




LAFCO - San Luis Obispo - Local Agency Formation Commission
SLO LAFCO - Serving the Area of San Luis Obispo County

TO: MEMBERS, FORMATION COMMISSION

FROM: DAVID CHURCH, AICP, EXECUTIVE OFFICER 

DATE: SEPTEMBER 15, 2011

SUBJECT: APPROVAL OF SPHERE OF INFLUENCE UPDATE AND MUNICIPAL SERVICE REVIEW/ENVIRONMENTAL DETERMINATION FOR THE CITY OF ATASCADERO

Recommendation: It is respectfully recommended that LAFCO take the following actions to update the Spheres of Influence for the City of Atascadero:

1. Certify by resolution the Notice of Exemption found in Exhibit A.
2. Give "Great Weight" to the Memorandum of Agreement that has been approved by the Atascadero City Council and the County Board of Supervisors found in Exhibit D.
3. Approve by resolution the Sphere of Influence Update and Municipal Service Review. The resolution shall incorporate by reference the written determinations related to the six factors stated in the Cortese-Knox-Hertzberg Act and found in the Service Review.

Summary. A Sphere of Influence (SOI) is defined by the Cortese-Knox-Hertzberg (CKH) Act 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 growth boundary for a jurisdiction. The Act further requires that a Municipal Service Review be conducted prior to, or in conjunction with, the update of a Sphere of Influence and boundary. The Cortese-Knox-Hertzberg Act also requires LAFCO to update the Spheres of Influence for all applicable jurisdictions in the County every five years or as needed. Atascadero's last update to their Sphere of Influence (SOI) was completed in 2003.

Exhibits

- A: Notice of Exemption
- B: Resolution Approving Atascadero's SOI/MSR
- C: Recommended Sphere of Influence Map
- D: City-County Approved MOA
- E: City of Atascadero Sphere of Influence Update and Municipal Service Review (under separate cover, previously provided)

A Sphere of Influence Update and Municipal Service Review have been prepared for the City of Atascadero in accordance with the Cortese-Knox-Hertzberg Act. The Sphere Update contained in Chapter Two of the document proposes no changes to the existing Sphere of Influence.

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DAVID CHURCH
Executive Officer

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Analyst

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Commission Clerk

Background. Atascadero's previous update to their Sphere of Influence (SOI) was completed in 2003. LAFCO approved a Sphere of Influence Update and Municipal Services Review that evaluated expansion of the SOI boundaries to include the 3,500-acre Eagle Ranch site and the 5-acre N. San Ramon property.

The LAFCO commission received status reports on the Atascadero SOI Update and Municipal Service Review on February, 17, March 17, and June 16, 2011. The Public Review Draft of the Sphere of Influence Update and Municipal Services Review was distributed to the Commissioners on June 16, 2011. Please bring it to the September 15th meeting.

Municipal Service Review. The Municipal Service Review has been prepared in accordance with Section 56430 of the California Government Code as a means of evaluating the public services provided by the City of Atascadero. It responds to the requirement that LAFCO conduct a MSR to study the delivery of services and update the Sphere of Influence.

The legislative authority for conducting Service Reviews is provided in the CKH Act. The Act states, "That in order to prepare and to update Sphere of Influences in accordance with Section 56425, LAFCOs are required to conduct a review of the municipal services provided in the County or other appropriately designated area..." A Service Review must address the following factors in order to update a Sphere of Influence:

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 opportunities 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

Information regarding each of the above factors is provided in the Service Review. The City of Atascadero has provided information regarding each Service Review factor. The Service Review is used as an information base to update the SOI. As required, written determinations for each factor have also been prepared for the Commission's consideration.

Some key determinations are:

- The City's General Plan provides for the logical and reasonable growth and development of the City and was updated in 2002 with some elements updated since then like the Housing Element.
- The General Plan calls for a Specific Plan to be prepared prior to development of the Sphere of Influence area for Eagle Ranch.
- The Atascadero Mutual Water Company (AMWC) currently has an adequate water supply to

serve the City's anticipated build-out under its current General Plan and the SOI properties. Also, the lots within the Eagle Ranch area are entitled to water service from the Atascadero Mutual Water Company.

- Properties proposed for annexation would be required to prepare a Specific Plan identifying land uses and water demands and supplies to adequately serve the development.
- Development proposals in the Sphere of Influence would be required to extend physical infrastructure to their respective sites as needed and pay their share for facilities and other City services as a condition of project development.
- Fire and Police Services to serve the Eagle Ranch area would be provided by the City of Atascadero. Assessment and Community Facilities Districts would need to be passed for the annexation to be consistent with City policy for developing funding mechanisms.
- There are no apparent short- or long-term fiscal constraints limiting the City of Atascadero's ability to serve the suggested properties within the Atascadero SOI.

Sphere of Influence Update. The Sphere of Influence (SOI) Update is prepared for the City of Atascadero based upon a Municipal Service Review that analyzes the City's capability to serve existing and future residents. The process for updating the Sphere of Influence includes several steps, as shown below.

