

TO: James L. App, City Manager
FROM: Ed Gallagher, Community Development Director
SUBJECT: LAFCO Sphere of Influence Update
DATE: September 6, 2011

Needs: Consider a Memorandum of Agreement (MOA) with the County of San Luis Obispo regarding the Sphere of Influence (SOI) Update.

- Facts:
1. The San Luis Obispo Local Agency Formation Commission (LAFCO) is required by law to update a community's SOI every five years. An SOI is a boundary extending beyond the City limits that represents "an agency's probable future physical boundary and service area."
 2. Part of the process for updating the SOI is the execution of an MOA with the County. That agreement sets forth each jurisdiction's policies and expectations for development within the SOI.
 3. The City and County executed an MOA in 2004 (shortly after adoption of the City's 2003 General Plan Update). A copy of that MOA is attached.
 4. Working with LAFCO, City and County staff members prepared an update to the MOA for consideration by the City Council and the Board of Supervisors. A copy of the proposed updated MOA is an Exhibit to the attached resolution to adopt the MOA.
 5. At its meeting of June 7, 2011, the City Council approved a set of six study areas to be studied for inclusion in the SOI Update. A map of those areas is attached as an exhibit to the updated MOA.
 6. As part of the SOI update process, LAFCO also prepares a "Municipal Services Review" (MSR), which analyzes the City's capacity for providing service to the study areas. The MSR is expected to be released for public review in September.
 7. The SOI update, including the MSR, is a project that is subject to the California Environmental Quality Act (CEQA). LAFCO is preparing a Mitigated Negative Declaration (MND) for this project and will release it for public review along with the MSR.

Analysis &
Conclusion: The 2004 MOA (Attachment 2) focused on the proposed Olsen Ranch and Beechwood Area Annexations. That MOA has served its purpose. In order to add the six areas recommended by the City Council on June 7, and to reference the City's Purple Belt

and Gateway Plans, a new MOA is needed. Additionally, the County has indicated that it wishes that the updated MOA reference the "Community Separators" described in its Conservation and Open Space Element.

The Map attached as Exhibit B to the updated MOA shows the following six study areas requested by the City Council on June 7:

1. City-owned properties on the north side of Highway 46 East and south of the Landfill;
2. Triangularly-shaped parcel on the south side of Highway 46 East at the northeast corner of Hunter Ranch Golf Course;
3. Properties between Mill and Union Roads (possible route for a future road to connect these two roads across the Huerhuero Creek);
4. Vina Robles properties between Union and Linne Roads, immediately east of the Chandler Ranch;
5. Ernst property south of Peachy Canyon Road at Merryhill Drive, where the city limit line divides a house; (This area is too small to be seen on Exhibit B.)
6. Quorum (Furlotti) Properties on the northwest quadrant of Highways 101 and 46 West.

Note: LAFCO proposes to postpone inclusion of this area in the SOI Update until the City has approved a development plan and an Environmental Impact Report. The SOI update for this area would then be considered simultaneously with an annexation application.

Exhibit A of the updated MOA proposes that future development in the six areas implement the following principles:

- Each jurisdiction will rely on its own capability to provide services to development, and not presume that any services will be provided by the other body without prior documentation/agreement regarding services.
- The City and County will work cooperatively to plan future land uses, public services and facilities, and preserve agriculture and open space.
- City will document an adequate, reliable, and sustainable water supply prior to completing an annexation.
- City will document an adequate, reliable, and sustainable water supply prior to completing an annexation.

- Consider each other's policies as contained in the City's Purple Belt and Gateway Plans, the County's Conservation and Open Space Element (notably the discussion of "Community Separators" *), and the County's Agriculture Element.
 - * Attachment 3 is an excerpt from the County's Conservation and Open Space Element explaining the "Community Separation" policy. Figure VR-2 of Attachment 3 is a map of the Community Separators. It shows separators along both sides of Highway 101 immediately north of the City, along the east side of Highway 101 immediately south of the City (along Ramada Drive, south of Highway 46 West), and on both sides of Highway 46 East immediately east of the City. None of the six areas lie within any of the Community Separators. Consequently, it appears that this reference is intended as a notice to the City for future amendments to the SOI, and perhaps a request that any development in the six areas consider the County's principles of community separation.
- Item #9 of Exhibit A of the MOA sets forth the understandings and expectations for the following three areas:
 1. Quorum properties: Although the current SOI Update will not include the Quorum properties, the MOA lists the issues to be addressed at such time that a combined SOI Amendment and annexation application is submitted to LAFCO.
 2. Mill Road properties: These properties, located between Union and Mill Roads, are included in the SOI in order to facilitate provision of a public road to connect Union and Mill Roads across Huerhuero Creek to provide a southern parallel route to Highway 46 East.
 3. Vina Robles properties: These properties, located between Union and Linne Roads, are included in the SOI in order to facilitate a possible City water tank site and recipient for recycled water.

Exhibit C of the proposed MOA is a "Project Referral Map" showing the areas beyond the SOI in which that the County would agree to notify the City of development proposals with the intention of allowing the City to provide comment on said development.

The next steps in the SOI Update process are:

1. LAFCO publishes the proposed SOI (as shown in the MOA), Municipal Services Review, and Mitigated Negative Declaration for a 45 day public review;
2. If LAFCO receives several comments on the SOI, MSR, and/or MND, they would schedule a public workshop/study session; this could occur in November.
3. LAFCO conducts a public hearing to consider approval of the proposed SOI and MSR in January or February 2011.

Policy

Reference: General Plan Policies:

- Purple Belt (LU-2E) – would apply to all properties;
- Planning Impact Area (LU-2F) – would apply to all properties;
- Service Levels (LU-4A) – would apply to all properties;
- New development to mitigate impacts to circulation system (CE-1A(f)) – would apply to Mill Road and Quorum properties;
- Water source, supply, and distribution (C-1A) – would apply to Vina Robles Property;
- Gateway Plan (C-5A) – would apply to all but Ernst property.

Economic Strategy:

- Minimize economic, social, and environmental costs and efficiently use resources and infrastructure; new development should take place in existing urbanized areas before using more agricultural land or open space.
- Establish cohesive, compact and livable community for individuals and families.
- Support agriculture as a viable industry and visitor attraction by featuring it as the distinguishing community environment.
- Develop, fund and implement the “purple belt” plan.

Fiscal

Impact: LAFCO will explore fiscal impacts with the Municipal Service Review. Fiscal impacts of future annexations will be evaluated on an individual basis.

- Options:
- a. Adopt the attached Resolution to Approve an Updated Memorandum of Agreement.
 - b. Amend, modify or reject the foregoing option.

