



CITY OF ATASCADERO CITY COUNCIL AGENDA

MEETING INFORMATION:

The City Council meeting will be held in the City Council Chambers and in-person attendance will be available at that location.

HOW TO OBSERVE THE MEETING REMOTELY:

To observe remotely, residents can livestream the meeting on [Zoom](#), SLO-SPAN.org, on Spectrum cable Channel 20 in Atascadero, and listen live on KPRL Radio 1230AM and 99.3FM. The video recording of the meeting will repeat daily on Channel 20 at 1:00 am, 9:00 am, and 6:00 pm and will be available through the City's website and on the City's YouTube Channel. To observe remotely using the Zoom platform please visit:

https://us02web.zoom.us/webinar/register/WN_ZwJ7a031S3KXauEym9ehaA

HOW TO SUBMIT PUBLIC COMMENT:

Public comment may be provided in-person.

Written public comments are accepted at cityclerk@atascadero.org. **Comments should identify the Agenda Item Number in the subject line of the email.** Such comments will be forwarded to the City Council and made a part of the administrative record. **To ensure distribution to the City Council before consideration of an item, please submit comments not later than 12:00 p.m. the day of the meeting.** All correspondence will be distributed to the City Council, posted on the City's website, and be made part of the official public record of the meeting. **Please note, comments will not be read into the record.** Please be aware that communications sent to the City Council are public records and are subject to disclosure pursuant to the California Public Records Act and Brown Act unless exempt from disclosure under applicable law. Communications will not be edited for redactions and will be printed/posted as submitted.

AMERICANS WITH DISABILITIES ACT ACCOMMODATIONS:

Any member of the public who needs accommodations should contact the City Clerk's Office at cityclerk@atascadero.org or by calling 805-470-3400 at least 48 hours prior to the meeting or time when services are needed. The City will use their best efforts to provide reasonable accommodations to afford as much accessibility as possible while also maintaining public safety in accordance with the City procedure for resolving reasonable accommodation requests.

DISCLOSURE OF CAMPAIGN CONTRIBUTIONS:

California Government Code section 84308 ("Levine Act") requires a party to or participant in a proceeding involving a license, permit, or other entitlement, including all contracts other than competitively bid, labor, or personal employment contracts, to disclose any contribution of more than \$500 that the party or participant (or their agent) has made to a member of the City Council within the prior 12 months. The City Council Member(s) who receive such a contribution are disqualified and not able to participate in the proceedings and are also required to disclose that fact for the official record of the subject proceedings. Disclosures must include the amount of the campaign contribution and identify the recipient City Council Member and may be made either in writing to the City Clerk before the agenda item or by verbal disclosure during consideration. The Levine Act also prohibits, during the proceeding and for 12 months following a final decision, a party to or participant in (or their agent) a proceeding involving a license, permit, or other entitlement, including all contracts other than competitively bid, labor, or personal employment contracts, from making a contribution of more than \$500 to any member of the City Council or anyone running for City Council.

City Council agendas and minutes may be viewed on the City's website:

www.atascadero.org/agendas

Copies of the staff reports or other documentation relating to each item of business referred to on the Agenda are on file in the office of the City Clerk and are available for public inspection on our website, www.atascadero.org. Contracts, Resolutions and Ordinances will be allocated a number once they are approved by the City Council. The Minutes of this meeting will reflect these numbers. All documents submitted by the public during Council meetings that are made a part of the record or referred to in their statement will be noted in the Minutes and available for review by contacting the City Clerk's office. All documents will be available for public inspection by appointment during City Hall business hours.



CITY OF ATASCADERO CITY COUNCIL

AGENDA

Tuesday, February 11, 2025

City Hall Council Chambers, Fourth Floor
6500 Palma Avenue, Atascadero, California

City Council Regular Session:

6:00 P.M.

REGULAR SESSION – CALL TO ORDER: 6:00 P.M.

PLEDGE OF ALLEGIANCE: Council Member Newsom

ROLL CALL:
Mayor Bourbeau
Mayor Pro Tem Dariz
Council Member Funk
Council Member Newsom
Council Member Peek

PRESENTATION:

1. Employee Recognition

A. CONSENT CALENDAR: (All items on the consent calendar are considered routine and non-controversial by City staff and will be acted upon by a single action of the City Council unless otherwise requested by an individual Council Member for separate consideration. Public comment on Consent Calendar items will be invited prior to action on the Calendar.)

1. City Council Draft Minutes – January 28, 2025, Regular Meeting and January 29, 2025 Special Meeting

- Recommendation: Council approve the January 28, 2025, City Council Regular Meeting minutes and January 29, 2025 City Council Special Meeting minutes. [City Clerk]

2. Contract Award for 2025 Public Works On-Call Inspection and Development Review Services

- Fiscal Impact: General Fund and Capital Project expenditures up to \$250,000, partially offset by permit service fee revenues.

- Recommendation: Council award a professional services agreement to Filippin Engineering to provide on-call engineering inspection and development review services not to exceed \$250,000 during the 2025 calendar year. [Public Works]
- 3. Contract Plan Check Services Budget Amendment**
- Fiscal Impact: General Fund expenditures up to \$100,000, offset by permit service fee revenues.
 - Recommendation: Council authorize the City Manager to enter into a contract amendment increasing Interwest Consulting Services' contract by \$100,000, for a total contract amount not to exceed \$180,000. [Community Development]
- 4. Del Rio Ranch (DEV24-0044)**
- Fiscal Impact: The project is expected to be revenue positive.
 - Recommendation: Council adopt on second reading, by title only, Draft Ordinance approving a Zoning Map Amendment and amendments to the Del Rio Road Commercial Area Specific Plan, based on findings.
- 5. Amended City Council 2025 Meeting Schedule**
- Fiscal Impact: None
 - Recommendation: Council approve the amended City Council meeting schedule for 2025 [City Clerk]

UPDATES FROM THE CITY MANAGER: (The City Manager will give an oral report on any current issues of concern to the City Council.)

COMMUNITY FORUM: (This portion of the meeting is reserved for persons wanting to address the Council on any matter not on this agenda and over which the Council has jurisdiction. Speakers are limited to three minutes. Please state your name for the record before making your presentation. Comments made during Community Forum will not be a subject of discussion. A maximum of 30 minutes will be allowed for Community Forum, unless changed by the Council. Any members of the public who have questions or need information may contact the City Clerk's Office, between the hours of 8:30 a.m. and 5:00 p.m. at (805) 470-3400, or cityclerk@atascadero.org.)

B. PUBLIC HEARINGS:

- 1. Atascadero Tourism Business Improvement District (ATBID) Change to Ordinance for Lodging Owner Nomination Process and Composition of the Board**
- Fiscal Impact: None.
 - Recommendation: Council Introduce for first reading, by title only, Draft Ordinance amending Atascadero Municipal Code Section 3-16.07, changing the lodging owner nomination process for Board Members and composition of the Board for the Atascadero Tourism Business Improvement District (ATBID).

C. MANAGEMENT REPORTS:

1. Award DBE – Public Safety Facilities Project

- Fiscal Impact: The total cost of this project is \$37,133,000. Bond financing for the Project is expected to account for \$29,000,000. Sales Tax Measure D-20 is funding the debt service on the bond financing, and also the non-financed portions of the project through Project-specific reserves in the Building Maintenance Fund. Impacts to the Building Maintenance Fund may be mitigated if Federal dollars are received, if additional Sales Tax Measure D-20 are set aside, and interest earnings on the unspent borrowed funds are realized.
- Recommendation: Council:
 1. Award a Design-Build contract to the F&H Construction and LDA Partners team for \$31,072,318 for the New and Renovated Public Safety Facilities Project, Project No. C2021B01 (“Project”).
 2. Authorize the Director of Administrative Services to allocate \$3,500,000 in Building Maintenance Funds in fiscal year 2024-2025 to begin the Project. [City Manager]

2. Comprehensive Financial Strategy

- Fiscal Impact: None.
- Recommendation: Council review and file the Comprehensive Financial Strategy

3. Update on Council Goals and Action Plan

- Fiscal Impact: None
- Recommendation: Council receive and file a report on the progress being made relative to the City Council’s goals [City Manager]

E. COUNCIL ANNOUNCEMENTS AND COMMITTEE REPORTS: (On their own initiative, Council Members may make a brief announcement or a brief report on their own activities. The following represent standing committees. Informative status reports will be given, as felt necessary):

Mayor Bourbeau

1. City Selection Committee
2. County Mayor’s Round Table
3. Integrated Waste Management Authority (IWMA)

Mayor Pro Tem Dariz

1. Air Pollution Control District
2. California Joint Powers Insurance Authority (CJPIA) Board
3. Community Action Partnership of San Luis Obispo (CAPSLO)
4. Visit SLO CAL Advisory Committee

Council Member Funk

1. Atascadero Basin Ground Water Sustainability Agency (GSA)
2. Design Review Committee
3. Homeless Services Oversight Council
4. REACH SLO Advisory Commission

Council Member Newsom

1. City of Atascadero Finance Committee
2. City / Schools Committee
3. League of California Cities – Council Liaison
4. SLO Council of Governments (SLOCOG)
5. SLO Regional Transit Authority (RTA)

Council Member Peek

1. City of Atascadero Finance Committee
2. City/Schools Committee
3. Design Review Committee
4. SLO County Water Resources Advisory Committee (WRAC)

F. INDIVIDUAL DETERMINATION AND / OR ACTION: (Council Members may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda. The Council may take action on items listed on the Agenda.)

1. City Council
2. City Clerk
3. City Treasurer
4. City Attorney
5. City Manager

ADJOURNMENT



CITY OF ATASCADERO CITY COUNCIL

DRAFT MINUTES

Tuesday, January 28, 2025

City Hall Council Chambers, Fourth Floor
6500 Palma Avenue, Atascadero, California

City Council Regular Session:

6:00 P.M.

REGULAR SESSION – CALL TO ORDER: 6:00 P.M.

Mayor Bourbeau called the meeting to order at 6:00 P.M. and Council Member Funk led the Pledge of Allegiance.

ROLL CALL:

Present: Council Members Funk, Peek, Mayor Pro Tem Dariz, and Mayor Bourbeau

Absent: Council Member Newsom

Others Present: None

Staff Present: City Manager Jim Lewis, Deputy City Manager/City Clerk Lara Christensen, City Attorney Dave Fleishman, Police Chief Dan Suttles, Public Works Director Nick DeBar, Community Development Director Phil Dunsmore, Administrative Services Director/City Treasurer Jeri Rangel, Deputy City Manager – IT Luke Knight, Battalion Chief Dave Van Son, and Planning Manager Kelly Gleason.

A. CONSENT CALENDAR:

1. City Council Draft Minutes – January 14, 2025, Regular Meeting

- Recommendation: Council approve the January 14, 2025, City Council Regular Meeting Minutes. [City Clerk]

2. December 2024 Accounts Payable and Payroll

- Fiscal Impact: \$ 5,256,137.30
- Recommendation: Council approve certified City accounts payable, payroll and payroll vendor checks December 2024. [Administrative Services]

3. **ADU Ordinance Update (ZCH24-0098)**

- **Fiscal Impact:** None.
- **Recommendation:** Council adopt on second reading, by title only, Draft Ordinance amending Title 9, Planning & Zoning, Chapter 5, Accessory Dwelling Units, for consistency with State law and clarity related to developmental standards. [Community Development]

4. **El Camino Real Downtown Infrastructure Enhancement Project – Supplemental Electrical Bore and Wiring Construction Award**

- **Fiscal Impact:** Up to \$235,000 in General Funds, of which \$85,000 is currently budgeted in the Downtown Infrastructure Enhancement Project budget, and \$150,000 would be allocation from General Fund Reserves.
- **Recommendation:** Council:
 1. Award a construction contract to Lee Wilson Electric Company for \$212,980 for the Base Bid for the El Camino Real Downtown Infrastructure Enhancement – Supplemental Electrical Bore and Wiring Project, Project No. C2017T01(2) (“Project”).
 2. Authorize the Director of Administrative Services to allocate an additional \$150,000 in General Fund Reserves toward the Project for FY2024/25.[Public Works]

5. **Financial System Software Replacement**

- **Fiscal Impact:** Approval of the Financial software replacement platform will incur expenditures of \$484,000 in Technology Replacement Funds allocated for this project and \$172,000 in General Funds over a three-year period.
- **Recommendation:** Council:
 1. Authorize the City Manager to execute a contract with Tyler Technologies, Inc in the amount of \$581,518, plus travel expenses not to exceed \$24,180, for the configuration, data conversion, implementation, training, and subscription for a replacement financial system.
 2. Authorize the Administrative Services Director to appropriate an additional \$371,760 from the Technology Replacement Fund. [Administrative Services]

PUBLIC COMMENT:

Mayor Bourbeau opened the Public Comment period.

The following persons spoke on this item: None.

Mayor Bourbeau closed the Public Comment period.

MOTION BY: Funk
SECOND BY: Dariz

1. **Approve Consent Calendar Items #A1-6 and 8-10 (#A3: Resolution No. 065, #A8: Ordinance No. 677, #A9: Ordinance No.678 & 679, #A10: Resolution No. 066 & 067)**

2.

1. **682, #A4: Contract No. 2025-001, #A5: Contract No. 2025-002)**

AYES (4): Funk, Peek, Dariz and Bourbeau
ABSENT (1): Newsom

Passed 4-0

UPDATES FROM THE CITY MANAGER:

City Manager Lewis gave an update on projects and events within the City.

COMMUNITY FORUM:

The following persons spoke during Community Forum: None

B. PUBLIC HEARINGS:

1. Del Rio Road Commercial Area Specific Plan / Del Rio Ranch (DEV24-0044)

- **Fiscal Impact:** The project provides for the development of a vacant site with a significant commercial and tourist-oriented development. Short-term rental units will be subject to TOT and the planned commercial uses are anticipated to contribute to the economic vitality of the surrounding area. The new public road will be accepted into the City's road system for access and maintenance, however, these costs are not expected to outweigh the increases in revenue from development of the site.
- **Recommendation:** Planning Commission recommends Council:
 1. Adopt Draft Resolution A approving a General Plan Map Amendment, based on findings.
 2. Introduce for first reading, by title only, Draft Ordinance approving a zone map change and amendments to the Del Rio Commercial Area Specific Plan.
 3. Adopt Draft Resolution B approving a Conditional Use Permit to establish a Master Plan of Development for the Del Rio Ranch project, based on findings and subject to conditions of approval. [Community Development]

Ex Parte:

Council Member Funk reported that she had spoken to a member of the applicant team.

Community Development Director Dunsmore and Planning Manager Kelly Gleason gave the presentation and answered questions from the City Council. Eddie Herrera and Rachel Hawthorne, representing the applicant, also gave presentations and answered questions from the City Council.

PUBLIC COMMENT:

Mayor Bourbeau opened the Public Comment period.

The following persons spoke on this item: Randy Lawrence, Fred Monroe

Mayor Bourbeau closed the Public Comment period.

MOTION BY: Funk

SECOND BY: Dariz

2. **Adopt Resolution No. 2025-001 approving a General Plan Map Amendment, based on findings.**
3. **Introduce for first reading, by title only, Draft Ordinance approving a zone map change and amendments to the Del Rio Commercial Area Specific Plan.**
4. **Adopt Resolution No. 2025-002 approving a Conditional Use Permit to establish a Master Plan of Development for the Del Rio Ranch project, based on findings and subject to conditions of approval, with the following additions to condition #41:**
 - **Developer shall perform all measures recommended by a licensed traffic engineer and approved by the City Engineer. Such measures may include grading, tree trimming, vegetation removal, traffic signage, pavement markings, alternative egress, and other traffic safety enhancements (flashing signs, etc.). No driveway access shall be allowed onto Del Rio Road that fails to comply with adopted sight distance standards.**

AYES (4): Funk, Peek, Dariz and Bourbeau
 ABSENT (1): Newsom

Passed 4-0

C. MANAGEMENT REPORTS:

1. Fiscal Year 2023-2024 Audit

- Fiscal Impact: None.
- Recommendation: Council review and accept the financial audit for the period ending June 30, 2024 [Administrative Services]

Administrative Services Director Rangel gave the report and answered questions from the Council. The City's Independent Auditor also answered questions from the Council.

Mayor Bourbeau opened the Public Comment period.

The following persons spoke on this item: None

Mayor Bourbeau closed the Public Comment period.

Council reviewed and accepted the financial audit for the period ending June 30, 2024.

2. Consideration of Action to Fill the at-large positions on Planning Commission and the Citizens Sales Tax Oversight Committee

- Fiscal Impact: None
- Recommendation: Discussion and consideration of whether to fill the at-large positions on Planning Commission and the Citizens Sales Tax Oversight Committee by appointment of the current applicants, following interviews of the current applicants, or soliciting additional applicants for interviews and appointment [City Clerk]

Deputy City Manager/City Clerk Christensen gave the presentation and answered questions from City Council.

Mayor Bourbeau opened the Public Comment period.

The following persons spoke on this item: None

Mayor Bourbeau closed the Public Comment period.

Council directed staff to proceed with the Special City Council Meeting scheduled for January 29, 2025, to interview applicants for the at-large positions on Planning Commission and the Citizens Sales Tax Oversight Committee.

E. COUNCIL ANNOUNCEMENTS AND COMMITTEE REPORTS:

Mayor Bourbeau

1. Mayor Bourbeau noted that Earth Shine will be hosting a creek clean-up event on February 8.

Mayor Pro Tem Dariz

1. Air Pollution Control District

Council Member Funk

1. Council Member Funk reported that she would be representing the City at the REACH Conference on 1/30
2. Homeless Services Oversight Council

F. INDIVIDUAL DETERMINATION AND / OR ACTION: None

ADJOURNMENT

Mayor Bourbeau adjourned the meeting at 8:12 p.m.

MINUTES PREPARED BY:

Alyssa Slater
Deputy City Clerk

APPROVED:

SPECIAL MEETING ATASCADERO CITY COUNCIL

Wednesday, January 29, 2025
4:30 p.m.

COMMISSION INTERVIEWS AND APPOINTMENTS

DRAFT MINUTES

Mayor Bourbeau called the meeting to order at 4:30 p.m.

ROLL CALL:

Present: Council Members Funk, Newsom, Peek, Mayor Pro Tem, Dariz and Mayor Bourbeau

Absent: None

Staff Present: Deputy City Manager/City Clerk Lara Christensen

INTERVIEWS AND APPOINTMENTS:

1. Interview Process

- *City Clerk Recommendation: Council discuss process for conducting Commission interviews.*

Deputy City Manager/City Clerk Christensen briefed the City Council on the interviews and Mayor Bourbeau led a discussion on how the interview process would proceed.

2. Planning Commission and Citizens' Sales Tax Oversight Committee

- *City Clerk Recommendation: Council interview the candidates and select, by roll call vote, candidates to fill the two at-large positions on the Planning Commission and the two at-large positions on the Citizens' Sales Tax Oversight Committee.*

The City Council interviewed two candidates for Planning Commission and two candidates for Citizens' Sales Tax Oversight Committee.

MOTION BY: Dariz
SECOND BY: Newsom

- 1. Appoint Gregory Heath and Catherine David to serve in the At-large positions on Planning Commission and Cate Newton and Natalie Harnett to serve in the At-large positions on the Citizens’ Sales Tax Oversight Committee.**

AYES (5): Funk, Newsom, Peek, Dariz and Bourbeau

Passed 5-0

2. Announcement of Appointments

The City Council Members announced their directly appointed Commissioners:

CITY COUNCIL MEMBER	PLANNING COMMISSION
Mayor Bourbeau	Victoria Carranza
Mayor Pro Tem Dariz	Jason Anderson
Council Member Funk	Tori Keen
Council Member Newsom	Maggie O’Malley
Council Member Peek	Eric Pennaccio

Mayor Bourbeau opened the Public Comment period.

The following persons spoke on this item: None.

Mayor Bourbeau closed the Public Comment period.

ADJOURNMENT:

Mayor Bourbeau adjourned the meeting at 5:36 p.m. to the next Regular Session scheduled for Tuesday, February 11, 2025, at 6:00 p.m.

MINUTES PREPARED BY:

Alyssa Slater
Deputy City Clerk

APPROVED:



CITY OF ATASCADERO

CITY COUNCIL STAFF REPORT

Item A2

Department: Public Works
Date: 02/11/25
Placement: Consent

TO: JAMES R. LEWIS, CITY MANAGER

FROM: NICK DE BAR, DIRECTOR OF PUBLIC WORKS/CITY ENGINEER

PREPARED BY: RYAN HAYES, DEPUTY DIRECTOR OF PUBLIC WORKS

SUBJECT: Contract Award for 2025 Public Works On-Call Inspection and Development Review Services

RECOMMENDATION:

Council award a professional services agreement to Filippin Engineering to provide on-call engineering inspection and development review services not to exceed \$250,000 during the 2025 calendar year.

DISCUSSION:

Background:

The Public Works Administration and City Engineering Division (Engineering Division) manages and inspects all public and private projects located within public right-of-way in Atascadero. This includes City capital projects, public improvements associated with private development projects, utility company and other work within the public right-of-way, and private development inspections (typically septic systems, grading and drainage, stormwater capture and treatment devices, and compliance with State construction stormwater regulations). Similar to the responsibilities of the Building Department, engineering inspections focus on compliance with City, State and Federal standards, and approved project-specific plans and specifications. Providing inspection services in a timely and thorough manner is critical to ensure that private and public improvement construction projects comply with material and workmanship specifications and are not unnecessarily burdened by City delays.

Construction inspection and coordination for the Engineering Division are performed by one full-time Public Works Inspector and augmented by qualified engineering consultants. In general, the Public Works Inspector's priority is right-of-way encroachments, private development, and small capital projects. Large capital projects such as Measure F14 and paving projects, Downtown El Camino Real, and Lift Station No. 13 are typically inspected by engineering consultants hired by the City. City inspection time and consulting costs for capital projects are charged to and paid from project budget funds while right-of-way encroachments and private development are paid from permit fee revenue in the General Fund.

Due to unforeseen circumstances, the Public Works Inspector has been on a leave of absence since late May 2024. In addition, the Associate Civil Engineer position in Public Works has been vacant since early May 2024 when the City began recruiting efforts for a successful candidate. While City Engineering staff have stepped up to assist with some of this workload, consultants have been needed to augment staff with these responsibilities, particularly with inspections. Filippin Engineering was awarded a contract not to exceed \$100,000 during 2024 for on-call inspection services through an informal solicitation. Given the ongoing workload demand from private development, public improvements, and encroachment permits (400 permits issued to PG&E alone during 2024), it is necessary to continue to contract inspection and development review services to qualified consultants.

Consulting costs for non-capital project work is being funded from salary savings from the vacant Associate Civil Engineer position, higher revenue from encroachment permits, and internal budget adjustments. Staff has struggled to fill the Associate Civil Engineer position due to high demand for civil engineers, particularly in rural areas like San Luis Obispo County, and competition from the private sector and other agencies such as Caltrans who offer hybrid work and other enticements. Staff is hopeful to fill the vacant Associate Civil Engineer position in the near future but the timeline for return of the Public Works Inspector is unknown.

Analysis

A Request for Proposals (RFP) was issued for Public Works Inspection and Development Review Support Services in November 2024 with a work scope that includes providing inspection services for permitted private construction work and small capital projects, and development and encroachment permit plan-check review services as needed. Three proposals were received from Filippin Engineering, Vanir Construction Management (Vanir), and CLAD Consulting - all with local offices in San Luis Obispo County. All three are qualified consultants with experienced personnel familiar with providing similar services to other local agencies.

A technical selection committee independently reviewed and scored each proposal considering experience with similar work scope, responsiveness to City needs, experience of key personnel, and other factors. All proposals demonstrated the ability to complete the work, but Filippin Engineering provided the best overall proposal for this project and is being recommended by the Public Works Director/City Engineer. Filippin Engineering, and specifically their inspector, Ron Faria, has a successful track record providing inspection services to the City. Mr. Faria has been providing identical on-call inspection services since May 2024, and is already very familiar with the City's permitting software and inspection process and works seamlessly with Public Works engineering and administrative staff. Filippin Engineering has provided the City with its labor rates and a reimbursable expenses schedule that will be used as a basis for compensation.

FISCAL IMPACT:

Approving staff's recommendation will result in General Fund and Capital Project expenditures up to \$250,000, partially offset by permit service fee revenues.

ALTERNATIVES TO THE STAFF RECOMMENDATION:

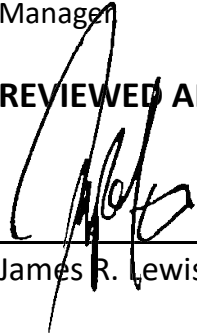
Council may reject staff recommendations and direct staff to provide these services without additional staffing or readvertise the request for proposals.

Staff does not recommend either of these alternatives. Since City staff are currently busy with Council priorities and workload, these alternatives will cause a significant delay in project delivery, increasing project costs. Readvertising for inspection and development review services will delay the needed help to handle the many ongoing developments and inspection needs.

REVIEWED BY OTHERS:

This item has been reviewed by the Administrative Services Director and Human Resources Manager

REVIEWED AND APPROVED FOR COUNCIL AGENDA



James R. Lewis, City Manager

ATTACHMENT(S):

None



CITY OF ATASCADERO

CITY COUNCIL STAFF REPORT

Item A3

Department: Community
Development
Date: 2/11/25
Placement: Consent

TO: JAMES R. LEWIS, CITY MANAGER

FROM: PHIL DUNSMORE, COMMUNITY DEVELOPMENT DIRECTOR

PREPARED BY: PHIL DUNSMORE, COMMUNITY DEVELOPMENT DIRECTOR

SUBJECT: Contract Plan Check Services Budget Amendment

RECOMMENDATION:

Council authorize the City Manager to enter into a contract amendment increasing Interwest Consulting Services' contract by \$100,000, for a total contract amount not to exceed \$180,000.

DISCUSSION:

For the third year in a row, the City's volume and complexity of construction plans has exceeded our forecasted expectations. Interwest Consulting Services provides construction plan check services through a contract with the City for the review of commercial and multi-family building permit applications submitted to the City. Most single-family construction plans are reviewed in-house by building inspection staff. While the cost of plan check services may vary somewhat from year to year, the City's plan check services budget is adopted at an amount that assumes an average construction permit workload. The City's adopted Fiscal Year budget for the plan check services is \$90,000 for the current fiscal year.

In calendar year 2023 and 2024, the number of construction plans submitted to the City exceeded average years by more than 30%. Additionally, many of the plans submitted included very complex and large multi-family and commercial projects that consumed additional plan check services time. An example of this is the new commercial buildings now under construction at the Del Rio Marketplace site where Valley Fresh supermarket is being constructed. Additionally, the Barrel Creek and Dove Creek projects are now commencing, two more substantial commercial and residential projects. This increase in plan check activity resulted in increased staff and consultant time spent on the review of construction plans.

Based upon the foregoing, it is estimated that services provided by Interwest Consulting Services may reach up to \$180,000 for the current fiscal year, an increase of \$90,000 over the original budget. The City is anticipating the review of several new projects, including new buildings within the Del Rio Marketplace, new large developments at the former Wal Mart site, Barrel Creek, Dove

Creek, and three new mixed use projects along El Camino Real and Morro Road. The cost of these services are reimbursed from the applicants through the payment of plan check review fees that are designed to cover the cost of plan check services.

The City's Purchasing Policy requires City Council approval of any professional service contract in excess of \$100,000. Staff followed the Purchasing Policy requirements for the existing \$80,000 contract with Interwest, which required the City Manager's approval. Now that the City's need for extra contract services will exceed \$100,000, staff is bringing this contract forward for Council's consideration.

In 2018, a Request for Proposals was widely advertised for plan check services. There were three respondents, of which Interwest Consulting Services was one. The City has determined Interwest to be responsive and competitively priced. Staff has found that Interwest Consulting Services produces quality and timely work and helps to advance Council's goal of economic development with a business-friendly approach while still emphasizing quality.

Staff recommends Council approve an increase in the contract with Interwest Consulting Services in the amount of \$100,000, for a total contract amount of \$180,000.

ALTERNATIVES TO THE STAFF RECOMMENDATION:

1. Council may consider the approval of a greater amount for plan check services. Since the amount is funded by plan check fees paid by applicants, there would be no significant fiscal impact.
2. Council may consider other options or postpone action for additional information.
3. Council may not award the contract extension and cancel the contract plan checking services. This would result in a significant delay in the issuance of commercial and multi-family building permits as the City does not have the staff time nor expertise to complete these plan checks in-house.

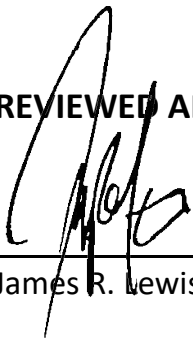
FISCAL IMPACT:

Approving staff's recommendation will result in General Fund expenditures up to \$100,000, offset by permit service fee revenues.

REVIEWED BY OTHERS:

This item has been reviewed by the Administrative Services Director.

REVIEWED AND APPROVED FOR COUNCIL AGENDA

A handwritten signature in black ink, appearing to read 'J. Lewis', is written over a horizontal line.

James R. Lewis, City Manager



CITY OF ATASCADERO

CITY COUNCIL STAFF REPORT

Item A4

Department: Community Development
Date: 02/11/2025
Placement: Consent

TO: JAMES R. LEWIS, CITY MANAGER
FROM: PHIL DUNSMORE, COMMUNITY DEVELOPMENT DIRECTOR
PREPARED BY: KELLY GLEASON, PLANNING MANAGER
ERICK GOMEZ, ASSOCIATE PLANNER

SUBJECT: Del Rio Ranch (DEV24-0044)

RECOMMENDATION:

Council adopt on second reading, by title only, Draft Ordinance approving a Zoning Map Amendment and amendments to the Del Rio Road Commercial Area Specific Plan, based on findings.

REPORT IN BRIEF:

At their January 28, 2024 meeting, the City Council approved the Del Rio Ranch project on a 5-0 vote. Approval of the project includes a General Plan Amendment, Zoning Map Amendment, Del Rio Commercial Area Specific Plan Amendment, and adoption of a Master Plan of Development. The ordinance to amend the Zoning Map and Specific Plan was introduced for first reading at the meeting.

The Del Rio Ranch Project will develop a vacant 26-acre site on the south-east corner of the El Camino Real-Del Rio Road intersection as an RV Resort with ancillary commercial and entertainment uses, including:

- Ninety-eight (98) RV Spaces,
- Seventy (70) glamping spaces,
- Eighteen (18) hotel units,
- 22,000 SF of commercial tenant space,
- An event lawn and flexible event spaces, and
- Various resort amenities.

The project was approved with the addition of language to Master Plan of Development condition #41 to clarify requirements for a sight-line study at the project driveway locations.

The project provides for the development of a vacant site with a significant commercial and tourist-oriented development. Short-term rental units will be subject to TOT and the planned commercial uses are anticipated to contribute to the economic vitality of the surrounding area. The new public road will be accepted into the City's road system for access and maintenance, however, these costs are not expected to outweigh the increases in revenue from development of the site.

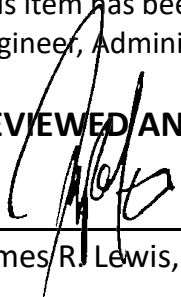
FISCAL IMPACT:

The project is expected to be revenue positive.

REVIEWED BY OTHERS:

This item has been reviewed by the City Attorney, Community Development Director, City Engineer, Administrative Services Director, and Planning Commission.

REVIEWED AND APPROVED FOR COUNCIL AGENDA



James R. Lewis, City Manager

ATTACHMENT(S):

1. Draft Ordinance

DRAFT ORDINANCE

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, APPROVING A ZONE MAP CHANGE
AND AMENDMENTS TO THE DEL RIO COMMERCIAL AREA
SPECIFIC PLAN**

**Del Rio Road Commercial Area Specific Plan / Del Rio Ranch
(DEV24-0044)**

WHEREAS, an application has been received from Cal Coastal Communities, Inc (6900 El Camino Real, Atascadero, CA 93454), Applicant and Owner, to consider a Zone Change and Specific Plan Amendment to allow development of the South-East Project Site Del Rio Road Commercial Area Specific Plan located at 4999, 5505, 5701, 5703, & 5705 Del Rio Road, and 2005, 2055, 2115, 2205, 2325, 2375, & 2405 El Camino Real (APNs 049-112-002, 049-112-018, 049-112-019, 049-112-022, 049-112-036, 049-112-040, 049-151-005, 049-151-036, 049-151-037, 049-151-040, and 049-151-041) (hereinafter, the “Project”); and,

WHEREAS, the site’s current General Plan Land Use Designation is High Density Residential (HDR) and General Commercial (GC); and

WHEREAS, the site’s current Zoning Designation is Residential Multi-Family (RMF-24) and Commercial Retail (CR) with a Specific Plan #2 (SP2) Overlay; and

WHEREAS, the City Council adopted the Del Rio Road Commercial Area Specific Plan and associated entitlements on July 10, 2012; and

WHEREAS, an application for Conditional Use Permit and a Master Plan of Development has been submitted for concurrent consideration of three conditionally allowed uses, outdoor amplified sound, and a height exception which require: 1) a change in the General Plan land use designation of the site to be entirely designated GC; 2) a rezone to Commercial Retail (CR); and 3) text modifications to the Del Rio Commercial Area Specific Plan (DRCASP); and

WHEREAS, the laws and regulations relating to the preparation and public notice of environmental documents, as set forth in the State and local guidelines for implementation of the California Environmental Quality Act (CEQA) have been adhered to; and

WHEREAS, a timely and properly noticed Public Hearing upon the subject Project was held by the Planning Commission of the City of Atascadero at which hearing evidence, oral and documentary, was admitted on behalf of the Project; and

WHEREAS, the Project was reviewed by the Planning Commission at their regularly scheduled meeting on December 17, 2024 and the Planning Commission recommended approval of the Project after receiving the staff report and hearing testimony from the public; and

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF ATASCADERO HEREBY ORDAINS AS FOLLOWS:

SECTION 1. Recitals: The above recitals are true and correct.

SECTION 2. Public Hearing. The City Council of the City of Atascadero held a duly noticed Public Hearing on January 28, 2025 to consider the Project with testimony and reports from staff, the applicants, and the public.

SECTION 3. Facts and Findings. The City Council makes the following findings, determinations and approvals with respect to the Project approvals:

A. Findings for approval of a Zone Map and Specific Plan Zone Amendment

1. **FINDING:** The Planning and Zoning Text and Map Change is consistent with General Plan policies and all other applicable ordinances and policies of the City.

FACT: The Project includes changes a General Plan Amendment to remove the existing High Density Residential designation and create a cohesive Project Site that is fully designated for Commercial Use. The Zoning Map amendment and Specific Plan Amendments shall ensure consistency with project site zoning and associated development standards.

2. **FINDING:** This Amendment of the Zoning Ordinance and Map will provide for the orderly and efficient use of lands where such development standards are applicable.

FACT: The amendments will accommodate the development of the site as an RV Resort as depicted on the Project plans. The Project is consistent with all applicable development standards of the Atascadero Municipal Code and the DRCASP, as amended. This site is envisioned to be developed as a tourist and commercial oriented node. The proposed Project is consistent with this goal.

3. **FINDING:** The Text and Map Change will not, in itself, result in significant environmental impacts.

FACT: The amendments will not create any new significant environmental impacts. All anticipated impacts are adequately analyzed by the certified DRCASP EIR and mitigated to the greatest extent feasible. An Addendum to the certified DRCASP FEIR is included in the attachments to these resolutions and incorporated herein by reference.

SECTION 4. CEQA. An Addendum to the previously certified DRCASP FEIR been prepared for the Project pursuant to the California Environmental Quality Act (California Public Resources Code §§ 21000, et seq., “CEQA”) and CEQA Guidelines (Title 14 California Code of Regulations §§ 15000, et seq.) Sections 15162 and 15164 and is incorporated herein by reference.

SECTION 5. Approval. The City Council of the City of Atascadero, in a regular session assembled on January 28, 2025, resolved to approve the Project consistent with the following:

EXHIBIT A: Zoning Map Amendment Diagram

EXHIBIT B: Amended Del Rio Commercial Area Specific Plan

SECTION 6. Interpretation. This Ordinance must be broadly construed in order to achieve the purposes stated in this Ordinance. It is the City Council's intent that the provisions of this Ordinance be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Ordinance.

SECTION 7. Preservation. Repeal of any provision of the AMC or of any previous Code Sections, does not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before this Ordinance's effective date. Any such repealed part will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Ordinance.

SECTION 8. Effect of Invalidation. If this entire Ordinance or its application is deemed invalid by a court of competent jurisdiction, any repeal or amendment of the AMC or other City Ordinance by this Ordinance will be rendered void and cause such previous AMC provision or other City Ordinance to remain in full force and effect for all purposes.

SECTION 9. Severability. If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

SECTION 10. Notice. The City Clerk is directed to certify the passage and adoption of this Ordinance; cause it to be entered into the City of Atascadero's book of original ordinances; make a note of the passage and adoption in the records of this meeting; and, within fifteen (15) days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with California law.

SECTION 11. Effective Date. This Ordinance will take effect on the 30th day following its final passage and adoption.

INTRODUCED at a regular meeting of the City Council held on January 28, 2025, and **PASSED, APPROVED** and **ADOPTED** by the City Council of the City of Atascadero, State of California, on February 11, 2025.

AYES:

NOES:

ABSENT:

ABSTAIN:

CITY OF ATASCADERO

Charles Bourbeau, Mayor

ATTEST:

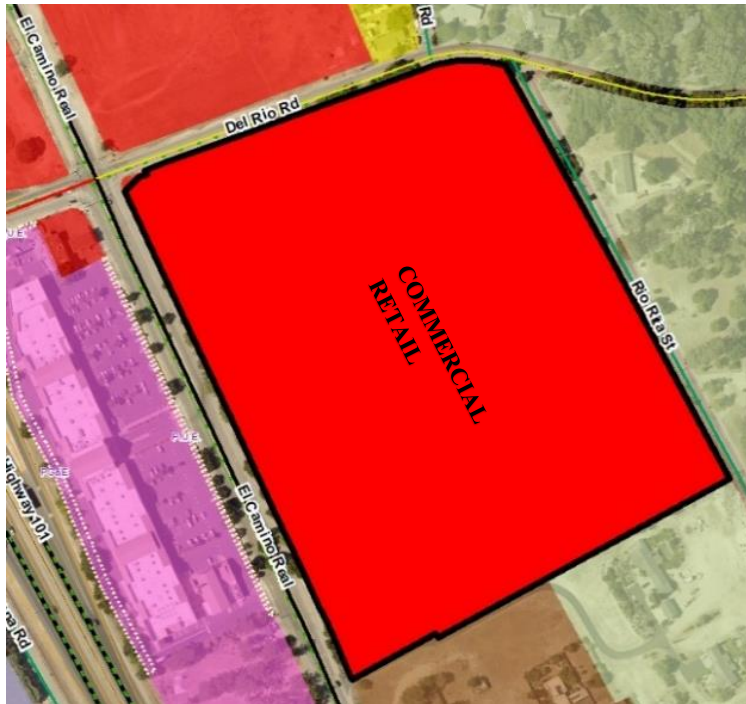
Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

David Fleishman, City Attorney



Existing Zoning Map



Proposed Zoning Map

CITY OF ATASCADERO

DEL RIO ROAD COMMERCIAL AREA SPECIFIC PLAN

March 2012



1998 Santa Barbara Street, Suite 200
San Luis Obispo, CA 93401

Adopted July 2012
Amended October 2020
Amended July 2021
Amended February 2025

CITY OF ATASCADERO

DEL RIO ROAD COMMERCIAL AREA SPECIFIC PLAN

Prepared for:
The City of Atascadero

Prepared by:



eda – design professionals
1998 Santa Barbara Street, Suite 200
San Luis Obispo, CA 93401
(805) 549-8658

In Conjunction with:

Omni Design Group, Inc.
Perkowitz + Ruth Architects
Conceptual Design & Planning Company

ACKNOWLEDGEMENTS

FROM 2012

City Council

Bob Kelley, Mayor
Tom O'Malley, Mayor Pro Tem
Jerry Clay, Sr., Council Member
Roberta Fonzi, Council Member
Brian Sturtevant, Council Member

Planning Commission

Chuck Ward, Chairperson
Dennis Schmidt, Vice Chairperson
Christian Cooper, Commissioner
Len Colamarino, Commissioner
Beth Wingett, Commissioner
David Bentz, Commissioner
Mark Dariz, Commission

City Staff

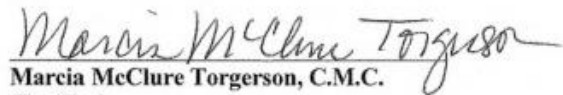
Wade McKinney, City Manager
Warren Frace, Community Development Director
Russ Thompson, Director of Public Works
Brady Cherry, Community Services Director
Kurt Stone, Fire Chief

CERTIFICATION

I, **Marcia McClure Torgerson, C.M.C.**, City Clerk of the City of Atascadero, hereby certify that the foregoing is a true and correct copy of Ordinance No. 562, adopted by the Atascadero City Council at a regular meeting thereof held on July 10, 2012, and that it has been duly published pursuant to State Law.

