




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 16, 2010

SUBJECT: STATUS REPORT-CITY OF PISMO BEACH SPHERE OF INFLUENCE UPDATE/MUNICIPAL SERVICE REVIEW

**Recommendation:** It is respectfully recommended that the Commission review this status report and provide comments to staff.

**Summary:** This status report is to bring the Commission up-to-date regarding the Sphere of Influence (SOI) update and Municipal Service Review (MSR) being prepared for the City of Pismo Beach. LAFCO staff has facilitated two City/County MOA meetings. Both meetings were quite productive and the MOA is in the process of being drafted.

The Municipal Services Review has been drafted and is nearly complete. The imminent release of the Price Canyon Specific Plan EIR has led staff to postpone the release of the SOI update/ MSR for Pismo Beach. The timing of the Price Canyon project was uncertain when we started working on the SOI update/ MSR. Now that the Price Canyon Specific Plan EIR is going to be released (or already has been released) it is prudent for the SOI update/MSR to be postponed for the following reasons: 1) The Specific Plan and EIR will provide more information about the City's plans for the Price Canyon Area, 2) CEQA will be addressed through the City's EIR, and 3) The Specific Plan EIR process provides the public with an opportunity to give input.

In the first MOA meeting in July, City staff indicated they were working toward resolving the issue of water service for the SOI by requiring the applicants to obtain additional State Water (or other available supply) to serve future development. City representatives also discussed the probable release of the Price Canyon Specific Plan and EIR scheduled to be distributed for public review by September. This first meeting between the City and County clarified a workable Referral Area boundary and identified Special Areas to highlight in the MOA. Also Study Areas for the SOI were discussed and are shown on the following pages.