Sphere of Influence Update Process

- A. Preparation of a Draft Municipal Services Review and a Draft Sphere of Influence Update.
- B. Completion of the environmental review process consistent with the California Environmental Quality Act (CEQA).
- C. City-County Memorandum of Agreement (MOA) negotiation period on the Sphere of Influence boundaries, provisions for the areas of the Sphere to be amended.
- D. Public review of the Sphere of Influence and environmental review documents.
- E. City and County approval of a Memorandum of Agreement. LAFCO is required to give great weight to an agreement between the City and the County when considering a Sphere of Influence Update.
- F. Approval of the Sphere of Influence Update, Municipal Service Review, and CEQA determination by LAFCO.

The factors that are required for establishing a SOI are addressed according to section 56425(e)(1-4) of the Cortese/Knox/Hertzberg Act:

- Present and planned land uses in the area, including agriculture, and open space lands;

The Eagle Ranch Specific Plan is being developed by the City for the SOI area that might include commercial, residential, recreation and open space planned land uses. The planned use for the area is the potential development of 452 original colony lots which have been certified by the County as legal lots. These 452 lots are scattered over a 3,500-acre area (Eagle Ranch) and are

between 5 and 10 acres each in size. This existing pattern of development would promote the inefficient provision of public services, increase environmental impacts caused by development, discourage the preservation of open space and agriculture land and would further encourage urban sprawl in the area. The City's General Plan calls for inclusion of this area into the City under a Specific Plan. The Specific Plan would likely include a more clustered pattern, greater preservation of agriculture and open space, shorter utility lines and a more efficient circulation pattern.

- Present and probable need for public facilities and services in the area;

The present need for public services in the proposed SOI area varies in the different areas. Many of the properties' current uses are for agricultural and open space purposes. The property will likely need a higher level of public services in the future if the 452 Colony lots are developed as configured, utility lines and roads would be constructed throughout the 3,500-acre property. These 5 to 10 acre lots are spread out over a 3,500-acre area and will need public services regardless of if they are developed in the City or the County. The Atascadero Mutual Water Company would provide water to the area whether it is developed in the County or City.

- Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide; and

The City's present capacity and adequacy of public services are described in greater detail in the MSR. The Atascadero Mutual Water Company has the ability and would provide water to the area. The projected water demand is estimated at 6,970 AFY (including Eagle Ranch) can be met by current water supplies (9,500 AFY). The City's wastewater treatment plant has the capacity of 2.39 million gallon-per-day (mgd). The treatment plant operates at approximately 58 percent capacity, which results in an average daily flow of 1.4 mgd. The large lot pattern of Atascadero, along with the hilly terrain, drainage patterns, makes substantial sewer extension outside the USL infeasible. Property outside of the Urban Services Line is required to utilize septic systems. The Eagle Ranch area will be evaluated under the specific plan to determine if connection is feasible or use of septic system is warranted. Other public services such as police, fire, recreation, and administrative services are identified as being adequate in the MSR.

- Existence of social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.

It is likely that the City would change once the area is annexed, this change would be positive, bringing in new families and economic buying power as well as possible revenues that could help the City's budget. Transient occupancy tax (TOT), commercial, and retail areas could bring jobs and economic growth into the City.

Memorandum of Agreement (MOA). A Memorandum of Agreement (MOA) between the City and County has been prepared and is included with this report as Exhibit D. This agreement is to be given "great weight" by the Commission in making its decision regarding the update of the City of Atascadero's SOI. The MOA reflects the City's and County's agreement on the proposed provisions and guiding principles for the sphere area as described in Exhibit B of the MOA. The provisions and guiding principles provide a framework for the City and County to work within for updating their respective General Plans for the areas in the SOI boundary. The MOA provides that these standards and requirements are not intended to supersede or limit the existing planning or environmental review process of either jurisdiction. The general approach of the MOA is to ensure

close coordination and cooperation between the City and County on the future planning and development of the areas within the SOI boundary. The Atascadero City Council voted 5-0 to approve the MOA at their June 14, 2011 meeting. The Board of Supervisors voted 5-0 to approve the MOA at their August 2, 2011 meeting. The provisions of the MOA include guiding principles that the City and County would agree to in developing the SOI. The key principles included in the MOA include:

- Future development of the Eagle Ranch area to meet certain provisions including;
 - a. Creation of walkable and bicycle friendly neighborhoods with logical connections and future transit opportunities if feasible.
 - b. Planning for a trail system to accommodate pedestrians, bicyclists and equestrians which connects to the existing community.
 - c. Development of a range of housing opportunities and choices.
 - d. A land use pattern that clusters development in a manner that reduces environmental impacts
- Preservation of agricultural land and open space.
- Referral of projects in the fringe area to the City and County;
- Fair distribution of mitigation/impact fees;

Environmental Determination. LAFCO is the Lead Agency for the proposed Sphere of Influence Update and Service Review. As Lead Agency, LAFCO has determined the SOI Update qualifies for a General Rule Exemption. The Notice of Exemption is found in Exhibit A, and provides for the CEQA documentation for this Sphere of Influence Update. The SOI Update confirms that the existing SOI boundary is appropriate at this point in time. 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. 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.

