


TO: JAMES L. APP, CITY MANAGER
FROM: BOB LATA, COMMUNITY DEVELOPMENT DIRECTOR 
SUBJECT: JOINT DISCUSSION OF CITY COUNCIL AND PLANNING COMMISSION
REGARDING AN AMENDMENT TO THE CITY'S SPHERE OF INFLUENCE
DATE: JANUARY 20, 2000

Needs: For the City Council and Planning Commission to discuss the Commission's recommendation regarding a proposed Amendment to the City's Sphere of Influence.

- Facts:
1. The City's Sphere of Influence is established by the Local Agency Formation Commission (LAFCO). Attached is a copy of the most current map of the Sphere of Influence for the City of Paso Robles & LAFCO policies/criteria.
 2. The Sphere of Influence is defined by LAFCO as ***"A plan for the probable physical boundaries and service area of a local agency. The area around a local agency within which territory is eligible for annexation and the extension of urban services within a twenty year period."***
 3. As a part of the FY 1999-2000 Budget, the City Council provided funding for an application to LAFCO to Amend the City's Sphere of Influence. The basis for this requested Amendment is described in Attachment A.
 4. The justifications for changes to the Sphere of Influence, as established by LAFCO, are described in Attachment B (a memo dated February 16, 1999, entitled "Sphere of Influence Process").
 5. The City's current General Plan is designed to accommodate a population of 35,000 residents by the year 2010.
 6. Based on the growth rate that occurred during the 1990's, it is projected that the City will not reach 35,000 until between 2015 and 2020 (at the earliest).
 7. Consistent with the LAFCO definition of a ***"twenty year period"*** and in order to coincide with other long-range planning documents (including the next likely target for up-dating the General Plan, the Highway 46 East Corridor Study), the Planning Commission has been focusing on a Sphere of Influence designed around a "planning horizon" of 2025.
 8. The City Council's direction has been to request the Planning Commission to formulate a recommendation for a new Sphere of Influence boundary. That recommendation was to be a basis for discussion (at a joint meeting / workshop) between the City Council and the Planning Commission.
 9. The purpose of this staff report is to convey the Commission's recommendation and provide related background information.

Analysis
and
Conclusion:

LAFCO's standard for a Sphere of Influence is to anticipate growth and development that will occur during a 20-year period. Consistent with other long-range planning studies and documents, a "planning horizon" of 2025 would seem reasonable and appropriate for the City's next Sphere of Influence boundary.

Current projections by both the City and Paso Robles School District indicate that the City could reach 35,000 by 2020 (and that projection is based on relatively aggressive growth rates from 2000 through the projection period).

Based on the LAFCO definition for the Sphere of Influence, and the current General Plan build-out not occurring until 2015 (earliest) to 2020 (more likely), the Planning Commission has formulated recommendations regarding (1) the amount of growth and (2) where that growth should be planned for the City in the year 2025.

The Planning Commission has held a series of public discussions on potential revised boundaries for the City's Sphere of Influence. The Commission has looked at the Sphere of Influence boundaries in two ways:

1. In terms of logical geographic extensions of the current City boundaries;
2. In terms of potential population growth (i.e.: what are the next logical increments of population growth for which the City should plan).

In terms of geographic boundaries, the Planning Commission reviewed and analyzed factors that included the following:

- topographic challenges (e.g. constraints on growth westward from the City);
- recorded deed restrictions (e.g. limitations on property being subdivided below specific minimum lot sizes - - such as in the Circle B Road area - - which makes it relatively unlikely that the area will subdivide to a point of needing City services;
- areas where there is a perceived political opposition to annexation to the City of Paso Robles (e.g. Spanish Camp);
- areas where developments are proceeding without the apparent need for City services (e.g. Rancho Santa Ysabel);
- areas that are being committed to Vineyards for the foreseeable future (such as the eastern half of the Chandler Ranch or the Martin Weyrich Vineyards north of the City);
- areas that need substantial infrastructure investment from the County of San Luis Obispo before the City of Paso Robles would likely want to consider their inclusion within the City's General Plan (e.g. the Jardine Road area);

- areas that can be most easily served by existing and/or planned infrastructure, are in the path of established growth patterns, and which do not have significant physical / topographic constraints to prevent their future development (e.g. the area south and east of the City between Linne Road and Creston Road, part of which is already in the City's Sphere of Influence); and
- areas that may warrant consideration as to future development patterns / opportunities (e.g. along the Highway 101 corridor, north to and including the Wellsona Road intersection with Highway 101).

