

## CALIFORNIA COASTAL COMMISSION

CENTRAL COAST DISTRICT OFFICE  
725 FRONT STREET, SUITE 300  
SANTA CRUZ, CA 95060  
(408) 427-4863

W12d



## RECORD PACKET COPY

Filed:	08/08/02
49 <sup>th</sup> Day:	09/26/02
Staff:	JB
Staff Report:	8/22/02
Hearing Date:	9/11/02

## Staff Report: Appeal

### Substantial Issue Determination

Appeal Number .....A-3-SLO-02-066

Local Government .....San Luis Obispo County

Local Decision.....Approved with conditions, 07/05/02

Applicant.....Nick and Darcie Thille

Agent .....Russ Thompson

Appellants .....Commissioners Sara Wan and Pedro Nava

Project Location .....On the north side of Highway 101 (between Spyglass and Avila Beach Drive), north of the City of Pismo Beach, (San Luis Bay Planning Area), San Luis Obispo County.

Project Description .....Lot line adjustment of two parcels (212 and 295 acres) that will result in two parcels of 20.16 and 483 acres. No future building site was submitted.

File Documents .....San Luis Obispo County certified Local Coastal Program; San Luis Obispo County Coastal Development Permit Numbers COAL02-0016 and S010234L.

Staff Recommendation .....Substantial Issue Raised

**Summary:** The applicant proposes to adjust the lot line between two existing parcels (currently 291.63 and 212.15 acres each), to create parcels of 483.62 and 20.16 acres each. The parcels are located on the north side of Highway 101, north of the City of Pismo Beach, in San Luis Obispo County. The coastal zone boundary line bisects both parcels. The portions in the coastal zone are entirely within the Rural Lands land use category. Portions of the proposed development are located within the Ontario Ridge Sensitive Resource Area (SRA), as designated in the LCP, due to its important scenic backdrop for the coastal area of Avila Beach and Pismo Beach, as well as Avila Valley.

Staff recommends that the Commission determine that a **substantial issue** exists with respect to the grounds on which the appeal has been filed, because as approved by the County the lot line adjustment is inconsistent with provisions of the San Luis Obispo County certified Local Coastal Program (LCP) protecting visual and scenic resources.



California Coastal Commission  
September 11, 2002 Meeting in Los Angeles

Staff: J. Bishop Approved by: *[Signature]* 8/22/02

After adjusting lot lines, the resulting 20.16 acre parcel would be located entirely within the Ontario Ridge SRA. Moreover, the local approval fails to designate a building site for future development within the resulting parcel, making it impossible to evaluate the projects impacts on visual and scenic resources that were the basis of the SRA designation. More broadly, the lot line adjustment fails to achieve the "equal or better" criteria for lot line adjustments established by the LCP's Real Property Division Ordinance as a result of these inconsistencies. **Therefore, staff recommends that the Commission find that a substantial issue is raised by the appellants' contentions, and that the de novo hearing on the project be continued to a later date to allow for further evaluation of the project under the resource protection standards of the LCP.**

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### Exhibits

1. Vicinity Map
2. Land Use Map
3. Site Plan
4. Appellants' Contentions
5. County Conditions of Approval
6. Correspondence from Applicant
7. Pismo Beach Sphere of Influence Map and Selected Excerpts
8. CCC Comment Letter

## I. Local Government Action

The County of San Luis Obispo Planning Commission approved the proposed lot line adjustment on July 5, 2002, 1999, subject to 10 conditions (see Exhibit 4 for the County's conditions).



## **II. Summary Of Appellants' Contentions**

Please see Exhibit 4 for the full text of the appeal.

The appellants, Commissioners Wan and Nava, have appealed the final action taken by the County Planning Commission on the basis that approval of the project is inconsistent with the policies of the San Luis Obispo County Local Coastal Program protecting visual and scenic resources. The appellants also contend that the application for the lot line adjustment does not include the proposed access roads and future building sites, as required CZLUO Section 23.04.021(c)(7) of the LCP. More broadly, the lot line adjustment fails to achieve the "equal or better" criteria for lot line adjustments established by the LCP's Real Property Division Ordinance as a result of these inconsistencies

## **III. Standard of Review for Appeals**

Coastal Act Section 30603 provides for the appeal of approved coastal development permits in jurisdictions with certified local coastal programs for development that is (1) between the sea and the first public road paralleling the sea or within 300 feet of the inland extent of any beach or of the mean high tideline of the sea where there is no beach, whichever is the greater distance; (2) on tidelands, submerged lands, public trust lands, within 100 feet of any wetland, estuary, or stream, or within 300 feet of the top of the seaward face of any coastal bluff; (3) in a sensitive coastal resource area; (4) for counties, not designated as the principal permitted use under the zoning ordinance or zoning district map; and (5) any action on a major public works project or energy facility. This project is appealable because it contains sensitive coastal resource areas designated by the LCP for the protection of the visual and scenic resources.

The grounds for appeal under section 30603 are limited to allegations that the development does not conform to the standards set forth in the certified local coastal program or the public access policies of the Coastal Act. Section 30625(b) of the Coastal Act requires the Commission to conduct a *de novo* coastal development permit hearing on an appealed project unless a majority of the Commission finds that "no substantial issue" is raised by such allegations. Under section 30604(b), if the Commission conducts a *de novo* hearing, the Commission must find that the proposed development is in conformity with the certified local coastal program in order to issue a coastal development permit. Section 30604(c) also requires an additional specific finding that the development is in conformity with the public access and recreation policies of Chapter Three of the Coastal Act, if the project is located between the nearest public road and the sea or the shoreline of any body of water located within the coastal zone. This project is not located between the first public road and the sea.



## IV. Staff Recommendation On Substantial Issue

The staff recommends that the Commission determine that a substantial issue exists with respect to some of the grounds on which the appeal was filed pursuant to Coastal Act Section 30603.

### MOTION:

Staff recommends a “NO” vote on the following motion:

*“I move that the Commission determine that Appeal No. A-3-SLO-02-066 raises **no** substantial issue with respect to the grounds on which the appeal has been filed under § 30603 of the Coastal Act.*

A majority of the Commissioners present is required to pass the motion. Failure of the motion, as recommended by staff, will result in Commission jurisdiction over the project, a *de novo* hearing on the application, and adoption of the following resolution and findings.

### RESOLUTION TO ADOPT SUBSTANTIAL ISSUE:

The Commission hereby finds that Appeal No. A-3-SLO-02-066 presents a substantial issue with respect to the grounds on which the appeal has been filed under § 30603 of the Coastal Act regarding consistency with the Certified Local Coastal Plan.

## V. Recommended Findings and Declarations

### A. Project Location and Description

The subject parcels are located on the north side of Highway 101, north of the City of Pismo Beach, in San Luis Obispo County. The coastal zone boundary line bisects both existing parcels. The portions of each parcel located in the coastal zone are entirely within the Rural Lands land use category. Large portions of the existing parcels are located within the Ontario Ridge Sensitive Resource Area (SRA), as designated in the LCP, due to its important scenic backdrop for the coastal area of Avila Beach and Pismo Beach, as well as Avila Valley. (Please see Exhibit 3 for existing and proposed lot configuration).