Public Participation. The documents were released for a 45-day public review on June 17, 2011. The Public Review period closed on August 1, 2011, with no comment letters being submitted. A Notice of Hearing and 45-day public review period was published in a newspaper of general distribution (The Tribune) as required by the CKH Act. The notice was also mailed directly to interested agencies and parties, media organizations, and property owners adjacent to the proposed SOI additions. LAFCO staff has also met with Eagle Ranch property owners and representatives regarding the Sphere Update and Service Review process. The City and the County have both conducted status reports and hearings at their regularly scheduled public

meetings to discuss this item with their Council and Board respectively. The documents were also mailed directly to the City, interested parties and agencies. The documents are also available at the San Luis Obispo LAFCO website, www.slolafco.com.

City Participation. The City's Community Development Department has been involved in discussions with the County Department of Planning and Building, LAFCO, and the Eagle Ranch representative regarding the Sphere Update and Service Review. The City Council adopted a resolution of application to LAFCO for formally initiating the SOI update and Municipal Service Review process.

County Participation. The County Department of Planning and Building have participated in a series of meetings with City and LAFCO staff to discuss county involvement in the Atascadero SOI update and the pending Eagle Ranch Specific Plan. The Board of Supervisors received a status report on the proposed SOI update and related planning for the Eagle Ranch area.

Comments-Changes. No comments were submitted regarding the Atascadero SOI update. The Present capacity of public facilities and adequacy of public services section in this staff report will be added to Chapter Two of the SOI Update.

Development Plans: The development plans for the Eagle Ranch property are underway and the City has contracted with a consultant for the preparation of an Environmental Impact Report. The Atascadero General Plan and the Agreement between the City and the County call for a Specific Plan to be prepared prior to annexation into the City. The City is working with the property owners and representatives to develop a Specific Plan that incorporates the recommended provisions and guiding principles in the MOA.

Conclusion. LAFCO has completed all the steps necessary to update the City of Atascadero's Sphere of Influence consistent with the Cortese-Knox-Hertzberg Act.

NOTICE OF EXEMPTION

TO: Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

FROM: San Luis Obispo LAFCO
1042 Pacific Street
San Luis Obispo, CA 93401

Julie Rodewald, County Clerk
County of San Luis Obispo
County Government Center
San Luis Obispo, CA 93401

CONTACT: David Church, AICP, Executive Officer
(805) 781-5795

PROJECT TITLE: CITY OF ATASCADERO SPHERE OF INFLUENCE UPDATE AND MUNICIPAL SERVICE REVIEW

Project Location and Description. The City of Atascadero's Sphere of Influence is not recommended to change from the existing adopted Sphere Boundary. The Sphere of Influence areas are located just north of the City limits (5-acre parcel) and at the southern part of the City known as Eagle Ranch area (3,500 acres). The Sphere of Influence is a 20-year planning boundary that indicates what areas might be annexed and served by the jurisdiction in the future. This area is recommended to remain in the SOI in part because it has 452 lots that have been certified as legal by the County in a lot configuration that includes 5-10 acre parcels throughout the entire SOI area. The City intends to consolidate these lots in a more compact land use pattern that conserves land and resources.

Public Agency Approving Project. The Local Agency Formation Commission (LAFCO) of San Luis Obispo County will be conducted a public hearing on this item in September 15, 2011 at 9:00 a.m. in the Board of Supervisors Chambers in San Luis Obispo at the County Government Center.

Environmental Determination. The purpose of the environmental review process is to provide information about the environmental effects of the actions and decisions made by LAFCO and to comply with the California Environmental Quality Act (CEQA). In this case, it has been determined with certainty that there is no possibility that the project may have a significant environmental effect on the environment and therefore it is found to be exempt from CEQA pursuant to section 15061(b)(3) of the State Guidelines. The Local Agency Formation Commission will file this Notice of Exemption upon approval of the Sphere of Influence Update.

Reasons for Exemption. 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 precise land use is going to be proposed for a specific area. In the case of Atascadero's Sphere of Influence Update, the boundary will not change nor has the setting changed significantly with regard to the SOI.

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 currently evaluating and preparing an Environmental Impact Report for the Eagle Ranch site.