The Conclusion of the Planning Commission regarding geographic boundaries:

1. The area south and east of the City between Linne Road and Creston Road, part of which is already in the City's Sphere of Influence would seem best suited to be the focus of future growth and development beyond the current General Plan. Infrastructure plans, specifically including roads and a sewer trunk line, are planned to provide eventual service to this area. Although growth and development of this area is not without challenges, it would appear the most logical eventual extension of the current City boundaries.
2. The Highway 101 corridor, north to and including the Wellsona Road intersection, would seem to warrant further analysis as to the feasibility of including this area in the City's Sphere of Influence. Although there are infrastructure and established land use constraints (e.g. the area is "downhill" from City sewer services, there are no other City infrastructure plans for this area, and there are a number of blighted properties), the area does constitute a northern gateway to the Paso Robles community and the area should be under the City's jurisdiction.

The Planning Commission also formulated a recommendation for what additional population should be planned for as part of an extension of the City's Sphere of Influence (i.e.: what residential growth needs to be planned for within the new geographic boundaries). In this context, the Planning Commission's considerations included the following factors:

- Based on the current City build-out to 35,000 occurring about 2020, and using 2025 as the "planning horizon", then the Commission focused on what population growth should be planned for during the period 2020 to 2025.
- For the purposes of discussion, the Planning Commission recommended looking at increments of either 5,000 or 10,000 population (which would raise the City build-out population in the year 2025 to either 40,000 or 45,000).
- Infrastructure constraints have an impact on the amount of population growth for which the City should plan. For example, to add sewage treatment capacity one should look to the next logical addition to the current plant - - and that

addition may not be economical or practical for less than a 50 percent increase in capacity - - far more than is needed to handle 5,000 or 10,000 population. The challenge would, therefore, be to finance a greater increase in capacity than is needed for the foreseeable future.

- The Planning Commission also considered the geographic area in which increments of 5,000 or 10,000 residents could be accommodated. Attachment "C" illustrates the options that were discussed by the Planning Commission.

At the January 20 Joint Meeting between the City Council and Planning Commission there will be an opportunity for the Council and Commission members to jointly discuss the Commission's recommendations and to formulate a direction to staff.

The direction to staff should be to prepare a draft Application for Sphere Amendment for consideration by LAFCO. In preparing this application, the City will need to provide the justifications for the application that are described in Attachment B.

Essential to the justification will be a demonstration by the City that the City will have the infrastructure capacity to provide services to the requested increased in geographic area and projected population growth (e.g. adequate sewage treatment capacity).

Work has already begun to evaluate the potential infrastructure and service needs to accommodate the recommendations of the Planning Commission. Once the City Council has considered the Commission's recommendations and provided direction for the physical boundaries and population that should be addressed in the Sphere Amendment Application to LAFCO, the service and infrastructure needs will be refined and proposals will be developed for financing these future commitments.

Policy
Reference:

