council agenda report

Meeting Date 5-1-07
Item Number PH 1

CITY OF SAN LUIS OBISPO

FROM: John Mandeville, Community Development Director
Prepared By: Michael Codron, Associate Planner

SUBJECT: ANNEXATION OF 620 ACRES IN THE MARGARITA AREA AND AIRPORT AREA, A PRE-ZONING ORDINANCE FOR THE MARGARITA AREA AND ENVIRONMENTAL REVIEW.

CAO RECOMMENDATION

As recommended by the Planning Commission, authorize an application to the Local Agency Formation Commission for the proposed annexation (Phase 1a) by taking the following actions:

1) Adopt a resolution of intention to annex 620 acres of land in the Margarita Area and Airport Area and adopt a Negative Declaration of Environmental Impact for the project;

2) Introduce an ordinance pre-zoning land within the Margarita Area, consistent with the Margarita Area Specific Plan;

REPORT-IN-BRIEF

The action before the Council does not represent the end of the annexation process; instead, this step launches the beginning of the formal public process by initiating an annexation application.

The Planning Commission has recommended that the City Council authorize an application to the Local Agency Formation Commission (LAFCO) for annexation of 620 acres of land in the Margarita Area and Airport Area. Annexation of this land is consistent with the General Plan, which says that "the City intends to actively pursue annexation of the Airport Area." The Commission's recommendation is also consistent with the annexation phasing plan approved by the City Council on February 20, 2007.

The City began providing information to property owners regarding annexation in March, 2006. Discussions with property owners indicate that a majority are likely to support the annexation, and some owners remain undecided. About 13% of property owners in the annexation area have expressed opposition for reasons including the cost of the City's business tax and utilities user fees, the timing of services and development approvals, and City property development standards that are more restrictive in some cases than County standards (e.g. creek setback requirements).

LAFCO has complete discretion over the annexation boundaries proposed by the City. LAFCO considers many factors in its decision including promoting orderly development, preventing sprawl, preserving open space and prime agricultural lands, providing housing for persons and families of all incomes, and efficient extension of governmental services. Achieving these policy imperatives necessitates a logical, contiguous City limit line, which is reflected by the recommended annexation boundaries.

Property owners and residents of the expansion area who are registered voters have the ability to protest annexation after it is approved by LAFCO. While some level of protest is unavoidable, analysis of the proposed annexation area and discussions with property owners indicates that it is more likely that there is sufficient support for the annexation. However, City staff has a large role to play during the LAFCO process to insure that those affected by the annexation have accurate information to base their decisions on, and high levels of outreach will continue throughout this phase.

Not initiating the application until even greater support is evidenced is an option. However, this option is not recommended. Adding more time to what has already been an exceptionally long process could discourage more property owners than it would gain in support. In the meantime, added development in the County will continue to the detriment of City control of orderly growth and provision of services.

DISCUSSION

Situation/Previous Review

On March 28, 2007, the Planning Commission voted 5-1 (McCoy) to approve a resolution recommending that the City Council authorize an application to the Local Agency Formation Commission (LAFCO) for annexation of 620 acres of land in the Margarita Area and Airport Area annexation (Attachment 1, Planning Commission resolution with exhibit showing boundaries of proposed annexation). Attachment 2 includes the minutes from the Planning Commission meeting. The recommendation is consistent with the adopted phasing plan, which was reviewed by the City Council on February 20, 2007 (Attachment 3, Annexation Phasing Plan). Council action on the Planning Commission recommendation is necessary to authorize an application to LAFCO and begin the annexation proceedings.

Background

The Margarita Area and the Airport Area are identified as major City expansion areas in the General Plan. Planning efforts for the Airport Area have involved both the City and County and began in the mid-1970's. The City's residential growth management ordinance has allocated dwelling units to the Margarita Area area since 1999.

Specific plans were approved for the Margarita Area and Airport Area in October 2004 and August 2005, respectively. These specific plans satisfy the key prerequisite for annexation and development required by the General Plan. Annexation is now proposed to insure orderly development of the expansion areas, consistent with General Plan policy.

Annexation Will Result in a Logical City/County Boundary and Furthers City Goals

Annexation is one of the most effective tools available to the City to insure that future development in the expansion areas is consistent with City property development standards and policies for growth management. All of the land proposed for annexation is located within the City's Sphere of Influence, which was updated in 2006 by the City Council and Local Agency Formation Commission (LAFCO).

Over the past several years, interim annexations and development have occurred within the Airport Area and Margarita Area resulting in a complicated and circuitous City limit line. As City services such as street maintenance, utilities, police and fire have extended into these areas, it has become more difficult to determine who is eligible for these services and who is still located in the unincorporated County.

As a result, property owners, residents and businesses adjacent to the City limit line receive the benefit of City services without sharing the cost. For instance, since 2005 City police and fire have responded to about 100 calls for service for unincorporated parcels adjacent to the City limits at the request of County service providers. The proposed annexation is intended to address this situation by providing for a more logical and contiguous City limit line, consistent with LAFCO requirements. The subsequent annexation of Phase 1b, and perhaps Phase 2, will further improve the current situation.

A clear and logical boundary between the City and County will also provide for better implementation of the City's policies and standards regarding development, open space preservation and airport compatibility. For example, new development in the Airport Area will be required to dedicate open space lands or pay an in-lieu fee in support of City open space preservation efforts. Such fees, paid through the interim annexation program, were instrumental in the protection of the Brughelli property south of Buckley Road.

The City's plans for the annexation area are also consistent with the County of San Luis Obispo's SLO Area plan, which shows all of the proposed annexation area within an Urban Services Boundary line, where the City is the sole urban service provider. A closer look at each of the annexation areas is included in the attached Planning Commission agenda report (Attachment 4).

Annexation is Consistent with the General Plan

Annexation of the Margarita Area and the Airport Area is consistent with the General Plan and with the specific plans prepared for the respective annexation areas. The following General Plan policies are listed in support of the proposed annexation:

Land Use Element Policy 7.3 City Annexation and Services: The City intends to actively pursue annexation of the Airport Area.

Land Use Element Policy 1.13.2 Annexation Purpose and Timing: Annexation should be used as a growth management tool, both to enable appropriate urban development and to protect open space. Areas within the urban reserve line which are to be developed with urban uses should be annexed before urban development occurs. The City may annex an area long before such development is to occur, and the City may annex areas which are to remain permanently as open space. An area may be annexed in phases, consistent with the city-approved specific plan or development plan for the area. Phasing of annexation and development will reflect topography, needed capital facilities and funding, open space objectives, and existing and proposed land uses and roads.

Analysis: The proposed annexation will allow the City to manage growth in the expansion areas in a manner that is consistent with the City's long term vision, as expressed in the Margarita Area Specific Plan and the Airport Area Specific Plan. If annexation is not approved, the County would remain the jurisdiction with land use authority. Many properties in the Margarita Area and Airport Area have difficulty meeting water supply and wastewater treatment requirements. Residents and employees in some areas are forced to drink bottled water. Traditional septic systems can't be permitted in some locations because of poor percolation and the regulatory process makes alternative systems difficult to permit. Development of this area in the City, consistent with City plans and enabled by City services is the objective established in the General Plan. All of the land proposed for annexation is located within the City's Urban Reserve Line, except those areas that will be designated open space.

Land Use Element Goal 12: Emphasize more productive use of existing commercial buildings and land areas already committed to urban development.

Analysis: Annexation allows for orderly development. New buildings that are developed in the City must have City water and sewer service and must improve adjacent roads to City standards. Therefore, potential development sites that are farther away from existing water lines, sewer lines and roads are less likely to be developed until this infrastructure "reaches" them.

In the unincorporated County, development is scattered because it is not connected to these urban service systems. Development in the County is also less intense because on-site areas must be reserved for water wells and septic systems. These systems cannot support large numbers of employees. Therefore, land is used less efficiently when it is developed under County standards, which creates greater pressure to "sprawl" through subsequent development of greenbelt land that is not under City control.

Land Use Element Policy 1.13.3.C Required Plans: For the Margarita Area, annexation may occur following the City Council's 1998 approval of a draft specific plan as the project description for environmental review. Except for City parks or sports fields, further development shall not occur until the City has completed environmental review and adopted a specific plan. Private properties that are annexed before the specific plan is adopted shall be zoned Conservation/Open Space upon annexation, and shall be zoned consistent with the specific plan when it is adopted.

Analysis: The Margarita Area Specific Plan has been adopted. Land that was previously annexed in the area has been zoned for residential use consistent with the specific plan. The remaining portions of the specific plan area should now be annexed to foster orderly development of the area, consistent with City growth management regulations.

Housing Element Program 6.3.5: Specific plans for designated Expansion Areas shall include appropriately zoned land to meet the City's regional housing need for dwellings affordable to very low-income and low-income households, including R-3 and R-4 zoning.

Analysis: A minimum of 15% of the housing produced in the Margarita Area will be deed-restricted based on the City's Inclusionary Housing Requirement and Affordable Housing Standards. Over 20% of the total dwellings units in the area will be developed in R-3 and R-4 zones.

Property Owner Outreach

Let by both Community Development and Economic Development staff, the City has also assumed a major role by informing property owners, residents and businesses within the annexation area of the proposed governmental change, and by working with those affected to address their concerns. This pro-active approach is expected to help facilitate the transition after the annexation occurs and contribute to the success of the annexation.

Outreach efforts to property owners, business owners and residents have included direct mailings, informational meetings, notification of planned hearings and numerous "one-on-one" conversations. In an effort to provide up to date information on timelines, fees and other relevant data, staff is maintaining a web page located at:

http://www.slocity.org/communitydevelopment/annexation.asp

Feedback from property owners, business owners and residents was used to develop the phasing schedule, which was supported by the City Council on February 20, 2007. However, approval of the proposed annexation boundaries does not stop the process of City involvement with property owners and residents. City staff will continue to work with those affected to provide information, develop pre-annexation agreements where appropriate, and assist in preparing for the transition from County to City governmental services.

Annexation Procedures

1. City Role

The City's role in the annexation process is that of 'applicant.' The City's application to LAFCO must include a resolution of the Council stating its intention to annex the land within the proposed annexation boundaries. A complete annexation application will also include pre-zoning information for the land to be incorporated and a "plan for services" to show how the City will address utilities, public safety and other government services in the annexed territory (Attachment 5, Annexation Plan for Services). In addition to these roles, the City is the lead agency for the environmental review required by CEQA.

As mentioned previously, the City will also continue to work with affected property owners and residents in the area after the Council establishes the boundaries of the proposed annexation. City staff's experience to date with property owners and residents is that effective communication with these individuals leads to a better understanding of the benefits provided through City services and increased support for the annexation proposal.

2. LAFCO Role

The criteria that LAFCO staff uses to make recommendations on proposed annexations are based on the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. Any proposal to extend services into an unincorporated area must be consistent with the policies of the Act, which include promoting orderly development, preventing sprawl, preserving open space and prime agricultural lands, providing housing for persons and families of all incomes, and efficient extension of governmental services.

To meet these policy imperatives, proposed annexation areas must be contiguous and they must be consistent with local and regional land use plans. LAFCO also considers the availability of water and other services, regional housing needs, information from land owners, and land-use designations in their boundary change decisions. The detailed planning that the City of San Luis Obispo has completed for the proposed annexation is directly related to the policy imperatives of the Cortese-Knox-Hertzberg Act. The City's specific plans, the Final Program EIR for the specific plan and facilities master plans, and the Annexation Plan for Services combined with LAFCO's Sphere of Influence study provide LAFCO with a strong basis for approval of the proposed annexation.

3. Property Owner and Registered Voters Role

Property owners within the annexation area are not required to perform any actions for annexation of their property to take place. In other words, if LAFCO approves the annexation and property owners do nothing in response, the annexation will take effect. Property owners do retain the ability to protest LAFCO's approval of annexation.

The annexation area is considered inhabited because it includes more than 12 registered voters. Therefore, residents within the annexation area that are registered voters may also protest the annexation. According to State law (Government Code Section 57075-57090), property owners or registered voters who live within the annexation area may protest the annexation within 30 days of the LAFCO approval with the following thresholds established:

Who Can Protest?	Threshold	Effect of Protest
Property Owners	At least 25%, but less than 50%, of property owners who also own 25% of the assessed land value in the annexation area	Protest results in a majority vote of registered voters who live in the annexation area
Property Owners	More than 50% of property owners who also own 50% of the assessed land value in the annexation area	Annexation is terminated
Registered Voters	At least 25%, but less than 50%, of registered voters who live in the annexation area	Protest results in a majority vote of registered voters who live in the annexation area
Registered Voters	More than 50% of registered voter who live in the annexation area	Annexation is terminated

Would a Protest of the Phase 1a Annexation Be Successful?

The recommended annexation boundaries were developed based on the need for a logical, contiguous City limit line balanced by discussions with property owners, which began in early 2006. City staff evaluated property owner support for annexation factoring in the total number of owners and respective land values. This is an on-going process because assessed land values change when property ownership changes.

Contact with property owners and registered voters has been a large part of the staff effort to determine the viability of the annexation boundary. Property owner concerns fall into three categories, which are examined below. No registered voter concerns with annexation have been expressed.

1. Property Owner Concerns

Property owner concerns for this phase of the annexation can be divided into three primary categories: (1) the cost of City business tax and utilities user fees, (2) the timing of services and development approvals, and (3) City property development standards that are more restrictive in some cases than County standards (e.g. creek setback requirements). As City staff continues to provide information to property owners within the annexation area, we hope that concerned owners will develop a better understanding of the City's long-term plans and service advantages and become more comfortable with the proposed change.

At this point, the proposed annexation is promising from the standpoint of a property owner protest. This is because, thus far, 9 of the 66 parcels (13.6%) within the annexation area, have formally expressed opposition to the proposal. This opposition is not absolute in all cases and City staff will continue to help resolve issues for property owners that have expressed concerns.

2. Registered Voter Concerns

As an "inhabited" annexation area, registered voters also have the ability to protest LAFCO approval. Among the residents of the area, only a portion of them are registered to vote. Staff has compiled a list of the voters and has made an effort to contact each person on the list to evaluate voter support. Response have been positive to City staff telephone outreach.

A majority of those contacted by City staff have stated their support for the annexation. In fact, no resident of the annexation area has expressed opposition. However, there is a factor of uncertainty because staff has not been able to contact all of the registered voters, and the number of residents who are eligible to protest the annexation will continue to change based on voter registration numbers. It does appear that if the City continues to make residents aware of the improved services (and lower costs in some circumstances) that they will receive after annexation, the more likely residents are to look upon annexation in a favorable light.

For instance, about 51% (20 of 39) of the residents in the annexation area who are currently registered to vote live in the Hidden Hills Mobile Home Park. As permitted by Municipal Code Section 13.16.020, the City has been providing sewer service to Hidden Hills for over twenty years because the ground in this area is poorly suited to sewage disposal through septic systems.

As an outside user, the park currently pays double the rate of in-city users for this sewer service. Upon annexation, the sewer rates in the park would be reduced by 50%. Staff has also been informed that the residents of the park drink bottled water because of the poor quality of ground water in the area, which is currently their only other source of potable water. Upon annexation, the park would be eligible for a water connection.

City emergency services are viewed upon favorably by residents in the annexation area. Based on recent conversations with residents of Hidden Hills, it is clear that these residents perceive City emergency services, such as police and fire response, as a significant improvement over the current emergency service providers. Residents of Hidden Hills may be used to seeing City police and fire personnel because requests for their service are frequently made by County agencies.

Although City staff cannot provide the City Council with certainty regarding the outcome of a protest, it does appear that the best strategy to insure success is to continue to provide accurate information to those affected so people understand the changes that will occur and will be able to make an informed decision regarding whether or not to protest LAFCO approval of the annexation.

Pre-Annexation Agreements for Interim Sewer Service

On February 20, 2007, the City Council directed staff to work with certain property owners adjacent to existing sewer lines regarding interim City sewer prior to annexation. The issue was raised by the potential for an agreement with the Fiero Lane Mutual Water Company (FLMWC) that could have alleviated the need for substantial improvements associated by the airport runway extension project. A settling pond in this location needs to be relocated to the east side of Broad Street. Although discussions with FLMWC regarding annexation continue to move in a positive direction, interim sewer service would not remove their other obligations to construct the settling pond and the agreement is not being pursued further. In another case (Dolezal), it is unclear if interim sewer service could even be provided in advance of the annexation because of the time it would take to process the required ordinance amendments and outside users agreements with LAFCO. Therefore, Mr. Dolezal concurs that it would be best to simply move forward without further delay on the Phase 1a annexation.

Environmental Review

In 2005, a Program EIR was certified for the Airport Area and Margarita Area Specific Plans and Related Facilities Master Plans (City Council Resolution No. 9726), addressing anticipated environmental effects associated with future development. A subsequent environmental document has been prepared with a focus on the specific impacts relative to annexation (Attachment 6). Based on the findings included in the Initial Study, a Negative Declaration of Environmental Impact is recommended. The annexation process itself results in no physical change to the environment.

CONCURRENCES

All City departments with responsibility for providing services to the proposed annexation areas have been involved in the development of the Plan for Services and the specific plans that include the development standards for these areas. City staff has been working closely with LAFCO staff regarding preparation of the formal annexation application, and has also kept the County aware of our activities. In addition, staff has met with several members of the San Luis Obispo Chamber of Commerce to answer questions regarding the annexation.

FISCAL IMPACT

When the General Plan was prepared, it was accompanied by a fiscal impact analysis, which found that overall the General Plan was fiscally balanced. Accordingly, since the proposed project is consistent with the General Plan, it has a neutral fiscal impact.

ALTERNATIVES

1. The City Council can determine that the proposed annexation boundaries should be modified and direct staff to revise the boundary map prior to submitting an application to LAFCO. This alternative is not recommended because the proposed boundaries are consistent with the phasing plan approved by the City Council on February 20, 2007.

2. The City Council can continue consideration of the proposed annexation and request additional information from staff, or attempt to address all existing potential protest. This alternative is not recommended since it will never be possible to gain support of all property owners. In fact, further delay may cause other property owners to lose interest in annexation, potentially worsening the existing land control, boundary, and service issues in the area.

ATTACHMENTS

Attachment 1: Planning Commission Resolution #5475-07
Attachment 2: Planning Commission Minutes (3-28-07)
Attachment 3: Annexation Phasing Plan approved by City Council (2-20-07)
Attachment 4: Planning Commission Agenda Report (3-28-07)
Attachment 5: Annexation Plan for Services
Attachment 6: Initial Study of Environmental Impact and Negative Declaration
Attachment 7: Draft resolution of intention for the proposed annexation
Attachment 8: Draft ordinance pre-zoning land in the Margarita Area consistent with the MASP

AVAILABLE FOR REVIEW IN THE COUNCIL OFFICE

Airport Area Specific Plan
Margarita Area Specific Plan
AASP, MASP and Related Facilities Master Plans EIR

PLANNING COMMISSION
RESOLUTION NO. 5475-07

A RESOLUTION OF THE SAN LUIS OBISPO PLANNING COMMISSION RECOMMENDING THAT THE CITY COUNCIL ADOPT A RESOLUTION OF INTENTION TO ANNEX APPROXIMATELY 620 ACRES OF LAND IN THE MARGARITA AREA AND AIRPORT AREA, ADOPT A PRE-ZONING ORDINANCE FOR LAND IN THE MARGARITA AREA AND A NEGATIVE DECLARATION OF ENVIRONMENTAL IMPACT FOR THE PROJECT ANNX/ER 172-05

WHEREAS, the Planning Commission of the City of San Luis Obispo conducted a public hearing in the Council Chamber of City Hall, 990 Palm Street, San Luis Obispo, California, on March 28, 2007, for the purpose of considering Planning Application AANX/ER 172-05, a project to annex the remaining unincorporated portions of the Margarita Area and a significant portion of the Airport Area; and

WHEREAS, said public hearing was for the purpose of formulating and forwarding recommendations to the City Council of the City of San Luis Obispo regarding the project; and

WHEREAS, the Margarita Area Specific Plan was adopted by the City Council on October 12, 2004, and the Airport Area Specific Plan was adopted by the City Council on August 23, 2005, satisfying the requirements of the General Plan (Land Use Element policies 1.13.3, 2.3.1, 7.3 and 7.4), which require adoption of specific plans prior to annexation; and

WHEREAS, the proposed annexation is necessary for the City to fully implement the adopted specific plans; and

WHEREAS, the Planning Commission considered the Initial Study and Mitigated Negative Declaration of Environmental Impact (ER 172-05) for the project, and determined that the document adequately addresses the potential environmental effects of the proposed annexation; and

WHEREAS, the Planning Commission has duly considered all evidence, including the testimony of the applicant, interested parties, and the evaluation and recommendations by staff, presented at said hearing.

NOW, THEREFORE, BE IT RESOLVED by the Planning Commission of the City of San Luis Obispo as follows:

Section 1. Findings. Based upon all the evidence, the Commission makes the following findings:

1. Annexation of land in the Margarita Area and Airport Area will promote the public health, safety and welfare by ensuring that all new development complies with the comprehensive land use plans and property development standards established in the Margarita Area Specific Plan and Airport Area Specific Plan.

2. The proposed annexation includes all of the remaining land in the Margarita Area that has not already been annexed, which will facilitate orderly development. The land proposed for annexation includes the site of the regional drainage facility, remaining portions of the right-of-way for Prado Road, the neighborhood park site, the neighborhood commercial site, open space land, and additional land zoned for residential and commercial development.

3. The proposed annexation of land in the Airport Area is consistent with Land Use Element Policy 7.3, which says that the City will actively pursue annexation of the Airport Area.

4. The proposed Negative Declaration for the project adequately addresses the environmental impacts of the project because annexation does not create any environmental effects that are different from those identified in the Final Program EIR for the Margarita Area and Airport Area Specific Plans and Related Facilities Master Plans.

Section 2. Environmental Review. The Planning Commission does hereby recommend that the City Council adopt a Negative Declaration for the project.

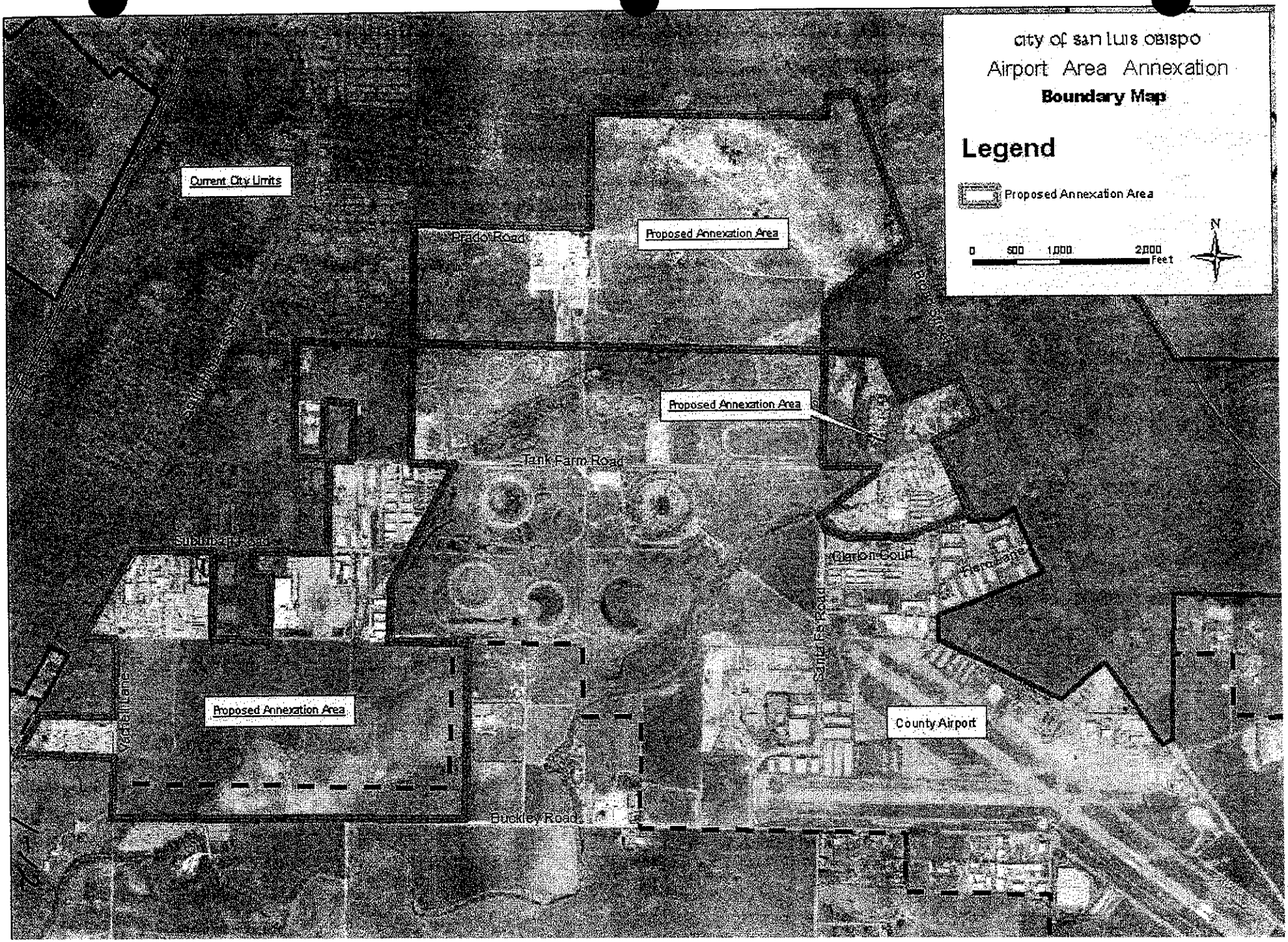
Section 3. Recommendation. The Planning Commission does hereby recommend that the City Council adopt a resolution of intention to annex the land identified in Exhibit A, and adopt a pre-zoning ordinance for the Margarita Area as shown in Exhibit B.

On motion by Commr. Ashbaugh, seconded by Commr. Brodie, and on the following roll call vote:

AYES:	Brodie, Ashbaugh, Christianson, Stevenson, Gould-Wells
NOES:	McCoy
REFRAIN:	
ABSENT:	Miller

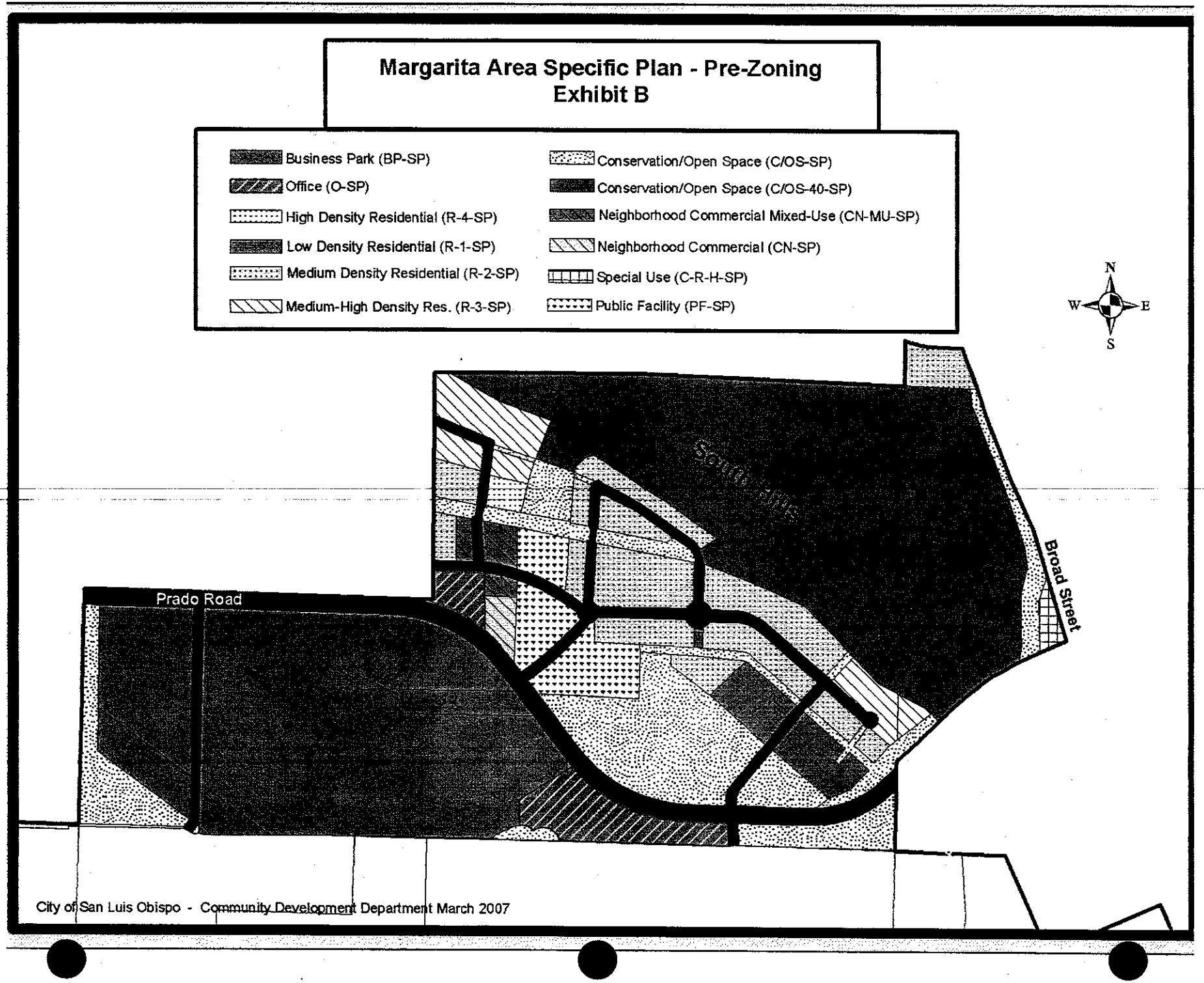
The foregoing resolution was passed and adopted this 28th day of March, 2007.