David Church, AICP, Executive Officer

Date

IN THE LOCAL AGENCY FORMATION COMMISSION
COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

Thursday, September 15, 2011

PRESENT:

ABSENT:

RESOLUTION NO. 2011-XX

RESOLUTION APPROVING THE MUNICIPAL SERVICE REVIEW, AND ADOPTING THE SPHERE OF INFLUENCE UPDATE FOR THE CITY OF ATASCADERO

The following resolution is now offered and read:

WHEREAS, pursuant to Government Code Section 56425 et. seq. and the Commission's duly adopted Policies for Spheres of Influence, the Commission hereby updates the Sphere of Influence (Exhibit A), for the City of Atascadero; and

WHEREAS, the Executive Officer has given the notices required by law and forwarded copies of his report to officers, persons and public agencies prescribed by law; and

WHEREAS, the public hearing for this matter was conducted at 9:00 a.m. on September 15, 2011; and

WHEREAS, at said hearings, this Commission heard and received all oral and written protests, objections, and evidence which were made, presented or filed, and all persons present were given the opportunity to hear and be heard in respect to any matter relating to said Sphere of Influence Update and Municipal Service Review for the City of Atascadero; and

WHEREAS, the Notice of Exemption, is adequate as the documentation to comply with the California Environmental Quality Act (CEQA) for this Sphere of Influence Update and Municipal Service Review for the City of Atascadero; and

WHEREAS, the Commission has considered all factors required to be considered by Government Code Section 56425 (e) and adopts the determinations set forth in the Public

Review Draft of the Sphere of Influence Update and Municipal Service Review with said determinations being incorporated by reference herein as though set forth in full; and

WHEREAS, the Commission duly considered the Sphere of Influence Update and Municipal Service Review for the City of Atascadero, as described in the September 15, 2011 Staff Report.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Local Agency Formation Commission of the County of San Luis Obispo, State of California, as follows:

1. That the recitals set forth hereinabove are true, correct, and valid.
2. That the Notice of Exemption prepared for this proposal is complete and adequate, having been prepared in accordance with the provisions of the California Environmental Quality Act and is hereby determined to be sufficient for the Commission's actions and is incorporated by reference.
3. That the Executive Officer of this Commission is authorized and directed to mail copies of this resolution in the manner provided by law.
4. That the Municipal Service Review for the City of Atascadero is approved with written determinations addressing the six factors stated in the Cortese-Knox-Hertzberg Act of 2000 and are hereby incorporated by reference.
5. That the Sphere of Influence Update for the City of Atascadero is adopted pursuant to the map in Exhibits A of this Resolution.

Upon a motion of Commissioner _____ seconded by Commissioner _____, and on the following voice vote:

AYES:

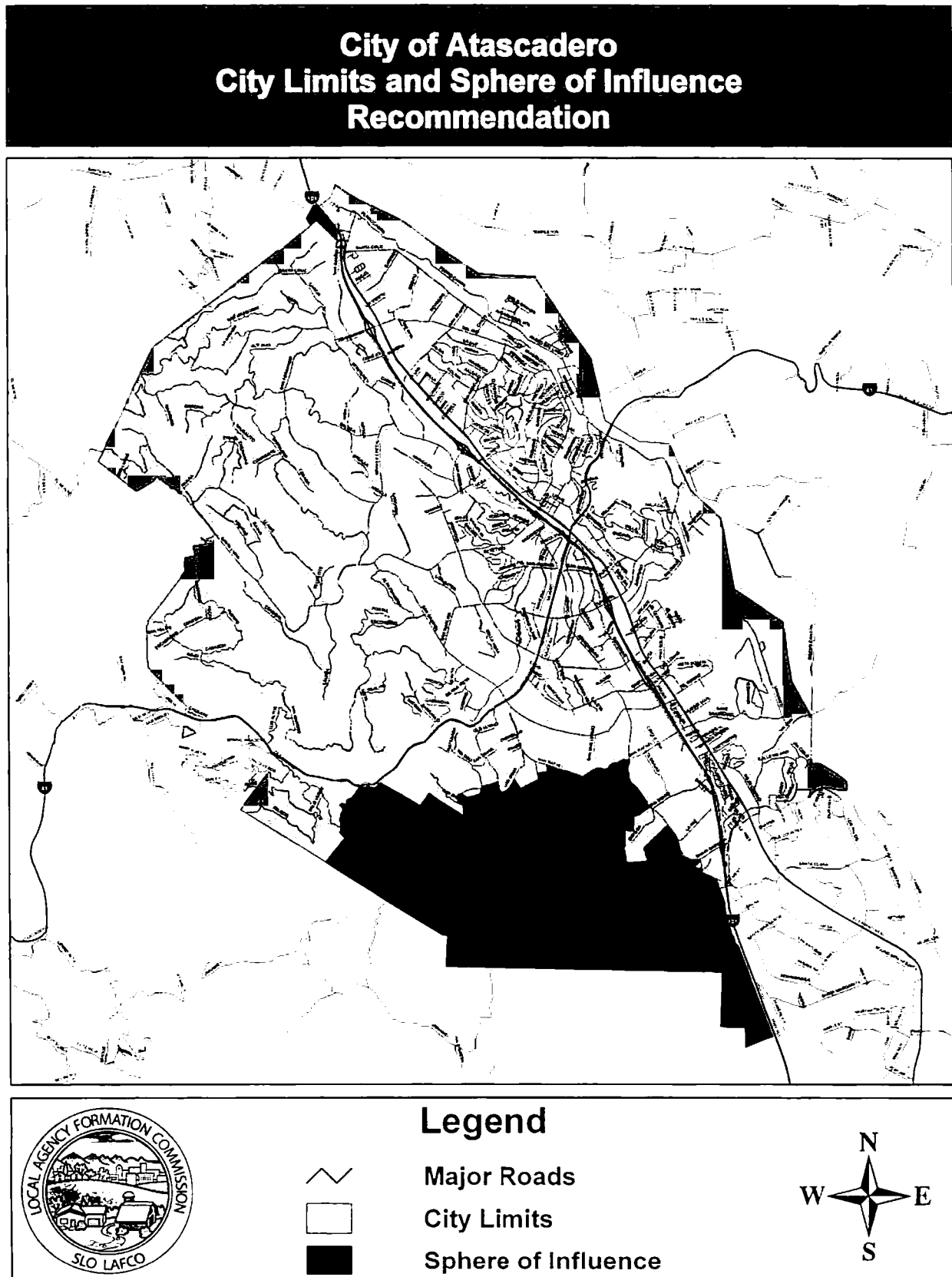
NAYS:

ABSTAIN:

The foregoing resolution is hereby adopted.

Richard Roberts, Chairman Date
Local Agency Formation Commission

Figure 1-1 – Recommended Sphere of Influence



**MEMORANDUM OF AGREEMENT
BETWEEN THE CITY OF ATASCADERO AND
THE COUNTY OF SAN LUIS OBISPO
REGARDING THE CITY'S SPHERE OF INFLUENCE**

This Agreement is entered into on this 14th day of June, 2011, by and between the City of Atascadero (hereafter "City") and the County San Luis Obispo County (hereafter "County").

WITNESSETH

WHEREAS, the Cortese/Knox/Hertzberg Act ("the Act") requires the Local Agency Formation Commission (LAFCO) to update the Spheres of Influence for all applicable jurisdictions in the County every five years; and

WHEREAS, the City and County entered into a Memorandum of Agreement (MOA) in 2003 as part of updating the City's Sphere of Influence (SOI) Update; and

WHEREAS, the City and County have been working together to implement the existing MOA with regard to the SOI and specifically the proposed Eagle Ranch project; and

WHEREAS, an updated MOA assists in clarifying the roles, responsibilities, and intentions of the jurisdictions; and

WHEREAS, a Sphere of Influence is defined by Government Code 56076 as a plan for the probable physical boundaries and service area of a local agency, and pursuant to Government Code 56425 has been identified by the County of San Luis Obispo and the City of Atascadero as contained in Exhibit A; and

WHEREAS, the Act further requires that a Municipal Service Review be conducted prior to or, in conjunction with, the update of a Sphere of Influence and such a Municipal Service Review has been prepared by LAFCO staff in accordance with Section 56430 of the California Government Code as a means of identifying and evaluating public services provided by the City of Atascadero and changes to the City's Sphere of Influence; and

WHEREAS, the City and County have reached agreement regarding the boundaries (Exhibit A), and the provisions that should guide development (Exhibit B) to ensure that development within the SOI occurs in an orderly and logical manner; and

WHEREAS, the City's General Plan provides a clear policy base for growth and development in the Sphere of Influence areas and defines programs that the City will implement to ensure the preservation of the agricultural land, open space and the rural character of Atascadero; and

WHEREAS, the County's General Plan goals in Framework for Planning and the Salinas River Area Plan call for Community Separators to provide for a community's distinctive identity and preserve the rural character of the areas between and on the fringes of communities and cities; and


WHEREAS, the Eagle Ranch Area includes approximately 452 original colony lots, which have been certified as legal by the County, and the Atascadero Mutual Water Company is able to provide water service to these lots, therefore much of the Eagle Ranch Area could be developed in the County using the existing lot configuration; and

WHEREAS, LAFCO is required by Government Code 56425 (b) to give "great weight" to this agreement in making its final determination regarding the City's Sphere of Influence.

NOW, THEREFORE, the parties agree as follows:


1. The Sphere of Influence boundary contained in Exhibit A provides for the orderly and logical growth for the City of Atascadero and represents an appropriate 20-year growth boundary based on existing information and current circumstances.
2. The provisions contained in Exhibit B provide guidance for completing updates to the General Plans of both the City and the County for the area within the Sphere of Influence.
3. The provisions contained in Exhibit B are intended to provide the City and the County with the basis for developing specific land use policies and standards for the areas in the City of Atascadero's Sphere of Influence and do not supersede or limit the planning or environmental review process of either jurisdiction or bind either jurisdiction.

4. The City shall use its General Plan policies to guide the logical and orderly development of these Sphere Areas while protecting agricultural and open space lands.