COMMISSIONERS

DUANE PICANCO  
Chair, City Member

RICHARD ROBERTS  
Vice Chair,  
Public Member

KATCHO ACHADJIAN  
County Member

DAVID BROOKS  
Special District Member

ED EBY  
Special District Member

BRUCE GIBSON  
County Member

KRIS VARDAS  
City Member

ALTERNATES

MURIL CLIFT  
Special District Member

Roberta Fonzi  
City Member

TOM MURRAY  
Public Member

JAMES R. PATTERSON  
County Member

STAFF

DAVID CHURCH  
Executive Officer

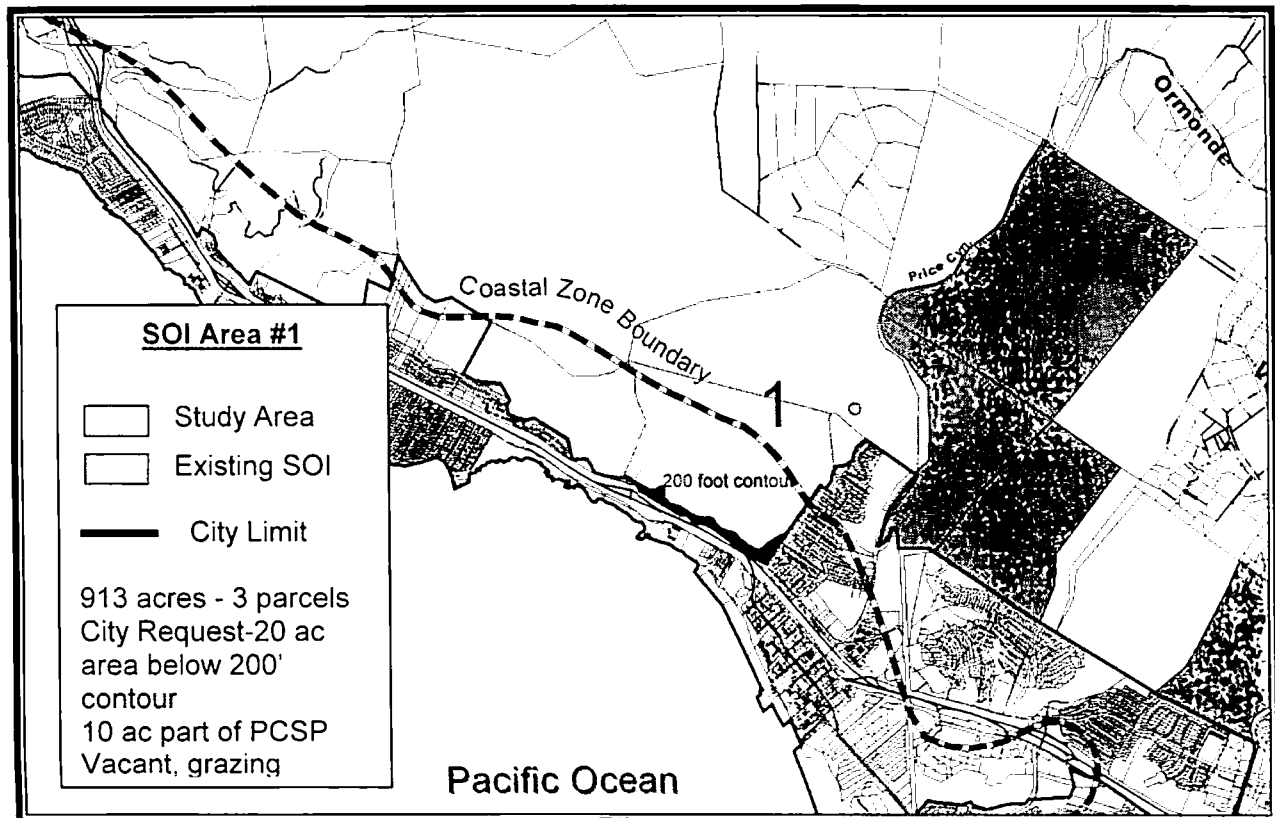
RAYMOND A. BIERING  
Legal Counsel

MIKE PRATER  
Analyst

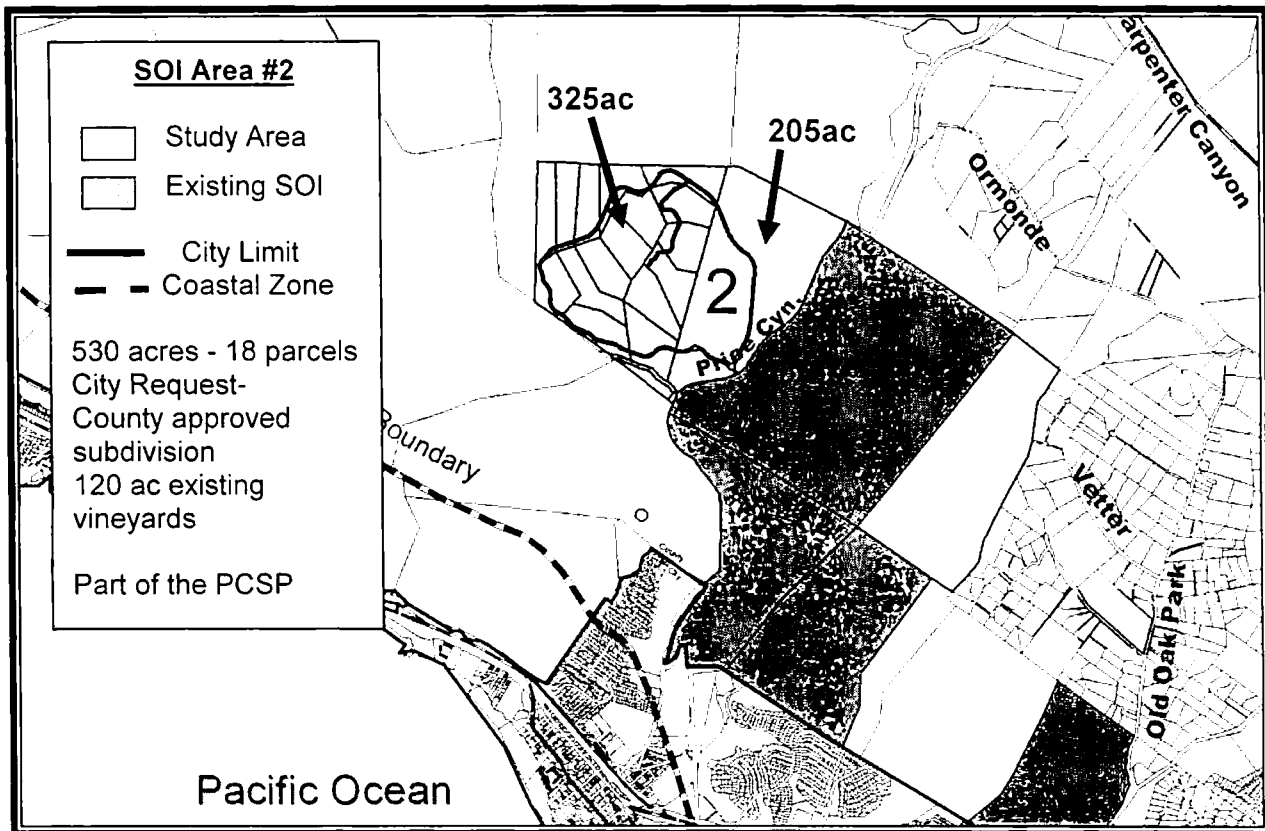
DONNA J. BLOYD  
Commission Clerk

In the second MOA meeting in August, the City provided a site visit to better understand the areas that were of interest to the City. City, County and LAFCO staff continue to work through the MOA language. The second MOA meeting focused on seven Study Areas. These areas cover the Los Robles Del Mar, Price Canyon, and the Preserve properties. The following paragraphs briefly describe each area under consideration to be studied followed by an aerial photograph.