Kim Murry, Secretary
Planning Commission



Attachment 1

Margarita Area Specific Plan - Pre-Zoning
Exhibit B



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Attachment 1

SAN LUIS OBISPO
PLANNING COMMISSION MINUTES
March 28, 2007

CALL TO ORDER/PLEDGE OF ALLEGIANCE

ROLL CALL:

Present: Commissioners Amanda Brodie, Diane Gould-Wells, Charles Stevenson, John Ashbaugh, Jason McCoy, Vice-Chair Carlyn Christianson

Absent: Chairperson Andrea Miller

Staff: Natural Resources Manager Neil Havlik, Principal Transportation Planner Peggy Mandeville, Deputy Community Development Director Kim Murry, Assistant Planner Michael Codron, Community Development Director John Mandeville, Economic Development Manager Claire Clark, Assistant City Attorney Christine Dietrick and Recording Secretary Jill Francis

ACCEPTANCE OF AGENDA: Commissioners or staff may modify the order of items.

The agenda was accepted as written.

MINUTES: Minutes of January 24, 2007. Approve or amend.

The minutes of January 24, 2007 were approved as amended.

PUBLIC COMMENT:

There were no comments made from the public.

PUBLIC HEARINGS:

1. **3000 Calle Malva**. GPC 29-07; General Plan Conformity Report for a conservation easement covering 71 acres of open space land on a 98 acre parcel; C/OS-100 zone, City of San Luis Obispo, applicant. (Neil Havlik)

Natural Resources Manager Neil Havlik presented the staff report recommending the Commission determine and report to the City Council that the proposed property acquisition consistent with City's General plan.

PUBLIC COMMENTS:

There were no comments made from the public.

COMMISSION COMMENTS:

Commr. Ashbaugh asked if the property is currently used for cattle grazing, and if cattle grazing would continue with the proposed easement.

On motion by Commr. Stevenson to find and report to the City Council that the acquisition both in fee and easement is in conformity with the City's General Plan. Seconded by Commr. McCoy.

AYES: Commrs. Brodie, Ashbaugh, Christianson, McCoy, Stevenson, Gould-Wells
NOES: None
RECUSED: None
ABSENT: Commr. Miller

The motion passed on 6:0 vote.

2. **Open Space**. GPC 30-07; General Plan Conformity Report for a gift of 315 acres of open space land located north of the city on TV Tower Road; City of San Luis Obispo, applicant. (Neil Havlik)

Natural Resources Manager Neil Havlik presented the staff report recommending the Commission determine and report to the City Council that the proposed property acquisition consistent with City's General plan.

PUBLIC COMMENT:

Jan Marx, 265 Albert Drive, ECOSLO, spoke in support of the request.

There were no further comments made from the public.

COMMISSION COMMENT:

On a motion by Commr. Stevenson to determine and report to the City Council, that the proposed property acquisition is consistent with the City's General Plan. Seconded by Commr. Ashbaugh.

AYES: Commrs. Brodie, Ashbaugh, Christianson, McCoy, Stevenson, Gould-Wells
NOES: None
RECUSED: None
ABSENT: Commr. Miller

The motion passed on 6:0 vote.

3. **Citywide**. GPI and ER 21-07; 2007 Bicycle Transportation Plan Update and Environmental Review; City of San Luis Obispo, applicant. (Peggy Mandeville)

Principal Transportation Planner Peggy Mandeville presented the staff report recommending that the Commission recommend to the City Council approval of the

Attachment 2

update to the 2002 Bicycle Transportation Plan and adoption of a Mitigated Negative Declaration of Environmental Impact. She gave a summary of grant funding and improvements associated with the approved 2002 Bicycle Plan was presented followed by a discussion of new/amended policies, definitions, standards and bikeways, noting that this update has been in process for five years.

PUBLIC COMMENT:

Kevin Christian, Bicycle Advisory Committee Chairperson (BAC), demonstrated the web site information showing aerial photos and documentation of the committee's work.

Jean Anderson, BAC member and certified bicycle instructor spoke in support of the plan and provided copies of a Handy Guide for Cyclists.

Adam Fukushima of the Bicycle Coalition, spoke in favor of the ranking system being used by the BAC and the Plan in general, and supported the updated plan.

COMMISSION COMMENT:

Commissioners discussed the plan, corrected several minor errors and gave some suggestions.

Commr. Ashbaugh suggested a definition of a bicycle be included, and noted some minor clerical errors to be corrected.

It was noted that the definition of a bicycle is included in the State Code.

On motion by Commr. Ashbaugh to recommend to the City Council approval of the 2007 Bicycle Plan (with corrections noted) and adoption of the Mitigated Negative Declaration for the project. Seconded by Commr. Brodie.

AYES: Commrs. Brodie, Ashbaugh, Christianson, McCoy, Stevenson, Gould-Wells
NOES: None
RECUSED: None
ABSENT: Commr. Miller

The motion passed on A 6:0 vote.

4. **Airport and Margarita Area**. ANNX and ER 172-05; Review of the City of San Luis Obispo's proposal to annex 620 acres of land and environmental review, City of San Luis Obispo, applicant. (Michael Codron)

Michael Codron presented the staff report with a discussion of phasing, numbers of parcels affected, public outreach that was conducted, annexation costs and the LAFCO process, recommending that the Commission recommend to the Council, approval of a resolution of intention to annex approximately 620 acres of land in the Margarita Area and Airport Area, a pre-zoning ordinance consistent with the Margarita Area Specific Plan, and a Negative Declaration of Environmental Impact.

PUBLIC COMMENT:

Raymond Hanson, 3960 South Higuera Street, had a concern regarding property located at 4080 Horizon Lane. He supports the future annexation of this property but felt further study is necessary and corrections need to be made to the map.

Jan Marx, mobile home owner, was pleased that the mobile home park will be coming into the City but had reservations with the zoning that allows other residential uses, and expressed the need for a mobile home ordinance.

Terry Simons, Orcutt Road, would like to see the Margarita Area annexation move forward if Airport Area issues slow the process down.

Robert Miller, business owner on Suburban Road, SLO, expressed concerns with utility bills and taxes that would be imposed and does not want his property to be annexed.

Dale Whtison, business owner near Unocal property, would like to change the way his property is zoned in the AASP, from Manufacturing to Service-Commercial.

Charles Senn, 178 Broad Street and property owner in the airport area, noted various concerns owners and businesses have with the proposed annexation.

Ty Safreno, 1621 Higuera Street and business owner on Tank Farm Road, felt his property should not be in Phase I because services will not be immediately available, and additional taxes will be imposed.

Bill Thoma, business owner 3562 Tank FarmRoad, felt some of the costs of the annexation should be shared with the larger community if annexation meets community-wide goals.

John Wallace, 4415 Broad Street, and property owner on Suburban Road/Horizon, felt the business owners along Suburban Road do not need City services and would not welcome the added fees.

Carol Florence, representative of owners in the Airport area, noted concerns with water and sewer availability, and felt individual properties should be looked at separately.

Scott Lathrop, business owner, expressed conflicting thoughts because he is involved in two properties in Phase 1A, one of which he wants annexed and the other which he does not want annexed because of the uncertainty of timing on sewer service.

Richard Ferris, 365 Branch Street, felt the map used was inaccurate and expressed concerns with the annexation, primarily with the City's required creek setbacks in light of the existing water detention system on Unocal land.

There were no further comments made from the public.

Attachment 2

COMMISSION COMMENT:

The Commission discussed the testimony and asked for staff clarification on several issues, including treatment of non-conforming uses, timing of the Tank Farm Lift Station project, pre-zoning, use of pre-annexation agreements, and preparation of the boundary map description. Staff committed to continue working with individual owners to discuss concerns.

Commr. Ashbaugh expressed support of the annexation.

Commr. Brodie requested staff discuss specific comments made by the public.

Commr. McCoy asked about business owners changing zoning while keeping non-conforming uses. He did not agree with including the area south of Tank Farm Road into the annexation without testimony from the major landholder or representative, or compelling testimony from property owners south of Tank Farm Road that they support the annexation.

Commr. Stevenson asked about the Prado Road interchange, cost evaluation, fair share, and traffic mitigation concerns.

Economic Development Manager Claire Clark responded to concerns regarding building permits that were issued by the County prior to annexation would still be allowed by the City after annexation.

On motion by Commr. Ashbaugh to approve a resolution of intention to annex approximately 620 acres of land in the Margarita Area and Airport Area, a pre-zoning ordinance consistent with the Margarita Area Specific Plan and Negative Declaration of Environmental Impact. Seconded by Commr. Brodie.

AYES: Commrs. Brodie, Ashbaugh, Christianson, Stevenson and Gould-Wells
NOES: Commr. McCoy
RECUSED: None
ABSENT: Commr. Miller

The motion passed on a 5:1 vote.

Commr. Stevenson moved a recommendation to the City Council that if the Airport Area annexation is delayed, annexation of the Margarita Area should continue to move forward and that negotiations with individual property owners should continue to occur with respect to their particular concerns and timing of services. Seconded by Commr. Brodie.

AYES: Commrs. Brodie, Christianson, McCoy, Stevenson, Gould-Wells
NOES: Commr. Ashbaugh
ABSENT: Commr. Miller
ABSTAIN: None

The motion passed on a vote of 5:1.

Attachment 2

A motion to extend the meeting past 11:00 p.m. was taken and passed.

COMMENT AND DISCUSSION:

5. **Staff**

A. Request to consider adding a special Planning Commission meeting on April 18, 2007 for a study session on the Broad Street corridor design plan.

Deputy Director Kim Murry requested consideration of a special Planning Commission meeting on April 18, 2007 in order to schedule the introduction of the South Broad Street Corridor Plan with the Commission. The Planning Commission agreed to add the date as a special meeting.

B. Agenda Forecast

Deputy Director Kim Murry indicated that a Planning Commissioner retreat was in the planning stages and that there were two dates under consideration: May 16th and June 11th. The retreat is planned to be a 6 p.m. to 9 p.m. meeting held off-site to discuss Commission operation and issues. Planning Commissioners will respond via email as to their preferred date for this session.

Deputy Director Murry also gave a preview of items currently anticipated for the April 11, 2007 Commission meeting: Airport Hotel project, City's annual report on the General Plan, yearly consideration of by-laws, installation of the new Commissioner and election of officers.

6. **Commission**

Commissioner Stevenson expressed appreciation of service by Jason McCoy to the Planning Commission for the last term. He indicated that Commissioner McCoy brought valuable insight as a working architect and a practical point of view that will be missed. Acting Chair Carlyn Christianson and Commissioner John Ashbaugh added their thanks.

ADJOURMENT:

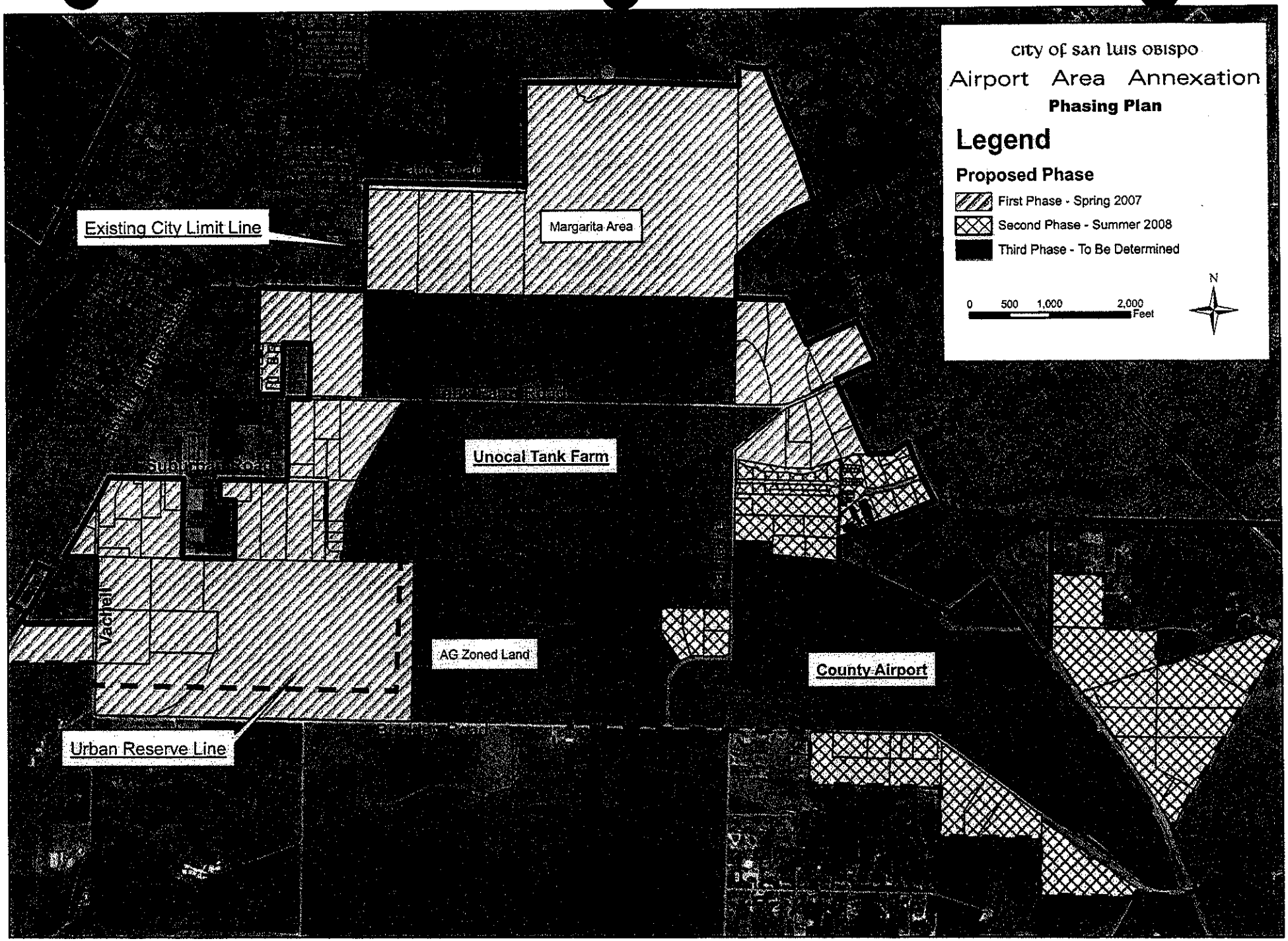
With no further business before the Commission, the meeting adjourned at 11:07 p.m. to the regular meeting of the Planning Commission scheduled for Wednesday, April 11, 2007 at 7:00 p.m. in the Council Chamber of City Hall, 990 Palm Street.

Respectfully submitted by

Jill Francis
Recording Secretary

Approved by the Architectural Review Commission on **April 11, 2007**

Diane R. Stuart, CM
Management Assistant



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Attachment 3

CITY OF SAN LUIS OBISPO
PLANNING COMMISSION AGENDA REPORT **ITEM # 4**

FROM: Kim Murry, Deputy Director KM **MEETING DATE:** March 28, 2007

Prepared By: Michael Codron, Associate Planner

FILE NUMBER: ANNX/ER 172-05

PROJECT ADDRESS: Margarita Area and Airport Area

SUBJECT: Review of proposed annexation boundaries and a resolution of intention to annex approximately 620 acres of land in the Margarita Area and Airport Area, a pre-zoning ordinance, and a Negative Declaration of Environmental Impact for the project.

SUMMARY RECOMMENDATION

Recommend that the City Council approve a resolution of intention to annex approximately 620 acres of land in the Margarita Area and Airport Area, a pre-zoning ordinance consistent with the Margarita Area Specific Plan and a Negative Declaration of Environmental Impact.

BACKGROUND

Situation

Annexation of the Margarita Area and Airport Area has been contemplated for over 25 years, and has bee a General Plan goal since 1994. The pre-requisites for annexation, adoption of specific plans, have been accomplished. Partial annexation of both areas has occurred under an interim annexation program.

On February 20, 2007, the City Council approved a comprehensive annexation strategy and directed staff to pursue the first phase of the overall annexation. This first phase includes 620 acres of land, encompassing 66 parcels with 49 different property owners. Attachment 1 includes the proposed boundaries of this first phase.

Planning Commission Role

The role of the Planning Commission is to make a recommendation to the City Council on the proposed annexation. The steps necessary to formally start the process are listed below:

1) Adoption of a resolution of intention to annex 620 acres of land in the Margarita Area and Airport Area and authorization for an application to be filed with the Local Agency Formation Commission (LAFCO) to consider the annexation request.

2) Adoption of a pre-zoning ordinance for the Margarita Area, which would establish the zoning to go into effect upon annexation. A pre-zoning ordinance for the Airport Area has already been approved (see Attachment 2).

3) Adoption of an environmental document consistent with CEQA requirements. A Negative Declaration of Environmental Impact is recommended.

The Planning Commission's role is also to review the Plan for Services (Attachment 3), which is a key component of the LAFCO application. Equally important, the Planning Commission will take public testimony from property owners, business owners and other interested parties regarding the annexation. Notification was sent to over 450 individuals regarding the public hearing.

EVALUATION

Background Policies

Annexation is one of the most effective tools available to the City to insure that future development is consistent with City property development standards and policies for growth management. All of the land proposed for annexation is located within the City's Sphere of Influence, which was updated in 2005 by the City Council and Local Agency Formation Commission (LAFCO).

Annexation of the Margarita Area and the Airport Area is consistent with the General Plan and with the specific plans prepared for the respective annexation areas. The following General Plan policies are listed in support of the proposed annexation:

Land Use Element Policy 7.3 City Annexation and Services: The City intends to actively pursue annexation of the Airport Area.

Analysis: Annexation is now being proposed consistent with the direction provided by this policy.

Land Use Element Policy 1.13.2 Annexation Purpose and Timing: Annexation should be used as a growth management tool, both to enable appropriate urban development and to protect open space. Areas within the urban reserve line which are to be developed with urban uses should be annexed before urban development occurs. The City may annex an area long before such development is to occur, and the City may annex areas which are to remain permanently as open space. An area may be annexed in phases, consistent with the city-approved specific plan or development plan for the area. Phasing of annexation and development will reflect topography, needed capital facilities and funding, open space objectives, and existing and proposed land uses and roads.

Analysis: The proposed annexation will allow the City to manage growth in the expansion areas in a manner that is consistent with the City's long term vision, as expressed in the Margarita Area Specific Plan and the Airport Area Specific Plan. If annexation is not approved, the County would remain the jurisdiction with land use authority. All of the land proposed for annexation is located within the City's Urban Reserve Line, except those areas that will be designated open space.

Land Use Element Goal 12: Emphasize more productive use of existing commercial buildings and land areas already committed to urban development.

Analysis: Annexation allows for orderly development. New buildings that are developed in the City must have City water and sewer service and must improve adjacent roads to City standards. Therefore, potential development sites that are farther away from existing water lines, sewer lines and roads are less likely to be developed until this infrastructure "reaches" them.

In the unincorporated County, development is scattered because it is not connected to these urban service systems. Development in the County is also less intense because on-site areas must be reserved for water wells and septic systems. These systems cannot support large numbers of employees. Therefore, land is used less efficiently when it is developed under County standards.

Land Use Element Policy 1.13.3.C Required Plans: For the Margarita Area, annexation may occur following the City Council's 1998 approval of a draft specific plan as the project description for environmental review. Except for City parks or sports fields, further development shall not occur until the City has completed environmental review and adopted a specific plan. ... Private properties that are annexed before the specific plan is adopted shall be zoned Conservation/Open Space upon annexation, and shall be zoned consistent with the specific plan when it is adopted.

Analysis: The Margarita Area Specific Plan has been adopted. Land that was previously annexed in the area has been zoned for residential use consistent with the specific plan. The remaining portions of the specific plan area should now be annexed to foster orderly development of the area, consistent with City growth management regulations.

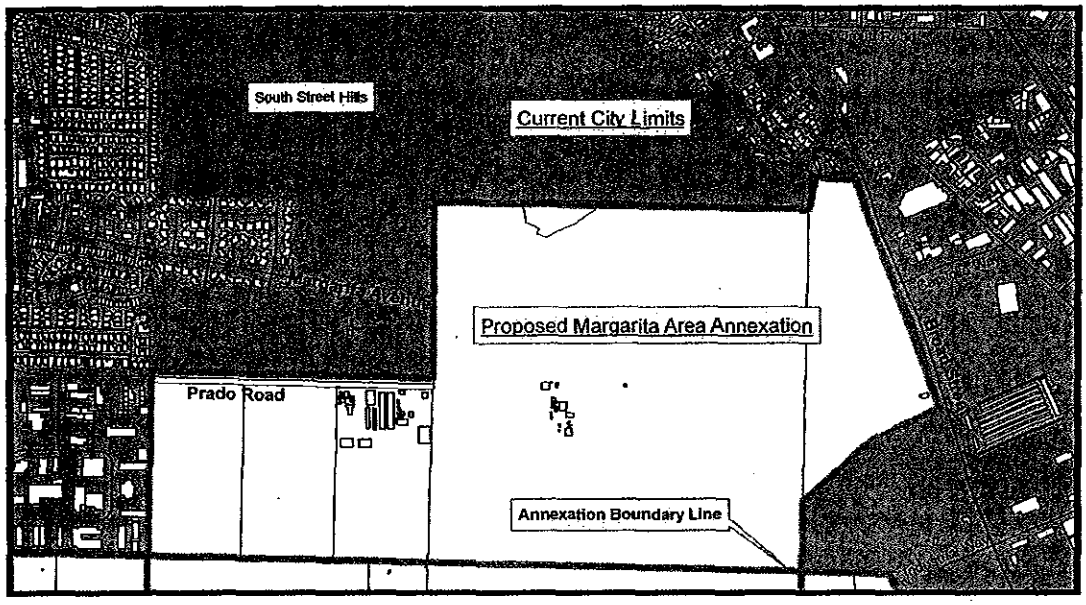
Housing Element Program 6.3.5: Specific plans for designated Expansion Areas shall include appropriately zoned land to meet the City's regional housing need for dwellings affordable to very low-income and low-income households, including R-3 and R-4 zoning.

Analysis: A minimum of 15% of the housing produced in the Margarita Area will be deed-restricted based on the City's Inclusionary Housing Requirement and Affordable Housing Standards. Over 20% of the total dwellings units in the area will be developed in R-3 and R-4 zones.

The Proposed Annexation Areas

Margarita Area Properties

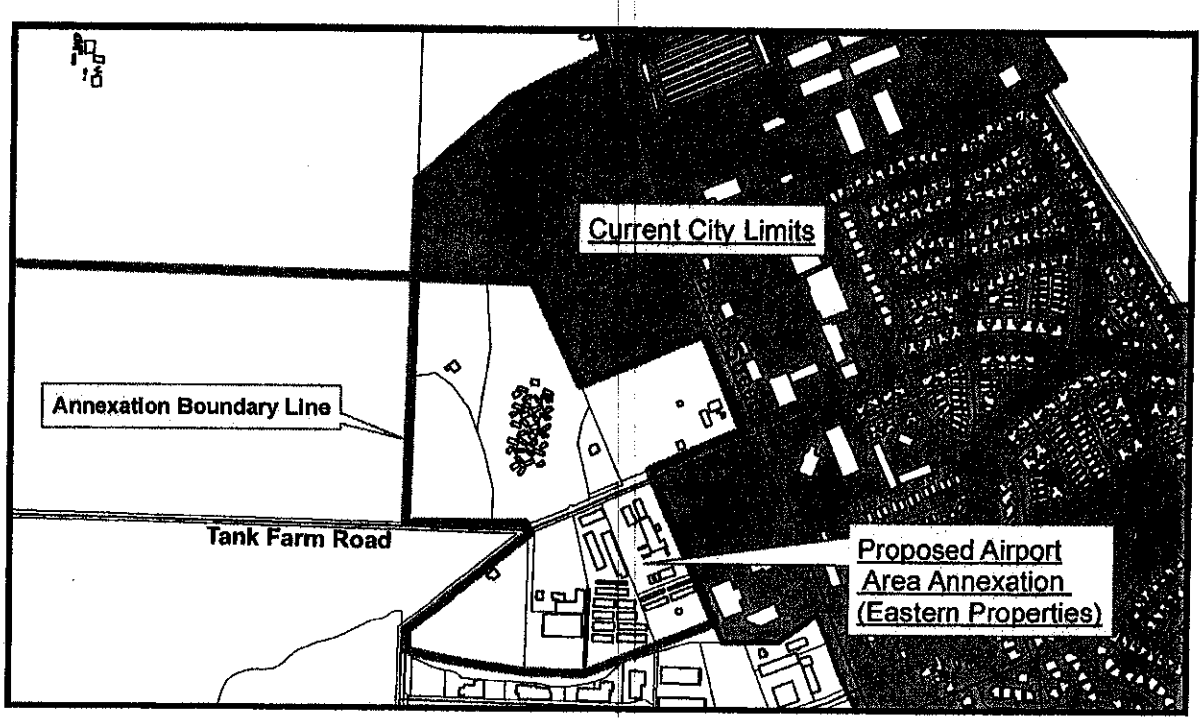
The Margarita Area Specific Plan (MASP) was approved in 2004. A major portion of this residential expansion area was annexed in 2001 and designated Conservation/Open Space. When the MASP was subsequently approved, the residential zoning took effect. In 2006, the City approved three major subdivisions in this area that will accommodate approximately 375 dwelling units. At build-out, the Margarita Area is planned to accommodate 868 residences of varying type, size, and affordability.



The portion of the Margarita Area now proposed for annexation includes approximately 250 acres on five privately owned land parcels and one parcel of land owned by the City. Annexation of this land is considered key for orderly development and implementation of the MASP. Of primary importance is the site planned to become the regional drainage facility for the approved subdivisions. The owners of this property intend to move forward with plans to subdivide the property shortly after annexation is completed, which will facilitate development of the drainage facility. The recommended resolution (Attachment 6) includes an exhibit of the zoning proposed for the annexation area, per the MASP. Other key features within this annexation area include the site for the future neighborhood park, the neighborhood-commercial center and major portions of the right-of-way for Prado Road.

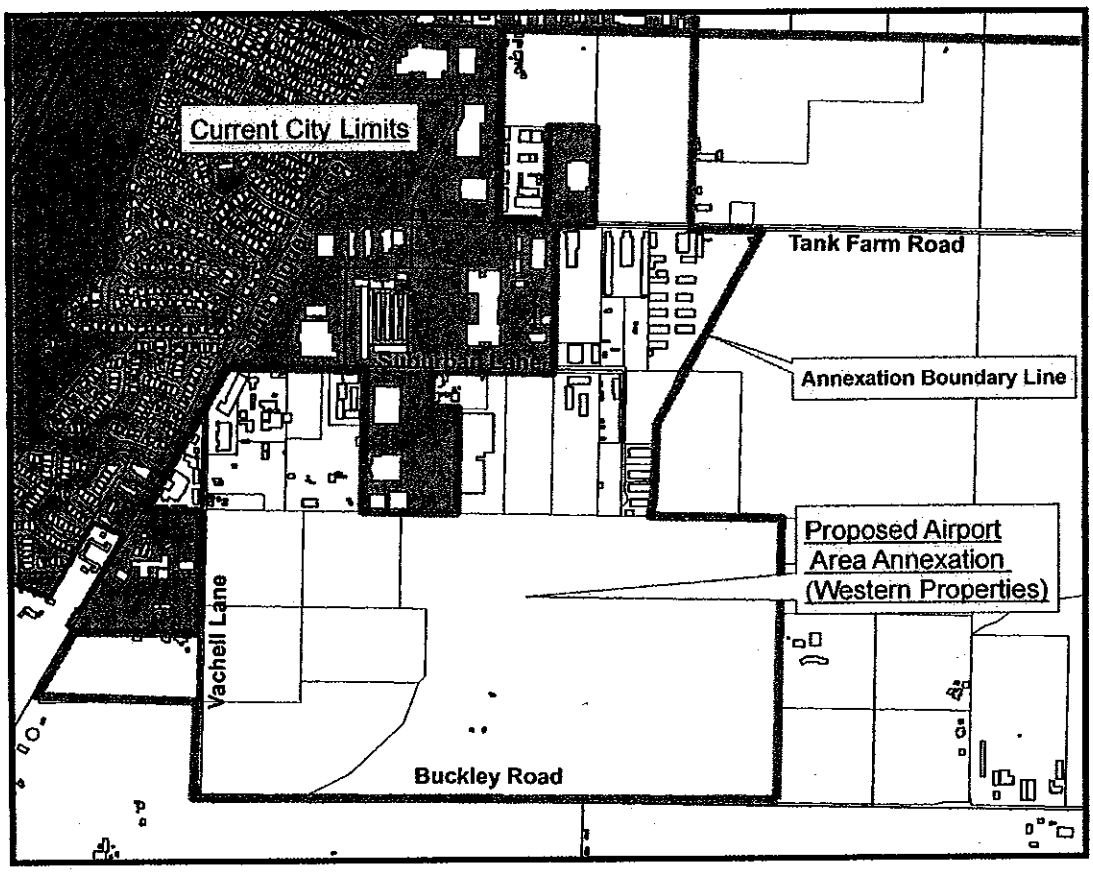
Airport Area

The Airport Area Specific Plan (AASP) was approved in 2005. The City pursued an interim annexation policy until about 2001, allowing for annexation and development of individual properties along the Broad Street corridor. The result of this policy was development designed to be consistent with the AASP's Business Park designation, including the Thompkins Medical Center, which is approved for a range of office uses, and the Aerovista Business Park, located on the corner of Broad Street and Aerovista Drive. In total, 370 acres of land are now proposed for annexation in the Airport Area.