Attachments:

1. Resolution to Approve an Updated Memorandum of Agreement
2. 2004 Memorandum of Agreement
3. County Conservation and Open Space Element Provisions for Community Separators

RESOLUTION NO. 11-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES APPROVING A MEMORANDUM OF UNDERSTANDING WITH THE COUNTY OF SAN LUIS OBISPO REGARDING THE CITY'S 2011 SPHERE OF INFLUENCE UPDATE

WHEREAS, the Cortese/Knox/Hertzberg Act of 2000 requires Local Agency Formation Commissions (LAFCO) to update communities' Spheres of Influence (SOI) every five years; an SOI is a boundary extending beyond the City limits that represents "an agency's probable future physical boundary and service area"; and

WHEREAS, part of the process for updating the SOI is the execution of a Memorandum of Agreement (MOA) between the City of Paso Robles ("City") and the County of San Luis Obispo ("County"), which will set forth each jurisdiction's policies and expectations for development within the SOI; and

WHEREAS, the City and County executed an MOA in 2004 shortly after adoption of the City's 2003 General Plan Update; and

WHEREAS, at its meeting of June 7, 2011, the City Council approved a set of six study areas to be studied for inclusion in the SOI Update; and

WHEREAS, the City's General Plan contains several policies that would apply to the consideration of areas beyond City Limits for study for possible future annexation; such policies would include, but not be limited to the following:

- Land Use Element Policy LU-2E regarding the establishment of a Purple Belt (LU-2E);
- Land Use Element Policy LU-2F regarding the Planning Impact Area;
- Land Use Element Policy LU-4A regarding establishing service levels;
- Circulation Element Policy CE-1A regarding having new development mitigate impacts to circulation system;
- Conservation Element Policy C-1A regarding water source, supply, and distribution;
- Conservation Element Policy C -5A regarding adoption and administration of a Gateway Plan;

WHEREAS, the City's Economic Strategy contains several policies that would apply to the consideration of areas beyond City Limits for study for possible future annexation; such policies would include, but not be limited to the following:

- Minimize economic, social, and environmental costs and efficiently use resources and infrastructure; new development should take place in existing urbanized areas before using more agricultural land or open space;
- Establish cohesive, compact and livable community for individuals and families;
- Support agriculture as a viable industry and visitor attraction by featuring it as the distinguishing community environment;
- Develop, fund and implement the "purple belt" plan;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED, by the City Council of the City of El Paso de Robles to approve the Memorandum of Agreement with the County of San Luis Obispo attached to this resolution as Exhibit "A", which shall supersede the Memorandum of Agreement executed in 2004.

PASSED AND ADOPTED THIS 6th day of September, 2011 by the following Roll Call Vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Duane Picanco, Mayor

ATTEST:

Caryn Jackson, Deputy City Clerk

Exhibit A

**MEMORANDUM OF AGREEMENT
BETWEEN THE CITY OF PASO ROBLES AND
THE COUNTY OF SAN LUIS OBISPO
REGARDING THE CITY'S 2011 SPHERE OF INFLUENCE UPDATE**

This Agreement between the City of Paso Robles (hereafter "City") and the County San Luis Obispo County (hereafter "County") is entered into by the City on this _____ day of _____, 2011, and by the County on this _____ day of _____, 2011.

WITNESSETH

WHEREAS, the Cortese/Knox/Hertzberg Act of 2000 ("the Act") requires the Local Agency Formation Commission (LAFCO) to update the Spheres of Influence for all applicable jurisdictions in the County every five years; and

WHEREAS, a Sphere of Influence is defined by the California Government Code 56076 as a plan for the probable physical boundaries and service area of a local agency; and

WHEREAS, pursuant to Government Code 56425 the Sphere of Influence has been identified by the County of San Luis Obispo and the City of Paso Robles as shown in Exhibit B; and

WHEREAS, the Act further requires that a Municipal Service Review be completed prior to or, in conjunction with, the update of a Sphere of Influence in accordance with Section 56430 of the California Government Code as a means of identifying and evaluating public services provided by the City of Paso Robles and changes to the City's Sphere of Influence; and

WHEREAS, the City and County have reached agreement regarding the boundaries (Exhibit B), and provisions (Exhibit A) of the proposed Sphere of Influence to help ensure the orderly and logical development of these areas; and

WHEREAS, the City's General Plan and future amendments provide a policy basis for growth and development in the Sphere of Influence areas and defines policies and programs that would ensure the permanent preservation of important agricultural land and open space surrounding Paso Robles; and

WHEREAS, the County's General Plan goals call for Community Separators (as defined in the County's General Plan) to provide for a community's distinctive identity and preserve the rural character of the areas between and on the fringes of communities and cities; and

WHEREAS, the City and County intend to cooperate regarding growth and development on the urban fringe of the City and in the referral area shown in Exhibit C with special attention given to those locations designated as Specific Referral Areas; and

WHEREAS, LAFCO is required by Government Code 56425 (b) to give great weight to this agreement in making the final determination regarding the City's Sphere of Influence.

NOW, THEREFORE, be it resolved that the parties agree as follows:

1. The proposed Sphere of Influence boundary contained in Exhibit B provides for the orderly and logical growth for the City of Paso Robles and represents a potential 20-year growth boundary based on available information.
2. The provisions contained in Exhibit A offer a framework for completing updates to the General Plans of both the City and the County for the areas in the proposed Sphere of Influence.
3. The provisions contained in Exhibit A are intended to give the City and the County the basis for developing specific land use policies and standards for the areas in the City of Paso Robles' proposed Sphere of Influence and do not supersede or limit the planning or environmental review process or the discretionary decision making process of either jurisdiction.
4. The City's and County's General Plan policies shall be used to help guide the logical and orderly development of these Sphere Areas while permanently preserving agricultural and open space lands.

Mayor, City of Paso Robles

APPROVED AS TO FORM AND LEGAL EFFECT:

City Attorney

Dated: _____

ATTEST:

City Clerk

Dated: _____

Chairman, Board of Supervisors
County of San Luis Obispo

APPROVED AS TO FORM AND LEGAL EFFECT:

County Counsel

Dated: _____

ATTEST:

County Clerk

Dated: _____

EXHIBIT A
PROVISIONS

The following provisions are agreed to and shall be used by the City of Paso Robles and the County of San Luis Obispo to establish a cooperative working relationship in formulating land use plans for future development within the proposed Sphere of Influence as shown in Exhibit B and to update their respective General Plans as needed.

1. **Intent.** It is the intent of the County and the City to work cooperatively to respect the agreed-upon Sphere of Influence (as shown in Exhibit B) and guide development and any future annexation(s) in an orderly and logical manner consistent with the Cortese/Knox/Hertzberg Act, the City and County General Plans, the California Environmental Quality Act and any other applicable laws and regulations.

2. **Impact Mitigation.** In evaluating any proposed development, the agency considering approval (City or County) should rely solely on its own capability to provide the required services to that development. The City and the County shall not presume any services will be provided by the other agency without documenting that such services will be provided.

