Area and Southern California.

In addition, many come from the Central Valley towns of Fresno, Visalia and Bakersfield. All told, 990 out-of-county buyers spent more than \$390 million on homes here over the two years ending January 2003.

They paid an average of 18 percent more for homes than did in-county buyers.

"My money's coming from Los Angeles, San Francisco," says Fred Niknamfard, a Morro Bay developer.

Standing on a street high above the town, Niknamfard gestures around him. A Fresno insurance company employee until five years ago, Niknamfard is wearing jeans and faded G.H. Bass cap. He looks like a guy on a fishing trip.

He has, indeed, caught some whoppers. Niknamfard bought two of the lots on Juniper Avenue in 1998, paying less than \$70,000 for each parcel of prime dirt.

Today, bold stucco homes packed with amenities rise from those lots. One house just went back on the market for \$699,000 — eight months after Niknamfard sold it for \$585,000.

The buyers he sees are mostly in their early 60s, he said. They want extra rooms for the grandchildren to visit.

Transactions are fast. "A guy's coming in, and he says 'OK, how much is this house?'" Niknamfard says. "You say '\$600,000.' He says 'OK,' and writes a check for \$600,000."

Faced with such overwhelming demand, it's time to stop the hand-wringing about "affordable housing," says Pete Dakin, a Paso Robles Realtor.

"The natural order of things is happening," Dakin says. "Nobody's guaranteed the right to buy a home in San Luis Obispo because they were born here."

The people who will move to the county will make it a better place, Dakin says.

"You want to be an attractive area to people with wealth. You can always tax wealth; you can't tax poor people. You can't tax people with affordable homes."

"Good things," he says, "are going to happen."

Twice the frustration

There's rising frustration, however, from younger people in the county who are struggling to build their fortunes.

They face the double challenge of rapidly escalating home prices and a shortage of good-paying jobs.

Engineer Mark LaFaille, 35, job-hunted for four months after being laid off when technology firm Newport Corp. closed last year. In March, he finally accepted a position in Goleta.

For their generation, the LaFailles could be considered fortunate since they own their San Luis Obispo home. But they need his income to make ends meet.

"We've even looked at an option of my wife going back to teaching and me staying home," said LaFaille, who has two young children. "But even on a teacher's salary, you're not going to pay the bills and stay in this area."

Although LaFaille plans to

keep his house and commute, he said many of his former Newport colleagues have already left the county.

"I know a lot of great engineers that I worked with that just left, and went somewhere else to get a job," LaFaille said.

In many expensive communities, high-paying jobs keep the working-age population from leaving in search of cheaper homes. But San Luis Obispo County can't count on a similar economic solution, experts say.

In the state's employment forecast through 2006, only one new job is expected to be created for every three new residents moving here.

Employers who do have openings will continue to struggle to fill them because of the housing market, Watkins said.

High home costs are "either forcing (workers) out, or they won't come at all," he says. "They may work there, but they'll live in Santa Maria instead."

Those forces may keep out a generation of upwardly mobile Latinos that will fill many of California's jobs, said David Hayes-Bautista, director of the Center for the Study of Latino Health and Culture at UCLA.

"As the baby boomers retire and move out of the workforce, where is that middle level of the income going to come from?" Hayes-Bautista asked.

Meanwhile, people familiar with the projections of a wealthy, graying population point out that job growth may occur in the service sector, offering support to the retirees. Tourism is also expected to remain strong, creating low-end jobs.

Fees for routine services will rise steeply, predicts Dave Garth, chief executive officer of the San Luis Obispo Chamber of Commerce.

"It gets harder and harder to find people," he says. "That plumber has got to make a lot of money to live there. So your cost of living goes up tremendously, if you're a retired person and you have to hire this out and that out."

For many, that price may be worth paying.

Viero, the semi-retired Blacklake resident, used to frequent San Luis Obispo County as a coastal getaway.

He's sure a lot of other people want to live in their vacation haven. And for "a lot of people with a lot of money," he said, "it's still a bargain."

Method

From Previous Page

increase over the count taken by the 2000 Census.

