

**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 been 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.

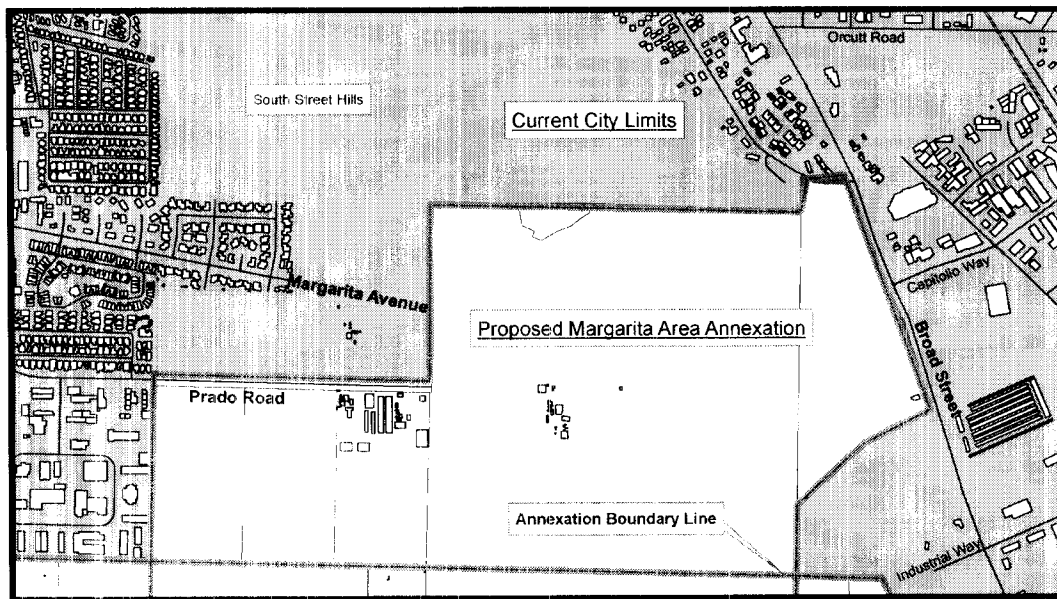
Housing Element Program 6.3.5: Specific plans for designated Expansion Areas shall include appropriately zoned land to meet the City’s regional housing need for dwellings affordable to very low-income and low-income households, including R-3 and R-4 zoning.

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

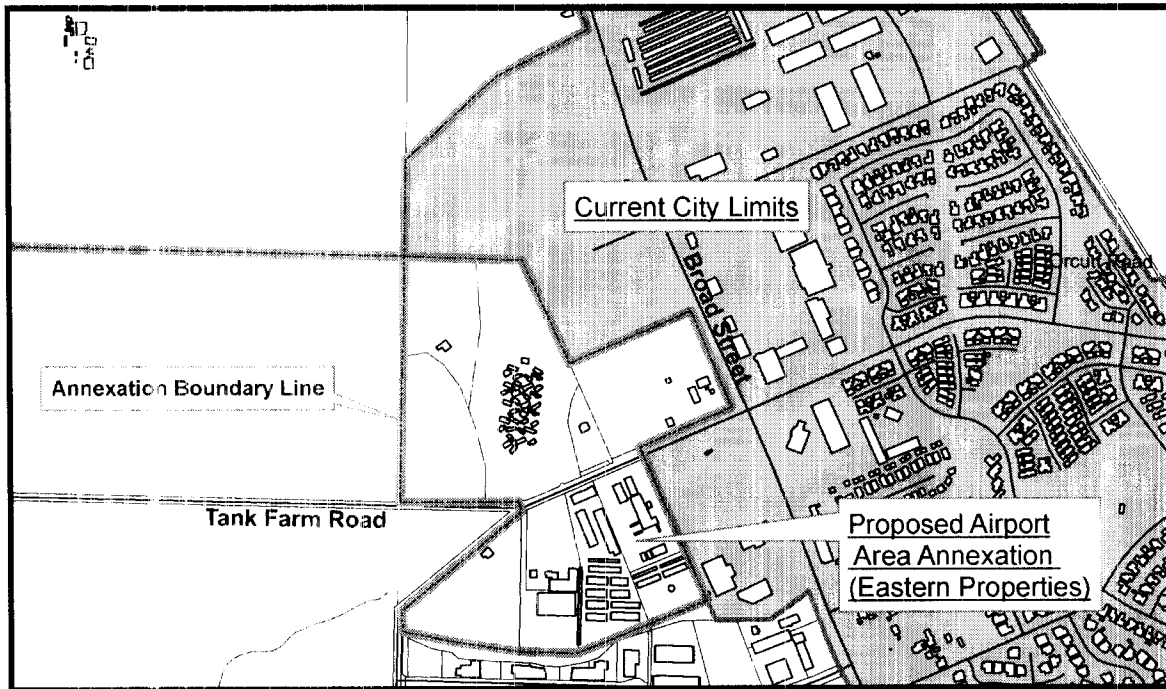
The Margarita Area Specific Plan (MASP) was approved in 2004. A major portion of this residential expansion area was annexed in 2001 and designated Conservation/Open Space. When the MASP was subsequently approved, the residential zoning took effect. In 2006, the City approved three major subdivisions 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.

