Department Name: Community Development  
Cost Center: 4003  
For Agenda of: March 17, 2020  
Placement: Public Hearing  
Estimated Time: 60 minutes

FROM: Michael Codron, Community Development Director  
Prepared By: Teresa McClish, Special Projects Manager  
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Dave Watson, Contract Planner

SUBJECT: REVIEW OF THE PROPOSED “EAST AIRPORT” ANNEXATION OF APPROXIMATELY 58 ACRES OF PROPERTY (33 PARCELS) ALONG BROAD STREET AT FARM HOUSE LANE KENDALL ROAD-PROSPECT STREET AND ASSOCIATED INFRASTRUCTURE IMPROVEMENTS, INCLUDING APPROVAL OF A PLAN FOR SERVICES, PRE-ANNEXATION AGREEMENT, AND APPLICATION TO THE LOCAL AGENCY FORMATION COMMISSION (LAFCO) REGARDING THE PROPOSED ANNEXATION, AND ADOPTION OF AN INITIAL STUDY/MITIGATED NEGATIVE DECLARATION (SCH#2000051062) (PL-ANNX-2030-2018; EID-0006-2020)

RECOMMENDATION

As recommended by the Planning Commission, adopt the Draft Resolution (Attachment A) to:

1. Approve and authorize the Mayor to execute the Pre-Annexation Agreement for the Annexation of the East Airport area as recommended by the Planning Commission (Attachment B, also Exhibit A to Draft Resolution);
2. Approve the filing of an application and request for San Luis Obispo Local Agency Formation Commission (LAFCO) to initiate proceedings for annexation of the East Airport Annexation Area (Attachment C);
3. Adopt the Plan for Services for the East Airport Annexation Area (Attachment D);
4. Introduce an Ordinance addressing non-conforming uses in the East Airport Annexation Area (Attachment E);
5. Direct the Community Development Director to process the annexation application;
6. Authorize the City Manager to execute any documents in a form approved by the City Attorney related to the East Airport Annexation Area to the City of San Luis Obispo;
7. Authorize the City Manager to initiate tax negotiations with the County of San Luis Obispo;
8. Adopt the associated Initial Study/Mitigated Negative Declaration (IS-MND, Attachment F) for the annexation, which tiers off the certified Final Environmental Impact Report for the Airport Area and Margarita Area Specific Plans and Related Facilities Master Plans (SCH# 2000051062).
REPORT-IN-BRIEF

The East Airport area annexation, proposed by the landowners associated with the East Airport Commerce Park and the Senn-Glick properties (EACP-S/G), includes 33 parcels and 58.31 acres of land located within the Airport Area Specific Plan (AASP) (Attachment C, Annexation Map). Of the 33 parcels within the proposed annexation, 20 parcels are developed with businesses totaling 329,003 SF, along with two improved storm drainage parcels and one site with water facilities serving the area. As outlined in the IS-MND (Attachment F), annexation and buildout of the subject area includes planning for both public and private infrastructure upgrades and improvements, public facility financing, development impact fees and the transition of the properties into the City.

The subject area has long been identified as an annexation area, pursuant to the City Council’s adoption of the AASP on August 23, 2005\(^1\) and Ordinance No. 1481,\(^2\) which established pre-zoning within the AASP, including the East Airport Annexation Area. The City’s General Plan\(^3\) and AASP\(^4\) (and associated Environmental Impact Reports and analyses\(^5,6)\) have included the proposed annexation area when considering potential future growth and associated demands for public infrastructure and transportation improvements. As the proposed annexation is consistent with these documents, a tiered IS-MND is proposed for Council adoption.

The proposed annexation of the East Airport Area would occur under the guidance of a Pre-annexation Agreement (Attachment B) and proposed Plan for Services (Attachment D), which, among other infrastructure improvements, would call for the conversion of the East Airport Area to City wastewater collection, treatment and disposal, and provide for the decommissioning of the FLWC wastewater operations.

The Planning Commission considered the proposed annexation and associated IS/MND on January 22, 2020 and recommended the City Council authorize the annexation and adopt the environmental document. A majority of the Commission’s discussion focused on the adequacy of the previous environmental reviews in the context of potential buildout for the East Airport Area. During the hearing, staff explained that major infrastructure needs, such as water supply, available capacity to receive and treat wastewater, increased traffic, recycled water demands and similar public services, are readily available or will be provided under the Plan for Services, as well as contributions to the City’s Traffic Improvement Funds provided for under the Pre-Annexation Agreement.

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1 Council Agenda Report adopting the AASP: https://opengov.slocity.org/WebLink/DocView.aspx?id=31312&dbid=0&repo=Clerk
2 Ordinance No. 1481: https://opengov.slocity.org/WebLink/DocView.aspx?id=50593&dbid=0&repo=Clerk
3 Land Use Element Policy 1.13.5 Annexation in Airport Area; Policy 7.7 City Annexation and Services; Policy 7.14 Growth Management (see: http://www.slocity.org/home/showdocument?id=6635)
4 AASP Chapter 9.1 (see: http://www.slocity.org/home/showdocument?id=6635)
5 Land Use and Circulation Element Final EIR: https://www.slocity.org/government/department-directory/community-development/planning-zoning/general-plan
6 AASP and MASP Final EIR: https://www.slocity.org/government/department-directory/community-development/documents-online/environmental-review-documents/-folder-719
Based on the evaluation presented in this report and recommended Pre-Annexation Agreement, the proposed annexation would be consistent with the stated goals of the City’s General Plan, AASP, and long-term interest in bringing this East Airport Area into the City.

The planned public and private infrastructure improvements are consistent with the General Plan and AASP and are addressed in the certified Final EIRs for the Land Use and Circulation Element (LUCE) and AASP, and the recommended IS/MND. Timing of improvements and financial contributions by the applicants/property owners are adequate to address a coordinated transition of the land from County control to the City.

Following City Council action, if authorized, the City will work with the applicants/property owners on a coordinated annexation application submittal to LAFCO.

DISCUSSION

Background

The East Airport Annexation area, proposed by the applicant/property owners of the EACP-S/G developments, include 33 parcels and 58.31 acres of land located within the AASP boundary, on the east side of Broad Street, bounded by Farmhouse Lane and Kendall Road, including Allene Way, Morabito Place and Prospect Street (Attachment C). The East Airport Annexation area is located within the City’s Sphere of Influence and adopted LAFCO Urban Service Area for the City. The area is developed with a mix of industrial, manufacturing, commercial, and office uses, with an estimated 329,003 square feet of total building area.

Figure 1. East Airport Proposed Annexation Area
Approximately 23 of the 33 parcels comprising the East Airport Annexation area are developed. This includes 20 developed businesses, two storm drainage ponds and one site for water facilities serving the area. Several of the 10 remaining vacant parcels are in various stages of the development process with the County, for example the People’s Self-Help Housing (PSHH) sites (currently two sites undergoing a “merger” to a single parcel), which will include its corporate headquarters. PSHH has also secured planning entitlements and is currently moving through the County Building Permit process. According to data provided by the applicant/property owners, a combined total of 329,003 SF of buildings are completed within the East Airport Annexation area; with 25,025 SF currently under construction and 33,448 SF in building permit review by the County, for a total of 387,476 SF. A maximum of 693,367 SF of allowable building area is established under County land use designations and approvals. Environmental analysis and planning for public services for the annexation area has taken these buildout densities into account as noted in the following summary and detailed in the IS-MND for this proposed annexation (Attachment F).

**Planning Commission Review and Recommendation**

On January 22, 2020 the Planning Commission conducted a public hearing to consider the proposed annexation and associated IS/MND and provided a recommendation to the City Council (Attachment G). The Planning Commission’s review included consideration of the AASP, a Pre-Annexation Agreement (Attachment B) for the property, the proposed Plan for Services (Attachment D) for the annexation, as well as the progress made in identifying public infrastructure and private improvements necessary to accommodate the East Airport Annexation area and provision of public services to the area.

The Commission’s discussion focused on the previous environmental reviews in the context of potential buildout for the property. Approximately 329,000 SF of the area is built out on 20 of the 30 developable parcels (three parcels include storm drainage and water facilities). Under County entitlements for the parcels, up to 693,367 SF of development would be possible in the area. As noted in the Planning Commission staff report and the proposed IS-MND, this County potential threshold of development has been used in the environmental analysis and planning for public services incorporated into the Pre-Annexation Agreement and Plan for Services. However, the environmental review is tiered off of the LUCE EIR and AASP EIR that evaluated build-out of the City, including the East Airport Annexation area based on compliance with the approved pre-zones and General Plan land use designations. The LUCE anticipated build out square footage of 1,791,815 SF of non-residential building area (excluding Avila Ranch), estimated on assumptions of City development standards and conditions. These documents evaluated environmental impacts associated with build-out and identified required improvements to mitigate identified impacts.

As noted during Planning Commission discussion, once annexed to the City, the County threshold of 693,367 SF would not be limiting for the area, and any development (or redevelopment) proposed in the East Airport Annexation area would be considered on its own merits and subject to further California Environmental Quality Act (CEQA) review and City Zoning and Specific Plan standards, as such applications are received.
However, given approximately two-thirds of land is developed, and the pattern of existing
development, it is reasonably anticipated that the future build out under the City’s AASP will be
similar or only slightly higher to what was anticipated under County approvals and may not
reach intensities contemplated in the LUCE and AASP EIRs. Major infrastructure needs, such as
water supply, available capacity to receive and treat wastewater, increased traffic, recycled water
demands and similar public services are readily available or will be provided under the Plan for
Services as well as contributions to the City’s Traffic Improvement Funds provided for under the
Pre-Annexation Agreement. At public hearing’s conclusion, the Planning Commission voted 6-0
to recommend the following to City Council:

1) Approve the filing of an application for annexation of the East Airport area and direct the
Community Development Director to process the application with LAFCO;
2) Authorize the City Manager to execute any documents in a form approved by the City
Attorney related to the East Airport Annexation Area to the City of San Luis Obispo;
3) Adopt a Pre-Annexation Agreement and Plan For Services for the subject annexation;
4) Adopt an Ordinance acknowledging non-conforming uses that are located within the
annexation area; and
5) Adopt the proposed IS-MND.

Annexation Description
The applicant is proposing annexation that will result in the continuance of existing uses and
future development patterns that reflect manufacturing, offices and construction services. The
zoning designation will be C-S-SP, consistent with the pre-zoning designation pursuant to the
City Council’s adoption of the AASP on August 23, 2005 and Ordinance No. 1481.