General Plan; LAFCO Policies and Guidelines

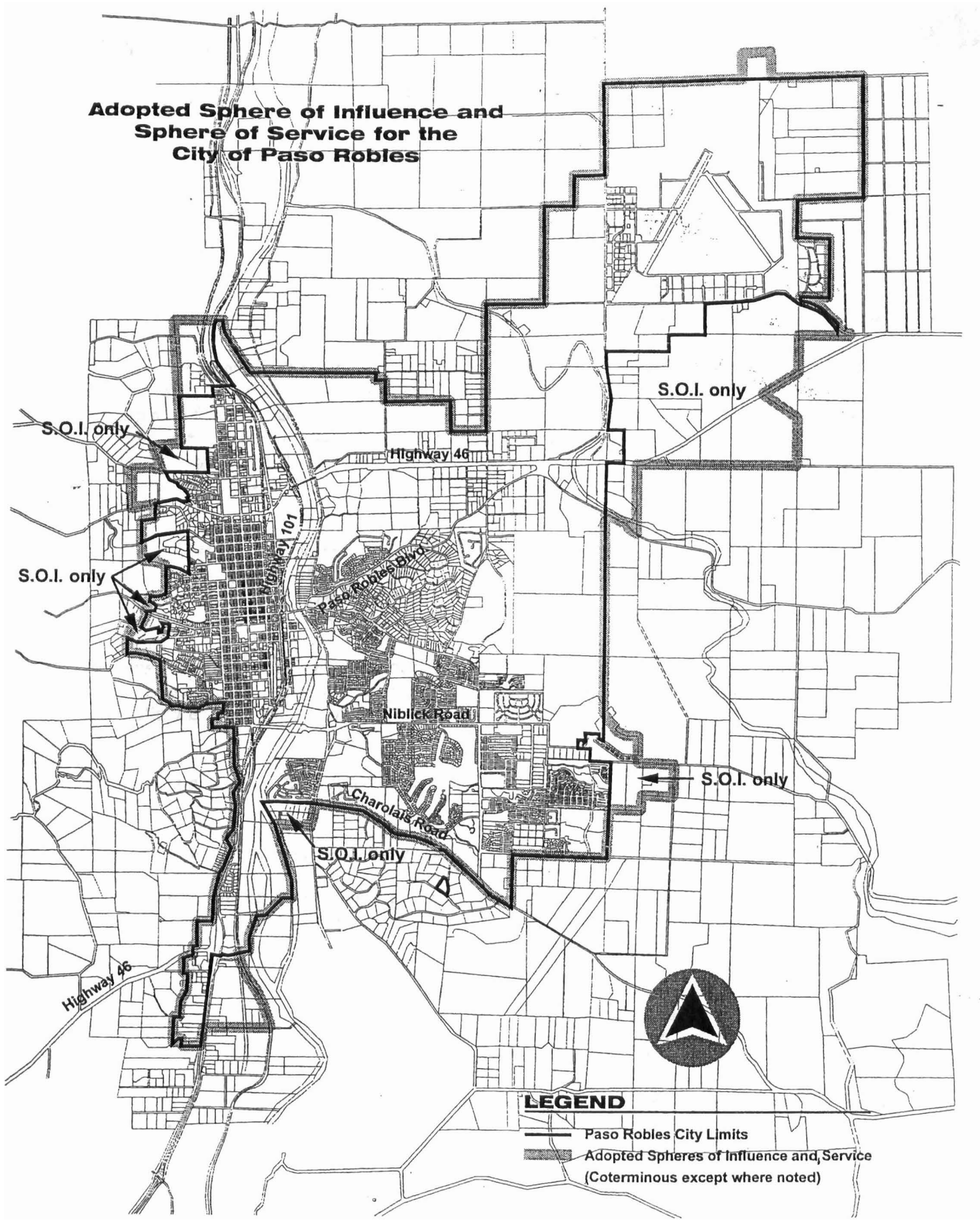
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Impact:

The application to Amend the City's Sphere of Influence is projected to be accomplished within the already allocated budget of \$5,000. The commitment to provide infrastructure and services to a larger geographic area and increased population beyond 35,000 has substantial long-term fiscal ramifications that would need to be thoroughly analyzed to provide a supportable application to LAFCO.

Options:

- a. That the City Council hold a workshop discussion with the Planning Commission regarding the Commission's recommendations for an Amendment to the City's Sphere of Influence boundaries and that the Council provide direction to staff as to what geographic areas and what residential population densities should be included in an application to LAFCO. (Staff will return to City Council with a report on the necessary infrastructure and service needs to support the new Sphere area, along with financing options for Council consideration, prior to submittal of an application to LAFCO.)
- b. Amend, modify or reject Option a.

Adopted Sphere of Influence and Sphere of Service for the City of Paso Robles



LEGEND

- Paso Robles City Limits
- ▬ Adopted Spheres of Influence and Service (Coterminous except where noted)

RECEIVED

LOCAL AGENCY FORMATION COMMISSION
SAN LUIS OBISPO COUNTY

OCT 3 1997 -

SPHERE OF INFLUENCE POLICIES AND CRITERIA **COMMUNITY DEVELOPMENT**

AUTHORITY

Under the Cortese-Knox (Government Code Section 56000 et seq.) are the following statements:

1. "Among the purposes of a local agency formation commission are the discouragement of urban sprawl and the encouragement of the orderly formation and development of local governmental agencies based upon local conditions and circumstances. One of the objects of the local agency formation commission is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local governmental agencies so as to advantageously provide for the present and future needs of each county and its communities...."