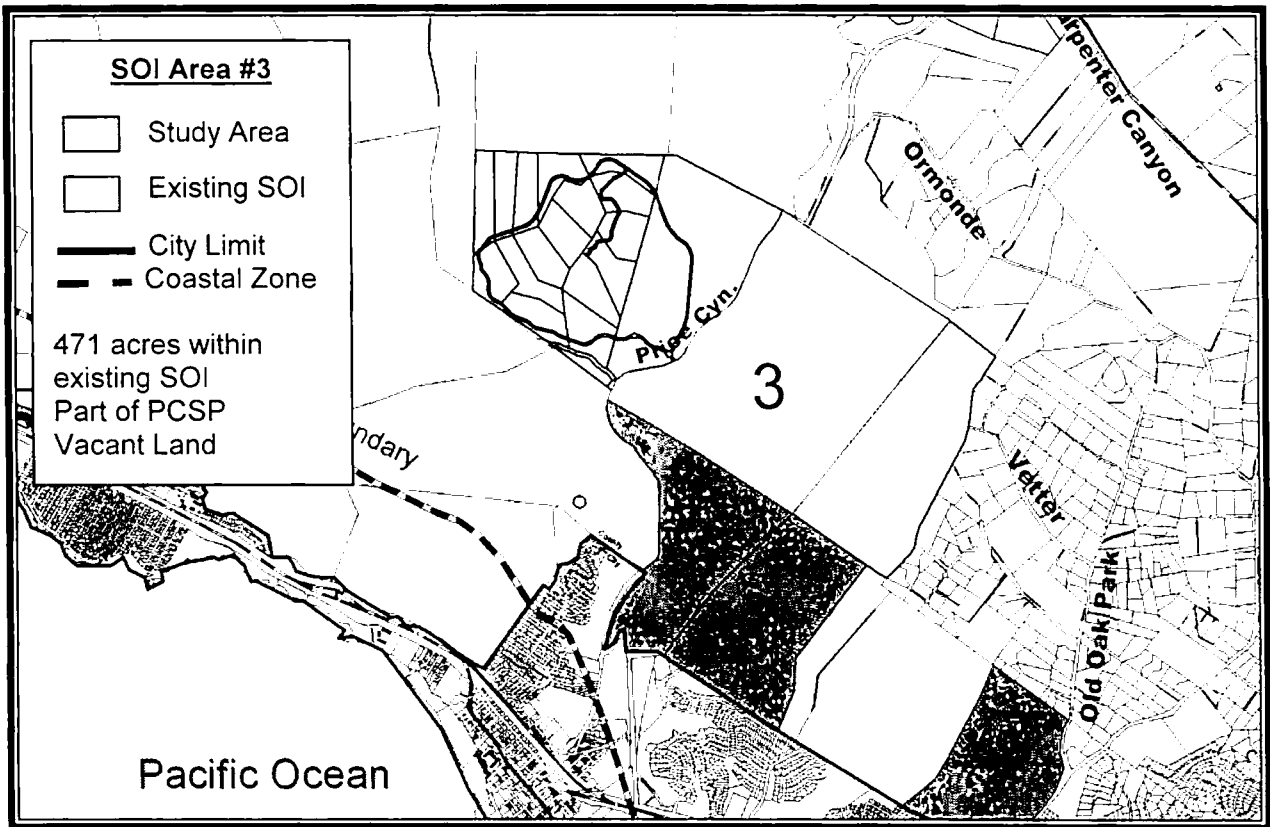
**Area #1 – The Preserve property.** This parcel is located north of Mattie Road and west of Price Canyon Road. The Preserve property is owned by Pismo-98 LLC in care of Brad Wilde and contains approximately 913 acres. It is located in the County and designated “Rural Lands” with the ocean-facing hillsides also given a Sensitive Resource Area designation. The area is very unlikely to develop under the existing zoning due to a variety of constraints: steepness, geology, circulation, etc. The City would intend for most of the area to remain in open space for possible trails and public access. The only portion for development would be the area below the 200-foot contour. This area is below the 200-foot contour and completely located in the Coastal Zone.