This annexation area has historically obtained its water via on-site groundwater wells and is
currently receiving wastewater services via the Fiero Lane Water Company (FLWC). The
FLWC is the subject of a pending application with LAFCO to be annexed to the City (aka “West
Airport Annexation”). The FLWC is currently receiving City water service under an Outside
User’s Agreement approved by the San Luis Obispo LAFCO, pursuant to a Memorandum of
Agreement (MOA), Municipal Code amendment, and Addendum to the AASP Final EIR
approved by the City Council in 2015.7 Under these approvals the FLWC was permitted to
continue providing wastewater services to the East Airport Area until such time as annexation of
the East Airport Area could be completed. FLWC provides wastewater service to this area via a
small private treatment plant and disposal area located within the West Airport Annexation area.
Upon annexation of the Fiero Lane-Clarion Court area to the City, wastewater services will be
converted to connect to City utility systems. In the case of the FLWC wastewater treatment plant
serving the East Airport area, this plant would need to be moved to the EACP/S-G area to
continue to provide service pending EACP/S-G annexation to the City. Staff anticipates that the
East Airport Area- annexation and conversion to City services can be completed concurrently,
eliminating the need to relocate the private treatment plant. The FLWC annexation has been
planned to cover either circumstance (relocation and continued private treatment for EACP/S-G
or concurrent conversion to City treatment system) depending on the ultimate timing of the East
Airport Area annexation.

7 Council Agenda Report addressing the 2015 MOA and Outside User’s Agreement, including Addendum to AASP
FEIR: https://opengov.slocity.org/WebLink/DocView.aspx?id=53305&dbid=0&repo=CityClerk
Public Facility Financing and Development Impact Fees
As detailed in the Pre-Annexation Agreement and as noted in the Plan for Services for the East Airport Annexation area, annexation of the subject parcels will trigger the need for various capital investments in the existing private systems that will be made public under the terms of the annexation. To complete these improvements, a financing mechanism has been proposed by the applicant/property owners that will allow capital improvements to be engineered, constructed and paid for through the Statewide Community Infrastructure Program (SCIP). This financing program will allow plans to be developed, bids to be secured, and then applicant/property owners will have the option of paying their fair share of construction costs upfront or elect to finance the improvements in an approach very similar to assessment district financing. The City Council adopted Resolution No. 10959 (2018 Series) in support of this financing program and it is considered appropriate for this use. The SCIP program also allows development impact fee contributions negotiated in the MOAs to be paid or financed in this fashion.

Water Demands and Wastewater Generation from the Proposed Annexation
Because of the partially developed nature of the annexation area, information is readily available to use in identifying current demands and can be used to project buildout demands for each service to ensure City resources are readily available to support the annexation areas. Current and projected water and wastewater needs are summarized below.

Table 1. Annexation Area Water Demand and Wastewater Generation

<table>
<thead>
<tr>
<th>Developed Parcels</th>
<th>Acres</th>
<th>Building Area</th>
<th>Water Demand (AFY)</th>
<th>Wastewater Generated (gpd)</th>
<th>Projected Total Bldg Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Airport Park</td>
<td>39.76 ac</td>
<td>309,003 SF</td>
<td>14.62 AFY</td>
<td>4,470 gpd</td>
<td>513,367 SF</td>
</tr>
<tr>
<td>Senn/Glick</td>
<td>5.08 ac</td>
<td>20,000 SF</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undeveloped Parcels</td>
<td>13.47 ac</td>
<td>0 SF</td>
<td>16.19 AFY</td>
<td>4,950 gpd</td>
<td>180,000 SF</td>
</tr>
<tr>
<td>Totals</td>
<td>58.31 ac</td>
<td>329,003 SF</td>
<td>30.81 AFY</td>
<td>9,420 gpd</td>
<td>693,697 SF</td>
</tr>
</tbody>
</table>

Notes:
(1) 2017 Fiero Lane Water Mutual Company record data for developed parcels. Existing data used to project buildout demands. Projected remaining buildout 364,364 SF.

Pursuant to the City’s 2018 Water and Wastewater Element, which addresses build-out under the City’s Land Use Element (including the subject annexation), and consultation with the City Utilities Department, existing and future water availability and sewer capacity is adequate to serve the East Airport Annexation area.

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8 For general information about SCIP, see here: [http://escda.org/Infrastructure-Finance-Programs/Statewide-Community-Infrastructure-Program-(SCIP)]
Policy Context

General Plan Policy Consistency
The 2014 General Plan Land Use Element (LUE) established a number of community goals, policies and programs for annexation and development that relate to the proposed annexation area (refer to additional discussion below), including:

1. SLO County Airport Land Use Plan Consistency
2. Annexations and Growth Management
3. Airport Area Specific Plan Consistency
4. Financing of Fair-Share Infrastructure and Development Impacts

SLO County Airport Land Use Plan Consistency. General Plan Chapter 7, Policy 7.7 provides that the subject annexation areas shall be actively pursued by the City provided the annexations are consistent with the Airport Area Specific Plan and LUE Policy 1.13.5 (Annexation in Airport Area). The proposed East Airport Area annexation is consistent with the standards for land uses, infrastructure and fair-share cost contributions of the AASP. The AASP has been determined to be consistent with the County’s Airport Land Use Plan (ALUP), and the uses that exist within the annexation area were approved by the County under findings of consistency with the ALUP. As proposed, the annexation will result in a continuation of the previously permitted uses and any future uses would be subject to AASP standards, the City’s Zoning Regulations, and Community Design Guidelines.

There is one note regarding City land use consistency, related to several existing businesses within the area, which include general office and governmental facilities. Some of these office uses also include businesses that are of a non-profit nature. Under the City’s land use and zoning district definitions, stand-alone “office” uses would not be permitted in the proposed “Service Commercial (SC)” designation (aka “non-conforming land uses”). Offices providing support to manufacturing, warehousing and similar uses that are located on the same site as the noted uses within the East Airport Area are consistent with the SC designation.

In the case of the proposed annexation, it is not the City’s intent to disrupt or preclude these existing (otherwise “non-conforming”) businesses from continuing, or to restrict replacement uses of a similar nature. To address this, Section 12.1 of the Pre-Annexation Agreement includes a provision that an Ordinance would be considered by City Council to propose allowing the otherwise non-conforming uses to remain and/or be replaced by similar uses, at the discretion of the Community Development Director. The proposed amendments to the Municipal Code would authorize the Community Development Director to (i) waive current municipal code provisions that prohibit re-establishing a previously existing or similar non-conforming use if the prior existing use is ceased for periods of 12 months or more and/or (ii) permit substitution of new non-conforming office-government uses that do not contribute to greater environmental impacts than the previous use. A draft of this proposed Ordinance is provided as Attachment E for City Council consideration and adoption.
Annexations and Growth Management.  Noted LUE Policies include:

1.13.3. Annexation Purpose and Timing
The City may use annexation 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.

1.13.5. Annexation in Airport Area
Properties in the Airport Area Specific Plan may only be annexed if they meet the following criteria:
A. The property is contiguous to the existing city limits; and
B. The property is within the existing urban reserve line; and
C. The property is located near to existing infrastructure; and
D. Existing infrastructure capacity is available to serve the proposed development; and
E. A development plan for the property belonging to the applicant(s) accompanies the application for annexation; and
F. The applicant(s) agree to contribute to the cost of preparing the specific plan and constructing area-wide infrastructure improvements according to a cost-sharing plan maintained by the City.

Following the adoption of the City’s 2014 AASP, as noted earlier, planning for the Fiero-Clarion annexation commenced. Since that time additional planning for the East Airport Area annexation has been underway. This simultaneous planning process results in a greater degree of coordination in bringing these annexation areas, which currently share independent private infrastructure in the County, into the City. In this case, the East Airport Annexation area satisfies all the prerequisites under General Plan LUE Policy 1.13.5 and is recommended for annexation.

Airport Area Specific Plan Consistency. The AASP includes a series of goals, policies and programs to comprehensively guide development of the Planning Area. Additional guidelines and development standards are included in the AASP, as well as infrastructure requirements and a plan for implementation of the Plan. Overall goals of the AASP include:

1. Provide a framework to move from County developments primarily focused on heavier industrial and manufacturing uses to a blend of these established uses, both inside and outside the City, with new uses focused on lighter industrial and manufacturing uses, professional and business park developments and employment centers.
2. Plan for proposed development, including annexations within the Planning Area, so that public facilities are developed concurrently with new development in a rational and cost-effective fashion.
3. Protect and enhance natural resources within the AASP, including emphasis on maintaining visual qualities of the surrounding hills and open space areas and protection of creek corridors, wetlands and habitat qualities.

The uses that exist in the annexation area are consistent with the uses anticipated by the City’s AASP, and the annexation does not include any changes to the pre-zoning previously approved by the City Council. As described herein and in the referenced attachments, the financial and infrastructure planning needed to bring these properties into the City have been completed. In and of itself, the annexation of the subject properties will not change the built environment of the area. Any expansion or modification of existing uses will be subject to City development standards. Future planning and development would be managed under the AASP standards and would result in consistency as new projects are brought forward.

**Financing of Fair-Share Infrastructure and Development Impacts.** General Plan Policies discussed previously focus on new development paying its fair share. The proposed annexation will be responsible under the proposed Pre-Annexation Agreement for financing infrastructure and paying negotiated development impact fees and contributions to address project impacts, such as traffic, pedestrian and bicycle paths. These contributions, whether paid up front or financed under the SCIP approach, will ensure adequate contributions are received from the annexation areas.

**Pre-Annexation Agreement**

A Pre-Annexation Agreement is proposed to clarify zoning, including uses and standards, and required improvements, easements and fees (Attachment B). Development impact fee and timing of payment are specified for developed and undeveloped properties. The applicant/property owners have agreed to a traffic impact fee payment of $1,000,000 to fulfill the East Airport Annexation area’s participation in the Citywide Transportation Impact Fee program for existing and future buildable development up to the County threshold of 680,000 SF, with any additional development beyond that threshold subject to fees applicable at the time of development. Required improvements include utility infrastructure and testing requirements and public works infrastructure improvements. Also included in the agreement are legal descriptions for property being annexed, detailed development information and allocation, and offer of dedications.