Development/mitigation fees needed to offset the impacts from development projects approved by either jurisdiction in the Referral Area (Exhibit C) shall be collected and distributed in a fair and equitable manner. Payment of these fees should be made to the City and/or the County in proportion to the location and degree of project impacts; however the total fees paid shall not exceed the cost to mitigate the specific project impact. Mitigation to offset significant impacts to fire, law enforcement, emergency medical services, water and wastewater treatment services, roads and streets, other public services, and housing, should be incorporated into the conditions of approval for projects. Documentation should be provided that identifies the project's impacts to both the City and the County and shall be considered as part of the development review process. The documentation may be used to prepare conditions of approval and to allocate impact fees where allowable and as appropriate.

3. **Interagency Cooperation.** The City and the County shall work cooperatively to plan for future land uses, public services and facilities needed to improve and maintain area circulation connections, and to preserve agricultural land and open space. The County and City will consider the creation and implementation of various assessment

and financing mechanisms for the construction and maintenance of public improvements, such as roads, utilities, recreation and trail improvements, parks and open space, and similar improvements that could serve visitors and residents of the City and the County. Discretionary development projects and General Plan Amendments (GPA's) within one agency's jurisdiction shall be referred to the other for review and comment as early as possible in the land use process. The County shall seek the City's comments regarding these projects or GPA's in the Referral Area as shown in Exhibit C. The City shall seek the County's comments regarding projects or GPA's that affect the unincorporated portion of the Referral Area shown in Exhibit C. All such referrals shall be sent to the following contact person(s) for early review and comment:

Director of Planning and Building
County of San Luis Obispo
Department of Planning and Building
County Government Center
San Luis Obispo, CA 93408

Community Development Director
City of Paso Robles
Community Development Dept.
1000 Spring Street
Paso Robles, CA 93446

Projects and activities that affect agricultural lands and resources shall be referred to the County Agricultural Commissioner's office at the following address:

Agricultural Commissioner
San Luis Obispo County Department of Agriculture
2156 Sierra Way, Suite A
San Luis Obispo, CA 93401

The provisions mentioned above shall not supersede other methods of commenting or providing feedback regarding a proposal or project.

Development Review Coordination. Projects or GPA's proposed within the Referral Area shown in Exhibit C, and subject to an Initial Study under CEQA, may cause the City and County representatives to request a meeting prior to completion of the Initial Study. The purpose would be to discuss the City's and County's General Plan policies with regard to the proposal and to identify any key issues that may need special attention during the CEQA process.

4. **Sphere of Influence.** The County shall, to the extent feasible, limit development within the City's Sphere of Influence (SOI) to those uses currently allowed by the County General Plan. The County shall give the great weight to the City's General Plan policies, Purple Belt Program principles, and City Gateway Plan Design Standards when reviewing development on land in the unincorporated areas that are

located within the City's Sphere of Influence. For projects submitted to the County for consideration, as part of the pre-application meetings and as part of processing the application, the County shall request written documentation that indicates the City's position regarding possible future annexation into the City. This documentation shall be provided by the City in a timely manner that does not delay the County's processing of the land use application. During this time, the County shall continue to process the land use application as required under the law.

5. **Agriculture and Open Space.** The City and the County will work together to permanently preserve agricultural and open space resources in the SOI area using the County's Agriculture Element policies, Strategic Growth principles, and the Conservation and Open Space Element (COSE) policies. The City's Purple Belt Program policies and Gateway Plan standards shall be considered and evaluated in the development and review process. The criteria contained in the COSE and Agriculture Element, and the pertinent policies in the City's General Plan and its implementing Purple Belt and Gateway Plans, shall be used in developing the preservation policies and programs.
6. **Water Supply.** The City shall document an adequate, reliable, and sustainable water supply prior to completing an annexation. Water resources will be evaluated and documented consistent with LAFCO policies, the City's Urban Water Management Plan, and State Laws such as SB 610 when applicable.
7. **General Plan and Zoning Code Amendments.** The City intends to complete environmental review, pre-zoning, pre-annexation, specific plans and any necessary general plan amendment activities prior to an annexation proposal being considered by LAFCO. The County intends to complete any necessary amendments to its General Plan to reflect the annexation of territory to the City of Paso Robles.
8. **Guiding Principles for Future Development.** The City and County agree that the following principles should guide development that is proposed within the City's Sphere of Influence:

a. *Encourage compact urban development in incorporated areas close to infrastructure, while preserving rural character by maintaining distinct urban boundaries next to rural areas. The City and County will collaborate to carry out this principle through strategies including, but not limited to the following:*

- (1.) Implement the City's Purple Belt Program and its Principles, including:
 - (a.) Maintaining the City's community character and way of life, while also recognizing the need to accommodate additional urban development.
 - (b.) Supporting the continuation of agriculture and ranching.
 - (c.) Landowners of areas to be annexed will be required to participate in the Purple Belt Program.
 - (d.) Provide additional options to landowners interested in maintaining their land in agriculture in perpetuity, including opportunities to sell, donate, or transfer their development rights in exchange for cash, tax credits, and/or other benefits.
 - (e.) Exploration of funding mechanisms to help support the Purple Belt Program.

- (2.) Incorporate the City's Gateway Plan Standards into future development within the Sphere of Influence.

Future growth should incorporate the Gateway Plan's "Town and Country" Gateway standards for setbacks, grading, rural-style drainage facilities, tree planting, fencing, rural architecture and site planning. Areas annexed into the City will be required to incorporate these standards.

- (3.) Implement the policies and strategies in the County Framework for Planning and Conservation and Open Space Element, in particular, the following regarding Community Separators as defined and shown in the County's Conservation and Open Space Element on Figure VR-2:
 - (a.) Avoid suburban or low-density sprawl at the edges of communities.
 - (b.) Discourage new frontage roads along highways and roadways within Community Separators, but consider exceptions for necessary circulation connections where visual and environmental resources are protected.
 - (c.) Work with land owners, advisory councils and non-profit organizations to propose voluntary scenic, agricultural, or conservation easements and/or greenbelt programs that support private landownership while retaining the visual resources within Community Separators.
 - (d.) Retain a rural character within Community Separators using setbacks from roadways, building design (i.e. height, massing, color), signage, and lighting standards to effectively retain visual resources.

- b. *Create a land use pattern that promotes and improves connections to other parts of the City*

Future growth should provide for an improved circulation system that would promote maximum connectivity between different parts of the City by planning for and/or constructing new roads, walkways, bike paths, transit facilities, or other means.

- c. *Take advantage of good planning and design principles*

The proposed development should be designed to encourage improved transportation system and connectivity to existing city infrastructure within the areas proposed for development. The goals are to 1) develop neighborhoods and businesses that are well-designed, fit into the character of the area, and are a logical part of the City's future growth and 2) promote a land use pattern that encourages the efficient use of resources.