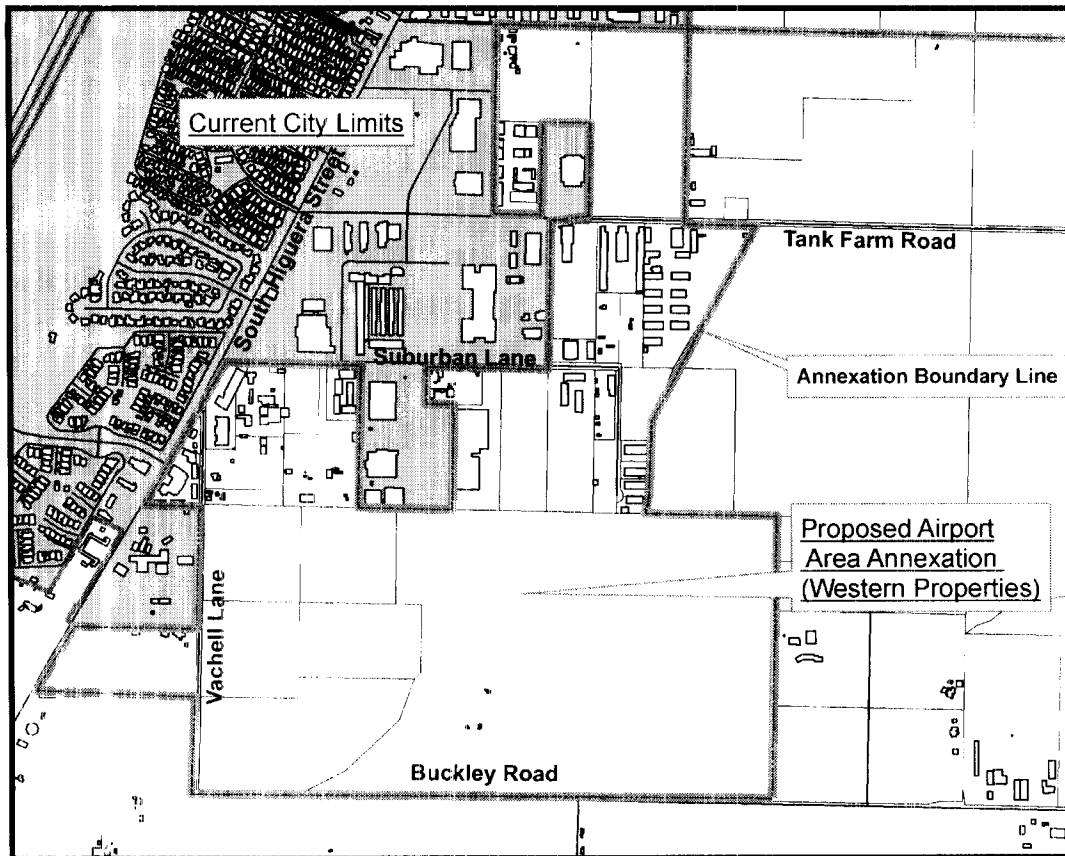
Airport Area

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, Hansen 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.

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 (Available separately)

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.slccity.org/communitydevelopment/annexation.asp>

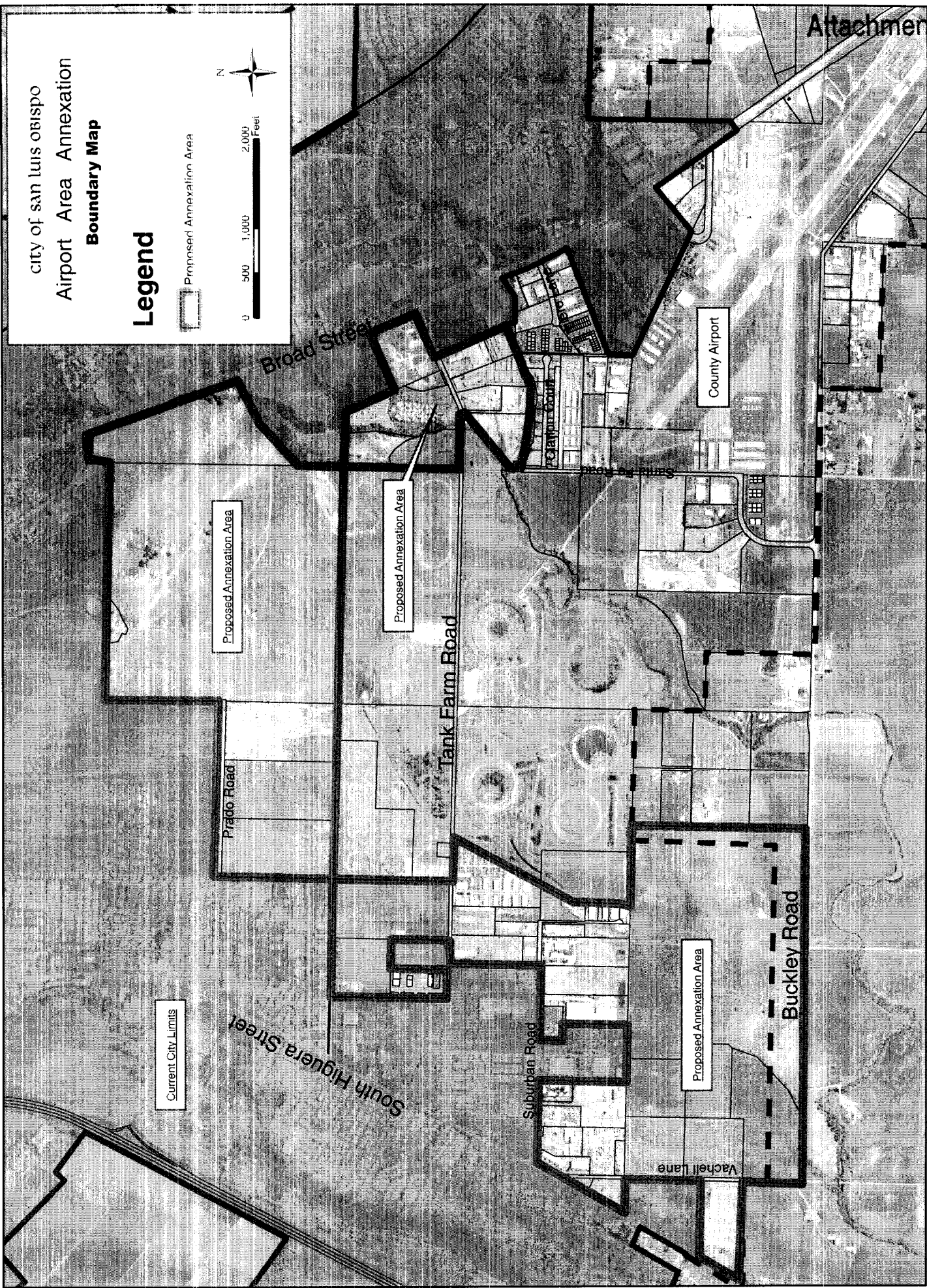
city of san luis obispo
Airport Area Annexation
Boundary Map

Legend

Proposed Annexation Area



0 500 1,000 2,000 Feet



ORDINANCE NO. 1481 (2005 Series)

**AN ORDINANCE OF THE COUNCIL OF THE CITY OF SAN
LUIS OBISPO ADOPTING THE STANDARDS CONTAINED IN THE
AIRPORT AREA SPECIFIC PLAN AS AN AMENDMENT TO THE ZONING
REGULATIONS, AND AMENDING THE CITY'S ZONING MAP TO
REFLECT THE ZONING APPROVED AS PART OF THE AIRPORT AREA
SPECIFIC PLAN FOR THOSE PROPERTIES PRESENTLY WITHIN THE
CITY LIMITS, AND ESTABLISHING PREZONING TO APPLY UPON
ANNEXATION OF
OTHER PROPERTIES WITHIN THE SPECIFIC PLAN AREA
(APPLICATION NO. SP, GP/R, 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 (Government Code Section 65450 *etseq.*); 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 a public hearing 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 Specific Plan is consistent with the City's General Plan, as amended; and

WHEREAS, as a result of its deliberations, the City Council has decided to adopt the Airport Area Specific Plan and an ordinance is required to implement the zoning identified in the Specific Plan.