**Plan for Services**

The proposed annexation area has been analyzed to identify its impact on overall City services. To document this and the recommendations derived from that analysis, a Plan for Services has been developed for the annexation area (Attachment D). A summary of that document is included below.

**Current Conditions – East Airport Annexation Area.** Broad Street/State Route 227 provides vehicular access to the area via Farmhouse Lane and Kendall Road. Internal circulation is supported by Allene Way, Morabito Place and Prospect Street. State Route 227 is maintained and operated by CalTRANS and ownership would remain with the state under the proposed annexation.
Domestic water is delivered to the East Airport Area by on-site wells and private water distribution systems. Wastewater is collected within the annexation area by gravity lines to a location near Broad Street and Farmhouse Lane where a lift station operates, and then is conveyed by force main to the FLWC private treatment plant at the end of Fiero Lane (within the West Airport Annexation area). Treated FLWC wastewater is disposed of in a leach field format in the County to the immediate south (and outside) the West Airport Annexation area.

Emergency services are provided by the County, but these areas are also supported by the City under mutual aid agreements between the City and County. General government services are provided by the County. Storm water management, collection and disposal is handled by the private property owners under County-approved plans. Solid waste services are provided by the County via private contract with local waste and recycling providers.

**Post-Annexation Conditions – East Airport Annexation Area.** Roadway rehabilitation and upgrades are planned to bring the roads, sidewalks and signage up to City standards. Following annexation, the roads, curbs, gutters and sidewalks will be maintained by the City under the Pavement Management Plan.

Water system upgrades for the annexation area will include connecting to the Terrace Pressure Zone at Broad and Fuller Streets, installation of pressure reducing valves as appropriate and hydrant replacements. Valving and backflow prevention will be installed as directed by City Department staff. City domestic water service will be provided under the annexation proposal.

The gravity wastewater system will be converted to interconnect with a gravity collection line in Broad Street, and from there is conveyed to the City’s Wastewater Treatment Plant (WWTP). The force main and lift station currently serving the area will be abandoned.

Recycled water supplies are also included in the Plan for Services, with extensions made by the applicant/property owner within the annexation area, to facilitate connection to this supply when it can be made available.

Police and Fire emergency services will be provided by the City. It is expected the mutual aid agreements will remain between the City and County. General government services will be assumed by the City. Storm water management and solid waste services will continue as presently exist.

**Conclusion**
Based on this summary and the evaluation included in the Planning Commission’s consideration and the January 22, 2020 staff report, the proposed East Airport Area Annexation will be consistent with the stated goals of the City’s General Plan, AASP and long-term interest in bringing this area into the City. Planned public and private infrastructure improvements, and the timing of these improvements and contributions to the City, are consistent with the AASP and Plan for Services and are adequate to address a coordinated transition of the lands from County to City jurisdiction.
Public Engagement
Consistent with the City’s Public Engagement and Noticing (PEN) Manual and the City’s Municipal Code, staff noticed this item per the City’s notification requirements. Newspaper legal advertisements were posted in The New Times ten days prior to each meeting (Planning Commission and City Council). Additionally, postcards were sent to both tenants and owners of properties located within 300 feet of the project site ten days before each advisory body hearing. Public comment was provided to the Planning Commission through written correspondence and through public testimony at the January 22, 2020 hearing.

CONCURRENCE
Staff from the Fire, Utilities, Community Services and City Attorney Departments have provided comments during review of the proposed annexation that are incorporated into the presented evaluations and attached Pre-Annexation Agreement and Plan for Services.

ENVIRONMENTAL REVIEW

Environmental analysis of the proposed annexation has been guided by previous work in the form of the Airport Area and Margarita Area Specific Plans Final EIR (2005), FEIR Addendum for the Airport Area and Margarita Area Specific Plans (2015), and the City of San Luis Obispo General Plan LUCE FEIR (2014). An Initial Study of environmental impact was prepared to evaluate whether there have been changed circumstances since the referenced FEIRs were completed, to analyze consistency of the annexation with the General Plan and AASP, and to identify any potentially necessary mitigation measures that should be applied to the annexation process, as well as the completion of needed infrastructure (new or rehabilitation) to support City services to the areas. The Notice of Intent to Adopt an IS/MND was advertised in The New Times on January 9, 2020 and filed with the San Luis Obispo County Clerk on January 15, 2020. The IS/MND was also submitted to the State Clearinghouse on January 16, 2020. The 30-day public review period started on January 15, 2020 and ended February 14, 2020.

The proposed Pre-Annexation Agreement and Plan for Services were relied on to identify the needed infrastructure that is incorporated into the Project Description for the annexation. The conclusion of the Initial Study completed for the proposed annexation is that by incorporating the needed infrastructure features of the Pre-Annexation Agreement and Plan for Services, in addition to and as a direct result of the analysis of the noted FEIRs, and implementation of mitigation measures identified in the Initial Study, the annexation and provision of infrastructure services to the area would result in less than significant effects on the environment. Therefore, an IS-MND is recommended for adoption in association with the proposed East Airport Area annexation (Attachment F).
FISCAL IMPACT

Budgeted: Yes  
Funding Identified: Fee supported activity based on 100% cost recovery.

<table>
<thead>
<tr>
<th>Funding Sources</th>
<th>Total Budget Available</th>
<th>Current Funding Request</th>
<th>Remaining Balance</th>
<th>Annual Ongoing Cost</th>
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<td>General Fund</td>
<td>NA</td>
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<td>Total</td>
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When the AASP was adopted, it was accompanied by a fiscal impact analysis, which found that annexation of the properties within the AASP boundary would result in positive fiscal impacts for the City; approximately $750,000 net fiscal benefit annually at build-out. The proposed annexation will help the City realize the positive fiscal impact indicated in the fiscal analysis, as anticipated by the AASP.

One of the key and critical next steps is to negotiate a tax exchange agreement with the County. Approval of a tax exchange agreement is a precedent requirement before LAFCO can finalize the proposed annexation. Because the proposed area is largely developed, the Master Tax Exchange Agreement provides that the City and the County will negotiate both existing and future tax revenues. These negotiations cannot commence until the City Council approves the filing of an application.

ALTERNATIVES

1. **Continue the item.** An action to continue the item should include a detailed list of additional information or analysis needed to make a determination on the project.

2. **Deny the proposed annexation based on findings of inconsistency with the AASP and/or General Plan.** This action is not recommended because the analysis indicates the project is consistent with the General Plan and AASP.

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9 1996 Property Tax Exchange Agreement: For commercial and industrial annexation areas already substantially developed, tax exchange will be negotiated on a case-by-case basis between the annexing city and the County to determine an appropriate property tax sharing arrangement, based upon the principle of fiscal neutrality for the County.
Attachments:

a - Draft Resolution
b - COUNCIL READING FILE - Pre-annexation Agreement and Exhibits
c - Annexation Map
d - Plan for Services
e - Draft Ordinance
f - COUNCIL READING FILE - Initial Study/Draft Mitigated Negative Declaration
g - Planning Commission Draft Minutes & Resolution from January 22, 2020
RESOLUTION NO. ________ (2020 SERIES)


WHEREAS, the City of San Luis Obispo’s (City) General Plan and Airport Area Specific Plan call for annexation of the area commonly referred to as the East Airport Annexation Area; and

WHEREAS, the City is actively working with the applicants and their consultants on detailing the various improvements and implementation of the financing plans to complete said improvements; and

WHEREAS, a Pre-Annexation Agreement has been prepared that outlines the responsibilities of the applicants for the improvement of public and private infrastructure to serve the East Airport Annexation Area, and a financing plan to fund those improvements and the payment of fair-share traffic impact fees to the City; and

WHEREAS, a “Plan For Services” has been developed that include details on the studies, analysis, scheduling and financing for the consideration of said annexation and the needed public and private infrastructure improvements to be completed as part of any annexation; and

WHEREAS, a duly noticed Public Hearing before the Planning Commission was held on January 22, 2020 to consider testimony and input on the proposed annexation, needed public and private infrastructure improvements, development impact fees and charges to be paid to the City, environmental considerations for the annexation, and review of the timing and implementation of said fees and improvements; and

WHEREAS, environmental analysis of the proposed annexation has been guided by previous work in the form of the Airport Area and Margarita Area Specific Plans Final EIR (2005), FEIR Addendum for the Airport Area and Margarita Area Specific Plans (2015), and the City of SLO General Plan Land Use and Circulation Elements (LUCE) FEIR (2014); and

WHEREAS, an Initial Study of environmental impact was prepared for the proposed annexation, which tiers from the certified FEIR for the Airport Area and Margarita Area Specific Plans, documents whether there have been changed circumstances since those referenced FEIRs were completed, analyzes consistency of the annexation with the General Plan and Airport Area Specific Plan, and identifies mitigation measures that would be required to mitigate potentially significant impacts resulting from the annexation process and the construction of needed infrastructure (new or rehabilitation) to support City services to the areas; and
WHEREAS, the conclusion of the Initial Study of environmental impact was prepared for the proposed annexation, which tiers from the certified FEIR for the Airport Area and Margarita Area Specific Plans, documents whether there have been changed circumstances since those referenced EIRs were completed, analyzes consistency of the annexation with the General Plan and Airport Area Specific Plan, and identifies mitigation measures that would be required to mitigate potentially significant impacts resulting from the annexation process and the construction of needed infrastructure (new or rehabilitation) to support City services to the areas; and

WHEREAS, the conclusion of the Initial Study of environmental impact is that by incorporating the needed infrastructure features of the Pre-Annexation Agreement as well as the Plan For Services, in addition to and as a direct result of the analysis of the noted FEIRs, and implementing noted mitigation measures, any significant effects of the annexation and provision of infrastructure services to the area would result in a less than significant effect on the environment.