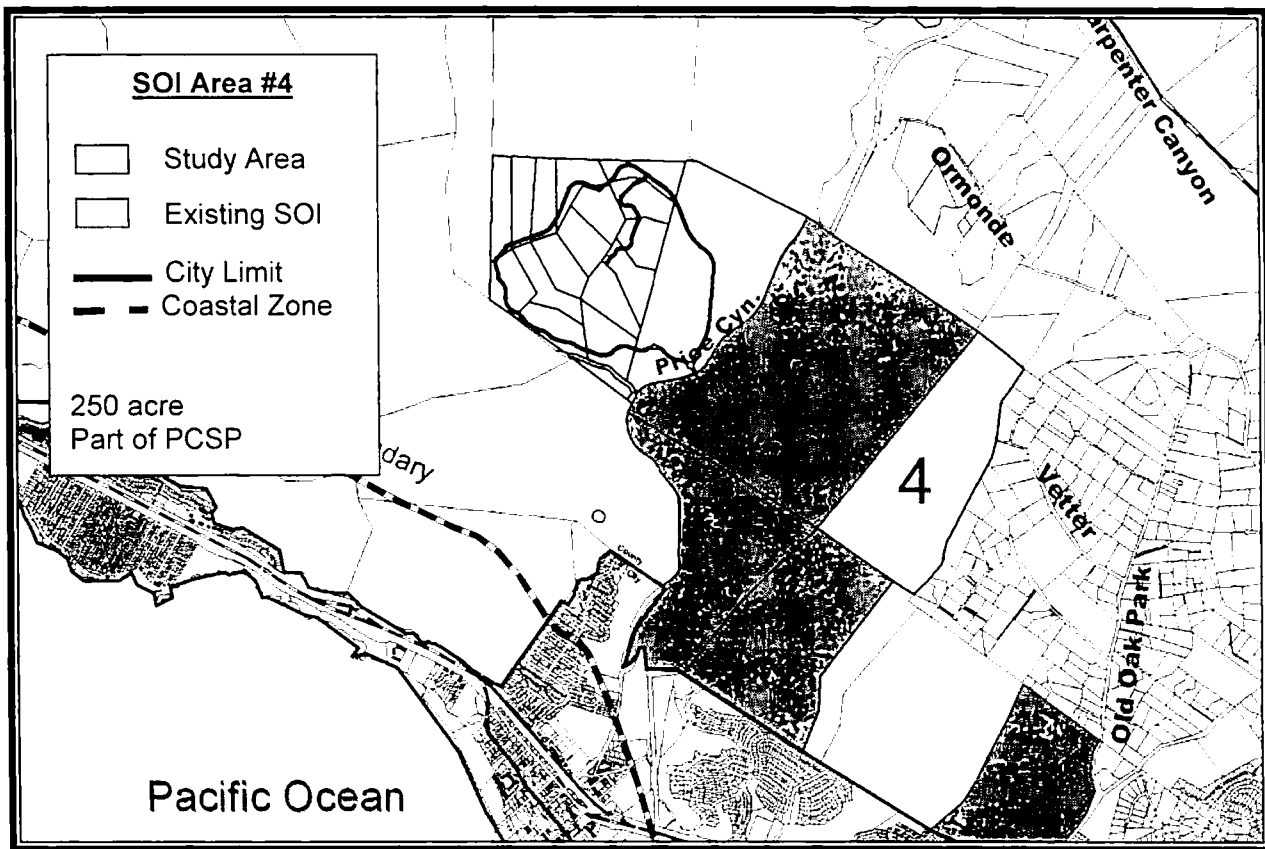
**Area #2 – King North Ranch.** This area is owned by Spanish Springs LLC and consists of two parcels that are located north and west of Price Canyon Road. The parcel adjacent to Price Canyon Road is commonly referred to as the "North Ranch", and is 205 acres in area. This parcel is designated "Agriculture" by the County. The parcel contiguous to the North Ranch is 325 acres in area and is designated "Rural Lands" by the County, which obtained approvals for a subdivision application in the county to subdivide this site into sixteen 20-acre parcels. This property is a part of the Price Canyon Specific Plan.