"In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities, the local agency formation commission shall develop and determine the sphere of influence of each governmental agency within the county. As used in this section "sphere of influence" means a plan for the probable physical boundaries and service area of a local governmental agency. In determining the sphere of influence of each local governmental agency the commission shall consider and prepare a written statement of its determinations with respect to each of the following:

- a. The present and planned land uses in the area, including agricultural and open space lands.
 - b. The present and probable need for public facilities and services in the area.
 - c. The present capacity of public facilities and the adequacy of public services which the agency provides or is authorized to provide.
 - d. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency."
3. "Upon determination of a sphere of influence, the commission shall adopt such sphere, and shall periodically review and update the adopted spheres of influence."
 4. "The commission may recommend governmental reorganizations to particular agencies in the county, using the spheres of influence as the basis for such recommendations."

II

DEFINITIONS

1. Agricultural lands: Land used for the purpose of producing an agricultural commodity for commercial purposes. (Government Code Section 56016)
2. Agricultural preserve: Lands subject to an existing land conservation agreement established pursuant to the California Land Conservation Act of 1965. (the Williamson Act, Government Code Section 51200 et seq.)
3. County: County of San Luis Obispo
4. Local governmental agency: County, city or special district.
5. LAFCO: San Luis Obispo Local Agency Formation Commission.
6. Open space lands: Parcel or area of land or water which is essentially unimproved and devoted to open space use as defined in Government Code Section 65560.
7. Prime agricultural land: Land which qualifies for rating as Class I or II in the United States Soil Conservation land use capacity classifications; land which qualifies for rating 80-100 in the Storie Index Rating.
8. Sphere of influence: A plan for the probable physical boundaries and service area of a local agency. The area around a local agency within which territory is eligible for annexation and the extension of urban services within a twenty year period.
9. Sphere of service: The area around a local agency within which territory is eligible for annexation and the extension of urban services within a zero to ten year period.
10. Urban services: Services including, but not limited to, police, structural fire protection, non-agricultural water, sewer, drainage, street lighting, streets and roads.
11. Urban service area: Developed, undeveloped, or agricultural land, either incorporated or unincorporated, within a city's sphere of influence, which is currently served by existing urban facilities, utilities, and services or is proposed to be served by urban facilities, utilities, and services in the first five years of a city's adopted capital improvement program.

III

STATEMENTS OF INTENT

1. LAFCO intends that its sphere of service and sphere of influence determinations will serve as a master plan for the future organization of local government within the county. The spheres shall be used to discourage urban sprawl and the proliferation of local governmental agencies, and to encourage efficiency, economy and orderly changes in local government.

2. The sphere of service and sphere of influence lines shall be a declaration of policy which shall be a primary guide to LAFCO in the decision on any proposal under its jurisdiction. Every determination made by the Commission shall be consistent with the spheres of influence of the agencies affected by those determinations.
3. No proposal which is inconsistent with an agency's adopted sphere of influence and/or sphere of service shall be approved until the Commission, at a noticed public hearing, has considered an amendment or revision to that agency's sphere of service or sphere of influence.
4. The adopted sphere of service and sphere of influence shall reflect city and county general plans, growth management policies, annexation policies, resource management policies, and any other policies related to ultimate boundary and service area of an affected agency unless those plans or policies conflict with the legislative intent of the Cortese-Knox (Government Code Section 56000 et seq.).

Where inconsistencies between plans exist, LAFCO shall rely upon that plan which most closely follows the legislature's directive to discourage urban sprawl, direct development away from prime agricultural land and open-space lands, and encourage the orderly formation and development of local governmental agencies based upon local conditions and circumstances.

IV

GUIDELINES

1. LAFCO will designate a sphere of influence line for each local agency that represents the agency's probable physical boundary and includes territory eligible for annexation and the extension of that agency's services within a zero to twenty year period. LAFCO may also designate a sphere of service line for a local agency which represents the agency's short-term growth area. Areas within an adopted sphere of service shall be eligible for annexation and extension of urban services within a zero to ten year period.
2. Territory between an adopted sphere of service and sphere of influence of an agency shall be considered a transition area, anticipated to need and receive the agency's services within ten to twenty years. To preclude urban sprawl within an adopted sphere of influence, transition areas shall not be considered eligible for annexation and urban services within ten years.
3. LAFCO shall consider the following factors in determining an agency's sphere of service and sphere of influence.
 - a. Present and future need for agency services and the service levels specified for the subject area in applicable general plans, growth management plans, annexation policies, resource management plans, and any other plans or policies related to an agency's ultimate boundary and service area.
 - b. Capability of the local agency to provide needed services, taking into account evidence of resource capacity sufficient to provide for internal needs and urban expansion.

