

# CHAPTER 1 - INTRODUCTION & EXECUTIVE SUMMARY

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## INTRODUCTION

The Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires the Local Agency Formation Commission (LAFCO) to update the Spheres of Influence (SOI) for all applicable jurisdictions in the County every five years or as needed. A Sphere of Influence is defined by Government Code 56425 as "...a plan for the probable physical boundary and service area of a local agency or municipality...". A SOI is generally considered a 20-year, long-range planning tool. The Act further requires that a Municipal Service Review (MSR) be conducted prior to, or in conjunction with, the update of a Sphere of Influence. The MSR evaluates the capability of a jurisdiction to serve their existing residents and future development in their Sphere of Influence.

### **Sphere of Influence**

**"...a plan for the probable physical boundary and service area of a local agency or municipality..."**

A Municipal Service Review (Chapter 3) has been prepared for the City of Atascadero in accordance with Section 56430 of the California Government Code. The Service Review evaluates the public services provided by the City and possible changes to the City's Sphere of Influence that are currently under consideration. The San Luis Obispo LAFCO's Municipal Service Review Guidelines were used to develop information, perform analysis and organize this study.

The legislative authority for conducting Service Reviews is provided in section 56430 of the CKH Act. The Act states, ("That in order to prepare and to update Spheres of Influence in accordance with Section 56425, the Commission shall conduct a service review of the municipal services provided in the County or other appropriate area designated by the Commission ...") A Service Review must have written determinations that address the six legislative factors in order to update a Sphere of Influence.

Information that addresses each of the six factors is provided in Chapter 3 – Municipal Service Review - of this document. The six factors are listed on the next page, and Written Determinations for each factor are based on the information and analysis found in Chapter 3.

LAFCOs are encouraged to compile a variety of information in preparing a Service Review. LAFCOs also use a significant proposal (constraints analysis, general plan update, master plan, specific plan, etc.) as a way to compile the information needed for a Service Review. Administrative and organizational information is also collected and evaluated.

The City provided a variety of plans, studies and other documentation to assist in the preparation of these documents. Other information from current development projects is also used. A complete list of references can be found at the end of this document.

### **SIX SERVICE REVIEW FACTORS**

- 1. Growth and Population projections for the affected area**
- 2. Present and planned capacity of public facilities and adequacy of public services including infrastructure needs or deficiencies**
- 3. Financial ability of agencies to provide services**
- 4. Status of, and opportunity for, shared facilities**
- 5. Accountability for community service needs including governmental structure and operational efficiencies**
- 6. Any other matter related to effective or efficient service delivery, as required by commission policy**

### **SERVICE REVIEW & SPHERE OF INFLUENCE UPDATE PROCESS**

The CKH Act calls for the Service Review to be completed either prior to or concurrent with the Sphere of Influence Update. The process for updating the City of Atascadero's Sphere of Influence includes several steps:

1. Gathering and compiling information regarding the jurisdictions service capability.
2. City and County consideration of a Memorandum of Agreement (MOA) regarding SOI boundaries, and development provisions for the Sphere of Influence area.
3. Preparation of a Public Review Draft Sphere of Influence Update and Municipal Service Review and completion of the environmental review process consistent with the California Environmental Quality Act (CEQA). Public Review and Comment period for all documents.
4. If agreed to, City and County approval of a Memorandum of Agreement (Appendix B). LAFCO is required by the CKH Act to give "great weight" to an agreement between the City and the County when considering the Sphere of Influence Update.
5. LAFCO consideration of Sphere of Influence Update, Municipal Service Review, Memorandum of Agreement, and Environmental Review documentation.

**Past LAFCO Actions.** The last SOI Study for Atascadero was completed in 2003 which included the Eagle Ranch area. Since that time no proposals have been considered by LAFCO. Appendix C contains a table that shows the latest LAFCO actions.