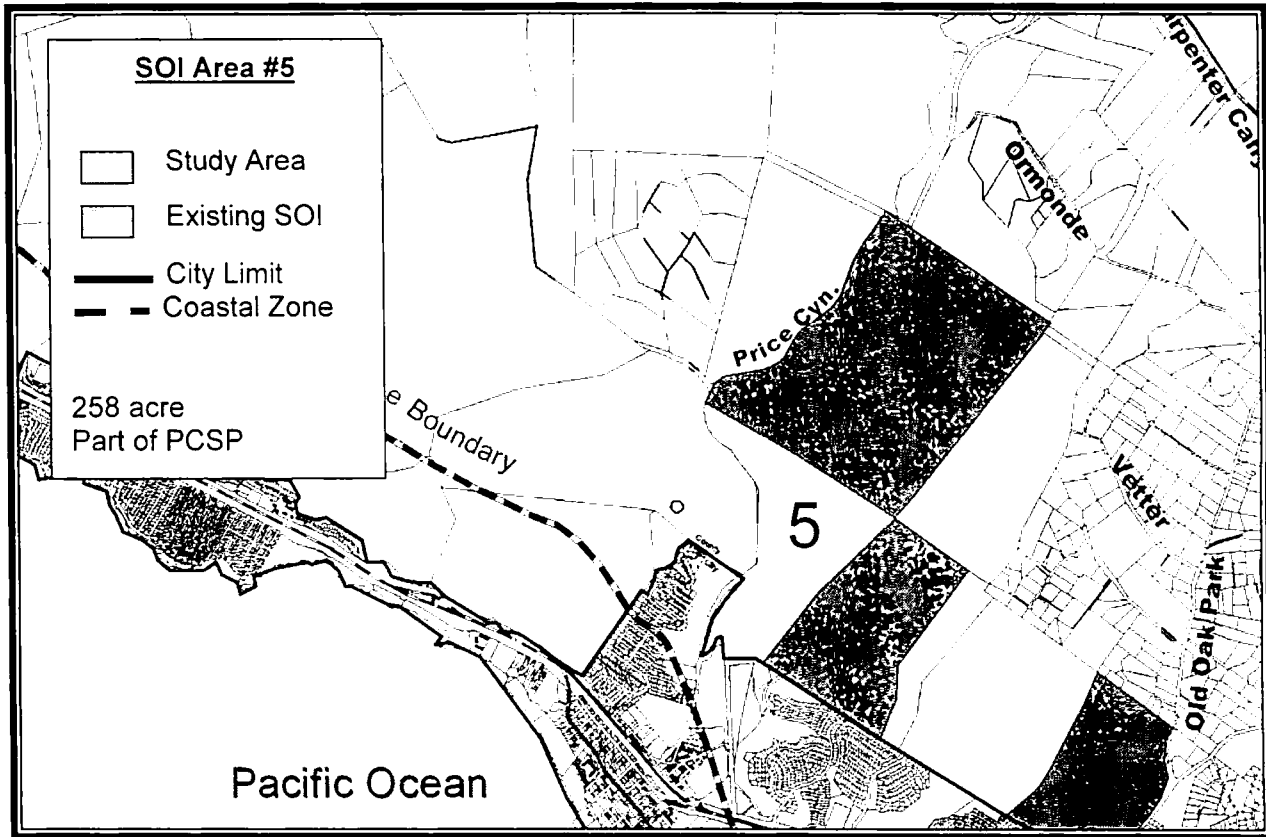
**Area #3 – King South Ranch.** This area includes 471 acres was owned by Spanish Springs II LLC but is now owned by Textron Financial Corp and located just south and east of Price Canyon Road. This parcel is identified by the City's General Plan for inclusion within the Sphere of Influence and ultimate annexation and development within the City. This area was added to the City of Pismo Beach's Sphere of Influence during the 2002 update. This parcel is designated "Agriculture" by the County. This property is a part of the Price Canyon Specific Plan.