- c. The existence of agricultural preserves, agricultural lands and open space lands in the area and the effect that inclusion within a sphere of influence shall have on the physical and economic integrity of maintaining the land in non-urban use.
 - d. Present and future cost and adequacy of services anticipated to be extended within the sphere of influence.
 - e. Present and projected population growth, population densities, land uses, land area, ownership patterns, assessed valuations, and proximity to other populated areas.
 - f. The agency's capital improvement or other plans that delineate planned facility expansions and the timing of that expansion.
 - g. Social or economic communities of interest in the area.
4. LAFCO may adopt a zero sphere of influence encompassing no territory for an agency. This occurs where LAFCO determines that the public service functions of the agency are either non-existent, no longer needed, or should be reallocated to some other agency of government. The local agency which has been assigned a zero sphere of influence should ultimately be dissolved.
 5. Territory not in need of urban services, including open space, agriculture, recreational, rural lands or residential rural areas, shall not be assigned to an agency's sphere of influence, unless the area's exclusion would impede the planned, orderly and efficient development of the area.
 6. LAFCO may adopt a sphere of service and sphere of influence that excludes territory currently within that agency's boundaries. This occurs where LAFCO determines that the territory consists of agricultural lands, open space lands, or agricultural preserves whose preservation would be jeopardized by inclusion within an agency's sphere of influence. Exclusion of these areas from an agency's sphere of influence indicates that detachment is appropriate.
 7. Where an area could be assigned to the sphere of influence of more than one agency providing a particular needed service, the following hierarchy shall apply dependent upon ability to service.
 - a. Inclusion within a city sphere of influence.
 - b. Inclusion within a multi-purpose district sphere of influence.
 - c. Inclusion within a single-purpose district sphere of influence.

In deciding which of two or more equally-ranked agencies shall include an area within its sphere of influence, LAFCO shall consider the agencies' service and financial capabilities, social and economic interdependencies, topographic factors, and the effect that eventual service extension will have on adjacent agencies.

8. Sphere of influence boundaries shall not create islands or corridors unless it can be demonstrated that the irregular boundaries represent the most logical and orderly service area of an agency.

9. Non-adjacent, publicly-owned properties and facilities used for urban purposes may be included within that public agency's sphere of influence if eventual annexation would provide an overall benefit to agency residents.
10. At the time of adoption of a city sphere of influence, LAFCO may develop in cooperation with the city and adopt an Urban Service Area Boundary pursuant to policies adopted by the Commission in accordance with Government Code Section 56080. LAFCO shall not consider any area for inclusion within an Urban Service Area Boundary that is not addressed in the general plan of the affected city, or is not proposed to be served by urban facilities, utilities, and services within the first five years of the affected city's capital improvement program.
11. LAFCO shall review sphere of service and sphere of influence determinations every five years or when deemed necessary by the Commission. If a local agency or the county desires amendment or revision of an adopted sphere of influence, the local agency by resolution may file such a request with the Executive Officer. Any local agency or county making such a request shall reimburse the Commission for the actual and direct costs incurred by the Commission. The Commission may waive such reimbursement if it finds that the request may be considered as part of its periodic review of spheres of influence.
12. LAFCO shall adopt, amend or revise sphere of service or sphere of influence determinations following the procedural steps set forth in the Cortese-Knox, Government Code Section 56000 et seq.

Adopted April 1985
Technical Corrections January 1996

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Paso Robles Sphere of Influence Basis for Up-Date Request

Section 56000 of the California Government Code states that "...the commission shall adopt such sphere, and shall periodically review and update the adopted sphere of influence."

- It has been well over a decade since the last formal up-date of the City's Sphere of Influence.