The applicant proposes to adjust the lot line between two existing parcels. Currently, Parcel One is 291.63 acres and Parcel Two is 212.15 acres. The proposed adjustment would increase Parcel One to approximately 483.62 acres and reduce Parcel Two to approximately 20.16 acres. The resulting 20.16 acre parcel (Parcel Two) would be located entirely within the Ontario Ridge SRA. As part of the proposed lot line adjustment, no future “building site” for Parcel Two has been designated. In addition, the County findings have no discussion of the purpose of the lot line adjustment, although a recent public review draft from the San Luis Obispo LAFCO discusses a proposal to incorporate the Thille site within the City of Pismo Beach Sphere of



Influence expansion with the intent of accommodating future development of approximately 200 visitor-serving units over 13.5 acres.

Please see Exhibits 7 and 8 for excerpts from the City of Pismo Beach Draft Sphere of Influence Update of February 14, 2002, and related CCC staff comments.

## **B. Substantial Issue Determination**

### **1. Visual and Scenic Resources**

#### **a. Appellants Contentions**

The appellants raise the issue of visual and scenic resources as it relates to the proposed lot line adjustment (LLA) by questioning the project's conformance with Policy 4 of the LCP, and pursuant to Section 23.04.021 of Coastal Zone Land Use Ordinance (CZLUO). In addition, the appellant's contend that the lot line adjustment is inconsistent with CZLUO Section 23.07.164, requiring that new development not create significant adverse effects on the natural features of the site or vicinity that were the basis of the Sensitive Resource Designation. Lastly, the appellant's contend that the proposed LLA is inconsistent with Section 21.02.030 of the Real Property Division Ordinance of the LCP.

It should be noted that the original appeal contends inconsistencies with CZLUO Section 23.04.025, requiring that the minimum parcel size be evaluated by the site's average slope, among other features. The County failed to require this slope determination. Subsequent to filing this appeal, the Applicant provided the required average slope calculations. Based on the information presented, it appears that the resulting 20.16 acre parcel has an average slope of 24.3% and therefore meets the LCP minimum parcel size requirement of 20 acres. As such, this appeal contention (#3 as attached) no longer raises a substantial issue and will not be analyzed in this report.

#### **b. Relevant LCP Provisions**

The following are the relevant governing provisions from the San Luis Obispo County Local Coastal Program *Coastal Plan Policies*, *Coastal Zone Land Use Ordinance*, and *Real Property Division Ordinance*, respectively:

**Visual and Scenic Resource Policy 4:** *New development shall be sited to minimize its visibility from public view corridors. Structures shall be designed (height, bulk, style) to be subordinate to, and blend with, the rural character of the area. New development which cannot be sited outside of public view corridors is to be screened utilizing native vegetation; however, such vegetation, when mature, must also be selected and sited in such a manner as to not obstruct major public views. New land divisions whose only building site would be on a highly visible slope or ridgetop shall be prohibited [THIS POLICY SHALL BE IMPLEMENTED AS A STANDARD AND PUSUANT TO SECTION 23.04.021 OF THE CZLUO.]*



**Section 23.04.021(c)(7) – Location of access roads and building sites.** *Proposed access roads and building sites shall be shown on tentative maps and shall be located on slopes less than 20 percent.*

**Section 23.07.164(e) – Required Findings.** *(1) The development will not create significant adverse effects on the natural features of the site or vicinity that were the basis for the Sensitive Resource Area designation, and will preserve and protect such features through site design.*

Section 21.02.030(c) of the Real Property Division Ordinance applies to the proposed lot line adjustment. This ordinance states:

***Criteria to be Considered [for Lot Line Adjustments].*** *A lot line adjustment shall not be approved or conditionally approved unless the new parcels resulting from the lot line adjustment will conform with the county's zoning and building ordinances. The criteria to be considered includes, but is not limited to, standards relating to parcel design and minimum lot area. These criteria may be considered satisfied if the resulting parcels maintain a position with respect to said criteria which is equal or better than such position prior to approval or conditional approval of the lot line adjustment.*

#### **d. Analysis**

The appellants' contentions raise valid concerns. Both existing parcels are located in a highly scenic area. In this case, the scenic area contains the Ontario Ridge Sensitive Resource Area, which provides a scenic backdrop for Avila Beach and Pismo Beach, as well as the Avila Valley. Although the County approved the lot line adjustment consistent with portions of the LCP, thorough review reveals that the proposed land division may have adverse impacts to important scenic and visual resources. Such impacts are inconsistent with the LCP protections for this area.

First, Policy 4 for Visual and Scenic Resources prohibits land divisions when the "only building site would be on a highly visible slope or ridgetop". In addition, CZLUO Section 23.07.164 states that development shall not create significant adverse effects on the natural features of the site or vicinity that were the basis for the SRA designation. After adjusting lot lines, the resulting 20.16 acre parcel would be located entirely within the Ontario Ridge Sensitive Resource Area (SRA). Any development of the 20.16 acre parcel would be highly visible on the slope. Visible development within scenic SRA's is inconsistent with the LCP policies and ordinances protecting visual and scenic resources.

Furthermore, CZLUO Section 23.04.021 (c) (7) require access roads and building sites be shown on tentative maps and shall be located on slopes less than 20 percent. The maps submitted by the Applicant, and used by the County to evaluate the project impacts, do not show these required elements. These maps would also important in evaluating the project's visual impacts because road cuts can sometimes be more visible than structural development. Without building sites and



roads being identified, it is impossible to gauge the potential impacts to the important visual and scenic resources of the area. This is inconsistent with the LCP.

The applicant asserts that a lot line adjustment is not a division of land and therefore neither Title 21 (County of San Luis Obispo Real Property Division Ordinance) nor Title 23 (Zoning Ordinance) applies to his project. It is well settled however that lot line adjustments are indeed divisions of land within the Coastal Act definition of development. In addition, the San Luis Obispo County LCP, Title 21.08.020(a) specifically includes lot line adjustments as a type of development that requires a CDP and is subject to the provisions of the Certified Local Coastal Program.

Finally, Section 21.02.030(c) of the Real Property Division Ordinance applies to the proposed lot line adjustment. This ordinance states that a lot line adjustment shall not be approved or conditionally approved unless the new parcels resulting from the adjustment will maintain a position which is better than, or equal to, the existing situation relative to the County's zoning and building ordinance. The lot line adjustment will result in the reconfiguration of the two existing parcels. The reconfigured 20.16 acre parcel (Parcel Two) would be located immediately adjacent to US highway 101. It appears that any future development within the 20.16 acre parcel would be visible to north and southbound travelers. In essence, the lot line adjustment will create a lot and will force development into highly scenic SRA's and impact the area's sensitive visual resources. As a result, the lot line adjustment is not equal or better to the existing parcel configuration, in conflict with the requirements of 21.02.030(c).