9. **Special Areas of Interest.** The City and County agree to the following processes and procedures for specific areas discussed:

1. **The 370 acre Quorum Properties** are located on the northwest quadrant of Highways 101 and 46 and are owned by Quorum Realty Company, or related entities. This area is within County jurisdiction, outside of the Paso Robles Sphere of Influence. The property is not being included in this proposed update to the Sphere of Influence. However, the City and Quorum, in consultation with the County, anticipate that a land use plan and EIR will be prepared in the near future. This plan and EIR will study the possible expansion of the Sphere of Influence and Annexation in a concurrent manner. This process would allow a proposed project and EIR to be fully reviewed by the public, the City, and other agencies prior to LAFCO considering the proposal. The guiding principles found in section number eight will be incorporated into the development plan for this property and the following process for this project is agreed to by the City and County:

- a. Meetings between City and County Staff, including the Planning, Public Works, and Agriculture Departments, to discuss the proposed Land Use Plan and Environmental Impact Report. The purpose of these meetings is to

discuss the future land uses that may be proposed for this site, to ensure the coordinated review of the policies and standards of the respective General Plans of both jurisdictions and to identify the process for review and evaluation.

b. The issues to be discussed by the City and County will include, but are not limited to:

1. Description of any land use changes or development proposed for the properties
2. Community separation objectives and plans
3. Public Outreach and Involvement
4. Reconsideration of the City's Sphere of Influence to include parcels that may eventually be served by the City
5. Potential Annexation and Phasing of properties into the City
6. Preservation of Agricultural and Open Space Resources
7. Services to be provided by each jurisdiction
8. Water Supply and construction of infrastructure
9. Location, financing, timing, and construction of the South Vine Street realignment project
10. General Plan modifications that may be necessary or required
11. Schedule for the completion of various steps and tasks
12. Other issues/topics as needed.

2. **Vina Robles Area** is approximately 997 acres located on the eastern boundary of the City, south of Union Road, north of Linne Road and generally west of Huerhuero Creek. The area is recommended for inclusion in the Sphere of Influence with the understanding that the existing land use would not be changed. About 535 acres comprises an agricultural cluster development approved by the County with an agricultural easement on the vineyards. If placed in the SOI, the City could provide both water services for indoor domestic use and future recycled water for agriculture and landscaping use that will help to better manage

the groundwater resources in the area by reducing the number of wells that are pumping in the area. This could be considered through an annexation to the City or an outside user agreement which limits the services the City would provide to the area. An analysis of the groundwater resources and the benefits of having the City provide services should be provided as part of any application.

3. **The Mill Road Properties** total 175 acres, are located on the eastern boundary of the City just south of Hunter Ranch and are recommended for inclusion in the Sphere of Influence with the understanding that the area could provide a secondary access road from Union to Highway 46. The City's General Plan should address the future land use of the area as well as how its Purple Belt policies for preserving agricultural lands would apply.

EXHIBIT B SPHERE OF INFLUENCE

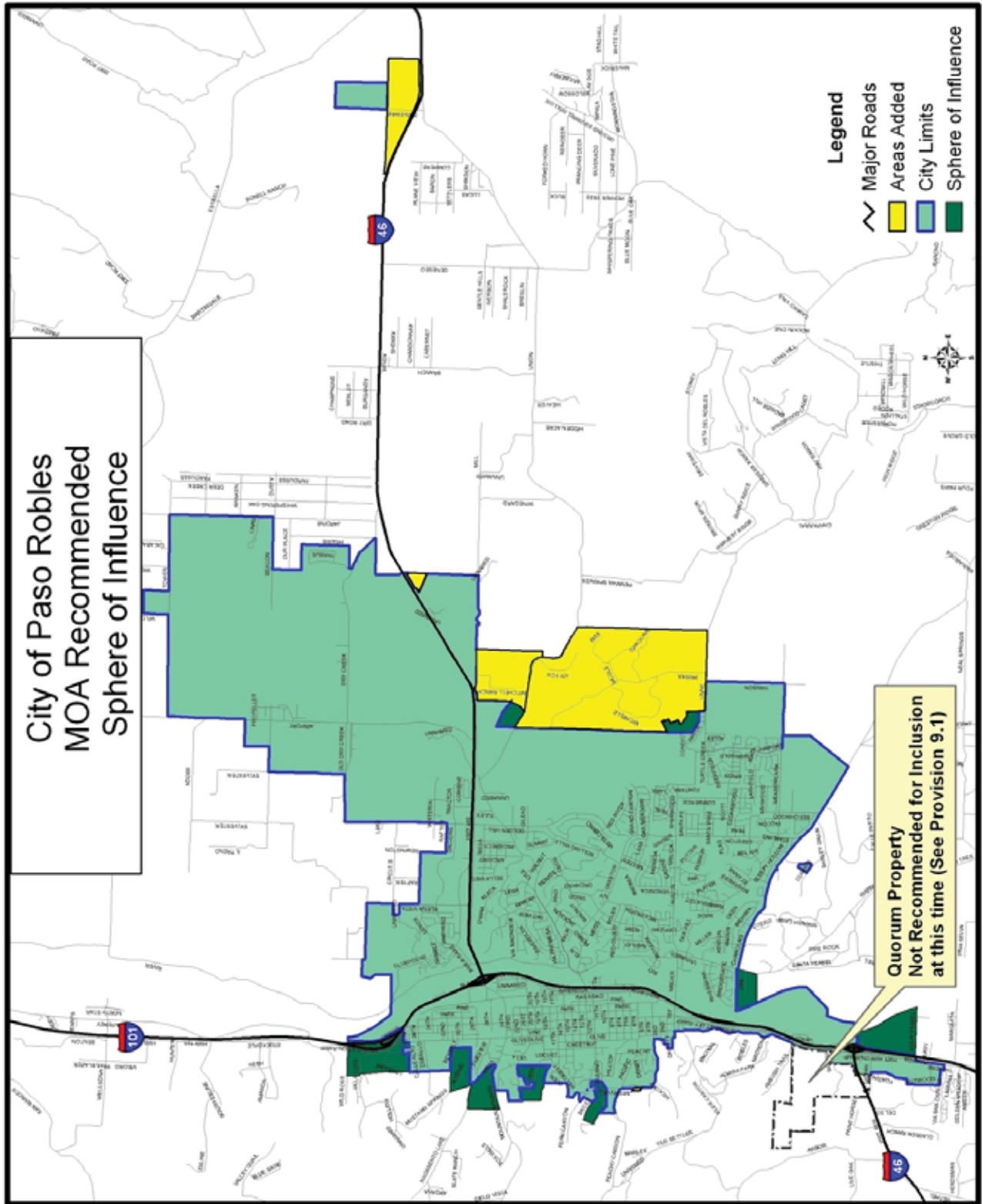
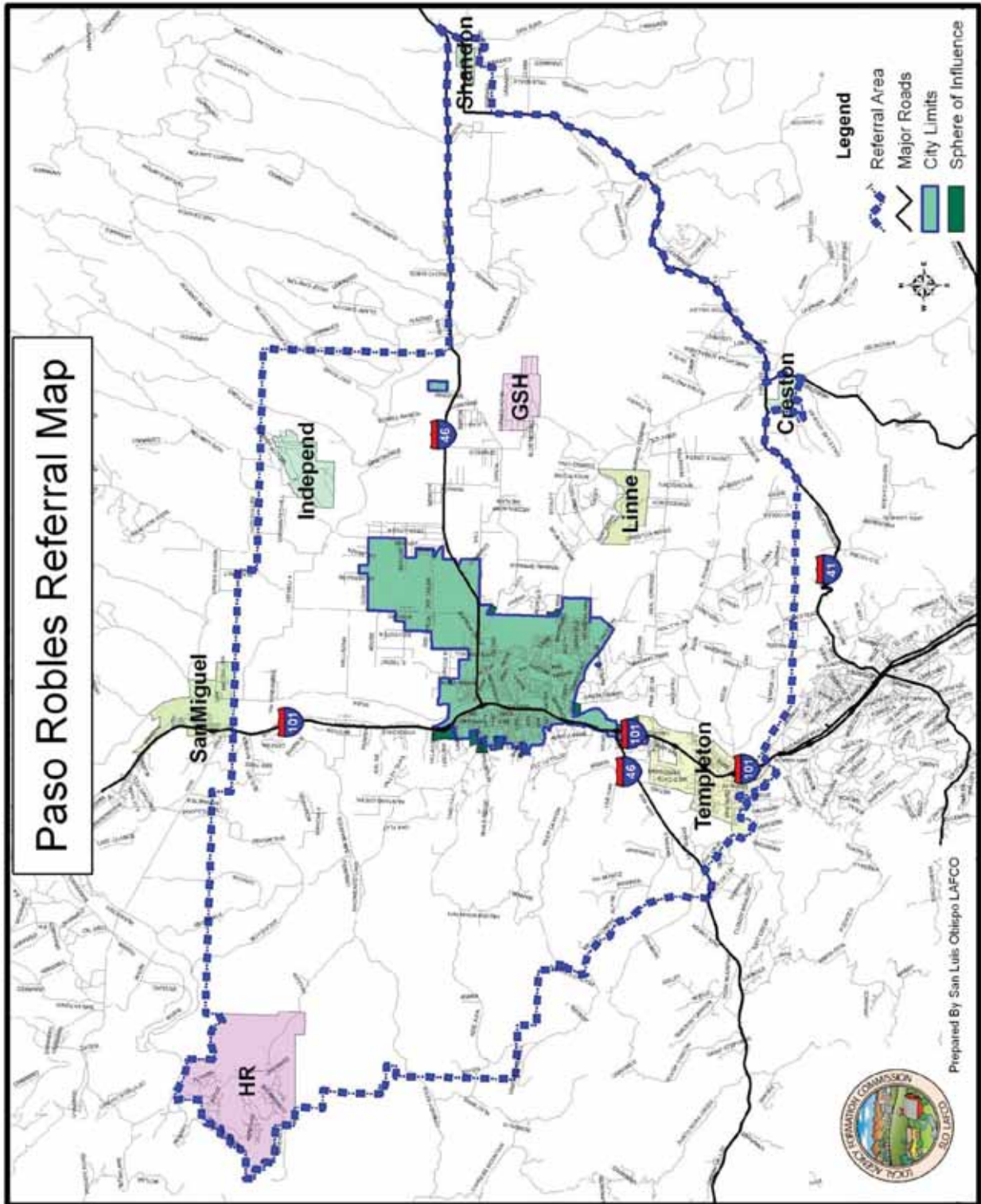