By definition from LAFCO's policies and criteria, a Sphere of Influence is *"A plan for the probable physical boundaries and service area of a local agency. The area around a local agency within which territory is eligible for annexation and the extension of urban services within a twenty year period."*

- The current Paso Robles Land Use Element is designed to address patterns of growth and development through the year 2010.
- Further, the current infrastructure capacities and capital improvement programs are focused on the population and service demands associated with the City in the year 2010.
- The City Council of Paso Robles has expressed interest in starting a new up-date of its General Plan, focusing on a "planning horizon" of 2025.
- A key component to the General Plan up-date is the programming of infrastructure and capital improvements necessary to service the General Plan area.
- The current Sphere of Influence lines reflect only limited geographic areas beyond the current City boundaries (leaving relatively little growth and planning area beyond the current General Plan).
- For that reason, it is important to the City's General Plan up-date effort to identify the probable physical boundaries of the City of Paso Robles in the year 2025

TO: James L. App, City Manager
FROM: Bob Lata, Community Development Director
SUBJECT: Sphere of Influence Process
DATE: February 16, 1999

Consistent with Council direction from the January 19, 1999 City Council meeting, staff met with Paul Hood, Executive Director of the Local Agency Formation Commission (LAFCO). The purpose of the meeting was to discuss the process and procedure involved in an up-date of the City's Sphere of Influence.

Attached for reference purposes are:

- A copy of the Sphere of Influence boundary map received from LAFCO; and
Justification statements designed to support a request for a Sphere of Influence up-date.

Questions posed and responses received:

1. How can the City initiate / cause LAFCO to initiate an up-date of the City's Sphere of Influence?

By City Council Resolution, including an Exhibit map reflecting the City's proposal for changes to the Sphere boundaries.

2. What are the steps that this process would take?

A Sphere of Influence Report would be prepared. In light of current LAFCO staffing, it will probably be necessary to hire a contract person / consultant to do the analysis for LAFCO; the City would need to share in this cost.

3. What is the time frame for completion of this process?

Assuming that a Negative Declaration of environmental impact is adopted, the process should take about six (6) months.

4. What, if any, costs to the City are associated with the process of up-dating the City's Sphere of Influence?

There will be an application fee to LAFCO, plus the above referenced share in the cost of analysis by LAFCO. The LAFCO filing fee would be \$2500, and a rough

estimate of this cost of additional LAFCO analysis would be about \$1000. Depending upon the nature of the Sphere boundary request, it could become necessary to seek consultant analysis; if a consultant is needed, that would be an additional cost.

5. Are there other policy issues / factors that the City should be aware of that would impact the process of up-dating the City's Sphere of Influence?

None are apparent at this time (the Urban Reserve Line reflected in the County's Salinas Area Plan is consistent with the LAFCO Sphere lines; if the LAFCO Sphere lines change, then it would be anticipated that the County Urban Reserve Lines would be adjusted to maintain consistency).

6. Is there other information regarding the process that the City needs to be aware of?

The Sphere of Influence boundary analysis will focus on two lines:

- a. *The Sphere of Service - - a line reflecting properties that are likely to be annexed and provided with services within a ten (10) year time frame; and*
- b. *The Sphere of Influence - - a line including land that would likely be annexed to the City within twenty (20) years.*

Consideration of appropriate Sphere of Service and Sphere of Influence lines by LAFCO will include a justification for the geographic areas that are proposed for the two Sphere categories, and a focus on the City's ability to provide services within the 20-year period.

Services addressed by LAFCO analysis would include:

- *Sewage treatment capacity*
- *Water supply and delivery*
- *Police and Fire Department facilities and staffing*

The City would need to support a LAFCO request for new Sphere boundaries documentation. The documentation would include, but not be limited to:

- Justification of the need for the extent of geographic expansion projected for the next twenty year period (considering development potential within the existing City boundaries plus the proposed Sphere boundaries);

- Plans for facilities and staffing to provide the range of municipal services to the areas that are proposed to be within the Sphere of Service and Sphere of Influence boundaries.