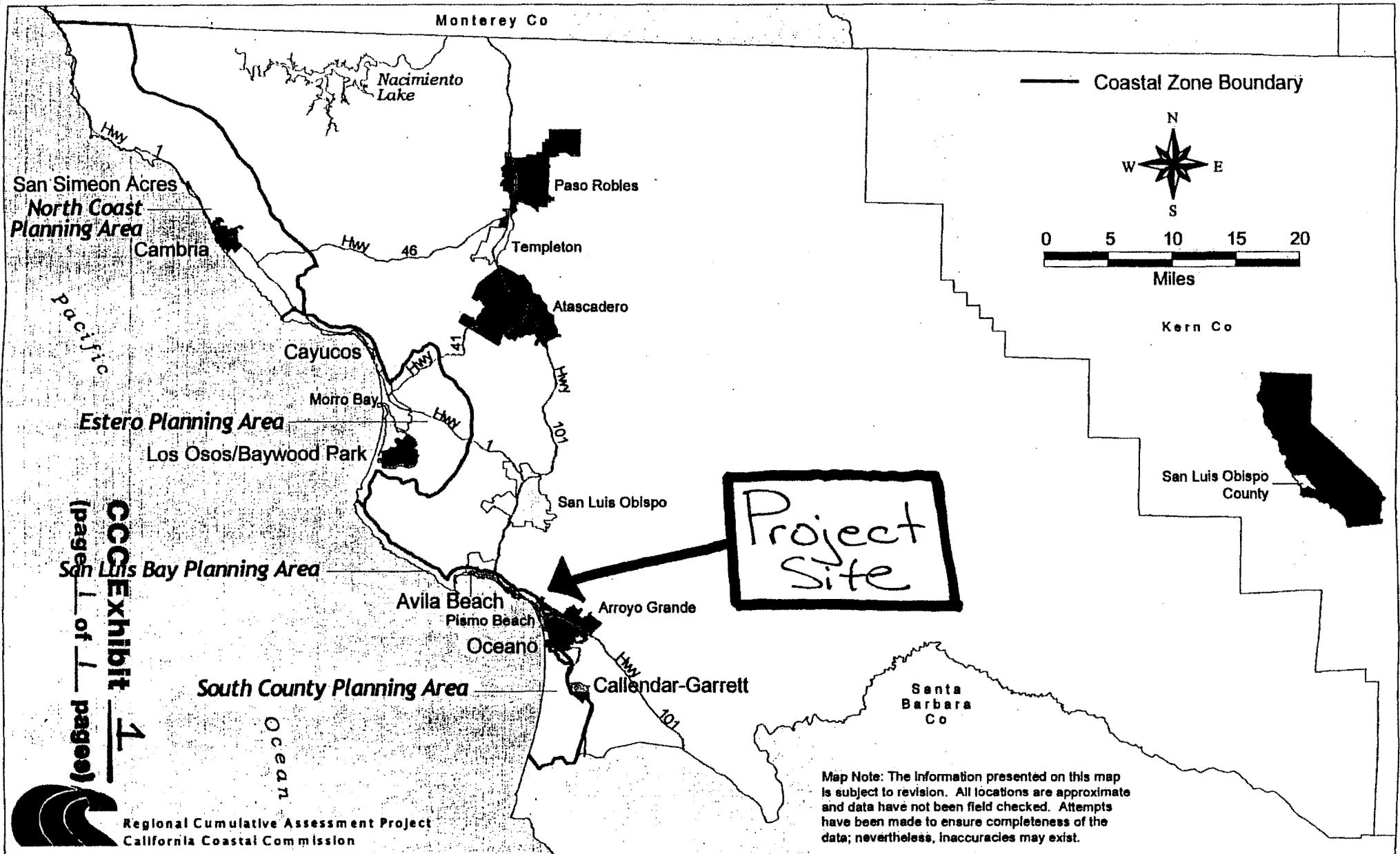
In conclusion, critical components of the project are inconsistent with the LCP. The lot line adjustment approved by the County does not adequately address the scenic and visual resource impacts associated with the proposed lot line adjustment. **Therefore, a substantial issue is raised by the appellant's contentions.**

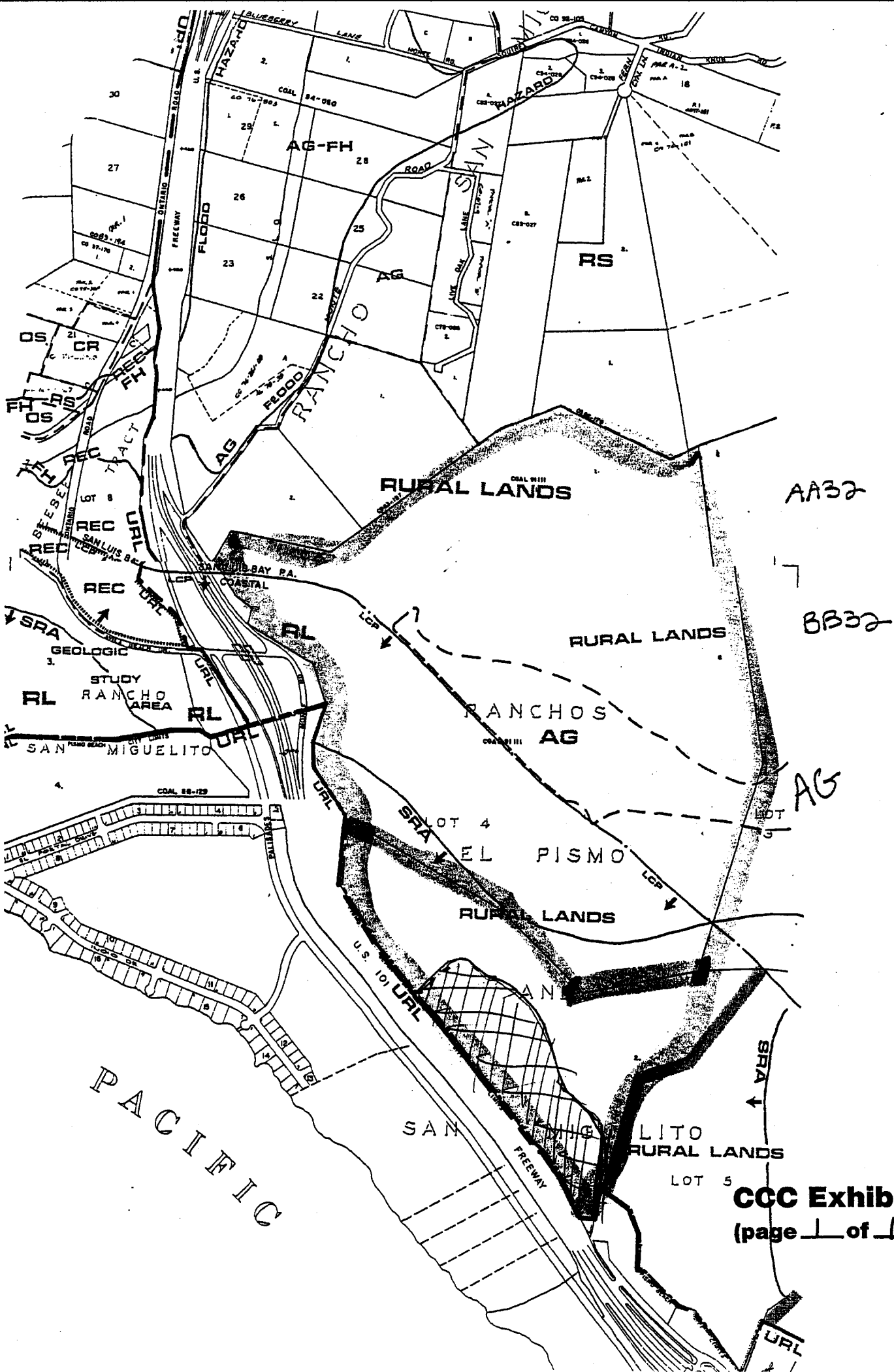






# San Luis Obispo County Communities and Coastal Planning Areas





**OWNER'S STATEMENT**

I HEREBY CERTIFY THAT THE INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT I AM THE OWNER OF THE PROPERTY DESCRIBED HEREIN.