Ordinance No. 1481 (2005 Series)

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

SECTION 1. Environmental Determination. The City Council has certified the Final Program Environmental Impact Report (EIR) for the Airport Area and Margarita Area Specific Plans and Related Facilities Master Plans and finds that the EIR adequately addresses the potential significant environmental impacts of the proposed Zoning Regulations and Zoning Map amendments, and reflects the independent judgment of the City Council.

SECTION 2. AASP Property Development Standards. The following sections of the AASP are hereby approved as an amendment to the Zoning Regulations and incorporated by this reference to regulate those aspects of development in the Airport Area, per the text of the AASP:

Chapter 4: Table 4.3 – Allowed Uses

Chapter 4: Section 4.4 – Development Intensity Standards

Chapter 5: Standards 5.1.1 through 5.20.9 exclusively

Chapter 6: Standards 6.4.1.1 through 6.4.9.4 exclusively

SECTION 3. Zoning Map Amendment and Pre-zoning. The City Zoning Map is hereby amended to reflect the appropriate zoning for those properties within the Specific Plan area that are already annexed into the City, as shown in “Exhibit A.” For those properties currently outside of the City limits, the Council hereby pre-zones those properties as shown in “Exhibit B,” so that the zoning becomes effective upon annexation.

SECTION 4. Summary. A summary of this ordinance, approved by the City Attorney, together with the names of Council members voting for and against, shall be published at least five (5) days prior to its final passage, in the Tribune, a newspaper published and circulated in this City. This ordinance shall go into effect at the expiration of thirty (30) days after its final passage.

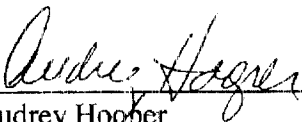
INTRODUCED on the 23rd day of August 2005, **AND FINALLY ADOPTED** by the Council of the City of San Luis Obispo on the 6th day of September 2005, on the following roll call vote:

AYES:	Council Members Brown and Settle, Vice Mayor Ewan and Mayor Romero
NOES:	Council Member Mulholland
ABSENT:	None

Ordinance No. 1481 (2005 Series)
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Mayor David F. Romero

ATTEST:



Audrey Hooper
City Clerk

APPROVED AS TO FORM:



Jonathan P. Lowell
City Attorney

Exhibit A - Zoning Designations

Gray area is currently outside City limits

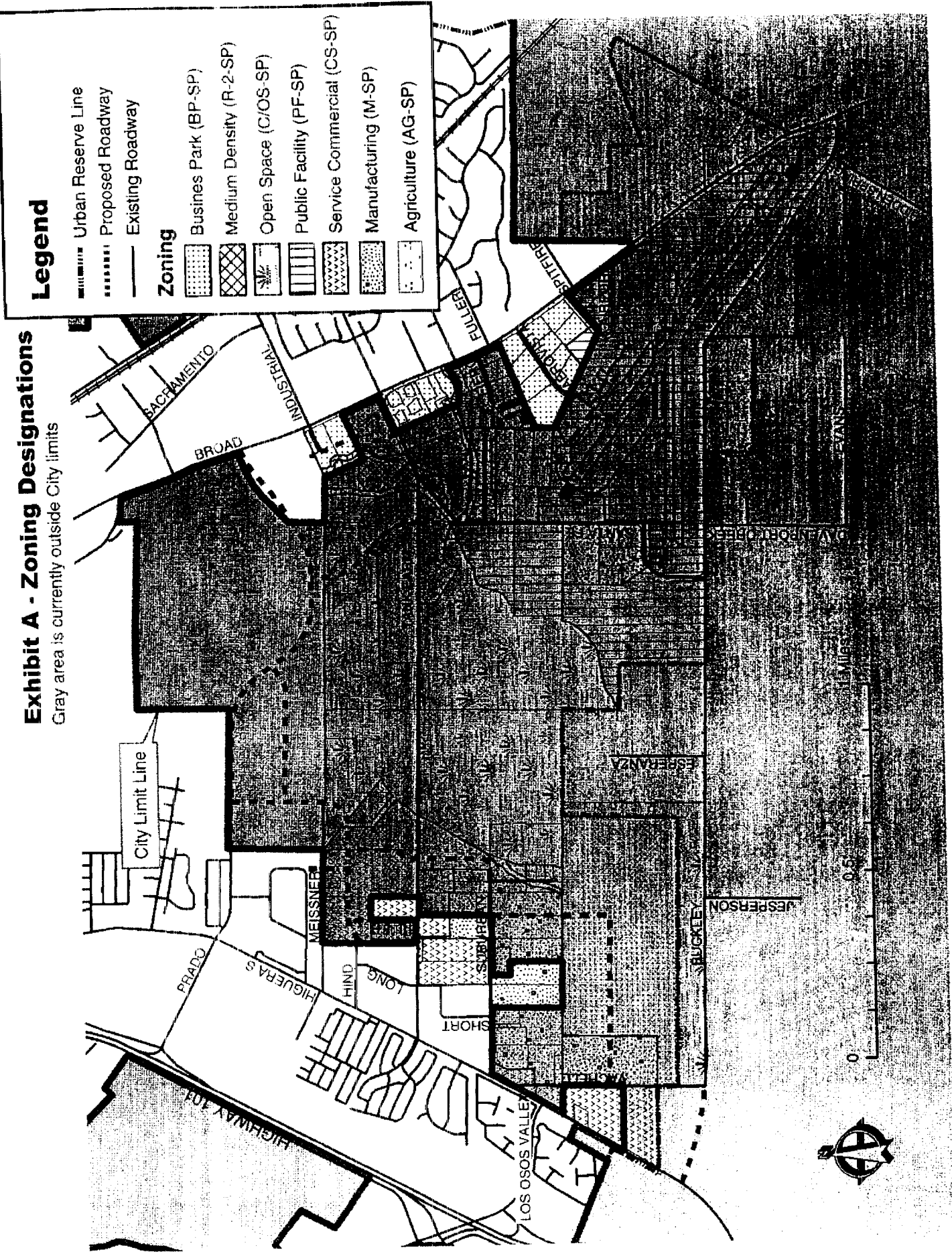
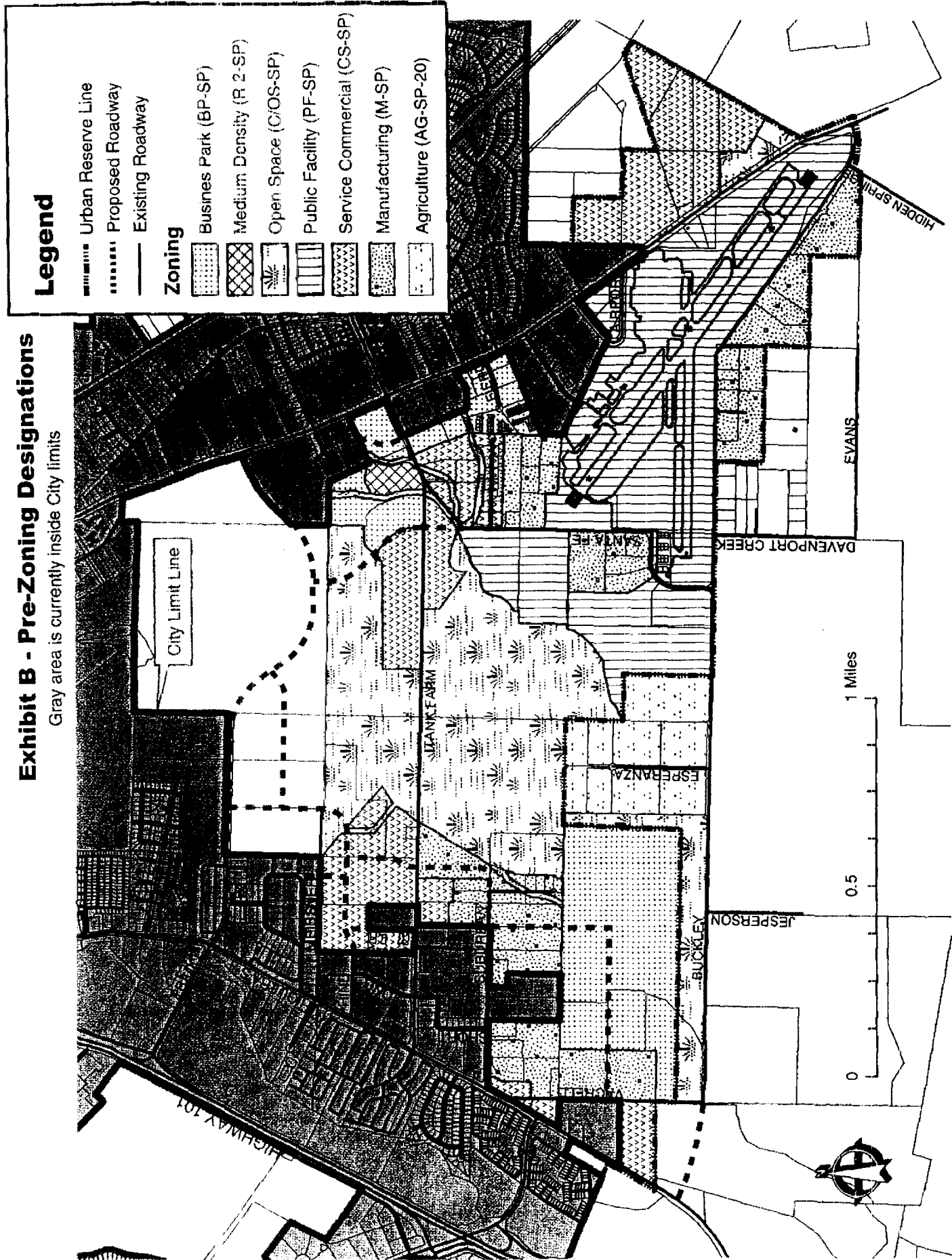