Mayor, City of Atascadero

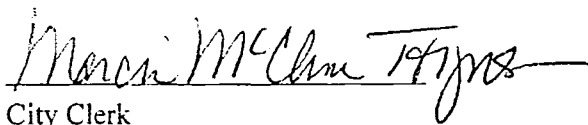
APPROVED AS TO FORM AND LEGAL EFFECT:



City Attorney

Dated: 6-28-11

ATTEST:



City Clerk

Dated: 6-30-11

Chairman, Board of Supervisors
County of San Luis Obispo

APPROVED AS TO FORM AND LEGAL EFFECT:

County Counsel

Dated: _____

ATTEST:

County Clerk

Dated: _____

EXHIBIT A
SPHERE OF INFLUENCE BOUNDARY MAP

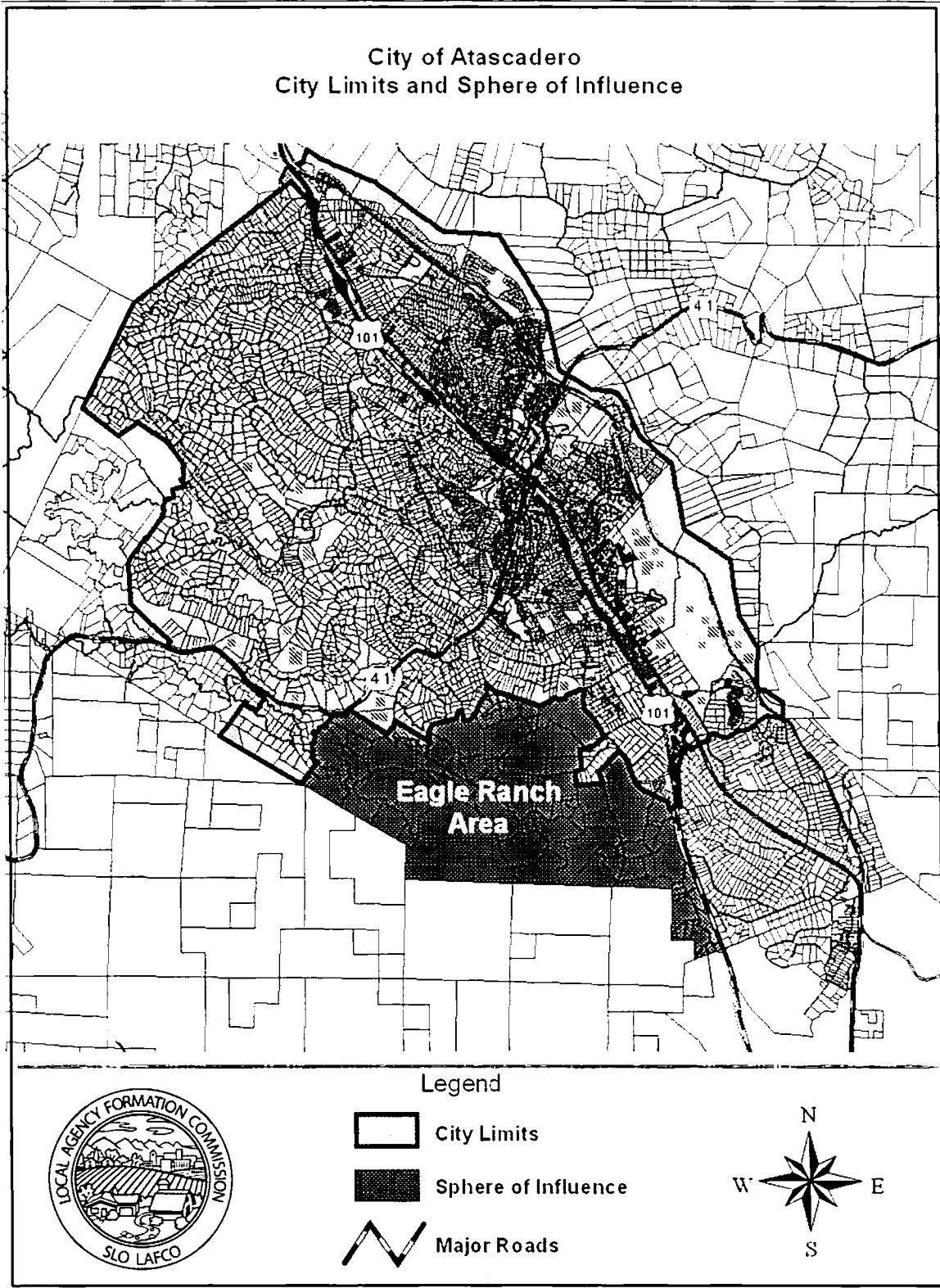


EXHIBIT B
PROVISIONS

The following provisions are agreed to and shall be considered by the City of Atascadero and the County when guiding development within the proposed Sphere of Influence as described in Exhibit A and updating their General Plans.

1. **Intent.** It is the intent of the County and the City to work cooperatively towards the goal of developing the agreed upon Sphere of Influence (as shown in Exhibit A) in an orderly and logical manner consistent with the Cortese/Knox/Hertzberg Act, the City and County General Plans, the California Environmental Quality Act and any other applicable laws and regulations.