DATE: \_\_\_\_\_

**EXISTING LOT AREA**  
 LOT 1 20.43 AC  
 LOT 2 10.11 AC  
 TOTAL 30.54 AC

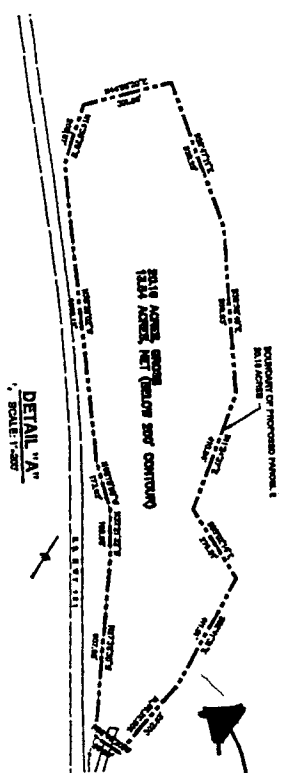
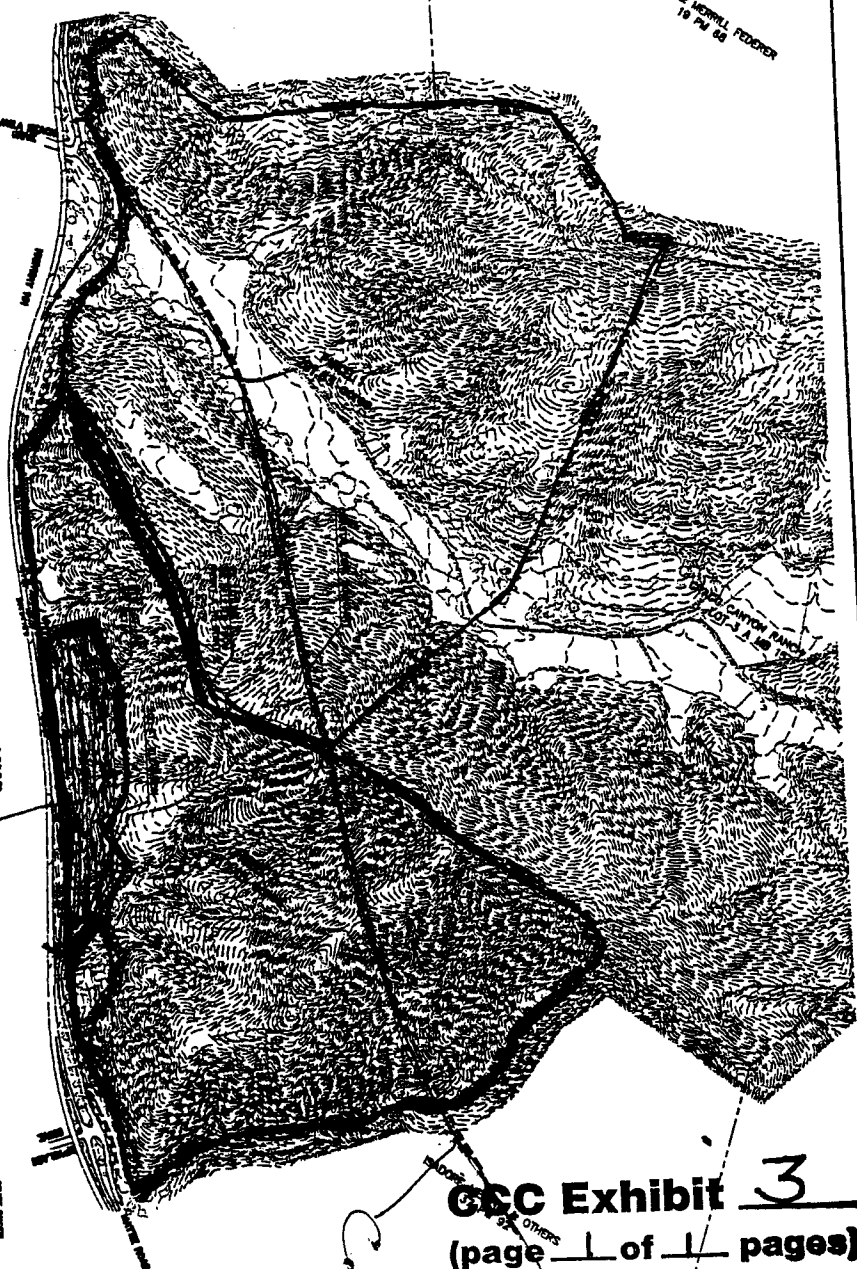
**PROPOSED LOT AREA**  
 LOT 1 14.11 AC  
 LOT 2 16.43 AC  
 TOTAL 30.54 AC

**APN NUMBER**  
 078-181-004  
 078-181-004

**PROPERTY OWNER**  
 GRAO CANYON RANCH LTD  
 10000 N. 10TH AVE  
 SUITE 100  
 DENVER, CO 80231

10 PM 85

JOHN & CONNOR CAMPBELL  
 10 PM 85



**REVISIONS**

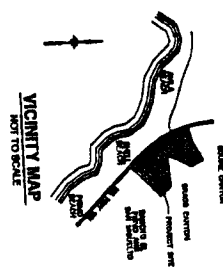
NO.	DATE	DESCRIPTION

**RTD**

RTD ENGINEERING CONSULTING

**TENTATIVE LOT LINE ADJUSTMENT**  
**GRAO CANYON RANCH PROPERTY**

DATE: 02-02-06  
 DRAWN BY: [Name]  
 CHECKED BY: [Name]  
 SCALE: 1" = 400'



**CALIFORNIA COASTAL COMMISSION**

CENTRAL COAST DISTRICT OFFICE  
725 FRONT STREET, SUITE 300  
SANTA CRUZ, CA 95060  
(831) 427-4863

**Reasons for Appeal: San Luis Obispo County Coastal Development Permit COAL 02-0016 (Thille).**

The proposed project to adjust the line between two existing parcels of 212 and 295 acres resulting in two parcels of 20 and 483 acres is inconsistent with the policies and ordinances of the San Luis Obispo County Local Coastal Program, as detailed below.

1. Policy 4 for Visual and Scenic Resources prohibits land divisions when the "only building site would be on a highly visible slope or ridgetop." The proposed development is located within the Ontario Ridge Sensitive Resource Area (SRA). This area forms an important scenic backdrop for the coastal area of Avila Beach and Pismo Beach, as well as for Avila Valley. In addition, CZLUO Section 23.07.164 requires that new development shall not create significant adverse effects on the natural features of the site or vicinity that were the basis of the Sensitive Resource Area (SRA) designation. After adjusting lot lines, the resulting 20-acre parcel would be located entirely within the Ontario Ridge Sensitive Resource Area (SRA) and any development on the site would be highly visible on the slope. Forcing development into visually scenic SRA's is inconsistent with LCP Visual And Scenic Resource policies.