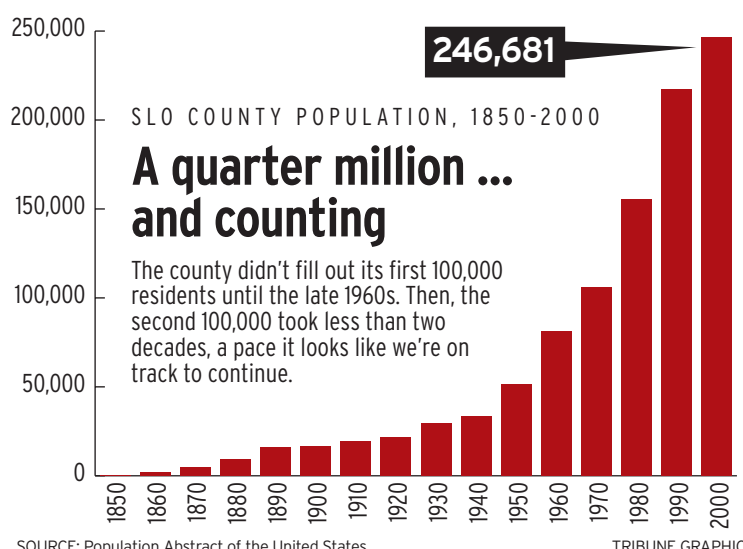
Those projections are controversial among both demographers and policy-makers, and are slated for revision this year. To date, however, they are the most widely accepted barometer of growth available.

In addition, Solimar researchers used detailed projections that they had developed for a statewide Caltrans study. Those analyzed the potential population growth of specific communities, and offered insights into the age and race of the newcomers.

Solimar projected a home being needed for every two people of the 100,000. That amounts to 50,000 homes.

Historically, household sizes have averaged closer to 2.5 people. But a projected increase in vacation homes and older residents is expected to drive down that figure.

The growth projected by Solimar would be fast, but not un-



precedented. Between 1980 and 2000, the county added about 100,000 residents — despite slow growth through an economic slump in the 1990s.

To cross-check the figures, Solimar compared them to housing projections from the UCSB Economic Forecast Project. UCSB's calculations are tied to job growth, and show an increase of only about 27,000 homes. That's just over half the

growth Solimar projected.

However, the UCSB figures assume a rising number of jobs per household. Looking at the aging population, Solimar questioned that assumption. If retirees are the greatest component of growth, researchers asked, why would there be more jobs per household in the future?

When the ratio of jobs to houses is held the same, the UCSB forecast rises to an increase of

40,000 homes.

That's in the ballpark, researchers concluded. They note that the growth figures are best applied by speaking of what the population might be at an approximate future date, rather than a specific one.

Under the UCSB scenario, 100,000 more people might not arrive by 2015. But they might well be here by 2020.

Big houses

To determine the types of homes that the future population will demand, Solimar started by examining where people lived in 2000.

The population was divided into "young" (under 35), "middle" (35 to 54) and "mature" (55 and older). Census data showed how many of each group rented and owned, and how many lived in single family homes (typical free-standing houses) and how many lived in multifamily structures (such as apartment buildings).

Using the projections of growth for each age group, and assuming that people of similar age in 2015 would prefer similar

living situations, Solimar arrived at demand for specific types of homes.

The age projections also allowed for analysis of who will be living here in the next 15 to 20 years, based on a combination of data from state demographers and a private research firm, Applied Geographical Systems.

In this series of stories, the projections for adult populations are probably more reliable than those for children under 18, Williamson said.

The Solimar analysis shows 67 percent growth in the under-18 population through 2015. That's too high, but is likely skewed by a statewide over-estimation of the young Hispanic population, Williamson said.

However, he said not all the growth in the school-age set is a mirage. These will be the children of people in their 40s and 50s — a category that is projected to expand dramatically.

Sprawl

After projecting population and types of homes, Solimar developed some likely patterns of growth throughout the county.

Six scenarios were presented, all of them assuming that 100,000 new people will arrive and placing them to various degrees in towns, near towns or in the county.

Three of the scenarios placed the growth in urban and rural categories, showing the results of staying on the present course, stopping sprawl altogether, or allowing it at the fringe of communities.

In these three, the primary variables were acreage and density. The fewer acres that were covered by new construction, the higher the density rose within communities.

Three other scenarios were tied to the general plans of cities and the county. These plans are master blueprints for growth.

Under these scenarios, the amount of growth allowed in specific areas by plans was the primary variable. But any demand that was left over was assumed to spread out into the rural county, where developers of the past created scores of subdivisions that can be developed with or without public support.