The graphic above depicts eleven properties proposed for annexation within the eastern portion of the Airport Area. Some of these properties are vacant, others are developed, but retain additional development potential. The zoning applied to land in the Airport Area is intended to reflect existing uses as close as possible to avoid creating a large number of non-conforming uses. Although there will be some non-conforming uses created, this should not be a significant concern to property owners and business owners because the City's Zoning Regulations permits non-conforming uses to remain indefinitely, unless the use is vacated for a period of six months. The City also allows one non-conforming use to replace another within this six-month time period as long as the new non-conforming use is determined to be compatible with the site and surroundings.

The eastern portion of the annexation area also includes the Hidden Hills Mobile Home Park. The mobile home park represents the only residentially zoned land within the Airport Area. There are 32 residential units within the park. The City is already providing sewer service to this site, per the requirements of the Regional Water Quality Control Board. A meeting to provide residents of the park with information on annexation occurred on Wednesday, March 21st. The meeting was held at 6:30 PM in the PIC/EDD One-Stop Center, 4111 Broad Street, Suite A, and was open to the public. Staff will provide the Planning Commission with an update during the Commission's meeting on the 28th.



The land within the western portion of the Airport Area includes 50 parcels. Interim annexations have occurred in this area as well, including the Farm Supply site north of Tank Farm Road, the Spice Hunter property south of Tank Farm Road, and the Ernie Ball site south of Suburban Road. Existing businesses in this area now proposed for annexation include Air-Vol Block, Hanson Aggregate, and the Copeland's warehouse property on Suburban Road, the Dolezal office park and a large recreational vehicle storage yard along South Higuera Street, and the Whitson commercial service park and Union Properties/San Luis Ready Mix site on Tank Farm Road.

The largest single property proposed for annexation in this area is the Avila Ranch site, which includes approximately 160 acres. This land is designated Business Park and the owners have expressed interest in annexation at this time so that they can begin to master plan a development proposal.

Public Outreach

In order to decide where to establish the annexation boundaries, the City has engaged the property owners within the annexation area to inform them about the City's long-term plans for development of the area. It is in the City's best interest to annex as large of an area as possible during the first phase of the annexation and the recommended boundaries have been established to provide for improved public safety, to allow for orderly development, and to facilitate implementation of the City's specific plans. The boundaries have also been established with respect to LAFCO requirements, which prevent islands of incorporated land and/or donut holes of unincorporated land within any annexation area.

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Attachment 4 includes three documents providing detailed information about annexation that were mailed out to property owners and residents within the annexation area over the past year. Response from property owners to these mailings has been almost entirely positive, however, some business owners have expressed concerns regarding the City's business tax, the utility users fee, and SLO Fire Department inspection and permitting requirements. City staff has met with several individual property owners and business owners to answer questions and continues to address concerns on these issues in a pro-active manner.

The Planning Commission should expect to hear public testimony regarding these costs during the meeting. In consideration of requests to modify the boundaries of the annexation area, the Planning Commission must consider the long-term goals of annexation (and LAFCO requirements) in addition to concerns that may be expressed by individual business or property owners.

It is also relevant for the Planning Commission to consider that, upon annexation, the newly incorporated businesses will be subject to the same requirements as all other businesses within the City. Currently, businesses operating in the unincorporated commercial areas on the edge of the City benefit from City services, such as street maintenance, public transit, access to utilities and emergency services. Upon annexation, the services provided to these businesses will be greatly enhanced, and they will be asked to pay a fair share of the cost of services through City business tax, utility users tax and public safety programs at the same rates as all other businesses within the City.

The LAFCO Process

If the City Council approves the proposed annexation, then City staff will file an application with the Local Agency Formation Commission (LAFCO). LAFCO is a seven-member commission made up of representatives from the County Board of Supervisors, cities within the County, special districts within the county, and a public member. LAFCO reviews proposals for boundary changes by cities and special districts pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. The San Luis Obispo LAFCO has an independent staff that manages applications and makes recommendations to the commission.

Once an application is made to LAFCO, their staff analyzes the application for completeness and adequacy, notifies property owners within the annexation area, and prepares a formal recommendation to the Commission regarding the proposed boundaries and the environmental review for the project. Ultimately, LAFCO must vote to approve or deny the application in a public hearing.

Annexation Protests in an Inhabited Annexation Area

The proposed annexation area is considered inhabited because it includes more than 12 registered voters. Therefore, both property owners and registered voters who live within the annexation area have the right to protest the annexation. According to State law (Government Code Section 57075-57090), property owners or registered voters who live within the annexation area may protest the annexation within 30 days of the LAFCO approval with the following thresholds established:

Who Can Protest?	Threshold	Effect of Protest
Property Owners	At least 25%, but less than 50%, of property owners who also own 25% of the assessed land value in the annexation area	Protest results in a majority vote of registered voters who live in the annexation area
Property Owners	More than 50% of property owners who also own 50% of the assessed land value in the annexation area	Annexation is terminated
Registered Voters	At least 25%, but less than 50%, of registered voters who live in the annexation area	Protest results in a majority vote of registered voters who live in the annexation area
Registered Voters	More than 50% of registered voter who live in the annexation area	Annexation is terminated

If the protest period expires without sufficient protest to stop the annexation process, LAFCO will forward the boundary changes to the State of California to be enacted.

Property owners and registered voters within the annexation area are not required to perform any actions for the annexation to take place. In other words, if LAFCO approves the annexation and there is no protest from registered voters or property owners, the annexation will take effect.

Environmental Review

In 2005, a Program EIR was certified for the Airport Area and Margarita Area Specific Plans and Related Facilities Master Plans (City Council Resolution No. 9726), addressing anticipated environmental effects associated with future development. A subsequent environmental document has been prepared with a focus on the specific impacts relative to annexation. Based on the findings included in the Initial Study, a Negative Declaration of Environmental Impact is recommended. The annexation process itself results in no physical change to the environment.

The completed Initial Study is attached (Attachment 5). The discussion under each issue area provides an overview of impacts associated with future development, as identified in the program EIR. Where the annexation action does not alter or change the previously identified potential effect or the associated mitigation measure, a finding of "no impact" is listed. Where the program EIR includes mitigation measures relative to future development, there is a reference provided to the mitigation measures and associated findings adopted in City Council Resolution No. 9726. References are also provided where Findings of Overriding Consideration were required as certain impacts associated with future development are considered significant and unavoidable.

ALTERNATIVES

1. The Planning Commission can continue consideration of the proposed annexation if additional information is needed or if more time is needed to fully evaluate the proposal. This alternative is not recommended because annexation is consistent with the General Plan and the specific plans that have been created for the annexation areas.

2. The Planning Commission can recommend different boundaries to the City Council for annexation. This alternative is not recommended because leaving individual properties out of the larger annexation area will make it much more difficult to annex these properties in the future, which could have negative consequences relative to orderly development.

ATTACHMENTS

Attachment 1: Proposed Annexation Boundary Map
Attachment 2: AASP Pre-Zoning Ordinance (previously adopted)
Attachment 3: Annexation Plan for Services
Attachment 4: Annexation information mailed out to property owners and registered voters
Attachment 5: Initial Study of Environmental Impact and Negative Declaration
Attachment 6: Planning Commission Resolution recommending City Council Approval

Additional Background Information:

Previous agenda reports and other additional information can be reviewed and downloaded from the following web page:

http://www.slocity.org/communitydevelopment/annexation.asp

Airport Area and Margarita Area Annexation

Plan for Services – March 2007

Contents:

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1. Law Enforcement

The San Luis Obispo Police Department provides a variety of law enforcement and community services. Police services are based at 1042 Walnut at the intersection of Santa Rosa (Highway 1) and Highway 101. Full-time staff includes 85 employees; 58 are sworn officers who perform law enforcement and management tasks. Currently, the Department also utilizes temporary employees equivalent to 2.7 full-time positions.

The Department is divided into two police bureaus, with a captain commanding each. The Operations Bureau consists of the Patrol Services Division, Traffic Safety Unit, and Neighborhood Services Division. The Adminstrative Services Bureau consists of the Investigative Division, Situation Oriented Response Team, Communications Division, Records Unit and training function.

According to the Safety Element of the City's General Plan, the Department has a 30% available-time objective for patrol officers. Available time is the portion of time that a patrol unit is not already on call or otherwise unavailable to respond to a new emergency call for service. The level of service in the annexed territory will be the same as in the rest of the city.

The Airport Area Specific Plan and Margarita Specific Plan indicate that the proposed annexation will drive the need for additional personnel and equipment to maintain the current level of service and meet the available-time objective for patrol response. The

specific plans also indicate the potential need for a police substation/work area with urbanization of the area.
Resources are allocated to the Police Department through the City's 2-year budget and financial plan process. Requests for additional resources are weighed against other potential uses of the City's general fund. The City expects that service demands and revenues both will increase upon annexation. Increased service demands will continue approximately in proportion to the amount of new development in the area at a gradual pace over several years.

The level of service provided to the annexed territory will be the same as provided to the rest of the City.

2. Fire Protection (Including Paramedic and Ambulance)

The City of San Luis Obispo Fire Department provides emergency and non-emergency fire protection services in the City. Emergency services include fire response, emergency medical response, hazardous materials response, and public assistance. Non-emergency services include fire and life safety inspections, building inspections, building plan checks, fire code investigations, arson investigations, and public education. Additionally, the SLOFD is a member of a countywide team that responds to hazardous materials incidents throughout the County.

The Fire Department operates 4 fire stations and has a firefighter/population ratio of approximately 1 firefighter per 1,000 residents. Headquarters (Fire Station #1) is located on the corner of Broad Street and South Street, Fire Station #3 is located at 1280 Laurel Lane, and Fire Station #4 is located at the corner of Madonna and Los Osos Valley Road. The proximity of these stations to the Margarita Area and Airport Area provide for emergency response times of 4 minutes or less. The Fire Department's standard of coverage recommends that a three-person engine company, with paramedic, meet this standard 95 percent of the time. All SLOFD engine companies (first responders during an emergency call) include at least one paramedic.

The Airport Area Specific Plan and Margarita Specific Plan indicate that the proposed annexation will drive the need for additional personnel, including firefighters and inspectors, to maintain the current level of service.

Resources are allocated to the Fire Department through the City's 2-year budget and financial plan process. Requests for additional resources are weighed against other potential uses of the City's general fund. The City expects that service demands and revenues both will increase upon annexation. Increased service demands will continue approximately in proportion to the amount of new development in the area at a gradual pace over several years.

The level of service provided to the annexed territory will be the same as provided to the rest of the City.

Attachment 5

3. Parks and Recreation

The Parks and Recreation Element of the General Plan establishes a standard of 10 acres of parkland per 1,000 City residents. The Margarita Area meets this requirement by providing a 10-acre neighborhood park and 16 acres of improved sports fields. The Neighborhood Park will be created with development of the surrounding neighborhoods and will be dedicated to, and thereafter maintained by, the City. The Damon-Garcia Sports Fields were completed in 2005.

The Airport Area does not include parkland because no residential neighborhoods are proposed in this part of the annexation area. The Airport Area Specific Plan does identify opportunities for active and passive recreation. A large portion of the plan area is designated as open space and the plan includes financing for an extensive bike path system.

4. Streets Maintenance and Development

The proposed annexation boundaries have been created in consideration of the City's ability to maintain public infrastructure within the annexation area. The City's Pavement Management Plan was originally adopted in 1998 and provides the framework for the City's maintenance program. The heart of the program is computer software that analyzes the conditions of various street segments via special algorithms and then makes maintenance recommendations according to the available budget. The City has purchased **MicroPaver,** a program originally written by the Army Corps of Engineers to maintain military bases. This program is made available to the public via the American Public Works Department and the University of Illinois. It is continually updated and maintained by the Corps and is in use throughout the United States and worldwide. Maintenance of existing streets within the annexed territory will be accomplished by incorporating the new right-of-way areas into the pavement management program.

Within the annexation area, new development will be responsible for dedicating and improving right-of-way areas with streets, curb, gutter, sidewalk, street trees and necessary utilities infrastructure. After City acceptance of public improvements, new streets are incorporated into the pavement management program.

The specific plans for the Airport Area and Margarita Area include a primary and secondary street network, which shows the arterial and collector streets needed to serve new development. Local streets are not shown in either specific plan and their location will be determined during the review of subdivision plans as they are submitted to the City.

5. Public Transit

The City currently provides transit service to the SLO County Regional Airport and the specific plans for the Airport Area and Margarita Area include significant expansion of transit in this area. As development occurs, the potential for new or expanded bus routes will be evaluated in accordance with the potential routes identified in the specific plans. New development is responsible for providing transit facilities, such as turnouts, shelters and in some cases, smart signs that indicate how soon the next bus will arrive.

6. Solid Waste and Recycling

The City of San Luis Obispo contracts with San Luis Garbage Company for garbage, green waste and recycling services. San Luis Garbage disposes of solid waste at the Cold Canyon Landfill, which is a regional facility. San Luis Garbage also serves commercial and residential properties within the City's urban reserve and no change in service is expected for annexed properties.

The City also runs a construction and demolition debris recycling program (Municipal Code Chapter 8.05). The goal of the program is to divert the bulk of the materials generated from projects within the City of San Luis Obispo from the landfill and thus, extend the landfill's lifespan. Construction and demolition debris materials represent a significant percentage of the City's solid waste stream, with current estimates at 25 percent of the total tonnage. The program helps the City meet State-mandated requirements for solid waste reduction.

7. Municipal Services, Development Review and Code Enforcement

The City of San Luis Obispo will provide for municipal services within the annexed territory such as elections, public notices, development review, building permits and inspections, subdivision review, permitting and inspecting public improvements, and code enforcement. San Luis Obispo City government will provide for development review of all new development projects in accordance with the approved specific plans, and will coordinate with the County of San Luis Obispo with respect to on-going construction projects and active construction permits. Code enforcement activities in the annexed territory will be provided by a full-time staff member in the Community Development Department, in coordination with the Police Department and the City Attorney's Office. Government services are based at City Hall, 990 Palm Street, San Luis Obispo.

8. Water and Wastewater

As part of the Airport Area and Margarita Area Specific Plans, the City prepared related facilities master plans, including a Wastewater Master Plan Update, a Water System Master Plan, and a Storm Drain Master Plan. These plans insure the feasibility of providing urban services to the annexation area and guide the placement and expansion of the infrastructure needed to serve the area. Projects anticipated under the master plans include a new wastewater lift station on Tank Farm Road, an upgrade to the existing lift station on Calle Joaquin (Howard Johnson lift station), capacity upgrades at the Water

Reclamation Facility, new backbone facilities for the water treatment and distribution systems, and three new bridges in the annexation area to insure that natural channels can accommodate storm flows.

Water Supply

The City of San Luis Obispo currently utilizes three sources of water supply to meet the community's water demand: Santa Margarita Lake (also referred to as Salinas Reservoir), Whale Rock Reservoir, and groundwater. The adopted safe annual yield from these three sources for 2006 is 7,480 acre feet (af) which takes into account annual estimated reductions due to siltation at the reservoirs. In addition to these existing water supplies, the City will add an additional 130 af of water from the Water Reuse Project and 120 af from the expanded water conservation program this year. This will increase the City's safe annual yield to 7,730 af for 2006. The actual total city-wide water use for 2005 was 6,098 af which was about 2.3% lower than last year's use of 6,239 af.

For planning purposes, the City calculates present water demand at 145 gallons per capita per day (gpcd), which is equal to 7,218 acre feet on an annual basis. These means that there is 512 a.f. available for new development. The policies in the Water Management Element (WME) of the General Plan determine how available water is allocated to new development. Per WME Policy 8.1.3, one-half of the water available for allocation will be reserved to serve intensification and infill development within city limits existing as of July 1994. Therefore, in 2006, 256 acre feet is available to serve new annexation areas and 256 acre feet is reserved for infill and intensification projects.

The City's long term water supply requirements are summarized in the table below:

Primary Supply Requirements (acre feet)

Safe Annual Yield Required at Build-out	9,096
Current Safe Annual Yield (2006)	7,730
Additional Safe Annual Yield Required	1,366
Siltation (2007 to 2025)	190
Total Water Supply Requirement	1,556

Based on the General Plan build-out population of 56,000 and the per capita water use rate of 145 gpcd, the projected demand at full build-out is 9,096 acre feet per year (afy). The City is currently pursuing or considering the several supplemental water supply projects to meet the total supply requirement. The Water Reuse Project, the Nacimiento Pipeline Project, and increased water conservation strategies constitute the "top tier" strategy for developing additional water supplies. Other water supply projects include developing additional groundwater resources, a potential desalination facility, and the Salinas Reservoir Expansion Project.

Recycled Water

In 2006, the City's Water Reuse Project began delivering recycled water to several parks, sports fields, and other landscaped areas. Initially, approximately 130 acre-feet per year of recycled water will be used, offsetting potable water use for irrigation and making more water available for new development. The Water Reclamation Facility produces enough recycled water so that approximately 1,000 acre-feet per year could be delivered for irrigation in the future. The additional water will be used to irrigate new developments within the City as well as appropriate existing irrigation sites.

Recycled water will provide a reliable long-term source of water for the City. Since drought conditions have very little impact on this source of supply, a dependable water supply can be delivered to the parks, playgrounds and similar landscape areas served by the project even during drought periods.

Nacimiento Pipeline

On June 29, 2004, the Council approved amendments to the General Plan Water and Wastewater Element, the Final Environmental Impact Report for the Nacimiento Project, and execution of the agreement with the County for 3,380 afy of water from the Project. The project is currently in the design phase and various consultants have been hired to provide specific services such as surveying, geotechnical, right-of-way acquisition, and preparation of plans and specifications.

The current project schedule anticipates completing design and obtaining necessary permits by late spring, early summer 2007 and construction beginning in October of 2007. Current project schedules estimate project completion and initial water deliveries by end of 2010.

Additional Water Conservation Programs

The Water Conservation Program is an integral part of the City's overall water management strategy and can actually be considered as a new source of supply contributing to our safe annual yield based on the water saved. Since the mid 1980's, the City has implemented water efficiency programs and policies that have enabled the City to decrease overall demand while the population continues to grow. In 1991, the City became one of the charter members of the California Urban Water Conservation Council and has implemented the organization's fourteen "Best Management Practices" (BMP's) regarding urban water conservation. The Memorandum of Understanding acts as a road map for the City's long-term water conservation program and signifies a commitment to the implementation of the BMP's.

As part of the 2003-2005 Financial Plan, Council approved funding necessary to expand the water conservation program to include a more aggressive water conservation program which would have an irrigation efficiency component and a broadened commercial conservation program. The table below summarizes the estimated water savings that the expanded programs have achieved on an ongoing basis as of this year. These water savings are above the savings that have been achieved prior to 2003 through toilet retrofitting, public education, and other past water conservation programs. As indicated

in the table, the irrigation efficiency component of the program has produced the largest water savings and therefore is the primary focus of the expanded program. The goal for the first year of the landscape portion of the program was a savings of about 90 acre feet of water. Conservation staff has developed a monitoring program that conservatively estimates the water savings to be 100 acre feet per year as of 2006.

Savings from Expanded Conservation

Program	Goal for 1st Year Saving (af)	Actual Savings (af)
Landscape/Irrigation	90	100
Non-residential	20 to 25	20
Total	**110 to 115**	**120**

Wastewater Collection

The City's Wastewater Master Plan Update (Brown and Caldwell, 2000) identifies the necessary infrastructure and provides for a fee program to support build-out of the specific plan areas. The three most significant projects anticipated in the Master Plan include a brand new lift station on Tank Farm Road, a replaced lift station on Calle Joaquin (Howard Johnson Lift Station) and capacity upgrades at the Water Reclamation Facility.

The airport area is divided into two catchment areas. The southwest portion of the area will flow to the existing Howard Johnson Lift Station, while the southeast portion will flow to the new Tank Farm Lift Station. The Tank Farm Lift Station is expected to come online during the spring of 2008. Until this facility comes online, the City will not allow existing or new development in the southeast portion of the annexation area to connect to sewer service.

Additional capacity is available to allow new and existing development to connect to City sewer service in the southwest portion of the annexation area. Existing unincorporated development along Tank Farm Road, Suburban Road and South Higuera will be able to connect to sewer service when their existing septic systems fail or sooner if they elect to. There is an existing 8" sewer main in Suburban Road with gravity flow to the Howard Johnson Lift Station.

Development in the Margarita Area will be required to extend sewer infrastructure into the area, which will flow by gravity to the Water Reclamation Facility.

9. Storm Drainage

On-site flooding and the potential for increased downstream flooding have restricted development potential in the proposed annexation area. When considering how to address storm drainage in the area, a number of objectives are identified in the Airport Area Specific Plan and Margarita Area Specific Plan. These include:

- Use the City's Drainage Design Manual and Waterways Management Plan as the basis for all detention requirements in the Specific Plan area.
- Provide a method for flood protection consistent with the City's Flood Damage Prevention Regulations.
- Maximize the opportunity for environmental enhancement of stream corridors and stormwater detention and conveyance facilities.
- Minimize capital expenditures.
- Provide opportunities for multiple-use of storm drainage facilities.

Initially, an area-wide drainage solution was envisioned for the Airport Area. This solution was referred to as the Storm Drain Master Plan and relied on significant creek channel modifications to keep storm flows within existing creek channels, modified natural channels, and in man-made by-pass channels. A regional detention basin south of Buckley Road was proposed to detain water and prevent downstream flooding. After this solution was developed, the City's Waterways Management Plan was approved, which includes a Drainage Design Manual with standards for on-site storm water detention. Once it became evident that the costs of the original Storm Drain Master Plan were prohibitive, the Storm Drain Master Plan was revised to allow for on-site detention of storm flows, consistent with the Drainage Design Manual.

The following proposed improvements and development requirements comprise the revised Storm Drain Master Plan for the Airport Area, and also improve the upstream situation in the Margarita Area :

1. Remove and replace existing Acacia Creek Bridge at Tank Farm Road with a standard Caltrans 2-span concrete slab bridge.
2. Remove and replace existing East Branch San Luis Obispo Creek Bridge at Santa Fe Road with a standard Caltrans 2-span concrete slab bridge.
3. Remove and replace the existing Tank Farm Creek culvert facilities at Tank Farm Road with a standard Caltrans 2-span concrete slab bridge.
4. Apply the requirements of the City's Flood Damage Prevention Guidelines to proposed development within the Airport Area.
5. Apply the requirements of the City's Waterways Management Plan, Drainage Design Manual to proposed development within the Airport Area.

These proposed improvements, along with implementation of existing City-wide ordinances and requirements are expected to provide 100-year flood protection and provide for environmental enhancement of stream corridors. The analytical methods outlined in the Waterway Management Plan, Drainage Design Manual will be used to assist in the future design of flood control improvements.

10. Affordable Housing

New housing projects in the annexation area are planned principally in the Margarita Area and are subject to the City's Inclusionary Housing Requirement. The City's ordinance requires 15% of all new dwelling units in the expansion area to be guaranteed as affordable under one of the City's two affordability programs, long-term affordability or equity sharing. The Housing Element also provides for a reduction of the total number of units required if projects are designed to be high density, with small floor plans, in essence providing for affordability by design.

In addition to the affordable housing requirement for residential projects, new commercial projects that include over 2,500 square feet of floor area must provide affordable housing or pay in-lieu fees. The requirement is 2 affordable dwelling units per acre of land, or pay an in-lieu fee equal to 5% of the total cost to construct a project. The City uses the fees collected to support the Housing Authority and for specific affordable housing projects that meet eligibility criteria as specified by Council resolution.

city of san luis obispo

INITIAL STUDY
ENVIRONMENTAL CHECKLIST FORM
For ER #172-05

1. **Project Title:** Airport Area and Margarita Area Annexation Phase 1

2. **Lead Agency Name and Address:** City of San Luis Obispo
990 Palm Street
SLO, CA 93401

3. **Contact Person and Phone Number:** Michael Codron, Associate Planner, 781-7175

4. **Project Location:** Southern San Luis Obispo (see Attachment 1)

5. **Project Sponsor's Name and Address:** City of San Luis Obispo
990 Palm Street
SLO, CA 93401

6. **General Plan Designation:** City Expansion Areas

7. **Zoning:** Margarita Area Specific Plan / Airport Area Specific Plan (see Attachments 2 and 3)

8. **Description of the Project:** Annexation and pre-zoning of approximately 617 acres of land in the Margarita Area and Airport Area.

9. **Surrounding Land Uses and Settings:** The Airport Area includes a total of 1,500 acres located on the floor of the Los Osos Valley, within the San Luis Creek alluvial plane. 367 acres of land are currently proposed for annexation. The area has level topography that slopes gradually to the southwest. The Margarita Area is located to the north; the Broad Street corridor and the Edna-Islay residential area are located to the east; open space and agricultural land between the urban area and the Davenport Hills are located to the south; and the South Higuera/Highway 101 corridor is located to the west. Major features of the Airport Area include the SLO County Regional Airport, the former tank farm owned by Chevron Corporation, agricultural land along Buckley Road and Tank Farm Road and commercial/industrial development along arterial and collector streets such as Broad Street, Tank Farm Road, Suburban Road, Vachell Lane and Buckley Road.

Margarita Area: The Margarita Area includes a total of 416 acres and 250 acres are now proposed for annexation. It includes much of the land bounded by South Higuera Street, Broad Street, the Airport Area's northern boundary, and the ridge of the South Street Hills. The Margarita Area is located within the City's urban reserve boundary. Major features include the

Damon-Garcia Sports Fields Complex, the South Street Hills, and the Garcia Ranch complex. Prado Road and Margarita Avenue currently terminate at the edge of the Margarita Area on the western side and Industrial Way terminates at the eastern edge of the annexation area.

10. **Project Entitlements Requested:** Pre-Zoning and Annexation

11. **Other public agencies whose approval is required:**

San Luis Obispo County Local Agency Formation Commission

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" as indicated by the checklist on the following pages.

	Aesthetics		Geology/Soils		Public Services
	Agricultural Resources		Hazards & Hazardous Materials		Recreation
	Air Quality		Hydrology/Water Quality		Transportation & Traffic
	Biological Resources		Land Use and Planning		Utilities and Service Systems
	Cultural Resources		Noise		Mandatory Findings of Significance
	Energy and Mineral Resources		Population and Housing		

FISH AND GAME FEES

X	There is no evidence before the Department that the project will have any potential adverse effects on fish and wildlife resources or the habitat upon which the wildlife depends. As such, the project qualifies for a de minimis waiver with regards to the filing of Fish and Game Fees.
	The project has potential to impact fish and wildlife resources and shall be subject to the payment of Fish and Game fees pursuant to Section 711.4 of the California Fish and Game Code. This initial study has been circulated to the California Department of Fish and Game for review and comment.

STATE CLEARINGHOUSE

	This environmental document must be submitted to the State Clearinghouse for review by one or more State agencies (e.g. Cal Trans, California Department of Fish and Game, Department of Housing and Community Development). The public review period shall not be less than 30 days (CEQA Guidelines 15073(a)).

DETERMINATION:

This environmental document is focused on the specific impacts relative to annexation, and a Negative Declaration of Environmental Impact is recommended. The annexation process itself results in no physical change to the environment. In 2005, a Program EIR was certified for the Airport Area and Margarita Area Specific Plans and Related Facilities Master Plans (City Council Resolution No. 9726), addressing anticipated environmental effects associated with future development.

The discussion under each issue area provides an overview of impacts associated with future development in the annexation area that are identified in the program EIR. Where the annexation action does not alter or change the previously identified potential effect or the associated mitigation measure, a finding of "no impact" is listed. Where the program EIR includes mitigation measures relative to future development, there is a reference provided to the mitigation measures and associated findings adopted in City Council Resolution No. 9726 (Attachment 4). References are also provided where Findings of Overriding Consideration were required because certain impacts associated with future development are considered significant and unavoidable.

On the basis of this initial evaluation:

I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.	
I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made, or the mitigation measures described on an attached sheet(s) have been added and agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.	
I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.	
I find that the proposed project MAY have a "potentially significant" impact(s) or "potentially significant unless mitigated" impact(s) on the environment, but at least one effect (1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and (2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed	
I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (1) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (2) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.	X

Kim E Murry
Signature

7 MARCH 2007
Date

KIM E. MURRY
Printed Name

For: John Mandeville,
Community Development Director

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EVALUATION OF ENVIRONMENTAL IMPACTS:

1. A brief explanation is required for all answers except "No Impact" answers that are adequately supported by the information sources a lead agency cites in the analysis in each section. A "No Impact" answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g. the project falls outside a fault rupture zone). A "No Impact" answer should be explained where it is based on project-specific factors as well as general standards (e.g. the project will not expose sensitive receptors to pollutants, based on a project-specific screening analysis).

2. All answers must take account of the whole action involved, including off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts. The explanation of each issue should identify the significance criteria or threshold, if any, used to evaluate each question.

3. "Potentially Significant Impact' is appropriate if there is substantial evidence that an effect is significant. If there are one or more "Potentially Significant Impact" entries when the determination is made, an EIR is required.

4. "Potentially Significant Unless Mitigation Incorporated" applies where the incorporation of mitigation measures has reduced an effect from "Potentially Significant Impact" to a "Less than Significant Impact." The lead agency must describe the mitigation measures, and briefly explain how they reduce the effect to a less than significant level (mitigation measures from Section 17, "Earlier Analysis," may be cross-referenced).

5. Earlier analysis may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration. Section 15063 (c) (3) (D) of the California Code of Regulations. Earlier analyses are discussed in Section 17 at the end of the checklist.

6. Lead agencies are encouraged to incorporate into the checklist references to information sources for potential impacts (e.g. general plans, zoning ordinances). Reference to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated.