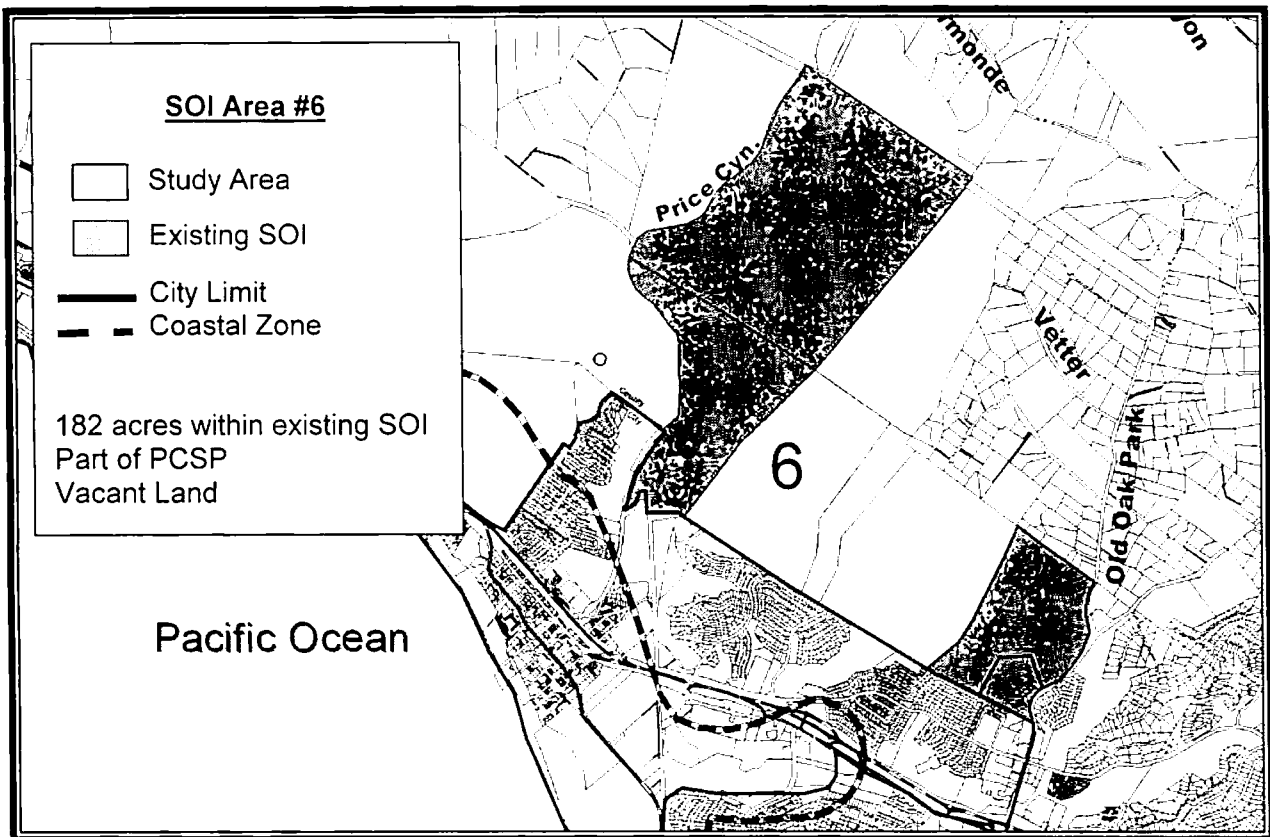
**Area #4 – Godfrey Parcel.** This parcel is owned by Palm Dunes LLC in care of John King and approximately 250 acres in total area located adjacent to and east of the King South Ranch. This site is an important site as it relates to alternatives to the inland arterial circulation route identified in the City's General Plan. This property has potential ties to access at Oak Park Road (via Vetter and Erhardt Lanes) as well as to Ormonde Road. This parcel is designated as "Rural Lands" under the County's General Plan and is part of the Price Canyon Specific Plan.