Exhibit B - Pre-Zoning Designations

Gray area is currently inside City limits





Airport Area and Margarita Area Annexation

Plan for Services – March 2007

Contents:

1. Law Enforcement
 2. Fire Protection (Including Paramedic and Ambulance)
 3. Parks and Recreation
 4. Streets and Paths
 5. Public Transit
 6. Solid Waste and Recycling
 7. Government Services, Development Review and Code Enforcement
 8. Water and Wastewater
 9. Storm Drainage
 10. Affordable Housing
-

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 Administrative 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.

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.



March 14, 2006

**Open Letter to Airport Area and Margarita Area
Property Owners from the City of San Luis
Obispo**

Dear Property Owner,

As a property owner in the Airport Area or Margarita Area you are probably well aware of the City of San Luis Obispo's longstanding interest in integrating these areas into the City. Since 1994, the City of San Luis Obispo's General Plan has identified the potential and planned land uses in the Margarita Area and Airport Areas for residences, businesses and open space. The City has recently accomplished a significant step towards realizing this vision by adopting the Margarita Area Specific Plan (MASP) and the Airport Area Specific Plan (AASP). These plans outline the guidelines and standards for the future development of this portion of southern San Luis Obispo.

There are many steps that the City will be undertaking now that the Council has adopted its planning documents for the Airport Area and Margarita Areas. The first is to identify property owners who are interested in annexing into the City. To facilitate the annexation of as many properties as possible, the City is taking the lead and offering to annex properties "free of charge" during an initial "group" annexation. City staff will develop all of the documents necessary to annex your property, including maps and legal descriptions, and will coordinate with the Local Agency Formation Committee (LAFCO) and the City Council to facilitate annexation of what we hope will be a majority of the properties in the area. Again, and most significantly, there will be no charges for the services we provide. The hope is that this group annexation will be completed by the end of this year or beginning of next.

We strongly encourage you to consider annexation into the City at this time. Upon annexation you will have many enhanced services, not the least of which is immediate police and fire protection (we've heard from many of you that this will result in significant cost savings). The actual annexation will not require any change in your circumstances; in fact you don't have to develop your property until you are ready (if ever) and if you are already developed, and you can keep on doing business as usual.

You may have specific questions about your property or circumstances and we'd be happy to sit down with you and discuss how this process would affect you. This initial annexation is a one-time program. You would of course be welcome to annex in the future, however, each future annexation will be the financial responsibility of individual landowner.

You will continue to receive information regarding public hearings and decision points relative to the annexation as it becomes available. The City welcomes your participation

in the annexation process. A great first step is to contact either Michael Codron, the City's project planner, or Claire Clark, Economic Development Manager, for additional information or answers to your questions or concerns. Michael can be reached at **781-7175** and Claire at **781-7164**.

We look forward to partnering with you in this process.