2. CZLUO Section 23.04.021(c)(7) requires that proposed access roads and building sites be shown on tentative maps and shall be located on slopes less than 20%. The tentative maps do not show these required elements. This is inconsistent with the land division requirements of the LCP.

3. CZLUO Section 23.04.025 requires that the minimum parcel size for new lots in the Rural Lands category be based upon site features including: remoteness, fire hazard and response time, access, and average slope. It is unclear from the Notice of Final Local Action if the average slope test, as defined in Chapter 23.11.030 of the LCP was measured. Therefore, it unknown if the resulting 20-acre parcel is in conformance with the required standard. This is inconsistent with the LCP.

4. Section 21.02.030 of the Real Property Division Ordinance in the LCP states that a lot line adjustment (LLA) shall not be approved or conditionally approved unless the new parcels resulting from the adjustment will maintain a position which is better than, or equal to, the existing situation relative to the county's zoning and building ordinances. The LLA will force development into visually scenic SRA's and impact the area's sensitive visual resources. The LLA will result in a lot configuration with a position worse than that, which currently exists.

**FINDINGS - EXHIBIT A**

- A. The proposed Lot Line Adjustment is consistent with the provisions of Section 21.02.030 of the Real Property Division Ordinance because the resulting parcels are equal to or better than the existing parcels with respect to agricultural viability, agricultural preservation and access.
- B. The proposal will have no adverse effect on adjoining properties, roadways, public improvements, or utilities.
- C. Compliance with the attached conditions will bring the proposed adjustment into conformance with the Subdivision Map Act and Section 21.02.030 of the Real Property Division Ordinance.

**Coastal Access**

- D. The proposed use is in conformity with the public access and recreation policies of Chapter 3 of the California Coastal Act, because the project is not adjacent to the coast and the project will not inhibit access to the coastal waters and recreation areas.

### CONDITIONS - EXHIBIT B

1. This adjustment may be effectuated by recordation of a parcel map or recordation of certificates of compliance. If a map is filed, it shall show:
  - a. All public utility easements.
  - b. All approved street names.
2. Any private easements described in the title report must be shown on the map, with recording data.
3. When the map is submitted for checking, or when the certificate of compliance is filed for review, provide a preliminary title report to the County Engineer or the Planning Director for review.
4. All conditions of approval herein specified are to be complied with prior to the recordation of the map or certificates of compliance which effectuate the adjustment. Recordation of a map is at the option of the applicant. However, if a map is not filed, recordation of a certificate of compliance is mandatory.
5. The map or certificates of compliance shall be filed with the County Recorder prior to transfer of the adjusted portions of the property or the conveyance of the new parcels.
6. In order to consummate the adjustment of the lot lines to the new configuration when there is multiple ownerships involved, it is required that the parties involved quitclaim their interest in one another new parcels. Any deeds of trust involving the parcels must also be adjusted by recording new trust deeds concurrently with the map or certificates of compliance.
7. If the lot line adjustment is finalized using certificates of compliance, prior to final approval the applicant shall prepay all current and delinquent real property taxes and assessments collected as real property taxes when due prior to final approval.
8. The lot line adjustment will expire two years (24 months) from the date of the approval, unless the map or certificates of compliance effectuating the adjustment is recorded first. Adjustments may be granted a single one year extension of time. The applicant must submit a written request with appropriate fees to the Planning Department prior to the expiration date.
9. All timeframes on completion of lot line adjustments are measured from the date the Review Authority approves the tentative map, not from any date of possible reconsideration action
10. All parcels shall be provided with legal access from a public road. Easements or offers of dedication with a minimum width of 20 feet shall be recorded for all parcels that currently do not have access. These may be shown on a map (if a map is used to final the adjustment) or recorded with the certificates of compliance.

Staff report prepared by James Caruso, Senior Planner

1376 Ironbark Street

San Luis Obispo, California 93401-4717

(805) 594-0251

FAX (805) 594-0257

# Grigg Canyon Ranch, LLC

Mr. Jonathan Bishop  
California Coastal Commission  
Central Coast District Office  
725 Front Street, Suite 300  
Santa Cruz, California 93408

August 19, 2002

Dear Mr. Bishop:

I am writing in response to the Reasons For Appeal: San Luis Obispo County Coastal Development Permit COAL 02-0016 (Thille).

I would like to start by clarifying that this is a lot line adjustment, and not a division. I understand that one might be confused after reading Section 21.08.020(a) if one missed the first part of the sentence, "For the purposes of Sections 21.08.20 through 21.08.38, inclusive,". This phrase is clearly saying that Sections 21.08.20 through 21.08.38 apply to all of the types of activities listed, including lot line adjustments, tentative maps, and several other things. Note that even at this point, the distinction between lot line adjustments and tentative maps (subdivisions) is clear.

With respect to point 1, this is not a land division, so Section 23.07.164 would not apply. However, a look at the existing parcel map for the 212 acre coastal parcel with the topographical data and the SRA boundary line superimposed would make it clear that there is nowhere on the parcel where development is possible and less visible than the proposed 20 acre parcel at the base of the ridge.

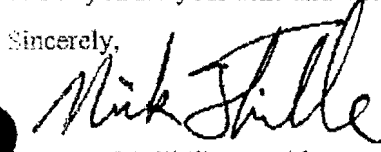
With respect to point 2, Section 23.04.020 states "Sections 23.04.021 through 23.04.36 determine the minimum parcel size for lots created through new land divisions in each land use category. As this is a lot line adjustment, and not a new land division, Section 23.04.21(c)(7) clearly does not apply. This can be further seen as Section 23.04.21(c)(7) addresses elements required on a tentative map. Lot line adjustments do not require a tentative map, they require a lot line adjustment map, which is distinct and different from a tentative map. There are no proposed building sites shown on the lot line adjustment map, as there is no development proposed on the ranch. The purpose of this lot line adjustment is to allow inclusion of the vast majority of the coastal hillside in a Williamson Act Land Conservation Contract, thus preventing development on the highly visible portion of the existing parcel while keeping the one place on the parcel where development might one day make sense as a nest egg for our child (and hopefully his siblings should we be further blessed). However, with all that aside, a look at the above described map and a drive by on Highway 101 should show the proposed parcel is both largely under 20 percent slope and the least visible (if not the only) developable portion of the parcel.

With respect to point 3, again per Section 23.04.020 Section 23.04.25 applies to new land divisions, not lot line adjustments, however the attached measurement of slope will show the proposed parcel to meet the minimum parcel size based on slope.

With respect to point 4, the lot line adjustment does not force development into the proposed 20 acre parcel; the topography does that. Approximately 12 acres of the proposed 20 acre parcel is the only place on the 212 acre parcel where development would be possible given slope, environmental, and visual impacts.

Thank you for your time and attention.