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

SECTION 1. CEQA Findings, Mitigation Measures, and Mitigation Monitoring Program. Based upon all the evidence, the Planning Commission recommends that the City Council adopt the following California Environmental Quality Act (CEQA) findings in support of the project:

a) The proposed project, as conditioned herein, is consistent with the requirements of the certified Airport Area and Margarita Area Specific Plans and Related Facilities Master Plans Final Environmental Impact Report (FEIR) (SCH# 2000051062), and City of San Luis Obispo Land Use and Circulation Element (LUCE) Update EIR (2014) (SCH# 2013121019) and this action incorporates those FEIR mitigation measures as detailed herein.

b) A supplemental, tiered, initial study has been prepared for the project, which addresses potential environmental impacts resulting from the proposed project, and the Community Development Director has recommended that the results of that additional analysis be incorporated into an Initial Study-Mitigated Negative Declaration (IS-MND) of environmental impacts, and recommends adoption of identified mitigation measures, all of which are incorporated below.

c) All potentially significant effects were analyzed adequately in the referenced FEIR and IS-MND, subject to the following mitigation measures being incorporated into the project and the mitigation monitoring program:
Air Quality

AQ-1: Naturally Occurring Asbestos. Naturally Occurring Asbestos (NOA) has been identified as a toxic air contaminant by the California Air Resources Board (ARB). Under the ARB Air Toxics Control Measure (ATCM) for Construction, Grading, Quarrying, and Surface Mining Operations, prior to any grading activities a geologic evaluation shall be conducted to determine if NOA is present within the area that will be disturbed. If NOA is not present, an exemption request must be filed with the District. If NOA is found at the site, the applicant must comply with all requirements outlined in the Asbestos ATCM. This may include development of an Asbestos Dust Mitigation Plan and an Asbestos Health and Safety Program for approval by the APCD. More information on NOA can be found at http://www.slocleanair.org/business/asbestos.asp.

AQ-2: Asbestos Material in Demolition. Demolition activities can have potential negative air quality impacts, including issues surrounding proper handling, demolition, and disposal of asbestos containing material (ACM). Asbestos containing materials could be encountered during demolition or remodeling of existing buildings. Asbestos can also be found in utility pipes/pipelines (transite pipes or insulation on pipes). If utility pipelines are scheduled for removal or relocation or a building(s) is proposed to be removed or renovated, various regulatory requirements may apply, including the requirements stipulated in the National Emission Standard for Hazardous Air Pollutants (40CFR61, Subpart M - asbestos NESHAP). These requirements include but are not limited to: 1) notification to the APCD, 2) an asbestos survey conducted by a Certified Asbestos Inspector, and, 3) applicable removal and disposal requirements of identified ACM. More information on Asbestos can be found at http://www.slocleanair.org/business/asbestos.php.

AQ-3: Developmental Burning. APCD regulations prohibit developmental burning of vegetative material within San Luis Obispo County.

AQ-4: Permits. Portable equipment and engines 50 horsepower (hp) or greater, used during construction activities will require California statewide portable equipment registration (issued by the ARB) or an Air District permit. The following list is provided as a guide to equipment and operations that may have permitting requirements, but should not be viewed as exclusive: power screens, conveyors, diesel engines, and/or crushers; portable generators and equipment with engines that are 50 hp or greater; internal combustion engines; unconfined abrasive blasting operations; concrete batch plants; rock and pavement crushing; tub grinders; and, trommel screens.

AQ-5: Standard Mitigation Measures for Construction Equipment. The standard mitigation measures for reducing nitrogen oxides (NOx), reactive organic gases (ROG), and diesel particulate matter (DPM) emissions from construction equipment are listed below:
   a. Maintain all construction equipment in proper tune according to manufacturer’s specifications;
   b. Fuel all off-road and portable diesel-powered equipment with ARB certified motor vehicle diesel fuel (non-taxed version suitable for use off-road);
   c. Use diesel construction equipment meeting ARB’s Tier 2 certified engines or cleaner off-road heavy-duty diesel engines, and comply with the State Off-Road Regulation;
d. Use on-road heavy-duty trucks that meet the ARB’s 2007 or cleaner certification standard for on-road heavy-duty diesel engines, and comply with the State On-Road Regulation;

e. Construction or trucking companies with fleets that do not have engines in their fleet that meet the engine standards identified in the above two measures (e.g. captive or NOx exempt area fleets) may be eligible by proving alternative compliance;

f. All on and off-road diesel equipment shall not idle for more than 5 minutes. Signs shall be posted in the designated queuing areas and or job sites to remind drivers and operators of the 5-minute idling limit;

g. Diesel idling within 1,000 feet of sensitive receptors is not permitted;

h. Staging and queuing areas shall not be located within 1,000 feet of sensitive receptors;

i. Electrify equipment when feasible;

j. Substitute gasoline-powered in place of diesel-powered equipment, where feasible; and

k. Use alternatively fueled construction equipment on-site where feasible, such as compressed natural gas (CNG), liquefied natural gas (LNG), propane or biodiesel.

AQ-6: Best Available Control Technology (BACT) for Construction Equipment. If the estimated ozone precursor emissions from the actual fleet for a given construction phase are expected to exceed the APCD threshold of significance after the standard mitigation measures are factored into the estimation, then BACT needs to be implemented to further reduce these impacts. The BACT measures can include:

a. Further reducing emissions by expanding use of Tier 3 and Tier 4 off-road and 2010 on-road compliant engines;

b. Repowering equipment with the cleanest engines available; and

c. Installing California Verified Diesel Emission Control Strategies. These strategies are listed at: http://www.arb.ca.gov/diesel/verdev/vt/cvt.htm

AQ-7: Fugitive Dust Mitigation Measures. Projects with grading areas that are less than 4-acres and that are not within 1,000 feet of any sensitive receptor shall implement the following mitigation measures to minimize nuisance impacts and to significantly reduce fugitive dust emissions:

a. Reduce the amount of the disturbed area where possible;

b. Use of water trucks or sprinkler systems, in sufficient quantities to prevent airborne dust from leaving the site and from exceeding the APCD’s limit of 20% opacity for greater than 3 minutes in any 60-minute period. Increased watering frequency would be required whenever wind speeds exceed 15 mph. Reclaimed (non-potable) water should be used whenever possible. Please note that during drought conditions, water use may be a concern and the contractor or builder shall consider the use of an APCD-approved dust suppressant where feasible to reduce the amount of water used for dust control;

c. All dirt stock-pile areas should be sprayed daily as needed;

d. All roadways, driveways, sidewalks, etc. to be paved should be completed as soon as possible, and building pads should be laid as soon as possible after grading unless seeding or soil binders are used;
e. All of these fugitive dust mitigation measures shall be shown on grading and building plans; and
f. The contractor or builder shall designate a person or persons to monitor the fugitive dust emissions and enhance the implementation of the measures as necessary to minimize dust complaints, reduce visible emissions below 20% opacity, and to prevent transport of dust offsite. Their duties shall include holidays and weekend periods when work may not be in progress.

Air Quality Monitoring Program: These conditions shall be noted on all project grading and building plans. The applicant will also be required to comply with existing regulations and secure necessary permits from the Air Pollution Control District (APCD) before the onset of grading or demolition activities including, but not limited to additional dust control measures, and evaluation for Naturally Occurring and Material Containing Asbestos. The applicant shall present evidence of a plan for complying with these requirements prior to issuance of a grading or building permit from the City. The applicant shall provide the City with the name and telephone number of the person responsible for ensuring compliance with these requirements. The Building Inspector and Community Development and Public Works Inspectors shall conduct field monitoring.

Biological Resources

BR-1 Prior to installation of the recycled water main on the Broad Street bridge, the project proponent shall prepare and implement a Biological Mitigation Plan that identifies construction related staging and maintenance areas and includes construction best management practices (BMPs) to avoid or minimize impacts to biological resources, including all measures needed to protect riparian woodland and avoid accidental discharge of fuels and/or materials into the creek. Such BMPs shall include (but not be limited to) the following:

a. Prior to construction activities associated with the installation of a recycled water line on the Broad Street bridge, the project proponent shall retain a qualified biologist to ensure implementation of required biological mitigation measures.
b. The Plan shall include the use of debris netting to avoid accidental spill of materials into the creek corridor. The debris netting shall be installed prior to installation of the recycled water line on the bridge and shall not be removed until the installation of the recycled water line is complete.
c. Prior to construction activities, the project area shall be clearly flagged or fenced so that the contractor is aware of the limits of allowable site access, which shall not include areas within the bed or bank of the creek.
d. Prior to the commencement of construction activities, the qualified biologist shall prepare and deliver a worker orientation and training program for all construction staff. This program shall include information on the protection of riparian habitat, special-status aquatic species, and avian species. The training shall also include any applicable regulatory policies and provisions regarding species protection and minimization measures to be implemented.
e. A biological monitor shall be present during the recycled water line installation on the bridge and shall have the authority to stop or redirect work as needed to protect biological resources. Prior to initiation of daily construction activities, and periodically during installation of the recycled water line on the bridge, the biological monitor shall survey the creek within 100 feet of the bridge. In the event any special-status species is present, construction activities shall cease until the biological monitor has determined that the special-status species is no longer present within 100 feet of the project site. If nesting birds are present within 500 feet of the project site, no operation of heavy equipment shall occur until the birds have fledged and left the nest.

f. Construction shall occur during daylight hours (7:00 AM to 7:00 PM or sunset, whichever is sooner) to avoid impacts to nocturnal and crepuscular (dawn and dusk activity period) species.

g. No storage or fueling of equipment shall occur within 100 feet of the edge of riparian vegetation. Pallets or secondary containment areas for chemicals, drums, or bagged materials shall be provided. Should material spills occur, materials and/or contaminants shall be cleaned from the Project site and recycled or disposed of to the satisfaction of the Regional Water Quality Control Board (RWQCB).

h. All trash and construction debris shall be picked up and properly disposed at the end of each day.

**Cultural Resources and Tribal Cultural Resources**

CR-1: Unanticipated cultural resource discovery. In the event archaeological, historic, or paleontological resources are unearthed or discovered during any construction activities, the following standards apply:

a. Construction activities shall cease, and the Environmental Coordinator and Planning Department shall be notified so that the extent and location of discovered materials may be recorded by a qualified archaeologist, and disposition of artifacts may be accomplished in accordance with state and federal law, and in consultation with local Native American tribal organizations.

b. In the event archaeological resources are found to include human remains, or in any other case where human remains are discovered during construction, the County Coroner is to be notified in addition to the Planning Department and Environmental Coordinator so that proper disposition may be accomplished.

**Cultural Resources and Tribal Cultural Resources Monitoring Program:** Requirements for cultural resource mitigation, in the event of unforeseen encounter of materials during the potential relocation of the wastewater treatment facility, shall be clearly noted on all plans for project grading and construction. Compliance will be verified by the Community Development Director.