Sincerely,

Claire Clark
Economic Development Manager
cclark@slocity.org
781-7164

Michael Codron
Associate Planner
mcodron@slocity.org
781-7175



Frequently Asked Questions About Annexation

May 11, 2006

In March, the City of San Luis Obispo sent an open letter to property owners within the Airport Area and Margarita Area regarding its plans to annex a majority of the area as part of a City-paid, “group” annexation. The purpose of the open letter was to inform property owners of the City’s plans and to initiate a dialogue. After receiving the letter, many property owners contacted City staff and asked specific questions about the annexation process and how it affects them. The City wants the answers to these questions to be available to everyone and is providing this Frequently Asked Questions package to all property owners in the annexation area.

We hope that this information will give property owners in the area a better understanding of the costs and benefits of annexation. After reading through the attached materials, you are encouraged to contact City staff to provide us with your comments or ask additional questions.

Additional information is also available on the City’s website. The Airport Area Specific Plan and the Margarita Area Specific Plan establish the City’s goals, policies, programs and standards for development in the annexation area. For more information or to download the specific plans, visit www.slocity.org/communitydevelopment. Hard-copies of these documents are also available in the Community Development Department, located at 990 Palm Street.

Sincerely,

Michael Codron, Associate Planner
Community Development Department
(805) 781-7175
mcodron@slocity.org

Claire Clark, Economic Development Manager
City Administration
(805) 781-7164
cclark@slocity.org

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

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

Q. What will the zoning of my property be?

A. A copy of the Zoning Map for the Airport Area is attached (Attachment 1). Please contact Michael Codron at 781-7175 if you have any questions about allowed uses or the development potential of your property.

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

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

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

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

A. The City's Fire Department has an annual permit and inspection requirement for certain types of facilities and hazardous uses. The Fire Department Fee schedule is attached for your review (Attachment 2). A comparison between City and County Certified Unified Participating Agency (CUPA) fees is also provided.

Q. Are there any immediate savings involved with annexation?

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

Q. What emergency services does the City provide?

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

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

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

WATER DEVELOPMENT IMPACT FEE SCHEDULE
EFFECTIVE July 1, 2005

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

* Equivalent Dwelling Unit

WASTEWATER DEVELOPMENT IMPACT FEE SCHEDULE
EFFECTIVE JULY 1, 2005

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

* Equivalent dwelling unit

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

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

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

Q. What is the annexation process and timeline?

A. The annexation process involves hearings before the City Planning Commission and the City Council to approve a preliminary annexation map. This map is then forwarded to the Local Agency Formation Commission (LAFCO) as part of the City's annexation application. LAFCO will then hold its own public hearings to approve or deny the annexation. The City expects the entire process to be complete by early 2007.