Sincerely,

  
Nicholas M. Thille, President

**CCC Exhibit 6**  
**(page 1 of 1 pages)**

# LAFCO • The Local Agency Formation Commission

Serving the Area of San Luis Obispo County

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CALIFORNIA  
COASTAL COMMISSION  
CENTRAL COAST AREA

## COMMISSIONERS

RICHARD ROBERTS, Chair  
Public Member

CAROLYN MOFFATT, Vice Chair  
Special District Member

RAY JOHNSON  
City Member

BARBARA MANN  
Special District Member

DUANE PICANCO  
City Member

SHIRLEY BIANCHI  
County Member

MICHAEL P. RYAN  
County Member

## ALTERNATES

KATCHO ACHADJIAN  
County Member

VACANT SEAT  
Special District Member

TOM MURRAY  
Public Member

ALLEN SETTLE  
City Member

## STAFF

PAUL L. HOOD  
Executive Officer

RAY BIERING  
Legal Counsel

DAVID CHURCH  
LAFCO Analyst

LEAHA K. MAGEE  
Clerk to the Commission

TO: INTERESTED PARTIES

FROM: <sup>PLH</sup> PAUL HOOD, EXECUTIVE OFFICER

SUBJECT: CITY OF PISMO BEACH - SPHERE OF INFLUENCE  
UPDATE/MUNICIPAL SERVICE REVIEW/EXPANDED  
INITIAL STUDY-NEGATIVE DECLARATION

DATE: FEBRUARY 14, 2002

Enclosed for your review please find three documents related to the City of Pismo Beach: 1) Sphere of Influence Update, 2) Municipal Service Review, and 3) Expanded Initial Study/Negative Declaration. LAFCO staff has prepared the Sphere Update and Service Review documents with Douglas Wood and Associates completing the CEQA documentation-Expanded Initial Study/Negative Declaration.

The documents were released for a 30-day public review period on February 14, 2002 with a public hearing to be conducted at the regularly scheduled LAFCO meeting on April 18, 2002. The 30-day comment period closes on March 15, 2002. Please send any comments to:

San Luis Obispo LAFCO  
1042 Pacific Street - Suite A  
San Luis Obispo, CA 93401  
Attention: David Church, Analyst

If you have any questions regarding these documents please feel free to call us at (805) 781-5795.

**CCC Exhibit** 7  
(page 1 of 9 pages)

1042 Pacific Street, Suite A • San Luis Obispo, California 93401  
Phone: 805.781.5795 Fax: 805.788.2072  
www.slolafco.com



# Public Review Draft Sphere of Influence Update

The map displays the state of California with its major cities and highways. An inset map in the upper right corner provides a detailed view of the Central Coast region, specifically focusing on the area around Pismo Beach. The inset map shows the following locations and features:

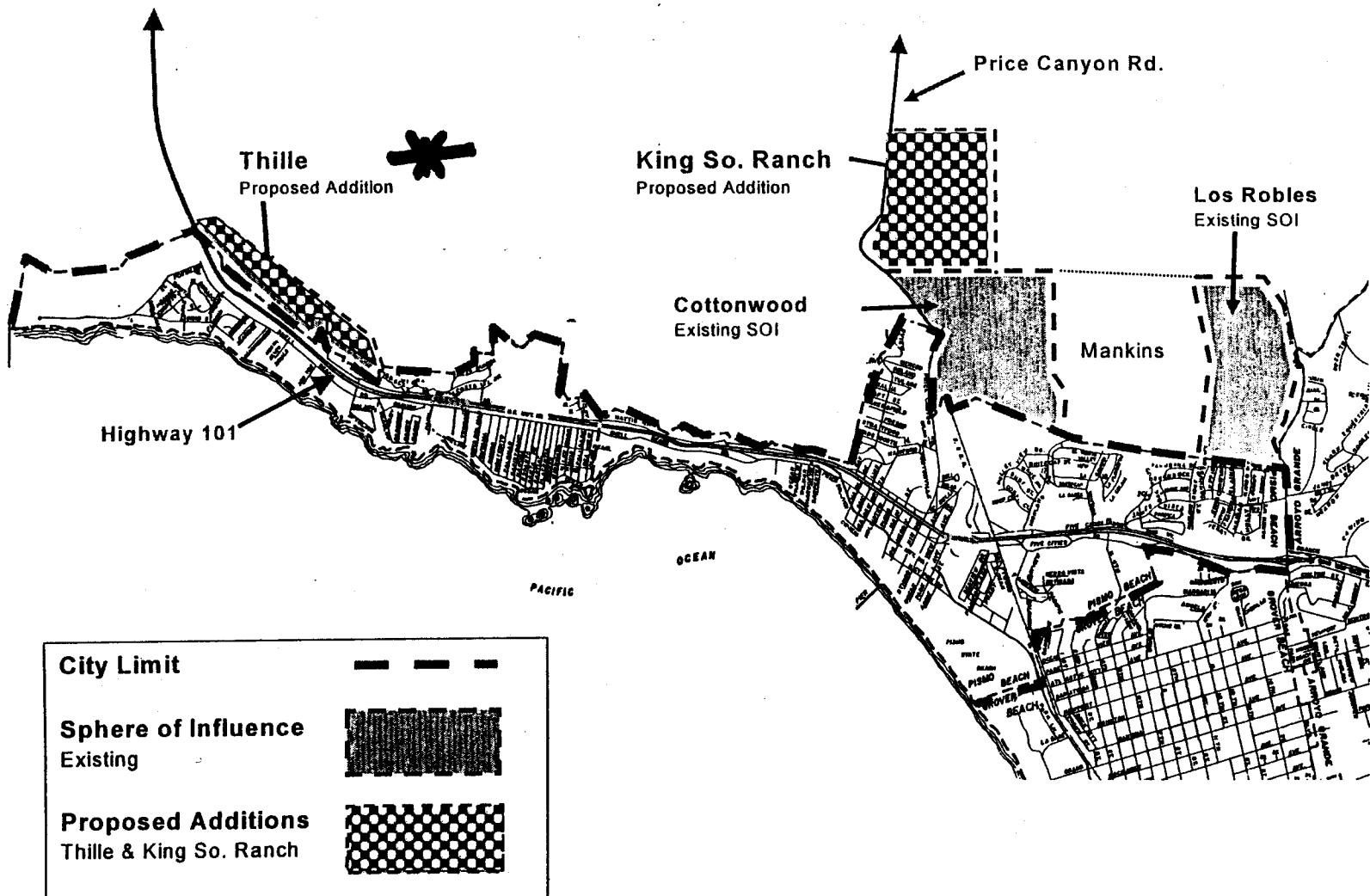
- Cities:** San Simeon, Pismo Beach, San Luis Obispo, Santa Maria, San Marcos, and Pismo Beach.
- Highways:** State Routes 1, 166, 165, 164, 163, 162, 161, 160, 159, 158, 157, 156, 155, 154, 153, 152, 151, 150, 149, 148, 147, 146, 145, 144, 143, 142, 141, 140, 139, 138, 137, 136, 135, 134, 133, 132, 131, 130, 129, 128, 127, 126, 125, 124, 123, 122, 121, 120, 119, 118, 117, 116, 115, 114, 113, 112, 111, 110, 109, 108, 107, 106, 105, 104, 103, 102, 101, 100, 99, 98, 97, 96, 95, 94, 93, 92, 91, 90, 89, 88, 87, 86, 85, 84, 83, 82, 81, 80, 79, 78, 77, 76, 75, 74, 73, 72, 71, 70, 69, 68, 67, 66, 65, 64, 63, 62, 61, 60, 59, 58, 57, 56, 55, 54, 53, 52, 51, 50, 49, 48, 47, 46, 45, 44, 43, 42, 41, 40, 39, 38, 37, 36, 35, 34, 33, 32, 31, 30, 29, 28, 27, 26, 25, 24, 23, 22, 21, 20, 19, 18, 17, 16, 15, 14, 13, 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1.
- Geographical Features:** The Pacific Ocean is labeled to the west of the state.
- Compass Rose:** A compass rose is located in the bottom left corner, indicating North (N), South (S), East (E), and West (W).