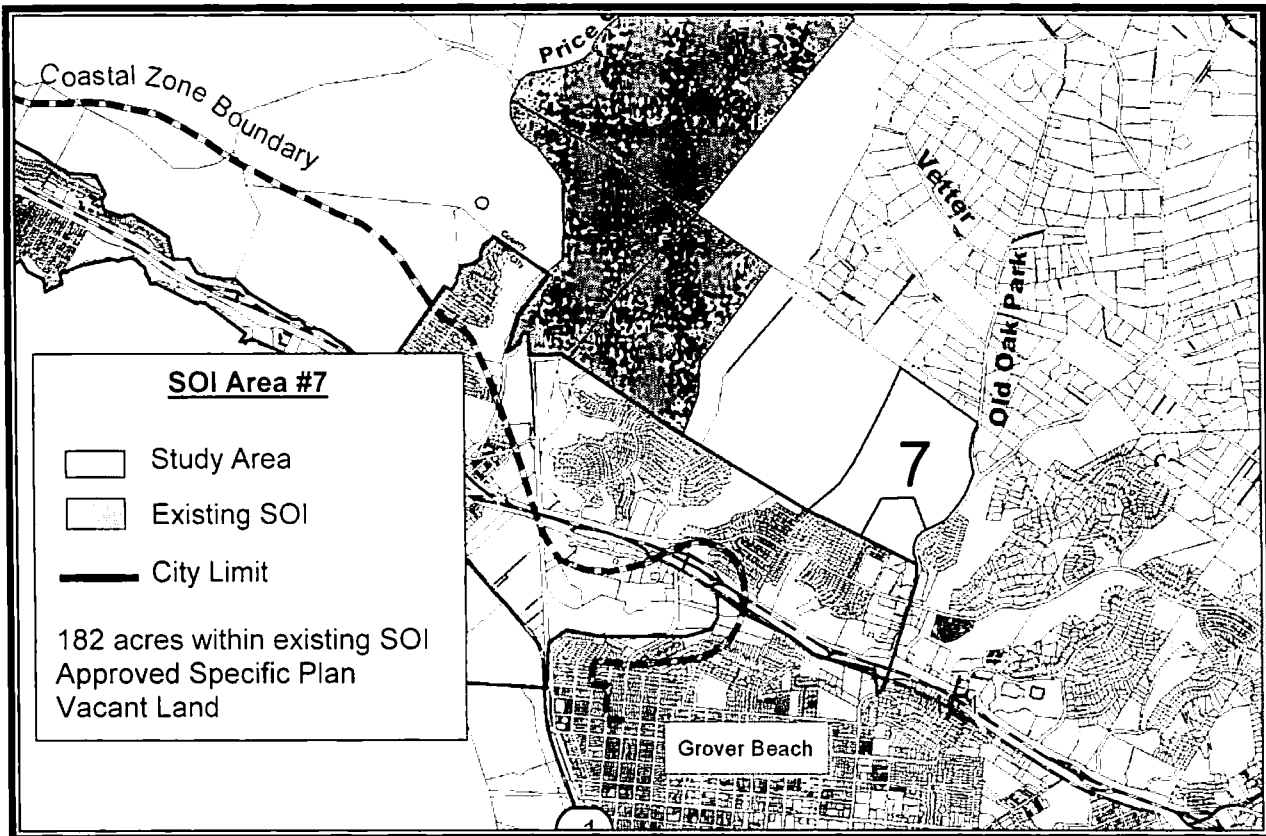
**Area #5 – Big Bird.** This approximately 200-acre parcel is owned by Big Bird PTP in care of Darren Shetler and located to the immediate north and west of the Price House property. The Big Bird property is located adjoining Price Canyon Road, and would serve as a point of connection for the inland arterial roadway, connecting Price Canyon Road to Oak Park Road. This site is designated "Agriculture" under the County's General Plan. This property is a part of the Price Canyon Specific Plan which is underway. This property is currently within the City's Sphere of Influence.