**Current LAFCO Action.** LAFCO is considering the following actions as a part of this Sphere of Influence Update:

1. Approve and adopt the environmental documentation pursuant to CEQA;
2. Approve the Municipal Service Review and Written Determinations for the City of Atascadero (Chapter 3); and
3. Approve and adopt the City of Atascadero's existing Sphere of Influence (Chapter 2)

## **CEQA**

LAFCO has determined the SOI Update qualifies for a General Rule Exemption. The Notice of Exemption is found in Appendix A, and provides for the CEQA documentation for this Sphere of Influence Update. As indicated earlier, a Sphere of Influence is a plan for probable, physical boundary and service areas of a local agency or jurisdiction. As such, it does not give property inside the Sphere boundary any more development rights than what already exist. The Sphere of Influence Boundary is a long-range planning tool that assists LAFCO in making decisions about a jurisdiction's future boundary. The Sphere indicates areas that might be served by the City. It is unknown if an area will ever be annexed to the City. Also, it is often uncertain what type of land use is going to be proposed for a specific area. In some cases, areas already have approved development entitlements and have completed environmental review. In the case of Atascadero's Sphere of Influence Update the boundary will not change from the previous review nor has the setting changed significantly.

The study of impacts associated with the Sphere of Influence is often speculative since it is unclear what type of project might be proposed or if an area will even be annexed in the future. The City or County studies impacts comprehensively when a project-specific environmental review is completed. The City is at the beginning stages of preparing a Specific Plan and Environmental Impact Report for the Eagle Ranch area.

## EXECUTIVE SUMMARY

The following is a summary of the key information contained in this Service Review completed for the City of Atascadero. The six factors that are required to be addressed by the CKH Act are covered in this summary section.

### 1. Growth & Population

Atascadero has experienced considerable growth over the last few decades. From 1970 to 1980 population increased by 78%, from 1980 to 1990 population increased by 43% and from 1990 to 2000 population growth slowed to about 14%. The City's population grew by 8.8% from 2000 to 2010. In 2010, the U.S. Census stated 28,310 people lived in Atascadero and the total number of dwelling units was 11,505. The City's estimated build-out population within the current City limits is 36,030. The General Plan assumes for the City an annual growth rate of 1.25% over the next 20 years. The City estimates that approximately 28,310 residents currently live in Atascadero. Over the last 10 years, Atascadero's population has increased by approximately 1,899 people. This equates to less than 1% per year rate of population increase over the 10 year period. Atascadero's growth is likely to remain at a nominal level as the economic recovery continues to evolve over the next few years. The following table shows the past census data and uses demographic information from the Atascadero Mutual Water Company's 2005 Urban Water Management Plan.

**Table 1-1: Historical & Projected Population Growth**

	1990 <sup>(1)</sup>	2000 <sup>(1)</sup>	2005 <sup>(1)</sup>	2010 <sup>(1)</sup>	2015 <sup>(1)</sup>	2020 <sup>(1)</sup>	2025 <sup>(1)</sup>
Population	23,138	26,411	27,953	28,512	28,864	29,229	36,738
10 Year Increase	--	3,273	1,542	559	352	365	7,509
10 year Avg. Increase	--	12%	5.5%	1.9%	1.2%	1.2%	20%
Average per Year	--	1.2%	1.1%	0.4%	0.2%	0.2%	4%

(1) Source: AMWC 2005 Urban Water Management Plan

**Housing Units and Growth Projections.** In the 2005 Urban Water Management Plan, the Atascadero Mutual Water Company estimates that 28,512 people lived in the City. In 2000, the U.S. Census stated the total number of dwelling units as 9,531 with an average household size

of 2.62 persons and an occupancy rate of about 97%. The Urban Water Management Plan projects the current City limit and Sphere of Influence boundaries to yield a population of 36,738 persons. This projection results in an approximate 22 percent increase in population over the 20-year period between 2005 and 2025. The 2002 General Plan assumes a growth rate of 1.25% per year to the 2025 build-out population of 36,030.