**Prepared by LAFCO  
1042 Pacific Street, Suite A  
San Luis Obispo, Ca 93401  
Phone: (805) 781-5795  
Fax: (805) 788-2076  
Contact: David Church, Analyst  
Dchurch@slolafco.com**

**February 14, 2002**

**CCC Exhibit 7**  
**(page 2 of 9 pages)**

Figure 1 - Existing SOI and Proposed Additions



The Sphere of Influence Update process has identified two areas for potential Sphere of Influence expansion: The King South Ranch Site, a 470-acre site in Price Canyon; and the Thille property, a 20-acre site below the 200-foot elevation contour line adjacent to Mattie Road (Both are shown on Figure 1).

The King South Ranch is part of the Price Canyon Constraints and Opportunities Study being prepared by the City, County, LAFCO and King Ventures. This planning study has identified environmental constraints and possible development scenarios for the area. The planning study was used as information to help in the preparation of the Sphere of Influence Update and Municipal Service Review.

The Thille site is part of what is referred to as the Gragg Canyon Ranch. A 20-acre portion of the 920-acre area is being considered for inclusion into the Sphere of Influence. The long and narrow 20-acre site is at the end of Mattie Road, adjacent to Highway 101, and continues from the ridge of the coastal hill southwesterly to Highway 101. Due to the steep topography, the developable portion of the 20-acre site is about 13.5 acres. The future use of the site would likely be visitor serving or tourist oriented. The owner plans to proceed with a lot line adjustment to create the 20-acre parcel and place the balance of the approximately 900 acres into a Williamson Act Agricultural Preserve Contract. The City has access to a state water allocation of 140 acre-feet for this property.

Other than the Thille and King South Ranch properties, Pismo Beach's Sphere of Influence would remain unchanged. The Thille and King South Ranch properties, as shown in Figure 1, are likely to complete the ultimate boundaries of the City. Listed below are two key factors that would constrain any future expansion of the City's boundaries:

- ▶ Topography -- The City has grown to the extent possible in areas south of the coastal hills adjacent to Highway 101. This steep terrain forms a natural barrier.
- ▶ Stocker Oil Field in Price Canyon is a major constraint to future development in that area and would very likely prevent future city expansion.
- ▶ Resource and infrastructure constraints in regard to water availability and sewer facilities.

It may be appropriate to consider extending the City's Sphere of Influence down the coastal ownership of the Thille property, essentially bringing the area from the hilltop to the highway within the City's jurisdiction. This extension would allow Pismo Beach to retain the open-space character of this portion of the Shell Beach hillsides by restricting development above the 200-foot contour line and would allow for future development decisions to be made by the City. The site would logically served by City water, sewer, public utilities and road access and police and fire substations area located within the Shell Beach area within one mile of the Thille site. The City maintains a State Water Project allocation for the site and would be responsible for supplying water through city infrastructure.

\* [ The Thille property could be considered for residential or visitor-serving land uses, dependent upon design considerations and feasibility analyses. For the purposes of this Sphere of Influence Update, it is likely that the site would develop with a visitor-serving use (i.e.. hotel, vacation club, timeshare, conference center) and would not have a residential component associated with it. ]

The County's San Luis Bay Inland Area Plan does not identify the Price Canyon area as an urban reserve area for Pismo Beach. The term "urban reserve" for the County is equivalent to a Sphere of Influence designation for a city. The County's Area Plan identifies the need to coordinate planning projects in Pismo Beach's outlying regions with the City, as does the City's General Plan Policy GM-3. The County's Plan promotes the protection of agricultural land resources, with the highest priority placed upon protecting prime agricultural lands and open space corridors and a host of policies that attempt to direct growth away from these areas to lands of infill or non-prime agricultural use.

In the early 1990s, the Pismo Beach General Plan recognized that the City would be approaching a high percentage of residential build out by the year 2000. Information generated for recent water and wastewater master planning efforts suggest that potential residential build out within present city limits would be approximately an additional 345 units. The General Plan suggests that the City look to added growth in residential population by expanding into what the City refers to as the Oak Park Heights Planning Area. As suggested by the Table 5, growth within the City over the next three to five years could exhaust available lands for residential expansion.

By way of comparison, development in the Price Canyon area as presented would increase residential growth in the City by a factor of approximately 487 residential units. A potential increase in the County would occur as a result of the County's implementation of the Master Plan. A projection of potential development intensities is presented in the Tables 5 and 6.

**Table 5 – Comparison of City/County Land Use Changes by SOI Parcel**

Site	County Potential	City SOI Potential
Los Robles del Mar	RL – 18 Residential Units	338 Residential Units
PVP (Cottonwood)	RL – 14 Residential Units	62 Residential Units
Big Bird (Cottonwood)	AG – 2 Residential Units	58 Residential Units
King South Ranch	AG – 2 Residential Units	29 Residential Units
Thille Coastal	AG – 2 Residential Units	0 Residential Units
<b>City SOI Totals</b>	<b>38 Residential Units</b>	<b>487 Residential Units</b>

**Table 6 – Modified County Potential**

Site	County Potential	Modified County Potential
Godfrey	RL – 12 Residential Units	27 Residential Units
King North Ranch	AG – 2 to 10 Residential Units	10 Residential Units
King Rural Lands	RL – 16 Residential Units	26 Residential Units
<b>County Remainder Totals</b>	<b>30 to 38 Residential Units</b>	<b>63 Residential Units</b>

Note: The North Ranch density of ten units relies on AG Clustering Ordinance. Additional visitor-serving development in the Price Canyon and Thille sites is also possible in the amounts of 400 and 200 units respectively, as contemplated in the Updated Pismo Beach SOI. There are no additional lands contemplated by Pismo Beach for visitor-serving uses at this time.

Development in the Price Canyon area has been occurring on small, subdivided 1- to 10-acre lots, with most averaging 2.5- to 5.0-acres in size. These lands are developing off Oak Park Road along Vetter and Erhardt Lanes. Aerial photos of this Plan show these areas as fractured, rural developments.

current population is 8,551 with a current per capita water use at a relatively high 225 gallons. The City's estimate for current use and projected consumption are shown in Tables 9 and 10.

**Table 9 - Current Demand/Build-Out Demand**

Current Annual Water Use		2,156 afy
Estimated City Build-Out Demand	(Residential)	156 afy
	(Commercial)	170 afy
	(Visitor Serving)	187 afy
<b>Subtotal</b>		<b>2,669 afy</b>

**Table 10- Addition of Thille and Price Canyon Areas**

Estimated City Build-Out Demand		2,669 afy
Thille Coastal Ownership (est'd 200 visitor units)		38 afy
Price Canyon SOI Area (Cottonwood, King South Ranch, and Los Robles del Mar)	(Residential) (Visitor Serving)	236 afy 77 afy
<b>Subtotal</b>		<b>3,020 afy</b>
	(Golf Course Development – 18 holes) (Agricultural Land Uses)	250 afy 50 afy
<b>Overall Build-Out and SOI Projected Water Demand</b>		<b>3,320 afy</b>

**Table 11 - Land Use for SOI Properties**

Ownership or Project Name	Gross Acres	Net Developable Acres	Approx. Residential Density
Los Robles	185 acres	160 acres	338 units
PVP County	150 acres	50 acres	62 units
Big Bird	200 acres	58 acres	58 units

Ownership or Project Name	Gross Acres	Net Develop-able Acres	Approx. Residential Density
King So Ranch	470 acres	189 acres	29 units
Thille	20 acres	14 acres	0 residential
<b>Totals</b>	<b>1,005 Acres</b>	<b>457 Acres</b>	<b>487 Units</b>

Table 12 provides a summary of projected water and wastewater demands associated with the Sphere of Influence properties and the proposed additions.