2. **Impact Mitigation.** In evaluating any proposed development, the agency considering approval (City or County) should rely solely on its own capability to provide the required services to that development. The City and the County shall not presume any services will be provided by the other agency without documenting that such services will be provided.

Development/mitigation fees needed to offset the impacts from development projects approved by either jurisdiction in the Referral Area (Exhibit C) shall be collected and distributed in a fair and equitable manner pursuant to the requirements of impact fee ordinances, statues and financing plans. Payment of these fees should be made in proportion to the location and degree of project impacts: however the total fees paid shall not exceed the cost to mitigate the specific project impact. Mitigation to offset significant impacts to fire, law enforcement, emergency medical services, water and wastewater treatment services, roads and streets, other public services, and housing, should be incorporated into the conditions of approval for projects. Documentation should be provided that identifies the project's impacts to both the City and the County and shall be considered as part of the development review process. The documentation may be used to prepare conditions of approval and to allocate impact fees where allowable and as appropriate.

3. **Interagency Cooperation.** The City and the County shall work cooperatively on planning for land use, circulation connections, agricultural land and open space preservation by referring discretionary development projects and General Plan

Amendments within each agency's jurisdiction to the other for review and comment prior to action on a development proposal. The County shall seek the City's comment regarding projects in the referral area identified in Exhibit C. The City shall seek the County's comment regarding projects that affect unincorporated areas surrounding the fringe area of the city. When a discretionary project application is accepted for processing, it shall be referred immediately to the following contact person(s) for early review and comment:

Planning Director
Department of Planning and Building
976 Osos St., Room 300
San Luis Obispo, CA 93408

Community Development Director
Community Development
6907 El Camino Real
Atascadero, CA 93422

Projects and activities that effect agricultural lands and resources shall be referred to the County Agricultural Commissioner's office at the following address:

Agricultural Commissioner
San Luis Obispo County Department of Agriculture
2156 Sierra Way, Suite A
San Luis Obispo, CA 93401

This provision shall not supersede or terminate other methods of commenting or providing feedback regarding a proposal or project.

4. **Mutual Agreements.** The County shall limit the development in the Sphere of Influence area to that which is allowed by the current land use designations unless General Plan and land use ordinance amendments are approved. The County and City acknowledge that the proposed SOI area includes several hundred parcels not under Williamson Act Contracts that could be developed with single-family homes. Residences and other currently allowable uses may be permitted pursuant to the land-use policies, standards and ordinances of the County. Recognizing that the existing Colony lots have entitlements to water supply from Atascadero Mutual Water Company, it is the intent of the City to provide other services to these areas when they are eventually annexed to the City. The County shall consider this when reviewing projects in this SOI area.

Any project proposed in the County and within the proposed SOI area that is subject to an Initial Study under CEQA, may call for a City-County staff conference to discuss a proposed project early in the approval process prior to completion of the Initial Study. The purpose of the conference would be to

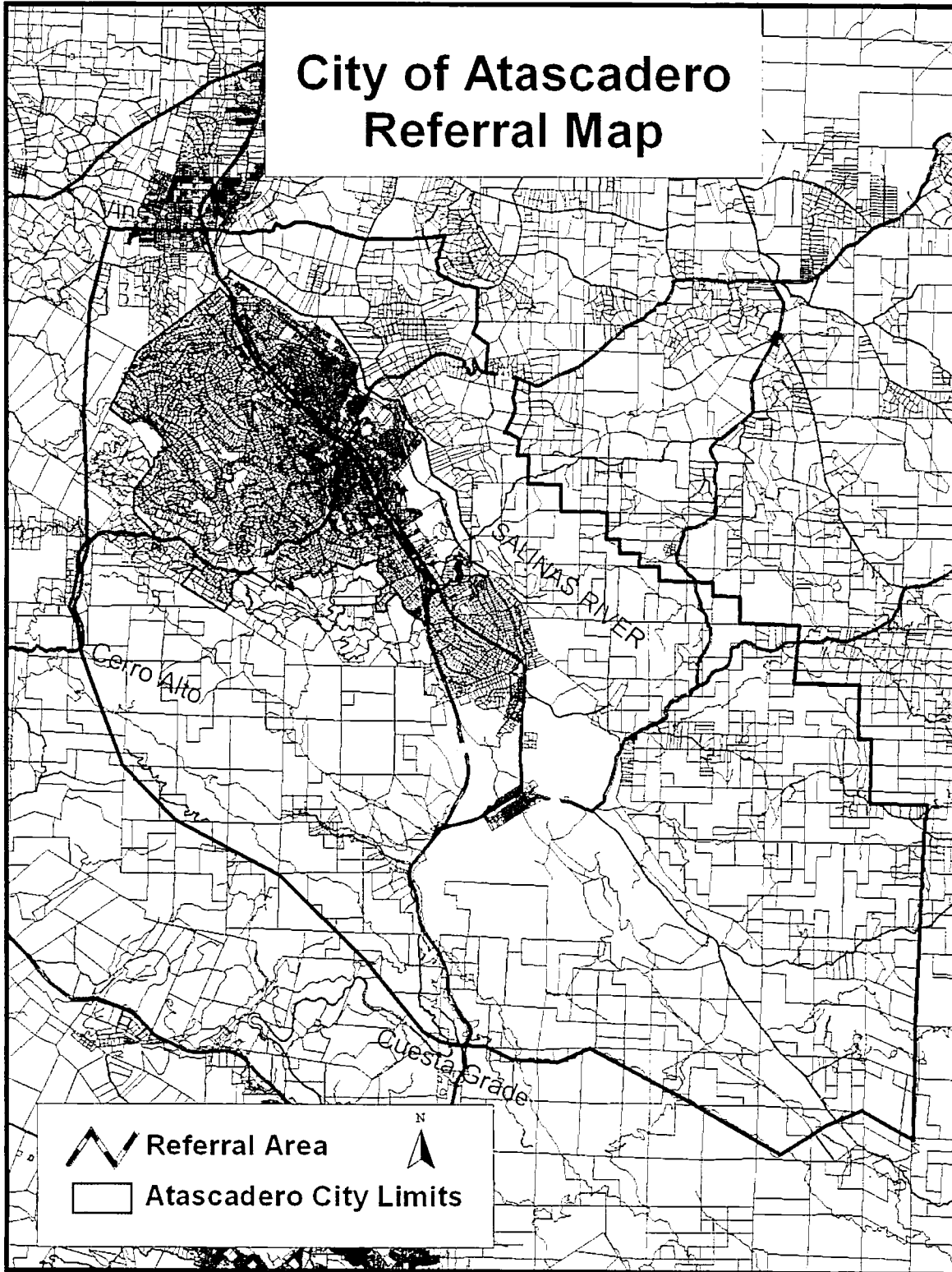
discuss the City's and County's General Plan policies with regard to the project and to identify any key issues that may need special attention.