**SECTION 2. Findings.** Based upon all the evidence, the City Council makes the following findings:
1. The project area is identified in the Airport Area Specific Plan as a future annexation area. The proposed annexation is consistent with the Airport Area Specific Plan, which was determined to be consistent with the San Luis Obispo County Airport Land Use Plan.

2. The proposed annexation is consistent with the General Plan, including Policies 1.13.3 (Annexation Purpose and Timing) and 1.13.5 (Annexation in Airport Area) because the proposed project satisfies all the prerequisites identified under 1.13.5 and pre-zoning was established upon adoption of the Airport Area Specific Plan, which is a prerequisite for allowing development on the site under the City’s General Plan.

3. The East Airport Annexation Area is within the City’s Sphere of Influence as defined by LAFCO, which is an area designated for eventual annexation provided that City services can be provided, and that annexation is otherwise consistent with LAFCO policies.

4. The Pre-Annexation Agreement and Plan for Services provides a framework for providing the necessary City services to adequately serve the annexation area.

SECTION 3. Action. The City Council does hereby authorize the following actions:

1. Approve and authorize the Mayor to execute the Pre-Annexation Agreement for the Annexation of the East Airport Area as recommended by the Planning Commission (Attachment B, also Exhibit A to Resolution),

2. Approve the filing of an application and request for San Luis Obispo Local Agency Formation Commission (LAFCO) to initiate proceedings for annexation of the East Airport Area (Attachments C and D),

3. Adopt the Plan For Services for the East Airport Annexation Area (Attachment E),

4. Direct the Community Development Director to process the application,

5. Authorize the City Manager to execute any documents in a form approved by the City Attorney related to the annexation of the subject lands to the City,

6. Authorize the City Manager to initiate tax negotiations with the County of San Luis Obispo,

7. Adopt the associated IS-MND (Attachment F) for the annexation, which tiers off the certified Final Environmental Impact Report for the Airport Area and Margarita Area Specific Plans and Related Facilities Master Plans (SCH# 2000051062), and
Upon motion of _______________________, seconded by ______________________,
and on the following roll call vote:

AYES:
NOES:
ABSENT:

The foregoing resolution was adopted this _____ day of _____________________ 2020.

____________________________________
Mayor Heidi Harmon

ATTEST:

____________________________________
Teresa Purrington
City Clerk

APPROVED AS TO FORM:

____________________________________
J. Christine Dietrick
City Attorney

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City
of San Luis Obispo, California, this ______________ day of ________________, 2020.

____________________________________
Teresa Purrington City Clerk
East Airport Commerce Park – Senn/Glick –
Annexation Plan for Services
January 2020

Contents:
1. Law Enforcement
2. Fire Protection (Including Paramedic and Ambulance)
3. Parks and Recreation
4. Public Facilities Maintenance
5. Streets Maintenance and Improvements
6. Public Transit
7. Solid Waste and Recycling
8. Municipal Services, Development Review and Code Enforcement
9. Traffic and Circulation
10. Water and Wastewater
11. Storm Water Facilities
12. Affordable Water Housing

1. Law Enforcement

The San Luis Obispo Police Department provides a variety of law enforcement and community services and will serve the East Airport Commerce Park-Senn/Glick (“EACP-S/G” or “East Airport”) annexation area. Police services are based at the City’s main police station at 1042 Walnut Street at the intersection of Santa Rosa (Highway 1) and Highway 101. As of 2018, the Department consists of 85.5 full-time employees, 60 of which are sworn police officers. This results in a ratio of about 1.4 officers-per-1000 residents. However, the City of San Luis Obispo is an employment center, so the daytime population of the City’s urban area increases by about 30,000 people per day over its resident population. Thus, the officers-per resident ratio can be a misleading descriptor of service level.

The Department is divided into two police bureaus, with a Police Captain commanding each. The Operations Bureau consists of a Patrol Services Division, a Traffic Safety Unit, and a Situation Oriented Response Team, and Neighborhood Services. The majority of the Operations Bureau resources are devoted to patrol services and traffic safety. The Administrative Services Bureau consists of Administrative Services Division, Investigative Division, Communications Division, Records Unit, and Information Services Unit. This bureau provides services essential to law enforcement in the City and the effective use of the Operations Bureau resources. 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 is the same as in the rest of the city. The Airport Area Specific Plan indicates 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 Plan also indicates 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 expected that service demands and revenues both would increase upon annexation of the Airport Area. 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 EACP-S/G Annexation Area will be the same as provided to the rest of the Specific Plan Area.

2. **Fire Protection (Including Paramedic and Ambulance)**

The City of San Luis Obispo Fire Department (SLOFD) provides emergency and non-emergency fire protection services in the City with support from CALFIRE through mutual aid agreements. Emergency services include fire response, emergency medical response, advanced life support (“paramedic”) emergency medical response, hazardous materials response, technical rescue 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 currently operates 4 fire stations and has 54 full-time employees with 42 firefighters resulting in 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. County Fire Station #21, which is located on the runway, provides for airport crash fire rescue services. This station also provides emergency response services for a rather large rural area. The City currently maintains a mutual aid agreement with CALFIRE to allow this station to respond to matters within the airport area.

According to the City of San Luis Obispo’s General Plan Safety Element, sufficient Fire Department resources should be deployed to facilitate a travel time of emergency response apparatus to all City emergencies requiring the use of lights and siren of 4 minutes or less, 95 percent of the time. In 2016, the City Council directed staff to adopt the more recognized standard of a travel time of 4 Minutes or less 90 percent of the time.

The proximity of these stations to the Airport Area provide for emergency response times of 4 minutes or less. All SLOFD engine companies (first responders during an emergency call) include at least one paramedic.
In 2013, the Chevron EIR evaluated development and annexation of the Chevron property and therefore evaluated the potential for fire department operational needs. The EIR concluded that the majority of the Airport area is not within the City’s desired 4-minute response time. However, this response time may be enhanced by the completion of circulation improvements including the completion of Prado Road, Santa Fe Road, and the widening of Tank Farm Road. Even with these improvements planned for the future, the EIR concluded mitigation is necessary to achieve the City’s policy objectives for response time (Safety Element Policy 10.3).

These mitigation measures are incorporated into the AASP as follows:

**Policy 7.9.1: Adequate Fire Suppression Services and Facilities**

The City shall provide adequate fire suppression services and facilities to the Airport Area, consistent with the Safety Element of the General Plan, by completing area transportation improvements, co-locating City fire services with existing CAL-Fire facilities located on Broad Street, and/or establishing a permanent facility within the Airport Area.

**Policy 7.9.2: Fire Station Location and Site Dedication**

During the first phase of development of the Chevron Tank Farm site, property that is suitable for the development of a new fire station shall be deeded to the City, to the approval of the Fire Chief.

**Policy 7.9.3: Interim Safety Improvements**

Until a permanent facility is developed that enables the City to achieve its response time objectives, new development in the Airport Area may be required to finance other improvements that will contribute to alleviating current deficiencies, as identified in the San Luis Obispo Fire Department Master Plan (2009). This policy will be implemented on a case by case basis through conditions of approval when project specific fire and life safety impacts are identified.

The proposed annexation was anticipated by the Airport Area Specific Plan. The Specific Plan indicates that development of the plan 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 Fiero Lane/Clarion Court Annexation Area will be the same as provided to the rest of the Specific Plan Area.
3. Parks and Recreation

The proposed annexation area is nearly built out, with about 75% of the property developed with commercial and industrial businesses. No additional development is proposed at this time, but future buildout will follow City standards for parks and recreation contributions as appropriate. The area does not include parkland because no residential neighborhoods are proposed.

4. Public Facilities Maintenance

The City will maintain public facilities in the annexation area for which it accepts title and maintenance responsibility, including public streets and appropriate utility infrastructure. As described in detail in Exhibit “E” of the Pre-Annexation Agreement (PAA) for the EACP-S/G Annexation, public infrastructure to be accepted by the City will include water, recycled water and wastewater system improvements, and street paving and right-of-way improvements including signage, striping and stormwater drainage improvements in said streets. Private improvements described in the PAA shall be maintained by private property owners and/or an Association of owners organized for such responsibilities.

Improvements to the infrastructure systems noted in the PAA that are to be completed by the private property owners within the annexation area will be completed under a SCIP (Statewide Community Infrastructure Program) financing district established under the terms of the PAA. The Pre-Annexation Agreement also describes the timing of inspections and completion of needed system improvements subject to City review and approval of construction plans for this work.

5. Streets Maintenance and Improvements

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.

Within the annexation area, existing public streets will be upgraded to City standards by the applicant and accepted by the City for maintenance upon completion of the upgrades. Maintenance of existing streets within the annexed territory will be accomplished by incorporating the streets into the pavement management program. Funds are also being contributed by the owners that have previously developed their properties subject to the City’s Traffic Impact Fee programs. These provide contributions to be used for future city-wide roads maintenance and improvements commensurate with existing uses.
6. Public Transit

Currently the nearest bus route (Route 3) is located about 1,500 feet north of the annexation area and the City’s Transportation Division is in the process of expanding said route in this portion of the community. The potential for new or expanded bus routes will be evaluated in accordance with the potential routes identified in future specific development plans as applications are submitted to the City. 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.

7. 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.

The level of service provided to the annexation territory will be the same as that provided to the remainder of the City.

8. 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 Airport Area Specific Plan and will coordinate with the County of San Luis Obispo with respect to on-going construction projects and active construction permits. Code enforcement activities are provided by full-time staff 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.

9. Traffic and Circulation

The City of San Luis Obispo operates and maintains a comprehensive multi-modal transportation network. The City’s General Plan Circulation Element describes how the City plans to provide for the transportation of people and materials within San Luis Obispo with connections
to county areas and beyond. While the Land Use Element describes the City's desired character and size, the Circulation Element describes how transportation will be provided in the community envisioned by the Land Use Element. The vision of San Luis Obispo described by the Land Use Element is influenced by the layout and capacity of streets and the location of other transportation facilities described in the Circulation Element. Transportation facilities and programs influence the character of neighborhoods, the location of specific land uses, and the overall form of the city.

The Airport Area Specific Plan (AASP) takes planning for traffic and circulation systems to a greater level of detail by defining localized area circulation patterns and promoting connectivity to existing City street networks. The AASP promotes integrating these multi-modal facilities: pedestrian paths, bicycle, transit, into the existing and planned circulation systems of the area.