DATED:

7-18-12



Marcia McClure Torgerson, C.M.C.
City Clerk
City of Atascadero, California

ORDINANCE NO. 562

SPECIFIC PLAN DOCUMENT ADOPTION

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, AMENDING THE
ATASCADERO MUNICIPAL CODE BY ADDING A TABLE
FOR THE SPECIFIC PLAN DOCUMENT FOR THE SP-2
ZONING DISTRICT FOR THE
DEL RIO COMMERCIAL AREA
(SP 2009-0003)**

**DEL RIO COMMERCIAL AREA SPECIFIC PLAN
WALMART STORES INC. / THE ROTTMAN GROUP /
MONTECITO BANK AND TRUST**

WHEREAS, an application has been received from:

Walmart Stores, Inc. (2001 S.E. 10th Street Bentonville, AR 72716-0550) Owner, and
EDA Design Professionals (1998 Santa Barbara St. Suite 200 San Luis Obispo, CA 93401)
Applicant, and;

The Rottman Group (P.O. Box 227 Santa Maria, CA 93456-0227) Owner, and Omni
Design Group (689 Tank Farm Road San Luis Obispo, CA 93453) Applicant, and;

Montecito Bank and Trust (1010 State Street, Santa Barbara, California 93101) Owner,
and Omni Design Group (689 Tank Farm Road San Luis Obispo, CA 93453) Applicant,

to consider Planning Applications PLN 2007-1245 and PLN 2007-1246, for a project
consisting of General Plan Amendments, Zone Text and Map Amendments, Specific Plan,
Vesting Tentative Parcel Maps, Tree Removal Permits and certification of an Environmental
Impact Report ("EIR") on a 39.3± acre site located on El Camino Real and Del Rio Road,
Atascadero, CA 93422 (APN 049-112-002, 018, 019, 022, ,036, 039, 049-151-005, 036, 037,
040, 041, 049-102-020, 031, 032, 045, 048, 056 and 049-131-070); and,

WHEREAS, the site's current General Plan Land Use Designation is General
Commercial (GC), Commercial Park (CPK), Single-Family Residential (SFR-X), High-Density
Residential (HDR), Medium-Density Residential (MDR), and Suburban Estates (SE); and,

WHEREAS, the site's current Zoning Designation is Commercial Retail (CR),
Commercial Park (CPK), Residential Single-Family (RSF-X), Residential Multi Family (RMF-
20), Residential Multi Family (RMF-10), and Residential Suburban (RS); and,

City of Atascadero
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WHEREAS, the Planning Commission has recommended that the City Council approve a General Plan Land Use Diagram Amendment to change the Land Use Designation of lots within the project site to Commercial Retail (CR), High-Density Residential (HDR), and Single-Family Residential (SFR-X); and,

WHEREAS, the Planning Commission has recommended that the City Council approve a Zoning Ordinance Text Change and Zoning Map Amendment to establish zoning code text for Specific Plan Zone 2 and to change the zoning of lots with the project area to Commercial Retail (CR), Residential Single-Family (RSF-X), and Residential Multi Family (RMF-20), with a Specific Plan Zone 2 overlay on the entire project site; and,

WHEREAS, the General Plan has designated the project site as an area requiring a comprehensive master plan in order to minimize environmental impacts and maximize community compatibility (General Plan Table II-5) and to promote orderly and harmonious development and to enhance the opportunity to best utilize special site characteristics; and,

WHEREAS, a Final EIR, Finding of Fact and Statement of Overriding Considerations have been prepared for the project and made available for public review in accordance with the requirements of the California Environmental Quality Act (CEQA); and,

WHEREAS, the laws and regulations relating to the preparation and public notice of environmental documents, as set forth in the State and local guidelines for implementation of the California Environmental Quality Act (CEQA) have been adhered to; and,

WHEREAS, the Final EIR, Finding of Fact and Statement of Overriding Considerations have been recommended by the Planning Commission for certification to the City Council; and,

WHEREAS, the Planning Commission has determined that it is in the best interest of the City to enact this amendment to the Code Text to protect the health, safety and welfare of its citizens by applying orderly development and expanding commercial opportunities within the City; and,

WHEREAS, timely and properly noticed Public Hearings upon the subject Specific Plan application was held by the Planning Commission and City Council of the City of Atascadero at which hearing evidence, oral and documentary, was admitted on behalf of said zoning amendments; and,

WHEREAS, the Planning Commission of the City of Atascadero, at a Public Hearing held on June 5, 2012, studied and considered the Del Rio Road Commercial Area Specific Plan (SP 2009-0003), after first studying and considering the Final EIR, Finding of Fact and Statement of Overriding Considerations prepared for the project; and,

WHEREAS, the Planning Commission of the City of Atascadero recommended the City Council approve the Del Rio Road Commercial Area Specific Plan (SP 2009-0003); and,

WHEREAS, the Atascadero City Council, at a Public Hearing held on June 26, 2012, studied the Planning Commission's recommendation and considered the Del Rio Road

City of Atascadero
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Page 3 of 11

Commercial Area Specific Plan (SP 2009-0003), after first studying and considering the Final EIR, Finding of Fact and Statement of Overriding Considerations prepared for the project; and,

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ATASCADERO HEREBY ORDAINS AS FOLLOWS:

SECTION 1. Findings for Approval of Del Rio Road Commercial Area Specific Plan.

The City Council finds as follows:

1. **The proposed project or use satisfies all applicable provisions of the Title (Zoning Ordinance) including the SP-2 Ordinance; and,**
2. **The establishment, and subsequent operation or conduct of the use will not, because of the circumstances and conditions applied in the particular case, be detrimental to the health, safety, or welfare of the general public or persons residing or working in the neighborhood of the use, or be detrimental or injurious to property or improvements in the vicinity of the use; and,**
3. **The proposed Specific Plan will be compatible with existing or desired conditions in surrounding neighborhoods and surrounding General Plan land uses and General Plan policies.**

As discussed in General Plan Amendment Finding No. 5, the proposed Project will be compatible with existing and desired conditions in surrounding neighborhoods. The proposed Project would allow the development of an efficient and attractive community retail hub in North Atascadero. The Project will serve the growing local demand for retail products, groceries and restaurants in North Atascadero, while at the same time revitalizing one of the City's larger and more visible properties located just off Highway 101. Approval of the Project will allow for the development of a master planned commercial center consistent with General Plan policies.

As discussed in detail in General Plan Amendment Finding No. 4, the proposed Project is in conformance with the adopted General Plan Goals, Policies, and Programs and the overall intent of the General Plan.

4. **Modification of zoning regulations, development standards, or processing requirements is warranted by the design and amenities incorporated.**

As discussed in General Plan Amendment Findings No. 3 and 5, project design, features and amenities will transform a currently underutilized location into a vibrant retail hub in an ideal location, providing an aesthetic and commercial boon to the immediate and surrounding areas and serving the growing local demand for retail and groceries in North Atascadero. With incorporation of the site design, landscaping and architectural features discussed in the General Plan Amendment Findings, the Project has been specifically designed to be compatible with existing development, neighborhoods and the environment. Without the

approval of the Specific Plan, Zone Change and General Plan Amendment, the City's goal of creating an efficient, attractive and cohesive master-planned commercial center of this type at this ideal location would not be possible. In addition to creating additional employment and business opportunities and attracting much needed tax revenue, the Project will satisfy the long time demands of residents for a grocery store in the northern part of the City, while offering a broad array of convenient shopping and restaurant options. Accordingly, modification of zoning regulations and development standards is warranted by the Project design and the amenities provided by the Project.

5. The Specific Plan standards or processing requirements will enhance the opportunity to best utilize special characteristics of an area and will have a beneficial effect on the area.

The proposed General Plan Amendment, Zone Change and Specific Plan would allow the development of a master-planned, vibrant and attractive and cohesive community retail hub to North Atascadero which is not possible under the current zoning. The Project will serve the growing local demand for discount retail, groceries and restaurants in North Atascadero, while at the same time revitalizing one of the City's larger and more visible properties. Approval of the Specific Plan, Zone Change and General Plan Amendment will allow development of a commercial center and economic development of the area.

The purpose of the Del Rio Road Commercial Area Specific Plan is to assist in the development of the site in a manner that benefits local shoppers, the general public, and the City of Atascadero. The Specific Plan accomplishes these purposes by providing for the efficient use of land, ensuring compatibility between existing and proposed land uses, and establishing environmental and development standards and procedures to be met in development of the Specific Plan area. The development regulations contained in the Specific Plan address the unique characteristics of the site and surrounding properties, as well as the needs of the commercial land uses proposed for the site. These efforts are intended to foster greater economic development and design opportunities than could be achieved through the use of conventional zoning and development standards.

The benefits derived from the Specific Plan cannot be reasonably achieved through existing development standards or processing requirements. The Del Rio Road Commercial Area Specific Plan serves as the overlay zone for the Project. The Specific Plan, together with the underlying zoning on the sites, establishes permitted uses and provides development regulations, requirements, and design guidelines for all development within the boundaries of the Specific Plan area. The Specific Plan specifies land use standards and policies for the site and establishes additional design guidelines as well as landscaping, lighting, signage, fencing and screening, on-site circulation, loading and outdoor storage standards that are not required in the Code and that ensure a high standard of design for the site. In addition, it facilitates design integrity between the variety of uses (i.e.,

achieves General Plan objective of a master planned commercial center). Also, the additional area gained by redesignating the residential parcels located at the back of the site to commercial will allow for a less dense project that can implement additional landscaping and buffer areas throughout the site, to further blend the Project with the surrounding area.

6. Benefits derived from the Specific Plan Zone 2 zone cannot be reasonably achieved through existing development standards or processing requirements.

The benefits derived from the Specific Plan cannot be reasonably achieved through existing development standards or processing requirements. The Specific Plan specifies land use standards and policies for the site and establishes additional design guidelines as well as landscaping, lighting, signage, fencing and screening, on-site circulation, loading and outdoor storage standards that are beyond the Municipal Code standard in order to ensure a high standard of design and compatibility for the site. In addition, it facilitates design integrity between the variety of uses (i.e. achieves General Plan objective of a master planned commercial center). Also, the additional area gained by redesignating the residential parcels located at the back of the site to commercial will allow for a less dense project that can implement additional landscaping and buffer areas throughout the site, to further blend in with the surrounding area.

7. The Specific Plan development standards or processing requirements is warranted to promote orderly and harmonious development and offers certain redeeming features to compensate for requested modifications.

As discussed in General Plan Amendment Findings No. 3 and 5, in addition to revitalizing one of the City's larger and more visible properties, the Project would serve as an example for the community in energy efficiency by incorporating a variety of sustainability features in the construction, design and operation of the store that would reduce its demand for resources, utilize non-toxic materials, and promote waste reduction. The additional area gained by redesignating the residential parcels located at the back of the site to commercial will allow for a less dense project that can implement additional landscaping areas. The Project would also exceed the City's minimum landscaping requirements and contain robust landscaping and greenery to enhance the site and screen parked cars.

8. The Specific Plan development standards or processing requirements is warranted to promote orderly and harmonious development and will supplement or supersede any adopted ordinances, regulations and standards of the City which are applicable.

The Del Rio Road Commercial Area Specific Plan implements the goals and policies of the City of Atascadero General Plan within the Specific Plan area. The Specific Plan is generally consistent with the City of Atascadero Municipal Code, but provides additional development standards and guidelines that are customized to achieve the specific vision for the project area. The City's zoning standards are utilized

for certain aspects, such as the minimum parking spaces required, while the Specific Plan provides other standards and guidelines that are tailored to the specific development proposed for the Del Rio Road Commercial Area Specific Plan.

Development regulations and requirements contained in the Specific Plan supplement or replace those of the City of Atascadero Municipal Code as they might otherwise apply to lands within the Del Rio Road Commercial Area Specific Plan area. For projects within the Specific Plan area, policies and standards in the Del Rio Road Commercial Area Specific Plan take precedence over more general policies and standards applied through the rest of the City. To the extent the provisions of the Specific Plan and the Atascadero Municipal Code are in conflict, the provisions of the Specific Plan will prevail. In situations where policies or standards relating to a particular subject have not been provided in the Specific Plan, the existing policies and standards of the Atascadero Municipal Code shall continue to apply.

SECTION 2. Approval. The Atascadero City Council, in a regular session assembled on June 26, 2012, approved the Del Rio Road Commercial Area Specific Plan for the SP-2 zoning overlay district as described in the following:

1. EXHIBIT A: Del Rio Commercial Area Specific Plan
2. EXHIBIT B: Addendum – Del Rio Road Commercial Area Specific Plan

SECTION 3: A summary of this ordinance, approved by the City Attorney, together with the ayes and noes, shall be published twice: at least five days prior to its final passage in the Atascadero News, a newspaper published and circulated in the City of Atascadero, and; before the expiration of fifteen (15) days after its final passage, in the Atascadero News, a newspaper published and circulated in the City of Atascadero. A copy of the full text of this ordinance shall be on file in the City Clerk's Office on and after the date following introduction and passage and shall be available to any interested member of the public.

City of Atascadero
Ordinance No. 562
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INTRODUCED at a regular meeting of the City Council held on June 26, 2012, and PASSED and ADOPTED by the City Council of the City of Atascadero, State of California, on July 10, 2012, by the following roll call vote:

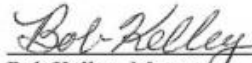
AYES: Council Members Clay, Fonzi, O'Malley, Sturtevant and Mayor Kelley

NOES: None


ABSTAIN: None

ABSENT: None


CITY OF ATASCADERO


Bob Kelley, Mayor

ATTEST:


Marcia McClure Torgerson, C.M.C., City Clerk

APPROVED AS TO FORM:


Brian A. Pierik, City Attorney

ORDINANCE NO. 641

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA, AMENDING THE DEL RIO ROAD
COMMERCIAL AREA SPECIFIC PLAN TO MODIFY THE LIST OF
ALLOWED LAND USES, ASSOCIATED PROJECT DESCRIPTIONS, AND
RELATED TRAFFIC MITIGATION MEASURES**

(AMND18-0079)

*DEL RIO ROAD COMMERCIAL AREA SPECIFIC PLAN
1800, 1829, 1831, 1843, 1905, 2005, 2055, 2115, 2205, 2325, 2375, 2405
EL CAMINO REAL AND 4999, 5505, 5700, 5701, 5705 DEL RIO ROAD
APNS 049-131-070, 049-151-005, 049-151-036, 049-151-037, 049-151-040,
049-151-041, 049-102-020, 049-102-031, 049-102-032, 049-102-045,
049-102-056, 049-112-002, 049-112-018, 049-112-019, 049-112-022,
049-112-036, 049-112-039*

WHEREAS, the City of Atascadero has initiated an amendment the Del Rio Road Commercial Area Specific Plan (DRCASP) to respond to changing economic demands and the formal cancellation of the proposed Walmart regional retail store project; and

WHEREAS, the site's current General Plan Land Use Designation is General Commercial (GC), High-Density Residential (HDR), and Single-Family Residential (SFR-X); and

WHEREAS, the site's current Zoning Designation is Commercial Retail (CR), Residential Multi-Family - 24 (RMF-24), and Residential Single-Family - X (RSF-X); and

WHEREAS, the City Council adopted the Del Rio Road Commercial Area Specific Plan and associated entitlements on July 10, 2012; and

WHEREAS, in conjunction with the approval of the Del Rio Road Commercial Area Specific Plan and associated entitlements on a 39.3± acre site located on El Camino Real and Del Rio Road, Atascadero, CA 93422 (APN 049-112-002, 018, 019, 022, ,036, 039, 049-151-005, 036, 037, 040, 041, 049-102-020, 031, 032, 045, 048, 056 and 049-131-070) (herein referred to as the "Project"), the City Council of the City of Atascadero, on June 26, 2012, certified the Del Rio Road Commercial Area Specific Plan Final Environmental Impact Report (State Clearinghouse No. 2010051034) (herein referred to as the "DRCASP EIR"), adopted a Statement of Overriding Considerations and adopted a Mitigation Monitoring Program in compliance with the California Environmental Quality Act (herein referred to as "CEQA"); and

WHEREAS, a subsequent project amendment and EIR addendum was adopted by the City Council on July 11, 2017 in conjunction with the approval of a Hotel at 1800 El Camino Real; and

WHEREAS, entitlement for the Major Tenant (Walmart) project and Annex project sites including tentative map and master plan of development expired on July 12, 2020; and

City of Atascadero
Ordinance No. 641
Page 2 of 7

WHEREAS, to assess potential environmental impacts associated with the proposed Specific Plan amendments relative to the DRCASP EIR, City staff prepared an addendum to the DRCASP EIR pursuant to CEQA (herein referred to as “Addendum”); and

WHEREAS, W-Trans, a transportation engineering firm, provided the City with a detailed report and traffic evaluation which provided analysis and evidence in support of conclusions that there was sufficient capacity for the Del Rio Road / El Camino Real intersection and the Del Rio Road / US Highway 101 for land use modifications listed in the proposed language of the Amended Del Rio Road Commercial Area Specific Plan with modified mitigation measures, prior to the interchange becoming “unacceptable in operations” according to Caltrans; and

WHEREAS, based on the W-Trans Report and proposed Specific plan amendments City staff prepared draft language amending Mitigation Measure TRANS – 1a, TRANS-1c and TRANS 1d and eliminating Mitigation Measure TRANS 1e of the DRCASP Final EIR that modifies mitigation measures to eliminate the roundabouts from the intersection of Del Rio and El Camino real and from the Del Rio/Highway 101 interchange, defines payment of in-lieu fees for the common required improvements, as well as timing and phasing of such improvements to ensure that traffic is mitigated throughout development of the Specific Plan area; and

WHEREAS, minor edits were made to other mitigation measures related to project name changes and elimination of Walmart specific language for consistency and clarity with the amended Del Rio Road Commercial Area Specific Plan; and

WHEREAS, the Addendum concluded that the proposed amendments would not result in any new or substantially more severe impacts than disclosed in the original Del Rio Road Commercial Area Specific Plan; and

WHEREAS, Section 21000, *et seq.*, of the Public Recourses Code and Section 15000, *et seq.*, of Title 14 of the California Code of Regulations (herein referred to as the “CEQA Guidelines”), which govern the preparation, content, and processing of environmental impact reports, have been fully implemented in the preparation of the Del Rio Road Commercial Area Specific Plan and Addendum; and

WHEREAS, the laws and regulations relating to the preparation and public notice of environmental documents, as set forth in the State and local guidelines for implementation of the California Environmental Quality Act (CEQA) have been adhered to; and

WHEREAS, the Planning Commission has determined that it is in the best interest of the City to enact the Del Rio Road Commercial Area Specific Plan amendment to protect the health, safety and welfare of its citizens by applying orderly development and expanding commercial and job opportunities within the City; and

WHEREAS, timely and properly noticed Public Hearings upon the subject Specific Plan amendment and EIR addendum was held by the Planning Commission of the City of Atascadero at which hearing evidence, oral and documentary, was admitted on behalf of said amendments; and

WHEREAS, the City Council has determined that it is in the best interest of the City to enact the Del Rio Road Commercial Area Specific Plan amendment to protect the health, safety and

**City of Atascadero
Ordinance No. 641
Page 3 of 7**

welfare of its citizens by applying orderly development and expanding commercial and job opportunities within the City; and

WHEREAS, timely and properly noticed Public Hearings upon the subject Specific Plan amendment and EIR addendum was held by the City Council of the City of Atascadero at which hearing evidence, oral and documentary, was admitted on behalf of said amendments.

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF ATASCADERO
HEREBY ORDAINS AS FOLLOWS:**

SECTION 1. Recitals: The above recitals are true and correct.

SECTION 2. Public Hearing. The City Council of the City of Atascadero, at a Public Hearing held on September 22, 2020 considered the proposed zoning text amendments.

SECTION 3. Facts and Findings. The City Council makes the following findings, determinations and approvals with respect to the Municipal Code Text Amendments:

**A. Findings for Approval of Amendments to the Del Rio Road Commercial Area
Specific Plan**

1. The proposed project or use satisfies all applicable provisions of the Title (Zoning Ordinance) including the SP-2 Ordinance; and,
2. The establishment, and subsequent operation or conduct of the use will not, because of the circumstances and conditions applied in the particular case, be detrimental to the health, safety, or welfare of the general public or persons residing or working in the neighborhood of the use, or be detrimental or injurious to property or improvements in the vicinity of the use; and,
3. The proposed Specific Plan will be compatible with existing or desired conditions in surrounding neighborhoods and surrounding General Plan land uses and General Plan policies.

Fact: The proposed Plan amendments will be compatible with existing and desired conditions in surrounding neighborhoods. The Plan as proposed would allow the development of an efficient and attractive community employment, entertainment, and retail hub in North Atascadero. The Plan area will serve the growing local demand for commercial and employment development, while at the same time revitalizing one of the City's larger and more visible properties located just off Highway 101. Approval of the Plan will allow for the development of a master planned commercial and office node consistent with General Plan policies.

The proposed Plan amendment is in conformance with adopted General Plan Goals, Policies, and Programs and the overall intent of the General Plan.

4. Modification of zoning regulations, development standards, or processing requirements is warranted by the design and amenities incorporated.

Fact: The plan sets forth land use and development standards that will facilitate the transformation of a currently underutilized area into a vibrant commercial node in an ideal location. With incorporation of development standards required by the Specific Plan, future development will be compatible with existing development, neighborhoods and the environment. In addition to creating additional employment and business opportunities and attracting much needed tax revenue, the development of the Specific plan area will allow for uses that offer a broad array of convenient shopping, service, and restaurant options. Accordingly, modification of zoning regulations and development standards is warranted to ensure efficient and successful development of this commercial node.

5. The Specific Plan standards or processing requirements will enhance the opportunity to best utilize special characteristics of an area and will have a beneficial effect on the area.

Fact: The proposed amendments to the Specific Plan would allow the development of a master-planned, vibrant and attractive and cohesive community hub in North Atascadero. Amendments focus on expanding use options within the development area while limiting high traffic generating uses and uses that may conflict with the surrounding neighborhood.

The purpose of the Del Rio Road Commercial Area Specific Plan is to assist in the development of the site in a manner that benefits residents, the general public, and the City of Atascadero. The Specific Plan accomplishes these purposes by providing for the efficient use of land, ensuring compatibility between existing and proposed land uses, and establishing environmental and development standards and procedures to be met in development of the Specific Plan area. The development regulations contained in the Specific Plan address the unique characteristics of the site and surrounding properties, as well as the needs of the commercial land uses envisioned for the site. These efforts are intended to foster greater economic development, employment opportunities, and design compatibility than could be achieved through the use of conventional zoning and development standards.

The Del Rio Road Commercial Area Specific Plan serves as the overlay zone guiding document for the Plan area. The Specific Plan, together with the underlying zoning on the sites, establishes permitted uses and provides development regulations, requirements, and design guidelines for all development within the boundaries of the Specific Plan area. The Specific Plan specifies land use standards and policies for the site and establishes additional design guidelines as well as landscaping, lighting, signage, fencing and screening, on-site circulation, loading and outdoor storage standards that are not required in the Code and that ensure a high standard of design for the site. In addition, it facilitates design integrity between the variety of uses (i.e., achieves General Plan objective of a master planned commercial center).

6. Benefits derived from the Specific Plan cannot be reasonably achieved through existing development standards or processing requirements.

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Fact: The Specific Plan amendments focus on expanding land use opportunities and encouraging jobs focused commercial development within the Plan area. The Specific Plan specifies land use standards and policies for the site and establishes additional design guidelines as well as landscaping, lighting, signage, fencing and screening, on-site circulation, loading and outdoor storage standards that are beyond the Municipal Code standard in order to ensure a high standard of design and compatibility for the site. In addition, it facilitates design integrity between the variety of uses (i.e. achieves General Plan objective of a master planned commercial center).

7. The Specific Plan development standards or processing requirements is warranted to promote orderly and harmonious development and offers certain redeeming features to compensate for requested modifications.

Fact: The proposed Specific Plan amendments will support the creation of head of household jobs in the City adjacent to existing residential areas with the potential for reducing Vehicle Miles Travelled. The Amendments will allow for the efficient and complimentary uses of land with a mix of commercial, business park, and residential uses to serve existing and future residents and helping the City's imbalance of jobs and housing.

8. The Specific Plan development standards or processing requirements is warranted to promote orderly and harmonious development.

Fact: The Del Rio Road Commercial Area Specific Plan implements the goals and policies of the City of Atascadero General Plan within the Specific Plan area. The Specific Plan is generally consistent with the City of Atascadero Municipal Code, but provides additional development standards and guidelines that are customized to achieve the specific vision for the project area. The City's zoning standards are utilized for certain aspects, such as the minimum parking spaces required, while the Specific Plan provides other standards and guidelines that are tailored to the specific development proposed for the Del Rio Road Commercial Area Specific Plan.

Development regulations and requirements contained in the Specific Plan supplement or replace those of the City of Atascadero Municipal Code as they might otherwise apply to lands within the Del Rio Road Commercial Area Specific Plan area. For projects within the Specific Plan area, policies and standards in the Del Rio Road Commercial Area Specific Plan take precedence over more general policies and standards applied through the rest of the City. To the extent the provisions of the Specific Plan and the Atascadero Municipal Code are in conflict, the provisions of the Specific Plan will prevail. In situations where policies or standards relating to a particular subject have not been provided in the Specific Plan, the existing policies and standards of the Atascadero Municipal Code shall continue to apply.

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SECTION 4. CEQA. An addendum to the previously certified Del Rio Road Commercial Area Specific Plan Final Environmental Impact Report (SCH# 2010051034) was prepared for the proposed Specific Plan amendments.

SECTION 5. Approval. The City Council of the City of Atascadero, in a regular session assembled on September 22, 2020 resolved to introduce for first reading by title only, an Ordinance that will approve amendments to the Del Rio Road Commercial Area Specific Plan consistent with the following:

EXHIBIT A: Del Rio Road Commercial Area Specific Plan revised September 2020

SECTION 6. Interpretation. This Ordinance must be broadly construed in order to achieve the purposes stated in this Ordinance. It is the City Council's intent that the provisions of this Ordinance be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Ordinance.

SECTION 7. Preservation. Repeal of any provision of the AMC or of any previous Code Sections, does not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before this Ordinance's effective date. Any such repealed part will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Ordinance.

SECTION 8. Effect of Invalidation. If this entire Ordinance or its application is deemed invalid by a court of competent jurisdiction, any repeal or amendment of the AMC or other City Ordinance by this Ordinance will be rendered void and cause such previous AMC provision or other City Ordinance to remain in full force and effect for all purposes.

SECTION 9. Severability. If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

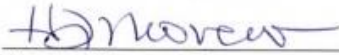
SECTION 10. Notice. The City Clerk is directed to certify the passage and adoption of this Ordinance; cause it to be entered into the City of Atascadero's book of original ordinances; make a note of the passage and adoption in the records of this meeting; and, within fifteen (15) days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with California law.

SECTION 11. Effective Date. This Ordinance will take effect on the 30th day following its final passage and adoption.

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INTRODUCED at a regular meeting of the City Council held on September 22, 2020, and **PASSED, APPROVED** and **ADOPTED** by the City Council of the City of Atascadero, State of California, on October 13, 2020.

CITY OF ATASCADERO




Heather Moreno, Mayor

ATTEST:



Lara K. Christensen, City Clerk

APPROVED AS TO FORM:



Brian A. Pierik, City Attorney


STATE OF CALIFORNIA)
COUNTY OF SAN LUIS OBISPO) ss
CITY OF ATASCADERO)

I, LARA K. CHRISTENSEN, City Clerk of the City of Atascadero, DO
HEREBY CERTIFY that Ordinance No. 641 was duly introduced at a regular
meeting held September 22, 2020 and adopted at a regular meeting of the City
Council held on the 13th day of October 2020 by the following roll call vote, to
wit:

AYES: Council Members Bourbeau, Fonzi, Funk, Newsom and Mayor Moreno


NOES: None

ABSENT: None



LARA K. CHRISTENSEN, CITY CLERK

I hereby certify that the foregoing is the original of Ordinance No. 641 duly
passed and adopted by the Atascadero City Council at their regular meeting held
on October 13, 2020 and that summaries of the Ordinance were published on
September 24, 2020 and October 15, 2020 in the Atascadero News newspaper.



LARA K. CHRISTENSEN, CITY CLERK

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The Del Rio Road Commercial Area Specific Plan (“Specific Plan”) Layout encompasses two sites totaling approximately 39 acres (the “Specific Plan area”) generally located at the intersection of Del Rio Road and El Camino Real in the northern portion of the City of Atascadero (the “City”). The Specific Plan is a comprehensive plan for the development of vacant commercial parcels at the Del Rio and El Camino Real intersection. These large development sites comprise significant opportunity locations for expanding jobs, tourism and housing in the northern end of the City.

1.1 PURPOSE

The purpose of the Del Rio Road Commercial Area Specific Plan is to assist in the development of the site in a manner that provides jobs and economic development in the City of Atascadero to help balance the significant imbalance of jobs to housing. The Specific Plan accomplishes these purposes by providing for the efficient use of land, ensuring compatibility between existing and proposed land uses, and establishing environmental and development standards and procedures to be met in development of the Specific Plan area. The development regulations contained in the Specific Plan address the unique characteristics of the development sites and surrounding properties, as well as the needs of the commercial land uses proposed for the development sites. These efforts are intended to foster greater economic development and design opportunities than could be achieved through the use of conventional zoning and development standards.

The Del Rio Road Commercial Area Specific Plan serves as the overlay zone for the combined South-East and North End Project sites. This Specific Plan, together with the underlying zoning on the sites, establishes permitted uses and provides development regulations, requirements, and design guidelines for all development within the boundaries of the Specific Plan area.

1.2 LEGAL AUTHORITY

The Del Rio Road Commercial Area Specific Plan has been prepared in accordance with California Government Code, Title 7, Division 1, Chapter 3, Article 8 Sections 65450 through 65457. The California Government Code authorizes jurisdictions to adopt Specific Plans by resolution as policy documents or by ordinance as regulatory documents. The law allows preparation of Specific Plans, as may be required for the implementation of the General Plan, and further allows for their review and adoption. Specific plans act as a bridge between General Plan and individual development standards and guidelines, capital improvement programs and financing methods into a single document that is tailored to meet the needs of a specific area.

The Specific Plan implements the following: (1) General Plan land use designation of General Commercial and zoning designation of Commercial Retail for the South-East and North End commercial centers; and, (2) General Plan land use designation of Single Family Residential and zoning designation of Residential Single Family-X (RSF-X) for the Single Family North End Outparcel.

The standards contained in the Specific Plan have been adopted by ordinance and are enforceable to the same extent as standards contained in the Zoning Ordinance and other City Codes. In the event of an inconsistency between the Specific Plan and the underlying zoning regulations, the provisions of the Specific Plan shall prevail. The meaning and construction of words, phrases, titles and terms shall be the same as provided in Atascadero Municipal Code and Atascadero General Plan, unless otherwise specifically provided in the Specific Plan.

1.3 PROJECT LOCATION

The Del Rio Road Commercial Area Specific Plan is comprised of two sites totaling approximately 39 acres that are located in the northern portion of the City of Atascadero in close proximity to U.S. Highway 101. The South-East Project site is bounded by Del Rio Road to the north, El Camino Real to the west, Rio Rita Road to the east, and residential uses to the south. The North End Project sites are bounded by residential and commercial lots to the north, residential lots to the east, undeveloped commercial uses on El Camino Real and Highway 101 to the west, and Del Rio Road and vacant commercial lots to the south. The legal description for the Specific Plan area is contained in Appendix A. The location of the Specific Plan area is illustrated in Figures 1-1: Del Rio Road Commercial Area Specific Plan Site Vicinity and 1-2: Del Rio Road Commercial Area Specific Plan Conceptual Site Plan.

1.4 PROJECT DESCRIPTION & OBJECTIVES

Below is a general description of the South-East Project and North End Project. More detailed information on the combined projects is provided in Chapter 3: Land Use Concept.

The development of the South-East Project site is proposed to be a master planned commercial/tourist-oriented site with shared access and infrastructure. A subdivision or lot merger will be needed to accommodate development of the site in the future. The South-East Project site totals approximately 26 acres, and is located at the southeast corner of El Camino Real and Del Rio Road.

The Master Plans of Development for the North End Project sites include a commercial / business park on eight parcels as well as one Single Family Outparcel and a tourist serving use on the west side of El Camino Real. The North End Project totals approximately 13 acres, and is located on the northeast corner of El Camino Real and Del Rio Road and on the west side of El Camino Real approximately 500 feet from the centerline intersection of Del Rio Road and El Camino Real.

A summary of the land uses within the Specific Plan area is presented in Table 1-1: Specific Plan Land Use Summary.

Implementation of this Specific Plan will accomplish the following objectives:

- Implements the Atascadero General Plan providing development consistent with the City's planned land uses;
- Provides development that maximizes the property's use potential in a manner consistent with the City's General Plan;
- Maximizes and broadens the City's sales tax base by providing local and regional job producing and tax-generating uses;
- Improves and maximizes economic viability of the currently vacant and underutilized project site and area through the establishment of a new commercial/jobs center;
- Creates additional employment-generating opportunities for the citizens of Atascadero and surrounding communities;
- Develops smaller, locally oriented retail and restaurant uses to complement the employment uses;
- Provides where necessary adequate infrastructure and public amenities;

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- Enhances the local economy by capturing job opportunities that are leaking to adjacent cities;
- Complements the existing retail base in the City of Atascadero located in the southern part of the City;
- Locates a commercial project at the intersection of two major streets, providing convenient employment, tourist serving, residential, and shopping opportunities for residences on the north side of Atascadero consistent with the General Plan's Urban Form Frameworks;
- Ensures the consistent and rational development of the site in accordance with established functional, environmental, and aesthetic standards.

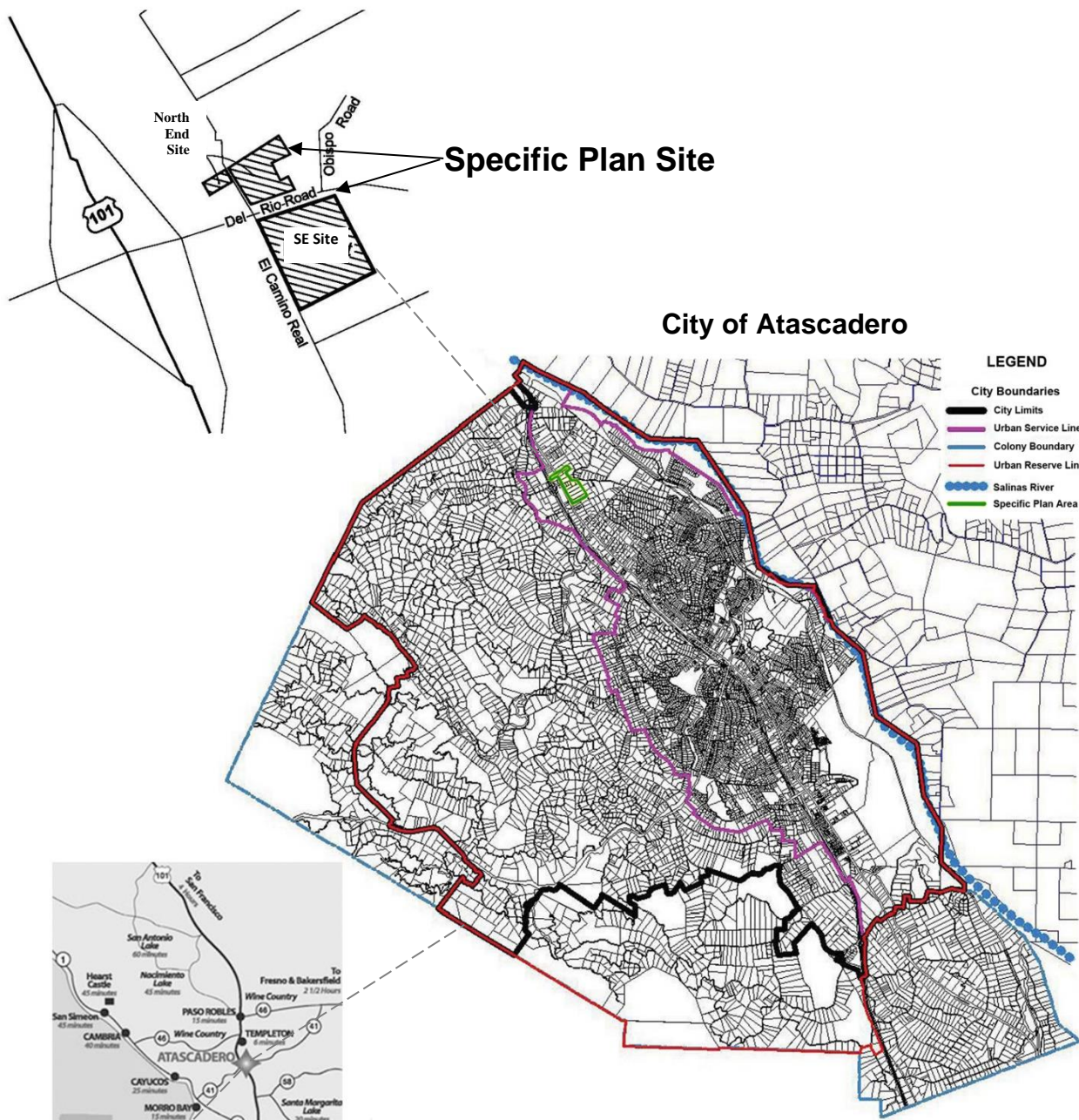
TABLE 1-1: SPECIFIC PLAN DEVELOPMENT SUMMARY

	LAND AREA	FLOOR AREA / DENSITY
SOUTH-EAST PROJECT SITE		
PARCEL	SITE AREA	BUILDING AREA
MAJOR USE PARCEL(S)	21.9	67,820 sq. ft.
COMMERCIAL OUTPARCEL	1.9 ac.	3,700 sq. ft.
DEDICATIONS	2.2 ac.	--
SUBTOTAL SOUTH-EAST PROJECT SITE	26 ac. (gross)	71,520 sq. ft.
NORTH END PROJECT		
PARCEL	SITE AREA	BUILDING AREA
COMMERCIAL PARCELS (NORTH END PROJECT SITE – EAST)	9.3 ac.	193,000* sq. ft.
HOTEL (NORTH END PROJECT SITE – WEST)	1.7 ac.	73,833* sq. ft. / 120 rooms
SINGLE FAMILY OUTPARCEL	1.7 ac.	6 d.u.
DEDICATIONS	0.3 ac.	--
SUBTOTAL NORTH END	13 ac. (gross)	266,833* sq. ft. (6 d.u.)
SPECIFIC PLAN		
TOTAL	39 ac. gross	338,353 sq. ft. (50 d.u.)

* Assumed square-footage based on trip generation. Building floor area may change provided that total trip generation for each site remains equal to or less than the total trips assumed in the 2020 traffic analysis. Should either peak hour or total daily trips exceed the assumed numbers, an additional traffic study will be required to show no increase in impact. Should impacts occur, a new environmental analysis will be required.

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City of Atascadero
County of San Luis Obispo

Vicinity Maps are not to scale.