7. Supporting Information Sources: A source list should be attached, and other sources used or individuals contacted should be cited in the discussion. In this case, a brief discussion should identify the following:
   A. Earlier Analysis Used. Identify and state where they are available for review.
   B. Impacts Adequately Addressed. Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures based on earlier analysis.
   C. Mitigation Measures. For effects that are "Less than Significant with Mitigation Measures Incorporated," describe the mitigation measures which were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the project.

Issues, Discussion and Supporting Information Sources ER #172-05 Margarita/Airport Area Annexation	Sources	Potentially Significant Issues	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
1. AESTHETICS. Would the project:					
[redacted]	1,2				X
[redacted]					X
[redacted]					X
[redacted]					X

Evaluation

The proposed project will result in the change of character of the plan areas from a generally semi-rural setting to an urban developed setting. This impact was evaluated in 1994 Land Use/Circulation Element EIR and in the Final Program Environmental Impact Report for the Airport Area and the Margarita Area Specific Plans and Related Facilities Master Plans. While substantial design standards are contained in the Airport Area Specific Plan, Margarita Area Specific Plan, the Community Design Guidelines and the City's General Plan, the change in views was determined to be a significant and unavoidable impact.

Conclusion

No feasible mitigation exists to eliminate the impact associated with the conversion of a semi-rural landscape to an urban landscape. A Statement of Overriding Considerations was adopted by the City Council in Resolution No. 9726 (Attachment 4). All impacts associated with land use and aesthetics and related findings can be found beginning on Page 7 of Exhibit A to the attached resolution. The Statement of Overriding Considerations begins on Page 44 of Exhibit A to the attached resolution.

The annexation of the Airport Area and Margarita Area is a project proposed under the Final Program EIR for the MASP, AASP and Related Facilities Master Plans. Annexation of land within the specific plan areas does not involve additional impacts relative to aesthetics.

2. AGRICULTURE RESOURCES. Would the project:					
[redacted]	2,3				X
[redacted]					X
[redacted]					X

Evaluation

The 1994 Land Use Element/Circulation Element Updates EIR addressed the fact that annexation and development of the area in accordance with the City General Plan designations would result in the loss of agricultural resources. That loss was identified as a significant and unavoidable impact. Policies were incorporated into the Land Use Element to help compensate for productivity lost as a result of the conversion of agricultural lands with the urban reserve. Specifically, City policy requires direct dedication of open space land, or payment of on in-lieu fee, as a condition of annexation and development.

The primary target of this exaction is to protect open space and agricultural lands outside, but contiguous to, the City's URL. The concept is to create a permanent open space buffer/greenbelt around the city that prevents continued expansion of the urban area onto valuable agricultural resources.

Issues, Discussion and Supporting Information Sources ER #172-05 Margarita/Airport Area Annexation	Sources	Potentially Significant Issues	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact

Conclusion

The loss of prime agricultural soils to urban uses is irreversible and cannot be mitigated. The Final Program EIR for the MASP, AASP and Related Facilities Master Plans requires dedication of land, or in-lieu fees, to preserve open space and agricultural land within the specific plan areas and outside the URL. 44.8% of the land within the Margarita Area is open space consisting of hills, greenspace and creek corridors. 23% of the land within the Airport Area is designated as open space and dedication of open space land, or payment of an in-lieu fee, is required in conjunction with all proposed development.

A Statement of Overriding Considerations was adopted by the City Council in Resolution No. 9726 (Attachment 4). All impacts associated with land use and aesthetics (including agricultural resources) and related findings can be found starting on Page 7 of Exhibit A to the attached resolution. The Statement of Overriding Considerations begins on Page 44 of Exhibit A to the attached resolution. Annexation of land within the specific plan area does not create additional impacts relative to agricultural resources and no additional mitigation measures are required.

3. AIR QUALITY. Would the project:					
[redacted]	2,4				X
					X
					X
					X
					X

Evaluation

The Final Program EIR for the MASP, AASP and Related Facilities Master Plans identified both short-term air quality impacts related to construction emissions and long-term, operational air quality impacts associated with development under the specific plan. These impacts were considered to be less than significant with mitigation measures incorporated. These mitigation measures include specific measures for controlling combustion emissions from construction vehicles, measures to reduce fugitive dust from construction sites, construction-related management techniques, and a requirement for proposed projects to be evaluated in a manner consistent with the APCD's Clean Air Plan (CAP).

Conclusion

Air quality impacts associated with development of the specific plan areas is considered less than significant with mitigation measures incorporated. All impacts and findings associated with air quality can be found beginning on Page 25 of Exhibit A to the attached resolution. The proposed annexation will not result in any additional air quality impacts because this aspect of specific plan implementation does not involve physical development or construction of other facilities.

4. BIOLOGICAL RESOURCES. Would the project:					
[redacted]	1,2				X

Issues, Discussion and Supporting Information Sources ER #172-05 Margarita/Airport Area Annexation	Sources	Potentially Significant Issues	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
[redacted]					X
[redacted]					X
[redacted]					X
[redacted]					X
[redacted]					X

Evaluation

The Final Program EIR for the MASP, AASP and Related Facilities Master Plans identifies a total of 19 impacts to biological resources associated with build-out of the annexation areas. Some of these impacts include loss or temporary disturbance of annual grasslands, wetland habitat, and riparian woodland or scrub. Impacts are also identified to special status plant and animal species, including Congdan's Tarplant, vernal pool fairy shrimp, red-legged frogs, southwestern pond turtles and loggerhead shrikes, among other species. Mitigation measures identified in the EIR are incorporated into the Margarita Area Specific Plan and the Airport Area Specific Plan as policies and programs, or more specific requirements for avoidance of impacts on special status plant and animal species. For instance, the largest area of valley needlegrass grassland located in the Airport Area is designated as open space land to protect this biological resource from impacts associated with development.

Conclusion

According to the Final Program EIR for the MASP, AASP and Related Facilities Master Plans, all impacts related to biological resources can be mitigated to less than significant levels. All impacts and findings associated with biological resources can be found beginning on Page 11 of Exhibit A to the attached resolution. The proposed annexation proposal involves no direct impacts on biological resources in the annexation area and no additional mitigation is required.

5. CULTURAL RESOURCES. Would the project:					
[redacted]	2,5				X
[redacted]					X
[redacted]					X
[redacted]					X

Evaluation

As discussed in the Final Program EIR for the MASP, AASP and Related Facilities Master Plans, ground disturbance associated with infrastructure development and construction of new access roads, underground utilities and buildings could

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Issues, Discussion and Supporting Information Sources ER #172-05 Margarita/Airport Area Annexation	Sources	Potentially Significant Issues	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact

have an impact on known and unknown cultural resources. No specific resources are identified and discussed in the EIR.

Conclusion

The Final Program EIR for the MASP, AASP and Related Facilities Master Plans identifies impacts associated with development under the specific plans as less-than-significant with implementation of the required mitigation measure. All impacts associated with cultural resources and related findings can be found beginning on Page 34 of Exhibit A to the attached resolution. The proposed annexation does not involve ground disturbance or any other activity that would create a direct impact to cultural resources and, therefore, no additional mitigation is required.

6. GEOLOGY AND SOILS. Would the project:

[redacted]	2,6				X
					X
					X
					X
					X
					X
					X
					X
					X

Evaluation

The City of San Luis Obispo is in Seismic Zone 4, a seismically active region of California and strong ground shaking should be expected at any time during the life of proposed structures. Structures must be designed in compliance with seismic design criteria established in the Uniform Building Code. Since this is a code requirement that is monitored through the review of plans during the Building Division's plan check process, no further mitigation is necessary.

Most of the annexation area lies in an area identified by the Safety Element of the General Plan as being in an area of High Liquefaction Potential. As defined in the Safety Element, liquefaction is "the sudden loss of the soil's supporting strength due to groundwater filling and lubricating the spaces between soil particles as a result of ground shaking." In extreme cases of liquefaction, structures can tilt, break apart, or sink into the ground. The likelihood of liquefaction increases with the strength and duration of an earthquake. The risk of settlement for new construction can be reduced to an acceptable level through careful site preparation and proper foundation design. Recommendations for proper site preparation and foundation design are included in project soils reports and soils engineering reports. These documents are required by code to be submitted to the Building Division as part of the construction permit process, therefore, no further mitigation is necessary.

Issues, Discussion and Supporting Information Sources ER #172-05 Margarita/Airport Area Annexation	Sources	Potentially Significant Issues	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact
Conclusion Development proposed within the Airport Area and Margarita Area will be subject to requirements to prepare soils reports and soils engineering reports with recommendations regarding suitability of particular development sites for construction and recommended construction methods. The proposed annexation does not involve construction of any new facilities. Therefore, no impacts relative to geology and soils have been identified.					
7. HAZARDS AND HAZARDOUS MATERIALS. Would the project:					
a. [redacted]	2,6				X
b. [redacted]					X
c. [redacted]					X
d. [redacted]					X
e. [redacted]					X
f. [redacted]					X
g. [redacted]					X
h. [redacted]					X

Evaluation

The Final Program EIR for the MASP, AASP and Related Facilities Master Plans identifies three impacts associated with development in the annexation areas. These include potential construction related exposure of people to hazardous materials, potential operations-related exposure of people to hazardous materials and short-term surface water quality degradation from accidental release of hazardous materials during construction.

Operations-related exposure includes exposure from accidental releases associated with businesses that are involved with the delivery, use, manufacture and storage of various chemicals. These operations are permitted by the City's Fire Department, which monitors the use of chemicals within the City under specific conditions of permit approval.

The most obvious source of potential exposure to hazardous materials during construction is related to the former Tank Farm, which is now owned by the Chevron Corporation. The former owner, Unocal, began operations on the site in 1910 and continued up until 1997. Crude oil released into the soil between 1910 and the early 1980's has impacted soil and ground water beneath the site. A fire in 1926 released additional oil that accounts for most of the contamination found at the site. Computer simulations and more than 10 years of ground water monitoring have demonstrated that the subsurface crude oil

Issues, Discussion and Supporting Information Sources ER #172-05 Margarita/Airport Area Annexation	Sources	Potentially Significant Issues	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact

plume has achieved equilibrium and is incapable of further lateral migration. A human risk assessment has also concluded that no unacceptable levels of risk are associated with the site under current conditions. Most of the former tank farm area is designated as open space. These areas are not proposed for annexation at this time.

Conclusion

According to the Final Program EIR for the MASP, AASP and Related Facilities Master Plans impacts associated with build-out of the specific plan relative to hazardous materials are considered less than significant with the required mitigation measures incorporated. These mitigation measures include requirements for site specific management plans and Fire Department oversight, including inspections, of the use of hazardous materials during operations. All impacts associated with hazards and hazardous materials and related findings can be found beginning on Page 30 of Exhibit A to the attached resolution. Annexation of land within the Airport Area and Margarita Area does not involve any direct impacts related to hazards or hazardous materials. No further mitigation measures are required.

8. HYDROLOGY AND WATER QUALITY. Would the project:

[redacted]	2,7,8				X
					X
					X
					X
					X
					X
	2,7,8				X
					X
					X
					X

Evaluation

According to the Final Program EIR for the MASP, AASP and Related Facilities Master Plans development under the specific plans would cause changes to absorption rates, drainage patterns and the amount of run-off. Development would also increase discharges of surface water pollutants and expose people and property to flooding hazards.

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Issues, Discussion and Supporting Information Sources ER #172-05 Margarita/Airport Area Annexation	Sources	Potentially Significant Issues	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact

All new development in the annexation areas will be required to comply with the requirements of the Waterways Management Plan. Compliance with the Waterways Management Plan, which includes Flood Damage Prevention Guidelines, insures that development will not have significant environmental effects with respect to drainage and water quality.

Conclusion

The Final Program EIR for the MASP, AASP and Related Facilities Master Plans assesses hydrology and water quality impacts relative to development in the annexation area. Impacts are mitigated through compliance with the City's Waterway Management Plan. All impacts and findings associated with hydrology and drainage can be found beginning on Page 10 of Exhibit A to the attached resolution. Annexation will not create any direct impacts relative to hydrology and water quality, therefore, no additional mitigation is required.

9. LAND USE AND PLANNING. Would the project:

a) [illegible]	2				X
b) [illegible]					X
c) Conflict with any applicable habitat conservation plan or natural community conservation plan?					X

Evaluation

The Final Program EIR for the MASP, AASP and Related Facilities Master Plans identified impacts to land use and planning because of an inconsistency between City and County land use designations. The Avila Ranch site and other properties located outside of the City's 1994 Urban Reserve Line were designated open space by the City, but designated for urban development by the County General Plan. The final project description (Alternative 3 in the EIR) matched the City's urban reserve line and the County's urban services line so that there is currently no land designated for urban development in the county that is outside of the City's planned service area. The City is expected to be the only urban service provider in the annexation area and uses remaining in the County are limited to suburban residential and agricultural uses. Relocation of the Urban Reserve Line, which occurred when the AASP was adopted, was considered a significant and unavoidable impact.

Conclusion

A Statement of Overriding Considerations was adopted by the City Council in Resolution No. 9726 (Attachment 4). All impacts associated with land use and planning and related findings can be found starting on Page 7 of Exhibit A to the attached resolution. The Statement of Overriding Considerations begins on Page 44 of Exhibit A to the attached resolution. Annexation of portions of the Airport Area and Margarita Area will have no impacts on land use and planning issues because the AASP, MASP and Related Facilities Master Plans have been approved to guide development of these areas.

10. MINERAL RESOURCES. Would the project:

a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?					X
b) Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?					X

Evaluation

There are no known or locally-important mineral resources within the annexation area that would be lost due to the proposed annexation.

Issues, Discussion and Supporting Information Sources ER #172-05 Margarita/Airport Area Annexation	Sources	Potentially Significant Issues	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact

Conclusion

No significant impacts associated with mineral resources were identified in the program EIR for the proposed project.

11. NOISE. Would the project result in:

[redacted]	2,9,10				X
					X
					X
					X
					X
					X

Evaluation

The Final Program EIR for the MASP, AASP and Related Facilities Master Plans identifies three impacts relative to noise. These include exposure of land uses to traffic noise in excess of the City's standards for exterior noise exposure, an increase in permanent or temporary ambient noise levels and exposure of residential uses to aircraft noise. Each of these impacts is identified as less-than-significant and no mitigation measures are included in the EIR.

All new development in the Margarita Area and Airport Area will have to comply with City Noise Element standards, the City's Noise Ordinance, and standards included in the County Airport Land Use Commission's Airport Land Use Plan.

Conclusion

The Final Program EIR for the MASP, AASP and Related Facilities Master Plans assesses noise impacts relative to development in the annexation area. Impacts are mitigated through compliance with the City's Noise Element, noise ordinance and the Airport Land Use Plan. No significant impacts associated with noise were identified in the program EIR for the proposed project. Annexation will not create any direct impacts relative to noise, therefore, no additional mitigation is required.

12. POPULATION AND HOUSING. Would the project:

[redacted]					X
					X
					X

Issues, Discussion and Supporting Information Sources ER #172-05 Margarita/Airport Area Annexation	Sources	Potentially Significant Issues	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact

Evaluation

Development of the Margarita Area and Airport Area will induce population growth in the City through the provision of housing and jobs, especially head of household jobs. However, this population growth does not exceed the City's planned build-out capacity and will occur as part of implementation of the City's General Plan. Residential development is limited by the City's Growth Management Ordinance and phasing schedule, which allocates dwelling units to the City's expansion areas up to 1% per year, averaged over a three-year period.

Conclusion

No significant impacts associated with population and housing were identified in the program EIR for the proposed project.

13. PUBLIC SERVICES. Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:

a) Fire protection?				X	
b) Police protection?				X	
c) Schools?					X
d) Parks?					X
e) Other public facilities?					X

Evaluation

The Final Program EIR for the MASP, AASP and Related Facilities Master Plans identifies impacts to police protection and fire protection associated with build-out of the specific plan areas. These impacts do not occur immediately upon annexation, but only after additional development in the annexation area occurs. As service demands associated with development in the annexation increase, additional staffing resources will need to be put in place to insure that the annexation areas receive the same level of service as the rest of the community. In the City of San Luis Obispo, these resources are allocated through the budget process, as opposed to the establishment of area-specific fees.

School services are also evaluated in the program EIR. A conclusion is made that because the school district currently imposes impact fees in accordance with State law, impacts on the district are fully mitigated.

Conclusion

All impacts associated with public services and related findings can be found beginning on Page 33 of Exhibit A to the attached resolution.

Unlike other issue areas evaluated in this initial study, increased demand for police and fire services occur immediately upon annexation. These impacts are considered less-than-significant, especially because City police and fire often respond to calls for service in this area under existing mutual aid agreements. Over the course of build-out of these annexation areas, additional staffing resources may be required. New facilities, such as a new police station or fire station are not anticipated. Therefore, no additional mitigation measures are required.

14. RECREATION. Would the project:

a) Increase the use of existing neighborhood or regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	15				X
b) Include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?					X

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Issues, Discussion and Supporting Information Sources ER #172-05 Margarita/Airport Area Annexation	Sources	Potentially Significant Issues	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact

Evaluation

City standards call for 5 acres of neighborhood park and 10 acres of total parkland per 1,000 residents. The Margarita Area meets this requirement by providing a ten acre neighborhood park and a 16 acre improved sports field at the Damon-Garcia Sports Fields Complex. In addition to these parks, a range of recreation opportunities will be provided within the Airport Area and Margarita Area through Class I bike paths, trail access to the South Street Hills and on-site features. The Airport Area Specific Plan provides incentives for amenities, such as on-site recreational facilities, that would reduce vehicle trips by employees.

Conclusion

Overall, development of the Margarita Area and Airport Area will have no impacts on recreation facilities because the related specific plans accommodate the recreation needs of future residents. The annexation of the Airport Area and Margarita Area is a project proposed under the Final Program EIR for the MASP, AASP and Related Facilities Master Plans. Annexation of land within the specific plan areas does not involve additional impacts relative to recreation and no additional mitigation measures are required.

15. TRANSPORTATION/TRAFFIC. Would the project:

[redacted]					X
					X
					X
					X
					X
					X
					X

Evaluation

According to the Final Program EIR for the MASP, AASP and Related Facilities Master Plans development under the specific plans will cause levels of service at three major intersections to fall to LOS E or lower. These intersections include the Prado Road/South Higuera Street intersection, the Tank Farm Road/Broad Street intersection and the Los Osos Valley Road/US 101 northbound ramps. These impacts are considered significant and unavoidable. Other than these areas, the AASP and MASP integrate transportation plans that accommodate the circulation, capacity, and access needs of the proposed land uses. The transportation plans are self-mitigating in that roadway alignments, road extensions and new intersections are planned in response to the traffic projected at build-out of the land use program.

Conclusion

The Final Program EIR for the MASP, AASP and Related Facilities Master Plans assesses transportation and traffic impacts relative to development in the annexation area. With build-out of the specific plans, three intersections in the vicinity of the

Issues, Discussion and Supporting Information Sources ER #172-05 Margarita/Airport Area Annexation	Sources	Potentially Significant Issues	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact

annexation area would operate at LOS E or lower. No feasible mitigation exists to eliminate these impacts. All impacts associated with trafic and related findings can be found beginning on Page 23 of Exhibit A to the attached resolution. The Statement of Overriding Considerations begins on Page 44 of Exhibit A to the attached resolution.

The annexation of the Airport Area and Margarita Area is a project proposed under the Final Program EIR for the MASP, AASP and Related Facilities Master Plans. Annexation will not create any direct impacts relative to transportation and traffic, therefore, no additional mitigation is required.

16. UTILITIES AND SERVICE SYSTEMS. Would the project:

[redacted]					X
[redacted]					X
[redacted]					X
[redacted]					X
[redacted]					X
[redacted]					X
[redacted]					X

Evaluation

According to the Final Program EIR for the MASP, AASP and Related Facilities Master Plans future development in the Airport Area will cause significant and unavoidable impacts in the areas of water supply and distribution facilities, sewer mains and capacity, and storm drainage facilities. These impacts were identified because the Facilities Master Plans that were developed early in the specific plan process did not evaluate service to certain areas outside of the 1994 Urban Reserve Line, which were ultimately included in the land use plan for the Airport Area. These areas include the Avila Ranch and property east of the airport and Broad Street. Because these areas were not included in the Facilities Master Plans, the Airport Area Specific Plan says that additional engineering studies are required before any development can be approved (AASP, text on Page 7-5 and Figure 7-1).

Impacts related to solid waste and landfill capacity are considered less-than-significant because specific plan development would generate approximately 42,840 pounds per day, which is consistent with the solid waste projections included in the City's General Plan build-out scenario.

Conclusion

The Final Program EIR for the MASP, AASP and Related Facilities Master Plans assesses utilities and service system impacts relative to development in the annexation area. Significant and unavoidable impacts are identified relative to utilities and service systems in areas outside of the City's 1994 urban reserve line boundary. No feasible mitigation exists to eliminate the impact associated with utilities and service systems. A Statement of Overriding Considerations was adopted by the City

Issues, Discussion and Supporting Information Sources ER #172-05 Margarita/Airport Area Annexation	Sources	Potentially Significant Issues	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact

Council in Resolution No. 9726 (Attachment 4). All impacts associated with utilities and service systems and related findings can be found beginning on Page 33 of Exhibit A to the attached resolution. The Statement of Overriding Considerations begins on Page 44 of Exhibit A to the attached resolution.

The annexation of the Airport Area and Margarita Area is a project proposed under the Final Program EIR for the MASP, AASP and Related Facilities Master Plans. Annexation of land within the specific plan areas does not involve additional impacts relative to utilities and service systems, therefore, no additional mitigation measures are required.

17. MANDATORY FINDINGS OF SIGNIFICANCE.

[redacted]					X

The Final Program EIR for the MASP, AASP and Related Facilities Master Plans assesses a wide range of impacts relative to the quality of the environment, specifically with respect to fish and wildlife habitat and rare or endangered species. All impacts associated with biological resources are mitigated to less than significant levels through the policies and program contained in the MASP and AASP. Additional requirements for impact analyses and assessments are required for development projects in the annexation area, depending on the scope of the proposed project. The annexation that is proposed at this time does not have the potential to degrade the quality of the environment, substantially reduce habitat or threaten any plant or animal community.

[redacted]					X

Because of the program nature of the Program EIR for the MASP, AASP and Related Facilities Master Plans, each of the issue areas discussed includes an evaluation of cumulative impacts. Therefore, all of the mitigation measures adopted with the MASP and the AASP address cumulative impacts. The annexation itself does not involve impacts that are considered cumulatively considerable, because annexation is one step towards implementation of the adopted specific plans.

[redacted]					X

The proposed annexation will no cause substantial adverse effects on human beings.

18. EARLIER ANALYSES.

[redacted]

1) Final Environmental Impact Report. Land Use Element/Circulation Element Updates, City of San Luis Obispo, August 1994. SCH #92101006

2) Final Program Environmental Impact Report. Airport Area and Margarita Area Specific Plans and Related Facilities Master Plans. September 2003. SCH #2000051062.

Issues, Discussion and Supporting Information Sources ER #172-05 Margarita/Airport Area Annexation	Sources	Potentially Significant Issues	Potentially Significant Unless Mitigation Incorporated	Less Than Significant Impact	No Impact

b) Impacts adequately addressed. Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures based on the earlier analysis.

No effects of the proposed annexation were identified that were addressed by mitigation measures based on earlier analysis.

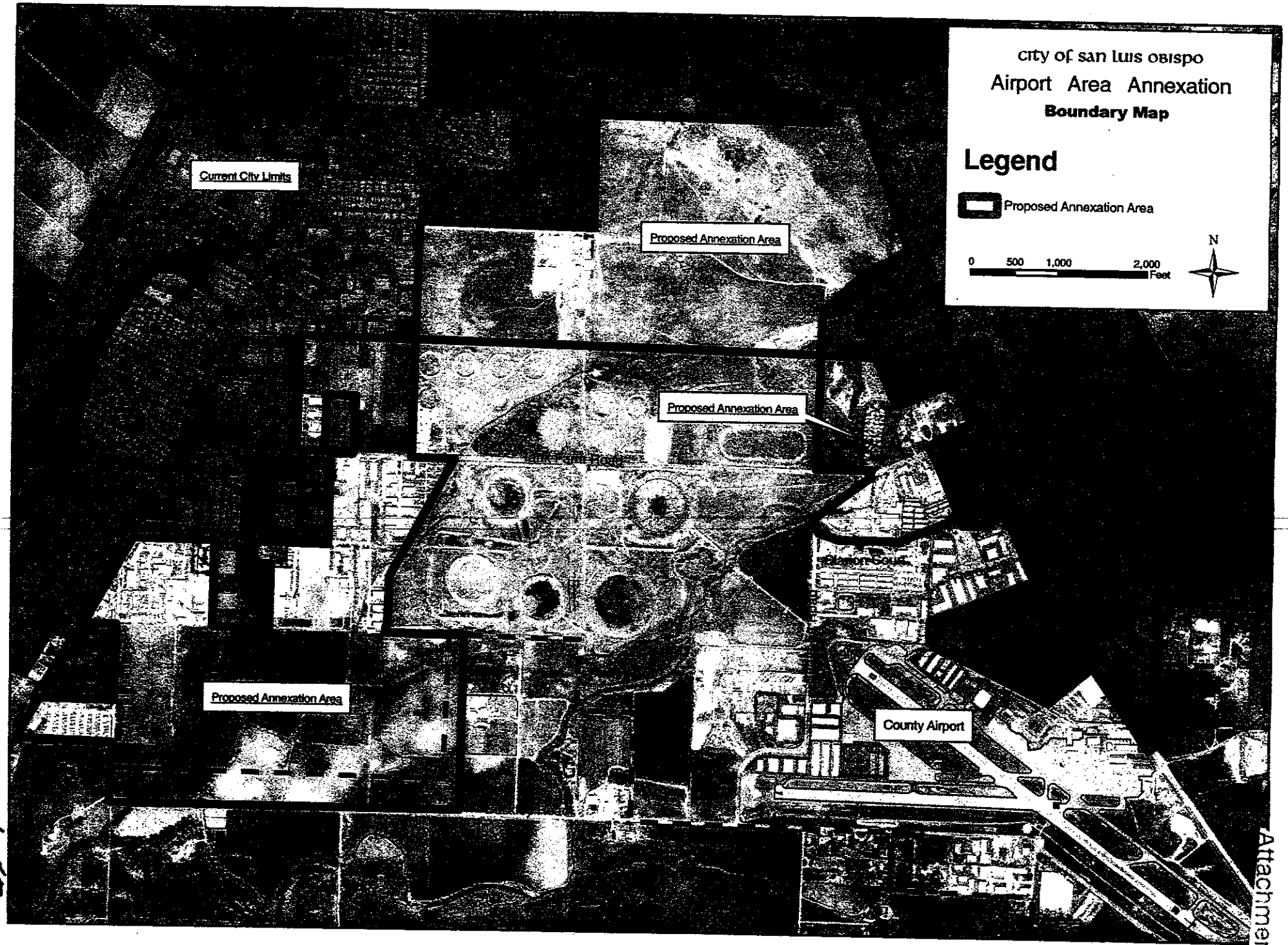
c) Mitigation measures. For effects that are "Less than Significant with Mitigation Incorporated," describe the mitigation measures which were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the project.

No mitigation measures were incorporated from earlier documents.