## 2. Infrastructure Needs & Deficiencies

LAFCO is responsible for determining that a jurisdiction is reasonably capable of providing needed resources and basic infrastructure to serve areas already within the City and in the Sphere of Influence. It is important that such findings of infrastructure and resource availability occur when revisions to the SOI and annexations are proposed by the City or property owners. In the case of this SOI Update, it is prudent for LAFCO to analyze present and long-term infrastructure demands and resource capabilities of the City of Atascadero. LAFCO accomplishes this by evaluating 1) the resources and services that are currently available, and 2) the ability of the City to expand such resources and services in line with increasing demands.

### Water

The Atascadero Mutual Water Company (AMWC) provides water service to the City of Atascadero. AMWC's service boundary is the original colony boundary and other areas outside of the City limits. Within this service area boundary are the Atascadero City limits and some of the unincorporated areas of the county including portions of the Eagle Ranch Property, the West San Marcos Development, and the area south of Santa Rosa Road known as the Random Oaks area. AMWC primarily relies on groundwater for its water supply and has water rights to a specific quantity of water from the Salinas River Underflow unit (4,000 acre-feet per year from this resource.). AMWC is not limited to the amount of water that can be drawn from the deeper Paso Robles Formation (Atascadero Sub-Basin). AMWC has also subscribed to receive 2,000 acre-feet of water from the Nacimiento Water Project. The demand for development outside the City limits, but within the existing Sphere of Influence, has been contemplated and adjusted for in the future supply available to the City by AMWC.

<b>Table 1-2 - Future Available Water Supply &amp; Demand</b>	
Source: AMWC Urban Water Management Plan, 2006	
<b>Source</b>	<b>Amount Available (AFY)</b>
Groundwater (Basin Wells)	3,500
Groundwater (River Wells)	4,000
Nacimiento Water	2,000
<b>Total Potentially Available</b>	<b>9,500 AFY</b>
<b>Total Estimated Demand</b>	<b>6,970 AFY</b>

AMWC completes water demand projections in order to know how much water might be needed to serve residents, businesses and other uses as growth and development occurs. AMWC's Urban Water Management Plan provides information and establishes policies for meeting the current water demand and for projecting future water demand. The water supply question in Atascadero is tied to the Status of the Paso Robles Formation and Atascadero Sub-Basin. Generally, AMWC appears to have available resources to meet current and future demands for areas within the City limits and SOI areas at the present time.

**Table 1-3 – Current and Projected Demand**

USER TYPE	2000	2005	2010	2015	2020	2025	2030
<b>CONNECTIONS</b>							
<b>SFR</b>	7,712	8,573	8,875	9,443	10,048	10,692	11,226
<b>MULTI-FAMILY</b>	332	343	366	389	414	441	463
<b>COMMERCIAL</b>	596	655	693	737	784	834	876
<b>INDUSTRIAL</b>	10	26	10	30	31	33	35
<b>LANDSCAPE</b>	137	167	175	186	198	210	221
<b>OTHER</b>	96	157	139	148	157	167	175
<b>TOTAL CONNECTION</b>	8,883	9,921	10,275	10,933	11,634	12,379	12,998
<b>WATER USE</b>							
<b>TOTAL AFY IN SYSTEM</b>	N/A	6,573	8,998	7,446	7,923	8,431	8,867
<b>USER TYPE</b>	<b>2000</b>	<b>2005</b>	<b>2010</b>	<b>2015</b>	<b>2020</b>	<b>2025</b>	<b>2030</b>
<b>TOTAL AFY DELIVERED</b>	5,681	6,108	7,026	7,476	7,955	8,431	8,867
<b>SFR</b>	4,166	6,117	5,354	5,697	6,062	6,424	6,757
<b>MULTI-FAMILY</b>	573	534	60	635	676	717	754
<b>COMMERCIAL</b>	496	523	58	613	652	691	727
<b>INDUSTRIAL</b>	5	5	7	7	8	8	9
<b>LANDSCAPE</b>	405	365	436	464	493	523	550
<b>OTHER</b>	36	67	56	60	64	67	71