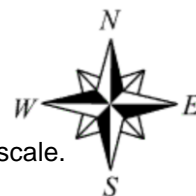


Figure 1-1: Del Rio Road Commercial Area Specific Plan Site Vicinity

OVERVIEW

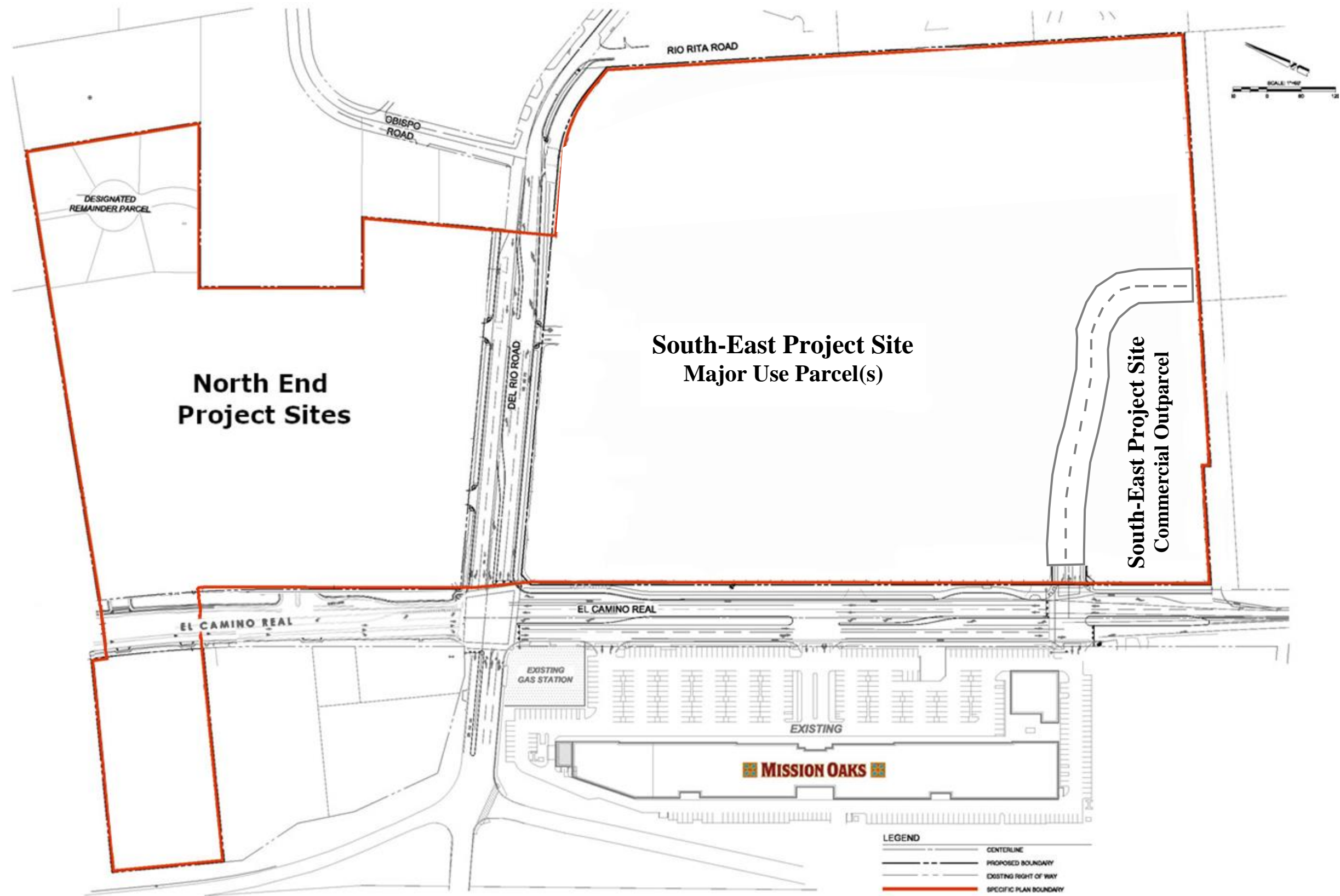


Figure 1-2: Del Rio Road Commercial Area Specific Plan Conceptual Plan

1.5 DEVELOPMENT APPROVAL COMPONENTS

The components of the development approval process for the South-East Project and North End Project sites are discussed below. The City has issued the following development approvals for the South-East Project and North End Project sites concurrently with the Specific Plan adoption:

- **General Plan Land Use Diagram Amendment.** A General Plan Land Use Diagram Amendment adopted by the City of Atascadero which changes: (1) the South-East Project's (a) High Density Residential (HDR), Medium Density Residential (MDR), and a portion of the Suburban Estates (SE) designated property to General Commercial (GC); and (b) 2.8-acre remainder of the existing residentially designated property to HDR to accommodate a Residential Multiple Family (RMF-24) use; and (2) the North End Project's (a) Single Family Residential-X (SFR-X) and Commercial Park (CPK) designated property to GC; and (b) 1.7-acre remainder of the existing residentially designated property to SFR-X in order to accommodate a Single Family use. Existing and proposed Land Use diagrams can be found in Exhibits 4 and 5.
- **Del Rio Road Commercial Area Specific Plan.** The Specific Plan, adopted by ordinance, serves as the implementation tool for the General Plan and overlay zone for the combined South-East Project and North End Project sites. The Specific Plan, together with the underlying zoning on the sites, establishes permitted uses and provides development regulations, requirements, and design guidelines for the Specific Plan area. In the event of an inconsistency between the Specific Plan and the underlying zoning regulations, the provisions of the Specific Plan shall prevail.
- **Zone Change.** A Zone Change adopted by the City of Atascadero which changes: (1) the South-East Project's (a) Residential Multiple Family-20 (RMF-20), Residential Multiple Family -10 (RMF-10), and a portion of the Residential Suburban (RS) zoned-property to the CR Zone; and (b) 2.8-acres of residentially zoned property to RMF-20 to accommodate a Multiple Family use; and (2) the North End Project's Residential Single Family (RSF-X) and Commercial Park (CPK) zoned property to the CR and RSF-X zones. Existing and proposed Zoning diagrams can be found in Exhibits 6 and 7.

After the City of Atascadero deemed complete the project applications for the development approvals, including an application for Vesting Tentative Parcel Map AT09-0073, and commenced preparation of the Specific Plan EIR, the City of Atascadero approved a General Plan update to modify the High Density Residential (HDR) land use designation from a maximum of sixteen units per acre to a minimum of twenty units per acre. The City approved a corresponding Zoning Ordinance text change and Zoning Map to change the RMF-16 Zoning District to RMF-20 (minimum 20 units per acre), and subsequently amended the name of the zone to RMF-24. A subsequent owner-initiated general plan amendment, specific plan amendment and zone change approved in 2025 resulted in the designation of the entirety of the South-East Project as Commercial Retail (CR), eliminating the Residential Multi-Family designation on the site.

- **Subdivision via Vesting Tentative Parcel Maps.** Approved Vesting Tentative Parcel Map which reconfigured the: North End Project site consisting of 7 parcels into eight commercial retail parcels and one remainder parcel for future residential development as allowed by Section 66426(c) of the Subdivision Map Act.

- **Tree Removal Permits and Protection Plans.** Approvals to remove approximately 86 native trees on the South-East Project site and approximately 46 native trees on the North End Project sites to accommodate the proposed development scheme.

Development of the South-East Project and the North End Project consistent with the development approvals described in this Section 1.5, or as amended with the 2020, 2025, or any subsequent Specific Plan Amendment and/or Master Plan of Development amendment as described further in this document, shall be processed in accordance with Section 6.7: Application Processing, of this Specific Plan. The development approvals are contained in the Master Plan of Development(s).

1.6 RELATIONSHIP TO THE GENERAL PLAN & ZONING ORDINANCE

The City of Atascadero adopted its General Plan on June 25, 2002. The Del Rio Road Commercial Area Specific Plan is consistent with and implements the goals and policies of the City of Atascadero General Plan within the Specific Plan area. Appendix B, the Project Consistency Analysis, demonstrates how the Del Rio Road Commercial Area Specific Plan is consistent with the General Plan. Accordingly, all projects that are found to be consistent with this Specific Plan are deemed consistent with the General Plan.

The Del Rio Road Commercial Area Specific Plan is generally consistent with the City of Atascadero Municipal Code, but provides additional development standards and guidelines that have been customized to achieve the specific vision for the project area. The City's zoning standards are utilized for certain aspects, such as the minimum parking spaces required, while the Specific Plan provides other standards and guidelines that are tailored to the specific development proposed for the Del Rio Road Commercial Area Specific Plan.

Projects shall be evaluated for consistency with the intent of Specific Plan policies and for conformance with development standards and design guidelines. Development regulations and requirements contained in this document shall supplement or replace those of the City of Atascadero Municipal Code as they might otherwise apply to lands within the Del Rio Road Commercial Area Specific Plan area. For projects within the Specific Plan area, policies and standards in the Del Rio Road Commercial Area Specific Plan shall take precedence over more general policies and standards applied through the rest of the City. To the extent the provisions of the Specific Plan and the Atascadero Municipal Code are in conflict, the provisions of the Specific Plan shall prevail. In situations where policies or standards relating to a particular subject have not been provided in the Specific Plan, the existing policies and standards of the Atascadero Municipal Code shall continue to apply.

1.7 CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) COMPLIANCE

The Specific Plan Environmental Impact Report ("Specific Plan EIR") for the Del Rio Road Commercial Area Specific Plan, certified by the City of Atascadero and prepared in accordance with the California Environmental Quality Act ("CEQA") and City of Atascadero requirements provides a detailed analysis of potential environmental impacts associated with the development of the Specific Plan area. The Specific Plan EIR includes recommended mitigation measures for the development projects and addresses project alternatives.

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A primary function of the Del Rio Road Commercial Area Specific Plan and corresponding Specific Plan EIR is to reduce the need for future detailed planning and environmental review. Accordingly, the potential environmental impacts associated with the development of the South-East site, and North End site have been fully analyzed at the project level in the Specific Plan EIR and subsequent addendums in accordance with CEQA, and therefore, require no further environmental review. (See *California Public Resources Code, Sections 21166, 21083.3; California Code of Regulations, Sections 15162, 15183.*) At the time a specific development project is proposed for either of the residential uses, the City shall make a determination as to whether the project would create new environmental impacts or require additional mitigation measures previously not analyzed or required in the Specific Plan EIR. If the City finds that no new environmental impacts would occur or no new mitigation measures would be required, pursuant to CEQA Guidelines Section 15162, then the City shall approve the residential development project as being within the scope of the project covered by the program level analysis in the Specific Plan EIR, and shall require no further environmental review (California Code of Regulations, Section 15168(c)(2)). If the City determines, however, that the project may result in new environmental impacts or require new mitigation measures, additional environmental review may be required.

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II SETTING & EXISTING CONDITIONS

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SETTING & EXISTING CONDITIONS

SETTING & EXISTING CONDITIONS

The setting and existing conditions presented describe the Specific Plan area prior to the issuance of the development approvals described in Section 1.5 of this Specific Plan. The setting and existing conditions include information related to the Specific Plan location, existing and surrounding land uses and zoning designations, circulation, physical conditions, and utilities. This information provides context for the development concept discussed in Chapter 3: Land Use Concept.

2.1 EXISTING LAND USE CONDITIONS

The Del Rio Road Commercial Area Specific Plan area has historically consisted of low-density, sparsely populated residential uses. The majority of the current Specific Plan area can be characterized as unimproved and vacant. Vegetation at the site generally consists of scattered oak and sycamore trees, as well as non-native ornamental trees and shrubs.

At the time the Specific Plan was drafted, the South-East Project site contained the remnants of six previously demolished, dilapidated, and abandoned wood frame homes and related out-buildings. The site also contained a single Colony home which must be demolished or relocated. The effects of the development on this Colony home are fully disclosed and analyzed as part of the Specific Plan EIR prepared pursuant to CEQA.

At the time the Specific Plan was drafted the North End Project site contained one single family residential dwelling, and three out-buildings. The site also contained a single Colony home which must be demolished or relocated. The effects of the development on this Colony home are fully disclosed and analyzed as part of the Specific Plan EIR prepared pursuant to CEQA.

2.1.1 EXISTING LAND USE & ZONING DESIGNATIONS

The General Plan Land Use designations and zoning for the parcels contained within the Specific Plan area are illustrated in Figure 2-1: Specific Plan Existing Land Use & Zoning Designations.

A. SOUTH-EAST PROJECT SITE

The South-East Project site consists of eleven parcels with split land use and zoning designations:

TABLE 2-1: SOUTH-EAST PROJECT SITE LAND USE & ZONING DESIGNATIONS

LAND USE	ZONING
General Commercial (GC)	Commercial Retail (CR)
High Density Residential (HDR)	Residential Multiple Family (RMF-20)
Medium Density Residential (MDR)	Residential Multiple Family (RMF-10)
Suburban Estates (SE)	Residential Suburban (RS)

DEL RIO ROAD
COMMERCIAL AREA
SPECIFIC PLAN

SETTING & EXISTING CONDITIONS

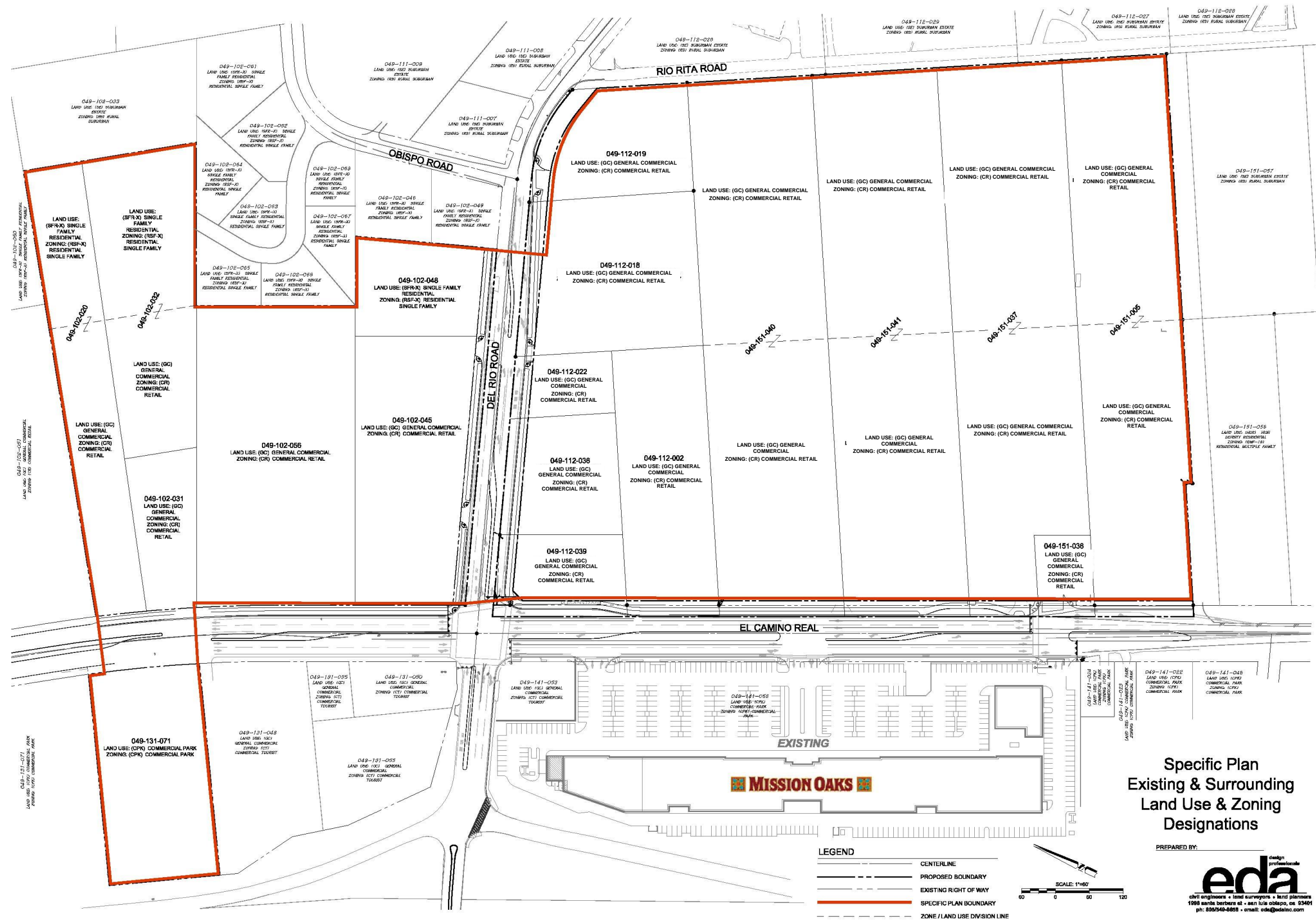


Figure 2-1: Specific Plan Existing Land Use & Zoning Designations

SETTING & EXISTING CONDITIONS

B. NORTH END PROJECT SITE

The North End Project site east of El Camino Real consists of seven parcels with split land use and zoning designations:

TABLE 2-2: NORTH END PROJECT SITE LAND USE & ZONING DESIGNATIONS

LAND USE	ZONING
General Commercial (GC)	Commercial Retail (CR)
Commercial Park (CPK)	Commercial Park (CPK)
Single Family Residential (SFR-X)	Residential Single Family (RSF-X)

The commercially designated/zoned parcels (totaling roughly 8.5 acres) are generally located on the western portions of the site, fronting El Camino Real. The North End Project Site west of El Camino Real consists of one (1) parcel that is designated/zoned Commercial Park (CPK). The residentially designated/zoned parcels are generally located on the eastern portions of the property, mainly abutting existing single-family homes along Del Rio Road, Obispo Street and Marisol Way.

2.1.2 SURROUNDING LAND USES & ZONING DESIGNATIONS

The surrounding land uses include vacant/undeveloped land, single-family residential uses, and commercial uses. The land use and zoning designations surrounding the combined projects are also illustrated in Figure 2-1 and described more particularly below.

North of the North End Project site on the east side of El Camino Real are existing single-family residential uses. North of the North End Project site on the west side of El Camino Real are Commercial Park (Self Storage) uses.

South of the South-East Project site are single-family residential uses.

East of the Specific Plan area are Rio Rita Road, Obispo Road and Mirasol Way. Existing single-family residential dwellings are present in this area.

West of the Specific Plan area, across El Camino Real, are commercial properties, including the Mission Oaks Shopping Center and a Shell gas station.

SETTING & EXISTING CONDITIONS

TABLE 2-3: SURROUNDING LAND USE & ZONING DESIGNATIONS

	LAND USE	ZONING
NORTH	General Commercial (GC)	Commercial Retail (CR)
	Single Family Residential (SFR-X)	Residential Single Family (RSF-X)
SOUTH	High Density Residential (HDR)	Residential Multiple Family (RMF-20)
	Residential Suburban (RS)	Suburban Estate (SE)
EAST	Single Family Residential (SFR-X)	Residential Single Family (RSF-X)
	Residential Suburban (SE)	Suburban Estate (SE)
WEST	General Commercial (GC)	Commercial Tourist (CT)
	Commercial Park (CPK)	Commercial Park (CPK)

2.2 EXISTING CIRCULATION

2.2.1 REGIONAL CIRCULATION

Regional access to the Del Rio Road Commercial Area Specific Plan site is provided by U.S. Highway 101 and the Del Rio Road interchange. The interchange includes a grade separated overcrossing with signal controlled on- and off-ramps for both north and south bound traffic. Highway 101 provides north/south access to the Specific Plan area from surrounding communities and area. Additionally, the Specific Plan area is within three miles from California State Highway 41. Highway 41 provides east/west access from the outlying areas of the City of Atascadero from the City of Morro Bay to the area beyond the Town of Creston.

2.2.2 LOCAL CIRCULATION

Local access to the Del Rio Road Commercial Area Specific Plan is provided by El Camino Real and Del Rio Road. El Camino Real is a major arterial street that runs parallel with U.S. Highway 101 and provides north/south access to the Specific Plan site. El Camino Real is designated to be a four lane arterial, but is improved to two lanes within the Specific Plan area. Del Rio Road is both a minor arterial and collector street within the Specific Plan area and runs east/west providing access from the west side of Highway 101 and from eastern parts of Atascadero. The intersection of El Camino Real and Del Rio Road is signalized.

The following information describes the existing local streets abutting the Specific Plan area:

A. EL CAMINO REAL:

1) The South-East Project site:

- One Northbound (“NB”) lane at the south end of the Specific Plan area, which transitions to two NB lanes and then to one NB through lane, one dedicated left turn lane onto Westbound (“WB”) Del Rio Road, and one dedicated right turn lane onto Eastbound (“EB”) Del Rio Road at the signalized Del Rio intersection. Striped bike lane and unpaved shoulder.
- Two Southbound (“SB”) lanes at the Del Rio intersection, which transition into one SB lane near the south end of the Specific Plan area. Curb, gutter and sidewalk, and bike lane.

SETTING & EXISTING CONDITIONS

- Posted speed limit of 45 mph, raised medians, lane transition striping.
- 2) The North End Project site:
- One NB lane and one SB lane across the site frontage, with striped bike lane on the east side.
 - At the Del Rio intersection, the SB roadway transitions into a through/right turn lane and a dedicated left turn lane onto EB Del Rio.
 - Posted speed limit of 45 mph, separated by a double yellow line, lane transition striping, a paved and striped shoulder, no curb, gutter, or sidewalk.
- B. DEL RIO ROAD, EAST OF EL CAMINO REAL:
- 1) One traffic lane each, EB and WB.
 - 2) Painted double yellow line through the Specific Plan area. No curb, gutter, sidewalk, or delineated bike lanes.
 - 3) Posted speed limit of 40 mph.
- C. DEL RIO ROAD, WEST OF EL CAMINO REAL:
- 1) One WB lane, one EB right turn lane, one EB through-left turn lane.
 - 2) Raised center median; curb, gutter and sidewalk on south side of road only.
 - 3) No Posted speed limit.

2.2.3 PUBLIC TRANSPORTATION

Public transportation in the Atascadero area is generally available through San Luis Obispo Regional Transit Authority (“SLORTA”), Atascadero Transit, and Dial-a-Ride/Ride-On.

The SLORTA provides fixed route service throughout San Luis Obispo County from San Miguel to Santa Maria. SLORTA’s Route 9 provides hourly, local and express service, plus limited Saturday and Sunday local service. Route 9 travels Highway 101, between San Luis Obispo, Cal Poly, Santa Margarita, Atascadero, Templeton, Paso Robles and San Miguel seven days a week with less frequency on Saturdays and Sundays. There are 19 southbound bus stops and 20 northbound stops located along El Camino Real (ECR) within the Atascadero city limits. Northbound bound stops near the project area include ECR at Del Rio (Mission Oaks Plaza), ECR at Atalaya and ECR at Santa Cruz. Southbound stops include ECR at Atalaya and ECR at Del Rio (Mission Oaks Plaza).

Atascadero Transit operates Dial A Ride, a demand response public transit system serving seniors and the general public, including disabled and mobility-impaired individuals. Atascadero Dial A Ride provides local service throughout the city limits of Atascadero and extends to the Las Tablas medical corridor in Templeton to accommodate the needs of residents. All Atascadero Transit vehicles are wheelchair accessible and have bicycle racks to accommodate two bicycles. Dial A Ride serves as a connector for residents in need of transportation to reach the RTA fixed route bus stops on El Camino Real which provide accessible transportation throughout San Luis Obispo and Northern Santa Barbara counties.

Demand response door-to door transit service is available through Atascadero Transit. Additionally, Dial-a-Ride/Ride-On is available for those that are unable to independently use fixed route transit because of physical or mental disability.

SETTING & EXISTING CONDITIONS

EXISTING PHYSICAL CONDITIONS

TOPOGRAPHY

The Del Rio Road Commercial Area Specific Plan site is characterized by low rolling hills and flats on and immediately surrounding the site. The North End Project site is generally flat with slopes of less than 5%. The South-East Project site has moderate slopes ranging from 5% to 12%. Elevations range from approximately 970 feet above mean sea level at the southeast corner to about 860 feet at the northwest corner, with the terrain slightly sloping in a northwesterly direction. No USGS identified blue line water ways are located within or adjacent to the project boundaries.

SOIL

The USDA soil survey indicates the dominant soils present in the site vicinity are the Arnold loamy sand, 9 to 30 % slopes and Oceano loamy sand, 2 to 9 % slopes. The Arnold soils are found on hills and formed in weathered sandstone. The Oceano soils are found on dunes and formed in sandy eolian deposits.

HYDROLOGY & DRAINAGE

The Specific Plan area rolls toward the north and west at slopes ranging from five to ten percent. The soils are mostly clayey sand with soft rock located two to four feet below the surface. The ground cover condition is fair.

Hydrology & Drainage of the South-East Project site

The site can be divided into three watersheds that all drain to either El Camino Real or to Del Rio Road. The runoff from one small watershed flows east, bounded by Del Rio Road and Rio Rita Road. The runoff from the other small watershed flows south along El Camino Real. The majority of the runoff, which is generated by the large watershed, flows to a storm drain located at the intersection of El Camino Real and Del Rio Road. From there the runoff flows into Caltrans drainage structures under Highway 101 and eventually into Graves Creek, a blue line creek and direct tributary to the Salinas River.

Hydrology & Drainage of the North End Project site

The east portion of the existing site's predominate surface flow is to the northwest corner of the site to an existing double 4-foot wide box culvert that crosses El Camino Real and discharges onto the western portion of the site. An existing drainage ditch cuts through the southeast corner of the western portion of the site and then proceeds offsite in a southwesterly direction to a culvert that crosses U.S. Highway 101. Predominate surface flow on the western portion of the site is in a southern direction towards that drainage ditch.

BIOLOGICAL RESOURCES

The Del Rio Road Commercial Area Specific Plan site contains two habitat types: non-native annual grassland and ornamental-developed land. Approximately 166 native trees are present within the Specific Plan area, including Coast Live Oaks, Valley Oaks, Black Walnuts, and California Sycamores. These trees are subject to the City of Atascadero's Native Tree Ordinance. In addition, the site has the potential to support special-status plant and wildlife species. However, no special status plant species were observed within the project site during floristic surveys, and none are expected to be impacted by the proposed project. Further, no special-status wildlife species or sign of such species were observed within the Specific Plan area during reconnaissance surveys.

SETTING & EXISTING CONDITIONS

EXISTING UTILITIES

A general description of the existing utilities for the South-East Project and North End Project sites is provided below. The proposed distribution, location, extent and intensity of major components of public transportation, sewage, water, drainage solid waste disposal, energy and other essential facilities proposed to be located within the Specific Plan area are described in Sections 3.3 through 3.6 of the Specific Plan.

WATER

The Atascadero Mutual Water Company provides potable water service to the Specific Plan area. Water is provided by existing underground water mains in El Camino Real and Del Rio Road.

SANITARY SEWER

The Specific Plan area, like the rest of Atascadero, is provided sanitary sewer service by the City of Atascadero. Existing underground sewer mains in El Camino Real or Del Rio Road will convey project effluent to the City's existing treatment plant located on Gabarda Road.

ELECTRICITY

The Specific Plan area is served with electricity service provided by Pacific Gas and Electric Company via existing transmission and distribution lines.

GAS

The Specific Plan area is served with gas service provided by the Gas Company via existing underground pipelines.

COMMUNICATIONS

The Specific Plan area is provided landline telephone services by AT&T and cable television services by Charter Cable, both via existing facilities.

SOLID WASTE DISPOSAL

The Specific Plan area is provided solid waste service by Atascadero Waste Alternatives, Inc. Solid waste is disposed of at the Chicago Grade Landfill.

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LAND USE PLAN

The Specific Plan serves as the overlay zoning for the Del Rio Road Commercial Area Specific Plan area. The Land Use Plan provides the overall framework for development within the Specific Plan. Figure 3-1: Del Rio Road Commercial Area Specific Plan Conceptual Land Use Plan shows the location and arrangement of the land use designations. A general description of the uses proposed within the Specific Plan is provided below.

3.1 LAND USE DESIGNATIONS

Land uses within the Del Rio Road Commercial Area Specific Plan are summarized below and include General Commercial , and Single-Family Residential as shown in Figure 3-1: Del Rio Road Commercial Area Specific Plan Land Use Plan.

3.1.1 GENERAL COMMERCIAL (GC)

The General Commercial (GC) land use category provides Commercial Retail (CR) development opportunities for a wide range of commercial and business uses to accommodate retail, employment, and service needs of the City and surrounding areas. Approximately 32 acres of General Commercial uses have been included in the Specific Plan. These uses are generally located along Del Rio Road and El Camino Real. Foreseeable commercial uses within the commercial area will primarily consist of office, retail, and service oriented uses including, but not limited to, general merchandise stores, wholesaling and distribution, low-intensity manufacturing, restaurants, lodging and business support uses.

3.1.2 SINGLE FAMILY RESIDENTIAL (SFR-X)

The Single Family Residential (SFR-X) land use category provides for Residential Single Family (RSF-X) development within the City's urban services line with a maximum base density of 2 units per acre. However, the Single Family Outparcel also falls within the existing Planned Development Overlay 17, which permits density greater than the limits specified in the RSF-X zone. Specifically, Planned Development Overlay 17 allows residential uses in the RSF-X zone up to a maximum of 4 units per acre. Approximately 1.7 acres of single-family residential uses have been included in the Specific Plan area. Accordingly, a maximum of up to 6 dwelling units would be permitted in this area. This use is located on the northeastern portion of the property, mainly abutting existing single-family homes and taking access from Marisol Way.

3.2 LAND USE POLICIES

The Del Rio Road Commercial Area Specific Plan sites are intended to function as two commercial centers providing community oriented uses with a focus on employment, service, retail, office, and tourist serving opportunities. The combined projects consist of commercial and residential uses on approximately 39 acres of land. The Specific Plan area contains thirteen lots, with the majority of the area intended for the development of the commercial uses and their respective parking, as described in Table 3-1: Specific Plan Land Use Summary. The Specific Plan land uses will be developed substantially consistent with Table 3-1 and Figure 3-1. However, developers shall have no obligation to develop the project or develop the full floor area/density presented in Table 3-1. It is also important to note that assumed floor area estimates were used to determine traffic impacts from the project. Floor area may be increased if it can be shown that the total number of trips (total daily and peak hour) do not exceed the thresholds established in the most recent comprehensive traffic analysis.

TABLE 3-1: SPECIFIC PLAN LAND USE SUMMARY

	LAND AREA	FLOOR AREA / DENSITY
SOUTH-EAST PROJECT SITE		
PARCEL	SITE AREA	BUILDING AREA
MAJOR USE PARCEL(S)	21.9	67,820 sq. ft.
COMMERCIAL OUTPARCEL	1.9 ac.	3,700 sq. ft.
DEDICATIONS	2.2 ac.	--
SUBTOTAL SOUTH-EAST PROJECT SITE	26 ac. (gross)	71,520 sq. ft.
NORTH END PROJECT SITE		
PARCEL	SITE AREA	BUILDING AREA
COMMERCIAL PARCELS (NORTH END PROJECT SITE – EAST)	9.3 ac.	193,000* sq. ft.
HOTEL (NORTH END PROJECT SITE – WEST)	1.7 ac.	73,833* sq. ft. / 120 rooms
SINGLE FAMILY OUTPARCEL	1.7 ac.	6 d.u.
DEDICATIONS	0.3 ac.	--
SUBTOTAL NORTH END PROJECT SITE	13 ac. (gross)	266,833* sq. ft. (6 d.u.)
SPECIFIC PLAN		
TOTAL	39 ac. (gross)	338,353 sq. ft. (50 d.u.)

* Assumed square-footage based on trip generation. Building floor area may change provided that total trip generation for each site remains equal to or less than the total trips assumed in the 2020 traffic analysis. Should either peak hour or total daily trips exceed the assumed numbers, an additional traffic study will be required to show no increase in impact. Should impacts occur, a new environmental analysis will be required.

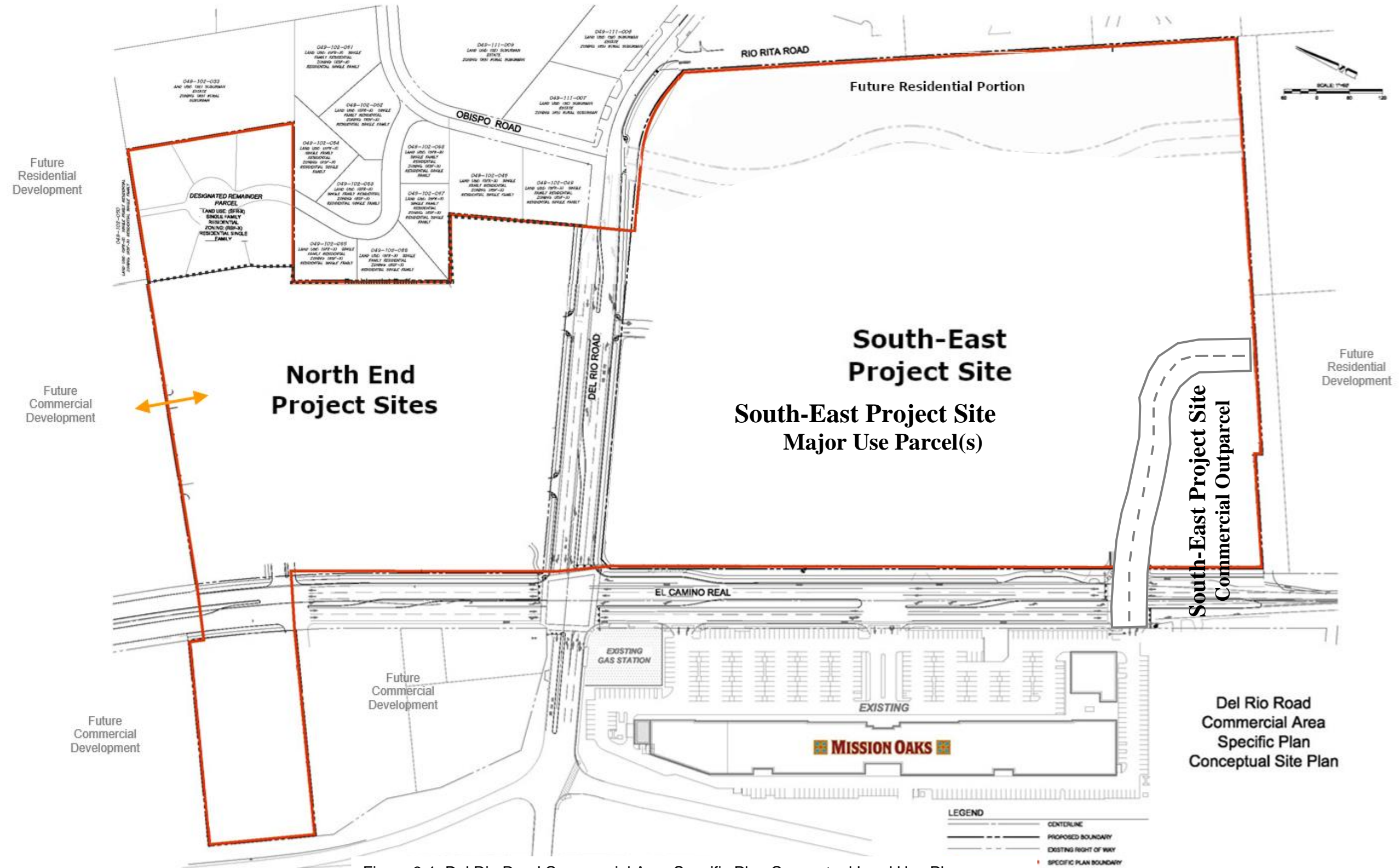


Figure 3-1: Del Rio Road Commercial Area Specific Plan Conceptual Land Use Plan

3.2.1 SOUTH-EAST PROJECT SITE LAND USE POLICIES

The South-East Project site consists of eleven (11) parcels with a land use designation of General Commercial and Commercial Retail Zoning.

The following South-East Project site land use policies shall apply within the Del Rio Road Commercial Area Specific Plan area:

- 1) The South-East Project site could accommodate a wide variety of retail, office, light industrial, tourist serving, entertainment, or other uses as allowed by the General Plan.
- 2) Uses shall be consistent with the underlying CR zoning district and as modified in Section 4.1.1 of this Specific Plan.
- 3) Assumed floor area based on trip generation. Square-footages may change provided that total trip generation for each site remains equal to or less than the total trips assumed in the 2020 traffic analysis. Should either peak hour or total daily trips exceed the assumed numbers, an additional traffic study will be required to show no increase in impact. Should impacts occur, a new environmental analysis will be required.

3.2.2 NORTH END PROJECT SITE LAND USE POLICIES

The North End Project site consists of eight parcels and one designated remainder parcel divided into the following land use and zoning designations:

LAND USE	ZONING
General Commercial (GC)	Commercial Retail (CR)
Single Family Residential (SFR-X)	Residential Single Family (RSF-X)

The following North End Project land use policies shall apply within the Del Rio Road Commercial Area Specific Plan area:

- 1) Non-residential uses will be developed consistent with the underlying CR zoning district and as modified in Section 4.1.1 of this Specific Plan.
- 2) Assumed floor area based on trip generation. Square-footages may change provided that total trip generation for each site remains equal to or less than the total trips assumed in the 2020 traffic analysis. Should either peak hour or total daily trips exceed the assumed numbers, an additional traffic study will be required to show no increase in impact. Should impacts occur, a new environmental analysis will be required.
- 3) The North End Project site designated approximately 1.7 acres of land as single family residential. This area will be designated as a Planned Development Overlay 17 as part of the Specific Plan which allows residential uses in the RSF-X zone up to a maximum of 4 units per gross acre.

3.3 CIRCULATION POLICIES

The transportation and circulation system for the Del Rio Road Commercial Area Specific Plan is designed to utilize the existing roadway system with the addition of one local street (proposed public road) and commercial drives as needed to serve individual development areas. The system also includes policies to require paths for non-vehicular circulation to connect various subareas to each other and to the City of Atascadero in general. The proposed circulation network and policies are designed to efficiently move vehicular traffic through and around the Specific Plan area and to allow pedestrians a safe path from public and private areas to and from the entrances. The circulation plan promotes transit use, bicycling and walking as convenient modes of

transportation for commuting and shopping. The circulation plan enhances connectivity with adjacent areas, where feasible to reduce traffic impacts on major streets.

3.3.1 VEHICLE & TRUCK ACCESS POLICIES

Vehicular access to the Specific Plan area is provided by Del Rio Road, El Camino Real, and the proposed public road. Conceptual vehicular access points to the site are shown in Figure 3-2: Del Rio Road Commercial Area Specific Plan Conceptual Circulation Plan. Restrictions on turning movements are assumed based on preliminary traffic analysis and assumed driveway locations and may be modified with subsequent traffic analyses to the satisfaction of the City Engineer.

Primary access to the South-East Project site is envisioned by one entry on Del Rio Road and one signalized entry on El Camino Real that will serve as a public road with offer of dedication and will be designed to serve future development to the south. A secondary access driveway is envisioned on Del Rio Road that is aligned with Obispo Road.

Primary access to the North End Project site is envisioned to be off of El Camino Real with secondary access off of Del Rio Rd.

Driveway restrictions will be analyzed with all Master Plans of Development and Construction submittals to ensure safe turning movements and driveway placement in relation to traffic improvements and adjacent commercial developments.

Except as otherwise modified by mitigation measures required in the Specific Plan EIR and/or project conditions of approval, the following vehicle and truck access policies shall apply within the Del Rio Road Commercial Area Specific Plan area:

- 1) Street improvements on Del Rio Road and El Camino Real as generally described below, and as included as mitigation measures in the certified Specific Plan Final Environmental Impact Report, will be constructed and financed by developments within the Specific Plan boundary, facilitating access to the subject sites, and acting to maintain efficient and safe vehicular travel along adjacent roadways.
- 2) El Camino Real and Del Rio Road will be improved in accordance with the adopted plan improvements or to the satisfaction of the City Engineer. The Master Plan of Development for each project site will include conditions of approval that implement the timing and details of all traffic improvements.
- 3) In addition to required frontage improvements, Del Rio Road shall be widened to accommodate a right turn lane onto US101 northbound. Signal modifications and timing shall be completed in to ensure safe and efficient traffic flow. Developments shall pay their fair share towards these improvements based on traffic impacts.
- 4) The existing traffic signal at El Camino Real and Del Rio Road will be modified to accommodate the proposed roadway improvements.
- 5) Del Rio Road, east of Obispo Road, will be improved to provide one-half (20') of a standard Collector Road section on the project side of the centerline. This widened section will transition to match the existing pavement width east of the Rio Rita Road. The intersection at Rio Rita Road will be reconstructed to conform to the increased width of Del Rio Road. Rio Rita Road will be improved to provide a smooth transition to Del Rio Road and maintain continuity of drainage.

- 6) A public road will be constructed on the South-East Project site which will intersect El Camino Real opposite the southerly entrance to the Mission Oaks Center. This intersection will be signalized, and the road will be designed to accommodate project and projected future traffic and a 60-foot wide right-of-way easement will be dedicated to the City. The road will be designed to connect to the properties to the south of the project site. This road will be dedicated to the City of Atascadero and accepted for maintenance purposes.
- 7) Driveway access points will be designed to align with existing and proposed driveways across the major streets as well as existing or planned public roads, to the greatest extent possible. Restrictions on turning movements may be amended by conditions of approval for individual Master Plans of Development for each project site. Access may be restricted beyond what is stated in the Specific Plan should the City Engineer deem it necessary for vehicular, pedestrian, or bike safety, or should it be deemed necessary for the function of street intersections, the 101 interchange, or on-site circulation flow.

To the extent the Vehicle & Truck Access Policies are inconsistent with the mitigation measures required in the Specific Plan EIR and/or conditions of approval required by the City, the mitigation measures and/or conditions of approval shall apply. The proposed physical configurations of the right-of-ways will allow for safe and efficient travel to and from the site.

3.3.2 NON-VEHICULAR & PUBLIC TRANSPORTATION ACCESS POLICIES

The Specific Plan encourages non-motorized travel by creating travel routes that ensure destinations may be reached conveniently by public transportation, bicycling or walking. Individual project sites should be designed to allow pedestrians a safe path from public and private areas to and from the commercial retail and restaurant entrances.

The Specific Plan incorporates the following non-vehicular improvements and/or features, thereby facilitating access to the South-East Project and North End Project sites and acting to maintain efficient and safe vehicular travel along adjacent roadways:

The following non-vehicular and public transportation policies shall apply within the Del Rio Road Commercial Area Specific Plan area:

- 1) A turn out shall be provided on El Camino Real in front of the South-East Project site in order to accommodate a bus stop in accordance with City Engineering Standards.
- 2) Project site frontages shall be designed with pedestrian access and ADA accessible pathways via public sidewalks on Del Rio Road, El Camino Real and the new public road. Private walkways and delineated paths to each building within the Specific Plan area are encouraged.
- 3) Project sites shall include ADA accessible elements in compliance with accessibility requirements.
- 4) Public transportation is permitted throughout the Specific Plan area.
- 5) Secure bicycle parking shall be provided near building entrances.
- 6) Bicycle travel accommodations shall be provided in each direction along the South-East Project and North End Project frontage on El Camino Real and Del Rio Road.