Options:

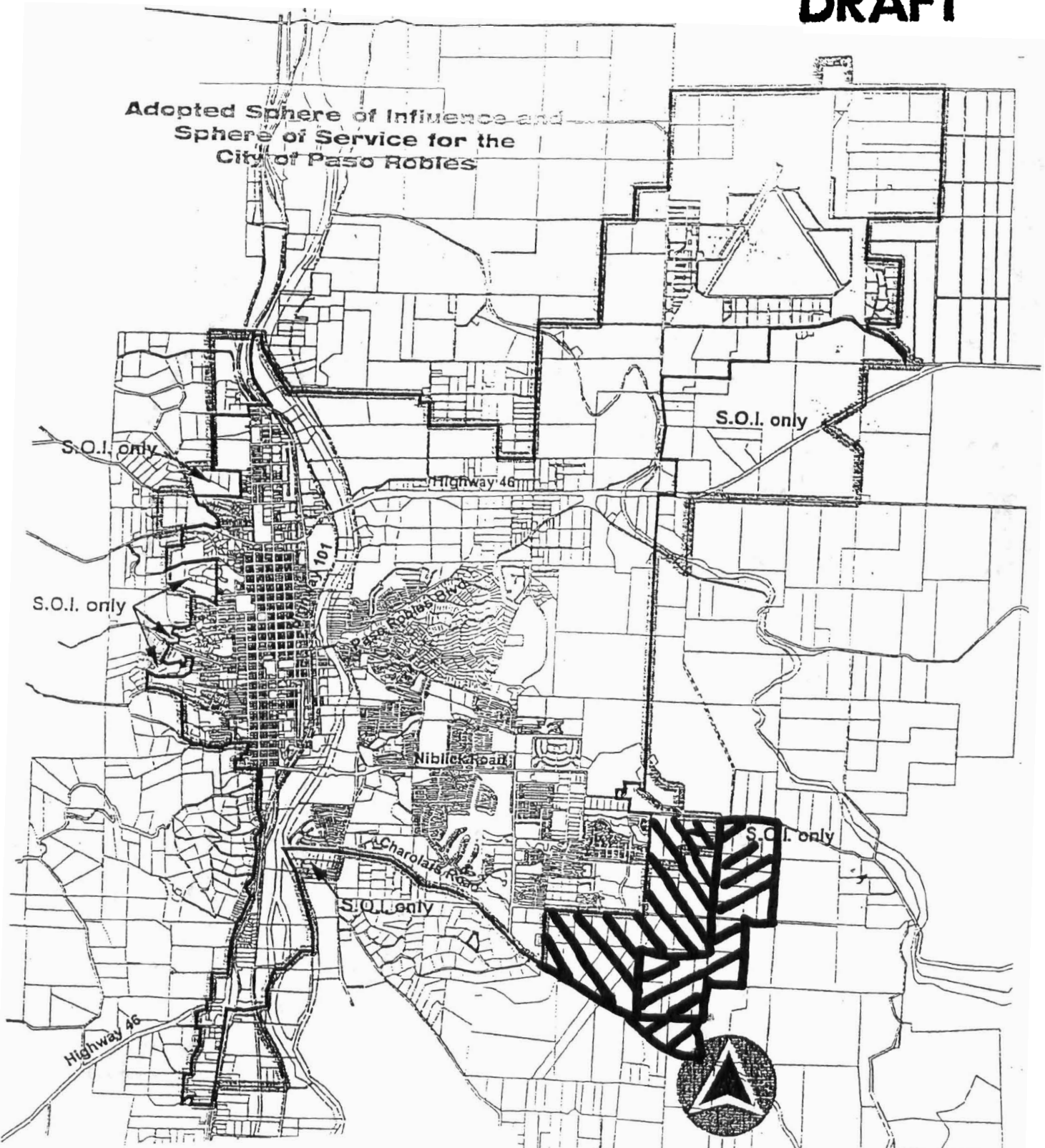
Based on the foregoing, a first step in the process would be to define possible Sphere of Service and Sphere of Influence boundaries. Alternative approaches:

1. Prepare alternative Sphere boundaries, seek Planning Commission review and recommendation, and forward the recommendation for City Council consideration; or
2. Set a joint workshop for the Planning Commission and City Council to discuss and reach a consensus on boundaries to be proposed; or
3. For the City Council to provide direction as to a preliminary concept for Planning Commission evaluation and recommendation.

Please advise if you have questions, need further information, or wish to discuss.