**Area #6 – Loughhead.** This parcel is owned by Palm Dunes Price Canyon Investments LLC in care of Rick Loughhead and includes approximately 200 acres of land. The site is accessed from Highland Drive in Pismo Beach, and presently contains a City water reservoir and distribution main water line in the lower southeastern corner of the site. This site is owned by the same development interests responsible for the Pacific Estates residential development projects around Highland Drive in Pismo Beach. This parcel is designated as "Rural Lands" by the County General Plan. This property is a part of the Price Canyon Specific Plan which is underway. This property is currently within the City's Sphere of Influence.



**Area #7 – Los Robles Del Mar.** These parcels are located adjoining Oak Park Road at the southern end of the Oak Park Heights Planning Area. The Los Robles Del Mar (LRDM) plan area includes two (2) separate parcels owned by Central Coast Development Company PTP. One is an approximately 152-acre ownership that is pursuing annexation approvals. The second site is a private school site of approximately 30 acres. While not physically connected to Price Canyon, this 182 acre site would provide an important initial link to the "inland arterial" road paralleling Highway 101 and James Way. This parcel is designated by the County as "Rural Lands" in its General Plan. The City and proponent are discussing solutions to the water supply situation and it may be submitted for possible annexation.



The City of Pismo Beach City Council held a meeting on August 17, 2010 to discuss the Sphere of Influence and Municipal Service Review update process. Their staff presented the draft Study Area map for discussion. Mr. Michael Drazo, interim Community Development Director, highlighted the areas under consideration and discussed the surrounding properties to be part of the referral area noting the Mankins property would not be considered for inclusion in the SOI.