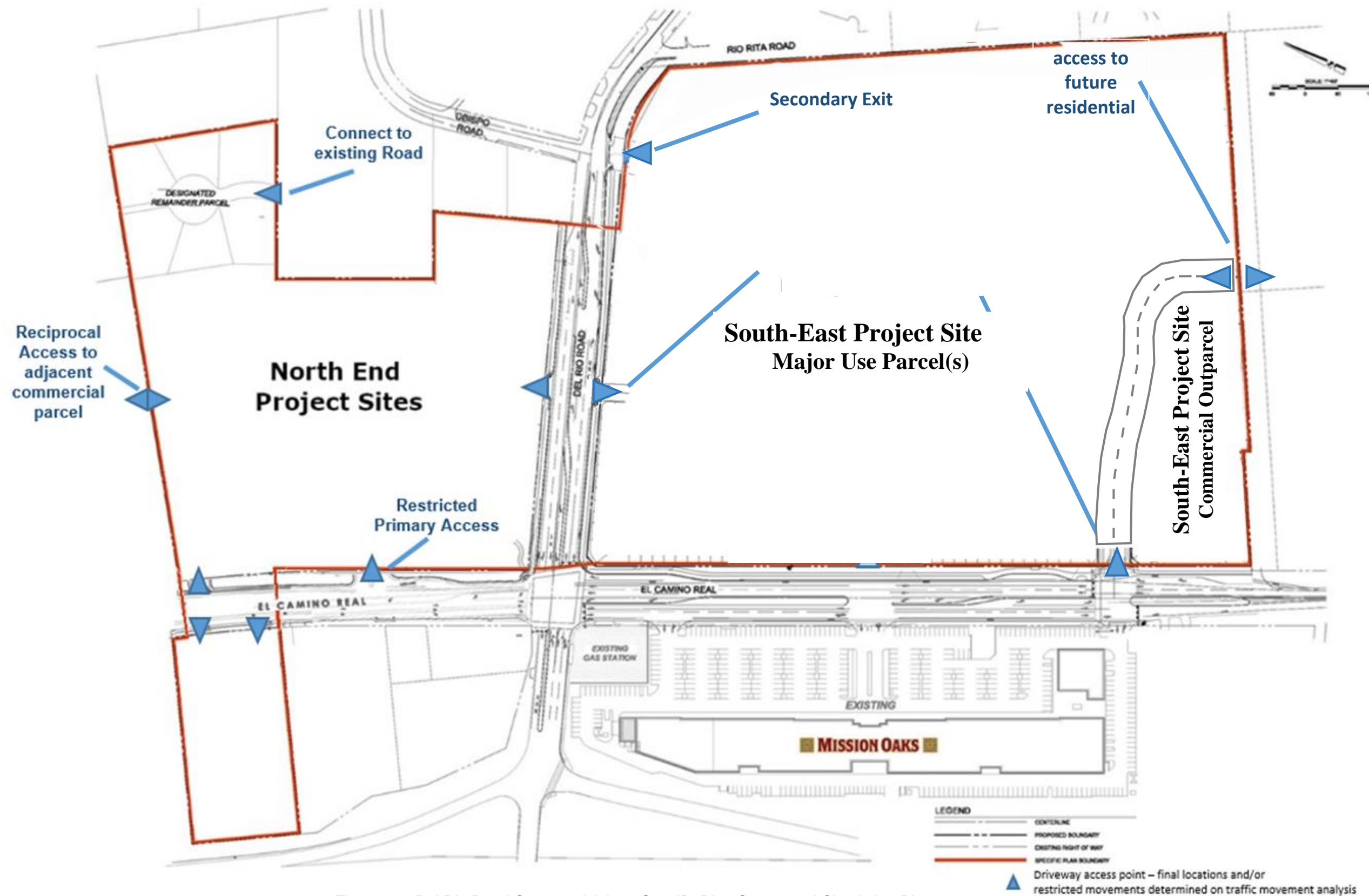


Figure 3-2: Del Rio Road Commercial Area Specific Plan Conceptual Circulation Plan

3.4 PUBLIC FACILITIES POLICIES

The following section describes the backbone infrastructure systems that will be installed and financed by development within the Specific Plan area that is required to serve the development of the Del Rio Road Commercial Area Specific Plan.

The following public facilities policies shall apply within the Del Rio Road Commercial Area Specific Plan area:

- 1) Water, wastewater, and drainage improvements will be designed to provide adequate levels of service for the maximum level of the planned development.
- 2) All plans and improvements will be consistent with the City of Atascadero's General Plan and City infrastructure requirements.
- 3) The proposed electric, natural gas, and communication utilities shall be connected to utility provider facilities in accordance with applicable standards.
- 4) All wires, conductors, cables, raceways, and conduits for electrical, telecommunications, cable, and similar services that provide direct service to any property shall, within the boundary lines of such property, be installed underground. Associated equipment and appurtenances such as surface mounted transformers, pedestal mounted terminal boxes, meters, and service cabinets may be placed aboveground and shall be screened and located behind the front setback line of said property.

3.4.1 WATER POLICIES

The Del Rio Road Commercial Area Specific Plan is served with potable water by the Atascadero Mutual Water Company.

The following water policies shall apply within the Del Rio Road Commercial Area Specific Plan area:

- 1) The South-East Project site will be served by a new water main in the proposed public road which connects to the existing water main in El Camino Real, subject to the approval of the City Engineer.
- 2) The North End Project will be served by connections to the existing water main in El Camino Real and/or the existing water main in Del Rio Road.
- 3) A new water main shall be constructed in the new public street.
- 4) All water infrastructure design plans and construction will be approved the Atascadero Mutual Water Company prior to development.
- 5) All backflow preventers will be located in landscaped areas outside the public way.

3.4.2 WASTEWATER & SEWER POLICIES

The project wastewater will be conveyed by existing sanitary sewer main lines to the existing City of Atascadero wastewater treatment plant. The existing sewer main lines convey effluent to the City's existing treatment plant located on Gabarda Road.

The following wastewater and sewer policies shall apply within the Del Rio Road Commercial Area Specific Plan area:

- 1) The South-East Project will connect to the existing sewer main in El Camino Real and/or a new sewer main in the proposed public road.
- 2) The North End Project will connect to the existing sewer main in El Camino Real and/or the existing sewer main in Del Rio Road.
- 3) A new sewer main shall be constructed in the new public street.

3.4.3 STORM DRAINAGE POLICIES

The Specific Plan area will discharge its stormwater run-off in accordance with the City's Storm Water Management Plan. Stormwater will flow into the City's storm drain collection system and ultimately be discharged into Grave's Creek. The existing drainage within the Specific Plan area is discussed in Section 2.3: Existing Physical Conditions.

The following storm drain policies shall apply within the Del Rio Road Commercial Area Specific Plan area:

- 1) During construction, all work shall meet the National Pollution Discharge Elimination System (NPDES) requirements for storm water quality.
- 2) During construction, Best Management Practices (BMPs) will be implemented for erosion control in accordance with an approved erosion control plan and a Storm Water Pollution Prevention Plan (SWPPP).
- 3) During operations, all activities shall comply with the City of Atascadero's Storm Water Mitigation Plan (SWMP). This includes operational BMPs identified in the SWMP, including waste management and materials control, source control and treatment controls, to limit the conveyance of pollutants offsite.
- 4) The South-East Project and North End Project sites will safely convey storm runoff to public facilities. Historical drainage patterns and flows will be maintained to the extent feasible.

3.4.4 ELECTRICITY POLICIES

Del Rio Road Commercial Area Specific Plan area is served with electricity by Pacific Gas and Electric Company. No new energy producing facilities are necessary to serve the Specific Plan area, nor will the projects within the Specific Plan area require the construction or extension of new transmission lines.

The following electricity policies shall apply within the Del Rio Road Commercial Area Specific Plan area:

- 1) Both the South-East Project and North End Project developments shall include the construction of on-site utility lines and provide easements to meet PG&E requirements.
- 2) All wires, conductors, cables, raceways, and conduits for electrical and similar services that provide direct service to any property shall be installed underground within the boundary lines of such property.
- 3) All utility lines along the project frontages shall be undergrounded consistent with City code requirements.

3.4.5 NATURAL GAS POLICIES

Del Rio Road Commercial Area Specific Plan area is served with gas by The Gas Company. No new facilities are necessary to serve the Specific Plan area, nor will the projects within the Specific Plan area require the construction or extension of new transmission lines.

The following natural gas policies shall apply within the Del Rio Road Commercial Area Specific Plan area:

- 1) Service of gas to the Specific Plan area will be in accordance with The Gas Company policies and PUC regulations.

3.4.6 COMMUNICATIONS POLICIES

Del Rio Road Commercial Area Specific Plan area is provided landline telephone and communication services by AT&T and Spectrum, and cable television by Spectrum, satellite, and other local providers. No new facilities are necessary to serve the Specific Plan area, nor will the projects within the Specific Plan area require the construction or extension of new transmission lines.

The following communication policies shall apply within the Del Rio Road Commercial Area Specific Plan area:

- 1) Both the South-East Project and North End Project sites will construct on-site utility lines to meet utility company requirements and PUC regulations.
- 2) All wires, conductors, cables, raceways, and conduits that provide direct service to any property shall be installed underground within the boundary lines of such property.
- 3) All utility lines along the project frontages shall be undergrounded consistent with City code requirements.

3.5 GRADING PLAN POLICIES

The Major Tenant parcel, two Commercial Outparcels, and the North End Project parcels will be cleared, graded, and otherwise prepared for construction. It is anticipated that the South-East project site will require a significant amount of grading to accommodate a level pad. It is anticipated that the North end site will require some imported material to accommodate commercial development. The concept grading plans indicate approximately 50,000 cubic yards of import from the South-East Project Site to the North End Project Site and approximately 205,000 CY of dirt is expected to be exported from the South-East Project site to a suitable receiver site.

The following grading policies shall apply within the Del Rio Road Commercial Area Specific Plan area:

- 1) All grading shall comply with the current edition of the International Building Code, and the City of Atascadero Community Development and Public Works Departments standards.
- 2) Development within the Specific Plan area will cooperate to the greatest extent feasible to utilize excess material on each individual development site prior to exporting outside the Del Rio Specific Plan area.
- 3) Any residual debris resulting from site clearing and preparation will be disposed of/recycled in accordance with City requirements.
- 4) The South-East Project and the North End Project do not propose to grade their respective residential outparcels at this time. Future grading for the residential parcels will comply with City requirements, as determined at the time an application for a specific project is submitted to the City.

3.6 COMMUNITY FACILITIES POLICIES

Community services and facilities including fire protection, police protection, U.S. mail, and solid waste disposal are summarized below. A more detailed discussion of facilities and services is presented in the Specific Plan EIR certified for the project.

FIRE PROTECTION

The City of Atascadero Fire Department provides fire prevention and suppression, hazardous materials mitigation, and disaster planning services. This department serves the Del Rio Road Commercial Area Specific Plan area. The closest fire station to the site is Station #1 located at 6005 Lewis Avenue. Fire protection needs are analyzed in the Specific Plan EIR.

The following fire protection policies shall apply within the Del Rio Road Commercial Area Specific Plan area:

- 1) All fire hydrants shall be approved by the Fire Department.
- 2) The City of Atascadero Fire Department shall review and approve all water improvement plans and Fire Department Connections (FDC's) prior to installation.
- 3) All structures shall include automatic sprinkler systems and alarm systems as required by the latest applicable codes
- 4) All driveways and private roads not designed to accommodate on-street parking will be have signage that states "Fire Lanes – No Parking".

POLICE PROTECTION

The Del Rio Road Commercial Area Specific Plan is served by the City of Atascadero Police Department ("APD"). APD operates in cooperation with the surrounding law enforcement agencies under the "State Mutual Aid Pact". The department's headquarters is located at 5505 El Camino Real approximately two miles from the site. Police protection needs are analyzed in the Specific Plan EIR.

U.S. MAIL

Mail service is provided by the United States Postal Service (USPS). The USPS will be consulted regarding the location of the mail depositories which shall be installed per USPS recommendations.

SOLID WASTE & RECYCLING STORAGE

Solid waste is collected by the Atascadero Waste Alternatives, Inc., a private company under contract with the City of Atascadero. Solid Waste Service is provided to the Del Rio Road Commercial Area Specific Plan area by Atascadero Waste Alternatives, Inc. Solid waste will be disposed of at the Chicago Grade Landfill located at 2290 Homestead Road, Templeton, CA 93465.

DEVELOPMENT STANDARDS

IV DEVELOPMENT STANDARDS

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4.1.1	Permitted Uses	IV-1
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4.3.2	Property Development Standards	IV-4

DEVELOPMENT STANDARDS

DEVELOPMENT STANDARDS

This chapter establishes policies and standards for development of the land uses and buildings within the Del Rio Road Commercial Area Specific Plan area. The Specific Plan creates a specific identity within the plan area through application of the Atascadero Municipal Code and unique development standards. The purpose of these standards is to support, through careful site evaluation and design, the establishment of land uses in a manner that protects the public health, safety, and welfare. To the extent the development standards of the Specific Plan and the Atascadero Municipal Code are in conflict, the development standards of the Specific Plan shall prevail.

4.1 COMMERCIAL RETAIL (CR) DEVELOPMENT STANDARDS

These development standards implement the Commercial Retail (CR) zoning designation. The planning areas zoned CR allow the development of commercial uses, which provide residents and visitors with a variety of retail, office, lodging, restaurant, and personal and tourist serving uses. It is the intent of these regulations to establish a comprehensive set of standards and respond to community needs for general commercial uses.

4.1.1 PERMITTED USES

All uses shall be consistent with the underlying CR (Commercial Retail) zoning district for allowed and conditionally allowed uses, with the following modifications:

- 1) The following uses shall be allowed or allowed as modified:
 - a) Brewery – Production
 - b) Building Materials and Hardware w/ outdoor sales less than 20,000 sf
 - c) Data and Computer Services Center
 - d) Farm Equipment and Supplies with outdoor sales area up to 20,000 square-feet.
 - e) Horticultural Specialties w/ outdoor sales area less than 20,000 sf
 - f) Manufacturing – Low Intensity
 - g) Medical Research
 - h) Research and Development
 - i) Warehousing – (must have an active office and employee component that is at least 25% of floor area)

- 2) The following uses shall be conditionally allowed with the following additional finding: The use must make a strategic contribution to and synergy with a viable commercial center; including consideration of revenue generation, compatibility, and phasing:
 - a) Auto Repair Services (indoor only, no outdoor storage of inoperative vehicles)
 - b) Manufacturing and Processing – High Intensity (indoor only)
 - c) Winery – production
 - d) Health Care Services, with the following findings:
 - i) The overall use area within the Specific Plan does not exceed 20%
 - ii) Adequate parking remains for future build-out and development of the Specific Plan area with a variety of uses
 - e) RCFE – Independent Living / Senior Apartments (on the second floor or above only)
 - f) Recreational Vehicle (RV) Parks with the following findings:
 - i) The use may only be allowed on the South-East project site

DEVELOPMENT STANDARDS

- ii) The use must be limited to stays of less than 30-days and be a transient lodging use subject to TOT.
 - iii) The use must be visually screened from El Camino Real and the adjacent residential uses
 - iv) Recreational Vehicle parking areas must be an integral part of the Master Plan of Development of the site that includes other visitor serving elements.
 - v) All stalls designed for transient recreational vehicles shall include water, gas, and electricity connections.
- g) Warehousing – (where the active office and employee component is less than 25% of the floor area) - providing a finding of community benefit can be made
- h) Temporary revenue generating land uses during site development with conditional use permit which will be subject to findings and conditions that include, but are not limited to, the following:
- i) City Council review and approval of the conditional use permit
 - ii) A development agreement, or similar mechanism for enforcement, shall be required
 - iii) Temporary uses shall be of limited duration, not to exceed 18 months, unless an extension is granted by City Council
 - iv) Adequate emergency access shall be provided for all temporary uses
 - v) Utilities shall be installed as needed to accommodate temporary uses
 - vi) Appropriate mitigation to address dust and dirt track out onto public right of way shall be incorporated in the approved plans for temporary uses.
 - vii) Temporary use areas shall be reviewed for aesthetics, neighborhood compatibility and site impacts through the Conditional Use Permit process.
 - viii) Any other conditions necessary based on proposed land use and temporary development plans
- 1) The following uses shall be prohibited:
- a) Adult Day Care Facility
 - b) Adult Oriented Business
 - c) Building Materials and Hardware w/ outdoor sales or storage area 20,000 sf or greater
 - d) Drive-through Sales or Services
 - e) Horticultural Specialties with outdoor storage or sales area of 20,000 sf or greater
 - f) Kennels
 - g) Medical Extended Care Services: 6 residents or less
 - h) Medical Extended Care Services: 7 residents or more
 - i) Parking lots
 - j) RCFE – Assisted Living
 - k) RCFE – Retirement Hotel
 - l) Service Stations
 - m) Small Family Day Care (unless within a permitted residential unit by State Law)
 - n) Sports Assembly

DEVELOPMENT STANDARDS

4.1.2 PROPERTY DEVELOPMENT STANDARDS

The site development standards for Commercial Retail (CR) zoned parcels within the Del Rio Road Commercial Area Specific Plan are as presented in Table 4-1: Commercial Retail (CR) Development Standards.

TABLE 4-1: COMMERCIAL RETAIL (CR) DEVELOPMENT STANDARDS

BUILDING SITE		Parcel Size:	No minimum parcel size with shared parking and access easements recorded
		Lot Width:	No minimum lot width
		Lot Depth:	No minimum lot depth
		Lot Coverage:	No maximum; subject to required building setbacks, parking, and landscape requirements.
MAXIMUM BUILDING HEIGHT		Occupied Building Height:	35 feet
		Non-Occupied Building Height: (Architectural Features)	45 feet
MINIMUM BUILDING SETBACKS		Front Yard:	10 feet for street trees. Encroachments permitted with MPD approval
		Side Yard:	10 feet for street trees. Encroachments permitted with MPD approval
		Rear Yard:	None
		Adjacent to Residential zoned Property:	20 Feet
		Setback from Right-of-way to parking:	10 Feet
Notes:	<ul style="list-style-type: none"> ▪ Building height shall be measured from the finished pad elevation to top of roof, excluding architectural features. ▪ Occupied Building means the region normally occupied by people generally consisting of the space between the finished pad and 6 feet above the floor or roof, excluding architectural features. ▪ Non-Occupied Building (Architectural Features) means a building feature or space where the floor to ceiling height is 10 feet or less outside the occupied building area that adds to the visual interest of a structure. Non-Occupied Building area may contain ventilation or air conditioning equipment. ▪ Setbacks shall be measured from the edge of rights-of-way or property line as applicable. ▪ Depressed ramps and stairways may project into required setbacks, yards or spaces between buildings more than 4 feet as approved by the Community Development Director, but may not be located within the Right-of-Way unless approved by the City Engineer. 		

4.2 RESIDENTIAL SINGLE FAMILY (RSF-X) DEVELOPMENT STANDARDS:

DEVELOPMENT STANDARDS

These development standards implement the Residential Single Family (RSF-X) zone and Planned Development Overlay Zone No. 17 designations. The RSF-X zoning designation typically allows for the development of single-family residential uses not to exceed 2 units per acre. However, the Single Family Outparcel also falls within the Planned Development Overlay 17, which permits density greater than the limits specified in the RSF-X zone. Specifically, Planned Development Overlay 17 allows residential uses in the RSF-X zone up to a maximum of 4 units per acre. Approximately 1.7 acres of single-family residential uses have been included in the Specific Plan area. Accordingly, a maximum of up to 6 primary dwelling units would be permitted in this area.

The Single Family Outparcel within the Specific Plan shall be consistent with the City of Atascadero's Municipal Code and Standards, and the development standards of Planned Development Overlay No. 17. The Single Family Outparcel will apply for subdivision mapping and permits as a subsequent project pursuant to section 6.7 of the Specific Plan, and will be subject to review by the City at that time. Refer to the City of Atascadero Municipal Code for further development standards and design guidelines.

4.2.1 PERMITTED USES

Permitted Uses shall comply with Title 9, Chapter 3, Article 3, of the Atascadero Municipal Code.

4.2.2 PROPERTY DEVELOPMENT STANDARDS

Property Development Standards shall comply with City of Atascadero Municipal Codes: Title 9, Chapter 4.

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V DESIGN GUIDELINES

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DESIGN GUIDELINES

The purpose of these design guidelines is to provide a guide for developers, builders, architects, engineers, landscape architects and others involved in the preparation of development proposals to ensure a consistent architectural design theme, use of materials, signage, and level of quality throughout the Specific Plan area. The design guidelines will assist the City of Atascadero staff and decision-making authorities with criteria to evaluate future development proposals. To the extent the design guidelines of the Specific Plan and the Atascadero Municipal Code are in conflict, the Specific Plan's design guidelines shall prevail.

5.1 COMMERCIAL RETAIL (CR) DESIGN GUIDELINES

These design guidelines provide for the design and development of Commercial Retail (CR) uses within the Specific Plan area. The design guidelines set forth in this section will ensure that future development within the Specific Plan area is consistent.

Development of the South-East and the North End project sites pursuant to the project approvals described in Section 1.5, including approval of a Master Plan of Development, are deemed to be consistent with the Design Guidelines of the Specific Plan and shall proceed directly to ministerial building permit and construction plan review. Design review for the two Commercial Outparcel uses to ensure consistency with the Design Guidelines of the Specific Plan shall occur during the Plot Plan Review approval process pursuant to Section 6.7 of the Specific Plan.

5.1.1 GENERAL DESIGN

Within the Del Rio Road Commercial Area Specific Plan, site design addresses the nature and function of the uses, buildings, and features. The architectural design guidelines are intended to provide overall direction in the design of structures within the Specific Plan area. Architectural design and details for the South-East Project and North End Project sites should be integrated throughout the Specific Plan area. Design within the Del Rio Road Commercial Area Specific Plan should meld function and form, not one to the exclusion of the other. These guidelines are meant to be flexible over time and correspond with changing conditions in lifestyles, the marketplace and economic conditions.

The following design guidelines are intended to facilitate design integrity between the variety of uses within the Del Rio Road Commercial Area Specific Plan area:

- 1) Placement of buildings should consider the existing context of the commercial area, the location of adjacent land uses, and the location of major traffic generators.
- 2) The architecture (height, scale, style) of each building within the Specific Plan area should be compatible with other structures within the Specific Plan. Building sites should be developed consistent with architectural exhibits in a coordinated manner to provide order and diversity and avoid disorderly development.
- 3) Buildings within the Specific Plan may accommodate retail, office, tourism, and personal services among others. Developers may incorporate "prototype" architectural standards in the design and development of structures if they are consistent with the architectural quality and character of Specific Plan. Buildings may incorporate simple rectangular forms which may be broken up by creating horizontal emphasis through the use of reveals, trellises, landscaping, trim, windows, eaves, cornices, complimentary colors or other architectural and design devices consistent with the architectural exhibits.

DESIGN GUIDELINES

- 4) Figures 5-1 through 5-4 illustrate the conceptual architectural themes for development within the Specific Plan area.
- 5) Buildings should be carefully articulated; front, side, and rear elevations should provide variation in massing, wall, and roof forms. Use of thematic features and materials are important elements and are encouraged.
- 6) Large smooth, unarticulated surfaces should be avoided. A mixture of smooth and textured blocks for concrete walls is encouraged. Exterior materials requiring high maintenance responsibilities such as stained wood, clapboard, or shingles should be avoided. Large areas of intense white or dark colors should be avoided. Subdued colors should be used as dominant overall colors. Bright colors should only be used for trim and/or specialized uses (store identification, etc.).
- 7) Building materials should be selected and detailed for compatibility throughout the site. Buildings should incorporate a mix of at least two prevalent materials and at least one accent material including block, split faced block, decorative veneer, stucco, architectural metal siding, wood or wood look features, or decorative exposed concrete. These materials should be used in combinations that yield an impression of permanence as well as respect for the surrounding environment and authentic architectural styles. Please refer also to Figures 5-1 through 5-4.
- 8) Complementary design features should be utilized to unify the specific plan area.
- 9) All buildings should incorporate thematic benches, trash receptacles, bollards, and bike racks.
- 10) Prior to submittal for Building Plan Check and the issuance of building permits, full color renderings and color boards representing the exterior colors and materials to be used shall be submitted to the Community Development Department.
- 11) Exterior mechanical equipment shall be screened from public view.
 - a. All roof mounted heating and cooling equipment shall be screened from view by a parapet or other structural feature and designed to match the total structure.
 - b. All ground-mounted utility appurtenances shall be located away from public view or adequately screened. Screening should be of a material complimentary to the structure and/or heavy landscaping and berming.
- 12) Wall mounted items such as roof ladders and electrical panels shall not be located adjacent to public rights-of-way, unless secured to prevent public access. Service areas (areas for loading/unloading, unpacking of goods, etc.) shall be simple and efficient, and shall not interfere visually or physically with other building operations. No utility appurtenances shall be permitted directly within a pedestrian area.



Figure 5-1: Architectural Design Concept – Main Features

DESIGN GUIDELINES



Figure 5-2: Architectural Design Concept – Secondary Features



Figure 5-3: Architectural Design Concept – Outdoor Space

DESIGN GUIDELINES



Architectural Theme: *Contemporary Agrarian*

Design and Material Features:

- Gable and shed roof elements
- Vertical accents at corners and entry points
- Earth toned colors
- Mix of metal, wood, concrete, and glass
- Large openings and windows
- Geometric form
- Overlapping horizontal and vertical elements
- Layered façade elements

Figure 5-4: Architectural Design Concept – Architectural Theme Elements

5.1.2 LANDSCAPING

The environment envisioned for the Del Rio Road Commercial Area Specific Plan area will be established, in large part, by its landscape treatment. Landscaping is to be designed to highlight positive visual features and to provide a cool, pleasant outdoor environment. Landscaping is also intended to give structure and identity to the overall project. The Conceptual Landscape Palette for the area within the Specific Plan boundaries is available in Figure 5-5. The following landscaping design guidelines are applicable within the Del Rio Road Commercial Area Specific Plan area:

- 1) Final Landscaping Plans will be prepared consistent with the all local and State Water Efficient Landscape and Irrigation codes and shall be submitted for approval to the Community Development Director.
- 2) Landscape and irrigation construction plans should substantially conform to the approved Master Plan of Development.
- 3) Permanent automatic irrigation systems (including low flow systems) compliant with the Atascadero Municipal Code should be provided in all landscaped areas.
- 4) Low flow irrigation systems are highly recommended within the Specific Plan area. Sprinkler heads located immediately adjacent to parking areas should be of the "pop-up" variety instead of risers.
- 5) The irrigation system should be designed to avoid overspray onto structures, streets, sidewalks, windows, walls and fences.
- 6) The use of turf areas shall be reduced to a minimum. Turf should only be used when there is a functional purpose.
- 7) Within individual landscaped areas, plants should be selected and planted appropriately based upon their adaptability to the climatic, geologic, and topographical conditions of the site and in accordance with the Atascadero Municipal Code. Drought-resistant and native plant species are encouraged.
- 8) Landscaping should be maintained in an acceptable manner with dead and destroyed landscape items replaced as soon as practical.
- 9) Planters shall not drain into parking areas so as to accumulate mud or other residue.
- 10) Building setbacks that are not used for drive entries, parking, loading, pedestrian walkways, or approved outdoor uses should be landscaped. All unpaved areas within developed portions of the site should be landscaped according to an approved landscape plan.
- 11) No landscaping is required adjacent to the portions of buildings where loading doors and customer pick-up areas are located.
- 12) The parking lot landscaping should include canopy trees to reduce urban heat island effects and provide a pleasant pedestrian experience throughout the parking areas.
- 13) Landscaping along the street frontages of El Camino Real, Del Rio Road, and the new public road should be planted with a combination of trees, shrubs, and groundcover planted in a clearly perceptible pattern that creates a sense of scale or rhythm along these roadways consistent with the approved Landscape Plan
- 14) Street trees shall not be planted along Rio Rita Road in order to protect the viewshed of the existing development above Rio Rita Road.
- 15) All trees used within required landscaped areas, including parking areas, shall have a minimum size of 24" box unless specific agreement is made with the Community Development Department.

DEL RIO ROAD
COMMERCIAL AREA
SPECIFIC PLAN

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- 16) All shrubs used within required landscaped areas, including parking areas, shall utilize a mixture of sizes one-to-five (1-5) gallons and shall be dispersed evenly throughout the landscaped areas.
- 17) All trees within the Specific Plan area shall be staked or provided with guy wires.
- 18) Landscaping along public rights-of-way should be designed to aesthetically screen and soften blank walls, parking areas, storage areas, utility boxes, and other non-aesthetic items.
- 19) The planting of hedge shrubs and/or vines along exterior structures and screen walls is encouraged to deter potential graffiti.
- 20) Landscaped areas should be delineated with a 6-inch high and 6-inch wide concrete curb or equivalent. Curb may be broken to allow water to flow into depressed planted areas.
- 21) Mulch should be applied in a 3-inch layer in all shrub and groundcover areas.
- 22) All new and disturbed slopes shall be revegetated.
- 23) Landscaping shall be planted concurrent with the development of the individual lots within the Specific Plan area.
- 24) In addition, landscape improvements in each project's right-of-way frontage, including road medians, shall be installed and completed prior to occupancy of each project's first tenant. All landscape improvements in the public right-of-way shall be approved by the City Engineer and will require an encroachment permit.
- 25) Retaining walls in excess of 4 feet in height shall be setback from the right of way a minimum of 5 feet. Individual walls may not exceed 6 feet in height, and multiple, stepped walls with a minimum separation of 5 feet shall be utilized where grades require additional height. All retaining walls shall use high quality decorative materials and shall be consistent with the architectural design theme of the development. Wall exceptions may be granted with Design Review Committee approval based on findings that the wall(s) is designed as a decorative site feature.

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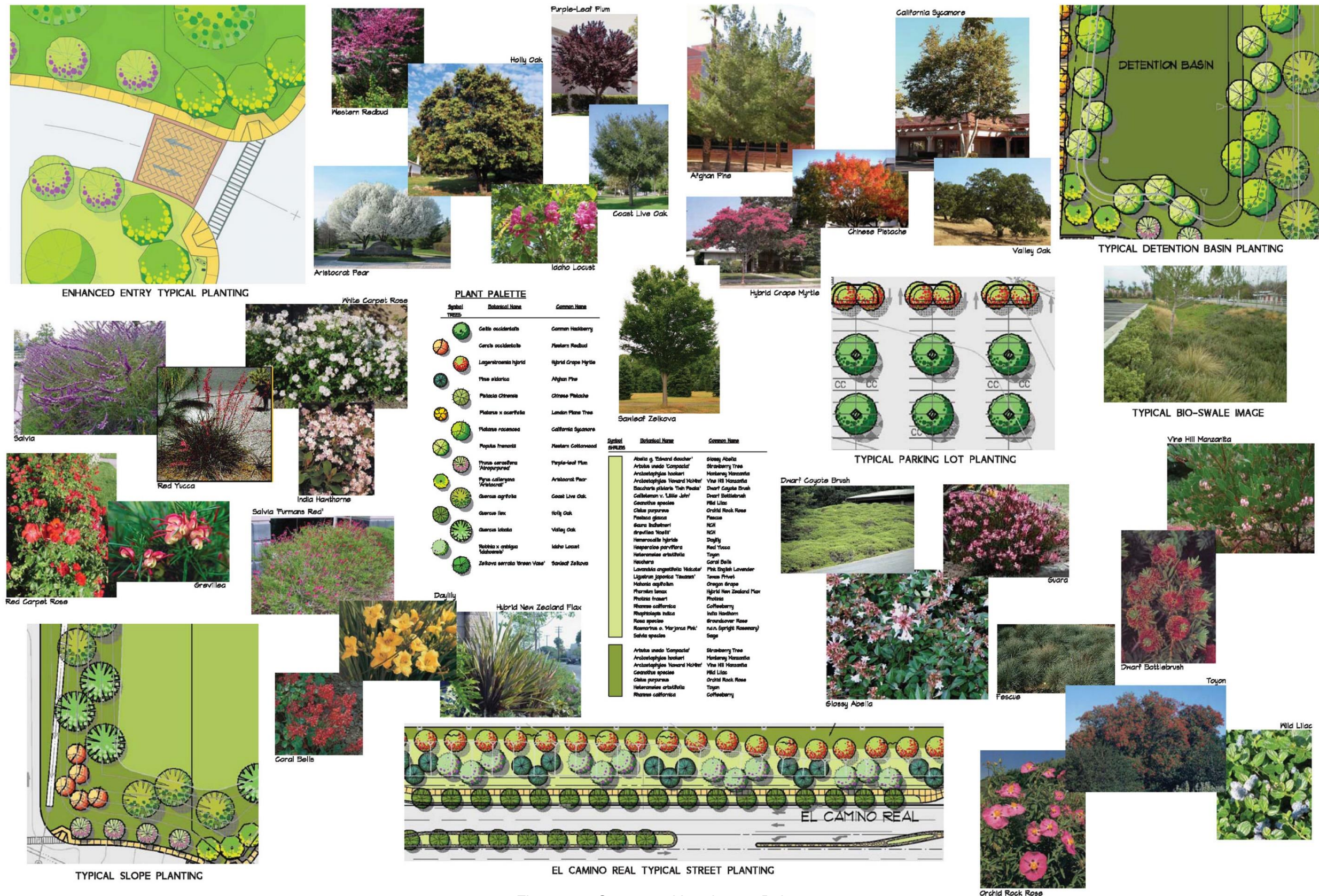


Figure 5-5: Conceptual Landscape Palette

5.1.3 PARKING & PARKING LOT

All parking and parking lots within the Specific Plan area shall comply with Title 9, Sections 4.114 through 4.119 of the Atascadero Municipal Code and the following parking and parking lot standards listed below:

- 1) Parking spaces should be oriented to ensure visibility of pedestrians, bicyclists and other motorists while entering, leaving or circulating within a parking area.
- 2) The installation of parking facilities shall occur concurrently with the development of individual parcels and shall be designed for interconnecting access to future subsequent development.
- 3) Individual parcels are must be designed to share parking fields if they are adjacent and within the same zoning designation.
- 4) Parking areas shall have lighting capable of providing adequate illumination for safety and security. Such lighting shall be indirect, hooded, and arranged to reflect light away from adjoining properties and streets.
- 5) All parking areas should be paved with Portland cement, concrete, asphalt or other appropriate approved material as established by the City Engineer. Curbing or wheel stops should be provided around parking lot perimeter.
- 6) Parking areas should be provided with curbs, bollards, or similar permanent devices where necessary to prevent parked vehicles from bumping buildings, landscaping, or perimeter walls.
- 7) Canopy trees shall be provided at an average of approximately one (1) tree per thirty (30) feet along parking rows.
- 8) Individual tree planters may be used in lieu of landscape fingers provided the parking lot complies with all other applicable landscaping requirements.
- 9) Parking areas that face El Camino Real, and are at least five (5) feet above the adjacent roadway, shall not be required to be screened with a landscaped berm. Parking areas that face El Camino Real, and are less than five (5) feet above the adjacent roadway, shall be screened with a landscape berm a minimum of thirty (30) inches in height unless the City Engineer finds that intervening landscaping sufficiently blocks headlight glare.
- 10) Commercial grade bicycle racks should be conveniently located close to building entrances.

5.1.4 LIGHTING

All lighting within the Specific Plan area shall comply with Title 9, Section 4.137 of the Atascadero Municipal Code and the following lighting standards listed below:

- 1) Lighting sources in parking lots may be up to thirty (30) feet in height.
- 2) Lighting sources shall be full cut off type fixtures that are shielded, diffused, or indirect in order to avoid glare to pedestrians, motorists, and surrounding residential areas.
- 3) Lighting fixtures shall be selected and located to confine the area of illumination to within the site boundaries consistent with the approved photometric plans.
- 4) To minimize the total number of freestanding light standards, full cut off type wall-mounted lighting fixtures should be utilized where feasible and consistent with building architecture.

5.1.5 SIGNAGE

Signage and graphics are an important element within the Del Rio Road Commercial Area Specific Plan. The intent of the Sign Program is to provide commercial tenants maximum sign exposure in a manner that will complement the overall image of the combined projects.

All signage shall comply with the Sign Program shown in Figure 5-6: Del Rio Road Commercial Area Specific Plan Signage Program. The following additional signage standards shall also apply within the Specific Plan area:

- 1) Monument signs should be incorporated into landscaped areas to minimize visual mass.
- 2) All ground-mounted signs shall be set back from the ultimate curb face and positioned so as not to create a hazard for either pedestrian or vehicular traffic.
- 3) All signs and their supporting structures shall be constructed of metal, wood or comparable weatherproof material and shall be enclosed as to provide against their infestation by birds and vermin.
- 4) Each tenant shall be responsible for providing their own building signs. Each tenant is responsible for obtaining all required sign and building permits from the City. Each tenant shall be responsible for all fees required.
- 5) Tenant wall signs shall be designed with individual lettering and custom graphics. Use of external illumination, neon and other features are encouraged. Signs shall complement architectural themes. No internally illuminated cabinets shall be allowed unless an integral part of a small custom sign feature. Logos and corporate slogans need not consist of individual letters but should be compatible with the Sign Program and design theme.
- 6) Any requested deviation from the approved sign program shall require the approval of the Community Development Director or designee and may require the review of an Administrative Use Permit. Tenants shall be responsible for compliance with this program and all City codes and requirements. Additional signage may be requested by the Commercial Outparcels and future residential uses at the time specific development projects are proposed.
- 7) Additional sign area allowance or unique signage elements not otherwise permitted by the approved Sign Programs or by the City's Sign Ordinance, may be processed as an Administrative Use Permit.

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WALL SIGNS

Wall signs may be externally lit or internally illuminated individual channel letters with light directed through the letters set in an opaque background. If the sign is externally lit, top mounted light fixtures which shine light downward and are fully shielded must be used. Wall signs may contain stylized font and/or company logos. Refer to the following pages for size limitation. Letter height shall be proportionate to the sign size and the building architecture. **The area of the sign shall not exceed one square foot per lineal foot of business frontage.**



PROJECTING SIGNS

One suspended or projecting sign is allowed per business. Projecting signs must have 8' of clearance from the sidewalk and project no more than 5' beyond the building facade. Projecting signs shall not exceed 15 SF with a maximum letter height of 10". Projecting signs, if lit, shall be externally lit with top mounted light fixtures which shine light downward and are fully shielded.
NOTE: Projecting and/or under canopy signs to have 3D appearance with dimension, with a ten (10) inch maximum letter height.



HANGING SIGNS

One suspended or projecting sign is allowed per business. Hanging or Under Canopy signs must have 7' of clearance from the sidewalk. Hanging signs shall not exceed 15 SF with a maximum letter height of 10". Hanging signs, if lit, shall be externally lit with top mounted light fixtures which shine light downward and are fully shielded.
NOTE: Projecting and/or under canopy signs to have 3D appearance with dimension, with a ten (10) inch maximum letter height.



AWNING/ SUSPENDED SIGNS

Awning Signs shall be limited to the front valance of the awning and shall contain the name of the business. Awning or canopy signs must have 8' of clearance from the sidewalk and project no more than 5' beyond the building facade with maximum slope less than sixty degrees. Projecting signs shall not exceed 15 SF. Awning signs shall not be illuminated.



CHALKBOARD SIGNS

Chalkboard or changeable menu signs shall be made of a smooth hard panel for writing on with chalk. This type of sign is permitted for restaurants, wine tasting rooms and other businesses whose primary business is food/beverage. The chalkboard sign shall not exceed 6 SF and may be either attached to a wall, on a pole in the ground or in a planter, if illuminated, it must be externally lit with top mounted light fixtures which shine light downward and are fully shielded. The chalkboard sign contributes to the maximum overall aggregate area of 150 SF.



WINDOW LETTERING

Window lettering shall be done professionally and may be painted on the inside or the outside of the window. If painted on the outside, a sealer must be applied and regular maintenance is required. Only the name of the business and/or logo is permissible. Lettering is limited to 8" in height and shall not exceed 50% of the window area. Lessee may have window lettering on one window on each frontage. If the window is paned (i.e., French windows), then lettering shall be limited to a single pane (i.e., a word may not be spelled out with one letter in each pane extending across several panes).



Figure 5-6: Del Rio Road Commercial Area Specific Plan Signage Program

5.1.6 FENCING & SCREENING

Fencing and screening should be designed to highlight positive visual features and to screen negative ones. The following design guidelines are applicable within the Del Rio Road Commercial Area Specific Plan area:

- 1) Fencing and screening should be used to a minimum within the Specific Plan area.
- 2) Walls and fences may be used to retain earth or screen loading and storage areas, refuse receptacles, and utility structures.
- 3) Walls should be designed to be low and to perform their screening function.
- 4) Walls and fences should be designed to complement the architectural design, color and materials of adjacent buildings.
- 5) Landscaping should be used in combination with walls when possible.
- 6) A decorative three-rail fence shall be provided along the southwest side of Rio Rita Road to protect against accidental pedestrian access to the top of the slope at the eastern edge of the South-East project site.