EXHIBIT C PROJECT REFERRAL MAP



Prepared By San Luis Obispo LAFCO



MEMORANDUM OF AGREEMENT
BETWEEN THE CITY OF PASO ROBLES AND
THE COUNTY OF SAN LUIS OBISPO
REGARDING THE CITY'S SPHERE OF INFLUENCE

This Agreement between the City of Paso Robles (hereafter "City") and the County San Luis Obispo County (hereafter "County") is entered into by the City on this 27th day of July, 2004, and by the County on this 16 day of August, 2004.

WITNESSETH

WHEREAS, the Cortese/Knox/Hertzberg Act of 2000 ("the Act") requires the Local Agency Formation Commission (LAFCO) to update the Spheres of Influence for all applicable jurisdictions in the County every five years; and

WHEREAS, a Sphere of Influence is defined by the California Government Code 56076 as a plan for the probable physical boundaries and service area of a local agency; and

WHEREAS, pursuant to Government Code 56425 the Sphere of Influence has been identified by the County of San Luis Obispo and the City of Paso Robles as shown in Exhibit A; and

WHEREAS, the Act further requires that a Municipal Service Review be completed prior to or, in conjunction with, the update of a Sphere of Influence in accordance with Section 56430 of the California Government Code as a means of identifying and evaluating public services provided by the City of Paso Robles and changes to the City's Sphere of Influence; and

WHEREAS, a Municipal Service Review as stated above has been completed and shall be considered by LAFCO when establishing the City's Sphere of Influence; and

WHEREAS, the City and County have reached agreement regarding the boundaries (Exhibit A), development standards, and zoning requirements (Exhibit B) of the Sphere of Influence to ensure the orderly and logical development of these areas; and

WHEREAS, the City's General Plan provides a clear policy base for growth and development in the Sphere of Influence areas and defines policies and programs that the City will implement to ensure the preservation of the agricultural land, open space and the rural character

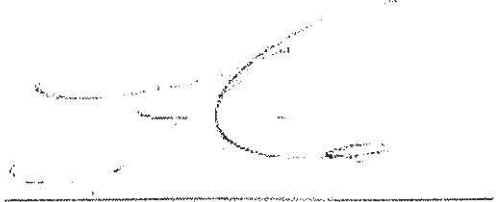
of Paso Robles; and

WHEREAS, the County's General Plan goals in Framework for Planning and the Salinas River Area Plan call for Community Separators to provide for a community's distinctive identity and preserve the rural character of the areas between and on the fringes of communities and cities; and

WHEREAS, LAFCO is required by Government Code 56425 (b) to give great weight to this agreement in making its final determination of the City's Sphere of Influence.