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

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

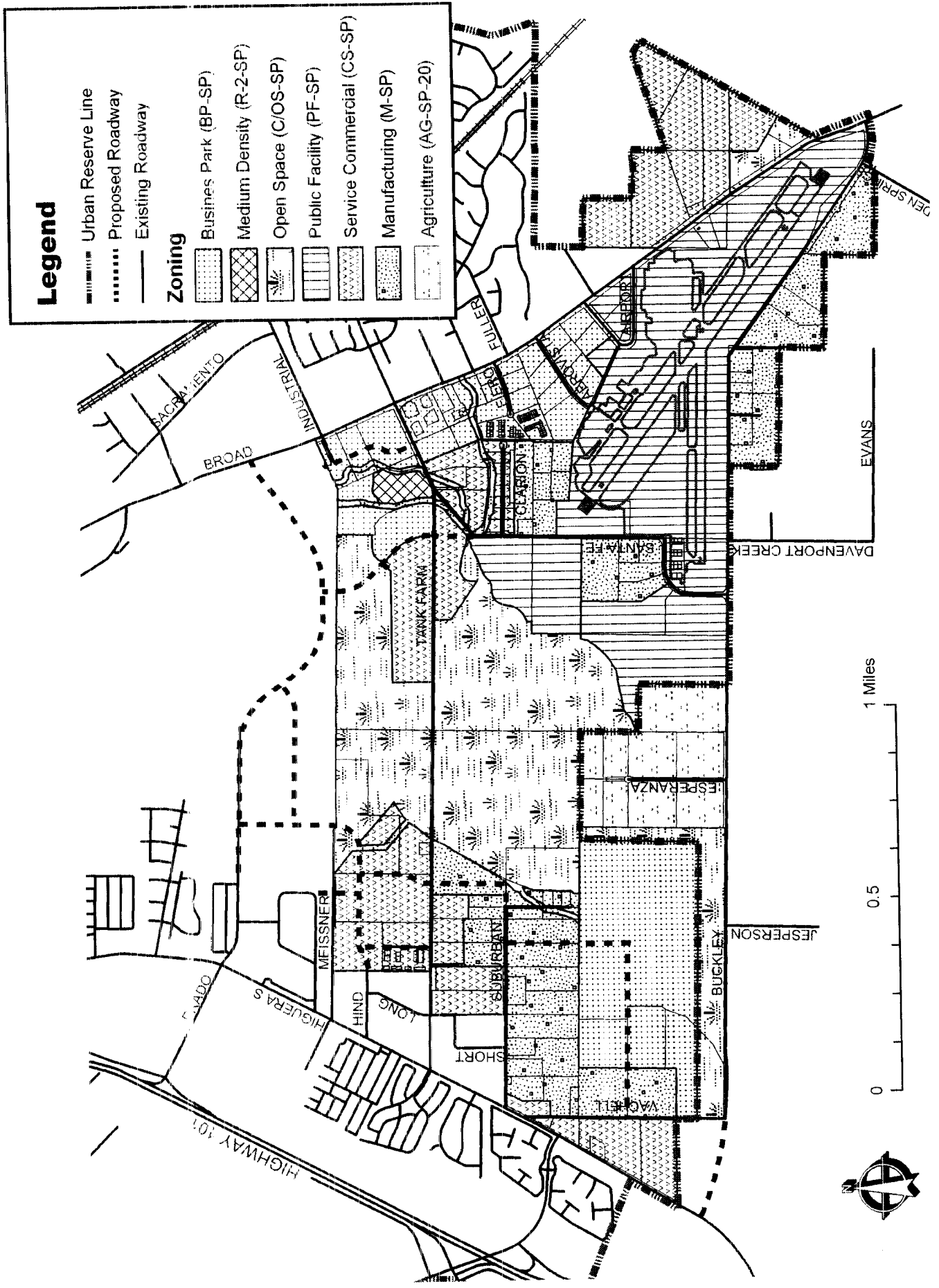


Figure 4-4 Planning Area Zoning

FIRE DEPARTMENT PERMIT FEE SCHEDULE (Renewable Annually) EFFECTIVE JULY 1, 2006

Category	Fee
1 Aircraft Refueling Vehicles	\$174.40
2 Aircraft Repair Hangar	\$174.40
3 Automobile Wrecking Yard	\$174.40
4 Bonfire or Rubbish Fires	\$174.40
5 Bowling Pin or Alley Refinishing	\$174.40
6 Burning in Public Place	\$174.40
7 Candles or Open-Flames in Assembly Areas	\$174.40
8 Cellulose Nitrate Storage (handle/store over 100/cu ft)	\$174.40
9 Combustible Fiber Storage (handle/store over 100/cu ft)	\$174.40
10 Compressed Gases:	
A Non-flammable: More than 6,000 cubic feet	\$174.40
B Flammable: More than 200 cubic feet	\$174.40
11 Cryogenics	
A Inside Building:	
Flammable - over 1 gallon	\$174.40
Oxidizer (includes oxygen) over 50 gallons	\$174.40
Corrosive or Highly Toxic - over 1 gallon	\$174.40
Non-Flammable - over 60 gallons	\$174.40
B Outside Building:	
Flammable - over 60 gallons	\$174.40
Oxidizer (includes oxygen)	\$174.40
Corrosive or Highly Toxic - over 1 gallon	\$174.40
Non-flammable - over 500 gallons	\$174.40
12 Dry Cleaning Plant	
A Using Flammable Liquids	\$174.40
B Using Non-flammable Liquids	\$174.40
13 Dust Producing Operation	\$174.40
14 Explosives or Blasting Agents	\$174.40
A Engine Standby	\$300.90 hr
15 Fireworks	\$174.40
Flammable/Combustible Liquid Pipeline Operation/Excavation	\$174.40
17 Flammable or Combustible Liquids	
A Inside - Class I (over 5 gallons)	\$174.40
Class II & III (over 25 gallons)	\$174.40
B Outside - Class I (over 10 gallons)	\$174.40
Class II & III (over 60 gallons)	\$174.40
18 Fruit Ripening - Ethylene Gas Process	\$174.40
19 Fumigation or Thermal Insecticidal Fogging	\$174.40
20 Garages - Repair	\$174.40
21 Hazardous Chemicals:	
A Cryogenics (any amount)	\$174.40
B Highly Toxic Materials (any amount)	\$174.40
C Hypergolic Materials (any amount)	\$174.40

D Organic Peroxides (over 10 lbs.)	\$174.40
E Poison Gas (any amount)	\$174.40
F Pyrophoric Materials (any amount)	\$174.40
G Any combination of amounts stated above	\$240.05
22 Highly Toxic Pesticides (storage of any amount)	\$174.40
23 High-Piled Combustible Stock - exceeding 2,500 sq. ft.	\$174.40
24 Junk Yards	\$174.40
25 Liquefied Petroleum Gas	
A Containers more than 119 gallons water capacity	\$174.40
B Tank Vehicles for Transportation of LP Gas	\$174.40
26 Lumberyard - Storage in excess of 100,000 board feet	\$174.40
27 Magnesium Working - Process more than 10 lbs daily	\$174.40
28 Mall (covered)	
A Place or construct temporary kiosk, display booths, concession equipment or the like, in the mall	\$174.40
B Use the mall as a place of assembly	\$174.40
C Use open-flames or flame-producing device	\$174.40
D Display any liquid or gas-fueled power equipment	\$174.40
E Use liquefied petroleum gas, liquefied natural gas and compressed flammable gas in a mall	\$174.40
29 Matches - Manufacture/Store in excess of 60 matchman gross (14,004 each gross)	\$174.40
30 Nitrate Film - Store, handle, use or display	\$174.40
31 Oil and Natural Gas Wells (drill, own/operate or maintain)	\$174.40
32 Open Flame Devices in Marinas	
A Use open-flame devices for maintenance or repair of boats, slips or wharfs	\$174.40
B Use a portable barbecue, brazier or working device on any boat, slip or wharf	\$174.40
33 Organic Coatings - manufacture over 1 gallon a day	\$174.40
34 Ovens - Industrial, Baking and Drying	\$174.40
35 Places of Assembly	\$174.40
36 Radioactive Material (store or handle - see UFC for amounts)	\$174.40
37 Refrigeration Equipment - Mechanical refrigeration (see UFC for most common refrigerants)	\$174.40
38 Spraying or Dipping	\$174.40
39 Tank Vehicles for Transportation of Flammable and Combustible Liquids	\$174.40
40 Tents and Air-supported Structures - excess of 200 sq. ft.	\$174.40
41 Tire Re-capping	\$174.40
42 Excavation, Flammable-liquid pipeline	\$174.40
43 Waste Material Plant	\$174.40
44 Welding and Cutting Operations - Any Occupancy	\$174.40

NOTE: Any combination of the above permits shall not exceed \$352.00 except for permits requiring apparatus and personnel stand-by time, permits for underground hazardous material storage and permits for Business Release Response Plans and Inventory.*

FALSE ALARM FEES
EFFECTIVE JULY 1, 2006

False alarms from an alarm system which are excessive as described in this section shall be grounds for suspension or revocation of the alarm user's permit. In each case, the responsible department shall conduct an investigation and keep accurate records as to the cause of the alarm.

1. False fire alarms shall be considered excessive when they meet or exceed the following number:
 - a. Two false alarms in any three-hundred-sixty-day period.
- o False alarms exceeding the number indicated in the corresponding time period shall be subject to:

First and Second False Alarm	No Fee
Third False Alarm	\$ 67.70
Fourth False Alarm	\$110.95
Fifth False Alarm	\$181.35
Sixth Alarm	\$317.35
Seventh & Subsequent False Alarms	\$516.05

Charges are payable to the Finance Director within sixty days of notification that such charges are due. Failure to pay the assessment within the prescribed time period shall result in the suspension of the alarm user permit and disconnecting of services.

**CERTIFIED UNIFIED PARTICIPATING AGENCY FEES
FEES EFFECTIVE JULY 1, 2006**

Category	Fee
A. Hazardous Materials Handlers	
1. Remote utility (1-time fee)	\$ 219.00
2. 1 -- 4 Materials handled	\$ 219.00
3. 5 -- 10 Materials handled	\$ 291.00
4. 11+ Materials handled	\$ 365.00
B. Waste Generators	
1. 1 Waste stream (professional or medical) *	\$ 37.00
2. 1 -- 5 Waste streams (all others)	\$ 219.00
3. 6+ Waste streams	\$ 291.00
C. Tiered Permitting	
1. CE	\$ 147.00
2. CA	\$ 291.00
3. PBR	\$ 438.00
D. Underground Storage Tanks (general model)	
1. First tank	\$ 365.00
2. Each additional tank	\$ 72.00
3. Tank installation	\$1,095.00
4. Tank removal	\$ 693.00
E. Above Ground Storage Tanks	
1. First Tank	\$ 72.00
2. Each additional tank	\$ 72.00
F. CALARP	
1. Each stationary source	\$ 731.00

* For professional & medical offices the process is being changed to a self-certification. The full cost recovery amount includes travel time. Once travel time is excluded, the fee is reduced, as shown in the proposed fees.