19. SOURCE REFERENCES.	
1.	Conservation and Open Space Element, City of San Luis Obispo, 2006
2.	Final Program EIR, AASP, MASP and Related Facilities Master Plans, City of San Luis Obispo, September 2003
3.	GIS Data downloaded from the Farmland Mapping and Monitoring Program website: http://www.consrv.ca.gov/DLRP/fmmp/
4.	APCD Clean Air Plan
5.	City of San Luis Obispo Historical Preservation Program Guidelines
6.	City of San Luis Obispo Safety Element, July 2000
7.	City of San Luis Obispo, Waterways Management Plan,
8.	Flood Insurance Rate Map (Community Panel # 060310-0005C), July 7, 1981.
9.	City of San Luis Obispo, Noise Guidebook, May 1996
10.	City of San Luis Obispo, Noise Element, May 1996

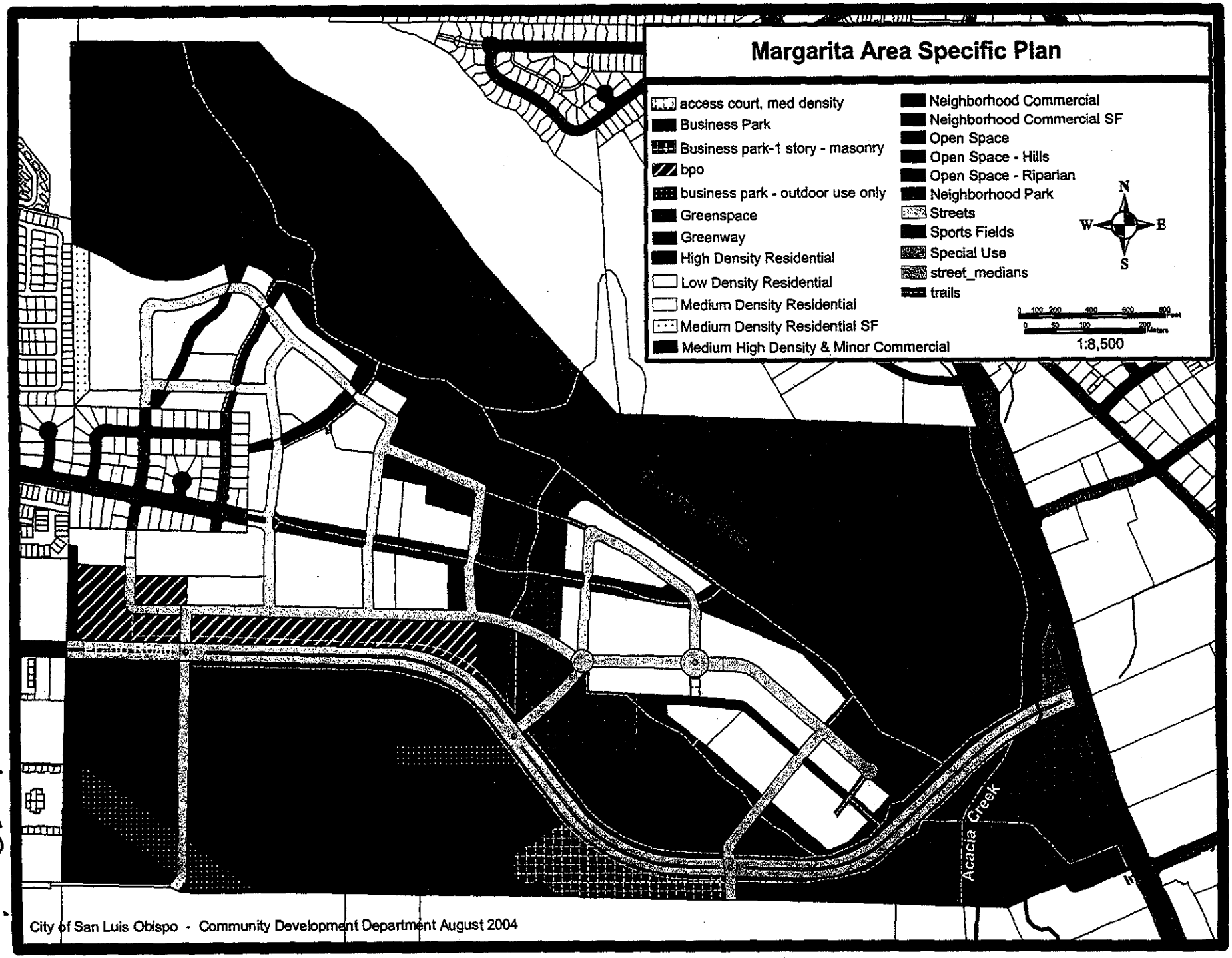
Attachments:

Attachment 1: Vicinity Map (Boundaries of Proposed Annexation Areas)
Attachment 2: Margarita Area Zoning Map
Attachment 3: Airport Area Zoning Map
Attachment 4: City Council Resolution No. 9726, certifying the Program Final EIR for the MASP, AASP and Related Facilities Master Plans



I-57

Attachment 6



85-1

Attachment 6

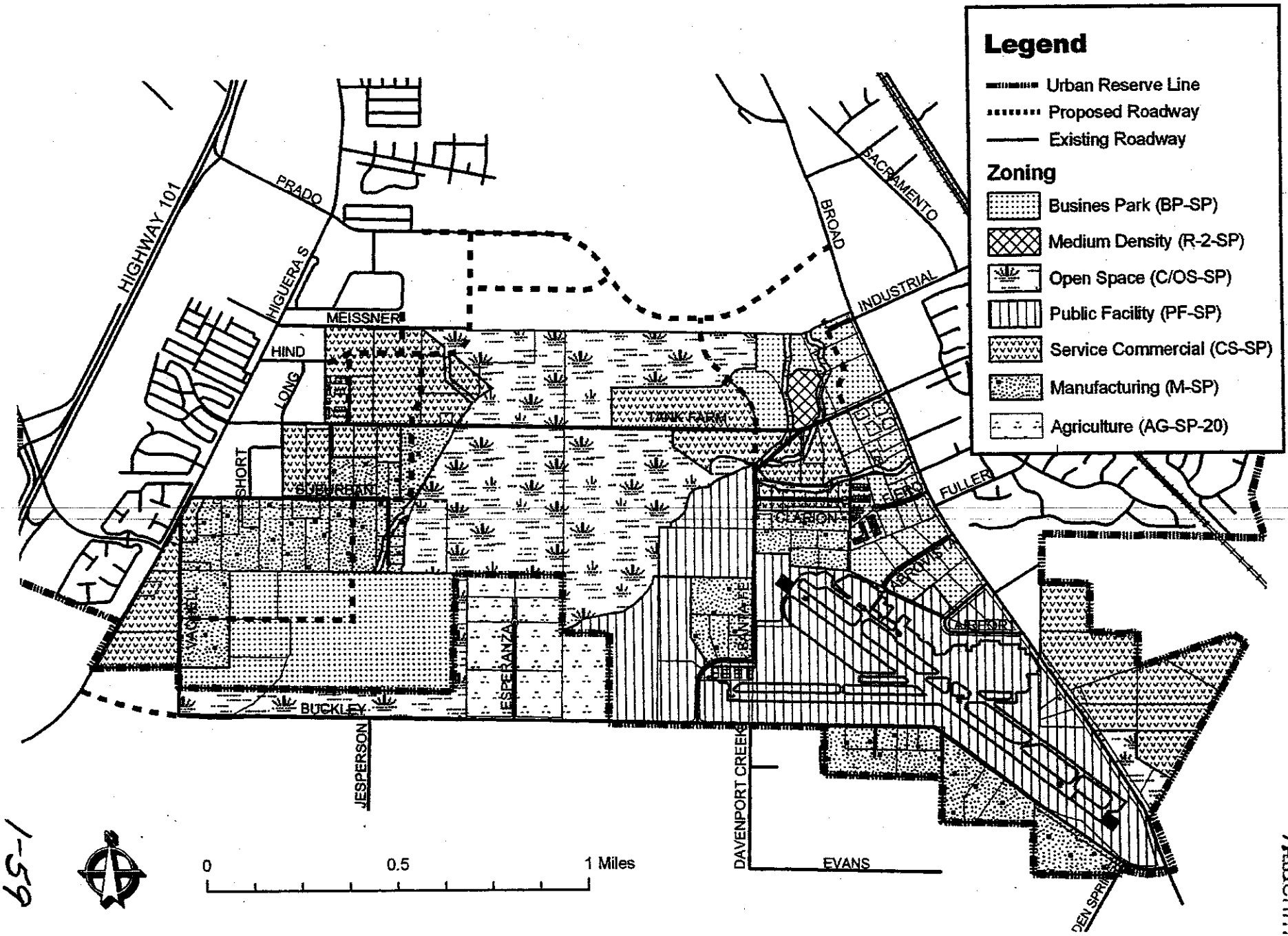


Figure 4-4 Planning Area Zoning

RESOLUTION NO. 9726 (2005 Series)

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN LUIS OBISPO APPROVING THE AIPRORT AREA SPECIFIC PLAN, AMENDING THE GENERAL PLAN LAND USE MAP, AND ADOPTING FINDINGS OF SIGNIFICANT ENVIRONMENTAL EFFECTS AND MITIGATION MEASURES OF THE PROPOSED PROJECT INCLUDING FINDINGS OF OVERRIDING CONSIDERATION (APPLICATION NO. SP, GP/R, ER 116-98)

WHEREAS, the City General Plan (Land Use Element Policies LU 2.3 and LU 2.3.1) requires the preparation of a specific plan for the Airport Area prior to annexation and further development, and sets specific requirements for information to be included in the Plan; and

WHEREAS, the City of San Luis Obispo General Plan contains general goals and policies relating to growth and development in the Airport Area, which may be implemented in a variety of ways, including the specific plan procedure as outlined by California State Law (State Government Code 65450 et.seq.); and

WHEREAS, the City of San Luis Obispo, with the participation of property owners, citizens, public agencies, and other interested parties, has prepared a draft specific plan for the Airport Area pursuant to the General Plan and the State Government Code; and

WHEREAS, on March 9, 2005, and again on April 13, 2005, the Planning Commission held a public hearing to consider the recommendations of staff and consider the Specific Plan map, text and necessary changes to the General Plan Map and Zoning Map to implement the Specific Plan for the purpose of making a recommendation to the City Council; and

WHEREAS, on April 13, 2005, the Planning Commission recommended that the City Council adopt the Specific Plan with findings of significant environmental effects, mitigation measures and findings of overriding considerations; and

WHEREAS, on June 14, July 26, and August 23, 2005, the City Council held public hearings to consider the recommendations of the Planning Commission and staff, and to consider the Specific Plan map, text and necessary changes to the General Plan Map and Zoning Map to implement the Specific Plan; and

WHEREAS, the California Government Code requires that a specific plan be consistent with the City's General Plan; and

WHEREAS, as a result of its deliberations, the City Council has decided to adopt the Airport Area Specific Plan.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of San Luis Obispo, the following:

SECTION 1. EIR Findings. The City Council hereby adopts findings of significant environmental effects, including findings for a Statement of Overriding Considerations, for the Final Program Environmental Impact Report for the Airport Area and Margarita Area Specific Plans and Related Facilities Master Plans (September 2003), as listed in Exhibit "A", with the incorporation of the mitigation measures and monitoring programs outlined in Exhibit "B", and based on the following findings:

1. The Final Program EIR was prepared in compliance with the California Environmental Quality Act (CEQA) and was considered by the City prior to any approvals of the project.
2. The Final EIR reflects the independent judgment of the City.
3. The Mitigation Monitoring Program has been reviewed and approved by the Planning Commission and the City Council in conjunction with the recommendation for certification of the Final Program EIR.
4. For each significant effect identified in the Final Program EIR under the categories of Land Use and Aesthetics, Hydrology and Water Quality, Traffic and Circulation, Air Quality, Noise, Hazardous Materials, Public Services, Cultural Resources and Cumulative Impacts, the approved mitigation measures contained in the EIR will avoid or substantially lessen the identified adverse environmental impacts of the project to a level of insignificance and have been incorporated into the project.
5. There are seven impacts identified in the EIR that, even after mitigation, are considered significant and unavoidable: (1) Impact LU-5: Conversion of Prime Agricultural Land to Urban Uses, (2) Impact LU-6: Change in Views, (3) Impact T-2 (Alternative 3): LOS in Excess of LOS D, (4) Impact PS-1 (Alternative 3): Impacts on Water Supply and Distribution Facilities, (5) Impact PS-2 (Alternative 3): Impacts on Sewer Mains and Capacity, and Expansion of Treatment Facilities, (6) Impact PS-3 (Alternative 3): Impacts on Storm Drainage Capacity, and (7) Growth Inducement: The project would have a significant and unavoidable growth-inducing impact. These significant effects identified in the EIR will not be fully mitigated to a degree of insignificance with the incorporation of all of the identified mitigation measures included in the Final Program EIR. Consequently, Council has adopted findings for the Statement of Overriding Considerations, as shown in Section 6 of Exhibit "A."

SECTION 2. Specific Plan Approval. Pursuant to Sections 65450 through 65457 of the California Government Code and the City's General Plan, the City Council hereby approves the Planning Commission Draft of the Airport Area Specific Plan, subject to the following findings:

1. The specific plan is consistent with General Plan because it will direct all facets of future development of the Airport Area, including the distribution of land uses, the location and sizing of infrastructure, site planning, architectural guidelines, phasing, and the method of financing public improvements. The Specific Plan will provide for the type of growth

and development envisioned by the General Plan for the Airport Area.

2. All subjects required in a specific plan by the California Government Code and applicable City ordinances are appropriately and adequately covered.

3. The types and intensity of land uses are designed to be consistent with the SLO County Regional Airport Land Use Plan to ensure compatibility with airport operations.

SECTION 3. Specific Plan Modifications. The Community Development Director shall cause the following changes to occur to the Planning Commission Draft of the Airport Area Specific Plan prior to its publication.

1. Figure 4-1, Land Use Designations, shall be modified to reflect Alternative 3 as described in the Final EIR, with the URL to be held north of the land designated Agriculture, as shown in Exhibit C. All other AASP figures, tables and text shall be modified as necessary to reflect the boundaries and land use designations established by Figure 4-1, Exhibit C.

2. The AASP shall be revised to reflect the changes requested by the Airport Land Use Commission, as shown in Exhibit D.

3. The Conservation chapter program regarding expansion of wetlands north of Tank Farm Road, which was previously deleted by the Planning Commission, shall be replaced as follows: *Program 3.3.18: Expand the existing major wetland north of Tank Farm Road to the northwest and provide a suitable upland edge, in conjunction with redevelopment of the part of the Unocal property that contained company offices.*

4. Standards 6.4.9.1 through 6.4.9.4 shall be revised to reduce the threshold for requiring participation in Transit Demand Management strategies from 50 employees to 25 employees.

5. Program 6.3.J shall be added to require development in the Airport Area to provide for transit facilities such as bus stops with turnouts, transit pads and shelters adjacent to new development as part of the development review process.

6. Mitigation Measure PS-1.1 shall be implemented by adding Policies 7.2.1 and 7.3.1 to require development south of the 1994 URL and east of the airport to submit an engineering feasibility study for water and wastewater service.

7. Goal 4.1.11: Agricultural Buffers shall be added as follows: *Preservation of agricultural land and open space for on-going agricultural uses. This is accomplished through the provision of buffers on urban land so land use conflicts are diminished.*

8. Policy 4.2.7: Agriculture shall be as follows: Areas designated Agriculture are intended to encourage conservation of agricultural lands and continuation of agricultural uses and keeping of livestock where compatible with urban development. The sites designated as

Agriculture in the Airport Area have historically been used for agricultural uses and are bordered by agricultural buffers on the parcels being developed with urban uses to insure compatibility between the uses.

9. Figure 6-7 shall be deleted and Standards 6.4.2.1 through 6.4.2.4, and Figure 6-6 shall be revised to identify Tank Farm Road as an urban road with a continuous 4-lane section.

10. Figures 6-8 and 6-9, and Table 4.7 (Setback Standards), shall be revised to require setbacks for all physical improvements along Buckley Road in order to allow for the roadway to be widened to four lanes in the future, if such widening becomes necessary. Figure 6-10 shall be deleted.

11. Policy 4.5.1 regarding the Cluster Development Zone shall be revised as follows: *The AASP shall meet the open space requirements of the ALUP, and the area shown in the Figure 4-5 shall be maintained in a manner that qualifies the area as a Cluster Development Zone (CDZ), to the approval of the Airport Land Use Commission.* Figure 4-5 shall be revised as shown in Exhibit E.

12. Policy 4.5.2 regarding Airport Compatible Open Space on the Avila Ranch property shall be revised as follows: *The agricultural buffer along the southwest boundary of the Avila Ranch and Airport Area shall be maintained as Airport Compatible Open Space (ACOS), per the requirements of the ALUP.*

13. The second sentence of Section 7.4 shall be revised to provide encouragement for all forms of alternative energy production as follows: *Although there are no area-wide plans for wind, geothermal, solar or biomass energy production, development of such energy resources should be encouraged where feasible and consistent with the City's Conservation and Open Space Element.*

14. All required mitigation measures from the Final EIR that have not been directly incorporated into the Specific Plan shall be included in an Appendix of the Specific Plan, as shown in Exhibit F, and references to the appendix shall be made in the AASP where appropriate.

15. Footnote #1 to Table 4.3 (AASP Page 4-19) shall be revised to include the following statement: *Floor area limitations shall not apply to bank headquarters.*

16. Table 4.4, Parcel Dimensions, shall be revised to include footnote (c), as follows: *Common interest subdivisions are permitted subject to the requirements of the City's Subdivision Regulations.*

17. References to the Unocal Collector road, including the Primary Circulation Plan (Figure 6-1), shall be revised to designate the road as a "local" road.

SECTION 4. General Plan Amendment. The City General Plan, including the Urban Reserve Line, the Land Use Element Map, and the Street Classification Map, shall be amended

to reflect the adopted boundaries, land uses and streets approved as part of the Airport Area Specific Plan, as shown in "Exhibit C."

On motion of Council Member Settle, seconded by Vice Mayor Ewan, and on the following roll call vote:

AYES: Council Members Brown and Settle, Vice Mayor Ewan and Mayor Romero

NOES: Council Member Mulholland

ABSENT: None

The foregoing resolution was passed and adopted this 23rd day of August 2005.

Mayor David F. Romero

ATTEST:

Audrey Hooper
City Clerk

APPROVED AS TO FORM:

Jonathan P. Lowell,
City Attorney

SECTION 1. INTRODUCTION

The City of San Luis Obispo (City) has decided to approve the Airport Area and Margarita Area Specific Plans and Related Master Facilities Plans (project). The City is the lead agency under the California Environmental Quality Act (CEQA) and has certified a program environmental impact report (EIR) for the project.

Section 15091 of the State CEQA Guidelines (14 California Code of Regulations [CCR]) and Section 21081 of the Public Resources Code require a lead agency to adopt findings for each significant environmental impact disclosed in an EIR. Specifically, for each significant impact, the lead agency must find that:

- changes or alterations have been incorporated into the project to avoid or substantially lessen the significant environmental effects identified in the EIR;
- such changes or alterations are within the responsibility and jurisdiction of another public agency and should be adopted by that agency; or
- specific economic, social, legal, technological, or other considerations make the mitigation measures or alternatives identified in the EIR infeasible.

In addition to making a finding for each significant impact, if the lead agency approves a project without mitigating all of the significant impacts, it must prepare a statement of overriding considerations, in which it balances the benefits of the project against the unavoidable environmental risks. The statement of overriding considerations must explain the social, economic, or other reasons for approving the project despite its environmental impacts (14 CCR 15093, Pub. Res. Code 21081).

This document contains the findings and statement of overriding considerations for the approval of the Airport Area and Margarita Area Specific Plans and Related Master Facilities Plans and reflects the City's independent judgment. This document incorporates by reference the program EIR. The EIR, specific plans, related master facilities plans, and other portions of the administrative record are available for review at:

City of San Luis Obispo
Community Development Department
990 Palm Street
San Luis Obispo, CA 93401
Contact: Mike Draze
(805)781-7274

Exhibit A

SECTION 2. PROJECT DESCRIPTION

Project Objectives

As required by the City General Plan, each of the specific plans is intended to contain policies and standards that will facilitate appropriate development of land, protection of open space, and provision of adequate public facilities. The specific plans are more detailed than the general plan but less precise than subdivision maps or construction plans. The overall objective of the project is to adopt specific plans for the Airport and Margarita areas, pursuant to the City General Plan.

Airport Area Specific Plan Objectives

Airport Area Specific Plan objectives include:

- identifying the infrastructure needed to provide city services to the area;
- facilitating the City's eventual annexation of the Airport area;
- ensuring that planned land uses are compatible with airport operations and consistent with the SLO County Regional Airport Land Use Plan (ALUP);
- accommodating businesses identified in the City's Targeted Industry Cluster Study that provide household-supporting incomes for San Luis Obispo residents; and
- establishing goals and policies for open space protection, conservation, and restoration.

Margarita Area Specific Plan Objectives

Margarita Area Specific Plan objectives include:

- accommodating a wide range of housing types, with an emphasis on housing affordable to those working in San Luis Obispo;
- protecting substantial natural habitats, including creeks, hills, wetlands, and corridors between these habitats;
- providing convenient access for residents to employment, basic shopping, recreation, and education through both the location of land uses and the design of circulation features;

- accommodating research and light manufacturing jobs that can support local households in forms compatible with airport safety and neighboring residences;
- ensuring that planned land uses are compatible with airport operations; and
- ensuring consistency with San Luis Obispo County's Airport Land Use Plan.

Proposed Project

The proposed project includes implementation of the goals and policies contained in the Airport Area Specific Plan, Margarita Area Specific Plan, Water System Master Plan, Wastewater Master Plan Update, and Storm Drain Master Plan.

Specific Plans

The specific plans include the following designations:

- designation of the Airport area for 2 hectares (7 acres) of Residential, 193.3 hectares (477.7 acres) of Services and Manufacturing, 93.1 hectares (230.1 acres) of Business Park, 139.9 hectares (345.9 acres) of Open Space, and 145.3 hectares (359.1 acres) of Government Facility, for a total Airport Area of 606 hectares (1499 acres);
- designation of the Margarita area for 75.4 hectares (186.2 acres) of Open Space, 10.5 hectares (25.9 acres) of Parks, 28.6 hectares (70.7 acres) of Residential, 1.3 hectare (3.1 acre) of Neighborhood Commercial, 0.4 hectare (.9 acre) of Special Use, 28.0 hectares (68.8 acres) of Business Park, and 19 hectares (47 acres) of Streets, for a total Margarita area of 168.7 hectares (416.1 acres);
- extension of Prado Road to Broad Street;
- extension of new commercial collector connecting Tank Farm Road and Prado Road;
- extension of Santa Fe Road from south of Tank Farm Road to Prado Road;
- extension of Buckley Road to South Higuera Street; and
- widening of various existing roadways, including Prado Road, and Tank Farm Road.

Water System Master Plan

The Water System Master Plan describes improvements to the water treatment and distribution systems to meet Citywide General Plan development needs, including needs of the Airport Area. The following is a brief summary of substantial treatment plant and facilities improvements identified in the Water System Master Plan.

Recommended Treatment Plant Improvements. The recommended treatment plant improvements are as follows:

- Phase I: Perform a seismic evaluation of the existing treated water storage and clearwell facilities.
- Phase II: Add facilities to improve filtration rates, treatment processes, and emergency operations.
- Phase III: Monitor water levels at the forebay, improve efficiency of pump motors, evaluate means to protect the water treatment plant from railroad accidents, and improve emergency standby power capacity.

Recommended Distribution Improvements. The recommended distribution improvements are:

- a grid of 12-inch diameter mains: three traversing east to west and three north-south mains connecting the existing 16- and 20-inch mains to the north (the mains will be located in the major roads);
- adding a 757,000-liter (200,000-gallon) water tank in the Edna Saddle zone in the southwestern part of the city; and
- adding a 4,542,000-liter (1,200,000-gallon) water tank in the Bishop zone to serve the Bishop zone.

Wastewater Master Plan Update

The City's Wastewater Master Plan Update addresses the city in its entirety, including the annexation areas. The plan identifies improvements to collection and treatment facilities that will be needed to provide wastewater service to future annexation areas and provides recommendations concerning Citywide wastewater system facilities. The Wastewater Master Plan Update identifies the following substantial reclamation facility and system improvements:

- replacing the Howard Johnson and Tank Farm pump stations;
- installing approximately 3,790 meters (12,400 feet) of new trunk sewer mains in the Airport area;

- installing 4,000 feet (1,219.2 meters) of 16-inch discharge pipe (required at the new tank farm facility);

- installing approximately 9,400 meters (30,700 feet) of new trunk sewer mains in the Margarita area; and

- upgrading existing pump stations in the project area.

Storm Drain Master Plan

The Storm Drain Master Plan addresses the East Branch San Luis Obispo Creek watershed. This watershed includes the Airport and Margarita areas as well as areas to the east. The features of the plan would, downstream of the Airport area, limit storm drainage flows at build-out to the level estimated for existing conditions, provide 100-year flood protection, provide for environmental enhancement of stream corridors, and provide individual onsite or sub-regional detention basins that will serve the area, rather than a single regional detention basin. Previous project improvement recommendations included parallel, minor creek modifications as needed and permitted by the governing entity to enhance flood conveyance capacity. However, the City has determined that the existing creeks have capacity to sufficiently convey floodwaters. The Storm Drain Master Plan identifies the following recommended improvements:

- replacing bridges across Acacia Creek at Tank Farm Road and the East Branch of San Luis Obispo Creek at Santa Fe Road and

- replacing and improving Tank Farm Creek culvert facilities at Tank Farm Road with a standard Caltrans two-span concrete slab bridge.

Exhibit A

SECTION 3. ENVIRONMENTAL IMPACT REPORT

The program EIR was prepared in compliance with CEQA and State CEQA Guidelines. As such, the EIR contains analysis, at a program level, of the basic issues that will be used in conjunction with subsequent tiered environmental documents for specific projects related to the Airport Area Specific Plan, the Margarita Area Specific Plan, and the related facilities master plans. Once the Airport Area Specific Plan, Margarita Area Specific Plan, and the related facilities master plans are adopted by the City, the basic policy issues will not need to be revisited by subsequent (second-tier) documents.

The initial study and Notice of Preparation of the Draft EIR were circulated to appropriate public agencies, organizations, and interested groups and individuals for a 30-day comment period that ran from May 16, 2000, to June 16, 2000. The draft EIR was released for an 80-day public and agency review period from February 15 through May 8, 2002. A public hearing on the draft EIR was held on May 8, 2002, at the joint Planning Commission/City Council hearing rooms in the City. A final EIR, which provided responses to the written and verbal comments received during the review of the draft EIR and included revisions to the draft EIR, was prepared and made available to the public and agencies on September 19, 2003. Since September 19, 2003, additional comments were provided in writing and through public testimony; responses to these additional comments since publication of the final EIR were prepared and made part of the administrative record.

SECTION 4. FINDINGS FOR SIGNIFICANT ENVIRONMENTAL EFFECTS AND MITIGATION MEASURES OF THE PROPOSED PROJECT

Introduction

This section presents the project's significant environmental impacts and feasible mitigation measures. Section 15091 of the State CEQA Guidelines (14 California Code of Regulations [CCR]) and Section 21081 of the Public Resources Code require a lead agency to make findings for each significant environmental impact disclosed in an EIR. Specifically, for each significant impact, the lead agency must find that:

- replacing changes or alterations have been incorporated into the project to avoid or substantially lessen the significant environmental effects identified in the EIR;
- such changes or alterations are within the responsibility and jurisdiction of another public agency and should be adopted by that agency; or
- specific economic, social, legal, technological, or other considerations make the mitigation measures or alternatives identified in the EIR infeasible.

Each of these findings must be supported by substantial evidence in the administrative record. This section identifies the following environmental impacts associated with implementation of the proposed project, as identified in the program EIR:

- impacts that can be fully avoided or reduced to a less-than-significant level through the incorporation of feasible mitigation measures into the project; and
- impacts that can be reduced, but not to a less-than-significant level, through the incorporation of feasible mitigation measures into the project, and which therefore, remain significant and unavoidable.

The impacts identified in this section are considered in the same sequence in which they appear in the draft EIR. Where adoption of feasible mitigation measures is not effective in avoiding an impact or reducing it to a less-than-significant level, the feasibility of adopting alternatives to the proposed project is considered in Section 5 of this document.

Land Use and Aesthetics

Impact LU-1: Consistency of Proposed Specific Plans with Applicable City Plans, Policies and Agreements

The project expands the urban reserve to encompass all land designated for urban use by the County. Thus, the URL extends down to Buckley in the area west of the airport, and across Broad Street to land east of the airport. This expansion of the urban reserve, and the re-designation of lands on the City's General Plan Map in that area from Open Space to Business Park and Services and Manufacturing, would be inconsistent with City policy to limit its urban expansion to the current urban reserve.

Although not consistent with City plans and policies, the proposed urban reserve is consistent with the County's plans and policies. In addition, by designating a buffer of Agriculture and Open Space land north of Buckley Road and within the URL, the proposed project implements City policy for providing a permanent greenbelt along its southern boundary. The impact remains *significant and unavoidable*.

Impact LU-5: Conversion of Prime Agricultural Land to Urban Uses

The 1993 Land Use Element and Circulation Element Update EIR addressed the fact that annexation and development of the area in accordance with the City General Plan designations would result in the loss of agricultural resources. That loss was identified as a significant and irreversible adverse impact that could not be mitigated. Policies were incorporated into the Land Use Element to help compensate for productivity lost as a result of the conversion of agricultural lands within the urban reserve. Specifically, City policy requires direct dedication of open space areas, or payment of an in-lieu fee, for annexed land.

Exhibit A

The primary target of this exaction is to protect open space and agricultural lands outside, but especially those contiguous to, the City's URL. The concept is to create a permanent open space buffer/greenbelt around the city that prevents continued expansion of the urban area onto valuable agricultural and open space resources. For certain locations, the general plan calls for the open space protection area to be equal in size to the developed area or to be four times the size of the developed area. The ratio for the Margarita area follows from the land use designations (approximately 40% open space, excluding parks). The General Plan does not set a specific ratio for the Airport Area. The in-lieu fee that has been set for the so-called interim annexations probably can achieve a ratio of 1:1 on average.

Based on a review of mapping of the State's Department of Conservation farmland categories, the majority of the proposed project area (347.2 hectares [858 acres], or 61%) consists of lands with little or no agricultural value (i.e., designated by the state for Urban/Built-up or Other). Table 3A-2 shows the acreage breakdown for the project area by category. The project area has relatively limited amounts of Prime Farmland (26.3 hectares [65 acres], or 5%) and Farmland of Local Importance (16.1 hectares [40 acres], or 3%), and no lands designated for Farmlands of Statewide Importance or Unique Farmland. Farmland of Local Potential and Grazing Land, two categories with lower agricultural value, compose a larger percentage of the area (21% and 11%, respectively). Although past development and current use result in relatively low farmland classifications under the California Department of Conservation categories, the underlying soils types have the characteristics of prime soil, according to the U.S. Natural Resources Conservation Service, for most of the gently sloping part of the Margarita area and for nearly all the Airport area, excluding the Unocal property impacted by soil contamination due to the 1926 explosion and subsequent fire.

The Specific Plans show urban use for approximately 12.1 hectares (30 acres) of prime farmland actively cultivated north of Tank Farm Road. There are also cultivated lands just west of the middle of the Margarita Area. The proposed project is consistent with the City General Plan, so, as anticipated in the 1993 LUE EIR, annexation and development of the area will adversely impact agricultural resources. Altogether, the proposed project will result in the loss of approximately 14.1 hectares (35 acres) of Prime Farmland (in the northwest corner of the Airport area), and 109.2 hectares (270 acres) of Farmland of Local Potential (primarily in the Margarita area and along Broad Street). Most agricultural lands that will be lost to development have been used primarily for grazing. The Airport Area Specific Plan's designation for Open Space in the central portion of the Airport area will protect areas of Prime Farmland and Farmlands of Local Importance that are actively cultivated. No areas under Williamson Act contracts are affected by the proposed project.

While the loss of prime agricultural land is limited, the conversion of any lands containing prime agricultural soils associated with the proposed project is considered a ***significant and unavoidable*** impact.