NOW, THEREFORE, be it resolved that the parties agree as follows:

1. The Sphere of Influence boundary contained in Exhibit A provides for the orderly and logical growth for the City of Paso Robles and represents an appropriate 20-year growth boundary based on existing information.
2. The development standards and zoning requirements contained in Exhibit B provide a framework for completing updates to the General Plans of both the City and the County for the areas in the Sphere of Influence.
3. The development standards and zoning requirements contained in Exhibit B are intended to provide the City and the County with the basis for developing specific land use policies and standards for the areas in the City of Paso Robles Sphere of Influence and do not supersede or limit the planning or environmental review process of either jurisdiction.
4. The City's and County's General Plan policies found in Exhibits C and D shall be used to guide the logical and orderly development of these Sphere Areas while preserving the agricultural and open space lands.



Mayor, City Council
City of Paso Robles

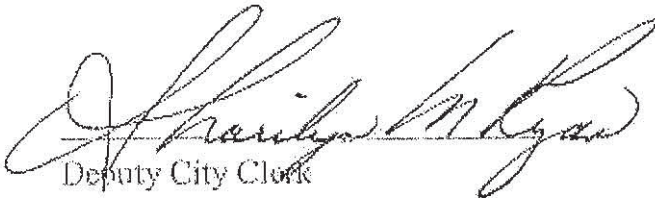
APPROVED AS TO FORM AND LEGAL EFFECT:



City Counsel

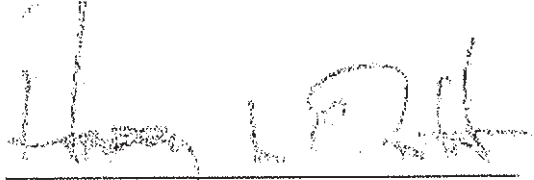
Dated: 8-3-04

ATTEST:



Deputy City Clerk

Dated: 8-3-04

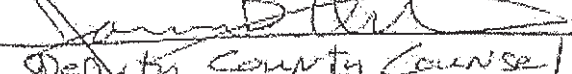


Chairman, Board of Supervisors
County of San Luis Obispo

APPROVED AS TO FORM AND LEGAL EFFECT:

JAMES B. LINDHOLM, JR

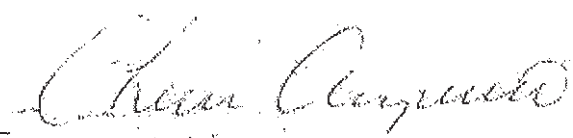
County Counsel

By: 
Deputy County Counsel

Dated: July 29, 2004

ATTEST:

FRED L. ROSENWALD



County Clerk

Dated: _____

EXHIBIT A
 SPHERE OF INFLUENCE BOUNDARY MAP

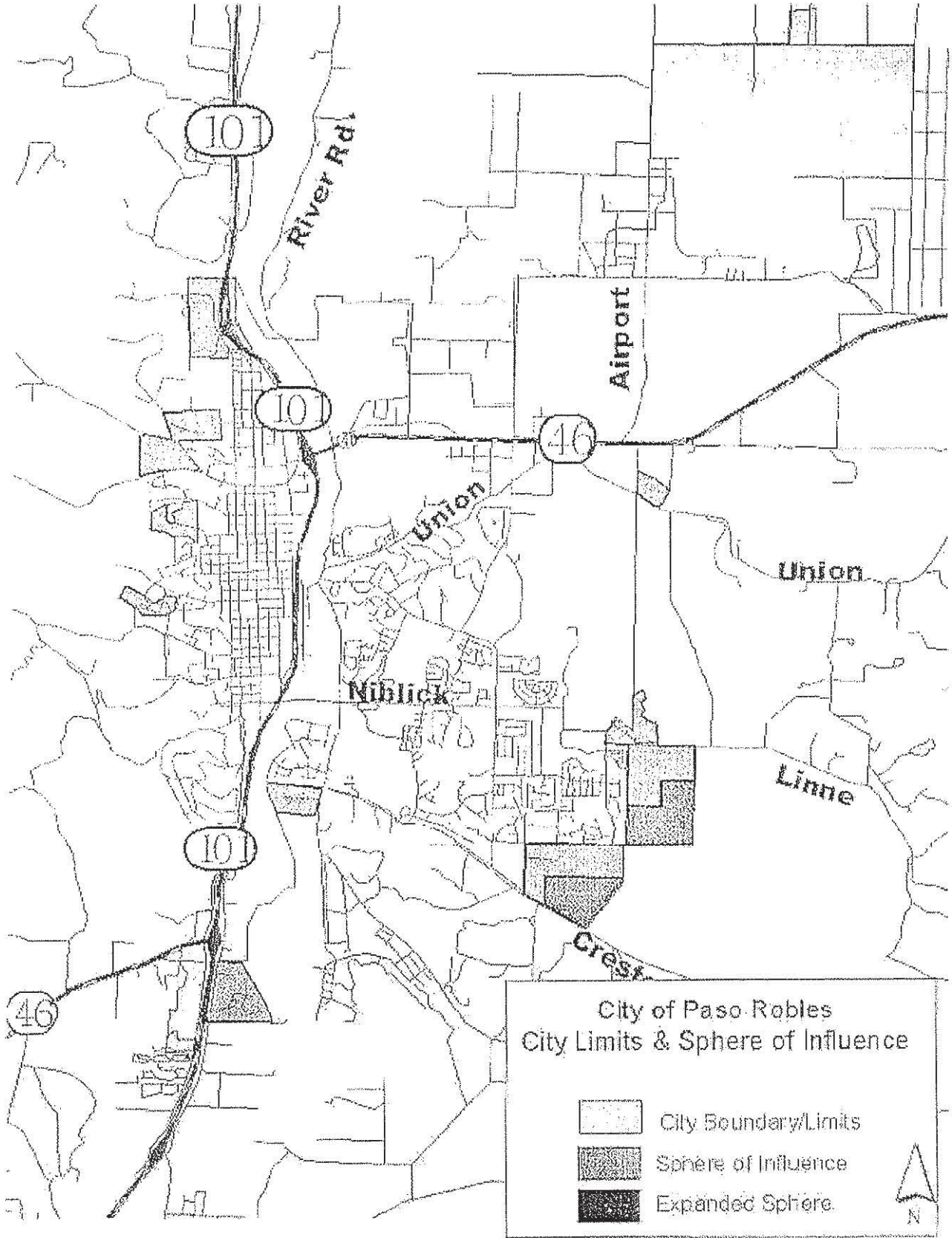


EXHIBIT B
DEVELOPMENT STANDARDS AND ZONING REQUIREMENTS

The following development standards and zoning requirements are agreed to and shall be used by the City of Paso Robles and the County of San Luis Obispo to guide development within the proposed Sphere of Influence as shown in Exhibit A and to update their General Plans.

1. **Intent.** It is the intent of the County and the City to work cooperatively towards the goal of developing the agreed upon Sphere of Influence (as shown in Exhibit A) in an orderly and logical manner consistent with the Cortese/Knox/Hertzberg Act, the City and County General Plans, the California Environmental Quality Act and any other applicable laws and regulations.