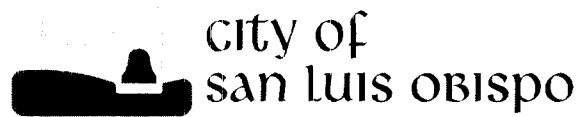
A discount of \$72.00 will be provided for two or more programs reviewed simultaneously.

**FIRE DEVELOPMENT REVIEW FEES
EFFECTIVE JULY 1, 2006**

A 17.5% fire protection surcharge shall be added to all construction permit and plan check fees collected by the Building and Safety Division that require Fire Department review.

FIRE EQUIPMENT AND PERSONNEL STAND-BY FEES EFFECTIVE JULY 1, 2006

Category	Fee
Fire Engine/Ladder Truck	\$300.00/hour
Squad or Light Rescue Equipment	\$263.00/hour
Third & Subsequent Fire Safety Inspections	\$ 62.00
Additional Site Inspection Fee (Per hour - one hour minimum)	Determined by Finance Director
Fire Investigation/Fire Prevention	Determined by Finance Director
Firefighter Standby	Determined by Finance Director
Administrative/Clerical	Determined by Finance Director
Administrative/Clerical	Determined by Finance Director



ANNEXATION UPDATE

Phasing of Airport Area and Margarita Area Annexations to Begin with City Public Hearings

February 5, 2007

The City of San Luis Obispo is starting the formal hearing process for annexation of properties in the Margarita Area and Airport Area Specific Plans. The first step is a series of public hearings to formally establish the boundaries of the annexation, with an initial annexation phase expected to be pursued in the Spring of 2007. **The City Council will discuss annexation procedures on February 20, 2007, during the 7:00 P.M. session.** An overview of the annexation process and introduction of the proposed annexation phasing plan will be presented to the City Council on this date. The Council will also accept public comment from property owners, business owners and others wishing to participate.

Following the February 20th City Council meeting, the Planning Commission will review the annexation plans on March 21st. The City Council will then be asked to formally authorize an application to the Local Agency Formation Commission in April. As a property owner within the annexation area, we invite you to participate in the process by attending one or more of these public meetings. You may also review related information and track these meeting dates by visiting: <http://www.slocity.org/communitydevelopment/annexation>.

Proposed Annexation and Boundaries. We have attached a preliminary map of the annexation boundaries, which include two proposed phases. If approved by the City Council, annexation of the first phase would begin in the spring.

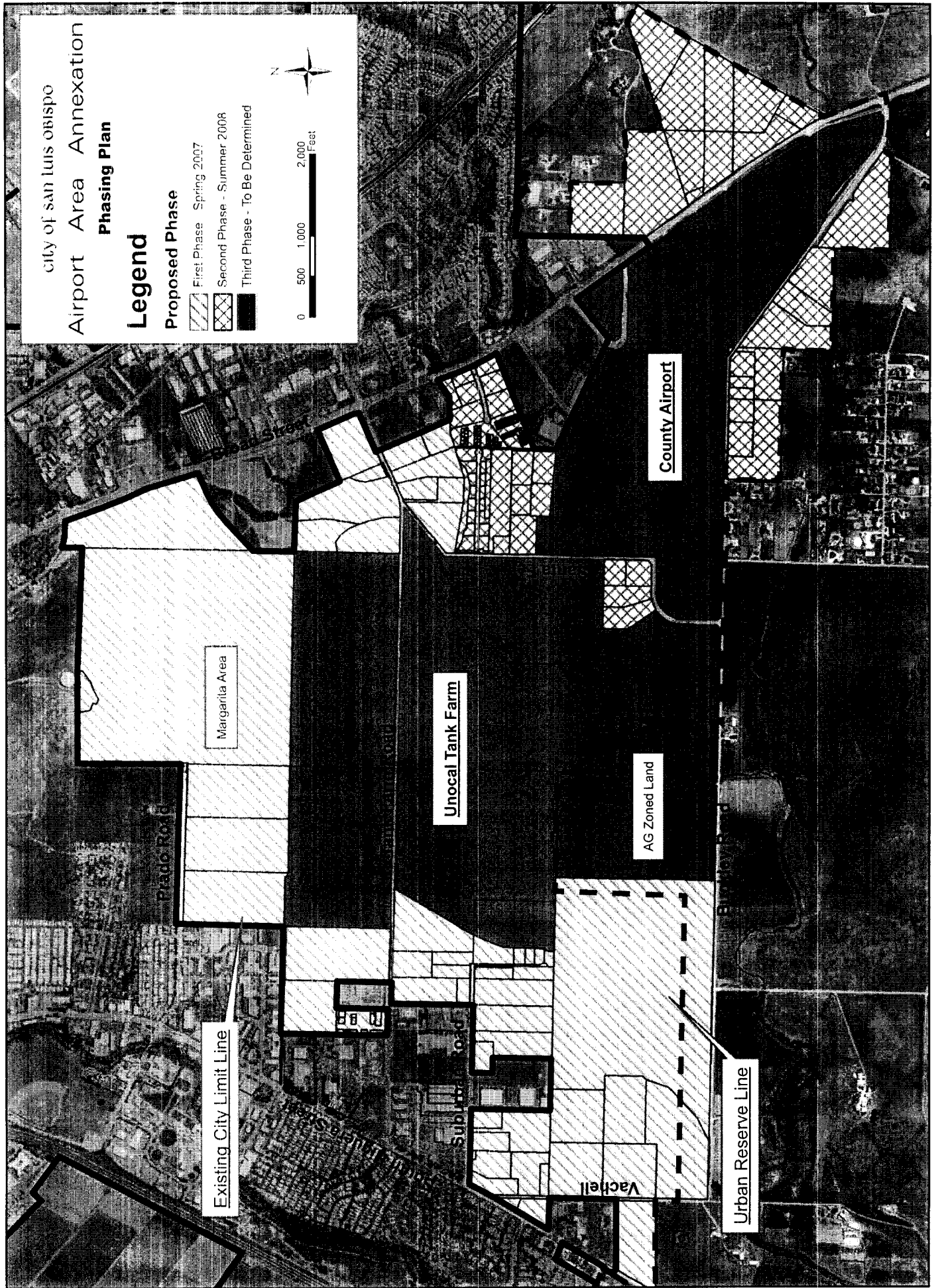
No Property Owner Fees Associated With Annexation. Please remember that there are no fees associated with the first phase of this annexation process. The City of San Luis Obispo is covering all of the processing costs associated with this one-time "group" annexation. And, there are no required infrastructure or "buy-in" fees until new development is proposed (and even then, fees are only based on new floor area). If you have any questions about costs associated with future development, you are encouraged to contact us.