Mitigation

While the loss of prime agricultural soils to urban uses is irreversible and cannot be mitigated, the following mitigation is recommended to help compensate for the loss of agricultural productivity. The intent of the mitigation is to enhance the opportunities for continued agriculture in the unincorporated areas outside the City's URL.

> **Mitigation Measure LU-5.1: Dedicate Open Space Land or Pay In-Lieu Fees to Secure Open Space Easements on Agricultural Land outside the URL at Ratio of No Less than 1:1**
>
> As a condition of annexation and development within the Airport and Margarita Areas, developers shall be required to dedicate open space land or pay in-lieu fees to secure open space easements on agricultural land outside the URL at a ratio of no less than 1:1.

Finding: Mitigation Has Been Incorporated into the Project. The City finds that the mitigation measure is feasible and has been adopted. However, the impact would not be reduced to a less-than-significant level. A statement of overriding consideration for this impact is made in Section 6.

Impact LU-6: Change in Views

The proposed project will result in the change of character of the Plan areas from a generally semi-rural setting to an urban developed setting. The issue of aesthetic impacts was reviewed during the adoption of the General Plan. The conclusion was reached within Section 9.0 of the General Plan EIR that urbanization would irreversibly change the visual character of the south end of the city from that of a low-density semi-rural area to a more intensely developed, suburban area. While substantial design standards are contained in the Airport Area Specific Plan, Margarita Area Specific Plan, and the City General Plan (including the preservation of open space, hills, and development design standards), these do not change this fundamental conclusion of the General Plan EIR. No feasible mitigation exists to eliminate the impact associated with the conversion of a semi-rural landscape to an urban landscape. The impact is considered ***significant and unavoidable.***

Mitigation

No mitigation measures are feasible.

Finding: No Feasible Mitigation is Available. The City finds that no feasible mitigation is available and that this impact is significant and unavoidable. A statement of overriding consideration for this impact is made in Section 6.

Impact LU-7: Potential Increase in Daytime/Nighttime Light and Glare

The development of the Airport and Margarita areas for urban uses will result in an increase in daytime/nighttime light and glare within the area. These increases will be the result of new lighting at commercial, business park, and residential uses, as well as at new park facilities. Development of these sites would increase the amount of light and glare associated with development of urban uses, such as additional parking lots, building lights, and streetlights. While the types of lighting and their specific locations are not specified at this point, development proposed under this alternative would increase the amount of light into adjacent areas, including airport lands. The potential increase in light and glare is considered to be a ***significant impact***.

Mitigation

Implementation of the following mitigation measure would reduce the impact to a ***less-than-significant*** level.

> **Mitigation Measure LU-7.1: Incorporate Lighting Design Standards into Margarita and Airport Area Specific Plans**
>
> The City shall incorporate lighting design standards into the Margarita and Airport Area Specific Plans. The standards shall contain specific measures to limit the amount of light trespass associated with development within the project area. Specific measures shall include the use of shielding and/or directional lighting methods to ensure that spillover light does not exceed 0.5-foot candles at adjacent property lines.

Finding: Mitigation Has Been Incorporated into the Project. The City finds that the mitigation measure is feasible and has been adopted. In the Airport Area Specific Plan this impact is addressed in the Design Guidelines for lighting. Goal 5.20, which is implemented by guidelines and standards, is intended to accomplish "a low level of ambient lighting that protects the rural ambience, while being consistent with public safety needs."

Hydrology and Water Quality

The program EIR previously reported in error that a significant unavoidable impact would result from constructing a dam within a watercourse in Perfumo Canyon. However, the water reservoir to be constructed would be a tank for storage purposes only in an upland area, not an impoundment of water along a natural streamway. Therefore, no significant impacts on Hydrology and Water Quality are associated with the proposed project.

Exhibit A

Biological Resources

Impact BIO-1: Loss or Temporary Disturbance of Annual Grassland

The Margarita and Airport Areas contain 119.48 hectares (295.24 acres) of annual grassland. Implementation of this portion of the project would result in the loss or temporary disturbance of annual grassland. Annual grassland is common locally and regionally; therefore, the loss of annual grassland is typically considered less than significant. However, large portions of the project area, including areas identified for facilities master plan improvements, have not been surveyed, and sensitive resources like seasonal wetlands and drainages, patches of valley needlegrass grassland, and populations of special-status species may be found interspersed in the annual grassland. Therefore, this impact is considered ***significant***.

Mitigation

Implementation of the following mitigation measures would reduce this impact to a ***less-than-significant*** level.

Mitigation Measure BIO-1.1. Conduct Surveys for Wetland Resources, Sensitive Natural Communities, and Special-Status Species. Applications for subdivisions and development in grassland areas must include the result of the following surveys and studies:

- surveys and mapping of special-status plants identified in Table 3C-4 of the program EIR during the appropriate identification periods;
- surveys and mapping of special-status wildlife identified in Table 3C-5 of the program EIR during the appropriate seasons;
- mapping and quantification of valley needlegrass grassland inclusions;
- delineation and quantification of waters of the United States, including wetlands, using the Corps' 1987 wetland delineation manual (Environmental Laboratory 1987);
- identification of special-status species and species of local concern as identified in the (forthcoming) Conservation Element; and
- mapping and quantification of habitat loss.

For areas of annual grassland that are determined to contain no special-status species, inclusions of valley needlegrass grassland, or seasonal wetland, no further mitigation is required. If sensitive resources are identified, please refer to the mitigation measures below to avoid, minimize, or compensate for significant impacts on these resources. This is not intended to limit other measures that the City may take regarding non-listed species.

Finding: Mitigation Has Been Incorporated into the Project. The City finds that the mitigation measure is feasible and has been adopted. In the Airport Area Specific Plan significant grassland areas are designated as open space, following Figure 3-1, Open Space Resources. Policy 3.2.19 requires protection for on-site resources and the above survey requirements will be applied on a case-by-case basis, as development is proposed in areas that may include these resources.

Impact BIO-2: Loss or Temporary Disturbance of Valley Needlegrass Grassland

Valley needlegrass grassland is found within annual grassland and ruderal areas of the Airport and Margarita Areas. Patches of valley needlegrass grassland have been identified on the Unocal property of the Airport Area. There may be additional patches within the annual grassland matrix of unsurveyed portions of the Airport and Margarita Areas and Facilities Master Plan service areas. Valley needlegrass grassland has suffered extensive losses statewide and is considered a sensitive natural community by DFG. The elimination or substantial degradation of this community is considered a ***significant*** impact.

Mitigation

Implementation of the following mitigation measures would reduce this impact to a ***less-than-significant*** level.

Mitigation Measure BIO-1.1. Conduct Surveys for Wetland Resources, Sensitive Natural Communities, and Special-Status Species. This mitigation measure is described above.

Mitigation Measure BIO-2.1. Avoid and Minimize Impacts on Valley Needlegrass Grassland. After areas of valley needlegrass grassland are mapped and quantified (Mitigation Measure BIO-1.1), the following steps should be implemented in order of preference:

- Avoid stands of valley needlegrass grassland whenever possible; this may be achieved by setting aside areas that contain significant stands of valley needlegrass grassland as ecological buffers or nature preserves.

- Minimize impacts on valley needlegrass grassland in areas that cannot be avoided completely; this may be achieved by placing orange construction barrier fencing or stakes and flags around the perimeter of needlegrass grassland stands and by restricting the operation of heavy equipment and other construction-related activities to the outside of these exclusion zones.

- Compensate for unavoidable losses of valley needlegrass grassland with replacement plantings at an alternative mitigation site. The project proponent should develop a mitigation and monitoring plan in coordination with DFG that specifies replacement ratios, success criteria, monitoring and reporting needs, and remediation measures.

Replacement plantings should be placed adjacent to existing preserved stands to encourage natural regeneration, ensure future preservation, and create enhanced habitat values.

Finding: Mitigation Has Been Incorporated into the Project. The City finds that the mitigation measure is feasible and has been adopted. In the Airport Area Specific Plan significant grassland areas are designated as open space, following Figure 3-1, Open Space Resources. Policy 3.2.19 requires protection for on-site resources and the above survey requirements will be applied on a case-by-case basis, as development is proposed in areas that may include these resources.

Impact BIO-5: Loss or Temporary Disturbance of Open-Water Habitat

The Airport Area contains approximately 0.28 hectare (0.69 acre) of open-water habitat. There is open-water habitat on the Unocal property in the Airport Area and in limited areas in the Margarita Area and Facilities Master Plan areas. Open-water habitat may qualify as other waters of the United States subject to Corps jurisdiction under Section 404 of the Clean Water Act. The potential loss of open-water habitat is considered ***significant***.

Mitigation

Implementation of the following mitigation measures would reduce this impact to a ***less-than-significant*** level.

Mitigation Measure BIO-1.1. Conduct Surveys for Wetland Resources, Sensitive Natural Communities, and Special-Status Species. This mitigation measure is described above.

Mitigation Measure BIO-6.1. Avoid and Minimize Impacts on Wetland Habitat. This mitigation measure is described below.

Finding: Mitigation Has Been Incorporated into the Project. The City finds that the mitigation measure is feasible and has been adopted. Chapter 3 of the Airport Area Specific Plan includes many policies regarding the protection of wetland resources, including a requirement for 50-foot setbacks (Program 3.3.3), and most significant areas are designated as open space.

Impact BIO-6: Loss or Temporary Disturbance of Freshwater Marsh

The Airport Area contains approximately 6.78 hectares (16.76 acres) and the Margarita Area contains approximately 0.64 hectares (1.59 acres) of freshwater marsh. Freshwater marsh is considered a sensitive natural community by DFG and is also considered a wetland subject to Corps jurisdiction under Section 404 of the Clean Water Act. Extensive stands of freshwater marsh have been documented on the Unocal property. Additional stands also occur along drainage ditches throughout the project area, including the Facilities Master Plan areas, as well as in low-lying landscape positions throughout the area. Loss or temporary disturbance of freshwater marsh is considered a ***significant*** impact.

Mitigation

Implementation of the following mitigation measures would reduce this impact to a ***less-than-significant*** level.

Mitigation Measure BIO-1.1. Conduct Surveys for Wetland Resources, Sensitive Natural Communities, and Special-Status Species. This mitigation measure is described above.

Mitigation Measure BIO-6.1. Avoid and Minimize Impacts on Wetland Habitat. To avoid and minimize impacts to freshwater marsh and other wetland habitats, the project proponent will do all of the following:

- obtain a qualified wetland ecologist to conduct a delineation of waters of the United States, including wetlands, at the project site;
- obtain verification of the delineation from the Corps;
- avoid identified waters of the United States and wetlands during project design to the extent possible and establish a buffer zone around jurisdictional features to be preserved;
- obtain a permit from the Corps for any unavoidable fill of wetlands or other waters of the United States; and
- develop and implement a mitigation and monitoring plan in coordination with the agencies to compensate for losses and to ensure no net loss of wetland habitat functions and values.

Finding: Mitigation Has Been Incorporated into the Project. The City finds that the mitigation measure is feasible and has been adopted. Chapter 3 of the Airport Area Specific Plan includes many policies regarding the protection of wetland resources, including a requirement for 50-foot setbacks (Program 3.3.3), and most significant areas are designated as open space.

Impact BIO-7: Loss or Temporary Disturbance of Seasonal Wetlands

The Airport area contains approximately 20.12 hectares (49.72 acres) and the Margarita area contains 3.76 hectares (9.30 acres) of existing and potential seasonal wetlands. Seasonal wetlands have been documented throughout the Unocal property in the Airport area and are likely present throughout unsurveyed portions of the planning area, including the facilities master plan service areas. Seasonal wetlands are considered sensitive natural communities by DFG and qualify as wetlands subject to Corps jurisdiction under Section 404 of the CWA. Impacts on seasonal wetlands are considered ***significant***.

Mitigation

Implementation of the following mitigation measures would reduce this impact to a ***less-than-significant*** level.

Mitigation Measure BIO-1.1. Conduct Surveys for Wetland Resources, Sensitive Natural Communities, and Special-Status Species. This mitigation measure is described above.

Mitigation Measure BIO-6.1. Avoid and Minimize Impacts on Wetland Habitat. This mitigation measure is described above.

Finding: Mitigation Has Been Incorporated into the Project. The City finds that the mitigation measure is feasible and has been adopted. Chapter 3 of the Airport Area Specific Plan includes many policies regarding the protection of wetland resources, including a requirement for 50-foot setbacks (Program 3.3.3), and most significant areas are designated as open space.

Impact BIO-8: Loss or Temporary Disturbance of Riparian Woodland and Scrub

The Airport area contains approximately 8.39 hectares (20.72 acres) of riparian woodland and scrub. Riparian woodland and scrub are found on the Unocal property, along the East Branch of Acacia Creek, and in other localized occurrences along unmapped drainage ditches or low-lying areas throughout the planning area and facilities master plan service areas. Additionally, the Margarita area contains 0.27 hectare (0.66 acre) of riparian woodland and scrub. Riparian woodland and scrub are considered sensitive natural communities by DFG and are likewise protected by the City General Plan and proposed Specific Plans policies. The riparian woodland and scrub may also qualify as wetlands subject to Corps jurisdiction under Section 404 of the CWA. Impacts on riparian woodland and scrub are considered ***significant***.

Mitigation

Implementation of the following mitigation measures would reduce this impact to a ***less-than-significant*** level.

Mitigation Measure BIO-8.1. Avoid Temporary Disturbance to Riparian Woodland and Scrub by Complying with DFG and City General Plan Guidelines and Specific Plan requirements for Setbacks Regarding Riparian Corridors. The project proponent will do all of the following:

- retain a qualified biologist to identify and map riparian woodland and scrub in the project area;

- establish a buffer zone around the edge of the riparian habitat at a distance to be determined in cooperation with DFG and the City by installing orange construction fencing or poles and flags; and

- restrict construction activities to the outside of the fenced buffer zone.

Finding: Mitigation Has Been Incorporated into the Project. The City finds that the mitigation measure is feasible and has been adopted. The Airport Area Specific Plan requires management programs when development is proposed along creeks (Program 3.3.1). 35-foot creek setbacks are required for major creeks. A 50-wetland setback is established, which will be implemented through subdivision and development approvals and the design of pubic facilities (Program 3.3.3).

Impact BIO-9: Loss or Temporary Disturbance of Agricultural Fields and Congdon's Tarplant

The Airport area contains approximately 39.52 hectares (97.66 acres) and the Margarita area contains approximately 2.97 hectares (7.33 acres) of agricultural fields. Agricultural fields are locally and regionally common. The loss or temporary disturbance of agricultural fields is generally considered less than significant from a biological standpoint. However, Congdon's Tarplant, a special-status plant species, has been observed in fallow agricultural fields in the planning area. Therefore, impacts on agricultural fields and Congdon's Tarplant are considered ***significant***.

Mitigation

Implementation of the following mitigation measures would reduce this impact to a ***less-than-significant*** level.

Mitigation Measure BIO-1.1. Conduct Surveys for Wetland Resources, Sensitive Natural Communities, and Special-Status Species. This mitigation measure is described above.

Mitigation Measure BIO-9.1. Avoid or Minimize Impacts on Special-Status Plant Species. To avoid or minimize impacts on special-status plant species, the project proponent will do all of the following:

- Whenever possible, set aside as nature preserve areas known to support large populations of special-status plants.

- Ensure that a qualified botanist conducts surveys for special-status plant species in all portions of the planning area at the appropriate time when the plants are clearly identifiable. The botanist should document and map encountered populations.

- Avoid or minimize impacts on special-status plant populations to the extent possible.

- Compensate for the unavoidable loss or disturbance of special-status plant species. Compensation shall be implemented under a mitigation plan developed in conjunction with DFG and USFWS. The requirements for a mitigation plan will depend on the species affected by the project and the extent of impacts on the populations. Mitigation shall be implemented onsite whenever possible. Possible mitigation locations (but not required locations) for Congdon's Tarplant include those areas of the Unocal site set aside as Open Space.

Finding: Mitigation Has Been Incorporated into the Project. The City finds that the mitigation measure is feasible and has been adopted. Policy 3.2.19 requires protection for on-site resources and the above survey requirements will be applied on a case-by-case basis, as development is proposed in areas that may include these resources.

Impact BIO-11: Impacts on Special-Status Plant Species

Several occurrences of special-status plant species have been reported in the Margarita and Airport areas and the facilities master plan service areas. Populations of rayless ragwort and San Luis Obispo mariposa lily occur in the South Hills, which are part of the Margarita area. These occurrences are located in areas to be designated as Open Space; therefore, ***no impact*** on these populations is expected.

Many occurrences of Congdon's Tarplant have recently been documented in the Margarita and Airport areas. Although most populations occur in wetland conditions in a grassland matrix, several populations have also been documented in disturbed areas, including fallow fields. Impacts on special-status plant species are considered ***significant.***

Mitigation

Implementation of the following mitigation measure would reduce this impact to a ***less-than-significant*** level.

Mitigation Measure BIO-1.1. Conduct Surveys for Wetland Resources, Sensitive Natural Communities, and Special-Status Species. This mitigation measure is described above.

Mitigation Measure BIO-9.1. Avoid or Minimize Impacts on Special-Status Plant Species. This mitigation measure is described above.

Finding: Mitigation Has Been Incorporated into the Project. The City finds that the mitigation measure is feasible and has been adopted. Policy 3.2.19 requires protection for on-site resources and the above survey requirements will be applied on a case-by-case basis, as development is proposed in areas that may include these resources.

Impact BIO-12: Impacts on Non-Listed Special-Status Wildlife Species

Several occurrences of special-status species have been reported in the Margarita and Airport Areas. Many more special-status species have the potential for occurrence in these areas (Table 3C-5). Impacts on special-status wildlife species are considered ***significant***.

Mitigation Measure BIO-1.1. Conduct Surveys for Wetland Resources, Sensitive Natural Communities, and Special-Status Species. This mitigation measure is described above.

Mitigation Measure BIO-12.1. Avoid or Minimize Impacts on Non-Listed, Special-Status Wildlife Species. To avoid or minimize impacts on non-listed, special-status wildlife species (Table 3C-5 of the program EIR), the project proponent will do all of the following:

Ensure that a qualified biologist conducts surveys for non-listed special-status wildlife species in all portions of the planning area at the appropriate time for each species. The biologist should document and map encountered individuals.

- Avoid or minimize impacts on non-listed special-status wildlife populations and individuals to the extent possible.

- Ensure that a qualified biologist conducts protocol-level surveys for burrowing owls and, if presence is confirmed, develops a mitigation plan following DFG guidelines.

- Surveys would be conducted at suitable breeding habitat for nesting tricolored blackbirds before construction begins. Surveys would be conducted 2–3 times during the nesting season (April 1–July 15). If nesting tricolored blackbirds are found, the project proponent shall avoid impacts on the species by one of two methods: avoiding construction within 500 feet of an active nesting colony during the nesting season or constructing the interceptor during the nonbreeding season (July 15–March 31). Barrier fencing would be used to establish buffer zones around the active colonies. Removal of suitable breeding habitat should also be minimized through the project design. If nesting habitat is unoccupied, construction in the area could occur at any time; however, removal of suitable breeding habitat should be minimized.

- Compensate for the unavoidable loss or disturbance of non-listed special-status wildlife species. Compensation shall be implemented under a mitigation plan developed in conjunction with DFG and USFWS. The requirements for a mitigation plan will depend on the species affected by the project and the extent of impacts on the populations. Mitigation shall be implemented onsite whenever possible.

Finding: Mitigation Has Been Incorporated into the Project. The City finds that the mitigation measure is feasible and has been adopted. Policy 3.2.19 requires protection for on-site resources and the above survey requirements will be applied on a case-by-case basis, as development is proposed in areas that may include these resources.

Impact BIO-13: Potential Direct Mortality or Disturbance of California Red-Legged Frogs

California red-legged frogs have been observed in the creeks in the San Luis Obispo area, including Acacia Creek, the perennial stream on the eastern and southern edge of the Tank Farm. Implementing construction activities or projects in the Airport area, including the facilities master plans could require removal of riparian or marsh vegetation or disturbance of stream habitat along the South Fork of Acacia Creek or ponds and marshes in the area. This could cause direct mortality of red-legged frogs or removal of their habitat. This potential impact on the California red-legged frog is considered ***significant*** because the Airport area, and to a lesser extent the Margarita area, are within the range of the species, suitable habitat is present, and the species has been recorded in the vicinity.

Mitigation

Implementation of the following mitigation measures would reduce this impact to a ***less-than-significant*** level.

Mitigation Measure BIO-13.1. Avoid Potential Direct Mortality and Loss of California Red-Legged Frogs.

- Prior to the initial site investigation and subsequent ground disturbing activities, a qualified biologist will instruct all project personnel in worker awareness training, including recognition of California red-legged frogs and their habitat.

- A qualified biologist will conduct pre-construction surveys within the project area no earlier than 2 days before ground-disturbing activities.

- No activities shall occur after October 15 or the onset of the rainy season, whichever occurs first, until May 1 except for during periods greater than 72 hours without precipitation. Activities can only resume after site inspection by a qualified biologist. The rainy season is defined as: a frontal system that results in depositing 0.25 inches or more of precipitation in one event.

- Vehicles to and from the project site will be confined to existing roadways to minimize disturbance of habitat.

- Prior to movement of a backhoe in the project area, a qualified biologist will make sure the route is clear of California red-legged frogs.

- If a California red-legged frog is encountered during excavations, or any project activities, activities will cease until the frog is removed and relocated by an USFWS-approved biologist. Any incidental take will be reported to the USFWS immediately by telephone at (916) 414-6600.

- If suitable wetland habitat is disturbed or removed, the project proponent will restore the suitable habitat back to its original value by covering bare areas with mulch and revegetating all cleared areas with wetland species that are currently found in the project area.

Finding: Mitigation Has Been Incorporated into the Project. The City finds that the mitigation measure is feasible and has been adopted. Policy 3.2.19 requires protection for on-site resources and the above survey requirements will be applied on a case-by-case basis, as development is proposed in areas that may include these resources.

Impact BIO-14: Potential Direct Mortality of or Indirect Impacts on Vernal Pool Fairy Shrimp and California Tiger Salamanders

Implementing the specific plans could result in the loss of, or disturbance to, vernal pool fairy shrimp and California tiger salamanders (if they occur in the planning area) if there are vernal pools or other suitable seasonal wetlands within 250 feet of project activities. Direct or indirect impacts on vernal pool fairy shrimp and tiger salamanders are considered *significant* because the species are listed under the federal ESA and a candidate for federal listing, respectively.

Mitigation

Implementation of the following mitigation measure would reduce this impact to a ***less-than-significant*** level.

Mitigation Measure BIO-14.1. Compensate for Direct and Indirect Impacts on Vernal Pool and Seasonal Wetland Vernal Pool Fairy Shrimp and California Tiger Salamander Habitat. If vernal pool fairy shrimp or tiger salamander habitat is present and cannot be avoided, the project proponent will compensate for direct and indirect effects on the habitat. The project proponent will conduct an onsite visit with USFWS and DFG to determine whether potential vernal pools or seasonal wetlands in the Airport and Margarita areas are suitable fairy shrimp and tiger salamander habitat. If there is no suitable fairy shrimp and tiger salamander habitat, no additional mitigation is needed. If there is suitable habitat, the project proponent can assume that it is occupied and mitigate the loss of habitat, or can retain a qualified biologist to conduct USFWS protocol-level surveys and determine presence or absence. These surveys typically require two seasons of surveys during the winter-wet season; therefore, most project proponents assume presence and mitigate the loss of fairy shrimp and tiger salamander habitat. This compensation will be achieved by implementing the following measures, as described in the programmatic agreement between USFWS and the Corps:

- Create suitable fairy shrimp habitat (i.e., vernal pools or other suitable seasonal wetlands) at a 1:1 ratio or other ratio approved by the USFWS. The habitat must be created at a location approved by USFWS.

- Preserve suitable fairy shrimp habitat at a 2:1 ratio or other ratio approved by the USFWS. The habitat must be preserved at a location approved by USFWS.

- Before construction starts, the project proponent will obtain authorization from USFWS to take listed fairy shrimp species that would be affected by the project. A biological opinion under the federal ESA may be needed from USFWS before construction begins. This is not intended to limit mitigation should USFWS and the Corps require a different approach.

Finding: Mitigation Has Been Incorporated into the Project. The City finds that the mitigation measure is feasible and has been adopted. Policy 3.2.19 requires protection for on-site resources and the above survey requirements will be applied on a case-by-case basis, as development is proposed in areas that may include these resources.

Impact BIO-16: Potential Disturbance of Least Bell's Vireos

The least Bell's vireo may breed in dense riparian vegetation in the Airport Area and Margarita Area Specific Plan areas, including the facilities master plan areas. This bird is a rare breeding species in San Luis Obispo County. Because the least Bell's vireo habitat may be reduced, this impact is considered ***significant.***

Mitigation

Mitigation Measure BIO-16.1. Conduct Protocol-Level Surveys for Least Bell's Vireo. If the species or appropriate habitat is present, then the project proponent will implement Mitigation Measure BIO-16.2.

Mitigation Measure BIO-16.2. Avoid Potential Direct Mortality and Loss of Least Bell's Vireo. The project proponent will consult with USFWS and DFG and possibly conduct a site visit with these agencies to develop measures to avoid and minimize potential impacts on this species along the stream in the Airport and Margarita areas. If potential impacts on least Bell's vireos can be avoided, no additional mitigation is needed. If potential impacts on the least Bell's vireo cannot be avoided, the project proponent will implement Mitigation Measure BIO-16.3.

Mitigation Measure BIO-16.3. Develop and Implement a Least Bell's Vireo Mitigation Plan. If potential impacts on the least Bell's vireo cannot be avoided along the creeks in the Airport area in the planning area, the project proponent will prepare and implement a mitigation plan and obtain the appropriate federal ESA permits, if necessary. The project proponent will consult with USFWS and DFG to determine whether additional mitigation is needed, and USFWS will assist the project proponent in determining whether incidental take authorization under the federal ESA is needed. The plan will need to include measures that would avoid and minimize impacts on the least Bell's vireo and additional habitat creation, enhancement, and management in the planning area.

Finding: Mitigation Has Been Incorporated into the Project. The City finds that the mitigation measure is feasible and has been adopted. Policy 3.2.19 requires protection for on-site resources and the above survey requirements will be applied on a case-by-case basis, as development is proposed in areas that may include these resources.

Impact BIO-17: Potential Direct Mortality of or Indirect Impacts on Southwestern Pond Turtle

The southwestern pond turtle is known to occur in the tributaries of San Luis Obispo Creek, and it has been observed in riparian vegetation on the Tank Farm site (Entrix 1996). Pond turtles could occur in ponds in the Airport area; they could also nest in the grasslands there, especially at the Tank Farm. Implementing construction activities or projects in the Airport area could require removal or disturbance of riparian habitats, ponds, or grasslands, but a substantial amount of habitat would not be disturbed. This could cause short-term impacts on pond turtles in the Airport area. Depending on the year and the season, eliminating the reach of Orcutt Creek, modifying Acacia Creek (including mitigation enhancements for loss at Orcutt Creek), and developing the sports fields and Prado Road extension could have adverse impacts on pond turtles. Therefore, these potential impacts on the southwestern pond turtle are considered ***significant.***

Mitigation

Implementation of the following mitigation measures would reduce this impact to a ***less-than-significant*** level.

Mitigation Measure BIO-17.1. Avoid Potential Direct Mortality and Loss of Southwestern Pond Turtle. The project proponent will consult with USFWS and DFG and possibly conduct a site visit with these agencies to develop measures to avoid and minimize potential impacts on this species along the stream and wetlands (including ponds) in the Airport and Margarita areas. If potential impacts on the southwestern pond turtle can be avoided, no additional mitigation is needed. If potential impacts on the southwestern pond turtle cannot be avoided, the project proponent will implement Mitigation Measure BIO-17.2.

Mitigation Measure BIO-17.2. Develop and Implement a Southwestern Pond Turtle Mitigation Plan. If potential impacts on the southwestern pond turtle cannot be avoided along the creeks in the Airport area and marsh and other wetlands in the planning area, the project proponent will prepare and implement a mitigation plan and obtain the appropriate federal ESA permits, if necessary. The project proponent will consult with USFWS and DFG to determine whether additional mitigation is needed, and USFWS and the Corps will assist the project proponent in determining whether incidental take authorization under the federal ESA is needed. The plan will need to include measures that would avoid and minimize impacts on the southwestern pond turtle and additional habitat creation, enhancement, and management in the planning area.

Finding: Mitigation Has Been Incorporated into the Project. The City finds that the mitigation measure is feasible and has been adopted. Policy 3.2.19 requires protection for on-site resources and the above survey requirements will be applied on a case-by-case basis, as development is proposed in areas that may include these resources.

Traffic and Circulation

Impact T-1: Secondary Impacts of Road Improvements

The improvements necessary to achieve vehicular flow at the intersections listed above could cause secondary impacts on pedestrians and bicyclists. To avoid significant pedestrian and bicycle impacts, development projects in the Airport and Margarita Specific Plan areas shall include pedestrian and bicycle facilities in the design of the intersection and roadway improvements. Pedestrian facilities shall include sidewalks along both sides of all newly constructed streets and reconstructed streets, crosswalks at new intersections and reconstructed intersections, and pedestrian signals at all new and reconstructed signalized intersections. Bicycle facilities shall include Class II bike lanes on all new and reconstructed streets per the San Luis Obispo Bicycle Transportation Plan and the Specific Plans. Bike lanes shall be included in the widening and extension of the following streets.

- South Higuera Street (Tank Farm to Buckley)
- Broad Street (Buckley to Tank Farm Road)
- Prado Road (Broad Street to US 101 interchange)
- Santa Fe Road (Buckley to Prado road extension)

The road improvements in the Margarita and Airport Area Specific Plans will result in substantial widening of roadways and intersection approaches to accommodate vehicle traffic and maintain LOS D or better. Widening of streets and intersections can result in secondary ***significant*** impacts on pedestrians and bicyclists by increasing crossing distance and introducing conflicts at intersections with multiple turning lanes unless designed properly.