5.1.7 ON-SITE CIRCULATION

The on-site circulation standards within the Del Rio Road Commercial Area Specific Plan will ensure the efficient and safe passage of vehicles and pedestrians to and from the various commercial uses within the Specific Plan area. The following design guidelines are applicable within the Del Rio Road Commercial Area Specific Plan area:

- 1) On-site circulation should be designed for efficient vehicular and pedestrian movement.
- 2) The circulation system shall include adequate directional signs for entrances, exits, parking areas, loading areas, and other uses.
- 3) On-site driveways and parking areas shall be designed to provide common access between the Specific Plan area and adjacent properties.
- 4) Sight lines required for safe automobile movement shall be kept clear. Screens and structures shall not block such sight lines, both for entering and leaving the individual developments, and the project site.
- 5) The design and location of vehicular entries (curb cuts) for individual development sites shall provide the driver ample time to perceive them when approaching the site. Intersections and driveway approaches should be kept clear of obstructions such as traffic signal standards and landscaping.
- 6) Individual buildings and parcels need not have direct access to a public street; however, reciprocal access agreements shall be recorded to ensure that adequate ingress and egress is available to each lot and building within the Specific Plan area and that the entirety of the center functions as one development regardless of underlying lot lines and ownership.
- 7) Adequate pedestrian amenities such as benches and shade structures (or shade trees) should be installed near building entrance or at the curbside/sidewalk adjacent to buildings within the Del Rio Road Commercial Area Specific Plan area.
- 8) Designated pedestrian walkways across traffic lanes should be striped to distinguish them from the surrounding paved areas.
- 9) On-site pedestrian walkways should provide direct, safe, and adequate movement paths between parking areas and building entrances.
- 10) Service truck access routes should be designed to limit interaction with visitor and pedestrian traffic.

5.1.8 LOADING

The following design guidelines are applicable within the Del Rio Road Commercial Area Specific Plan area:

- 1) Loading areas should be designed to provide for maneuvering on site and not from or within a public street. Direct loading from a public street is not permitted.
- 2) Loading areas may be permitted adjacent to a public street provided they are screened by a combination of screen walls, ornamental landscaping, and/or portions of on-site buildings.
- 3) Loading areas visible from a public street or parking area should be screened by solid wing walls (constructed of materials such as concrete, concrete block, masonry, and brick) and/or appropriate landscaping so that said loading area is adequately shielded from public view. All such loading areas shall be maintained in a clean and orderly condition.
- 4) Screen walls and wing walls should be provided adjacent to loading doors and loading areas visible to the public and should be of a compatible material with adjacent buildings, and shall be of sufficient height to provide adequate visual screening.

5.1.9 ACCESSORY STORAGE

The following design guidelines are applicable within the Del Rio Road Commercial Area Specific Plan area:

- 1) Outdoor storage shall be screened from public view.
- 2) Refuse storage and disposal areas, other than trash compactors, should be within trash enclosures with at least three sides composed of a solid wall which is not less than 6 feet in height. The fourth side may consist of a solid metal gate painted to match or coordinate with the adjacent building (slatted chain link is not acceptable). Cardboard bales shall be removed regularly.
- 3) Refuse containers shall be provided in sufficient number, and should be placed in convenient location(s).
- 4) Trash enclosures may accommodate recycling bins.
- 5) Trash gates should remain closed except when in use, and remain in good working order.
- 6) Trash areas should not be used for storage. The premises should be kept in a neat and orderly condition at all times, and all improvements should be maintained in a condition of good repair and appearance.
- 7) Adequate shopping cart storage should be provided as needed.
- 8) No permanent storage of material is allowed on the outside of the building.
- 9) Outdoor storage provisions do not apply to outdoor sales areas, sidewalk sales, enclosed storage, and "garden centers."

5.2 RESIDENTIAL SINGLE FAMILY (RSF-X) DESIGN GUIDELINES

The Residential Single Family (RSF-X) remainder parcel within the Del Rio Road Commercial Area Specific Plan shall be consistent with the City of Atascadero's Municipal Code and Standards. Design review for the Single Family Outparcel use to ensure consistency with the Design Guidelines of the Specific Plan shall occur during the Subdivision Tract Map Approval process pursuant to Section 6.7 of the Specific Plan. Refer to the City of Atascadero Municipal Code for further design guidelines.

IMPLEMENTATION AND ADMINISTRATION

VI IMPLEMENTATION AND ADMINISTRATION

- 6.1 Interpretation VI-1
- 6.2 Definition of Terms VI-1
- 6.3 Enforcement VI-1
- 6.4 Severability VI-1
- 6.5 Implementation of Development Standards VI-2
- 6.6 Implementation of Design Guidelines VI-2
- 6.7 Application Processing VI-2
- 6.8 Financing & Phasing of Development VI-3
 - 6.8.1 South-East Project Site VI-3
 - 6.8.2 North End Project Site VI-4
- 6.9 Maintenance VI-4
 - 6.9.1 City Maintenance Responsibility VI-4
 - 6.9.2 Other Agency Maintenance Responsibility VI-4
 - 6.9.3 Private Maintenance VI-4
- 6.10 Substantial Conformance VI-4
 - 6.10.1 Procedure VI-6
 - A. Application VI-6
 - B. Hearing VI-6
 - C. Action by Reviewing Authority VI-6
- 6.8 Specific Plan Amendments VI-6

IMPLEMENTATION AND ADMINISTRATION

IMPLEMENTATION AND ADMINISTRATION

The City of Atascadero adopted this Specific Plan following certification by the City of the Specific Plan EIR and concurrent with the issuance of certain additional development approvals described in Section 1.5 of this Specific Plan. This Specific Plan serves as an implementation tool for the City's General Plan, and establishes the overlay zone for the combined Project sites. Following adoption of the Specific Plan and the development approvals described in Section 1.5, development within the Specific Plan area shall proceed pursuant to Section 6.7 of this Specific Plan.

The Del Rio Road Commercial Area Specific Plan shall be implemented, amended, revised or adjusted according to the procedures identified in this section. These procedures have been developed to ensure consistency with the adopted Del Rio Road Commercial Area Specific Plan, to encourage continuity in design and development of the community, and to promote high standards of site design. These revision and amendment procedures also provide for adaptation to special or supplementary development standards that may be adopted from time to time to implement the Del Rio Road Commercial Area Specific Plan.

6.1 INTERPRETATION

These regulations shall be held to be minimum requirements in their application and interpretation. No provision herein is intended to abrogate or interfere with any deed restriction, covenant, easement, or other agreement between parties.

Interpretations of the provisions of this Specific Plan are subject to subsections (a) through (c) of Section 9-1.109 of the Atascadero Municipal Code, except that interpretation of allowable uses not specifically listed in the Atascadero Municipal Code for the CR (Commercial Retail) zoning district or Chapter 4 of this Specific Plan are subject to a substantial conformance determination pursuant to Section 6.10 of this Specific Plan.

6.2 DEFINITION OF TERMS

The meaning and construction of words, phrases, titles and terms shall be the same as provided in Atascadero Municipal Code and Atascadero General Plan, unless otherwise specifically provided in the Specific Plan.

6.3 ENFORCEMENT

The Del Rio Road Commercial Area Specific Plan is enforceable through the measures and regulations detailed in Title 9 of the City of Atascadero Municipal Code.

The standards contained in the Specific Plan have been adopted by ordinance and are enforceable to the same extent as standards contained in the Zoning Regulation and other City Codes.

6.4 SEVERABILITY

If any term, provision, condition, requirement, or portion thereof of this Specific Plan is for any reason held invalid, unenforceable, or unconstitutional, the remainder of this Specific Plan or the application of such term, provision, condition, requirement, or portion thereof to circumstances

other than those in which it is held to be invalid, unenforceable, or unconstitutional, shall not be affected thereby; and each other term, provision, condition, requirement, or portion thereof shall be held valid and enforceable to the fullest extent permitted by law.

6.5 IMPLEMENTATION OF DEVELOPMENT STANDARDS

Adoption of the Specific Plan by the City, includes adoption of the development standards and policies described in Chapter 4: Development Standards. Development standards and policies contained in this document shall supplement or replace those of the City of Atascadero Municipal Code as they might otherwise apply to lands within the Del Rio Road Commercial Area Specific Plan area. For projects within the Specific Plan area, development standards and policies in the Del Rio Road Commercial Area Specific Plan shall take precedence over more general standards and policies applied through the rest of the City. To the extent the provisions of the Specific Plan and the Atascadero Municipal Code are in conflict, the provisions of the Specific Plan shall prevail. In situations where development standards or policies relating to a particular subject have not been provided in the Specific Plan, the existing development standards and policies of the City's General Plan and Zoning Ordinance shall continue to apply.

6.6 IMPLEMENTATION OF DESIGN GUIDELINES

Adoption of the Specific Plan by the City includes adoption of the Design Guidelines contained in Chapter 5: Design Guidelines, of the Specific Plan. The Design Guidelines are intended to be flexible in nature while establishing basic evaluation criteria for the review by the City of development projects as described in Section 6.7: Application Processing. Design guidelines contained in this document shall supplement or replace those of the City of Atascadero Municipal Code and/or the Appearance Review Manual as they might otherwise apply to lands within the Del Rio Road Commercial Area Specific Plan area. For projects within the Specific Plan area, design guidelines in the Del Rio Road Commercial Area Specific Plan shall take precedence over more general design guidelines applied through the rest of the City. To the extent the provisions of the Specific Plan and the Atascadero Municipal Code are in conflict, the provisions of the Specific Plan shall prevail. In situations where design guidelines relating to a particular subject have not been provided in the Specific Plan, the existing design guidelines of the City's General Plan and Zoning Ordinance shall continue to apply.

6.7 APPLICATION PROCESSING

Development of the South-East project parcels and the North End Project parcels shall require approval of a Master Plan of Development, including the two Commercial Outparcels, Multiple Family Outparcel, and Single Family Outparcel in accordance with the following processes:

- **Master Plan of Development Approval.** A Master Plan of Development in the form of a Conditional use Permit shall be required for both the commercial and residential portions of the development subject to final action by the City Council. A Master Plan of Development can include conceptual approval of the two commercial outparcels on the South-East project site. Should approval be conceptual, a plot plan review shall be required for these sites as described below.

IMPLEMENTATION AND ADMINISTRATION

- **Plot Plan Review.** The two Commercial Outparcel uses shall obtain Plot Plan review approval pursuant to Atascadero Municipal Code Section 9-2.108 unless detailed approval is included in the Master Plan of development. In this case, the two Commercial Outparcel uses shall not require Precise Plan and Conditional Use approvals as described in Atascadero Municipal Code Sections 9-2.109 through 9-2.110 unless specific requested uses trigger that process.
- **Tentative Map Approval.** The Single Family Outparcel and any other land or airspace subdivisions shall obtain a tentative tract or parcel map approval pursuant to Atascadero Municipal Code Title 11.
- **Administrative Use Permit.** Request for additional sign area allowances or unique signage elements not otherwise permitted by the approved Sign Programs or by the City's Sign Ordinance, may be processed as an Administrative Use Permit.
- **Master Plan of Development Amendments.** Modifications to any approved Master Plan of Development for any project site shall be processed as a Use Permit amendment subject to final action by the City Council. Minor changes may be permitted without Use Permit amendment if a finding of substantial conformance can be made by the Planning Director in accordance with Section 6.10.

Any development proposed within the Specific Plan area that is not in substantial conformance with this Specific Plan, shall proceed pursuant to approval by the City of applications as determined by the Community Development Director to be necessary at the time of project application submittal.

6.8 FINANCING & PHASING OF DEVELOPMENT

The South-East and North End Projects are self-supporting commercial projects with individual owners/developers responsible for onsite and offsite improvements necessary to support development of the project.

Phasing of development ultimately will be determined by the project developers and approved by the City as part of the Master Plan of Development based on market conditions and other factors, and shall comply with any applicable conditions.. Required infrastructure and community facilities shall be installed and public services shall be available to serve each phase of development as it occurs. Based on current market information, development within the Specific Plan area is generally anticipated to occur as follows.

6.8.1 SOUTH-EAST PROJECT PHASING

Phase 1:

- Site Demolition

Phase 2:

- Rough grading and installation of utilities.
- Precise Grading and pad preparation for Commercial buildings
- Completion of the new public road, frontage improvements, and frontage landscaping
- Project site edge landscaping, fencing, and buffering

IMPLEMENTATION AND ADMINISTRATION

6.8.2 NORTH END PROJECT PHASING

Phase 1:

- Site Demolition

Phase 2:

- Complete public improvements and frontage improvements
- Construction of on-site infrastructure and drainage improvements
- On-site grading, parking, landscape improvements, and finished construction pads

Phase 3:

- Individual commercial buildings (as tenants are secured)

Note: Single Family Outparcel development is not included and any project phasing will be permitted separately pursuant to Section 6.7 of this Specific Plan.

6.9 MAINTENANCE

Public and private improvements constructed as part of development of the Specific Plan area shall be maintained through a combination of public and private entities as described below.

6.9.1 CITY MAINTENANCE RESPONSIBILITY

Public facilities are planned for public maintenance by the City or the appropriate utility service provider and include, but are not limited to, the following:

- All accepted public streets within the Specific Plan area, excluding residential subdivisions.
- Public traffic signals and traffic control signs within the public right-of-way within the Specific Plan area.
- Public improvements constructed in the public right-of-way inside of and outside of the Specific Plan area.
- All sewer mains, excluding lateral connections.
- The existing and expanded public storm drain systems in the public right-of-way or dedicated easements.

6.9.2 OTHER AGENCY MAINTENANCE RESPONSIBILITY

The following facilities will be maintained by other agencies:

- Atascadero Mutual Water Company: public on-site and offsite water facilities within the Specific Plan area.
- PG&E: Accepted street lighting within public rights-of-way in the Specific Plan area.
- Caltrans: Public improvements within the Caltrans right-of-way.
- All private electrical, natural gas, telephone, cable TV, and other non-City utilities.

6.9.3 PRIVATE MAINTENANCE

IMPLEMENTATION AND ADMINISTRATION

Private and public improvements to be maintained by the developers include, but are not limited to, the following:

- Streets, drives, lanes and pedestrian paths on private property within the Specific Plan area.
- Public streets within any residential subdivisions
- Traffic control signs and pavement markings on private property within the Specific Plan area.
- Landscaping and lighting on private property within the Specific Plan area.
- Property line walls, fences, retaining walls, refuse storage areas, signs, slopes, and parking lots.
- Open space areas on private property within the Specific Plan area including detention facilities, bio-swales, and other low-impact-development features.
- Newly constructed drainage facilities on private property within the Specific Plan area.
- Landscaped frontages within the right-of-way of all public streets.
- Street lighting within public rights of way in the Specific Plan area shall be maintained by the developer unless otherwise maintained by PG&E.
- Landscaping within any center medians of all public streets fronting the Specific Plan area.

6.10 SUBSTANTIAL CONFORMANCE

During review of construction plans and building permit applications, the Community Development Director or designee shall have the limited ability to interpret the Specific Plan and determine that the proposed development is in substantial conformance with the Del Rio Road Commercial Area Specific Plan. The use of substantial conformance is intended to ensure orderly development, quality aesthetic design, and safe and harmonious placement of uses within the Specific Plan area. Determinations of substantial conformance shall be made administratively by the Community Development Director or designee without the need for a public hearing. In some cases, the determination may be forwarded to the Design Review Committee. A substantial conformance determination made pursuant to this Section 6.10 shall be considered a ministerial decision that is not subject to CEQA.

A project proposal for development within the Specific Plan area shall be considered to be in substantial conformance with the Specific Plan, not requiring a Specific Plan amendment, in the event that any of the following occurs:

- The addition of a land use not listed in Chapter 4: Development Standards, of this Specific Plan, provided that the proposed use is determined to be equivalent in its nature and intensity to a use listed in Chapter 4 of this Specific Plan.
- A change in utility or public service provider to the Specific Plan area.
- Minor changes or adjustments to lot lines or the alignment of access roads, community facility plans, or public infrastructure facility plans such as drainage, sewer, water and other utilities.
- Minor deviations from the Land Use Plan and related policies, as contained in Chapter 3: Land Use Plan, of the Specific Plan.
- The merger of the two Commercial Outparcels into a single Commercial Outparcel to be developed with a retail, restaurant or office use provided the development does not exceed the combined maximum floor area permitted for the two Commercial Outparcels of 10,000 square feet. A voluntary merger application shall be required in order to complete any lot merger.
- Minor deviations from the sign program that are consistent with the conceptual design set forth in Chapter 5: Design Guidelines, of the Specific Plan.

IMPLEMENTATION AND ADMINISTRATION

- Minor changes to landscape materials and streetscape design which are consistent with the conceptual design set forth in Chapter 5: Design Guidelines, of the Specific Plan.
- Minor deviations from the design guidelines which are consistent with the conceptual design set forth in Chapter 5: Design Guidelines, of the Specific Plan.
- A reduction in the minimum required parking spaces, provided that a parking study demonstrates the proposed reduction in parking spaces is justified based on the mix of uses within the Specific Plan area and the use of shared parking between those uses.
- Other modifications of a similar nature to those listed above which are deemed minor by the Community Development Director or designee, that are in keeping with the purpose and intent of the approved Specific Plan.

6.10.1 PROCEDURE

A. APPLICATION

Applications for the determination of substantial conformance shall be made on forms provided by the Community Development Director or designee and shall be accompanied by a filing fee and a Plot Plan, as described in Section 9-2.108 of the Atascadero Municipal Code. Applications shall be made by the owner of the property for which the approval is sought, or an authorized agent.

B. HEARING

No public hearing shall be required for a determination of substantial conformance unless the Community Development Director refers the item to the Design Review Committee.

C. ACTION BY REVIEWING AUTHORITY

The reviewing authority for a determination of substantial conformance shall be the Community Development Director or designee. The Community Development Director or designee shall determine by providing written notice to the applicant that the proposed addition of a land use or other revision requested pursuant to this Section 6.10 is in substantial conformance with the Del Rio Road Commercial Area Specific Plan if it complies with all applicable provisions of Atascadero Municipal Code Title 9 and is consistent with the purpose and intent of this Specific Plan. The action of the Community Development Director or designee shall be final with no appeal.

6.11 SPECIFIC PLAN AMENDMENTS

Amendments to the Del Rio Road Commercial Area Specific Plan shall be required for revisions that are beyond the scope of substantial conformance determinations. Specific Plan Amendments shall be processed pursuant to the provisions of the California Government Code Section 65453(a).



CITY OF ATASCADERO

CITY COUNCIL STAFF REPORT

Item A5

Department: City Manager
Date: 2/11/25
Placement: Consent

TO: JAMES R. LEWIS, CITY MANAGER

FROM: LARA CHRISTENSEN, DEPUTY CITY MANAGER/CITY CLERK

PREPARED BY: LARA CHRISTENSEN, DEPUTY CITY MANAGER/CITY CLERK

SUBJECT: Amended City Council 2025 Meeting Schedule

RECOMMENDATION:

Council approve the amended City Council meeting schedule for 2025.

REPORT IN BRIEF:

The City Council, pursuant to Chapter 2, Section 1.01 of the Atascadero Municipal Code, meets the second and fourth Tuesday of each month. On occasion, the Council will hold special study sessions and/or joint meetings with one or both of the Commissions on a fifth Tuesday. Generally, in the summer months, the Council meets once a month and avoids conflicts with major holidays.

At the December 10, 2024 Meeting, the Council approved a schedule for 2025 with one meeting in July on July 8, 2025. Staff is proposing to amend the schedule to cancel the July 8 meeting and reschedule for July 22 to better maximize the time between meetings and ensure the streamlining of these meetings during the summer months.


FISCAL IMPACT:

None.

REVIEWED BY OTHERS:

This item has been reviewed by the Deputy City Manager/City Clerk.

REVIEWED AND APPROVED FOR COUNCIL AGENDA



James R. Lewis, City Manager

ATTACHMENT(S):

1. Amended City Council 2025 Meeting Schedule



CITY CLERK’S OFFICE

City of Atascadero

Atascadero City Council 2025 Meeting Schedule

MEETING DATE	TYPE OF MEETING
January 14	Regular
January 28	Regular
February 11	Regular
February 25	Regular
March 11	Regular
March 25	Regular
April 8	Regular
April 22	Regular
May 13	Regular
May 27	Regular
June 10	Regular
June 24	Regular
July 8	Regular
July 22	
August 12	Regular
September 9	Regular
September 23	Regular
October 14	Regular
October 28	Regular
November 12 (next day due to Veterans Day)	Special
December 9	Regular

Meetings are held at 6:00 p.m.
6500 Palma Avenue, Atascadero, CA 93422
(805)470-3400



CITY OF ATASCADERO

CITY COUNCIL STAFF REPORT

Item B1

Department: Community Services & Promotions
Date: 2/11/25
Placement: Public Hearing

TO: JAMES R. LEWIS, CITY MANAGER
FROM: TERRIE BANISH, DIRECTOR COMMUNITY SERVICES & PROMOTIONS
PREPARED BY: TERRIE BANISH, DIRECTOR COMMUNITY SERVICES & PROMOTIONS

SUBJECT: Atascadero Tourism Business Improvement District (ATBID) Change to Ordinance for Lodging Owner Nomination Process and Composition of the Board

RECOMMENDATIONS:

Introduce for first reading, by title only, Draft Ordinance amending Atascadero Municipal Code Section 3-16.07, changing the lodging owner nomination process for Board Members and composition of the Board for the Atascadero Tourism Business Improvement District (ATBID).

DISCUSSION:

The City Council appoints ATBID Advisory Board Members to serve at the pleasure of the Council. The Advisory Board is made up of lodging business owners or employees, or other representatives holding the written consent of a lodging business owner within the ATBID area. Lodging owners are assessed two and one-half percent (2.5%) of the rent charged by the business per occupied room or space per night for transient occupancies. Each year, the lodging owners are notified in February of the opportunity to vote on the current Board Member vacancy two-year terms expiring at the end of June and vote to propose replacements for these vacancies to serve on the Board beginning July 1. Most recently, the ATBID Board has reviewed the composition of the board and the voting process with recommended changes to reflect the weighted percentage paid into the ATBID assessment from lodging owners.

The Atascadero Tourism Business Improvement District (ATBID) Board has reviewed the way Lodging Owners are currently voted to serve on the Board, outlined in Ordinance 568, 3-16.07 (a) & (d). Under AMC 3-16.07, Council has the final say on appointments to the ATBID Advisory Board. The current voting mechanism for the ATBID lodging owners is a secret ballot vote, however, the language regarding who gets to vote is unclear. To clarify the voting process

language and identify those lodging owners paying a higher percentage into the assessment to serve on the ATBID Board, the following changes are recommended:

The ATBID Advisory Board will be comprised of five members with four (4) members representing lodging owners in a commercial zone with twenty-five (25) rooms or more and one (1) member representing Vacation Rental/ Bed & Breakfast/Short Term Rental properties.

Following the public hearing, staff recommends that Council introduce the proposed Ordinance making changes to Section 3-16.07.

FISCAL IMPACT:

None.

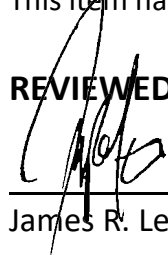
ALTERNATIVE:

Council may direct staff to determine a different ATBID Board composition OR continue the annual lodging owner voting and ATBID Board composition as is without any recommended changes.

REVIEWED BY OTHERS:

This item has been reviewed by the Administrative Services Director.

REVIEWED AND APPROVED FOR COUNCIL AGENDA



James R. Lewis, City Manager

ATTACHMENT(S):

1. Draft Ordinance
2. Ordinance 568

DRAFT ORDINANCE

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, AMENDING SECTION 3-16.07 OF THE ATASCADERO MUNICIPAL CODE, ESTABLISHING THE MEMBERSHIP OF THE ADVISORY BOARD FOR THE ATASCADERO TOURISM BUSINESS IMPROVEMENT DISTRICT

WHEREAS, the City of Atascadero (“City”) has formed the Atascadero Tourism Business Improvement District (“ATBID”), pursuant to Section 36500 of the Streets & Highways Code of the State of California; and

WHEREAS, the members of the board of the ATBID are appointed by the City Council upon recommendation by the ATBID board pursuant to Section 3-16.07 of the Atascadero Municipal Code; and

WHEREAS, the advisory board has recommended a change in the composition of the advisory board to represent the different types of lodging businesses within the City.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF ATASCADERO HEREBY ORDAINS AS FOLLOWS:

SECTION 1. Findings. The Council hereby finds and declares the following:

A. The above recitals are true and correct and are incorporated herein by reference.

SECTION 2. Approval. The City Council of the City of Atascadero amends Section 3-16.07 of Atascadero Municipal Code to read as follows:

The City Council will appoint an Advisory Board for the ATBID under the following procedures:

(a) The ATBID Advisory Board will be comprised of five members, with four (4) members representing lodging businesses with twenty-five (25) rooms or more in a commercial zone and one (1) member representing vacation rental lodging businesses that are not hotels as that term is defined in Chapter 9 of this code.

(b) Membership on the ATBID Advisory Board is limited to lodging business owners or other representatives named in writing as an empowered designee by a lodging business owner within the ATBID area. To sponsor a member on the ATBID Advisory Board, each lodging business must have fully paid its ATBID assessment at the time of appointment, and remain fully paid during the term of that representative's membership on the Board.

(c) All Advisory Board members will serve staggered terms of two years, with three board members being appointed in one year, and two board members being appointed in the following year.

(d) The ATBID Advisory Board will be appointed at the discretion of the City Council, following a nomination process facilitated by the lodging businesses. Each February, the current Advisory Board will mail a letter to all lodging business owners in the ATBID announcing the ATBID Advisory Board seats that are scheduled to become vacant as of July 1st of that calendar year and requesting nominations for the Board from such lodging businesses. Board nominations must meet the qualifications to maintain the composition of the Board as set forth in subsection (a).

(e) If the City Council rejects the recommendations of the ATBID Advisory Board, the City Council will request a new recommendation from the lodging businesses for consideration. The ATBID Advisory Board members serve at the pleasure of the City Council. The Council may, by majority vote, remove any Advisory Board member with or without cause.

(f) If the City Clerk does not receive sufficient nominations of potential Board members by April 30th of any applicable years, the open positions on the ATBID Advisory Board will be appointed by the process set forth for appointing boards and commissions in Title 2 Chapter 2.08 of this code.

SECTION 3. CEQA. Because of the facts set forth in Section 1, the proposed text amendment is exempt from further environmental review under the California Environmental Quality Act (Public Resources Code §§ 21000, *et seq.*, “CEQA”) and CEQA Guidelines (14 California Code of Regulations §§ 15000, *et seq.*) because it can be seen with certainty that there is no possibility that the enactment of this Ordinance would have a significant effect on the environment (Pub. Resources Code § 21065; CEQA Guidelines §§ 15378(b)(5), 15061(b)(3).

SECTION 4. Interpretation. This Ordinance must be broadly construed in order to achieve the purposes stated in this Ordinance. It is the City Council’s intent that the provisions of this Ordinance be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Ordinance.

SECTION 5. Preservation. Repealing of any provision of the Atascadero Municipal Code or of any previous Code Sections, does not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before this Ordinance’s effective date. Any such repealed part will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Ordinance.

SECTION 6. Effect of Invalidation. If this entire Ordinance or its application is deemed invalid by a court of competent jurisdiction, any repeal or amendment of the Atascadero Municipal Code or other City Ordinance by this Ordinance will be rendered void and cause such previous Atascadero Municipal Code provision or other City Ordinance to remain in full force and effect for all purposes.

SECTION 7. Severability. If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not

affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

SECTION 8. Notice. The City Clerk is directed to certify the passage and adoption of this Ordinance, cause it to be entered into the City of Atascadero’s book of original ordinances, make a note of the passage and adoption in the records of this meeting and within fifteen (15) days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with California law.

SECTION 9. Effective Date. This Ordinance will take effect on the 30th day following its final passage and adoption.

INTRODUCED at a regular meeting of the City Council held on February 11, 2025, and **PASSED, APPROVED** and **ADOPTED** by the City Council of the City of Atascadero, State of California, on _____, 2025.

CITY OF ATASCADERO:

Charles Bourbeau, Mayor

ATTEST:

Lara K. Christensen, City Clerk

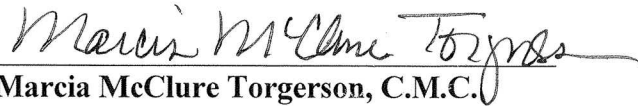
APPROVED AS TO FORM:

Dave Fleishman, City Attorney

CERTIFICATION

I, **Marcia McClure Torgerson, C.M.C.**, City Clerk of the City of Atascadero, hereby certify that the foregoing is a true and correct copy of Ordinance No. 568, adopted by the Atascadero City Council at a regular meeting thereof held on April 23, 2013, and that it has been duly published pursuant to State Law.

DATED:5-2-13


Marcia McClure Torgerson, C.M.C.
City Clerk
City of Atascadero, California

ORDINANCE NO. 568**AN ORDINANCE OF THE CITY COUNCIL OF
THE CITY OF ATASCADERO ADDING CHAPTER 16 TO TITLE 3
OF THE ATASCADERO MUNICIPAL CODE ESTABLISHING
THE ATASCADERO TOURISM BUSINESS IMPROVEMENT DISTRICT
(ATBID)**

WHEREAS, the City Council adopted Resolution No. 2013-004 declaring its intention to establish the Atascadero Tourism Business Improvement District (ATBID), and declaring its intention to levy an assessment on lodging businesses within such District, and fixing the time and place of a public hearing on the formation of the district on April 9th, 2013; and,

WHEREAS, a duly noticed public hearing on the formation of the Atascadero Tourism Business Improvement District or “ATBID” was held on April 9th, 2013, on or about 6:00 p.m. in the City Council Chambers of the City of Atascadero pursuant to the Parking and Business Improvement Area Law of 1989, California Streets and Highways Code section 36500 and following (“BID Law”); and,

WHEREAS, at the conclusion of the public hearing, the number of protests were counted and it was determined that there was no majority protest within the meaning of the BID Law; and,

WHEREAS, the public interest, convenience, and necessity require the establishment of the proposed ATBID; and,

WHEREAS, Lodging Businesses (as defined below) operating within the ATBID will benefit by the expenditure of funds raised by the assessments to be used for tourism promotions and marketing programs to promote the City as a tourism destination and to increase transient stays at lodging businesses; and,

WHEREAS, this ordinance is intended to provide a supplemental source of funding for the promotion of tourism in the District and it is not intended to replace the 1% of transient occupancy tax revenue currently used by the City of Atascadero for the promotion of tourism; and,

WHEREAS, this ordinance is not subject to the California Environmental Quality Act (“CEQA”) because it is not a “project” under CEQA since it only establishes a government funding mechanism and does not involve any commitment to any specific project which may result in a potentially significant impact on the environment. (Title 14 Cal. Code Regs. § 15378(b)(4).)

**NOW THEREFORE THE CITY COUNCIL OF THE CITY OF ATASCADERO
HEREBY ORDAINS AS FOLLOWS:**

SECTION 1. Title 3 of the Atascadero Municipal Code is amended to add Chapter 16, as set forth below:

“CHAPTER 16 ATASCADERO TOURISM BUSINESS IMPROVEMENT DISTRICT”

3-16.01 Establishment of the ATBID. A business improvement area to be designated as the Atascadero Tourism Business Improvement District (“ATBID”) is hereby established pursuant to the Parking and Business Improvement Area Law of 1989 (California Streets and Highways Code section 36500 and following) (the “BID Law”).

3-16.02 Boundaries of the ATBID. The boundaries of the Atascadero Tourism Business Improvement District are the same boundaries as the corporate boundaries of the City.

3-16.03 Definitions. The following words and phrases used in this ordinance will have the meaning set forth in this section:

A. “Lodging Business” has the same meaning as “hotel” in Section 3-3.02 of Chapter 3 (Transient Occupancy Tax) of this Code.

B. “Occupancy” has the same meaning as in Section 3-3.02 of Chapter 3 (Transient Occupancy Tax) of this Code.

C. “Operator” has the same meaning as in Section 3-3.02 of Chapter 3 (Transient Occupancy Tax) of this Code.

D. “Rent” has the same meaning as in Section 3-3.02 of Chapter 3 (Transient Occupancy Tax) of this Code.

E. “Tax Administrator” means the City Finance Director.

F. “Transient” has the same meaning as in Section 3-3.02 of Chapter 3 (Transient Occupancy Tax) of this Code.

G. “Transient Occupancy Tax” has the same meaning as in Section 3-3.02 of Chapter 3 (Transient Occupancy Tax) of this code.

3-16.04 Assessment.

- (a) Assessment. Each Lodging Business will collect and remit to the City an ATBID assessment equal to two percent (2%) of the rent charged by the Business per occupied room or space per night for transient occupancies.

- (b) New Lodging Business Subject to Assessment. Any new Lodging Business established within the boundaries of the ATBID subsequent to its formation will be required to collect and remit the applicable ATBID assessment.
- (c) Exemptions. No assessment will be imposed on a Lodging Business for any rent paid by a transient who is exempt by law from paying any transient occupancy taxes as provided in section 3-3.04 of this code.
- (d) Extended Stays. No assessment will be imposed on any Lodging Business for any rent paid by a person who is not deemed a “transient” (as defined in Section 3-3.02 of this code) when such person’s stay is longer than 30 consecutive calendar days.
- (e) Payment of Assessments. Each Lodging Business must remit the assessment at the time the Business pays its transient occupancy taxes to the City and must complete and provide such form detailing the applicable rent received and assessment as may be required by the City. The assessment will not be included in gross room rental revenue for the purpose of determining the amount of transient occupancy taxes due.
- (f) Payment Prerequisite to Business License and Penalties and Procedures for Unpaid Assessments.

1. No business license or tax certificate will be issued under Chapter 5 of this code unless the ATBID assessment payment is current.

2. Penalties and interest will be assessed upon any unpaid assessment in manner specified in Section 3-3.08 of this code until such time as the current assessment is paid in full; provided, however, that if there is concurrently a delinquency of the transient occupancy tax as well as the assessment, a single penalty of \$200 will be imposed under Section 3-3.08(a) in addition to the 10% penalty on the amount of the unpaid assessment.

- (g) City Administrative Fee. City will retain one percent (1%) of the collected assessments as and for its administrative fees and costs.

3-16.05 Use of Assessment Revenues. The services to be funded by the assessments against Lodging Businesses include tourism promotions and marketing programs to promote the City as a tourism destination and such other tourism related projects, programs, and activities that are directed at increasing transient stays at Lodging Businesses in the ATBID and for such other tourism, branding and marketing purposes as the City and the ATBID Advisory Board may determine.

3-16.06 Establishment of ATBID Fund. There is created a special fund designated as the “Atascadero Tourism Business Improvement District Fund” into which all revenues derived from the ATBID assessments under this ordinance will be placed. Such funds may only be used only for the purposes specified in this ordinance and the approved annual reports.

3-16.07 Advisory Board. The City Council will appoint an Advisory Board for the ATBID under the following procedures:

- (a) The ATBID Advisory Board will be comprised of five members.
- (b) Membership on the ATBID Advisory Board is limited to Lodging Business owners or employees or other representatives holding the written consent of the Lodging Business owner within the ATBID area. To sponsor a member on the ATBID Advisory Board, each Lodging Business must have fully paid its ATBID assessment at the time of appointment, and remain fully paid during the term of that representative's membership on the Board.
- (c) ATBID Advisory Board members will serve staggered terms with three members serving three-year terms and two members serving two-year terms.
- (d) The ATBID Advisory Board will be appointed by the City Council, following a nomination process facilitated by the Lodging Businesses. Each February, the then current Advisory Board will mail a letter to each Lodging Business in the ATBID announcing the ATBID Advisory Board seats that are scheduled to become vacant as of July 1 of that calendar year and requesting nominations for the Board from such Lodging Businesses.
- (e) The City Council will appoint the ATBID Advisory Board members who will serve at the pleasure of the City Council. The Council may, by majority vote, remove any Advisory Board member with or without cause.

3-16.08 Advisory Board Meetings. The Advisory Board will meet no less than quarterly.

3-16.09 Reports. The ATBID Advisory Board will prepare, or cause to be prepared, and file an annual report with the City regarding the activities and finances of the ATBID. The report must, among other things, itemize the following: (1) proposed activities, programs and projects for the fiscal year; (2) the approximate cost of such activities programs and projects for the fiscal year; (3) the amount of surplus or deficit revenues carried over from a previous fiscal year; and (4) contributions received other than assessments. The report must meet the requirements of California Streets and Highways Code section 36533. The City Council will review each report, and may approve the report as filed or modify any portion of the report and approve it as modified.

3-16.10 City Manager Authority. The City Manager may, by contract, authorize expenditures to be made in accordance with the annual ATBID program and budget as recommended by the Advisory Board and approved by the City Council.

3-16.11 Annual Resolution of Intent to Levy Assessment. After approving the annual report, the City will adopt an annual resolution of intention to levy the ATBID assessment for that fiscal year, and publish a notice of and hold a public hearing on the proposed annual assessment in accordance with the BID Law.”

SECTION 2. Effective Date of Initial Assessments. The assessments imposed by this ordinance for the first year of the ATBID will be due and payable beginning on June 1, 2013.

SECTION 3. Severability. If any action, section, clause, or phrase of this ordinance is, for any reason, held by a court of competent jurisdiction to be invalid, such decision will not affect the validity of the remaining portions of this ordinance. The City Council of the City of Atascadero declares that it would have passed and does hereby pass this section and each sentence, section, clause, and phrase hereof, irrespective of the fact that any one or more sections, sentences, clauses, or phrases to be declared invalid or unconstitutional.

SECTION 4. Certification and Publication. The City Clerk is directed to certify the adoption of this ordinance and cause the same to be published in the manner required by law.

SECTION 5. A summary of this ordinance, approved by the City Attorney, together with the ayes and noes, shall be published twice; at least five days prior to its final passage in the Atascadero News, a newspaper published and circulated in the City of Atascadero, and; before the expiration of fifteen (15) days after its final passage in the Atascadero News, a newspaper published and circulated in the City of Atascadero. A copy of the full text of the ordinance shall be on file in the City Clerk's office on and after the date following introduction and passage and shall be available to any interested member of the public.

INTRODUCED at a regular meeting of the City Council held on April 9, 2013, and PASSED and ADOPTED by the City Council of the City of Atascadero, State of California, on April 23, 2013, by the following roll call vote:

AYES: Council Members Fonzi, Kelley and Moreno
NOES: None
ABSTAIN: Mayor Pro Tem Sturtevant and Mayor O'Malley
ABSENT: None

CITY OF ATASCADERO

By: Bob Kelley
Council Member Bob Kelley

ATTEST:

Marcia McClure Torgerson
Marcia McClure Torgerson, C.M.C., City Clerk

APPROVED AS TO FORM:

Brian A. Pierik
Brian A. Pierik, City Attorney



CITY OF ATASCADERO

CITY COUNCIL STAFF REPORT

Item C1

Department: Public Works
Date: 02/11/25
Placement: Management Report

TO: JAMES R. LEWIS, CITY MANAGER

FROM: LARA CHRISTENSEN, DEPUTY CITY MANAGER

PREPARED BY: RYAN HAYES, DEPUTY PUBLIC WORKS DIRECTOR

SUBJECT: Public Safety Facilities Upgrade Project – Design-Build Entity Contract Award

RECOMMENDATIONS:

Council:

1. Award a Design-Build contract to the F&H Construction and LDA Partners team for \$31,072,318 for the New and Renovated Public Safety Facilities Project, Project No. C2021B01 ("Project").
2. Authorize the Director of Administrative Services to allocate \$3,500,000 in Building Maintenance Funds in fiscal year 2024-2025 to begin the Project.

REPORT IN BRIEF:

This report provides a brief background of the Public Safety Facilities Upgrade Project, a discussion of the Design-Build procurement process in general and specific to this project, and an expected timeline for project improvements to Fire Station No. 1, Fire Station No. 2, and Police Headquarters. A final negotiated project improvements scope and project price proposal is included as an attachment to this report.

DISCUSSION:

BACKGROUND

For several decades, the City has recognized that the Fire Station No. 1 facility is deficient structurally, operationally and administratively to meet current and future public safety needs. Building improvements to accommodate living quarters were identified and completed in the late 1990's, and additional exterior access improvements constructed in 2012. However, it was understood these improvements were short-term in nature, intended to allow the facility to continue to function until resources were available to construct a new fire station.

Currently, the Atascadero Fire Department houses administrative staff at the City Hall Building at 6500 Palma Avenue, with operations personnel and equipment at Fire Station No. 1 (6005 Lewis Avenue) and Fire Station No. 2 (9801 West Front). Fire Station No. 1 is a 5,400 square foot facility constructed in 1952 and is no longer considered operationally or structurally sufficient. Fire Station No. 2 is a 4,200 square foot facility constructed in 1986. Both stations were built before the Essential Services Act was enacted in California in 1986 and do not comply with current standards and building codes.