We know that some property owners in the annexation area have special concerns relating to allowed uses, plans for development, access to services and other issues. If you have any questions, comments or concerns about these issues or anything related to the annexation process, please contact Michael Codron or Claire Clark using the information provided below.

Sincerely,




Michael Codron, Associate Planner
Community Development Department
(805) 781-7175
mcodron@slocity.org

Claire Clark
Economic Development Manager
(805) 781-7164
cclark@slocity.org



city of san luis obispo
 Airport Area Annexation
 Phasing Plan

Legend

- Proposed Phase**
-  First Phase - Spring 2007
 -  Second Phase - Summer 2008
 -  Third Phase - To Be Determined



Existing City Limit Line

Margarita Area

Unocal Tank Farm

AG Zoned Land

Yachell

Urban Reserve Line

County Airport

**PLANNING COMMISSION
RESOLUTION NO. XXXX-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.

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

AYES:

NOES:

REFRAIN:

ABSENT:

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

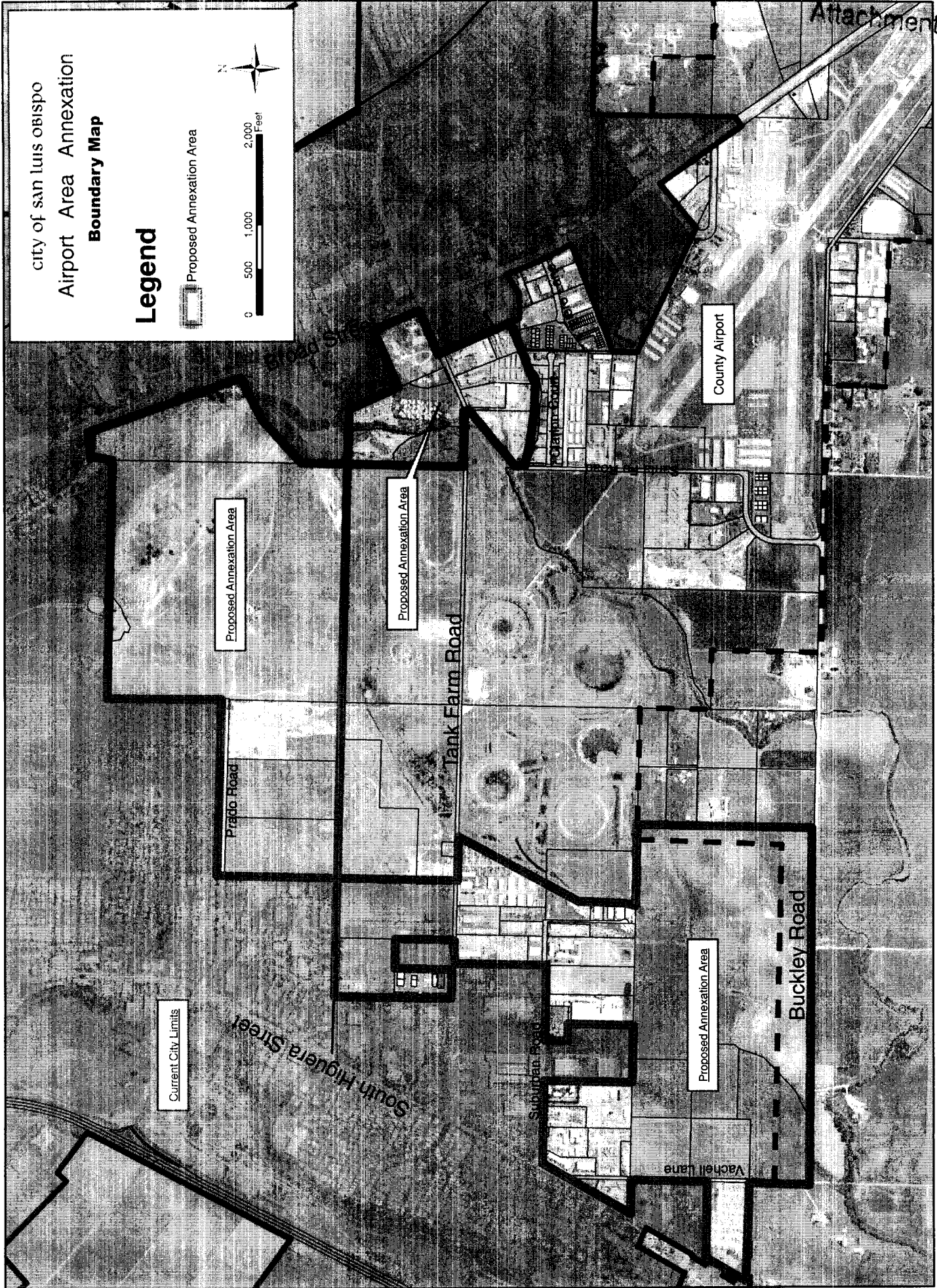
Kim Murry, Secretary
Planning Commission

city of san luis obispo
Airport Area Annexation
Boundary Map

Legend



0 500 1,000 2,000 Feet



Current City Limits

Prado Road

Proposed Annexation Area

Proposed Annexation Area

Tank Farm Road

South Higuera Street

Suburban Road

Proposed Annexation Area

Buckley Road

Vachell Lane

County Airport

Margarita Area Specific Plan - Pre-Zoning Exhibit B

- | | | | |
|--|-------------------------------------|--|--|
| | Business Park (BP-SP) | | Conservation/Open Space (C/OS-SP) |
| | Office (O-SP) | | Conservation/Open Space (C/OS-40-SP) |
| | High Density Residential (R-4-SP) | | Neighborhood Commercial Mixed Use (CN MU SP) |
| | Low Density Residential (R-1-SP) | | Neighborhood Commercial (CN-SP) |
| | Medium Density Residential (R-2-SP) | | Special Use (C-H-H-SP) |
| | Medium-High Density Res. (R-3-SP) | | Public Facility (PF-SP) |