For the most part, previous work on the Land Use and Circulation Element updates (LUCE) and more recent implementation of these plans under the City-wide Traffic Improvement Fee program have identified ongoing maintenance and new capital projects to be accomplished in the City. The AASP and the subject annexation area have been included in those plans and fees and will be addressing their prerequisite contributions to City fee programs as part of the Pre-Annexation Agreement.

10. Water and Wastewater

According to water metering records from the Fiero Lane Water Company (FLWC), 2017 water use for the EACP-S/G annexation area was 636,836 cubic feet or about 14.62 acre feet per year for both indoor domestic use and outdoor landscape use.

<table>
<thead>
<tr>
<th>Table 1 – 2017 Water Use and Projected Build-out Water Use</th>
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<tr>
<td><strong>2017 Water Use</strong></td>
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<td>Domestic (cu ft/yr)</td>
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<tr>
<td>East Airport Commerce Park-Senn/Glick</td>
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<td>218,134</td>
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<td><strong>2017 Water Use Totals</strong></td>
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<td>East Airport Commerce Park-Senn/Glick</td>
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<td>392,400</td>
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<td><strong>Buildout Water Use Totals</strong></td>
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The People’s Self-Help Housing site that is part of this annexation (recently added within the EACP) is vacant land at this time, but has been entitled for up to 23,665 SF of development by the County. PSHH is currently undergoing building plan processing with the County and is expected to pull permits before annexation is completed.

Projected water use at buildout of the annexation area as detailed in Table 1 shows a total water demand projected at just under 31 acre feet annually. The possibility of reducing this demand by use of recycled water and on-site wells for irrigation purposes is included with the annexation.
The Airport Area Specific Plan and the City’s General Plan anticipated the water demand to serve this annexation and adequate water supplies are available to serve the build out of the City’s General Plan.

The annexation area is in the City’s Water Reuse Master Plan area and will be served with recycled water for landscape irrigation in the future when the recycled water distribution system is extended south on Broad Street. This will dramatically reduce potable water demands for the area. The Pre-Annexation Agreement (PAA) anticipates the possibility of using on-site water wells for irrigation purposes on an interim basis, reducing potable City water demands as well.

Wastewater generation for the presently developed annexation area (2017), including 365,491 square feet of developed area, is approximately 4,470 gallons per day. Connection to the City’s wastewater system is proposed to be located at Broad Street near the project frontage, and would be conveyed by gravity into the City’s collection system.

| Table 2 – 2017 Wastewater Generation and Projected Build-out Wastewater Demand |
|---------------------------------|------------------|-----------------|
| **2017 Wastewater Generated**   | Domestic Water Use (cu ft/yr) | Total (gallons per day) |
| (cu ft/yr)                      |                               |                              |
| East Airport Commerce Park-    | 218,134                       | 4,470                        |
| Senn/Glick                      |                               |                              |
| **2017 Wastewater Totals**     | 218,134                       | 4,470                        |
| **Buildout Wastewater Demand** | **Domestic Water Use***       | **Total (gallons***          |
| (cu ft/yr)                      | (cu ft/yr)                    | per day)                     |
| East Airport Commerce Park-    | 392,400                       | 8,043                        |
| Senn/Glick                      |                               |                              |
| **Buildout Wastewater Totals** |                               |                              |

All parcels within the proposed annexation area are served by the Fiero Lane Water Company (west side of Broad Street at Fiero Lane/Clarion Court). At the time of annexation and completion of the wastewater system improvements noted herein and in the PAA, those properties will be connected to the City’s wastewater system.

In 2015, average flow to the City’s Water Resource Recovery Facility was 3.5 million gallons per day (mgd). Design capacity of the WRRF is 5.1 mgd and the planned upgrade to the facility will increase its capacity to 5.4 mgd (projected to be completed in 2020). Adequate capacity is available at the facility to serve the proposed annexation.

11. Storm Drainage

On-site flooding and the potential for increased downstream flooding have restricted development potential in the Airport area. When considering how to address storm drainage in the area, a number of objectives are identified in the Airport 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 bypass 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 Floodplain Management Regulations 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.
12. Affordable Housing

The proposed annexation area is currently developed with commercial structures/existing commercial uses and no new development is proposed as part of this application. Affordable housing would be required if new development is proposed in the future. Per the City’s Inclusionary Housing Requirement (Zoning Regulations Chapter 17.91), any 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 two affordable dwelling units per acre of land, or payment of an in-lieu fee equal to 5% of building valuation. The City uses the fees collected for affordable housing projects that meet eligibility criteria as specified by Council resolution.
ORDINANCE NO. _________ (2020 SERIES)


WHEREAS, on January 22, 2020 the Planning Commission conducted a public hearing to prepare a recommendation to the City Council for the annexation of approximately 58.31 acres of lands to the City commonly referred to as the East Airport Annexation Area (East Airport); and

WHEREAS, the Planning Commission is recommending the City Council adopt a Resolution to proceed with the annexation, as well as a series of additional steps including establishing a Pre-Annexation Agreement, Land Use and Zoning Designations, a Plan For Services for the annexation area and the adoption of an environmental determination as prescribed in Planning Commission Resolution No. PC-1003-2020 (2020 Series); and

WHEREAS, the annexation of the East Airport area would include a zoning designation for “Service - Commercial - Specific Plan (C-S-SP)” for the East Airport Area; and

WHEREAS, the Pre-Annexation Agreement for the East Airport Area provides that for existing uses (established under San Luis Obispo County regulations at the time of annexation) that may otherwise be considered “non-conforming” uses under the City’s “Service-Commercial – Specific Plan” zoning district for the annexation area, a process be established that allows flexibility and discretion in continuing to maintain, repair and replace said uses; and

WHEREAS, on March 17, 2020 the City Council conducted a duly noticed Public Hearing to consider testimony and input on the proposed annexation, needed public and private infrastructure improvements, development impact fees and charges to be paid to the City, environmental considerations for the annexation, review of the timing and implementation of said fees and improvements, and the issue of non-conforming land uses; and

WHEREAS, environmental analysis of the proposed annexation has been guided by previous work in the form of the Airport Area and Margarita Area Specific Plans Final Environmental Impact Report (FEIR)(2005), FEIR Addendum for the Airport Area and Margarita Area Specific Plans (2015), and the City’s General Plan Land Use and Circulation Elements (LUCE) FEIR (2014); and

WHEREAS, an Initial Study of environmental impact was prepared for the proposed annexation, which tiers from the certified EIRs noted above, and said Initial Study analyzes and documents whether there have been changed circumstances since those referenced EIRs were completed, analyzes consistency of the annexation with the General Plan and Airport Area Specific Plan, and identifies mitigation measures that would be required to mitigate potentially significant impacts resulting from the annexation process and the construction of needed infrastructure (new or rehabilitation) to support City services to the areas; and
WHEREAS, the conclusion of the Initial Study of environmental impact is that by incorporating the needed infrastructure features of the adopted Airport Area Specific Plan and the proposed Plan For Services, in addition to and as a direct result of the analysis of the noted EIRs, and implementing noted mitigation measures, any significant effects of the annexation and provision of infrastructure services to the area would result in a less than significant effect on the environment.

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

SECTION 1. CEQA Findings. Based upon all the evidence, the City Council adopts the following California Environmental Quality Act (CEQA) findings in support of the project:

a) The proposed project is consistent with the requirements of the 2005 certified Airport Area and Margarita Area Specific Plans and Related Facilities Master Plans FEIR (SCH# 2000051062), and this action incorporates those FEIR mitigation measures as detailed in City Council Resolution ____ (Series 2020).

b) The proposed project is consistent with the requirements of the certified 2015 FEIR Addendum to the Airport Area and Margarita Area Specific Plans and Related Facilities Master Plans Final Environmental Impact Report (SCH#2000051062), and this action incorporates those FEIR mitigation measures as detailed in City Council Resolution ____ (Series 2020).

c) A supplemental, tiered, Initial Study has been prepared for the project, which addresses potential environmental impacts resulting from the proposed project, and the Community Development Director has recommended that the results of that additional analysis be incorporated into an Initial Study Mitigated Negative Declaration (IS-MND) of environmental impacts, and recommends adoption of identified mitigation measures, as detailed in City Council Resolution ____ (Series 2020).

d) All potentially significant effects were adequately analyzed in the referenced FEIRs and IS-MND for the East Airport Annexation project.

SECTION 2. Zoning Ordinance and Municipal Code Amendments Concerning “Non-Conforming Uses” as a result of the East Airport Annexation. The City’s Zoning Regulations, Municipal Code Section 17.94.020, are hereby amended to read as follows, concerning the continuation of non-conforming uses within the East Airport Annexation area of the Airport Area Specific Plan:

Addition of Subsection D.

“D. For uses located in the East Airport Annexation Area of the Airport Area Specific Plan, “Office-Government” uses in existence at the time of annexation will not be subject to the provisions of Sections 17.94.020.B.1 and the Community Development Director may permit a similar non-conforming “Office -Government” to be established even if the prior non-conforming use has ceased for more than 12 months subject to the process and findings set forth in Section 17.94.020.B.2”
SECTION 3. Severability. If any subdivision, paragraph, sentence, clause or phrase of this Ordinance is, for any reason, held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity and enforcement of the remaining portions of this Ordinance, or any other provisions of the city’s rules and regulations. It is the City’s express intent that each remaining portion would have been adopted irrespective of the fact that any one or more subdivisions, paragraphs, sentences, clauses or phrases be declared invalid or unenforceable.

SECTION 4. Implementation. A summary of this Ordinance, together with the names of City 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 the City. This ordinance shall go into effect at the expiration of thirty (30) days after its passage.

INTRODUCED on the 17th day of March 2020, AND FINALLY ADOPTED by the Council of the City of San Luis Obispo on the _____ day of __________, 2020, on the following roll call vote:

AYES:
NOES:
ABSENT:

________________________________
Mayor Heidi Harmon

ATTEST:

________________________________________________________________
Teresa Purrington
City Clerk

APPROVED AS TO FORM:

________________________________________________________________
J. Christine Dietrick
City Attorney

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Luis Obispo, California, this _________ day of ________________________, 2020.

________________________________________________________________
Teresa Purrington
City Clerk
CALL TO ORDER
A Regular Meeting of the San Luis Obispo Planning Commission was called to order on Wednesday, January 22, 2020 at 6:00 p.m. in the Council Chamber, located at 990 Palm Street, San Luis Obispo, California, by Chair Wulkan.