Source: Atascadero Mutual Water Company Private Water System Statistics<sup>1)</sup>

### Wastewater

The City of Atascadero operates a wastewater treatment plant that treats wastewater to secondary levels. It treats wastewater from about half of the City of Atascadero properties

within the Urban Services Line (USL). The estimated dry weather capacity of the WWTP is 2.39 million gallons per day (mgd) and the present dry weather flow is approximately 1.4 mgd. The City’s WWTP is presently operating at about 58% of permitted capacity (1.4 mgd average daily flows against a permit limit of 2.39 mgd). Minor upgrades have been approved for the treatment plant facility, but no expansions are planned for increasing the plants capacity. The plant’s capacity can serve the City’s existing and future residents within its current City limits and SOI areas.

**Roads**

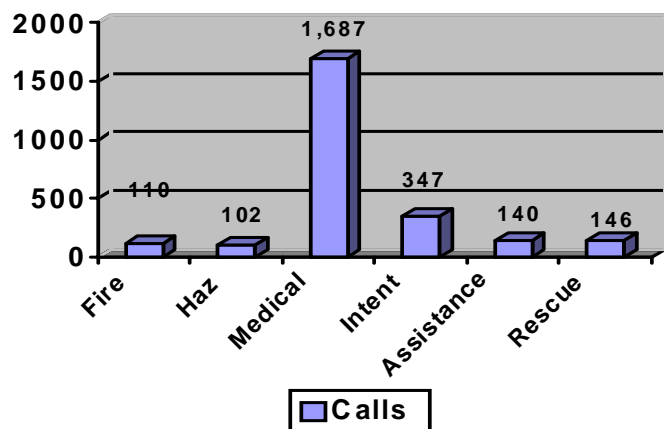
The Circulation Element was adopted in 2002 along with other elements in the General Plan, in particular the Land Use Element. This coordinated approach enabled the City to plan for transportation commensurate with the planned growth and development. The Circulation Element provides a policy base for the continued improvement of the City’s circulation system.

According to the San Luis Obispo Council of Government’s (SLOCOG) 2010 Regional Transportation Plan a significant increase in traffic volume on Highway 101 and Hwy 41 is projected from the 2008 number of 50,000 & 9,100 average daily trips to 75,000 & 13,000 average daily trips in 2035 respectively. The Level of Service in the Atascadero area at Highway 101 & 41 is expected to be maintained at LOS B. Highway 41 interchange has been redesigned to address capacity issues. SLOCOG 2010 RTP protects the right-of-way for future expansion; and provides for an evaluation of the capacity needs throughout the corridor to more complete develop a financial, service and facility plan to meet corridor mobility needs.

**Fire**

The Atascadero City Fire Department is an “all risk” Fire Department that responds to emergencies such as medical, structure fires, wildland fires, vehicle traffic collisions, hazardous materials incidents, technical rescues and public service assists. The Fire Department operates from 2 fire stations with 6 fire engines, 2

**Fire Station Lewis & Front  
Incidents 2010**



command vehicles, a ladder truck and a technical rescue unit. The department operates with a total of 17 full-time and 18 Reserve Firefighters. The full-time staff includes 1 Fire Chief, 1 Fire Marshal/Code Enforcement Officer and 1 Administrative Assistant. The City requires that all new development pay fees for additional equipment and fixed facilities as needed to service the new development. In SOI areas, the City would consider the need for additional fire stations, equipment and manpower. The City may require the formation of fire protection assessment districts to fund fire suppression and emergency medical services.