2. **Interagency Cooperation.** The City and the County shall work cooperatively to plan for future land uses, improve area circulation connections, and preserve agricultural land and open space. Discretionary development projects and General Plan Amendments within each agency's jurisdiction shall be referred to the other for review and comment prior to action on a development proposal. The County shall seek the City's comments regarding projects in the referral area defined in the County General Plan. The City shall seek the County's comments regarding projects that affect unincorporated areas surrounding the fringe area of the city as defined in the City's General Plan. When a discretionary project application is accepted for processing, it shall be referred immediately to the following contact person(s) for early review and comment:

Principal Planner, Long Range Planning
Department of Planning and Building
County Government Center
San Luis Obispo, CA 93401

Community Development Director
Community Development Department
1000 Spring Street
Paso Robles, CA 93446

This provision shall not supersede other methods of commenting or providing feedback regarding a proposal or project.

3. **Interim Development.** The County shall, to the extent legally possible, limit the development within the Sphere of Influence (SOI) area to that which is allowed by the current land use designations.

Any project proposed in the County and within the proposed SOI area that is subject to an Initial Study under CEQA, shall cause the City and County representatives to call for a conference to discuss the proposed project, prior to completion of the Initial Study. The purpose of the conference would be to discuss the City's and County's General Plan policies with regard to the project and to identify any key issues that may need special attention.

4. **City/County Cooperation.** For any project proposed prior to annexation, the County and City will evaluate the creation and implementation of various assessment and financing mechanisms for the construction and maintenance of public improvements, such as roads, utilities, recreation and trail improvements, parks and open space, and similar improvements that could serve visitors and residents of the City and the County.
5. **Agriculture and Open Space.** Prior to annexation of the areas identified in provision number 7 below, the City and the County shall work together to preserve the agricultural and open space resources in the SOI area. The criteria contained in Agricultural Policies 17 and 24 of the County's Agriculture and Open Space Element (Exhibit C) and Policy LU-2E of the City's Land Use Element (Exhibit D) shall be addressed in the preparation of any Specific Plans and Environmental Impact Reports.
6. **General Plan Amendment.** The City intends to complete pre-zoning, pre-annexation, and any necessary pre-general plan amendment activities prior to or concurrent with an annexation proposal being processed by LAFCO. The County intends to complete any necessary amendments to its General Plan in the Salinas River Area Plan to reflect the annexation of territory to the City of Paso Robles.
7. **Zoning Requirements/Specific Plan.** For the 511 acre area to the east and southeast of the City, a Specific Plan, which identifies land uses within the Sphere of Influence areas, shall be prepared and adopted by the City consistent with their General Plan Policies after the annexation is complete. Prior to annexation, pre-zoning, consistent with its General Plan/Land Use Element, shall be completed by the City. The following language is from the Land Use Element of the City's General Plan and describes the proposed land uses for the expansion areas:

Expansion Area Specific Plan #1. A specific plan would be required that includes areas outside the 2003 City limits, encompassing Areas S2 and E3, which are generally east of the future extension of Airport Road, and south of Linne Road. This area includes about 241 acres, 18 of which are within a PG and E right of way. The plan would envision up to 673 dwelling units, with 398 dwellings in Area S2, and 275 units in Areas E3. Within Area S2, up to 303 single-family units would be at an average of 3 units per acre, while the remaining 95 multi-family units would be consistent with the RMF-20 designation. Within Area E3, all 275 single-family units would be consistent with an average density of 3 units per acre. The specific plan process will be used to determine the actual distribution of land uses and parcel sizes.

Expansion Area Specific Plan #2. A specific plan would be required that includes areas outside the 2003 City limits, encompassing Areas S1, E1 and E2, which are generally west of the future extension of Airport Road, north of Creston Road, east of Beechwood Drive, and south of Meadowlark Road. This area includes about 236 acres, 24 of which are within a PG and E right of way. The plan would envision up to 674 dwelling units, 474 of which are to be planned at an average density of 3 dwellings per acre, with an additional 200 multi-family dwelling units consistent with the RMF-20 designation. The distribution and location of these additional 200 units will be determined through the Specific Plan process.

CEQA review of the Specific Plan shall include analysis of issues, including but not limited to the following: a reliable and adequate water supply (a water assessment per SB 221 and/or 610), sewer capacity, public services, cumulative traffic circulation, agricultural buffers, and affordable housing. The Specific Plan for the Sphere of Influence area shall be prepared consistent with Policy LU-2G (Exhibit D) of the City's General Plan.

8. **Early Consultation.** In order to facilitate early consultation described in CEQA guideline 15083, the City and County shall meet and discuss these issues prior to the preparation of the Specific Plan and CEQA documents.

EXHIBIT C
COUNTY'S AGRICULTURAL-OPEN SPACE ELEMENT

Policy #17: Agricultural Buffers
Policy #24: Conversion of Agricultural Land

VISUAL RESOURCES

CHAPTER 9

character. Land management practices may also cause unnecessary harm to visual resources.

Community Separation. A characteristic that distinguishes San Luis Obispo County from metropolitan areas is the continued existence of rural-appearing land, called Community Separators, between separate, identifiable communities and towns. Open spaces and the rural character between communities are being lost to urban and suburban uses. As Community Separators are typically rural, many of these areas are also scenic. The *2006 San Luis Obispo County Community Separator Study* recommends ways to maintain community separation in key areas. **Figure VR-2**, a map of Conceptual Community Separators, identifies the general locations where special policies should apply.