ROLL CALL
Present: Commissioners Robert Jorgensen, Steve Kahn, John McKenzie, Nicholas Quincey, Charles Stevenson, Vice-Chair Hemalata Dandekar and Chair Mike Wulkan
Absent: None
Staff: Community Development Director Michael Codron, Principal Planner Tyler Corey, Assistant City Attorney Charles Bell, and Deputy City Clerk Kevin Christian

Pledge of Allegiance

PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA
None.

1. CONSENT AGENDA – CONSIDERATION OF MINUTES

ACTION: MOTION BY COMMISSIONER STEVENSON, SECOND BY COMMISSIONER MCKENZIE, CARRIED 7-0-0 to approve the Planning Commission Minutes of December 11, 2019.
Prior to introduction of Public Hearing Agenda Item 2, Commissioner Quincey recused himself from the item and left the Chamber.

**PUBLIC HEARINGS**

2. **Project Address:** Multiple parcels immediately east of Broad Street between Farmhouse Lane and Kendall Road, including Allene Way, Morabito Place and Prospect Streets; Case #: ANNX 2030-2018; Pre-zoning pursuant to the Airport Area Specific Plan: Service Commercial; East Airport Commerce Park / Senn-Glick (representative Carol Florence) owner/applicant. Review of the proposed annexation of approximately 59 acres of property at Farmhouse Lane (East Airport Area) and associated infrastructure improvements; this action includes consideration of an Initial Study/Mitigated Negative Declaration tiered from the Final Program Environmental Impact Report for the Airport Area and Margarita Area Specific Plans and Related Facilities Master Plans (SCH#2000051062). Recommendations will be forwarded to the City Council for consideration of the annexation and environmental document.

Special Projects Manager Teresa McClish and Contract Planner David Watson presented the staff report and responded to Commission inquiries.

Applicant representatives, Carol Florence, Principal Planner with Oasis Associates, and Rob Miller, President Fiero Lane Water Company, provided a brief history of planning and development in the proposed annexation area, commented on the current water supply infrastructure, and addressed questions raised by the Commission.

Chair Wulkan opened the public hearing.

**Public Comments**

None.

Chair Wulkan closed the public hearing.

**ACTION:** MOTION BY COMMISSIONER KAHN, SECOND BY VICE CHAIR DANDEKAR, CARRIED 6-0-1 (COMMISSIONER QUINCEY RECUSED) to adopt a resolution entitled:


By Consensus, the Commission directed staff to include assumptions concerning build out estimates and related infrastructure impacts in their future staff report to City Council regarding the annexation.
COMMENT AND DISCUSSION

3. Agenda Forecast – Principal Planner Tyler Corey provided an update of upcoming projects.

ADJOURNMENT

The meeting was adjourned at 7:32 p.m. The next Regular Planning Commission meeting is scheduled for Wednesday, February 12, 2020, at 6:00 p.m., in the Council Chamber, 990 Palm Street, San Luis Obispo, California.

APPROVED BY THE PLANNING COMMISSION: XX/XX/2020
RESOLUTION NO. PC- 1003-2020


WHEREAS, the City of San Luis Obispo’s (City) General Plan and Airport Area Specific Plan call for annexation of the area commonly referred to as the East Airport Annexation Area; and

WHEREAS, the City is actively working with the applicants and their consultants on detailing the various improvements and implementation of the financing plans to complete said improvements; and

WHEREAS, a Pre-Annexation Agreement has been prepared that considers existing “Office – Government” uses that have been approved and exist consistent with the San Luis Obispo County Airport Land Use plan, outlines the responsibilities of the applicants for the improvement of public and private infrastructure to serve the annexation area, and a financing plan to fund those improvements and the payment of fair-share traffic impact fees to the City; and

WHEREAS, a “Plan For Services” has been developed that include details on the studies, analysis, scheduling and financing of the consideration of said annexation and the needed public and private infrastructure improvements to be completed as part of any annexation; and

WHEREAS, a duly noticed Public Hearing before the Planning Commission was held on January 22, 2020, to consider testimony and input on the proposed annexation, needed public and private infrastructure improvements, development impact fees and charges to be paid to the City, environmental considerations for the annexation, and review of the timing and implementation of said fees and improvements; and

WHEREAS, environmental analysis of the proposed annexation has been guided by previous work in the form of the Airport Area and Margarita Area Specific Plans Final EIR (2005), FEIR Addendum for the Airport Area and Margarita Area Specific Plans (2015), and the City of SLO General Plan Land Use and Circulation Elements (LUCE) FEIR (2014); and

WHEREAS, an Initial Study of environmental impact was prepared for the proposed annexation, which tiers from the certified Final EIR for the Airport Area and Margarita Area Specific Plans, documents whether there have been changed circumstances since those referenced EIRs were completed, analyzes consistency of the annexation with the General Plan and Airport
Area Specific Plan, and identifies mitigation measures that would be required to mitigate potentially significant impacts resulting from the annexation process and the construction of needed infrastructure (new or rehabilitation) to support City services to the areas; and

WHEREAS, the conclusion of the Initial Study of environmental impact is that by incorporating the needed infrastructure features of the Pre-Annexation Agreement as well as the Plan For Services, in addition to and as a direct result of the analysis of the noted EIRs, and implementing noted mitigation measures, any significant effects of the annexation and provision of infrastructure services to the area would result in a less than significant effect on the environment.

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

SECTION 1. CEQA Findings, Mitigation Measures, and Mitigation Monitoring Program. Based upon all the evidence, the Planning Commission recommends that the City Council adopt the following California Environmental Quality Act (CEQA) findings in support of the project:

a) The proposed project, as conditioned herein, is consistent with the requirements of the certified Airport Area and Margarita Area Specific Plans and Related Facilities Master Plans Final Environmental Impact Report (FEIR) (SCH# 2000051062), and this action incorporates those FEIR mitigation measures as detailed herein.

b) A supplemental, tiered, initial study has been prepared for the project, which addresses potential environmental impacts resulting from the proposed project, and the Community Development Director has recommended that the results of that additional analysis be incorporated into a Mitigated Negative Declaration (MND) of environmental impacts, and recommends adoption of identified mitigation measures, all of which are incorporated below.

c) All potentially significant effects were analyzed adequately in the referenced FEIRs and IS/MND, subject to the following mitigation measures being incorporated into the project and the mitigation monitoring program:

**Air Quality**

AQ-1: Naturally Occurring Asbestos. Naturally Occurring Asbestos (NOA) has been identified as a toxic air contaminant by the California Air Resources Board (ARB). Under the ARB Air Toxics Control Measure (ATCM) for Construction, Grading, Quarrying, and Surface Mining Operations, prior to any grading activities a geologic evaluation shall be conducted to determine if NOA is present within the area that will be disturbed. If NOA is not present, an exemption request must be filed with the District. If NOA is found at the site, the applicant must comply with all requirements outlined in the Asbestos ATCM. This may include development of an Asbestos Dust Mitigation Plan and an Asbestos Health and Safety Program for approval by the APCD. More information on NOA can be found at http://www.slocleanair.org/business/asbestos.asp.
AQ-2: Asbestos Material in Demolition. Demolition activities can have potential negative air quality impacts, including issues surrounding proper handling, demolition, and disposal of asbestos containing material (ACM). Asbestos containing materials could be encountered during demolition or remodeling of existing buildings. Asbestos can also be found in utility pipes/pipelines (transite pipes or insulation on pipes). If utility pipelines are scheduled for removal or relocation or a building(s) is proposed to be removed or renovated, various regulatory requirements may apply, including the requirements stipulated in the National Emission Standard for Hazardous Air Pollutants (40CFR61, Subpart M - asbestos NESHAP). These requirements include but are not limited to: 1) notification to the APCD, 2) an asbestos survey conducted by a Certified Asbestos Inspector, and, 3) applicable removal and disposal requirements of identified ACM. More information on Asbestos can be found at http://www.slocleanair.org/business/asbestos.php.

AQ-3: Developmental Burning. APCD regulations prohibit developmental burning of vegetative material within San Luis Obispo County.

AQ-4: Permits. Portable equipment and engines 50 horsepower (hp) or greater, used during construction activities will require California statewide portable equipment registration (issued by the ARB) or an Air District permit. The following list is provided as a guide to equipment and operations that may have permitting requirements, but should not be viewed as exclusive: power screens, conveyors, diesel engines, and/or crushers; portable generators and equipment with engines that are 50 hp or greater; internal combustion engines; unconfined abrasive blasting operations; concrete batch plants; rock and pavement crushing; tub grinders; and, trommel screens.

AQ-5: Standard Mitigation Measures for Construction Equipment. The standard mitigation measures for reducing nitrogen oxides (NOx), reactive organic gases (ROG), and diesel particulate matter (DPM) emissions from construction equipment are listed below:
   a. Maintain all construction equipment in proper tune according to manufacturer's specifications;
   b. Fuel all off-road and portable diesel powered equipment with ARB certified motor vehicle diesel fuel (non-taxed version suitable for use off-road);
   c. Use diesel construction equipment meeting ARB's Tier 2 certified engines or cleaner off-road heavy-duty diesel engines, and comply with the State off-Road Regulation;
   d. Use on-road heavy-duty trucks that meet the ARB's 2007 or cleaner certification standard for on-road heavy-duty diesel engines, and comply with the State On-Road Regulation;
   e. Construction or trucking companies with fleets that that do not have engines in their fleet that meet the engine standards identified in the above two measures (e.g. captive or NOx exempt area fleets) may be eligible by proving alternative compliance;
   f. All on and off-road diesel equipment shall not idle for more than 5 minutes. Signs shall be posted in the designated queuing areas and or job sites to remind drivers and operators of the 5 minute idling limit;
   g. Diesel idling within 1,000 feet of sensitive receptors is not permitted;
   h. Staging and queuing areas shall not be located within 1,000 feet of sensitive receptors;
   i. Electrify equipment when feasible;
   j. Substitute gasoline-powered in place of diesel-powered equipment, where feasible;
   k. Signs that specify no idling areas must be posted and enforced at the site; and,
l. Use alternatively fueled construction equipment on-site where feasible, such as compressed natural gas (CNG), liquefied natural gas (LNG), propane or biodiesel.

