

Q. The City’s recent letter said that annexation would be free. What does this mean?

A. Annexation is an expensive process for an individual property owner to undertake. The total application fees to the City and LAFCO for annexation of an individual property would be about \$24,000. This amount does not include the cost of preparing the annexation map, which must be done by a Registered Civil Engineer or Licensed Surveyor. The City of San Luis Obispo is offering to undertake these costs without passing them on to property owners in the annexation area. In this way, annexation is free to you. This process offers value to property owners in the area and allows the City to manage its staff resources in a more efficient way.

Q. What will the zoning of my property be?

A. A copy of the zoning maps for the Airport Area and Margarita Area can be found on the web site. Please contact Michael Codron at 781-7175 if you have any questions about allowed uses or the development potential of your property.

Q. What increased costs will my business have after my property is incorporated into the City?

A. Doing business in the City requires payment for a one-time City Business License and the annual Business Tax. The City also charges a Utility User’s Tax of 5%, which is paid monthly on your electric, gas, cable and phone bills. Property taxes *do not* change with annexation.

Program	Fee
Business License	\$36 application fee; \$31 renewal paid annually on July 1
Business Tax	\$25 first year; after first year, 50 cents per \$1,000 of gross revenue - paid annually on July 1
Utility Users Fee (Electric, Gas, Cable, Phone)	5% tax - included in each billing

Q. What other costs might my business incur from the City?

A. The City’s Fire Department has an annual permit and inspection requirement for certain types of facilities and hazardous uses. The Fire Department Fee schedule can be found on the web site. A comparison between City and County Certified Unified Participating Agency (CUPA) fees is also provided.

Q. Are there any immediate savings involved with annexation?

A. Hazard insurance and flood insurance rates may be reduced for some properties after annexation. You are encouraged to check with your insurance agent.

Q. What emergency services does the City provide?

A. After annexation occurs, City Police and Fire service will be immediately available to the newly incorporated area. This means that City Police will routinely patrol throughout the incorporated airport area, and City Fire will be the first responders in case of a fire or other emergency event. The City of San Luis Obispo operates a Class II Fire Department (rated by the Insurance Service Office on a 1-10 scale with 1 highest), and each fire company rides with a paramedic.

Q. How do I get access to water and sewer service?

A. Many properties within the airport area will have immediate access to water and sewer service after annexation. Other properties will have to wait for certain infrastructure improvements to occur. For example, properties on Buckley Road will have to wait until the City extends its water and sewer infrastructure south of the airport, or property owners can build this infrastructure as part of a development plan. When this occurs, reimbursements for off-site improvements and credit towards impacts fees may be available. The fees for water and sewer service in the airport area are included in the table below:

**WATER DEVELOPMENT IMPACT FEE SCHEDULE
EFFECTIVE July 1, 2005**

	EDU*	Impact Fee	
		Citywide	Area-Specific "Add-On" Airport/Margarita
Residential: Per Unit			
Single Family Residential	1.0	\$ 14,428	\$ 805
Multi-Family Residential	0.8	11,542	644
Mobile Home	0.6	10,100	564
Non-Residential: Meter Size			
¾ Inch	1.0	14,428	805
1 Inch	2.0	28,856	1,610
1½ Inch	4.0	57,712	3,220
2 Inch	6.4	92,339	5,152
3 Inch	14.0	201,992	11,270
4 Inch	22.0	317,416	17,710
6 Inch	45.0	649,260	36,225

* Equivalent Dwelling Unit

**WASTEWATER DEVELOPMENT IMPACT FEE SCHEDULE
EFFECTIVE JULY 1, 2005**

	EDU*	Impact Fee				
		Citywide	Area-Specific "Add-On"			
			Airport/Margarita Edna-Islay	Dalidio/Madonna McBride	Irish Hills	Orcutt
Residential: Per Unit						
Single Family Residential	1.0	\$ 3,488	\$ 1,538	\$ 223	\$ 396	\$ 2,807
Multi-Family Residential	0.8	2,790	1,230	178	317	2,246
Mobile Home	0.7	2,442	1,077	156	277	1,965
Non-Residential: Meter Size **						
¾ Inch	1.0	3,610	1,538	223	396	2,807
1 Inch	2.0	7,220	3,076	446	792	5,614
1½ Inch	4.0	14,440	6,152	892	1,584	11,228
2 Inch	6.4	23,104	9,843	1,427	2,534	17,965
3 Inch	14.0	50,540	21,532	3,122	5,544	39,298
4 Inch	22.0	79,420	33,836	4,906	8,712	61,754
6 Inch	45.0	162,450	69,210	10,035	17,820	126,315

* Equivalent dwelling unit

** Citywide non-residential EDU is adjusted upwards by about 3.5% to account for higher discharge strengths

Q. There is existing development on my property, will I be forced to connect to City water and sewer service?

A. No. Only new development projects will be required to connect to City services. Existing development will not be required to connect, but will have the option when it makes financial sense for the property owner or business to do so, or when the private water or sewer system fails.

Q. What is the annexation process and timeline?

A. The annexation process involves hearings before the City Planning Commission and the City Council to approve a preliminary annexation map. This map is then forwarded to the Local Agency Formation Commission (LAFCO) as part of the City's annexation application. LAFCO will then hold its own public hearings to approve or deny the annexation.

Q. Can my property be annexed even if I don't want it to be?

A. Yes, it is possible for your property to be annexed even if you want to remain in the unincorporated county. Normally, LAFCO will not permit an island of unincorporated land, surrounded by City land. This is because these situations complicate emergency response, access to utilities and maintenance of infrastructure between two separate government agencies. If a property owner does not want to be annexed, there will be opportunities to provide public testimony to the Planning Commission, City Council and LAFCO. The City is currently preparing a draft annexation map and will provide a copy of this map to all area property owners before public hearings begin. If you have an issue with annexation that you would like to discuss, please contact Michael Codron at 781-7175 to express your concerns.