**Table 12 - Water & Wastewater Demand for SOI Properties**

Ownership or Project Name	Recommend Land Use	Water Demand (afy) (1)	Wastewater Gen. (mgd) (2)
Los Robles	Residential	152 afy	0.0625 mgd
	School	17 afy	0.0225 mgd
PVP County	Residential	28 afy	0.0115 mgd
Big Bird	Residential	26 afy	0.0107 mgd
King South Ranch	Residential	13 afy	0.0054 mgd
	Visitor-serving	77 afy	0.0308 mgd
	Golf	250 afy	N/A
	Agriculture	50 afy	N/A
Thille Coastal	Visitor Serving	38 afy	.0150 mgd
<b>Totals</b>		<b>651</b>	<b>0.1584</b>

Notes: (1) Water demand estimates are derived from City Water Master Plan Update (advance draft, 10/2001). Residential demands are 0.45 afy/single family residence. Visitor-serving unit demands are 0.194 afy per hotel room. The Los Robles del Mar school estimate is taken from their 2001 EIR Addendum. Golf and agricultural use estimates are based on local experience from similar land uses.

(2) Wastewater generation estimates are taken from the City of Pismo Beach's Wastewater

compliance with their National Pollutants Discharge Elimination Permits. The existing facilities are antiquated and undersized for the existing and build-out population of the City. The following upgrades and replacement projects are currently being undertaken by the City to increase the capacity and reliability of the system:

- ▶ Replacement of the Addie Street Lift Station
- ▶ Improvements to the Pismo Oaks Lift Station
- ▶ Rehabilitation of the 40 Shell Beach Manholes
- ▶ Pismo Heights Infiltration and Inflow Reduction Improvement
- ▶ Park/Cypress Sewer Line (1300') Upstream of the Addie Street Lift Station
- ▶ Upgrades to the Wastewater Treatment Plant

It is important to note that in April 2001 the City directed its staff to design the treatment facilities to accommodate treatment capacity for a total population of 11,122. The build-out population plans include the Cottonwood and Los Robles del Mar projects currently in the City's Sphere of Influence. The population estimate for those two projects is 1,708. In order to accommodate the King South Ranch and Thille sites the city would need to increase the capacity of the sewer system or find alternative method of treating the wastewater. The City's General Plan does provide the policy base for the developers of an area being annexed to the city to pay for needed improvements to these facilities.

## CIRCULATION/ROADS

The City is adjacent to the Highway 101 Freeway Corridor. In 2001 the highway carried annual average daily trips (AADT) of 66,000 (Caltrans; 2000 counts; website). Highway volumes are continuing to increase from both local and regional sources. Caltrans plans to widen this area Highway 101 to six lanes at some time in the future and considers it as one of its highest priority South County projects. The Pismo Beach General Plan supports this Highway 101 widening project. In recent years, Pismo Beach has constructed improvements to the Highway in cooperation with Caltrans, including the recent widening of the 4th Street interchange overpass and the presently under-construction southbound Five Cities Drive ramp replacements.

Price Canyon Road and State Route 1 are two other regionally significant roads. The two-lane Price Canyon Road provides access from the City of San Luis Obispo and Arroyo Grande. The current



## CALIFORNIA COASTAL COMMISSION

CENTRAL COAST DISTRICT OFFICE  
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March 11, 2002

Mr. David Church, Analyst  
San Luis Obispo LAFCO  
1042 Pacific Street, Suite A  
San Luis Obispo, CA 93401

Subject: *Draft City of Pismo Beach Sphere of Influence Update*

Dear Mr. Church:

Thank you for the opportunity to comment on the Draft City of Pismo Beach Sphere of Influence Update and associated Municipal Service Review and Negative Declaration. The Coastal Commission staff is concerned that the proposed inclusion of the Thille property within the City's Sphere of Influence (SOI) will encourage future development that is inconsistent with the coastal resource protection provisions of the California Coastal Act, as detailed below.

The Thille property is within the coastal zone, and is currently subject to the development standards established by the San Luis Obispo County Local Coastal Program (LCP). The LCP designates the site as Rural Lands, which allows for very modest levels of development consistent with the scenic, open space, and agricultural qualities of the site. The Sensitive Resource Area Combining Designation assigned to the area by the LCP further ensures protection of the site's visual significance. This overlay requires that the limited extent of development allowed by the LCP be sited in the least sensitive portion of the property. Within this context, the County's LCP limits future development on the site to that which will protect coastal resources such as scenic views, sensitive habitats, and agricultural uses.

In contrast, the proposal to incorporate the Thille site within the City of Pismo Beach SOI with the intent of accommodating future development of approximately 200 visitor-serving units over 13.5 acres, does not appear to be protective of coastal resources, particularly the Highway One/101 scenic corridor. This concern is not adequately addressed by the proposed Negative Declaration, which does not analyze the impacts of the expansion on scenic, biological, and agricultural resources. We note that if the Thille site is annexed by the City of Pismo Beach, the City will need to submit an amendment to its LCP, for Coastal Commission certification, that will establish the appropriate type, location, and intensity of development consistent with the Chapter 3 Policies of the Coastal Act. Until this occurs, development within the annexed area will be within the coastal development permit jurisdiction of the Coastal Commission, and must conform to the Chapter 3 policies of the Coastal Act. Based on the limited information contained in the SOI Update documents, it is inappropriate to assume that the development of 200 visitor-serving units on 13.5 acres of the Thille site complies with Coastal Act requirements.

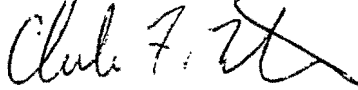
The Commission staff is further concerned that the SOI Update makes other unrealistic assumptions. First, it implies that the expansion will be facilitated by a lot line adjustment that will separate the 20-acre site from the larger Gragg Canyon Ranch. This adjustment is subject to County approval and appealable to the Coastal Commission. The Commission staff is

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concerned that such an adjustment may be inconsistent with the minimum parcel size established by the LCP, and conflict with LCP provisions to protect scenic, biological, and agricultural resources. Second, it assumes that the City will be able to resolve the deficiency of water and wastewater service capacities necessary to serve buildout within the existing City boundaries, let alone development within the expanded SOI. In the opinion of the Commission staff, it would be more appropriate to resolve these important outstanding issues prior to expanding the SOI.

Thank you for your consideration of the comments. If you have any questions, or would like to discuss these matters further, please contact staff analyst Steve Monowitz.

Sincerely,



Charles Lester  
District Manager  
Central Coast District Office