Mitigation

Implementation of the following mitigation measures would reduce this impact to a ***less-than-significant*** level.

Mitigation Measure T-1.1: Implement Design Features. The following design features should be implemented:

- On approaches to intersections where exclusive right-turn lanes are recommended and Class II bikeways are proposed, the design of the intersection shall provide bike lanes (1.2 meters in width) for through travel along the left edge of the right-turn lane.

- At intersection approaches where pedestrian crossing distance exceeds six travel lanes (22 meters), the intersection design shall include an Americans with Disabilities Act (ADA) compliant median refuge island (raised concrete) with pushbutton to activate the pedestrian signal. The minimum width of the median refuge shall be 1.2 meters if integral with a raised median along the entire length of the street, or 1.8 meters wide by 6 meters long if an isolated median refuge. Exceptions for this measure include locations where existing right-of-way constraints make it infeasible to widen the street for the refuge.

- All signalized intersections shall be designed with pedestrian signal heads and pushbutton activation.

- Intersections with exclusive right-turn lanes shall be designed to reduce the speed of right-turning vehicles and reduce the pedestrian crossing distance. The curb return radius should be 15 meters or less. Raised pedestrian refuges (porkchop islands) may be installed between exclusive right-turn lanes and through lanes on streets with crossings that exceed 22 meters, but the approach angle of the right turn shall be designed to minimize turning speed.

Mitigation Measure T-1.2: Install New Signalized Intersection for Aero Drive and Broad Street. To mitigate significant effects on this intersection, a new signalized intersection shall be installed on Broad Street south of Aero Drive, as identified in the Airport Master Plan.

Finding: Mitigation Has Been Incorporated into the Project. The City finds that the mitigation measure is feasible and has been adopted through the standards in Chapter 6 of the Specific Plan.

Impact T-2: LOS is Excess of LOS D

The Prado Road/South Higuera Street intersection would operate at LOS E. The Tank Farm Road/Broad Street intersection and the Los Osos Valley Road/US 101 northbound ramps would operate at LOS F.

Mitigation

The following mitigation measures could have a positive effect on future operations at the impacted intersections, but do not change the conclusion in the Final Program Environmental. Therefore, impacts to the intersections are still considered *significant and unavoidable.*

Mitigation Measure T-2.1: The threshold for Transportation Demand Management (TDM) requirements shall be reduced to apply to employers with 25 or more employees.

Mitigation Measure T-2.2: As development occurs, require projects to improve adjacent streets to include bus stop locations, including turnouts, transit pads, shelters and other amenities to serve public transportation.

Finding: Mitigation Has Been Incorporated into the Project. The above mitigation measures have been incorporated into Chapter 6 of the Specific Plan as new standards.

Air Quality

Impact AIR-1: Short-Term Construction Emissions

Buildout under the proposed project would involve the grading and construction of residential, commercial, industrial, and recreational structures throughout the project in the Airport Area, Margarita Area, and facilities master plan service areas. All phases of site preparation and building construction would produce construction emissions. The most emissions would be generated during the initial phases of site preparation when large areas of soil would be disturbed and many large construction vehicles would be in operation. Emissions occurring during this phase would consist primarily of particulates generated by soil disturbance and combustion emissions generated by construction vehicles. The rate of particulate generation is dependent upon soil moisture and silt content, wind speed, and relative activity level.

The combustion emissions generated by construction vehicles and equipment may degrade local air quality and cause exceedances of the state nitrogen dioxide standard. In addition, emissions of ozone precursors (NO_x and ROG) would exacerbate existing high ozone levels in the County. The magnitude of combustion emissions is highly variable among construction sites because of the variability in the number of construction vehicles operating simultaneously.

While the total acreage to be developed under buildout of the proposed project could be estimated, the phasing of individual development projects is not known. Consequently, the impact of construction emissions on regional or local air quality cannot be quantified with any accuracy. The construction emissions of each specific development project must be evaluated individually and cumulatively to determine the magnitude of impacts to regional and local air quality. This impact is considered ***significant***

Mitigation

Implementation of the following mitigation measure would reduce the impact to a ***less-than-significant*** level.

Mitigation Measure AIR-1.1. Implement Construction-Related Combustion Emissions Mitigation. NO_x emissions will be the controlling factor in determining the application of control strategies for construction-related, combustion-related emissions. Any project requiring grading of >1,950 cubic yards/day or >50,000 cubic yards within a 3-month period will need to apply Best Available Control Technology for construction equipment combustion controls. Projects requiring >125,000 cubic yards of grading in a

3-month period will need to apply CBACT plus offsets and/or other mitigation. Examples of CBACT can be found in the San Luis Obispo APCD CEQA Air Quality Handbook. If impacts are still significant after application of CBACT, the following additional measures shall be implemented as necessary:

- use Caterpillar pre-chamber diesel engines (or equivalent), properly maintained and operated to reduce emissions of NO_x;
- use electrically powered equipment where feasible;
- maintain equipment in tune per manufacturer's specifications, except as otherwise required above;
- install catalytic converters on gasoline-powered equipment;
- substitute gasoline-powered equipment for diesel-powered equipment, where feasible;
- implement activity management techniques as described below; and
- use compressed natural gas or propane-powered portable equipment (e.g., compressors, generators, etc.) onsite instead of diesel-powered equipment, where feasible.

Mitigation Measure AIR-1.2. Implement Construction-Related Fugitive Dust (PM10) Mitigation Any project with a grading area greater than 1.6 hectares (4.0 acres) of continuously worked area will exceed the 2.5 ton PM10 quarterly threshold and will require the following mitigation measures where applicable. Proper implementation of these measures shall be assumed to achieve a 50% reduction in fugitive dust emissions. The use of soil binders on completed cut-and-fill areas has the potential to reduce fugitive dust emissions by 80%.

- Reduce the amount of the disturbed area where possible.
- Use water trucks or sprinkler systems in sufficient quantities to prevent airborne dust from leaving the site; increased watering frequency would be required whenever wind speeds exceed 15 miles per hour (mph); reclaimed (nonpotable) water should be used whenever possible.
- Spray all dirt stockpile areas daily as needed.
- Implement permanent dust control measures identified in the approved project revegetation and landscape plans as soon as possible following completion of any soil-disturbing activities.

- Sow exposed ground areas that are planned to be reworked at dates occurring 1 month after initial grading with a quickly germinating native grass seed and water until vegetation is established.

- Stabilize all disturbed soil areas that are not subject to revegetation using approved chemical soil binders, jute netting, or other methods approved in advance by the APCD.

- Complete paving of all roadways, driveways, sidewalks, etc. that are to be paved as soon as possible; lay building pads as soon as possible after grading unless seeding or soil binders are used.

- Limit vehicle speeds for all construction vehicles to a maximum of 15 mph on any unpaved surface at the construction site.

- Cover all trucks hauling dirt, sand, soil, or other loose materials or maintain at least 2 feet of freeboard (minimum vertical distance between top of load and top of trailer) in accordance with CVC Section 23114; this measure has the potential to reduce PM10 emissions by 7▪14%.

- Install wheel washers where vehicles enter and exit unpaved roads onto streets, or wash off trucks and equipment leaving the site; this measure has the potential to reduce PM10 emissions by 40▪70%.

- Sweep streets at the end of each day if visible soil material is carried onto adjacent paved roads; water sweepers with reclaimed water should be used where feasible; this measure has the potential to reduce PM10 emissions by 25▪60%.

All PM10 mitigation measures required should be shown on grading and building plans. In addition, the contractor or builder should designate a person or persons to monitor the dust control program and to order increased watering, as necessary, to prevent transport of dust offsite. Their duties shall include holidays and weekend periods when work may not be in progress. The name and telephone number of such persons shall be provided to the APCD prior to land use clearance for map recordation and land use clearance for finish grading of the structure.

Mitigation Measure AIR-1.3. Implement Construction-Related Activity Management Techniques

- Develop a comprehensive construction activity management plan designed to minimize the amount of large construction equipment operating during any given time period.

- Schedule construction truck trips during non-peak hours to reduce peak hour emissions.

- Limit the length of the construction work-day period, if necessary.

- Phase construction activities, if appropriate.

Finding: Mitigation Has Been Incorporated into the Project. The City finds that the mitigation is feasible and has been adopted. The above mitigation measures will be implemented through project specific mitigation measures and conditions of approval depending on the size of the project and per the recommendations of the Air Pollution Control District.

Impact AIR-2: Long-Term Operation Emissions

Long-term air quality impacts would result primarily from ongoing emissions generated by the operation of motor vehicles and by natural gas combustion and electricity consumption. The land uses proposed in the project would generate new vehicle trips in the air basin. Vehicle emissions were estimated using the ARB=s URBEMIS7G model. The increase in vehicle emissions associated with buildout of the project for each land use is presented in Table 3E-4 in the program EIR under transportation emissions. Development of the land uses in the project would increase the demand for electricity and natural gas for space and water heating. Electricity consumption would generate emissions from fuel combustion at powerplants. Natural gas combustion would also generate emissions directly. Emissions were estimated using URBEMIS7G and are listed in Table 3E-4 of the program EIR under area sources.

Consistency with the District=s CAP. As indicated in the APCD CEQA Air Quality Handbook, a consistency analysis is required in the environmental review for projects that involve a proposed project. The consistency analysis must evaluate the following questions:

1. Are the population projections used in the plan or project equal to or less than those used in the most recent CAP for the same area?

2. Is the rate of increase in vehicle trips and miles traveled less than or equal to the rate of population growth for the same area?

3. Have all applicable land use and transportation control measures from the CAP been included in the plan or project to the maximum extent feasible?

Provided that the answer to all three of these questions is yes, the project is to be considered consistent with the CAP. If the answer to any one of the questions is no, then the emissions reductions projected in the CAP may not be achieved, which could delay or preclude attainment of the state ozone standard. This would be considered inconsistent with the CAP. The following paragraphs evaluate the proposed project based on the questions presented above.

1. Are the population projections used in the plan or project equal to or less than those used in the most recent CAP for the same area?

The CAP includes population figures for incorporated and unincorporated areas of the County for 1990, as well as population projections up to year 2010. The CAP projects that the population of the San Luis Obispo area will be 49,228 in the year 2010. The proposed project uses the population projections in the San Luis Obispo General Plan and, according to the most recent plan, the population projection for the year 2010 is also 49,228. As such, the proposed project would be consistent with the population projections in the CAP.

2. Is the rate of increase in vehicle trips and miles traveled less than or equal to the rate of population growth for the same area? Due mainly to the additional employment generated in the area (more than anticipated by the 1994 Land Use and Circulation Elements update), VMT is expected to increase faster than population in the area. Over the anticipated buildout period for the area, a gradual shift to vehicles with lower emissions is expected to at least partially offset air quality impacts of increased VMT. However, rapid commercial and industrial development in the early years could exceed this compensating reduction.

3. Have all applicable land use and transportation control measures from the CAP been included in the plan or project to the maximum extent feasible?

   Under the San Luis Obispo Area Plan, the goals for land use were to plan compact communities, provide for mixed land use, and balance jobs and housing. The proposed project incorporated these goals from the Area Plan, which was also identified in the CAP aim to reduce the number of VMT by local residents. For example, the Margarita Area Specific Plan would allow the development of a wide variety of land uses including Residential, Park, Neighborhood Commercial, Business Parks, and Elementary School. These land uses would provide residents with convenient access to employment, basic shopping, recreation, and education through both the locations of land uses and the design of circulation features.

Based on these considerations, the proposed project would be consistent with the CAP and is not expected to further delay the attainment of state and federal air quality standards within the County. Therefore, this impact is considered to be ***less than significant.***

Mitigation

Mitigation Measure AIR-2.1. Implement Growth-Phasing Schedule. The City will implement a growth-phasing schedule for the Airport area, to assure that nonresidential development in the urban area does not exceed the pace of residential development.

Finding: Mitigation Has Been Incorporated into the Project. The City finds that the mitigation measure is feasible and has been adopted. Policy 1.4 of the Land Use Element says that the gap between housing supply and demand (due to more jobs and college enrollment) should not increase. The City Council reviews both residential and commercial development growth rates as part of the Annual Report on the General Plan. Policy 1.11.4 of the Land Use Element says that each year the City Council will evaluate the actual increase in nonresidential

floor area and shall consider establishing limits if the rate for any five year period exceeds five percent. If this General Plan policy is implemented through a new ordinance, then commercial floor area can be allocated, or phased, in the Airport Area, similar to the way residential dwellings are allocated to expansion areas such as the Margarita Area and Orcutt Area.

Noise

No significant impacts associated with Noise were identified in the program EIR for the proposed project.

Hazardous Materials

Impact HAZ-1: Potential Construction-Related Exposure to Hazardous Materials

Construction-related activities associated with specific projects in the Airport and Margarita Areas and development of roadway/utility infrastructure associated with the facility master plans would involve the use of materials that could contaminate nearby soils and water resources in the project area (e.g., petroleum-based fuels and oils, solvents, cement). Additionally, construction workers and other people could be exposed to dust or emissions containing these materials. Construction workers could also be exposed to organic pesticides, herbicides, and other hazardous materials during groundbreaking activities.

Groundwater may also occur near the surface along buried infrastructure alignments. Trenches or tunnels may encounter groundwater, which may require dewatering for pipe placement. Contaminated water encountered during construction-related activities may also require special handling and disposal procedures.

While known and potential hazardous materials/waste sites have been identified in the Airport area, the potential also exists to expose construction workers to previously undiscovered hazardous materials/waste sites during development of the Margarita area. Because construction-related activities could substantially increase the use of hazardous materials and increase the risk of exposure to hazardous materials in the project area, this impact is considered ***significant***.

Mitigation

Implementation of the following mitigation measures would reduce this impact to a ***less-than-significant*** level.

> **Mitigation Measure HAZ-1.1. Implement a Construction-Related Hazardous Materials Management Plan.** Before beginning construction activities, a project proponent will submit a hazardous materials management plan for construction activities that involve hazardous materials. The plan will discuss proper handling and disposal of materials used or produced onsite, such as petroleum products, concrete, and sanitary waste. The plan will also outline a specific protocol to identify health risks associated

with the presence of chemical compounds in the soil and/or groundwater and identify specific protective measures to be followed by the workers entering the work area. If the presence of hazardous materials is suspected or encountered during construction-related activities, the project proponent will implement Mitigation Measure HAZ-1.2.

Mitigation Measure HAZ-1.2. Conduct Phase I and Possibly Phase II Environmental Site Assessments to Determine Soil or Groundwater Contamination. The project proponent will complete a Phase I environmental site assessment for each proposed public facility (e.g., streets and buried infrastructure). If Phase I site assessments indicate a potential for soil and/or groundwater contamination within or adjacent to the road or utility alignments, a Phase II site assessment will be completed. The following Phase II environmental site assessments will be prepared specific to soil and/or groundwater contamination.

- **Soil Contamination.** For soil contamination, the Phase II site assessment will include soil sampling and analysis for anticipated contaminating substances. If soil contamination is exposed during construction, the San Luis Obispo Fire Department (SLOFD) will be notified and a workplan to characterize and possibly remove contaminated soil will be prepared, submitted, and approved.

- **Groundwater Contamination.** For groundwater contamination, the Phase II assessment may include monitoring well installation, groundwater sampling, and analysis for anticipated contaminating substances. If groundwater contaminated by potentially hazardous materials is expected to be extracted during dewatering, the SLOFD and the Central Coast RWQCB will be notified. A contingency plan to dispose of contaminated groundwater will be developed in agreement with the SLOFD and Central Coast RWQCB before activities.

Finding: Mitigation Has Been Incorporated into the Project. The City finds that the mitigation is feasible and has been adopted. Areas within the AASP identified as being the most contaminated are designated as open space. This mitigation measure is also implemented through development review requirements and compliance with Fire Department and RWQCB requirements.

Impact HAZ-2: Potential Operations-Related Exposure to Hazardous Materials

Implementation of the proposed project would include the development of manufacturing and business park land uses in the Airport Area and the development of business park land uses in the Margarita Area. Operations at the sites could involve the delivery, use, manufacture, and storage of various chemicals necessary to perform manufacturing and business park activities. Operations-related activities within both the Airport and Margarita Areas could substantially increase the use of hazardous materials and increase the risk of exposure to hazardous materials in the project area. Development of the specific roadway and utility infrastructure improvements outlined in the facility master plans would not generate a substantial amount of operations-related hazardous materials. Because operations-related activities could substantially increase

the use of hazardous materials and increase the risk of exposure to hazardous materials in the project area, this impact is considered ***significant.***

Mitigation

Implementation of the following mitigation measure would reduce this impact to a ***less-than-significant*** level.

> **Mitigation Measure HAZ-2.1. Implement an Operations-Related Hazardous Materials Management Plan.** The project proponent will ensure that a hazardous materials management plan for operations-related activities is established and addresses the delivery, use, manufacture, and storage of various chemicals. The plan will identify the proper handling and disposal of materials used or produced onsite, such as petroleum products, concrete, and sanitary waste. In addition, the SLOFD will conduct routine fire and life-safety inspections to determine compliance with applicable health and safety codes.

Finding: Mitigation Has Been Incorporated into the Project. The City finds that the mitigation measure is feasible and has been adopted. Areas within the AASP identified as being the most contaminated are designated as open space. This mitigation measure is also implemented through development review requirements and compliance with Fire Department and RWQCB requirements.

Impact HAZ-3: Short-Term Surface Water Quality Degradation from Accidental Release of Hazardous Materials during Construction-Related Activities

Construction-related activities associated with specific projects in the Airport and Margarita Areas and development of roadway/utility infrastructure associated with the facility master plans would require the installation of much buried infrastructure to support development. The proposed buried infrastructure may cross several drainages, and construction-related activities would involve the use of hazardous materials (e.g., oils, grease, lubricants) that could accidentally be released into local waterways.

Water quality impacts would largely be determined by the duration and seasonality of construction-related activities. Specific areas of concern in the Airport area include San Luis Obispo Creek, Orcutt Creek, and Davenport Creek. Areas of concern in the Margarita Area include Acacia Creek. Although construction-related activities occurring during the dry season would have less potential to flush hazardous materials into a stream or drainage, low summer flows are less able to dilute hazardous materials entering the water column. Because construction-related activities would substantially increase the use of hazardous materials and increase the risk of accidental release of hazardous materials into project-area drainages, this impact is considered ***significant.***

Mitigation

Implementation of the following mitigation measure would reduce this impact to a ***less-than-significant*** level.

> **Mitigation Measure HAZ-1.1. Implement a Construction-Related Hazardous Materials Management Plan.** This mitigation measure is described above.

Finding: Mitigation Has Been Incorporated into the Project. The City finds that the mitigation measure is feasible and has been adopted. Areas within the AASP identified as being the most contaminated are designated as open space. This mitigation measure is also implemented through development review requirements and compliance with Fire Department and RWQCB requirements.

Public Services and Utilities

Impact PS-1: Impacts on Water Supply and Distribution Facilities

The project includes portions of the land use plan from EIR Alternative 3. Additional demand for water supply under Alternative 3 is similar to demand under the proposed project. However, the project would result in additional demand east of the airport and south of the URL. This area is currently not planned for development within the City General Plan or facility master plans. This area is not planned to be provided with adequate distribution facilities to serve potential development. Therefore, a ***significant and unavoidable*** impact exists in the area of water distribution facilities.

Impact PS-2: Impacts on Sewer Mains and Capacity, and Expansion of Treatment Facilities

Additional demand for water reclamation facility capacity is similar to demand under the proposed project. However, the project would result in additional demand east of the airport and south of the URL. This area is currently not planned for development within the City General Plan or the Wastewater Master Plan Update. As a result, the impacts in the area of wastewater collection are considered ***significant and unavoidable***.

Impact PS-3: Impacts on Storm Drain Capacity

The proposed project would result in additional stormwater generation east of the airport and south of the URL. This area is currently not planned for development within the City General Plan or the Storm Drain Master Plan. As a result, impacts in the area of stormwater collection facilities are considered ***significant and unavoidable***.

Mitigation

The following mitigation measures address impacts PS-1 through PS-3. All impacts are considered significant and unavoidable, because the area being served includes land outside of the current URL, General Plan and service plans. However, a development review procedure is in place to insure that issues are identified are resolved prior to project approvals.

Mitigation Measures PS-1.1 and PS-1.2 require future site-specific studies before the review and approval of projects in the area east of the airport and south of the URL to determine specific water, wastewater, and storm drainage system capabilities to serve the projects proposed. Because the ability to mitigate these impacts cannot be projected pending the project specific engineering study, these impacts were determined to remain significant and unavoidable.

Mitigation Measure PS-1.1. Submit Engineering Feasibility Study. Before specific project review and approval of project in the area east of the airport and south of the URL the project proponent will submit a detailed engineering assessment of the specific project's water demand and sewer/wastewater, and storm drainage production, and an assessment of the City's infrastructure system to handle the project in question. The project proponent will be required to provide mitigation to offset impacts on the water, wastewater, and/or storm drainage system as determined by the City.

Mitigation Measure PS-1.2. Require Developments Expanding Water, Wastewater, and Storm Drainage Infrastructure to Pay for Improvements. The City will require that new large-scale developments in the area east of the airport and south of the URL include a funding mechanism for the installation and maintenance of water, wastewater, and storm drainage infrastructure and service to the area.

Finding: Mitigation Has Been Incorporated into the Project. The City finds that the mitigation measure is feasible and has been adopted. This mitigation measure is implemented through policies in Chapter 7 (Utilities) that require performance of the requirements above.

Cultural Resources

Impact CR-1: Potential Damage to or Destruction of Known and/or Unknown Cultural Resources

Different types of cultural resources throughout the planning areas could be affected by activities proposed within the Airport and Margarita Areas and the related facility master plan areas. For example, archaeological sites are susceptible to damage during excavation. Generally, the scientific value of archaeological sites is in the information that can be extracted about past lifestyles. Any activity that moves, removes, or destroys aspects of a site will compromise that information. The historic built environment and historic landscape are also

quite susceptible to impacts associated with activities proposed under the specific plans. For example, any activity that destroys or alters the physical makeup of structures or the setting in which they exist, including, but not limited to, the construction of new structures, will compromise the integrity of these resources.

Previous cultural resource field surveys have identified a wooden barn in the Airport Area and a cluster of four stone mortars in the Margarita Area. Although individual projects have not been proposed, resources associated with these findings may be adversely affected by individual projects. Impacts on these cultural resources could result from ground disturbance associated with infrastructure development and construction of new structures, roads, and underground utilities.

Implementation of the proposed project would entail reuse of the area for residential, service and manufacturing, commercial, office, public, open space, recreational, infrastructure, and underground utilities. Ground disturbance associated with infrastructure development and construction of new structures, access roads, and underground utilities could have an impact on known or unknown cultural resources; therefore, this impact is considered ***significant***.

Mitigation

Implementation of the following mitigation measure would reduce this impact to a ***less-than-significant*** level.

Mitigation Measure CR-1.1. Protect Known and/or Unknown Cultural Resources. The City will ensure that the project proponent implements the following measures before and during development of specific projects proposed under the Airport Area and Margarita Area Specific Plans and the related facility master plans. Specific measures include the following:

- **Conduct Surveys of Unsurveyed Areas.** Before implementing project activities, pedestrian surveys will be conducted to locate and record cultural resources.

- **Evaluate Resources within the Project Areas.** Resources in the planning areas that cannot be avoided will be evaluated. Additional research and test excavations, where appropriate, will be undertaken to determine whether the resource(s) meets CEQA or NRHP significance criteria. Impacts on significant resources that cannot be avoided will be mitigated in consultation with the lead agency for the project. Possible mitigation measures include:

  - a data recovery program consisting of archaeological excavation to retrieve the important data from archaeological sites;

  - development and implementation of public interpretation plans for both prehistoric and historic sites;

- preservation, rehabilitation, restoration, or reconstruction of historic structures according to the Secretary of Interior Standards for Treatment of Historic Properties;

- construction of new structures in a manner consistent with the historic character of the region; and

- treatment of historic landscapes according to the Secretary of Interior Standards for Treatment of Historic Landscapes.

If the project involves a federal agency, and is therefore subject to a Memorandum of Agreement, the inventory, evaluation, and treatment processes will be coordinated with that federal agency to ensure that the work conducted will also comply with Section 106 of the NHPA.

Finding: Mitigation Has Been Incorporated into the Project. The City finds that the mitigation measure is feasible and has been adopted. Implementation of the mitigation measure will occur as part of the development review process, guided by the policies and objectives of the City's Historical Resource Preservation Program Guidelines.

Cumulative Impacts

Because of the program-level nature of the project, cumulative impacts are considered in each of the sections of Chapter 3 of the program EIR (and the project's significant impacts are discussed above for each resource topic listed). The project directly implements policies and plans adopted by the City, including the City General Plan. This EIR analysis uses the projection approach to cumulative impact analysis, supplemented by the policies contained in the proposed Airport Area Specific Plan and Margarita Area Specific Plan. The projection approach to cumulative impact analysis involves considering the project effects in light of the effects summarized in an adopted general plan or related planning document that is designed to evaluate regional or areawide conditions. (State CEQA Guidelines, Section 15130[b][1][B].) The analysis is based on the assumption that the cumulative impacts analysis of the general plan EIR provides an appropriate and adequate base for analysis of future development and cumulative impacts associated with the proposed project. In certain instances, the Airport Area Specific Plan and Margarita Area Specific Plan propose changes to what is currently identified in the adopted general plan. Where there are conflicts between the adopted general plan and the proposed specific plans, policies are proposed in the form of mitigation to reduce cumulative impacts.

Finding: Mitigation Has Been Incorporated into the Project. Except for the impacts listed below, the City finds that the mitigation measures proposed above are feasible and have been adopted to reduce the cumulative impacts. This document will become a working part of the development review process to insure implementation of the required mitigation measures.

Finding: No Feasible Mitigation is Available. The City finds that no feasible mitigation is available for the following cumulative impacts and that these cumulative impacts are significant and unavoidable:

- Impact LU-1: Consistency of Proposed Specific Plans with Applicable City Plans, Policies and Agreements
- Impact LU-5: Conversion of Prime Agricultural Land to Urban Uses
- Impact LU-6: Change in Views
- Impact T-2: LOS in Excess of LOS D
- Impact PS-1-3: Impacts on Water Distribution Facilities, Sewer Mains and Capacity, and Expansion of Treatment Facilities, and Storm Drain Capacity.
- Growth Inducement: The project would have a significant and unavoidable growth-inducing impact.

A statement of overriding consideration for these impacts is made in Section 6.

Growth Inducement

Impact: Increased Growth and Additional Secondary Growth-Related Impacts

The project will result in the potential future development of the Airport and Margarita areas for residential, commercial, industrial, park, and open space uses. This includes the use of approximately 357.9 hectares (884.4 acres) for urban uses, including development of approximately 868 residential units for approximately 2,015 people. However, the project directly implements policies and plans adopted by the City, including the City General Plan. The proposed project, including the land use portion of Alternative 3, includes development beyond the existing Urban Reserve Line. The impact is considered ***significant and unavoidable.***

Mitigation

Implementation of the adopted policies in the City's general plan and mitigation measures in the General Plan EIR (aimed at reducing the secondary effects of growth), combined with implementation of the mitigation measures identified in Chapter 3 of the program EIR and the policies contained in the Airport Area Specific Plan and Margarita Area Specific Plan will reduce the secondary effects of growth associated with the proposed adoption of these specific plans and related facilities master plans. However, these impacts would not be reduced to less-than-significant levels. The project would have a ***significant and unavoidable growth-inducing impact.*** Short of denying the project, there is no feasible mitigation.

Finding: No Feasible Mitigation is Available. The City finds that no feasible mitigation is available and that this impact is significant and unavoidable. A statement of overriding consideration for this impact is made in Section 6.

Exhibit A

SECTION 5. FINDINGS FOR ALTERNATIVES TO THE PROPOSED PROJECT

Introduction

As identified in Section 4 of this document, the proposed project will cause the following significant and unavoidable environmental impacts to occur:

- Impact LU-1: Consistency of Proposed Specific Plans with Applicable City Plans, Policies and Agreements
- Impact LU-5: Conversion of Prime Agricultural Land to Urban Uses
- Impact LU-6: Change in Views
- Impact T-2: LOS in Excess of LOS D
- Impact PS-1-3: Impacts on Water Distribution Facilities, Sewer Mains and Capacity, and Expansion of Treatment Facilities, and Storm Drain Capacity.
- Growth Inducement: The project would have a significant and unavoidable growth-inducing impact.

Because the proposed project will cause significant and unavoidable environmental impacts to occur as identified above, the City must consider the feasibility of any environmentally superior alternatives to the project, as proposed. The City must evaluate whether one or more of these alternatives could substantially lessen or avoid the unavoidable significant environmental effects. As such, the environmentally superiority and feasibility of each alternative to the project is considered in this section. Specifically, this section evaluates the effectiveness of these alternatives in reducing the significant and unavoidable impacts of the proposed project.

Description of the Alternatives

The program EIR for the project evaluates the following four alternatives to the project.