AQ-6: Best Available Control Technology (BACT) for Construction Equipment. If the estimated ozone precursor emissions from the actual fleet for a given construction phase are expected to exceed the APCD threshold of significance after the standard mitigation measures are factored into the estimation, then BACT needs to be implemented to further reduce these impacts. The BACT measures can include:
   a. Further reducing emissions by expanding use of Tier 3 and Tier 4 off-road and 2010 on-road compliant engines;
   b. Repowering equipment with the cleanest engines available; and
   c. Installing California Verified Diesel Emission Control Strategies. These strategies are listed at: http://www.arb.ca.gov/diesel/verdev/vt/cvt.htm

AQ-7: Fugitive Dust Mitigation Measures. Projects with grading areas that are less than 4-acres and that are not within 1,000 feet of any sensitive receptor shall implement the following mitigation measures to minimize nuisance impacts and to significantly reduce fugitive dust emissions:
   a. Reduce the amount of the disturbed area where possible;
   b. Use of water trucks or sprinkler systems, in sufficient quantities to prevent airborne dust from leaving the site and from exceeding the APCD’s limit of 20% opacity for greater than 3 minutes in any 60-minute period. Increased watering frequency would be required whenever wind speeds exceed 15 mph. Reclaimed (non-potable) water should be used whenever possible. Please note that during drought conditions, water use may be a concern and the contractor or builder shall consider the use of an APCD-approved dust suppressant where feasible to reduce the amount of water used for dust control (contact the APCD for a list of potential dust suppressants);
   c. All dirt stock-pile areas should be sprayed daily as needed;
   d. All roadways, driveways, sidewalks, etc. to be paved should be completed as soon as possible, and building pads should be laid as soon as possible after grading unless seeding or soil binders are used;
   e. All of these fugitive dust mitigation measures shall be shown on grading and building plans; and
   f. The contractor or builder shall designate a person or persons to monitor the fugitive dust emissions and enhance the implementation of the measures as necessary to minimize dust complaints, reduce visible emissions below 20% opacity, and to prevent transport of dust offsite. Their duties shall include holidays and weekend periods when work may not be in progress.
   g. Projects with grading areas greater than 4 acres or within 1,000 feet of any sensitive receptor shall implement the measures above, in addition to the following additional mitigation measures to manage fugitive dust emissions such that they do not exceed the APCD’s 20% opacity limit (APCD Rule 401) or prompt nuisance violations (APCD Rule 402):
      1) Permanent dust control measures identified in the approved project revegetation and landscape plans should be implemented as soon as possible, following completion of any soil disturbing activities;
2) Exposed ground areas that are planned to be reworked at dates greater than one month after initial grading should be sown with a fast germinating, non-invasive grass seed and watered until vegetation is established;

3) All disturbed soil areas not subject to revegetation should be stabilized using approved chemical soil binders, jute netting, or other methods approved in advance by the APCD;

4) Vehicle speed for all construction vehicles shall not exceed 15 mph on any unpaved surface at the construction site;

5) All trucks hauling dirt, sand, soil, or other loose materials are to be covered or should maintain at least two feet of freeboard (minimum vertical distance between top of load and top of trailer) in accordance with California Vehicle Code (CVC) Section 23114;

6) “Track-Out” is defined as sand or soil that adheres to and/or agglomerates on the exterior surfaces of motor vehicles and/or equipment (including tires) that may then fall onto any highway or street as described in CVC Section 23113 and California Water Code 13304. To prevent ‘track out’, designate access points and require all employees, subcontractors, and others to use them. Install and operate a ‘track-out prevention device’ where vehicles enter and exit unpaved roads onto paved streets. The ‘track-out prevention device’ can be any device or combination of devices that are effective at preventing track out, located at the point of intersection of an unpaved area and a paved road. Rumble strips or steel plate devices need periodic cleaning to be effective. If paved roadways accumulate tracked out soils, the track-out prevention device may need to be modified;

7) Sweep streets at the end of each day if visible soil material is carried onto adjacent paved roads. Water sweepers shall be used with reclaimed water where feasible. Roads shall be pre-wetted prior to sweeping when feasible.

**Air Quality Monitoring Program:** These conditions shall be noted on all project grading and building plans. The applicant will also be required to comply with existing regulations and secure necessary permits from the Air Pollution Control District (APCD) before the onset of grading or demolition activities including, but not limited to additional dust control measures, and evaluation for Naturally Occurring and Material Containing Asbestos. The applicant shall present evidence of a plan for complying with these requirements prior to issuance of a grading or building permit from the City. The applicant shall provide the City with the name and telephone number of the person responsible for ensuring compliance with these requirements. The Building Inspector and Community Development and Public Works Inspectors shall conduct field monitoring.

**Biological Resources**

BR-1 Prior to installation of the recycled water main on the Broad Street bridge, the project proponent shall prepare and implement a Biological Mitigation Plan that identifies construction-related staging and maintenance areas and includes construction best management practices (BMPs) to avoid or minimize impacts to biological resources, including all measures needed to protect riparian woodland and avoid accidental discharge of fuels and/or materials into the creek. Such BMPs shall include (but not be limited to) the following:

a. Prior to construction activities associated with the installation of a recycled water line on the Broad Street bridge, the project proponent shall retain a qualified biologist to ensure implementation of required biological mitigation measures.

b. The Plan shall include the use of debris netting to avoid accidental spill of materials into the creek corridor. The debris netting shall be installed prior to installation of the recycled water
line on the bridge and shall not be removed until the installation of the recycled water line is complete.

c. Prior to construction activities, the project area shall be clearly flagged or fenced so that the contractor is aware of the limits of allowable site access, which shall not include areas within the bed or bank of the creek.

d. Prior to the commencement of construction activities, the qualified biologist shall prepare and deliver a worker orientation and training program for all construction staff. This program shall include information on the protection of riparian habitat, special-status aquatic species, and avian species. The training shall also include any applicable regulatory policies and provisions regarding species protection and minimization measures to be implemented.

e. A biological monitor shall be present during the recycled water line installation on the bridge, and shall have the authority to stop or redirect work as needed to protect biological resources. Prior to initiation of daily construction activities, and periodically during installation of the recycled water line on the bridge, the biological monitor shall survey the creek within 100 feet of the bridge. In the event any special-status species is present, construction activities shall cease until the biological monitor has determined that the special-status species is no longer present within 100 feet of the project site. If nesting birds are present within 500 feet of the project site, no operation of heavy equipment shall occur until the birds have fledged and left the nest.

f. Construction shall occur during daylight hours (7:00 AM to 7:00 PM or sunset, whichever is sooner) to avoid impacts to nocturnal and crepuscular (dawn and dusk activity period) species.

g. No storage or fueling of equipment shall occur within 100 feet of the edge of riparian vegetation. Pallets or secondary containment areas for chemicals, drums, or bagged materials shall be provided. Should material spills occur, materials and/or contaminants shall be cleaned from the Project site and recycled or disposed of to the satisfaction of the Regional Water Quality Control Board (RWQCB).

h. All trash and construction debris shall be picked up and properly disposed at the end of each day.

Cultural Resources and Tribal Cultural Resources

CR-1: Unanticipated cultural resource discovery. In the event archaeological, historic, or paleontological resources are unearthed or discovered during any construction activities, the following standards apply:

a. Construction activities shall cease, and the Community Development Director shall be notified so that the extent and location of discovered materials may be recorded by a qualified archaeologist, and disposition of artifacts may be accomplished in accordance with state and federal law, and in consultation with local Native American tribal organizations.

b. In the event archaeological resources are found to include human remains, or in any other case where human remains are discovered during construction, the County Coroner is to be notified in addition to the Community Development Director so that proper disposition may be accomplished.

Cultural Resources and Tribal Cultural Resources Monitoring Program: Requirements for
cultural resource mitigation, in the event of unforeseen encounter of materials during the potential relocation of the wastewater treatment facility, shall be clearly noted on all plans for project grading and construction. Compliance will be verified by the Community Development Director.

SECTION 2. Action and Findings. The Planning Commission hereby recommends the City Council

1) introduce and adopt an Ordinance amending Title 17 (Zoning Regulations) of the Municipal Code concerning “Non-Conforming Uses” pursuant to the Pre-Annexation Agreement for the East Airport Annexation by amending Municipal Code Section 17.94.020 as follows:

Addition of Subsection D.

D. For uses located in the East Airport Annexation Area of the Airport Area Specific Plan, “Office-Government” will not be subject to the provisions of Section 17.94.020.B.1.”

2) approve the filing of an application for annexation of the East Airport Annexation Area and direct the City’s Community Development Director to process the application with San Luis Obispo Local Agency Formation Commission (LAFCO); and

3) authorize the City Manager to execute any documents in a form approved by the City Attorney related to the annexation of the subject lands to the City of San Luis Obispo, based on the following findings:

Findings:

1. The proposed amendment to Title 17 concerning non-conforming uses is consistent with State law and will not significantly alter the character of the City or cause significant health, safety or welfare concerns, since the uses are in conformance with the San Luis Obispo County Airport Land Use Plan and the General Plan;

2. The project area is identified in the Airport Area Specific Plan as a future annexation area. The proposed annexation is consistent with the Airport Area Specific Plan, which was determined to be consistent with the San Luis Obispo County Airport Land Use Plan.

3. The proposed annexation is consistent with the General Plan, including Policies 1.13.3 (Annexation Purpose and Timing) and 1.13.5 (Annexation in Airport Area) because the proposed project satisfies all the prerequisites identified under 1.13.5 and pre-zoning was established upon adoption of the Airport Area Specific Plan, which is a prerequisite for allowing development on the site under the City’s General Plan.

4. The East Airport Annexation area is within the City’s Sphere of Influence as defined by LAFCO, which is an area designated for eventual annexation, provided that City services can be provided, and that annexation is otherwise consistent with LAFCO policies.
5. The Pre-Annexation Agreement and Plan for Services provides a framework for providing the necessary City services to adequately serve the annexation area.

Upon motion of Commissioner Kahn, seconded by Vice-Chair Dandekar, and on the following roll call vote:

AYES: Commissioners Jorgensen, Kahn, McKenzie, Stevenson, Vice-Chair Dandekar and Chair Wulkan

NOES: None

REFRAIN Commissioner Quincey

ABSENT: None

The foregoing resolution was passed and adopted this 22nd day of January, 2020.

[Signature]
Tyler Corey, Secretary
Planning Commission
Page intentionally left blank.