Although their facility needs are not as acute, the Police Department faces similar issues with their building at 5505 El Camino Real. This facility currently houses Police Department administration and operations, including Emergency Dispatch, and the City's Emergency Operations Center (EOC). The Police Headquarters building was originally constructed in 1960 (as a commercial structure) but purchased and remodeled by the City in 1990 as the Police Headquarters and is approximately 12,500 square feet with additional storage in the enclosed parking area.

Following the approval by City residents of Measure D-20 in November 2020, a working group was comprised of representatives from the City Manager's Office and the Fire, Police, Public Works and Administrative Services Departments to develop a project incorporating necessary improvements to all three facilities. The group toured a number of combined Public Safety facilities, as well as separate Fire and Police buildings.

Concurrent with preliminary project development, City staff was in negotiations with the State for acquisition of the 3.55-acre California National Guard Armory site located at 6105 Olmeda Avenue. The intention was to construct a combined Public Safety Facility on the site that would house Fire Station #1, Police Headquarters and the EOC. However, an agreement was unable to be reached, so in Fall 2023, the City shifted to reconstruction of Fire Station No. 1 at the existing location, and rehabilitation of the existing Fire Station No. 2 and Police Headquarters facilities. City staff has continued to negotiate with the State for the ability to utilize the National Guard Armory parking area for temporary Fire Department facilities during demolition and construction of Fire Station No. 1.

DESIGN-BUILD and CONTRACT AWARD

Unlike most Capital Projects undertaken by the City, the project utilized a Design-Build procurement rather than a traditional Design-Bid-Build. There were a number of reasons for selection of this procurement method, notably cost containment, reduction of risk, speed of delivery, and the opportunity to work collaboratively with the design and construction team. While the Design-Build process had not previously been used by the City, it is commonly used for facilities projects of this type, and is supported by revisions made to the City's Purchasing Policy in the October 2024 update, in compliance with California Public Contracting Code Section 22160, et seq.

Staff issued an RFP to provide Owner's Representative services in May 2023 with a work scope that includes project management, master architecture for concept design and bridging documents, bid and award support, and construction management services. Vanir Construction Management, Inc. was awarded a contract in August 2023 to provide the Owner's Representative services, subcontracting with Ten Over Studio to provide the space needs analysis, master architecture and bridging document services.

From August 2023 through August 2024, City staff worked closely with Vanir and Ten Over Studios to evaluate existing and future space needs at all three facilities, refine those needs based upon recent costs for similar facilities, and develop bridging documents for advertisement.

Selection of a Design-Build Firm is a multi-step process, initiated in June 2024 with issuance of a Request for Qualifications (RFQ). This document provided general information about the project and requested Statements of Qualifications (SOQ's) be submitted by any Design-Build entities (contractor and architect/engineer team). The City received seven SOQ's, which were reviewed and scored following a detailed matrix defined in the RFQ. Qualifications included team experience on similar projects, team member experience, and financial qualifications, among others. The City selection team, which included members from the City Manager's Office, Police, Fire, Administrative Services, and Public Works Departments, shortlisted three DBE's from the group of seven to be invited to participate in the Request for Proposals (RFP) phase. The three DBE's selected were Specialty Construction Inc./COAR Design Group, F&H Construction/LDA Architects, and Swinerton/Shah Kawasaki Architects.

Following completion of the SOQ process, the full RFP was issued to each of the three DBE's. The RFP provided to the DBE's included full bridging documents, which defined the minimum space requirements and basis of design for each of the three buildings. Each of the DBE's then prepared proposals that met minimum requirements and in their view, provided the greatest value for the City. During the proposal preparation time (approximately six weeks), the project selection committee held two confidential design meetings with each DBE. These meetings provided an opportunity for the DBE to share concept drawings and design approaches, and for the committee to provide feedback. Following their second confidential meeting, the SCI/COAR group notified the City that they were discontinuing their pursuit of the project, citing time constraints.

On November 4, 2024, the selection committee received work and fee proposals from both the F&H/LDA and Swinerton/Shah Kawasaki teams. After a thorough review of both proposals and follow-up interviews with both teams, the committee determined that the F&H/LDA team provided the "best value" to the City. However, their proposal, while meeting all the requirements of the RFP, significantly exceeded the City's project budget. Unlike a traditional Design-Bid-Build project, where the lowest responsive and responsible bidder is selected, the Design-Build process allows for a value engineering negotiation process with the selected DBE to refine work scope and guaranteed maximum fee to ensure the project meets the City's vision, goals, and budgetary requirements.

Negotiations with the F&H/LDA team commenced in December 2024, culminating in late January, with a mutually agreeable guaranteed maximum price and work scope.

The proposed agreement with F&H Construction has a construction cost of \$31,072,318, inclusive of complete planning, design and engineering services, management services, complete permitted plan sets, construction services, project completion and building and systems commissioning services, and turnover of a complete, functional, and legally operable project. Construction is estimated to begin in January 2026, following the issuance of necessary permits and entitlements. Full project completion is anticipated in September 2027. Total project costs are broken down by each facility as follows:

Fire Station No. 1 and EOC	\$21,924,235
Fire Station No. 2	\$ 4,927,672
Police Headquarters	\$ 4,220,411
TOTAL	\$31,072,318

PROJECT SCOPE and NEXT STEPS

The final negotiated scope of the project includes:

Fire Station No. 1 and Emergency Operations Center (EOC)

Following the transition from a Public Safety Center to the rebuild of Fire Station No. 1 at its current location, the goal of the City was to provide a modernized facility that was operationally and structurally sufficient for the next 50-plus years. This meant designing a facility that housed administration as well as accommodate growth in the Fire Department and to create a dedicated and fully functional EOC. The new facility is 16,556 square feet with 3 apparatus bays, a separate workout room, upstairs living quarters, and a 900 square foot EOC complete with break-out rooms, audio/video capabilities, and storage for training and EOC supplies.

Fire Station No. 2

The goal for Fire Station No. 2 was to achieve equity with Fire Station No. 1 regarding safety, code compliance, and quality of the facility. The facility will increase in size by 850 square feet. It will include a rebuild of the living quarters, updating restrooms, adding an additional bedroom, and creating a lobby and public restroom. It will add a decontamination room, and spaces for turnout cleaning, storage, and physical fitness separate from the engine bay and diesel exhaust.

Police Headquarters

Police Headquarters is being renovated to address modern policing standards and maximize operational efficiencies. Essential elements of the renovations include roof repair/rehabilitation, HVAC upgrades as necessary, parking area security upgrades, refreshed interior finishes, restroom/locker room improvements, and upgraded and expanded detached 1,300 sq ft dispatch building.

Following award of a contract with F&H Construction, the City will continue to work with the DBE to finalize the design. This includes finalization of building layout, as well as exterior architectural refinements, site improvements and connection to public utilities. Construction Documents will be submitted to the City at multiple phase milestones for comprehensive code compliance reviews.

Throughout this process, City staff remains in close contact with the DBE, and the DBE facilitates open communication with the architect, engineer, and subcontractors to maximize efficacy and minimize miscommunications. The early collaboration between stakeholders in the design-build method means that the construction process typically proceeds smoothly—and the agreed-upon guaranteed maximum price significantly reduces risk of budget surprises for the City.

Construction will commence on three facilities following final design approval. It is anticipated that demolition of Fire Station No. 1 (and possibly Fire Station No. 2) will occur prior to final design approval so the site is prepared for new construction to occur to expedite the project schedule. Fire personnel will be situated in temporary facilities during demolition and new construction activities. The preliminary schedule provided by the DBE team has outlined the following timelines for each of the three facilities:

Facility	Design/Permitting		Construction	
	Start	Finish	Start	Finish
Fire Station No. 1	February 2025	April 2026	April 2026	July 2027
Fire Station No. 2		December 2025	February 2026	December 2026
Police Headquarters		December 2025	January 2026	February 2027

Together with staff, representatives from the DBE, TenOver, and Vanir will present and discuss the project scope and sample renderings.

FUNDING SOURCES

Sales Tax Measure D-20 has provided substantial funding for this project. Starting in fiscal year 2022-2023, the budget included General Fund contributions to the Building Maintenance Fund, establishing a Project-specific reserve for the non-financed portion of this project. The non-financed portion of this Project includes items such as temporary relocation of staff during construction, furnishings, fixtures, and equipment (FF&E), and other project soft costs. Staff will present a bond funding proposal for Council consideration at a future Council meeting. The proposed plan would be a bond issue in the amount of \$29,000,000 to finance the bulk of the Project. The funding set aside from Sales Tax Measure D-20 revenues will provide the amounts necessary to pay for the debt service on the bonds.

The City has also applied for two Congressional Direct Spending grants that would provide additional funding for the project and could lessen the impact on the Building Maintenance Fund if received. The first grant would fund up to \$850,000 for upgrades to the Police Department and the second grant would fund up to \$1.2 million in Technology upgrades at the Emergency Operations Center. Since these grants have not yet been approved and funded, they are not being included as available funding sources.

CEQA DETERMINATION

CEQA determination has not yet been finalized, but it is anticipated that the Police Headquarters and Fire Station #2 will be Categorically Exempt (Class 1) from the provisions of the California Environmental Quality Act (California Public Resources Code §§ 21000, et seq., “CEQA”) and CEQA Guidelines (Title 14 California Code of Regulations §§ 15000, et seq.) pursuant to CEQA Guidelines Section 15301, because it is limited to repair, maintenance and minor alterations of existing public facilities involving negligible or no expansion of capacity. Fire Station #1 is anticipated to be a Mitigated Negative Declaration, with requirements for preservation of the existing historical fountain and surrounding improvements at the northeast corner of the property.

ALTERNATIVE TO THE STAFF RECOMMENDATION:

Council may choose not to award the contract and direct staff to continue negotiations with the DBE which may result in reduced project scope and/or increased cost estimates as the current cost proposal is only guaranteed if a contract is award at the February 11 meeting.

FISCAL IMPACT:

The total cost of this project is \$37,133,000. Bond financing for the Project is expected to account for \$29,000,000. Sales Tax Measure D-20 is funding the debt service on the bond financing, and also the non-financed portions of the project through Project-specific reserves in the Building Maintenance Fund. The fiscal impact illustrated below is a conservative analysis. Impacts to the Building Maintenance Fund may be mitigated if Federal dollars are received, if additional Sales Tax Measure D-20 are set aside, and interest earnings on the unspent borrowed funds are realized.

ESTIMATED EXPENDITURES	
Owner’s Representative Services/Construction Management	\$2,851,604
Design Support and Administration	\$300,000
Fire Station #1 - construction	\$21,924,235
Fire Station #2 - construction	\$4,927,672
Police Headquarters - construction	\$4,220,411
Owner Held Contingency (2.5%)	\$775,000
Furnishing, Fixtures & Equipment (FF&E)	\$650,000
Temporary Facilities	\$629,300
Other Project Support Costs	\$854,778
Total Estimated Expenditures:	\$37,133,000

BUDGETED FUNDING	
Proposed Bond Funding	\$29,000,000
Building Maintenance Fund – Project Reserves	8,133,000
Total Estimated Funding Sources	\$37,133,000
Projected Net Project Surplus / (Shortfall)	\$ -

REVIEWED BY OTHERS:

This item has been reviewed by the Administrative Services Director, Public Works Director, Fire Chief and Police Chief.

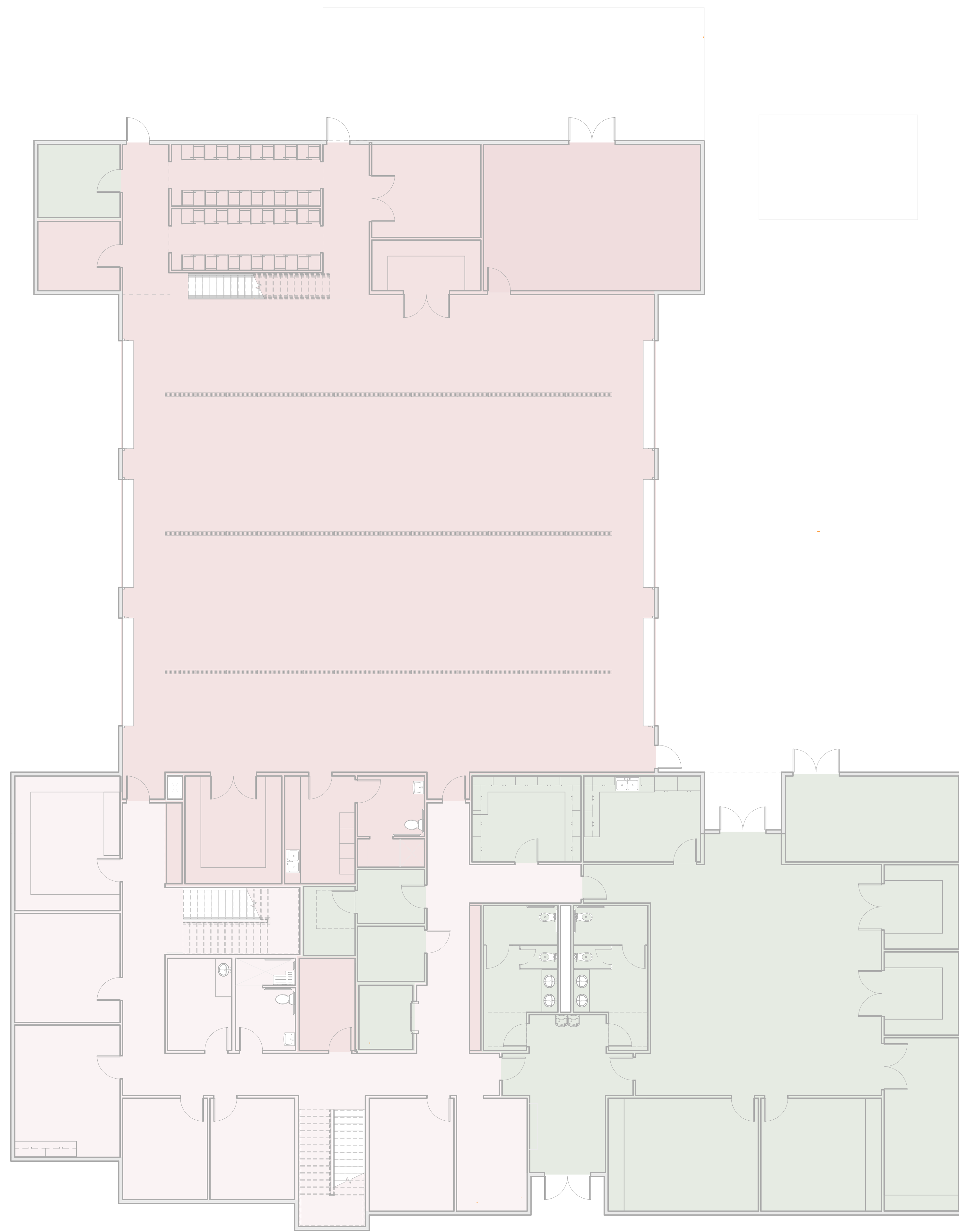
REVIEWED AND APPROVED FOR COUNCIL AGENDA



James R. Lewis, City Manager

ATTACHMENT(S):

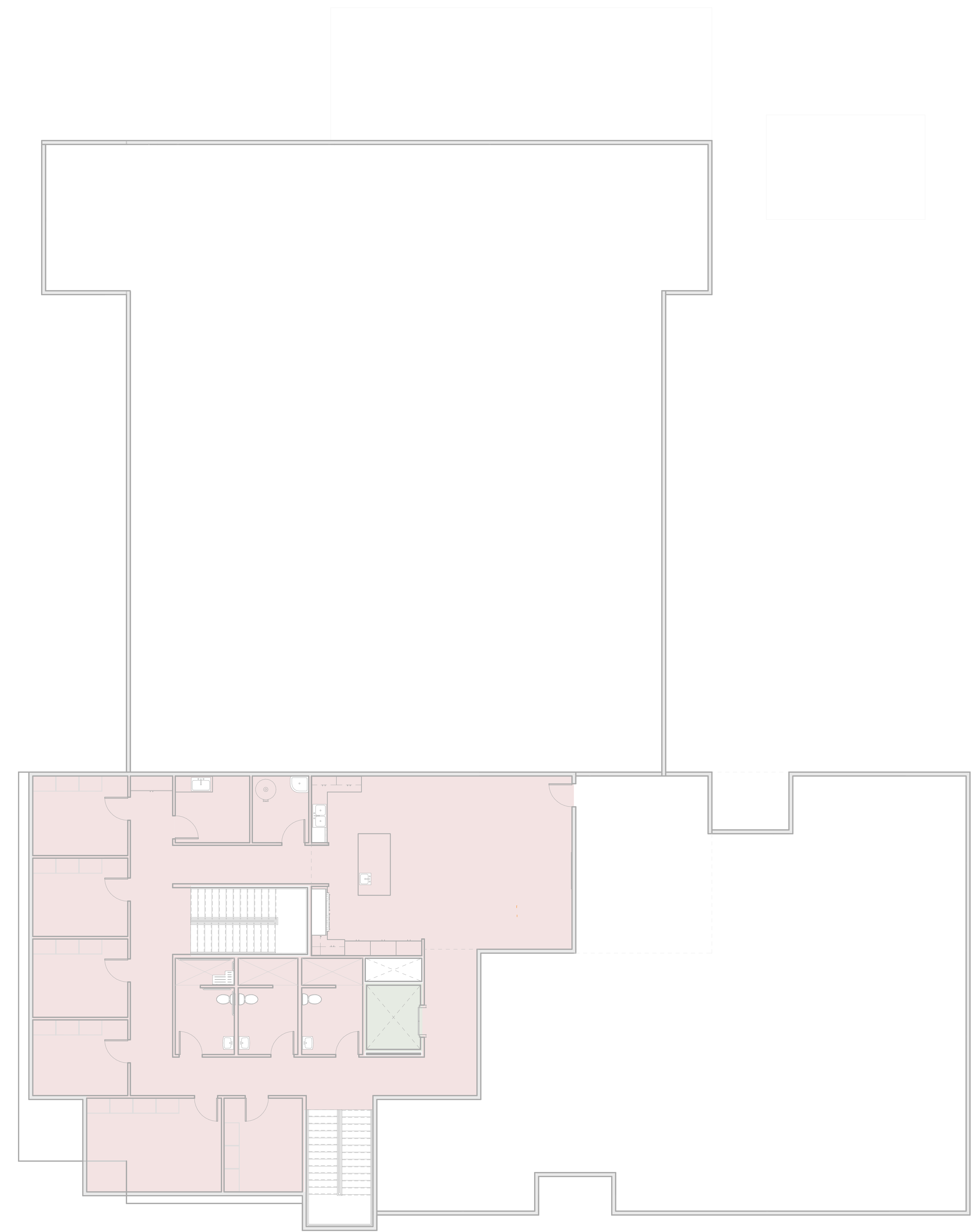
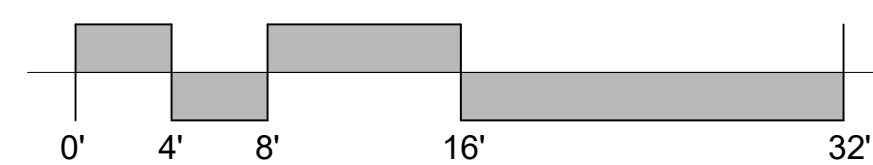
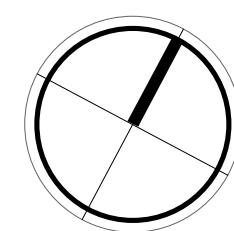
1. Fire Station No. 1, Fire Station No. 2, and Police Headquarters Final Concept Designs
2. Project Price Proposal



FIRST FLOOR PLAN

TOTAL BUILDING AREA: 12,946 S.F.

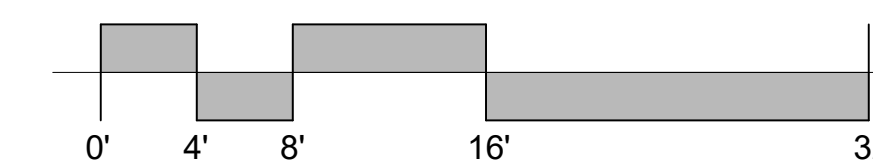
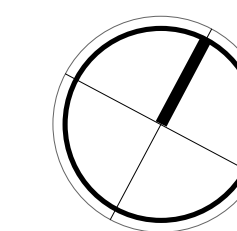
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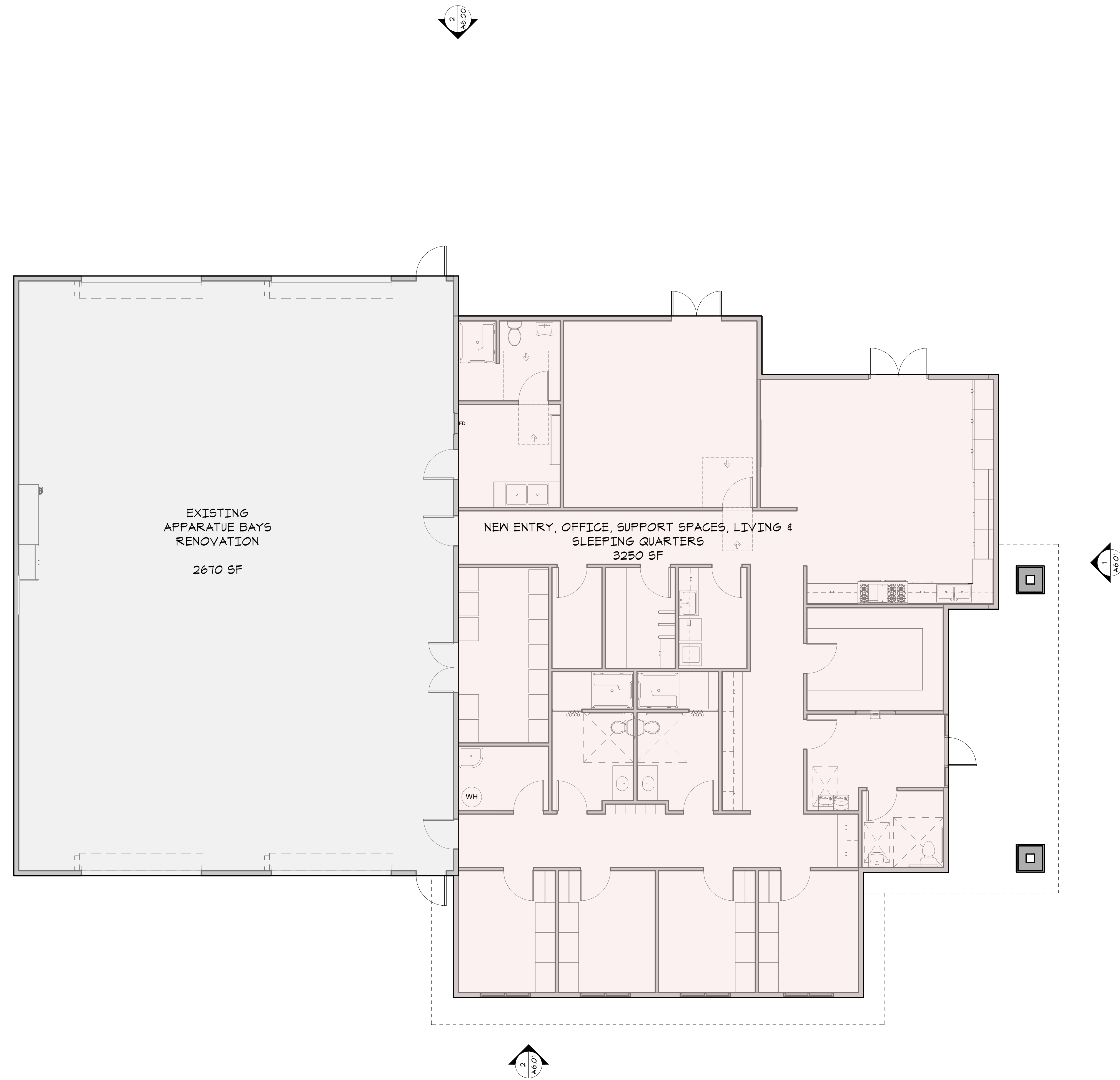


SECOND FLOOR PLAN

TOTAL BUILDING AREA: 2,968 S.F.

SCALE: 1/8" = 1'-0"





1 FLOOR PLAN OPT 1A
11 3/16" = 1'-0"

FLOOR PLAN OPT 1A

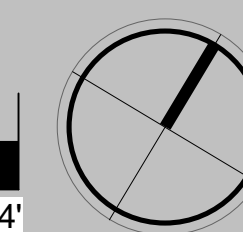
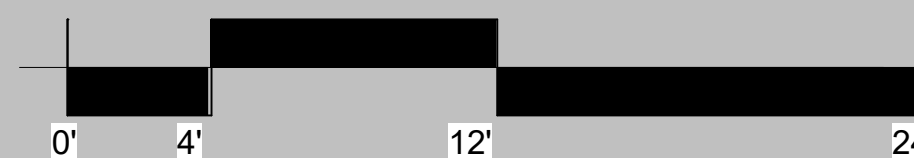
2/3/25

ATASCADERO PUBLIC SAFETY FACILITY - FIRE STATION 2

CITY OF ATASCADERO

EXISTING AREA = 2670 SF APPROX.
NEW (ADDITION) AREA = 3250 SF APPROX.

SCALE 3/16" = 1'-0"





SITE PLAN

1/10/2024

ATASCADERO PUBLIC SAFETY FACILITY

LDA Partners
DESIGNERS & ARCHITECTS



F&H CONSTRUCTION

Spaces for life

February 5, 2025

Reference: Final / Value Engineering Budget
New and Renovated Atascadero Public Safety Facilities
City of Atascadero, California

Dear Mr. Rob Nash,

We appreciate the opportunity to work with the City of Atascadero on the New and Renovated Atascadero Public Safety Facilities. After various meetings, discussions and communications we are happy to know that through scope reduction, value engineering and budget modifications, we have an understanding and have agreed to a revised budget in the amount of \$31,072,318.00.

The revised numbers are reflected in the latest drawings by LDA Partners, revised budget adjustments by F&H Construction, revised scopes & drawings by Thoma Electric and the revised scope by Boneso Mechanical & Plumbing. The revised budgets should be considered as a lump-sum proposal based on these revised documents. Please note that it is our understanding that some items remain or have been identified as being FF&E or by owner items based on communications or via the original RFP. We have made every attempt to clearly make note of these within the budget breakdowns.

We look forward to working with you and the City of Atascadero on making this a successful project for all shareholders. Again, we appreciate your faith in our team and for choosing us as your partner on this exciting project.

If you have any questions or concerns, please feel free to contact me any time.

Thank you,

Stephen Seibly
President / CEO
F&H Construction



CITY OF ATASCADERO

CITY COUNCIL STAFF REPORT

Item C2

Department: Administrative Services
Date: 02/11/25
Placement: Management

TO: JAMES R. LEWIS, CITY MANAGER

FROM: JERI RANGEL, DIRECTOR OF ADMINISTRATIVE SERVICES

PREPARED BY: CINDY CHAVEZ, DEPUTY DIRECTOR OF ADMINISTRATIVE SERVICES

SUBJECT: Comprehensive Financial Strategy

RECOMMENDATION:

Council review and file the Comprehensive Financial Strategy.

DISCUSSION:

The Comprehensive Financial Strategy compiles a variety of fiscal information and policies, which is relevant to future planning and the upcoming two-year budget process. Council has consistently held to the Financial Strategy that puts away funds in reserves in the good times for use when the economy dips. That strategy has positioned the City well to maintain consistent levels of service even as the economy goes through periods of expansion and contraction.

The report has six main sections:

1. Overview and Council Strategic Goals
2. Revenues
3. Expenditures
4. Long-Term Costs
5. Reserves
6. Fiscal Policies

Adherence to the Council's fiscal policy will continue to be important moving forward. The City's finances are stable, revenue growth is gradual, and Sales Tax Measure D-20 continues to provide great fiscal support to the community. Nonetheless, resources continue to be limited, and the attached comprehensive plan keeps the City's focus on Council's top priorities. Ultimately, teamwork and collective efforts to achieve these goals will keep the City's financial foundation strong, now and into the future.

FISCAL IMPACT:

None.

REVIEWED BY OTHERS:

This item has been reviewed by the Administrative Services Director.

REVIEWED AND APPROVED FOR COUNCIL AGENDA



James R. Lewis, City Manager

ATTACHMENT:

1. Atascadero Comprehensive Financial Strategy – February 2025



City of Atascadero

Comprehensive Financial Strategy

February 11, 2025

Working together to **serve**, **build community** and **enhance quality of life**.

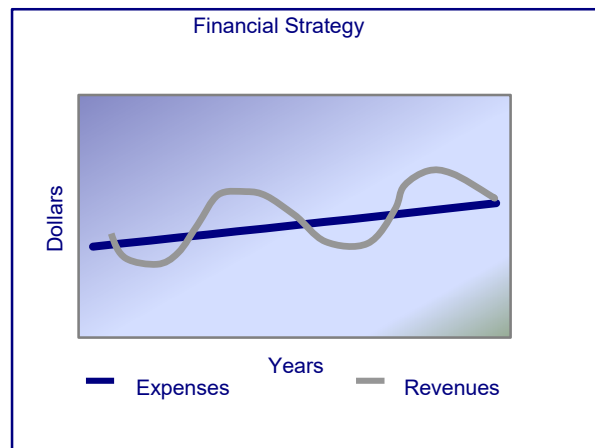
City of Atascadero

Financial Strategy – February 2025

The City of Atascadero has consistently maintained fiscal stability despite economic challenges at the state, national, and global levels. Successful navigation of these changes is largely due to proactive planning and visionary leadership. The City's policies and strategies have helped ensure consistent services, even in tough economic times, though trade-offs are necessary to keep the organization resilient.

Atascadero has faced significant financial hurdles over the years, from the early 1990s economic downturn to the 2008 Great Recession, the 2012 loss of redevelopment funding, and the 2020 pandemic recession. A well-defined financial strategy is crucial to overcoming these challenges. The recent success of Measure D-20, the Sales Tax for Essential Services, and the renewal of F-14 through Measure L-24, highlights the importance of a strong community-wide effort to maintain financial health, with the City Council and employees taking the lead.

To stay on track, the City must continually update its long-term fiscal plan. The first Financial Strategy was adopted in 1998, and its focus has greatly improved the City's financial condition. Generally, the City's strategy is to set aside funds into reserves during healthy times, and to use those saved funds to spend through difficult times. This results in a more stable level of investment by reducing spending peaks and valleys regardless of economic conditions. Additionally, the financial plan should provide general guidelines, identify actions, and adapt as circumstances change, ensuring it aligns with the City's evolving needs and priorities. Periodic updates will ensure that Atascadero remains on a path toward a sustainable future.



Components of the Comprehensive Financial Strategy:

There are several components to a Comprehensive Financial Strategy.

Section 1. Overview and Council Strategic Goals

Section 2. Major Revenues

Section 3. Operating Costs

Section 4. Long-Term Costs

Section 5. Reserves

Section 6. Fiscal Policies

SECTION 1 – Overview and Council Strategic Goals

To maintain a sound fiscal strategy, work must be focused on key organizational priorities and a robust mission statement. The priorities are established by the City Council every two years during a strategic planning session held in the Spring following a municipal election. The major strategic initiatives for the 2023-25 period were:

1. Economic and Community Vibrancy
2. Fiscal and Infrastructure Efficiency and Sustainability
3. Ensuring Public Safety and Providing Exceptional City Services

The Mission Statement guiding the City's priorities, actions and investments is:

“Working Together to Serve, Build Community, and Enhance Quality of Life!”

Annually, staff updates the City Council on the progress regarding the Action Plan related to the City's Strategic Priorities. A staff report was provided to the City Council in February 2025 and can be accessed by scanning the QR code below:



Good Financial Planning: The Seven Year Projection

To support the two-year budget process, staff created a Seven-Year Projection to better understand its long-term impacts of budget decisions. This projection is a valuable planning tool, offering a broader perspective on the organization's financial outlook and ensuring reserves are adequate. The seven-year time frame aligns with strategic planning standards and provides a reasonable future projection. Staff has updated key revenues and expenses, extending them over the next seven years.

A ten-year history and the Seven-Year Projection are provided on the following pages.

Ten Year History

General Fund										
(excluding Sales Tax Measure F-14 Activity)										
	Actual 2014/2015	Actual 2015/2016	Actual 2016/2017	Actual 2017/2018	Actual 2018/2019	Actual 2019/2020	Actual 2020/2021	Actual 2021/2022	Actual 2022/2023	Actual 2023/2024
Taxes										
Property Tax (Current Secured & VLF)	\$ 7,462,645	\$ 7,853,744	\$ 8,308,110	\$ 8,743,471	\$ 9,197,648	\$ 9,480,157	\$ 9,857,013	\$ 10,282,677	\$ 10,999,693	\$ 11,620,687
RDA Dissolution Distributions	131,077	181,523	283,066	759,176	460,501	465,449	527,383	497,884	529,714	681,243
Other Property Taxes	278,887	280,534	336,496	296,515	332,067	396,138	408,113	433,071	536,721	531,499
Sales Tax	3,428,731	3,812,457	3,620,027	4,058,583	4,133,073	4,188,715	4,728,862	5,169,751	4,964,533	4,887,550
Sales Tax - Measure D-20	-	-	-	-	-	-	1,415,443	6,239,847	6,354,899	6,507,108
Franchise Fees	1,041,578	1,047,677	1,168,572	1,099,534	1,117,791	1,146,994	1,232,615	1,301,298	1,381,290	1,491,046
Transient Occupancy Tax	852,154	1,238,431	1,337,528	1,376,498	1,390,972	1,123,619	1,385,896	2,049,160	2,156,988	2,097,167
Other Taxes	318,826	313,844	319,124	368,885	350,047	333,635	433,722	454,656	394,276	370,634
Permits	619,182	518,013	542,181	472,398	585,524	614,507	754,420	787,086	1,084,133	990,213
Intergovernmental	203,137	137,993	139,698	184,415	164,735	1,182,335	557,292	3,829,655	3,847,914	257,469
Grants	166,837	103,203	13,455	272,265	180,817	275,881	155,648	385,669	485,149	335,605
Service Fees										
Safety Fees	220,911	191,158	194,113	204,270	213,082	212,763	233,544	230,548	253,658	241,540
Mutual Aid	511,899	758,524	473,670	643,165	342,543	239,292	1,442,644	693,598	387,253	568,525
Development Fees	644,836	596,370	728,993	535,114	697,321	632,008	689,401	643,780	939,791	861,217
Recreation Fees	311,583	339,714	362,792	326,418	332,099	223,025	77,986	309,725	351,013	353,024
Administrative Fees	50,842	47,591	56,654	54,096	58,884	59,118	65,619	70,945	131,370	135,657
Pavilion & Other Rental Fees	108,698	115,140	115,069	148,550	135,392	85,682	19,991	132,591	140,903	144,715
Parks Fees	35,191	32,983	36,980	25,123	50,373	25,747	9,860	48,852	48,353	53,674
Zoo Fees	352,610	376,252	377,732	417,983	438,779	336,927	682,418	746,188	695,810	683,086
Fines	108,839	92,007	76,981	87,647	117,943	90,707	49,312	58,580	78,628	54,320
Interest Income	46,308	105,686	3,231	9,741	270,995	385,548	95,125	(525,334)	474,222	697,241
Other										
Interfund Charges	923,738	1,056,563	1,189,488	1,088,534	1,055,347	1,113,639	1,214,010	1,363,975	1,389,470	1,617,685
Donations	791,833	486,556	242,282	48,333	176,967	47,360	55,071	65,390	75,748	101,008
Other	124,665	78,906	45,654	27,818	31,645	66,680	115,634	125,419	82,592	106,444
Transfers	372,470	391,090	494,190	540,250	548,350	690,450	698,950	703,570	743,353	760,880
Total Revenues	19,107,477	20,155,959	20,466,086	21,788,782	22,382,895	23,416,376	26,905,972	36,098,581	38,527,473	36,149,237
Employee Services										
Operations	(13,254,966)	(13,429,637)	(14,213,908)	(14,882,845)	(14,886,317)	(15,755,553)	(16,722,868)	(18,665,393)	(20,148,481)	(21,862,012)
Special Projects & Community	(4,490,717)	(4,834,594)	(4,896,276)	(5,383,830)	(5,373,114)	(5,871,187)	(5,844,712)	(7,518,538)	(7,995,719)	(8,945,468)
Funding	(789,322)	(370,934)	(1,351,509)	(338,333)	(1,005,181)	(585,561)	(975,754)	(610,243)	(8,911,604)	(3,893,096)
Capital Outlay	(732,778)	(713,773)	(236,948)	(315,252)	(86,124)	(111,429)	(1,139,757)	(1,036,630)	(5,416,433)	(733,825)
Other Uses	(1,020)	(1,400)	(1,400)	(1,400)	(2,690)	(3,250)	(3,250)	(4,000)	(4,000)	(4,000)
Total Expenses	(19,268,803)	(19,350,338)	(20,700,041)	(20,921,660)	(21,353,426)	(22,326,980)	(24,686,341)	(27,834,804)	(42,476,237)	(35,438,401)
Net changes in fund balance prior to extraordinary item	(161,326)	805,621	(233,955)	867,122	1,029,469	1,089,396	2,219,631	8,263,777	(3,948,764)	710,836
Extraordinary gains/(losses)- Write-off of RDA Loans	-	-	-	-	-	-	(1,375,175)	-	-	-
NET INCOME / (LOSS)	(161,326)	805,621	(233,955)	867,122	1,029,469	1,089,396	844,456	8,263,777	(3,948,764)	710,836
Available Balance Beginning of Year	8,620,512	8,459,186	9,264,807	9,030,852	9,897,974	10,927,443	12,016,839	12,861,295	21,125,072	17,176,308
AVAILABLE BALANCE END OF YEAR	\$ 8,459,186	\$ 9,264,807	\$ 9,030,852	\$ 9,897,974	\$ 10,927,443	\$ 12,016,839	\$ 12,861,295	\$ 21,125,072	\$ 17,176,308	\$ 17,887,144
Available Balance as % of Expenses	43.9%	47.9%	43.6%	47.3%	51.2%	53.8%	52.1%	75.9%	40.4%	50.5%

Seven Year Projection

General Fund

(excluding Sales Tax Measure F-14 Activity)

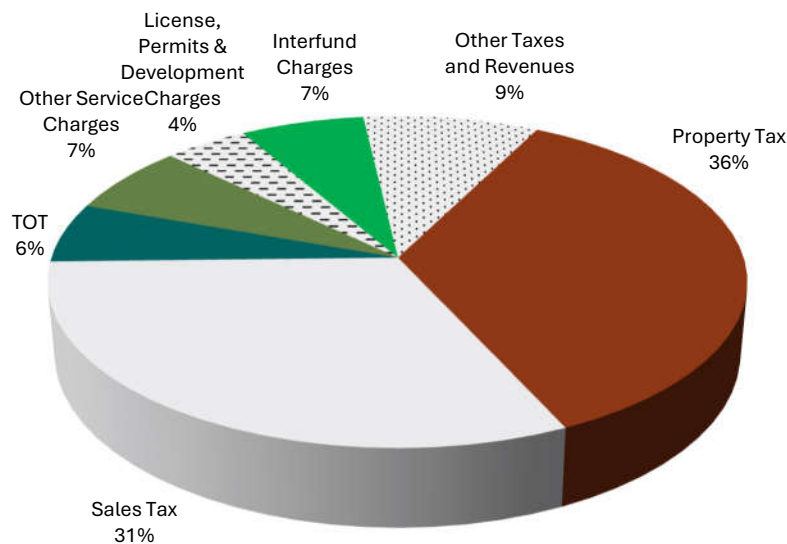
	Adopted Budget 2024/2025	Estimated 2024/2025	Estimated 2025/2026	Estimated 2026/2027	Estimated 2027/2028	Estimated 2028/2029	Estimated 2029/2030	Estimated 2030/2031	Estimated 2031/2032
Taxes									
Property Tax (Current Secured & VLF)	\$ 12,014,790	\$ 12,055,734	\$ 12,731,340	\$ 13,226,610	\$ 13,912,760	\$ 14,702,490	\$ 15,492,780	\$ 16,269,430	\$ 16,920,790
RDA Dissolution Distributions	604,330	692,125	752,130	812,130	872,130	932,130	992,130	1,052,130	1,112,130
Other Property Taxes	511,330	537,950	541,180	544,440	547,740	555,670	559,030	562,430	565,860
Sales Tax	5,344,360	4,809,000	4,998,000	5,146,000	5,284,940	5,443,490	5,606,790	5,774,990	5,948,240
Sales Tax - Measure D-20	6,626,500	6,579,000	6,562,000	6,779,000	6,962,030	7,150,000	7,364,500	7,585,440	7,813,000
Franchise Fees	1,464,650	1,549,400	1,588,270	1,623,420	1,656,110	1,682,610	1,710,180	1,730,240	1,750,660
Transient Occupancy Tax	2,056,100	2,129,000	2,192,900	2,260,900	2,326,500	2,391,600	2,470,500	2,542,100	2,613,300
Other Taxes	408,720	340,000	342,590	345,210	347,870	350,560	353,290	356,050	358,840
Permits	914,500	960,530	972,250	891,170	896,430	901,860	911,550	929,720	948,210
Intergovernmental Grants	226,900	262,870	254,920	210,690	214,380	218,390	222,430	226,600	230,890
Grants	10,000	-	-	-	-	-	-	-	-
Service Fees									
Safety Fees	228,610	242,614	236,280	240,070	243,190	246,370	249,590	252,870	256,220
Mutual Aid	250,000	680,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Development Fees	910,590	894,550	895,580	903,090	907,650	911,750	919,050	932,870	946,940
Recreation Fees	349,110	360,600	362,940	370,980	379,230	387,650	396,280	405,090	414,100
Administrative Fees	109,020	104,920	105,320	106,080	106,810	107,540	108,570	110,200	111,870
Pavilion & Other Rental Fees	134,810	144,100	147,710	151,400	155,180	159,060	163,040	167,120	171,300
Parks Fees	51,680	37,100	38,530	39,500	40,490	41,500	42,540	43,610	44,710
Zoo Fees	695,620	689,850	765,490	776,780	788,230	800,300	812,540	824,950	837,540
Fines	56,530	49,780	48,870	49,470	50,080	50,690	51,320	51,960	52,610
Interest Income	322,690	500,300	440,300	440,300	420,300	410,300	390,300	390,300	390,300
Other									
Interfund Charges	1,658,280	1,646,740	1,608,350	1,659,300	1,704,150	1,759,820	1,812,710	1,869,000	1,904,740
Donations	49,500	54,100	49,500	49,500	50,460	50,460	51,440	52,440	53,460
Other	27,240	55,840	55,780	20,280	20,420	20,560	20,710	20,860	21,010
Transfers	783,700	783,700	760,880	783,700	807,210	831,430	856,370	882,060	908,520
Total Revenues	35,809,560	36,159,803	36,701,110	37,680,020	38,944,290	40,356,230	41,807,640	43,282,460	44,625,240
Employee Services									
Operations	(23,756,230)	(23,756,230)	(24,449,000)	(25,783,900)	(26,748,800)	(27,652,900)	(28,771,100)	(29,611,300)	(30,418,300)
Special Projects & Community Funding	(9,868,830)	(9,868,830)	(10,278,550)	(10,422,100)	(10,573,100)	(10,791,900)	(10,941,200)	(11,160,000)	(11,383,200)
Capital Outlay	(545,500)	(545,500)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)
Other Uses	(2,235,000)	(2,235,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
NET INCOME / (LOSS)	(800,000)	(449,757)	(480,440)	(979,980)	(831,610)	(553,570)	(369,660)	46,160	358,740
Available Balance Beginning of Year	(204,000)	(204,000)	(204,000)	(204,000)	(204,000)	(215,000)	(215,000)	(215,000)	(215,000)
AVAILABLE BALANCE END OF YEAR	\$ 17,887,144	\$ 17,437,387	\$ 16,956,947	\$ 15,976,967	\$ 15,145,357	\$ 14,591,787	\$ 14,222,127	\$ 14,268,287	\$ 14,627,027
Available Balance as % of Expenses	46.7%	47.6%	45.6%	41.3%	38.1%	35.7%	33.7%	33.0%	33.0%

SECTION 2- Revenues

Major Revenues

The General Fund is the City's primary operating fund, providing resources for most of the City's ongoing activities including police, fire, parks, recreation and general government. It is this fund that the Council has the most discretion in directing expenditures and accomplishing Council priorities. Property Tax and Sales Tax are the City's top two General Fund revenues, making up about 65%-70% (excluding Sales Tax Measure F-14) of total General Fund revenue. Transient Occupancy Tax revenue (TOT) is the next single largest source of General Fund revenue at 6% of total General Fund Revenue.