Alternative 1

Under Alternative 1, the southerly boundary of the Airport Area Specific Plan is moved northerly. The airport is excluded from the Plan area. Additionally, land to the south and west of the airport is excluded from the plan area. The total Airport Plan area is reduced by 140.3 hectares (346.6 acres). In addition to changes in the plan area boundary, the distribution of land uses within the plan area is modified as shown in Table 5-1 and Figure 2-4 of the program EIR and outlined below. The boundaries of the Margarita Area Specific Plan remain largely unchanged. However, the land uses within the plan area are modified as shown in Table 5-2 of the program EIR and shown below:

- designation of the Airport Area for 3.1 hectares (7.6 acres) of Medium-Density Residential, 136.1 hectares (336.4 acres) of Services and Manufacturing, 20.8 hectares (51.4 acres) of Business Park, and 103.8 hectares (256.6 acres) of Recreation and Open Space for a total Airport Area of 263.8 hectares (652.0) acres;

- designation of the Margarita Area for 71.1 hectares (175.6 acres) of Open Space, 10.9 hectares (26.9 acres) of parks, 40.4 hectares (99.8 acres) of Residential, 0.60 hectare (1.5 acres) of Neighborhood Commercial, 0.40 hectare (1.0 acre) of Special Use, 17.5 hectares (43.2 acres) of Business Park, and 27.7 hectares (68.4 acres) of Streets for a total Margarita Area of 168.6 hectares (416.4 acres);

- extension of Prado Road to Madonna Road;

- extension of Prado Road to Broad Street;

- construction of a roadway connection between Los Osos Valley Road and Prado Road; and

- extension of Buckley Road to South Higuera Street.

Alternative 2

Under Alternative 2 the southerly boundary of the Airport Area Specific Plan is moved slightly south at the Airport to correspond to County Land Use designation boundaries. The airport is excluded from the Plan area. The total Airport Plan area is reduced by 39.0 hectares (96.3 acres). In addition to changes in the plan area boundary, the distribution of land uses within the plan area is modified as shown in Table 5-3 and Figure 2-5 of the program EIR and summarized below. No change is made to the land uses or boundaries of the Margarita Area Specific Plan.

- designation of the Airport Area for 3.1 hectares (7.6 acres) of Medium-Density Residential, 204.0 hectares (504.2 acres) of Services and Manufacturing, 29.3 hectares (72.4 acres) of Business Park, 120.3 hectares (297.3 acres) of Recreation and Open Space, and 8.4 hectares (20.8 acres) for Agriculture and Open Space for a total Airport Area of 365.1 hectares (902.3 acres);

- designation of the Margarita Area for 68.4 hectares (169.0 acres) of Open Space, 22.6 hectares (55.7 acres) of parks, 30.3 hectares (74.9 acres) of Residential, 0.9 hectare (2.1 acres) of Neighborhood Commercial, 0.40 hectare (1.0 acre) of Special Use, 27.9 hectares (68.8 acres) of Business Park, and 19 hectares (47 acres) of Streets for a total Margarita Area of 169.4 hectares (418.5 acres);

- extension of Prado Road to Madonna Road;

- extension of Prado Road (in the Margarita area) to Broad Street;

- extension of Prado Road to Tank Farm Road; and
- extension of Buckley Road to South Higuera Street.

Alternative 3

Under Alternative 3, the southerly boundary of the Airport Area Specific Plan is moved south along the length of the southerly boundary to correspond to County Land Use designation boundaries. The airport is excluded from the Plan area. The total Airport Plan area is increased by 70.5 hectares (174.1 acres). In addition to changes in the plan area boundary, the distribution of land uses within the plan area is modified as shown in Table 5-4 and Figure 2-6 of the program EIR and summarized below. No change is made to the land uses or boundaries of the Margarita Area Specific Plan.

- designation of the Airport Area for 3.1 hectares (7.6 acres) of Medium-Density Residential, 140.5 hectares (347.2 acres) of Services and Manufacturing, 132.0 hectares (326.1 acres) of Business Park, 117.6 hectares (290.6 acres) of Recreation and Open Space, and 81.4 hectares (201.2 acres) for Agriculture and Open Space for a total Airport Area of 474.6 hectares (1,172.7 acres);
- designation of the Margarita Area for 68.4 hectares (169.0 acres) of Open Space, 22.6 hectares (55.7 acres) of parks, 30.3 hectares (74.9 acres) of Residential, 0.9 hectare (2.1 acres) of Neighborhood Commercial, 0.40 hectare (1.0 acre) of Special Use, 27.9 hectares (68.8 acres) of Business Park, and 19 hectares (47 acres) of Streets for a total Margarita Area of 169.4 hectares (418.5 acres);
- extension of Prado Road to Madonna Road;
- extension of Prado Road (in the Margarita area) to Broad Street;
- construction of a roadway connection between Los Osos Valley Road and Prado Road;
- extension of Los Osos Valley Road from South Higuera Street to Broad Street; and
- extension of Buckley Road to South Higuera Street.

Alternative 4: No-Project

As required by CEQA, this EIR evaluates the environmental consequences of not proceeding with the project. Under this alternative, no specific plans or facility plans are adopted for the Airport and Margarita Areas. The City General Plan would not allow urban development within the Airport and Margarita Areas until adoption of specific plans. As such, no further subdivision or urban development would be expected within the specific plan areas. The No-Project Alternative would not accomplish the City's fundamental goal of implementing

the General Plan. The City evaluated the concept of not developing the Airport and Margarita Areas for urban uses during the General Plan and General Plan EIR processes and consideration of no further development is considered to be adequately addressed within these documents.

Effectiveness of Alternatives in Avoiding Project Impacts

This section evaluates the effectiveness of the alternatives in reducing the significant and unavoidable impacts of the proposed project.

Impact LU-1: Consistency of Proposed Specific Plans with Applicable City Plans, Policies and Agreements

The proposed project, which includes portions of the land use plan identified in Alternative 3, is inconsistent with the City's General Plan because it involves an expansion of the Urban Reserve Line (URL). Expansion of the URL is considered a growth inducing impact and also applies to Alternative 2 and 3.

Alternative 1 and the No-Project Alternative do not involve an expansion of the existing URL and would reduce impact LU-1 to a less than significant level, but Alternative 1 would not be consistent with the County General Plan and would create an inconsistency between City and County plans. The No-Project Alternative would be inconsistent with the City General Plan, which says that the City should prepare a Specific Plan and annex the Airport Area.

Impact LU-5: Conversion of Prime Agricultural Land to Urban Uses

Although Alternative 1 would result in fewer total acres of land converted, none of the reduced acreage is prime farmland. Therefore, the impact would remain significant and unavoidable under Alternative 1. Alternative 3 has the same impacts as the project in this case.

Alternatives 2 and the No-Project Alternative would avoid the conversion of prime farmland. Therefore, under Alternatives 2 and 4, the significant unavoidable impact of conversion of prime farmland could be avoided. However, Alternatives 2 and 4 are not consistent with the City's greenbelt objectives and create an inconsistency between City and County plans.

Impact LU-6: Change in Views

Alternatives 1, 2, and 3 would result in the same significant unavoidable changes in views from a semi-rural landscape to an urban landscape in the Airport and Margarita areas as the proposed project; development would still occur under these alternatives as under the project.

Under the No-Project Alternative, the General Plan would not allow urban development within the Airport and Margarita Areas until adoption of specific plans. As such, no further subdivision or urban development would be expected within the specific plan areas. Implementation of this alternative would, therefore, eliminate this significant unavoidable impact. However, Alternative 4 would not comply with City or County general plans.

Impact T-2: LOS in Excess of LOS D

Alternatives 2, 3 and 4 would result in LOS impacts to the Broad/Tank Farm, Prado/South Higuera, and Los Osos Valley/US 101 intersections.

Alternative 1 would avoid the LOS impacts associated with the project, but would not be consistent with the City's greenbelt objectives and would be inconsistent with City and County general plans.

Impact PS-1-3: Impacts on Water Distribution Facilities, Sewer Mains and Capacity, and Expansion of Treatment Facilities, and Storm Drain Capacity.

Alterative 3 would result in the same impacts to water distribution, wastewater collection capacity and storm drain capacity as the proposed project, which uses the land use program described in Alternative 3.

Alternatives 1, 2 and 4 would avoid these impacts, but these alternatives would not be consistent with the City's greenbelt objectives and would be inconsistent with City and County general plans.

Impact: Increased Growth and Additional Secondary Growth-Related Impacts

With the exception of the No-Project Alternative, the alternatives to the project would result in essentially the same significant unavoidable growth inducement impacts associated with the proposed project. Under the No-Project Alternative, the General Plan would not allow urban development within the Airport and Margarita Areas until adoption of specific plans. As such, no further subdivision or urban development would be expected within the specific plan areas. Implementation of this alternative would, therefore, eliminate this significant unavoidable impact. However, Alternative 4 would not comply with the City or County general plans.

Environmentally Superior Alternative and Feasibility of Project Alternatives

As described above, Alternatives 2, and 4 (No-Project Alternative) would avoid the significant unavoidable prime farmland conversion impact of the proposed project and Alternative 4 would avoid all but one of significant unavoidable impacts caused by the project. Alternative 1 would avoid the traffic impacts and public services impacts associated with the project and would be consistent with the City's General Plan. As such, this section determines whether Alternatives 1, 2, 3 or 4 are environmentally superior to the proposed project, and if so, whether they are feasible.

Finding: The proposed Project is Environmentally Superior to Alternative 1

Alternative 1 would avoid the significant unavoidable impacts associated with traffic levels of service at three intersections. This alternative would also avoid impacts associated with public services and would not require expansion of the URL.

However, Alternative 1 creates a discrepancy regarding the disposition of lands south of the URL and east of the airport, as described by Impact LU-2. City growth management policies say that the URL is the "final edge for urban development," as a means of protecting agricultural and scenic rural lands. The County's designation for the land south of the URL and east of the airport is Industrial, inconsistent with the City's URL concept and greenbelt strategy. The proposed project mitigates this impact by extending the City's URL south and east to match the County's URL, as shown in the SLO Area Plan. Alternative 1 would not prevent the development in this area from occurring, but would allow it to occur in the County outside of City jurisdiction. Therefore, this alternative is not environmentally superior to the project and the City need not make a feasibility determination of the alternative.

Finding: The Proposed Project is Environmentally Superior to Alternative 2

Alternative 2 would avoid the significant unavoidable prime farmland conversion impact of the proposed project but would not substantially lessen the other environmental impacts of the project. Moreover, this alternative would result in additional significant and unavoidable impacts associated with expansion beyond its current urban reserve, would not maintain an open space greenbelt around the City, and would result in unacceptable levels of service at the Prado Road/South Higuera Street intersection. Therefore, this alternative is not environmentally superior to the project and the City need not make a feasibility determination of the alternative.

Finding: The Proposed Project is Environmentally Superior to Alternative 3

Alternative 3 would result in additional significant and unavoidable impacts associated with expansion beyond the City's current urban reserve, would result in unacceptable levels of service at the Prado Road/South Higuera Street intersection, the Tank Farm Road/Broad Street intersection, and the Los Osos Valley Road/US 101 northbound ramps, and would require land south of the URL and east of the airport to provide further analysis of water distribution and wastewater collection requirements prior to development. The proposed project is similar to Alternative 3 because it has been revised to incorporate portions of the land use plan identified for Alternative 3. However, this alternative is not environmentally superior to the project and the City need not make a feasibility determination of the alternative.

Finding: Infeasible to Adopt No-Project Alternative (Alternative 4)

The No-Project Alternative could avoid most of the significant unavoidable impacts of the project and would not introduce new significant and unavoidable impacts. Impacts LU-1 and T-2, described above, would still exist. However, the No-Project Alternative does not comply with the designated land uses for the project area of either the City of County. The No-Project Alternative would not accomplish the City's fundamental goal of implementing the General Plan. Moreover, the No-Project Alternative fails to meet the City's basic objectives for the

project, and thus is infeasible as a means in of satisfying those objectives. The City, therefore, finds this alternative to be infeasible to implement.

SECTION 6. STATEMENT OF OVERRIDING CONSIDERATIONS

Introduction

The program EIR for the project identifies the following significant and unavoidable impacts of the project:

- Impact LU-1: Consistency of Proposed Specific Plans with Applicable City Plans, Policies and Agreements
- Impact LU-5: Conversion of Prime Agricultural Land to Urban Uses
- Impact LU-6: Change in Views
- Impact T-2: LOS in Excess of LOS D
- Impact PS-1-3: Impacts on Water Distribution Facilities, Sewer Mains and Capacity, and Expansion of Treatment Facilities, and Storm Drain Capacity.
- Growth Inducement: The project would have a significant and unavoidable growth-inducing impact.

For projects which would result in significant environmental impacts that cannot be avoided, CEQA requires that the lead agency balance the benefits of these projects against the unavoidable environmental risks in determining whether to approve the projects. If the benefits of these projects outweigh the unavoidable impacts, those impacts may be considered acceptable (CEQA Guidelines Section 15093[a]). CEQA requires that, before adopting such projects, the public agency adopt a Statement of Overriding Considerations setting forth the reasons why the agency finds that the benefits of the project outweigh the significant environmental effects caused by the project. This statement is provided below.

Required Findings

The City has incorporated all feasible mitigation measures into the project. Although these measures will significantly lessen the unavoidable impacts listed above, the measures will not fully avoid these impacts.

The City has also examined a reasonable range of alternatives to the project and has incorporated portions of these alternatives into the project in order to reduce impacts. The City

has determined that none of these alternatives, taken as a whole, is environmentally superior or more feasible than the project.

Alternative 1 would result in essentially the same impacts as the project. Alternative 2 would avoid the significant unavoidable prime farmland conversion impact of the project. However, Alternative 2 would also result in additional significant and unavoidable impacts on land use and traffic that can be avoided by implementing the project. Alternative 3 includes a more desirable land use program, which reduces some land use impacts, but includes greater traffic impacts. Alternative 4 (No-Project Alternative) would avoid many of the significant impacts of the project, but is not considered feasible.

In preparing this statement of Overriding Considerations, the City has balanced the benefits of the proposed project against its unavoidable environmental risks. For the reasons specified below, the City finds that the following considerations outweigh the proposed project's unavoidable environmental risks:

- **Provision of new jobs:** The project would create new construction related and permanent jobs in the project area. Approximately 2.8 million square feet of commercial floor area could be developed in the Airport Area over the 34 years expected to be the build-out horizon for the project. This would result in new jobs targeted to include the kinds of higher paying jobs that are needed to support a household within the City.

- **Open Space and Natural Resource protection:** Implementation of the project would result in the creation of open space protection, conservation, and restoration policies and the designation of 346 acres of open space and recreation in the project area. The land use designation, together with the policies, will ensure that areas in the vicinity of the City are reserved for future residents' recreational use and aesthetic benefits. Significant protections for natural resources, including special status plant and animal species, are incorporated into the project to reduce potentially significant impacts to less than significant levels. Some of these protections would only be possible through the controlled implementation of the project.

- **Provision of adequate public facilities for the region:** The master facilities plans for the project will ensure that there are no shortfalls for water supply and distribution facilities, stormdrain, and wastewater facilities.

- **Implementation of the General Plan:** The project implements a major portion of the General Plan by allowing for the annexation of the Airport Area. The annexation will allow the City to pursue its existing policies for the area such as greenbelt protection, transit service, business park development, the creation of high quality public and private facilities to support the on-going service of the Airport to the region, and growth management.

- **Consistency Between City and County Plans:** The project incorporates portions of Alternative 3 in order to insure consistency between City and

Exhibit A

County plans for the area south of the URL and east of the airport. The implementation of the land use program outlined in Alternative 3 fully mitigates Impact LU-2, however it also results in significant and unavoidable impacts to land use, traffic and public services. Nevertheless, consistency between City and County plans is considered critical for achieving other important General Plan goals such as the establishment of a permanent greenbelt south of the City, agricultural preservation, higher quality urban design, improved drainage and waterway management, provision of adequate public facilities, improved airport safety and mitigation for project related traffic impacts.

Accordingly, the City finds that the project's adverse, unavoidable environmental impacts are outweighed by these considerable benefits.

Dated: _____, 2005

_____

Dave Romero

Mayor, City of San Luis Obispo

City Council Resolution No. (2007 Series)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN LUIS OBISPO REQUESTING THE LOCAL AGENCY FORMATION COMMISSION INITIATE PROCEEDINGS FOR THE ANNEXATION OF APPROXIMATELY 620 ACRES OF LAND IN THE MARGARITA AREA AND AIRPORT AREA, AND ADOPTING A NEGATIVE DECLARATION OF ENVIRONMENTAL IMPACT FOR THE PROJECT ANNX/ER 172-05

WHEREAS, the City Council of the City of San Luis Obispo conducted a public hearing in the Council Chamber of City Hall, 990 Palm Street, San Luis Obispo, California, on May 1, 2007, for the purpose of considering Planning Application AANX/ER 172-05, a project to annex the remaining unincorporated portions of the Margarita Area and a significant portion of the Airport Area; and

WHEREAS, the Planning Commission of the City of San Luis Obispo conducted a public hearing in the Council Chamber of City Hall, 990 Palm Street, San Luis Obispo, California, on March 28, 2007, for the purpose of of formulating and forwarding recommendations to the City Council of the City of San Luis Obispo regarding the project; and

WHEREAS, the Margarita Area Specific Plan was adopted by the City Council on October 12, 2004, and the Airport Area Specific Plan was adopted by the City Council on August 23, 2005, satisfying the requirements of the General Plan (Land Use Element policies 1.13.3, 2.3.1, 7.3 and 7.4), which require adoption of specific plans prior to annexation; and

WHEREAS, the proposed annexation is necessary for the City to fully implement the adopted specific plans; and

WHEREAS, the City Council considered the Initial Study and Mitigated Negative Declaration of Environmental Impact (ER 172-05) for the project, and determined that the document adequately addresses the potential environmental effects of the proposed annexation; and

WHEREAS, the City Council desires to initiate annexation proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, notice of intent to adopt this resolution of intention has been given; and

WHEREAS, the proposed annexation is consistent with the adopted Sphere of Influence for the City of San Luis Obispo; and

WHEREAS, the City Council has duly considered all evidence, including the testimony of the applicant, interested parties, and the evaluation and recommendations by staff, presented at said hearing.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of San Luis Obispo as follows:

Section 1. Findings. Based upon all the evidence, the City Council makes the following findings:

1. Annexation of land in the Margarita Area and Airport Area will promote the public health, safety and welfare by ensuring that all new development complies with the comprehensive land use plans and property development standards established in the Margarita Area Specific Plan and Airport Area Specific Plan.

2. The proposed annexation includes all of the remaining land in the Margarita Area that has not already been annexed, which will facilitate orderly development. The land proposed for annexation includes the site of the regional drainage facility, remaining portions of the right-of-way for Prado Road, the neighborhood park site, the neighborhood commercial site, open space land, and additional land zoned for residential and commercial development.

3. The proposed annexation of land in the Airport Area is consistent with Land Use Element Policy 7.3, which says that the City will actively pursue annexation of the Airport Area.

4. The proposed Negative Declaration for the project adequately addresses the environmental impacts of the project because annexation does not create any environmental effects that are different from those identified in the Final Program EIR for the Margarita Area and Airport Area Specific Plans and Related Facilities Master Plans.

Section 2. Environmental Review. The City Council does hereby adopt a Negative Declaration for the project.

Section 3. Action. The City Council does hereby request the Local Agency Formation Commission initiate proceedings to annex the approximately 620 acres of land in the Margarita Area and Airport Area as identified and incorporated herein by reference in Exhibit A.

On motion of _____, seconded by _____, and on the following roll call vote:

AYES:

NOES:

ABSENT:

The foregoing resolution was passed and adopted this _____ day of _____, 2007.

_____

Mayor David F. Romero

ATTEST:

_____

Audrey Hooper, City Clerk

APPROVED AS TO FORM:

_____

Jonathan Lowell, City Attorney

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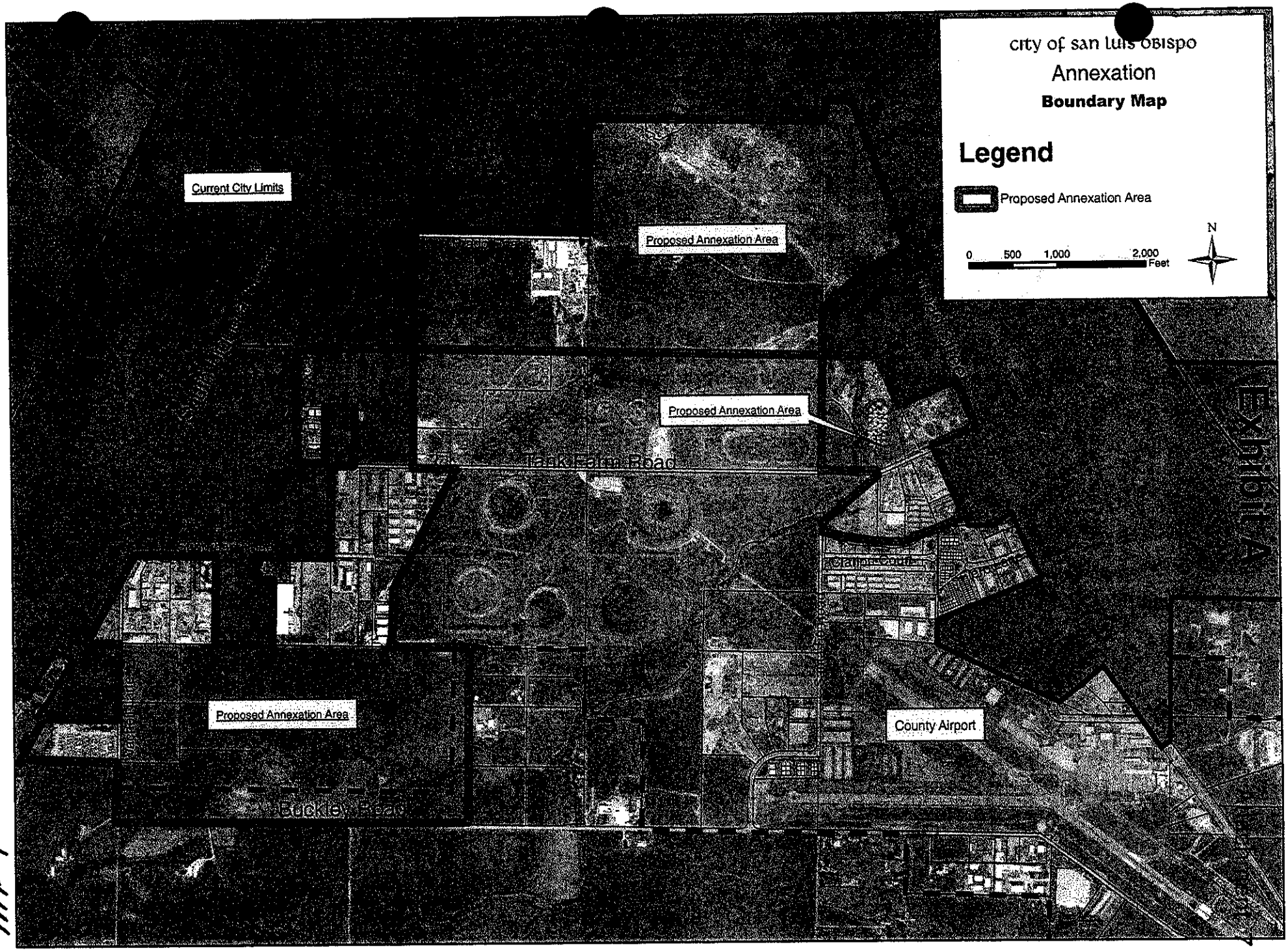

city of san luis obispo
Annexation
Boundary Map
Legend
Proposed Annexation Area
N
0 500 1,000 2,000
Feet
Current City Limits
Proposed Annexation Area
Proposed Annexation Area
Tank Farm Road
Proposed Annexation Area
Buckley Road
County Airport
Exhibit A

1-114

ORDINANCE NO. (2007 Series)

AN ORDINANCE OF THE CITY OF SAN LUIS OBISPO ESTABLISHING PRE-ZONING FOR LAND WITHIN THE MARGARITA AREA, CONSISTENT WITH THE MARGARITA AREA SPECIFIC PLAN ANNX/ER 172-05 (Citywide)

WHEREAS, the City Council of the City of San Luis Obispo conducted a public hearing in the Council Chamber of City Hall, 990 Palm Street, San Luis Obispo, California, on May 1, 2007, for the purpose of considering Planning Application AANX/ER 172-05, a project to annex the remaining unincorporated portions of the Margarita Area and a significant portion of the Airport Area; and

WHEREAS, the Planning Commission of the City of San Luis Obispo conducted a public hearing in the Council Chamber of City Hall, 990 Palm Street, San Luis Obispo, California, on March 28, 2007, for the purpose of of formulating and forwarding recommendations to the City Council of the City of San Luis Obispo regarding the project; and

WHEREAS, the Margarita Area Specific Plan was adopted by the City Council on October 12, 2004; and

WHEREAS, the pre-zoning of land in the Margarita Area is a necessary component of the annexation process; and

WHEREAS, the City Council considered the Initial Study and Mitigated Negative Declaration of Environmental Impact (ER 172-05) for the project, and determined that the document adequately addresses the potential environmental effects of the proposed project; and

WHEREAS, the City Council has duly considered all evidence, including the testimony of the applicant, interested parties, and the evaluation and recommendations by staff, presented at said hearing.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of San Luis Obispo as follows:

Section 1. Environmental Review. The City Council does hereby adopt a Negative Declaration for the project.

Section 2. Action. The City Council does hereby approve pre-zoning to apply to land within the Margarita Area as shown in Exhibit A.

Section 3. Summary. A summary of this ordinance, approved by the City Attorney, together with the names of the Council members voting for and against it, shall be published at least five days prior to its final passage, in the Tribune, a newspaper published and circulated in this City. This ordinance will go into effect at the expiration of thirty (30) days after its final passage.

Ordinance No. (2007 Series)
ANNX 172-05 (Margarita Area Pre-Zoning)

INTRODUCED on the 1st day of May, 2007, **AND FINALLY ADOPTED** by the Council of the City of San Luis Obispo on the _____ day of _____, 2007, on the following roll call vote:

AYES:

NOES:

ABSENT:

_____
Mayor David F. Romero

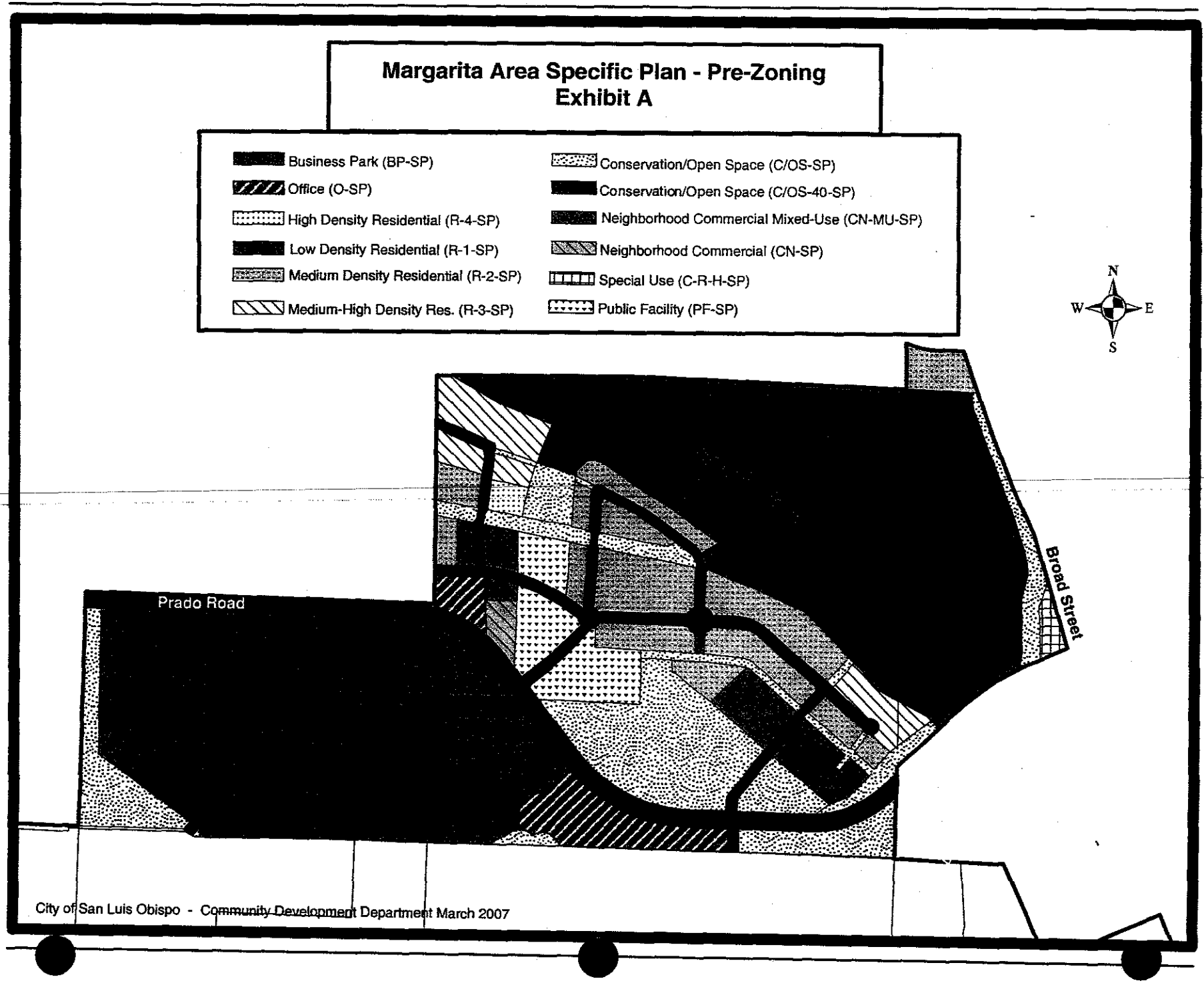
ATTEST:

_____
Audrey Hooper, City Clerk

APPROVED AS TO FORM:

_____
Jonathan Lowell, City Attorney

Margarita Area Specific Plan - Pre-Zoning
Exhibit A



Attachment 8