5. **City/County Cooperation.** For a County project proposed prior to annexation, the County and City will cooperate to evaluate the creation and implementation of various assessment and financing mechanisms for the construction and maintenance of public improvements, such as roads, utilities, recreation and trail improvements, parks and open space, and similar improvements that could serve visitors and residents of the City and the County.
6. **Agriculture and Open Space.** The City will work to permanently preserve agricultural and open space resources within the SOI area using conservation easements and/or other preservation methods or tools. The open space and agriculture areas shall be identified in the Specific Plan and EIR.
7. **Land Uses.** The areas included in the SOI as described in Exhibit A may include residential, mixed-use, public facilities, visitor-serving, agriculture uses, open space, and/or recreational uses in a manner integrated into the city's plans for annexation and development for this area. The Smart Growth Principles adopted in the City's General Plan will be used as a basis of preparing plans for the area. The County's Strategic Growth Principles will be considered by the City with the purpose of supporting and complementing the City's vision for the area. Once annexed, the City's General Plan and/or Specific Plan will be implemented for the Sphere of Influence area. The following goals should be considered in developing the specific plan:
 - a. Creation of walkable and bicycle friendly neighborhoods with logical connections and future transit opportunities if feasible.
 - b. Planning for a trail system to accommodate pedestrians, bicyclists and equestrians which connects to the existing community.
 - c. Development of a range of housing opportunities and choices.
 - d. A land use pattern that clusters development in a manner that reduces environmental impacts.
8. **General Plan Amendment.** The City intends to complete pre-zoning, pre-annexation, and any necessary pre-general plan amendment activities prior to or

concurrent with an annexation proposal being processed by LAFCO. The County Staff intends to propose any necessary amendments to its General Plan in the Salinas River Area Plan to reflect the annexation of territory to the City of Atascadero.

9. **Zoning Requirements/Specific Plan.** A Specific Plan, which identifies land uses within the Sphere of Influence areas, shall be prepared and adopted by the City prior to the annexation of the property into the City. In accordance with its General Plan, CEQA review of the Specific Plan shall include analysis of issues related to completing the annexation, such as a reliable and adequate water supply, sewer capacity, and other services for the proposed project. The Specific Plan for the Sphere of Influence area shall be prepared consistent with Policy 1.2 of the City's General Plan. Programs related to the Sphere of Influence area in the City's General Plan that shall be implemented under policy 1.2 include eight, nine, ten, and eleven.

EXHIBIT C
PROJECT REFERRAL MAP



ATTACHMENT F

PROPOSED CHANGES TO DOCUMENTS SPHERE OF INFLUENCE UPDATE MUNICIPAL SERVICE REVIEW

#	Page #	Commenter	Proposed Change
1	Throughout the Document	LAFCO	Remove the word "Draft" in front of Memorandum of Agreement or MOA since both the City and County approved the agreement.
2	2-10	LAFCO	Add the Present capacity of public facilities and adequacy of public services section in the September 15 staff report to Chapter Two.