2023-24 General Fund Revenue



Sales Tax Measure D-20 was passed by Atascadero Voters in November 2020 and is a General Fund "Essential Services Transactions and Use Tax" that increased the local sales tax rate in Atascadero one percent to 8.75%. The revenue generated is being used to fund many of the community's and Council's key priorities that would not otherwise have been funded, and is really allowing the City to thrive.

The local, state and national economies all impact revenues in Atascadero. Major economic events like COVID-19 influence the different components of the City's revenues in different ways. Property tax revenues are the most stable of the revenue sources and are slower to respond to major incidents. Revenues such as sales tax and transient occupancy tax, however, are much more subject to the ebbs and flows of the economy.

The following discussion reviews key income sources. Although both Sales Tax Measure D-20 and Sales Tax Measure F-14 are General Fund Taxes, the discussion below will include Measure D-20 impacts, but will exclude Measure F-14 impacts, as Measure F-14

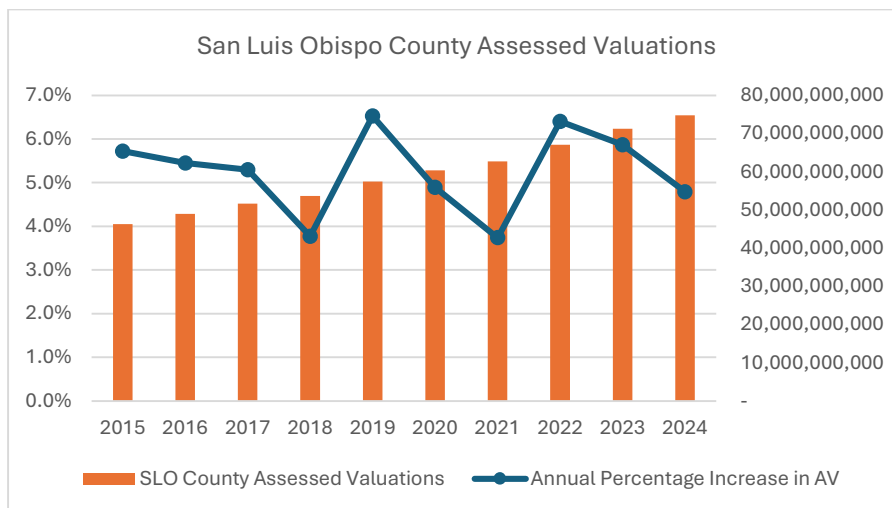
is focused on local road maintenance projects and is not being used for ongoing City services.

Property Tax Revenue

The City of Atascadero currently receives around 35%-40% of its General Fund revenues from property tax revenues. Property tax revenues are taxes imposed both on real property, otherwise known as secured taxes (land and permanently attached improvements) and tangible personal property, otherwise known as unsecured taxes (movable property). The tax is based on the value of the property rather than on a fixed amount or benefit to the property or person. Proposition 13 (Article XIII A of the State Constitution) limits the real property tax rate to 1% of a property’s assessed value, plus rates approved by the voters. The amount of the tax is based on an annually determined assessed valuation. Assessment increases on all properties are limited by Proposition 13 to no more than 2% each year as long as the property does not have a change in ownership or new construction. The property tax is paid to the county tax collector and allocated to local taxing agencies pursuant to a statutory allocation formula. The property tax is guaranteed by placing a lien on the real property. Atascadero receives between 16% - 18% of the property tax collected within city limits. The remainder is allocated to other agencies.

The City of Atascadero participates in the Teeter Plan with San Luis Obispo County. This Plan allows the City to receive its entire amount of the property tax levy regardless of whether or not the tax has been paid to the County. In exchange, the County is entitled to all future penalties and interest collected on the levy. This Plan proves to be beneficial each year but is exceptionally helpful to participating cities during economic downturn when more property tax bills go delinquent.

Property taxes are a function of assessed value and assessed value is a function of the base year adjusted for inflation and/or the fair market value. According to the San Luis Obispo Auditor Controller’s data, total countywide assessed value increased more than 5.0%, year over year, in eight of the last ten fiscal years.



The County calculates that the assessed value in Atascadero increased 5.32% in 2024 over 2023. Countywide, residential properties are in short supply and high interest rates have slowed home sales. This leads to fewer re-appraisal changes as compared to prior years. A slowdown in new construction resulted in less new construction value being added to the assessment roll. However, increasing values of business properties help to offset the easing of countywide home prices. San Luis Obispo County continues to see an influx of owners transferring their base values into properties in the County due to Proposition 19, which expanded the ability for people to keep their base assessment value low when properties change hands and would otherwise trigger an increase in assessed value to equal market value. All the above factors combined to moderate the assessment roll increases during 2024.

The California Association of Realtors® (CAR) reported that San Luis Obispo County single family home sales were up 8.3% in November 2024, as compared to the prior year. They also report unsold single family home inventory in the county was up 15.2% in that same period. The CAR further reports that of the existing San Luis Obispo County single family home listings in November 2024, 60% were listed for \$1,000,000 or more, and about 22% listed sales prices between \$750,000 - \$999,999.

Permit and construction activity are good indicators of future increases in assessed values, and therefore, future increases in property tax revenue. They also reflect the confidence of private investors in the community and relative state of the economy. In Atascadero, permit levels have continued to be strong. There is a substantial number of significant commercial projects in the works and 492 housing units with existing entitlements, and another 62 potential units undergoing entitlement review. Once built out, all these projects will increase the assessed valuation in the City.

A portion of the City's current and future growth in assessed valuation is due to this significant construction activity. Atascadero's assessed valuation will continue to reflect this added value. For every \$1 million that is added in new construction, \$10,000 a year is paid to the County in property tax, and about \$1,600-\$1,800 of that comes back to Atascadero's General Fund.

Estimate for Future Property Taxes

The State Department of Industrial Relations has recently released the inflation factor for the 2025/26 property tax assessments. The California Consumer Price Index (CCPI) is the metric that determines this factor, and it increased by 2.514% from October 2023 to October 2024, which is higher than the 2% maximum allowed by Proposition 13. The County of San Luis Obispo, using the maximum assessed value increase of 2%, along with other additions and changes to the assessed values, is projecting a 4% countywide increase in current secured assessed values for fiscal year 2025/26.

The CAR projects that housing sales will continue to rebound, although volume will vary monthly. Inflation has started to soften and although rates are climbing as of the writing of this document, the CAR expects that mortgage rates will eventually decrease

throughout the next two years, and then stabilize around 5.6%. Median home prices are projected to continue to increase in future years as demand continues and inventory remains inadequate.

The December 2024 Finance Bulletin from the California Department of Finance indicates that on an annualized basis statewide, single-family housing permits were up 7.4% and multi-family housing permits were down 26.3% as of October 2024 from the previous year's activity.

Freddie Mac cites three 2024 trends that are projected to impact the 2025 housing market: 1) Resilient U.S. labor market- job openings and hiring rates stabilized compared to the post-pandemic recovery, 2) Interest rate volatility- volatile interest rates mainly due to uncertainty around the Federal Reserve rate path and the national elections, and 3) Rising homeowners' insurance costs- the rapid increasing costs of homeowners' insurance makes home ownership even more difficult, especially in the lower income brackets. Freddie Mac projects slowed but continued economic growth in 2025, decreasing inflation, and a gradual cooling of the labor market. They forecast gradually declining mortgage rates, slight growth in home prices and sales volume, and an increase in refinance volumes as mortgage rates decline.

Assumptions

Based on the information above, consistent with the City's conservative Financial Strategy, the assumptions that went into the projected property tax revenues were as follows:

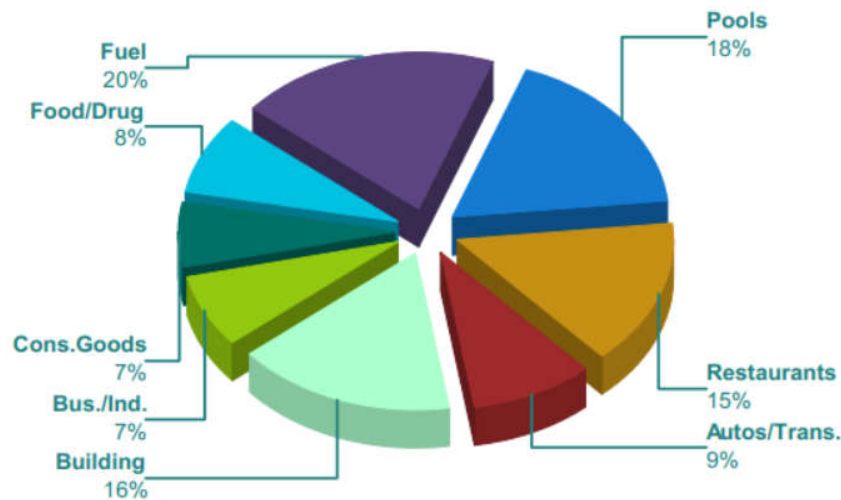
- 2024/25- Assumes that Current Secured, Redevelopment Agency Pass-Through, and Property Tax in Lieu of Vehicle License Fees are equal to the amounts estimated by the County Auditor's Office as of December 2025 (increase of 4.3%), which are collectively right on target with budget.
- 2025/26- Assumes that all current secured property tax increases by 4.9% as new residential and commercial construction comes online and economy continues growth trajectory. Current Year Supplemental revenue and Current Unsecured revenue are expected to see some modest growth, reflecting the residential turnover, additions, and new unsecured purchases. RPTTF will reflect savings from the refunding of the 2004 and 2010 bonds with the 2024 Tax Allocation Refunding Bonds.
- 2026/27- Assumes that all current secured property tax increases by 5.1% as even more new residential and commercial construction comes online. Current Year Supplemental and Unsecured revenue are expected to be fairly flat
- 2027/28 – 2031/32 – Assumes a positive inflation factor and continued growth due to new construction, and an easing in the overall economic growth rate. Increases of 4% – 5.7% per year are projected.

Sales Tax Revenue

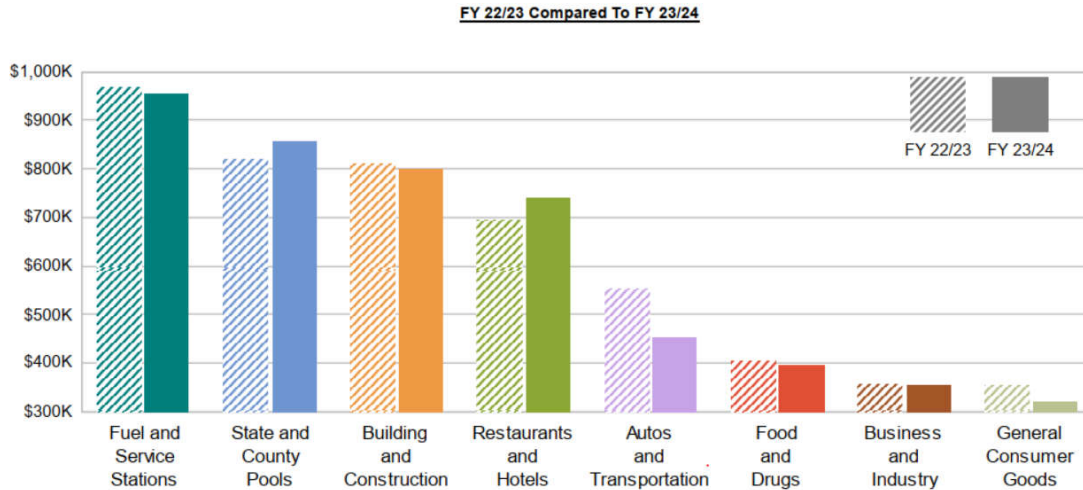
The City of Atascadero currently receives 30%-35% of its General Fund revenues from the combination of Bradley Burns sales tax and Measure D-20 revenues. Under California Sales and Use Tax Law, the sale of tangible personal property is subject to sales or use tax unless exempt or otherwise excluded. Sales tax is imposed on all retailers for the privilege of selling tangible personal property and is measured by the retailer's gross receipts. Use tax is imposed on the purchaser of tangible personal property from any retailer for storage, use or other consumption in California. The City's sales tax rate is 8.75%, which includes the State's base sales tax amount of 7.25%, plus the City's Sales Tax Measure D-20 of 1%, and another 0.5% from the City's Sales Tax Measure F-14. Sales Tax is distributed to the City by the State in monthly installments which lag significantly behind the period in which the sales occur.

The City's sales tax consulting firm, The HdL Companies (HdL), provides information to the City's staff periodically to track sales tax revenues. HdL bases their reporting on data from the California Department of Tax and Fee Administration (CDTFA).

Fuel and service stations are the largest sector of Atascadero sales tax, making up about 20% of the sales tax revenue. Sales tax from fuel prices has historically been very volatile in California, and this can have an impact on revenues.

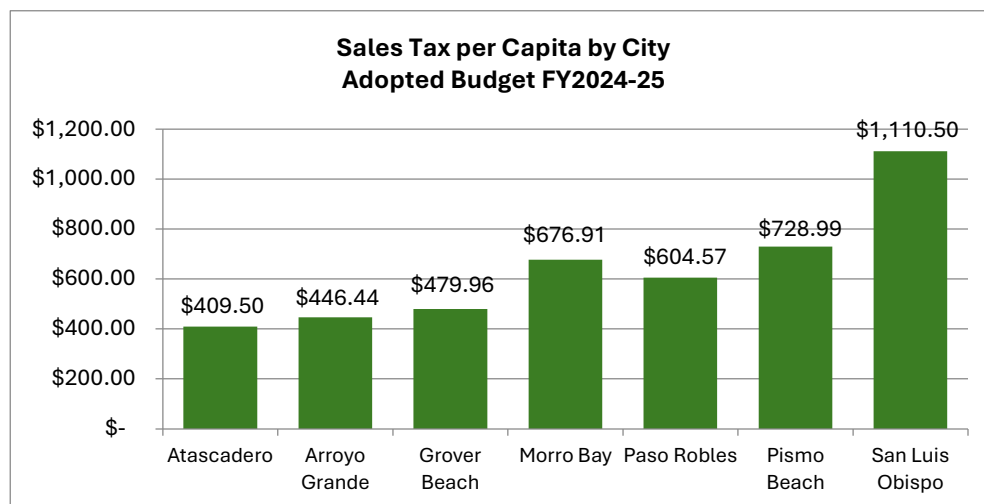


Fiscal year 2024 versus 2023 revenue by industry group is illustrated in the following graph. It shows how each of Atascadero's sectors performed during the two-year comparison period.



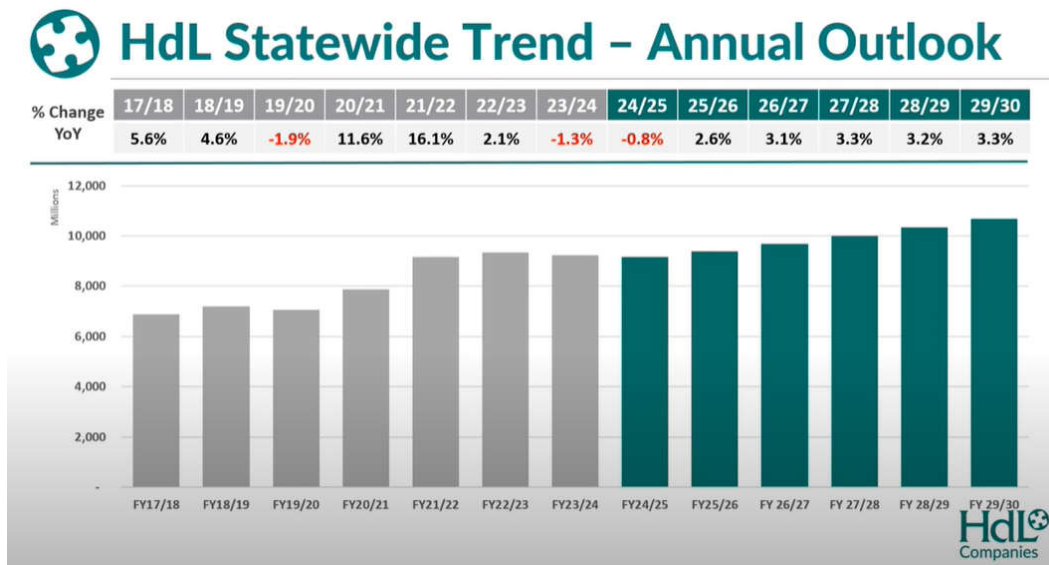
Revenue from the state and county pools are the second largest contributor to the sales tax base for the City, followed closely by the building and construction industry. Together, the City’s top three industries, 1) fuel and service stations, 2) state and countywide pools, and 3) building and construction make up just over half of the City’s sales tax revenue base.

Atascadero has historically had one of the lowest per capita revenues in the County. As shown on the following graph, the amount that the City earns in sales tax per capita has improved with the introduction of Measure D-20 revenue, but is still the lowest of all of cities in the county and is indicative of some of the reasons why the community can’t sustain the same level of services and amenities as some of our neighbors. Atascadero receives just under \$410 in sales tax revenue per resident compared with the receipts of San Luis Obispo at about \$1,111 per resident, well over twice Atascadero’s amount. This is a significant difference and is important to understand as we continue to prioritize goals.



Sales tax is likely the most volatile of the major revenues and is therefore the hardest to estimate in the Seven Year Projection. When looked at as a whole, sales tax is closely tied to state and national indicators such as consumer confidence, availability of money, savings rates, and other trend projections. Societal trends continue to shape the nature of sales tax over time as we saw with the changes brought about by COVID-19 and the shift away from brick-and-mortar stores and toward more online purchases, and even the trend toward collecting ‘experiences’ versus collecting ‘things’. The City’s sales tax mirrors State trends to a degree. However, the unique business mix here in Atascadero and on the Central Coast must be considered when considering sales tax projections. Understanding which industries are leaders or growing, which businesses are starting, and how those interplay with the City’s economic development efforts are key to forecasting local sales tax.

Statewide, HdL is projecting a decrease of 0.8% in fiscal year 2024/25 and an increase of 2.6% in fiscal year 2025/26. HdL expects stable growth in the three years after that.



For Atascadero specifically, HdL is projecting fiscal year 2024/25 will end essentially flat when compared to the prior year, which is about 5% less than budgeted for 2024/25. They expect fiscal year 2025/26 will increase about 2%, and then expect steady growth of about 3% will resume in fiscal year 2026/27.

Assumptions

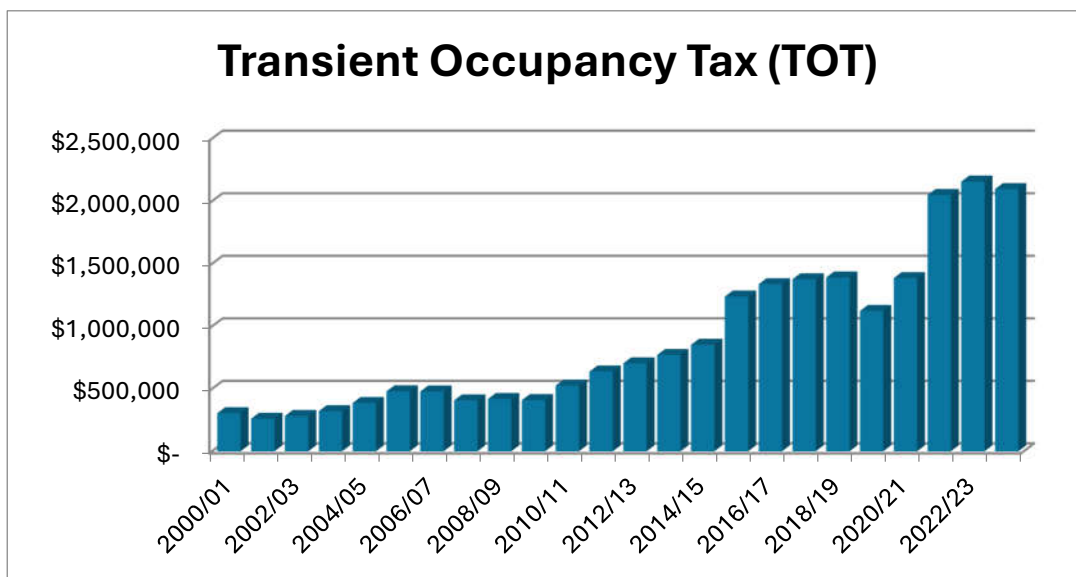
Current assumptions that went into the projected sales tax revenues were as follows:

- 2024/25- Assumes a decrease of about 1.5% in the City’s base Bradley-Burns sales tax, and an increase of Measure D-20 sales tax of about 1%. Since Measure D-20’s 1% brings in more revenue than the base sales tax of 1%, the total of these two revenues are projected to be flat compared to the prior year.
- 2025/26- Assumes slow growth with an increase of about 2%.

- 2026/27- Assumes more stabilization and stronger consumer confidence for 3% growth.
- 2027/28 – 2031/32 – Assumes continuing underlying growth of 2.7% - 3%, spurred by Atascadero’s economic development efforts.

Transient Occupancy Tax (TOT) Revenue

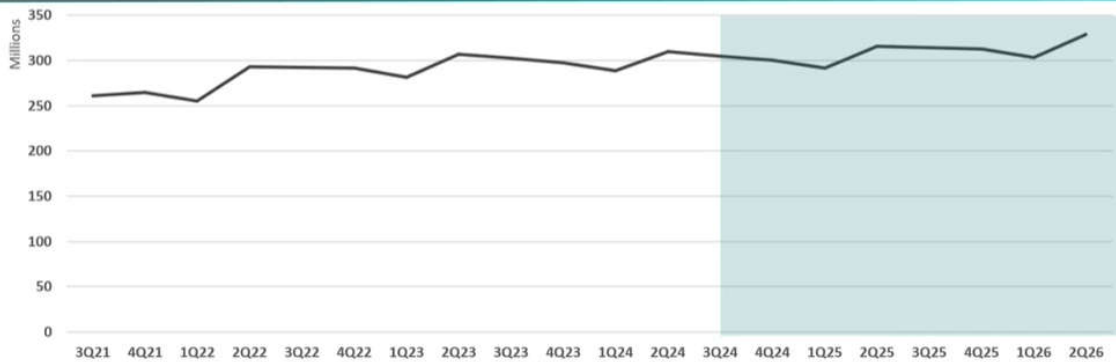
TOT is collected from guests staying at hotels within the City and is charged at a rate of 10% of rents paid. Revenues were steadily trending up through February 2020, but then began to decline in March 2020 due to impacts of COVID-19. As restrictions began to loosen, revenue picked up again in fiscal year 2020/21, where it came back up to 2018-19 levels. In fiscal year 2021/22, TOT revenue broke the two-million-dollar mark for the first time ever. TOT continued to grow in 2022/23 and ended the 2023/24 fiscal year at a slight downtick of \$2,097,167.



HdL expects the Restaurant and Hotel industry to increase 1.2% statewide in fiscal year 2024/25, as compared to the prior year, and expects an increase of 3.7% for 2025/26. Below is HdL’s most recent statewide quarterly forecast for the restaurant and hotel sector.

Restaurants & Hotels Forecast

	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26
% Change YoY	11.9%	10.1%	10.4%	4.9%	3.7%	2.0%	2.7%	0.8%	0.7%	1.0%	1.0%	2.0%	3.0%	4.0%	4.0%	4.0%
Fiscal Year Change	9.2%			2.2%				1.2%			3.7%					



According to Visit California, the statewide occupancy rate in October was 71%, up 1% over October in the prior year. Tourism spending in California was expected to earn \$155.2 billion in 2024, 3% higher than the 2023 amount. The average statewide daily rate was \$192 in October 2024, which was a -1% year-over-year decrease.

Visit California forecasts that travel-related spending from domestic visitors is expected to be fairly flat, while international travel into California is projected to almost fully recover (98% of 2019 spending) from COVID impacts.

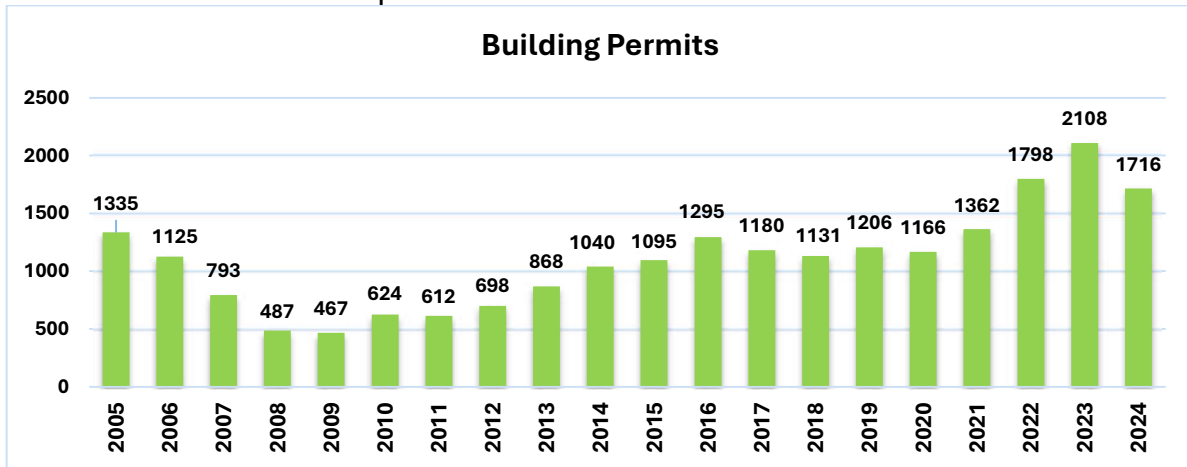
Tourism Economics, an Oxford Economics Company, in their December 2024 analysis, expects consumer spending to be strong over the next few years, largely due to high-income households. They report that in San Luis Obispo County, Average Daily Rate (ADR), Revenue Per Available Room (RevPAR), and Room Revenue have all recovered and continued to grow since being so heavily impacted by COVID-19. A 6% growth in room supply is expected in the County between 2024 and 2026 as more hotels come online. Many of these new hotels will be in Paso Robles, putting additional pressure on room rates in Atascadero. Tourism Economics projects that occupancy rates in the County will decrease slightly in the next two years, but revenue will grow 2.1% in 2025 and 3.6% in 2026.

Other Revenue

While property tax, sales tax, and TOT revenues account for the majority of City's General Fund revenues, there are other revenues that are also important.

Development Activity

Atascadero has seen significant development and building activity in recent years. In 2023, staff issued a record number of building permits, 2,108 in total. In 2024, another 1,716 permits were issued. There are currently over 492 housing units with existing entitlements and 62 more units in entitlement review. Some current and upcoming projects include Del Rio Marketplace, Barrel Creek, Dove Creek, downtown infill, mixed use projects both downtown and along the Morro Road corridor, among other projects. The completion of the General Plan Update will create even more opportunities in the community for economic development. These projects and the level of permits demonstrate the confidence private investors have in the future of Atascadero.



Other Fees for Service

The City typically receives \$2-\$3 million a year in various fees for other services. These fees include many items such as mutual aid reimbursement, zoo admissions, pavilion rentals, softball field rental fees, park rental charges, weed abatement charges, and vehicle release fees. While many of these charges were impacted by COVID-19, admission to the Charles Paddock Zoo has seen a positive resurgence since the pandemic-related closures. Zoo admission revenues were about \$264,000 in fiscal year 2018/19 but were about \$450,000 in 2023/24.

Summary

The overall revenue projections show a slow but steady climb in revenues over the next seven years. Growth in property tax revenue and sales tax including Measure D-20 will carry the City forward into the future.

Additional Information

For more detailed information and supplementary materials, please refer to the Appendix A – Revenues. This section provides additional data and resources to allow the reader a better understanding of City’s financial position.

SECTION 3- Expenses

Operating Costs

A healthy organization needs to review inflows (revenues) and outflows (expenses) on a regular basis in order to achieve balance over the long run. Certainly, the Council has successfully navigated this balanced path over the years by holding to the fiscal strategy of saving up a little extra in the good years to use in the down years. Unfortunate events like the Great Recession, rising pension and health insurance costs, COVID-related shutdowns have all put pressure on the City's delicate revenue and expense balance and have limited the City's ability to increase operating budgets as needed. Expense reductions have been made when necessary in order to better balance that inflow and outflow equation. Funding from Sales Tax Measure D-20 has been a game changer in providing needed relief toward better funding for necessary and existing services in order to achieve Council and community priorities. Like in most organizations, services, programs, and amenities that people might desire will exceed available resources. Therefore, by focusing operating budgets on those key priorities, the City will achieve the maximum benefits for the community as a whole.

Operating costs are typically broken into four different categories in the budget document, some are ongoing and some are one-time expenditures:

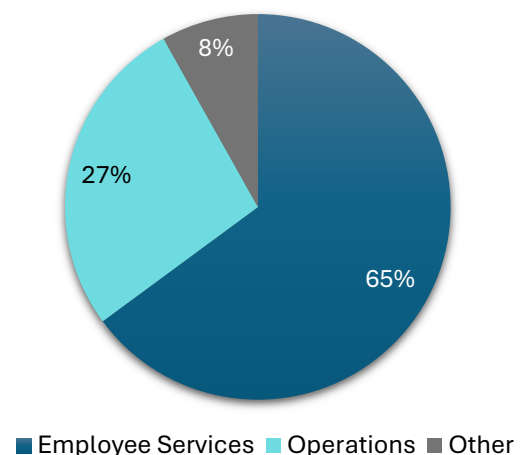
- Employee Services (ongoing)
- Operations (ongoing)
- Special Programs & Projects (usually one-time)
- Capital Projects (usually one-time)

Each of these categories will be defined in this section, and assumptions of the projected costs of each of these will be reviewed. The effective growth management of these categories is what helps the City to influence the bottom line.

Employee Services

Employee services are the backbone of the community. The City is a service organization, so the largest portion of General Fund expenditures is dedicated to employee services. In fact, 65% of budgeted General Fund expenditures for the fiscal year 2024/25 were allocated directly toward the cost of employee services. This is in line with other local governments. The City's employee services costs are based on pay known as salaries and wages and benefits.

2024/25 Budget by Category



The following are the general categories of labor costs that are found in the City's budget:

- **Salaries-** This base pay figure for full-time City employees represents 57% of the City's total General Fund labor costs.
- **Wages-** This is the pay for part-time or hourly employees such as scorekeepers, recreation workers and fire reserves. (1%)
- **Overtime-** This represents the amount paid in overtime to both full-time and part-time personnel. (3%)
- **Other Pay-** This category includes amounts paid to employees for items other than base pay. Items charged to this category include stand-by pay, holiday pay-off, uniform allowance, pay-off of vacation upon leaving the City and other similar pay types. (1%)
- **Benefits, Taxes and Insurance-** This category is made up of the following:
 - **Health Benefits-** Each full-time employee receives health benefits upon employment. The City contributes varying amounts towards medical insurance, dental insurance, vision insurance and life insurance. Current MOUs require the City to pick up 100% of the increased health benefits cost for the employee and 50% of the increased cost for dependents annually. (12%)
 - **Retirement-** The City and City employees do not contribute to Social Security and are therefore required to participate in another retirement program. For part-time employees who work less than 1,000 hours per year, the City contributes 2.5% to a FICA Substitute / Defined Contribution plan. For full-time employees and part-time employees who work more than 1,000 hours a year, the City participates in CalPERS. The City is now on a three-tiered system for both sworn safety personnel and miscellaneous (non-sworn personnel). This is a defined benefit plan which means that the City is guaranteeing the benefit that the employee will receive upon retirement (in the case of tier 1 sworn personnel, 3% of the highest year's salary for each year of service the employee has upon retirement at age 50 or older). Contribution rates for this benefit change annually based on actuarial studies performed by CalPERS. (20%)
 - **Medicare-** The City contributes 1.45% of pay to Medicare. (1%)
 - **Workers Compensation-** The City participates in California Joint Powers Insurance Agency (CJPIA) for workers compensation coverage. Cost of workers' compensation coverage is a formula based on payroll, the City's loss experience and the overall loss experience of CJPIA. (3%)
 - **Unemployment-** the City is self-insured for unemployment through the Employment Development Department (EDD). The EDD bills the City quarterly for actual unemployment benefits paid to former employees. (0.25%)
 - **Other Benefits-** There are other minor benefits afforded to employees such as the education reimbursement program, deferred compensation match, and long-term disability. (1.75%)

Payroll is not just a function of salary and benefit amounts but is also a function of the number of employees. The current budget includes funding for 143 full-time employees, up from 137 in fiscal year 2022/23. With a few exceptions, part-time employees are budgeted with a lump sum dollar amount, rather than the number of employees. In fiscal

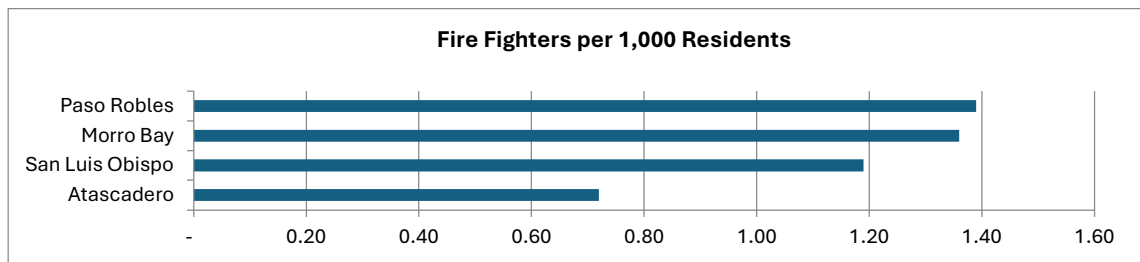
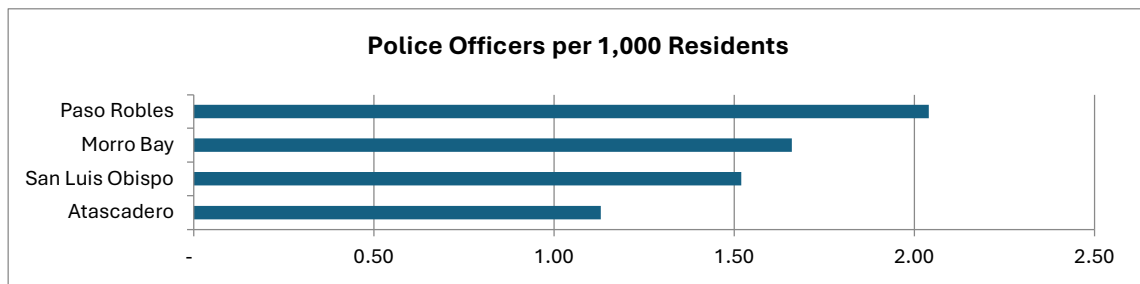
year 2023/24, 58 part-time employees worked almost 32,000 hours or the equivalent of about 15 full-time employees.

Staffing Levels

Atascadero City staff is a hard-working, dedicated group of people. Because resources have always been tight, Atascadero has been lean on staffing levels. Staff positions are added only when ongoing funding can be assured and when positions are necessary. With the addition of Measure D-20 funds, the City was able to begin looking at staffing deficiencies that had built up over the years. After Measure D-20, positions were added and most focused on public safety. This certainly provided some needed relief and is a significant movement in the right direction. However, the City continues to lag behind other local jurisdictions when it comes to staffing level metrics.

Per capita staffing for both police officers and fire fighters is low compared to surrounding cities, making it difficult to effectively staff these 24/7 operations without using substantial overtime. This situation becomes even more difficult when employees are out on vacation, are sick, or have been injured on the job.

The two charts below show the 2024/25 budgeted staffing levels per capita for police officers and fire fighters in Atascadero compared to other local cities:



While the charts above demonstrate the staffing limitations of the Police and Fire departments, all other City departments also run lean. When compared to other communities of our size, the staffing history and numbers for Planning, Public Works, Finance, and Administration are all similar to those in the public safety. This impacts the volume of activities that the staff is able to accomplish in order to provide the level of City services that the community expects.

Employee Retention

The City has been able to stay within its financial constraints with the cooperation of its employees. Atascadero's cautious use of resources carries over into very lean salaries and wages. There is significant competition from other agencies who are able, due to their more expansive revenue bases, to offer more generous salaries than Atascadero is able to. The market for high quality employees is tight and employers are competing. With one of the historically lowest per capita revenue cities in the county, Atascadero has always had a difficult time offering salaries that are on par with other agencies. However, since the passage of Measure D-20's, significant investment in salary and benefits has been made. Additionally, a renewed focus has been made on improving the staff's culture which is critical to retention.

Continuing increases in costs to employee healthcare, the state's minimum wage, and to the City's pension system, CalPERS, and have also put additional pressure on employee service costs.