### **Police**

The City of Atascadero provides law enforcement services for the residents of the City. The Police Station is located at the corner of El Camino Real and Rosario. The total budget for the Police Department for fiscal year 2009-10 was \$5.733 million and \$5.830 million in 2010-11. The Department was formed in 1980 upon incorporation of the City and now has 38 authorized positions. Twenty-eight (28) authorized sworn officers and the remaining are civilian support staff. Atascadero had a property crime rate of 31.2 per 1,000 persons in 2002 and in 2008 the crime rate decreased to 19.2 with a slight increase in 2009. This is the largest decrease among the cities in San Luis Obispo County. The City has the opportunity to add police and fire staff and facilities as needed to cover Sphere of Influence area through the development and review process.

## **3. Financing Constraints & Opportunities**

Atascadero, like most cities, requires new development projects, and in particular annexations, to “pay their own way”. At the time an annexation is considered for any of the SOI properties, the City requires an economic analysis to be prepared to identify a cost-benefit breakdown of the proposed land uses and projects. The City has in place a capital improvement plan, development impact fees, developer required mitigation in the form of infrastructure improvements required to serve new projects, and similar programs to monitor public service needs of new development. It is reasonable to conclude that the City endeavors to avoid long-term financial obligations for a capital improvement or maintenance of new development projects, such as those that would occur in the SOI areas.

The City levies a series of development impact fees for new development to address many differing needs. All these fees are based on Government Code Section 66000 et seq., which

requires the agency setting fees to (i) identify the purpose of the fee, (ii) identify the use to which the fees will be put, (iii) determine the reasonable relationship (or “nexus”) between the type of development charged the fee, the amount of the fee and its use, and (iv) determine the reasonable relationship between the need for the public facility or improvement and the project upon which the fee is imposed. Fees collected by the City include: parkland facilities fees, circulation fees, library expansion fees, law enforcement facilities fees, fire facilities, open space acquisition fees, public facilities fees, and general government facilities fees.

The City has adopted a Fiscal Policy which includes maintaining a General Fund Reserve of 20% of budgeted annual operating expenditures. The City has used reserves in the last few years to balance the budget. The City has planned for more difficult fiscal situations since experiencing negative general fund balances in the 1990’s. The combination of conservative revenue projections and holding the line on expenditures has helped Atascadero maintain a reserve of upwards of \$5.8 million at the end of fiscal year 2011.

#### **4. Opportunities for Shared Facilities**

The annexation of the SOI study areas to the City may lead to shared roadway infrastructure with the County and the State. The SOI area includes opportunities to create shared facilities such as:

- ▶ Roadway connections
- ▶ Coordinated open space preservation
- ▶ Linkages between City and County recreational trails
- ▶ Preservation and enhancement of Agricultural Lands

In the case of roadways and creek trails, the opportunity to coordinate connections between collector and arterial roadways would enhance regional traffic patterns, and aid in emergency response times. The recreational aspects of trail connections, tied into an open space and equestrian trails, offer opportunities for the City and County to join their recreational resources not only to the benefit of the City residents, but for the general public of the County as well.

Coordination of open space corridors that cross over the proposed City-County limit lines would enhance the viability of habitat in the area and preserve the important oak woodlands and related habitat for generations to come.

## **5. Accountability in Government Structure**

The City Council is elected in compliance with California Election Laws. The City complies with the Brown Act Open-Meeting Law and provides the public with ample opportunities to obtain information about City issues, including website and phone access. The City's website contains a wealth of information about all of the City's Departments and services. The City Council holds regular meetings at 6:00 p.m. on the second and fourth Tuesdays of each month in the City Hall Council Chambers, at 6907 El Camino Real.

Atascadero does maintain various customer-oriented programs, including a mission statement for each City department, customer satisfaction programs, regular in-house safety training and management, and similar programs designed to enhance the experience for the City customer. Overall, the City is well-organized and equipped administratively to serve the recommended Sphere of Influence.

## **RECOMMENDATION**

Based upon the information contained in Chapters 2 and 3 of this document, and the environmental determination, it is recommended that the Atascadero Sphere of Influence remain unchanged and be re-adopted by LAFCO. Chapter 2, Sphere of Influence Update, provides more detailed information regarding the basis for this recommendation.

Figure 1-1 – Recommended Sphere of Influence