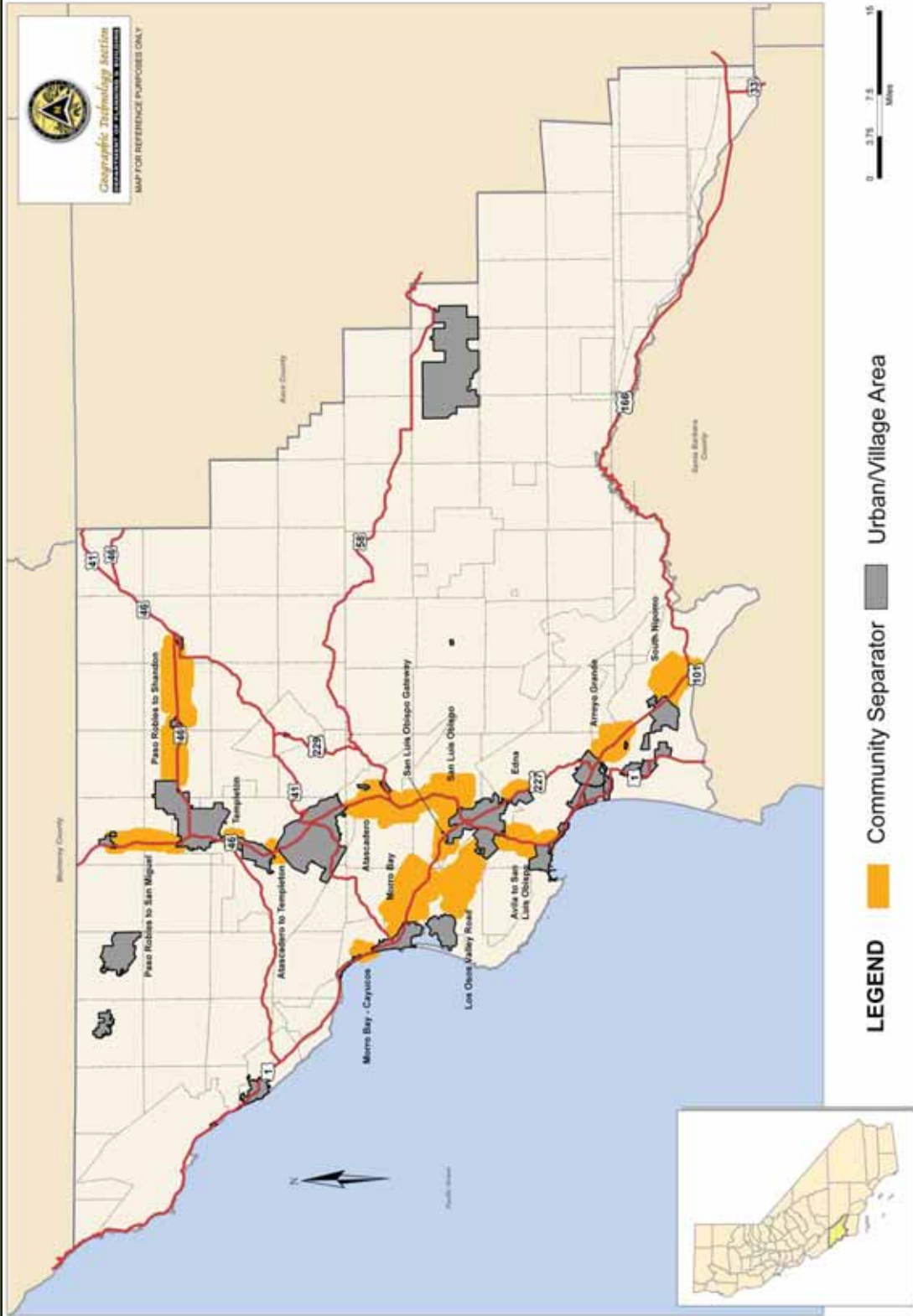
Scenic Corridors. Scenic corridors are view areas, or “viewsheds” from popular public roads and highways that have unique or outstanding scenic qualities. Inappropriate development or billboards can intrude upon these viewsheds. Some examples are highly visible graded roads and pads, buildings that are too close to a highway, and building designs that silhouette against the skyline, telecommunications facilities, utilities, signage, and other structures that dominate rather than blend with a natural landscape. Scenic highways and roads are scenic corridors that are designated to conserve and enhance their scenic beauty. Highway One is a designated State Scenic Highway and National Scenic Byway from San Luis Obispo to the Monterey County line. A portion of Lake Nacimiento Drive is also a designated State Scenic Highway. The County or the California Department of Transportation (Caltrans) may designate additional scenic roads and highways through a process that considers local needs and regulations.

The County has adopted Highway Corridor Design Standards along Highway 101 that address residential and related development. An official scenic highway designation could result in more attention to sensitive design and promote tourism. Designating additional scenic roads and highways should not place undue restrictions on private property, or cause impacts to biological resources or unnecessary burdens on agricultural operations.

Scenic Landmarks and Views. *Visual resources are often spectacular, steep mountain ranges, the Pacific Ocean shoreline or volcanic peaks. Some outstanding features, such as peaks and coastal views, are so beautiful and dramatic that they have an iconic status as landmarks. These icons of the landscape may be miles long but only visible to the traveling public for a few seconds. Or, like Morro Rock, they may be visible to entire communities. They are especially sensitive to impairment by development. Cooperation and partnerships are essential between land owners, County government and land conservation organizations to conserve and enhance views of these resources.*



FIGURE VR-2
CONCEPTUAL COMMUNITY SEPARATORS



GOAL

3

THE VISUAL IDENTITIES OF COMMUNITIES WILL BE PRESERVED BY MAINTAINING RURAL SEPARATION BETWEEN THEM.

Policy VR 3.1 Identify and Protect Community Separators

Identify Community Separators and propose land use strategies and development standards to maintain separate, identifiable cities and communities with intervening rural land. Involve landowners and communities in this process. Identification and designation of Community Separators shall not interfere with agricultural uses on private lands consistent with AGP 30.

◇ **Implementation Strategy VR 3.1.1 Community Separator: Amend the Land Use Element and Ordinance**

Amend the Land Use Element and Ordinance to identify and include Community Separators as Land Use Element Combining Designations with accompanying Land Use Ordinance development standards. Amendments will:



Templeton - Atascadero community separation

- a. Identify three distinct features (scenic vistas, transition areas and urban arrival areas) within each Community Separator. Mapping of Community Separators will remain conceptual until the Land Use and Circulation Element is completed, and will not be parcel-specific.
- b. Establish standards for Community Separators that will retain rural land use designations and density, preserve natural features, and protect the long-term viability of agriculture.
- c. Within Community Separators, guide development and subdivision design to avoid apparent residential density in excess of one parcel per 20 acres; use visually effective setbacks near roadways and other public recreational areas; and observe height, architectural design, lighting, and sign controls.



VISUAL RESOURCES

CHAPTER 9

◇ **Implementation Strategy VR 3.1.2 Community Separator: Frontage Roads**

Amend the Land Use and Circulation Elements to discourage new frontage roads along highways and roadways within Community Separators.

◇ **Implementation Strategy VR 3.1.3 Community Separator: TDC**

Identify Community Separators as sending sites for the Transfer of Development Credits (TDC) program and facilitate significant transfers.

Policy VR 3.2 Community Involvement

Encourage communities adjacent to Community Separators to maintain a sense of place and separation through education about the importance of separators. Community advisory groups or nonprofit organizations could lead these efforts.

Policy VR 3.3 Conservation Tools

Collaborate with community advisory councils, cities, landowners, and non-profit conservation organizations to propose voluntary scenic, agricultural, or conservation easements and/or greenbelt programs that support private landownership while retaining the visual resources within Community Separators.

Policy VR 3.4 Community Edges

Maintain clear community edges for urban and village areas with appropriate plan designations when updating community and area plans. Avoid suburban or low-density sprawl at the edges of communities.

Policy VR 3.5 Annexation in Community Separators

Avoid annexation of Community Separators or their inclusion in spheres of influence for sewer and water service.



Cuesta Ridge – Scenic Highway 101 Corridor east of San Luis Obispo