DRAFT

**Adopted Sphere of Influence and
Sphere of Service for the
City of Paso Robles**



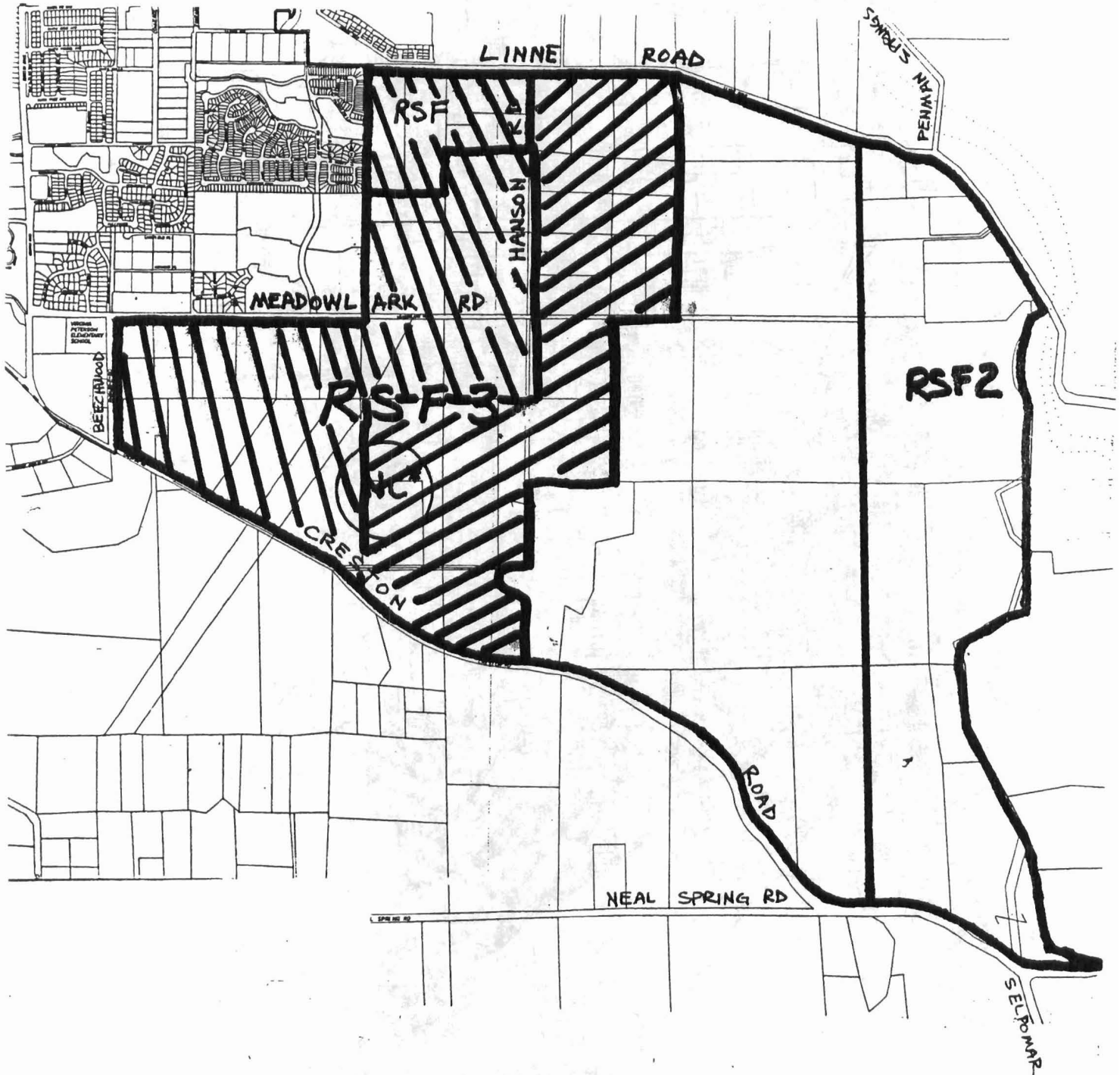
LEGEND

- Paso Robles City Limits
- ▨ Adopted Spheres of Influence and Service (Coterminous except where noted)

Attachment "C"

2 areas of $\frac{1}{2}$ 5,000 population

FIGURE LU-1P: LAND USE MAP FOR SUBAREA D



Neighborhood Commercial (NC): Approximately 10 acres to be located on the arterial street that will "loop" around the south and east sides of the City to connect Highway 46 East with Highway 46 West at either its intersection with Charolais Road or with Creston Road.