Assumptions

Assumptions that went into the projected employee service costs were as follows:

- 2024/25- Assumes that current employees remain in place, step increases are given to eligible employees, and cost of living salary increases are consistent with current Memorandums of Understanding. Modest increases were included for the part-time staff to reflect increases in state minimum wages. Assumes no medical insurance costs increase, workers compensation increases of 7.8%, unemployment rates remain flat, CalPERS rates are 8.2%-18.9% for non-sworn employees and 13.8%-27.3% for sworn safety employees, and UAL payment of \$3.2 million (CalPERS actuarially determined rates). CalPERS rates for vacant positions are assumed to be Tier 3 for most positions.
- 2025/26- Assumes that current employees remain in place, step increases are given to eligible employees, and cost of living salary increases are consistent with current Memorandums of Understanding. Assumes medical insurance costs increase by 8%, workers compensation increases 7.5%, unemployment rates remain flat, CalPERS rates are 8.3%-19% for non-sworn employees and 14%-27.4% for sworn safety employees, and UAL payment of \$3.38 million (CalPERS actuarially determined rates). CalPERS rates for vacant positions are assumed to be Tier 3 for most positions.
- 2026/27- Assumes that current employees remain in place, step increases are given to eligible employees, and cost of living salary increases are consistent with current Memorandums of Understanding. Assumes medical insurance costs increase by 7%, workers compensation increases 7.5%, unemployment rates remain flat, CalPERS rates are 8.3%-18.8% for non-sworn employees and 14%-27.4% for sworn safety employees, and UAL payment of \$3.6 million.
- 2027/28 – 2031/32 – Assumes that current employees remain in place, step increases are given to eligible employees, and there are minimal cost of living salary increases for full- and part-time staff. Assumes medical insurance costs increase by 7% - 8% annually, workers compensation increases 5% annually, unemployment rates remain flat, CalPERS normal rates stabilize at 8.3%-18.8% for non-sworn employees and

14%-27.4% for sworn safety employees, and UAL payment continues to increase throughout the forecast period to \$4.4 million annually.

Operations Costs

Operations costs are expenditures related to the regular ongoing operation of the departments, including supplies, tools, utilities, insurance, contract services, and other similar expenditures. These costs are managed carefully each budget cycle with minimal increases allowed, usually 1%-2% per budget cycle.

Atascadero employees continue to work hard at keeping costs down and are always looking for better and more cost-effective ways to get things done. There are, however, a few areas of particular concern as the 2025-2027 budget cycle approaches:

- Utilities – The cost of utilities such as electricity, natural gas, and water have been increasing over recent years and additional funds were budgeted during the last budget cycle to meet these increases. Continued escalations are expected in future years and will impact all of the City’s facilities.
- Insurance – Liability, property, pollution and crime insurance costs have gone up over 78% since 2019/20. Costs are expected to continue to grow into the next budget cycle.
- Other Underfunded Operating Costs – There are a number of other costs in the operational budgets that have been outpacing the operational budget increases. Continued increases are being seen in communications, recruitment, office supplies, operations costs, and computer software licenses and maintenance agreements.
- Issues Related to Transients and Homelessness – The human impact of the homeless crisis is tragic. While not as visible, there is also a very real impact to government services and in particular, local services, as cities that were never designed, nor funded to provide social services and deal with the inherent conflicts and problems of people living on the streets. The illegal camps that exist throughout the City have a significant impact on the environment and the general quality of life for the neighborhoods. The City has budgeted funds to help reduce these impacts. We’ve made great strides so far by encouraging unhoused individuals that can benefit from services to engage in those services through find shelters and other government programs, through Council policies such as the Cart Ordinance to reduce abandoned shopping carts, implementing more aggressive efforts to reduce and clear camps, and by making changes to physical environments like reducing fencing that shield camps, providing enhanced vegetation management, and administering compassionate yet firm enforcement of laws. The 2024/25 budget also includes \$80,000 in funding for camp clean-up that translates into a big improvement to the health of the community, parks and waterways.
- Regulations – While state and federal regulating agencies have good intentions with their various programs, compliance becomes more burdensome and costly with each new regulation. The Air Pollution Control District, the Regional Water

Quality Control Board, the National Fire Protection Association, Occupational Safety and Health Administration and other similar agencies have specific requirements that the City must meet. Programs such as the Short-Lived Climate Pollutant Reduction Strategy (AB 1383), Storm Water Management Plan, the Storm Water Trash Amendment, Groundwater Monitoring, the National Pollutant Discharge Elimination System, and the Federal Highway Administration's Retro-Reflectivity are just a few of the many regulations that affect the City and its budget. There are also additional requirements of the Public Safety departments, such as the new Police Department reporting standards, changes in medical clearance and procedures for mental health detentions and county jail bookings, increased training standards, and radio system/security protocol changes. The trend is toward greater regulation in a number of different areas which increases City costs for permits, monitoring, equipment replacement, training, and compliance.

Assumptions

The projections assume a target increase of 2% in 2025/26 and 2% in 2026/27. The Seven Year Projection assumes modest increases of 2% in operations costs in the outer five years. This assumes a continued focus on keeping costs lean, smart, and effective, but also understanding the reality that costs are, and will continue to, increase.

Special Projects and Programs Costs

Special Projects and Programs are costs that are either atypical expenses or other projects or programs that are not part of the City's regular operations. Included in this category are items such as minor equipment, studies, intangible assets, community programs, and infrequent repairs or maintenance.

Assumptions

The Seven Year Projection assumes \$250,000 annually in special project costs throughout the lookout period.

Capital Project Costs

Capital Projects costs are expenditures for new capital equipment with a life in excess of one year and costing over \$2,500, and capital improvement projects. Capital purchases are included in the budget only after supplemental budget requests effectively identify and justify the need for such a purchase. Historically, many capital expenditures have been minimized in order to keep costs down. Measure D-20 has made it possible to begin replacement of some of the City's assets and equipment. Staff will continue to pursue grants and effectively use donations when available for the purchase of these and other items as well.

Assumptions

The Seven Year Projection assumes a flat \$200,000 each year to cover anticipated capital projects and expenses. Also included is \$1,800,000 for the Public Safety Facilities project and eventual debt service payments.

Summary

Across the last two decades, Council has shown strong leadership in sticking to its financial strategy; tucking away reserves in the good years and judiciously using them as the economy dipped and now continues to improve. The Council, the community, and the staff have responsibly budgeted funding made available by Sales Tax Measure D-20 funds. While these funds have brought some needed relief, they aren't sufficient to fund everything. Prioritization and compromise will continue to be key factors to consider while analyzing the opportunities to come.

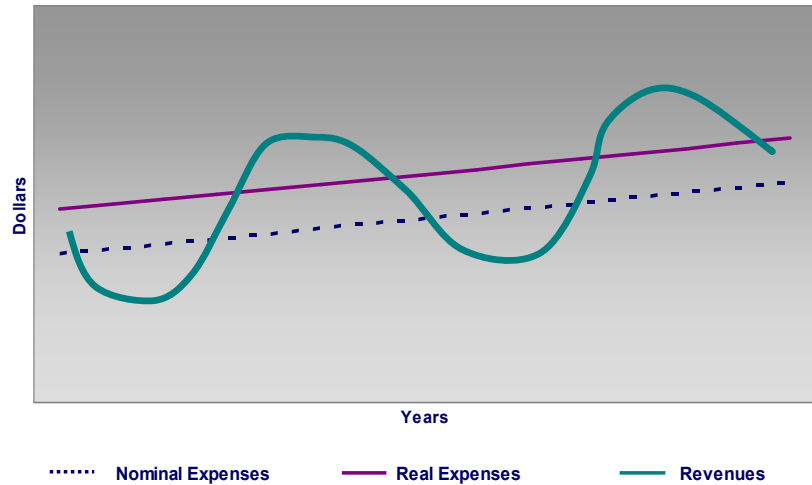
Additional Information

For more detailed information and supplementary materials, please refer to the Appendix B – Expenses. This section provides additional data and resources to allow the reader a better understanding of City's financial position.

SECTION 4 – Long-Term Costs

Long-term costs are items that don't necessarily need to be funded in the current term but need to be considered in the current term. These are items like infrastructure, equipment, vehicles, and accrued employee leave time that will need to be paid at some point in the future.

In the financial strategy diagram to the right, there are two expenditure trend lines. The lower dotted line represents the strategic plan. That is the limit at which the expenditures are budgeted. However, there are many services that are being consumed that are not included in the bi-annual budget. The upper solid line includes not only the budgeted items, but



also all of the unseen expenses that will eventually come due. The City currently doesn't put any funding into Storm Drain Reserves, yet the storm drains are used constantly and wear out a little more each day. At some point, they will need replacing and there will be a large price tag associated with this. This has become even more evident after the 2023 storms. Similarly, there are only minor reserves being set aside for replacement of park equipment or building components. The parks in our community are heavily used and are exposed to the elements. Building components like roofs, HVAC units, and plumbing have a life span and will eventually need to be replaced. The City has made long strides in funding some of these hidden costs like vehicles and technology, but not all of the categories of long-term costs have been funded or funded consistently. These unseen costs continue to incur and escalate each year and should be understood for thoughtful future planning since the City's infrastructure and facilities will eventually fail and need to be replaced. Measure D-20 has helped to address a portion of the deferred and unfunded needs, but there is more progress to be made before all long-term costs are adequately funded.

Infrastructure

Infrastructure includes the basic facilities and assets needed to run the City. It includes public infrastructure such as roads, storm drains, streetlights, traffic signals, sidewalks, bridges, wastewater collection and treatment, and other large capital items needed to support households, businesses, and industries. It includes facilities such as fire stations, police station, parks, the zoo, City Hall and other large capital assets that are needed to provide services to the public. It also includes the basic underlying capital assets needed for the day-to-day operations of the City including computers, software, radios, breathing apparatus, police cars, tractors, fire engines, etc.

The scope of all of these items may seem daunting, however, not everything will come due at one time. The City does not need to have all assets in new condition to function smoothly and provide services to its citizens. A “fair” condition for the roads might be the realistic targeted service level, and that is a much different than assuming all roads need to be in “excellent” condition. Each infrastructure system needs to be looked at individually and when analyzing infrastructure funding, the City should look at immediate needs, long-term funding needs, when an asset needs to be replaced, what has worked historically, and what are the service levels the City can maintain.

The City has success stories with its focused efforts to put away for some of these long-term costs. Technology needs and vehicle replacements are fully funded, and the City is working toward funding more categories of these items while it balances all the City’s needs. Measure F-14 has been successful at funding street maintenance on local and neighborhood roads. Overall, the City’s Pavement Condition Index improved *nine points* from 47 to 56 from 2014 to 2024.

Employee Leave Accruals

Along with infrastructure, employee leave accruals are another long-term cost to consider. There are several different types of paid leave that accrue to full-time employees. These include vacation, holiday, administrative leave, sick leave, and compensatory time accruals. The amount of leave employees are eligible to accrue is governed by Memorandum of Understandings (MOUs), personnel contracts, and the Personnel System Rules.

Each employee is required to record time worked and time off in official attendance records that are recorded with payroll. Depending on the specifics of the governing MOU, contract and Personnel System Rules, employees earn paid time off each year. As the employee earns leave, it is accrued in an appropriate leave bank as leave hours. The employee may take these hours off of work during the year and be paid for their regular rate of pay for the hours, thus decreasing their leave bank hours. When an employee leaves the City, they must also be paid for certain leave hours they have on the books. What is paid off is governed by law, MOUs, Personnel System Rules and past practice. If all City employees left the City on June 30, 2024, the total value of all leave accruals eligible to be paid off would have been just under \$2.4 million.

While the City’s leave accruals are real liabilities, they have different characteristics than other long-term liabilities. As an employee terminates employment, the City pays out that person’s leave liability. The City then has an option as to how quick to hire a replacement employee for that position and can opt to hold off until sufficient salary savings has been achieved to cover the outgoing employee’s payoff. Of course, this can also cause operational issues, as the work does not go away. While often times a department is able to move around shifts or workloads to minimize overtime while a replacement is recruited, there is some level of service reduction during this period.

The City is a service organization and much of the General Fund is spent on labor. The leave liability is a part of doing business. This is not a liability that we would expect to have to payout all at once, but instead it's a liability that grows and contracts by relatively small amounts each year.

While the need for long-term cost reserves may seem daunting, it is not unlike what other cities face. The nature of government, its accounting methods, and citizens' desire for services make the funding of long-term assets very difficult until it becomes critical. Atascadero is ahead of the game by looking at these costs, analyzing them bi-annually, and determining what the horizon looks like.

The City has made incredible strides toward funding long-term assets since 1997 when the City did not have a financial plan and did not have a funding plan for any of its long-term assets. At this time, vehicles and technology equipment are fully funded with scheduled replacement of all assets, building reserve deficits have decreased, Measure F-14 and the road program are in place and, along with SB1 funding, have made great strides towards improving roads, and the immediate needs for equipment replacement have been funded through grants, donations, Measure D-20, and other available funding.

Additional Information

For more detailed information and supplementary materials, please refer to the Appendix C – Long-Term Costs. This section provides additional data and resources to allow the reader a better understanding of City's financial position.

SECTION 5- Reserves

Reserves

The term *reserves* is used quite universally in governmental finance. There are different types of reserves, different purposes, and different legal restrictions on them. Essentially, they are the collective amount of revenues in excess of expenses, or similar to what a company might term *retained earnings* or an individual might call a *savings account*. Typically, the General Fund reserves are the most carefully monitored as these are the most flexible and discretionary of all the funds. In a pinch, however, there are reserves in other City funds that could legally be borrowed if the City found it necessary.

General Fund reserves are often thought to be one indicator of the fiscal stability of an organization. The General Fund reserves are broken down into different components, each with separate ramifications and costs. The fund balance (or reserve) designations are as follows:

Non-spendable- includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. Because some assets are not easily convertible to cash in a timely manner, the fund balance is designated to show the portion that is non-spendable or can't be spent within a timely manner.

Restricted- includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation. For the City, these typically include the fund balances of most other funds. For example, the fund balance in the Circulation System Impact Fees fund is constrained by state legislation (AB1600) which sets forth specific criteria for collecting and expenditure of these funds. The use of the fund balance is restricted.

Assigned- includes fund balance amounts that are constrained for specific purposes by the City through formal action of the City Council and does not lapse at fiscal year end. These amounts typically include encumbrances or amounts that Council has formally set aside by resolution or contract.

Unassigned- includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds. These are funds that have not been earmarked for any specific purpose and are available for Council discretionary spending.

Current Reserves

The City first adopted a Financial Strategy in 1998 and the results of having such a plan are clear. Over the years, the overall strategy has consistently been to maintain a conservative outlook by putting aside reserves in good times and then using those reserves during down periods to achieve stable operations. By employing this cautious strategy in the past, the City has been able to remain fiscally stable during revenue fluctuations and increases in operational costs. The City has used reserves along with other fiscal strategies to maintain services and ensure the City's long-term financial viability.



During the 2023-2025 budget process, Council continued to support using reserves annually in the short-term to close the gap between projected revenues and expenses, with the long-term goal of building up the reserves again.

In addition to General Fund reserves, it is equally as important to understand which other accounts there might be within the City that are legally accessible to the General Fund in order to meet its operational needs. There are two other sources of potential funds that could be considered. The first is the internal service account replacement funds and the second is unspent funds transferred to the Capital Projects Fund for road replacement.

Internal Service Account Replacement Funds - The City also has amounts set aside for replacement of vehicles, equipment, buildings and technology. The City has the legal right to transfer these funds back to the General Fund; however, it is not necessarily prudent to do so. Historically, the City has put away amounts annually so that as vehicles, computers, software and buildings become old and no longer function, the City has funds to replace them. These funds are legally available to transfer back to the General Fund; however, it does not change the time frame that roofs will have to be replaced, or software will no longer be supportable. The City had just under \$19.7 million in unrestricted net position in the internal services funds as of June 30, 2024.

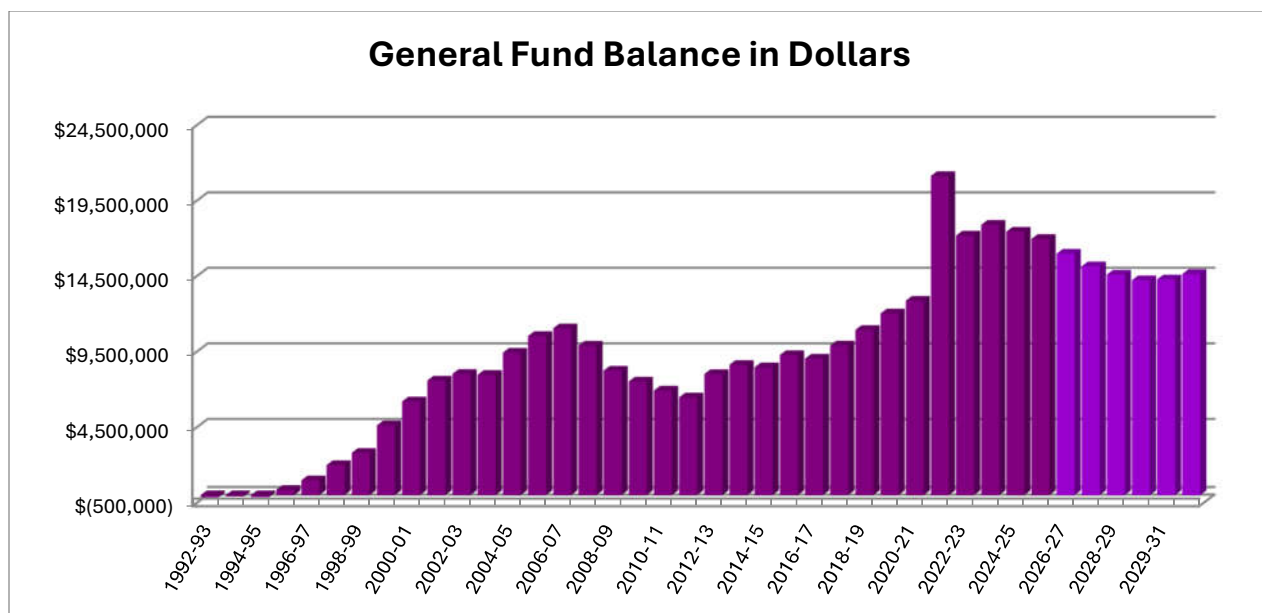
Unspent Capital Project Road Funds – In past budgets, the City Council approved transferring City General Funds to the Capital Projects Funds for road projects. While many road projects were accomplished with the transferred funds, approximately \$98,000 of these funds remain unspent. They are a good source of matching funds for capital grants related to projects within the five-year capital improvement program; however, they are also available to be transferred back to the City's General Fund if the Council chose to do so instead.

Looking at the Big Picture

The appropriate amount of General Fund reserve balances are different for each City. Council’s Policy states that eleven criteria should be analyzed each budget cycle when considering how much the City’s General Fund reserves should be. These criteria evaluate such factors as the level of diversity in General Fund revenues, the stability of the revenue base, cash flow needs, and the ability to have enough resources to respond to something unexpected, among other criteria. While each of these criteria are important, they are looked at collectively to determine what is best for the City at that moment and foreseeable future. These criteria must also be considered within the framework of the financial picture for the entire organization rather than just the General Fund. The Council’s Reserve Policy does not set an upper limit but sets a lower limit of 20% of General fund expenditures unless the City is experiencing a natural and fiscal emergency.

As of June 30, 2024, the City’s General Fund had a reserve balance (excluding Sales Tax Measure F-14 funds) of \$17.9 million, and fiscal year 2024/25 is estimated to be \$17.1 million. Additionally, encumbrances and approved capital projects not spent in the year budgeted are carried forward to the next fiscal year. The spike in the reserves total in fiscal year 2021/22 was primarily due to the increase in sales tax revenues from Sales Tax Measure D-20 and the receipt of Federal American Rescue Plan Act (ARPA), Coronavirus State and Local Fiscal Recovery Funds. ARPA funds totaled \$7.2 million and were received in fiscal years 2021/22 and 2022/23. The General Fund reserve balance includes funding for many projects that have been committed to but not yet spent.

The Seven Year Projection shows an expected Net Income of (\$480,440) in 2025/26 and (\$979,980) in 2026/27. The future years in the outlook period are expected to use additional reserves per the Council’s Financial Policy through fiscal year 2029/30 before starting to build back those reserves in fiscal year 2030/31. The General Fund reserve balance in dollars is depicted in the following graph:



Summary

It is important that the City maintain an appropriate level of reserves. The fiscal strategy has been an effective tool to keep the City in a respectable financial position. Council has agreed that reserves should not drop below 20% of General Fund expenses. Through careful planning and many years of belt tightening, this continues to be an achievable goal. While it will take continued effort to balance the available resources with the many needs, overall, the City is likely in the best position in its history. Staff will continue to monitor actual figures as they come in and compare them to the projected numbers. With consistent monitoring, the Council has been, and will continue to be, alert and effective leaders guiding and supporting the City toward a prosperous and flourishing future.

Additional Information

For more detailed information and supplementary materials, please refer to the Appendix D – Reserves. This section provides additional data and resources to allow the reader a better understanding of City’s financial position.

SECTION 6- Fiscal Policies

Fiscal Policies

The budget document allocates City resources such as personnel, materials, and equipment in tangible ways to achieve the general goals of the community. It is prudent, therefore, for the City to have in place fiscal policies and practices to guide the City Manager and City Council through the budget decision-making process. These Policies guide decisions regarding achieving the most possible operational efficiencies, adequate levels of staffing, education, communication, economic development, community development, infrastructure, the addition of new services and facilities, cash investments, fiscal management, and reserves management.

Proposed changes to these Fiscal Policies would be discussed at the Council's Strategic Planning sessions in order to ensure that Council, staff, and the community have common priorities and goals going into the budget process.

Additional Information

For more detailed information and supplementary materials, please refer to the Appendix E – Fiscal Policies. This section provides additional data and resources to allow the reader a better understanding of City's financial position.

Additional information and resources can be found on the City of Atascadero's website at www.atascadero.org or can be accessed by scanning the QR code below:



APPENDICES

- A. Revenues*
- B. Expenses*
- C. Long-Term Costs*
- D. Reserves*
- E. Fiscal Policies*

RESOURCES

The Beacon Outlook, California Winter 2025

HdL's City of Atascadero Sales Tax Update Q2 2024

HdL's California Forecast: Sales Tax Trends and Economic Drivers, December 2024

The State Legislative Analyst's Office's (LAO's) The 2025-26 Budget: California's Fiscal Outlook, November 2024

Governor's Budget Summary 2025-26

California Association of Realtors: San Luis Obispo County Market Update, November 2024



CITY OF ATASCADERO

CITY COUNCIL STAFF REPORT

Item C3

Department: City Manager's Office
Date: 02/11/2025
Placement: Management Report

TO: JAMES R. LEWIS, CITY MANAGER
FROM: LARA CHRISTENSEN, DEPUTY CITY MANAGER
PREPARED BY: LARA CHRISTENSEN, DEPUTY CITY MANAGER

SUBJECT: Update on Council Goals and Action Plan

RECOMMENDATION:

Council receive and file a report on the progress being made relative to the City Council's goals.

DISCUSSION:

An integral part of the budget planning process is the development of an action plan outlining the strategic priorities and actions to be taken in Fiscal Years 2023-2025. The goal setting workshop held on February 10-11, 2023, was the foundation for both the Budget and the companion Action Plan. On March 14, 2023, Council adopted the 2023 Strategic Planning Statements and Strategic Priorities (Statements & Priorities) and on April 25, 2023, Council reviewed the Draft Action Plan providing further direction. In conjunction with the 2023-2025 Budget, the 2023 Action Plan document was adopted by Council on June 13, 2023.

The Action Plan was the culmination of a very robust public outreach effort and included specific actions to address the following three strategic priorities and related key focus areas:

Strategic Priority: Economic and Community Vibrancy

Key Focus Areas:

- Downtown Viability
- Activation of Underutilized Sites and Nodes
- Business Support and Jobs/Housing Balance
- Neighborhood Compatibility and Wellness

Strategic Priority: Fiscal and Infrastructure Efficiency & Sustainability

Key Focus Areas:

- Asset Management/Replacement/Modernization
- Financial Strategies
- Transparency and Accountability

Strategic Priority: Ensuring Public Safety and Providing Exceptional City Services

Key Focus Areas:

- Staff
- Unhoused Population
- Flourishing Community

As part of the City’s planning process, the City Council has been extremely consistent in its desire to not only engage the public in developing the 2-year Action Plan, but also in its desire to be very transparent in the City’s progress in achieving both the actions and the underlying goals in the Action Plan. As part of this transparency, the Council expressed a desire to receive consistent updates on progress achieved and areas that need more attention. The staff has made substantial progress addressing the City Council’s strategic priorities over the past 19 months and there continues to be significant achievements under the key focus areas since the last presentation to the Council in January and April 2024.

Tonight’s session is intended to update the Council and the public on the progress that has been achieved in the strategic priorities and key focus areas since adoption of the Action Plan. This also provides an opportunity for the public to learn of the City’s progress and share input with the City Council on any of the priorities and key focus areas prior to priorities and/or key focus areas being reestablished or new one established. The two-year budget cycle and accompanying Action Plan will end on June 30, 2025. As the City moves into a new budget planning process, the City Council will begin outlining the strategic priorities and actions to be taken in Fiscal Years 2025-2027. The goal setting workshop will be held February 21-22, 2025.

Review of City Goals and Highlighted Action Plan Items**Strategic Priority: Economic and Community Vibrancy****Key Focus Area #1 – Downtown Viability**

- The El Camino Real (ECR) Project broke ground in June 2024. Construction is expected to be completed Summer 2025.
- A robust ECR Project community engagement program includes meetings with downtown businesses, provides weekly construction updates to businesses and residents, and promotes the downtown through billboards, postcards, videos, website, and social media posts.
- Selected the contractor/architect team, provided general design and project direction on the team’s Centennial Plaza proposal, and working on completion of a purchase and development agreement.
- Continue to increase activity and tourism in the Downtown through the successful relocation of the Cider Festival to and implementation of the “Garden Lights & Winter Nights” holiday light event in Sunken Gardens.
- Continued networking with signature event promoters that bring events attractive to local residents and promote tourism and seeking partnerships with signature events in North

County such as Christmas at Santa Margarita Ranch to elevate the success of these events and leverage stays and spending in Atascadero.

- Cancelled First Friday events moving into 2025 leaving room for Downtown merchants to add an “ART HOP” event on the first Fridays throughout summer and fall and the addition of Fiesta Friday leading into the Tamale Festival.
- Received funding from the SLO Fire Safe Council to complete numerous fuels management projects throughout the City including vegetation management activities in the downtown district and Atascadero Creek.
- Continued work on General Plan Update and comprehensive overhaul of Zoning Code to increase vibrancy in the Downtown through such things as refinement of Mixed Use zones, increased density, creating definition for retail, potential for upzoning, exploring expedition of the relocation of nonconforming uses and occupancy of vacant buildings, and adjusting building height limitations.
- Continued to recruit and attract new businesses in the downtown adding vibrancy and shopping and dining options for residents.

Key Focus Area #2 – Activation of Underutilized Sites and Nodes

- Del Rio Marketplace is under construction with commercial stores expected to begin opening in Spring 2025, Barrel Creek project is in plan check process, and Del Rio Ranch project was recently approved by Council.
- Continued creative support of retail or hospitality buildout of Springhill/Home Depot node with the potential of a new restaurant to develop on the empty pad in front of Springhill Suites.
- Hired transportation consultant to evaluate San Anselmo Road corridor and develop concept plans for transportation improvements.
- Approved plans for development of a neighborhood retail center at Santa Barbara and El Camino Real.

Key Focus Area #3 – Business Support and Jobs/Housing Balance

- General Plan Update process is in final phases and both the General Plan Update and a comprehensive overhaul of the Zoning Code will be completed in 2025.
- Continued installation of fiber-optic broadband infrastructure by Astound and new residential and commercial customers are being offered access. Astound won a \$6.8 million grant with support from the City to extend access to underserved areas in Atascadero and Paso Robles and the project is anticipated to be complete by the end of 2026.

Strategic Priority: Fiscal and Infrastructure Efficiency & Sustainability

Key Focus Area #1 – Asset Management/Replacement/Modernization

- Examining the life cycle costs for capital projects and purchases and continuing to look for opportunities and grants to fund infrastructure utilizing assistance from grant consultants and state and federal advocacy firms.
- Continued pursuit of FEMA/OES and insurance reimbursements for 2023 Storm damage repairs.
- Asset Management Software chosen with contract expected to be signed in Spring 2025 and the project team anticipates a 12-month timeframe to configure the software, inventory assets, establish procedures for proactive monitoring, and development of a sustainable replacement plan.
- Continued collaboration with the Friends of the Charles Paddock Zoo (FCPZ) to maximize fundraising and increase awareness of the Zoo including staff participation in a FCPZ strategic planning workshop to plan a capital campaign to raise funds for Phase II of Madagascar & the Tiger Exhibit and implementation of a fundraising committee to solicit monetary donations for support of the Zoo.
- Issued RFQ and RFP for the Public Safety Facilities Project and selected Design-Build Entity for further negotiations with contract going to Council February 2025. If awarded, construction (demolition) on project anticipated to begin in Summer/Fall 2025. Staff continues to pursue grants, low interest loans and financing to fund the project.
- Continued work on the wastewater treatment plant retrofit and secondary treatment improvements including completion of Alternative Analysis, hiring of Program Manager, and securing water reuse planning grant. Preliminary design of plant and funding strategies underway, with hiring a design engineering firm in 2025. Design, environmental, and financing strategies to occur concurrently with anticipated “shovel ready” status in late 2026/early 2027.
- Completed rebuilding of Lake Park Pier, replacement of lakeside sidewalk, and construction of stairway and ADA ramp through use of Park Bond Act funds.
- Replacement of financial system underway with selection of Tyler Technologies ERP system approved by Council in January 2025 and implementation expected to begin July 2025 and be completed January 2027.
- Continued process evaluation by the “Essentialism Committee” resulting in a multitude of efficiencies have been implemented by committee members in individual departments. Processes reviewed include fleet maintenance, business license applications, and internal meeting conduct.
- Creating workplan to update City Engineering Standards in the next two years once staffing shortages in Engineering are resolved.
- Took delivery of new Wildland Engine.

Key Focus Area #2 – Financial Strategies

- Continued development of balanced strategy of operational expenditures vs. capital/one-time expenditures to accommodate future growth through upcoming review of the Comprehensive Financial Strategy in February, Council’s goal-setting workshop in late

February to position the organization well for creating the next two-year budget plan, and filing of the audited financial statements with a clean opinion.

- Refunded the 2004 and 2010 bond issues with the 2024 Tax Allocation Refunding Bonds in order to save tax dollars and be fiscally responsible and earned an upgraded S&P rating of “A+” on the 2024 bonds.
- Implementation of Tablet Command, a CAD to tablet interface that provides emergency call details, sophisticated mapping capabilities, and resource location and assignment details to City fire engines and command vehicles.
- Renewal of Measure F-14, Measure L-24, was placed on November 2024 ballot and passed with almost 71% approval by the voters. Measure L-24 will become effective upon the sunset of Measure F-14 in April 2027.
- Continued involvement in the League of California Cities (LCC) with two City representatives on LCC policy committees.

Key Focus Area #3 – Transparency and Accountability

- Continuing to utilize technology to increase and clarify transparency and accountability such as implementing software programs such as DocuSign, M365, continually adding more documents to the City’s online repository, posting up-to-date project information on the City’s website and sharing on social media platforms, and undertaking an Audio/Visual upgrade project for the Council Chambers and various City conference rooms.
- Ongoing training for staff on editing and updating website pages and content to ensure information is accessible and current.
- Implementing a rebranding campaign for the Zoo including a new name, logo, brand guidelines, promotional video and educational activity book series to heighten awareness of and promote the Zoo.
- Continued deployment of online/credit card payments dramatically reducing processing times and now allowing for online payment for permit and license fees and will soon include fees paid to the Police Department and Recreation.
- Implementation of a new fire inspection program that allows Fire staff to complete inspections in the field on a tablet and email corrections and/or signoff to the property owner.
- Making access to financial data such as budget information more user friendly and increasing accessibility to meetings.

Strategic Priority: Ensuring Public Safety and Providing Exceptional City Services

Key Focus Area #1 – Staff

- Continuing to hire and retain an adequate level of staffing to achieve Council priorities including filling vacant positions in Dispatch and completing a Standards of Cover to help identify how any additional additional Fire & Emergency Response resources should be added.

- Successfully negotiated three-year contracts with all bargaining units providing competitive salaries/benefits and appropriate classifications for all employees.
- Continuing to ensure employees have adequate resources to perform duties such as replacing all Fire mobile data terminals with iPad tablets, replacing thermal imaging cameras, and providing Citywide training opportunities such as Microsoft Office and Records Retention.
 - Traded, with Morro Bay Fire Department, a surplus Wildland engine for a Rescue Unit resulting in a major upgrade of the Disaster Response Trailer.
- Hosted the second annual all-staff event, *All for Atascadero! All In!*, to highlight the importance of a cohesive culture that emphasizes working together as one team and treating each other like family.
- Rolled out Cookies and Kudos quarterly recognition program allowing employees the opportunity to nominate and recognize their co-workers for their service and commitment to the internal and external community at the City.
- Continued support and promotion of mental health and wellness services through the implementation of a Health and Safety workgroup to address any safety issues, concerns or incidents in the Police and Fire Departments.

Key Focus Area #2 – Unhoused Population

- Continuing to participate in crafting and developing regional solutions to address homelessness, collaborating with local media to provide information and education to the community, partnering with ECHO to hold meetings for residents and neighbors on efforts taken to mitigate concerns, and supporting partner non-government organizations outreach efforts.
- Working with local retail establishments to create containment and retrieval plans, that do not require a large upfront capital investment, to bring establishments in compliance with the adopted shopping cart ordinance.
- Creation of the Special Enforcement Team who will, among other things, focus on public spaces such as the downtown corridor.
- Finalizing a contract with the County to continue the successful deployment of a County Behavioural Clinician as part of the CAT/OUR Team programs.
- Continued implementation of strategies to address ongoing areas of public concern such as the establishment of a monarch butterfly area at the southbound US101 offramp at SR41.

Key Focus Area #3 – Flourishing Community

- Continued work on AZA Accreditation for the Zoo culminating in a meeting in March with the AZA Commission to learn if the Zoo will be accredited.
- Active promotion of youth sports programs and the availability of recreational scholarships for lower income residents and continuing to look for opportunities to provide additional recreational activities to the community.

- Continuing to work collaboratively with the Atascadero Unified School District and middle and high school principals on common issues.
- Continuing robust communications regarding emergency preparedness such as working with every school in the City to updated their Safety Plan annually, promotion of preparedness campaigns and the Countywide alert system AlertSLO.
- Completing 37 property consultations in 2024 as part of the Wildfire Consultation Program resulting in some property owners maintaining fire insurance after receiving notices that they would be dropped by their insurance companies.

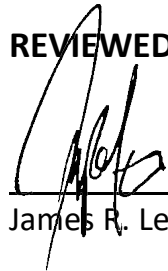
FISCAL IMPACT:

None.

REVIEWED BY OTHERS:

This item has been reviewed by the Executive Team.

REVIEWED AND APPROVED FOR COUNCIL AGENDA



James R. Lewis, City Manager

ATTACHMENT(S):

1. Adopted Action Plan 2023-2025



CITY OF ATASCADERO

Action Plan

Approved 6/13/23

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Strategic Priorities

Three current strategic priorities were carried forward from the 2021-2023 Strategic Plan and were reshaped with revised key areas of focus.

- **Economic and Community Vibrancy**
- **Fiscal and Infrastructure Efficiency & Sustainability**
- **Ensuring Public Safety and Providing Exceptional City Services**

ECONOMIC AND COMMUNITY VIBRANCY

Key Focus Areas:

- **Downtown Vitality**
- **Activation of Underutilized Sites and Nodes**
- **Business Support and Jobs/Housing Balance**
- **Neighborhood Compatibility and Wellness**

Downtown Vitality

- Construct the Downtown Infrastructure Enhancement Plan (DIEP) to provide increased safety, Downtown walkability, business support, parking availability **IN PROGRESS**.
 - Conduct purposeful, targeted campaign for ‘We Are Open for Business’ as part of the Downtown Infrastructure Enhancement Plan (DIEP) **ONGOING**
- Complete Downtown paving project (pavement markings, ADA ramps, drainage issues, sidewalk repairs) **COMPLETE**
- Continue Street Tree Renewal Program with goal of having all trees and tree wells replaced and/or filled in compliance with adopted Street Tree Renewal Program (throughout the Downtown core) **ONGOING**
 - Establish Downtown Streetscape Education Campaign that communicates ownership and maintenance responsibilities of trees, sidewalks, streets, etc **ONGOING**
- Facilitate Chamber/ Business Improvement Area (BIA) project to install string lights over Entrada Ave **ONGOING**
- Maintain the Atascadero Creek as a quality aesthetic feature to be enjoyed by all
 - Promote the voluntary creek clean-up program as a way to keep the creek free of trash **ONGOING**
 - Explore permits and programs to manage vegetation and fuels in the creek **ONGOING**
 - Continue homeless outreach programs ~~and the Orange Bag Program~~ to help keep the creek clean, safe and healthy **ONGOING**
- Incentivize additional restaurants through the Restaurant Loan Program **ONGOING**
- Explore zoning code changes to increase vibrancy **ONGOING**
 - Research the ability to enforce regular operating hours **IN PROGRESS**
 - Introduce a better definition of retail zoning in the Downtown **IN PROGRESS**
 - Consider up-zoning/mixed-use/potential incentives as part of the General Plan Update **ONGOING**
 - Explore incentives and code revisions to expedite the relocation of nonconforming uses and the occupancy of vacant buildings Downtown **ONGOING**
 - Consider adjusting building height limitations in the Downtown as part of the general plan process and future zoning updates **IN PROGRESS**

- Engage property owners and tenants to encourage compatible development of vacant lots **ONGOING**
- Continue to facilitate and promote current and future uses of vacant lots in Colony Square **ONGOING**
- Continue to facilitate continued operation of the Downtown theater **ONGOING**
- Facilitate redevelopment of underutilized properties along Sunken Gardens/East Mall/West Mall **IN PROGRESS**
- Facilitate development of City-owned East Mall properties: **ONGOING**
 - Research ways to incentivize development of property consistent with Council long-term vision and PD37 (\$0 sale or forgivable loan)
 - Ensure sale and development of properties are done without delay
 - Complete sale of property to developer and facilitate prompt development of properties in accordance with PD37
- Aggressively pursue the Armory site as a potential location for the Public Safety Center/Fire Station #1 **COMPLETE** (site abandoned and project reworked)
- Implement Police Department special assignment position to provide business liaison to address Downtown concerns **PLANNED**
- Acknowledge historical significance & importance of Printery in Downtown and look for opportunities to assist the Printery in obtaining grant funding. **ONGOING**
- Continue to plan and host successful signature events **ONGOING**
- Look for opportunities to facilitate and sponsor events designed to increase tourist activity **ONGOING**
- Continue to build out First Friday events designed to stimulate business activity in the Downtown **COMPLETE**
- Facilitate increased activity and use of The Plaza on El Camino **ONGOING**
- Communicate collaboratively with businesses to encourage a sense of pride, ownership, positive attitude, and harmony that promotes Downtown vibrancy **ONGOING**

Activation of Underutilized Sites and Nodes

- Consider developing design “themes” for Commercial Nodes **ONGOING**
- Complete transportation operational analysis, develop transportation concept plan, and adopt plan lines at nodes **IN PROGRESS**
- Creatively support development at Del Rio, Dove Creek & San Anselmo nodes **IN PROGRESS**
 - **Begin** exploring transportation improvements at San Anselmo/ECR and San Anselmo/101 intersections **IN PROGRESS**
- Investigate potential rezone/road abandonment for The Oaks Center (Spencer’s, Guest House, et.al) **IN PROGRESS**
- Creatively support retail or hospitality buildout of Springhill/Home Depot node **ONGOING**
- Facilitate redevelopment of underutilized industrial zoned sites (Via, Sycamore)

Business Support and Jobs/Housing Balance

- Pursue land uses that support business and jobs/housing balance **ONGOING**
 - Complete General Plan Update and begin General Plan implementation strategies including municipal code updates designed to streamline zoning policies **IN PROGRESS**
 - Continue to work toward meeting our RHNA affordable housing goals **ONGOING**
- Continue to facilitate enhancement of fiber-optic broadband infrastructure access for residents and businesses **IN PROGRESS**
 - Leverage earmarked broadband funds to increase broadband speed, reliability and access, while reducing costs for residents and businesses **COMPLETE**
 - Use completed Broadband Strategic Plan to apply for additional available funding through Federal and State grants to advance connectivity
 - Find ways to increase consumer ISP choices **COMPLETE**
 - Consider adjusting permitting fees to encourage fiber-optic broadband development **COMPLETE**
 - Develop micro-trenching policy **IN PROGRESS**
 - Consider developing a “Dig Once” policy **IN PROGRESS**
- Investigate ways we can support and capitalize on the proposed Space Port
- Look for ways to toot our own horn and continue to publish proof that we are easy to work with! **ONGOING**
- Launch a business attraction social media campaign **ONGOING**
- Continue to support regional economic development efforts **ONGOING**
- Support expansion of family entertainment opportunities **IN PROGRESS**
- Continue to support Chamber and other non-profit partnerships **ONGOING**

Neighborhood Compatibility and Wellness

- Establish Objective Design Guidelines to support Quality Development and transitions between zoning districts **COMPLETE**
- Look for opportunities for trail/pedestrian connections **IN PROGRESS**
- Prepare thoughtful, targeted educational materials for residents/neighbors on SB 9, ADUs, and zoning **COMPLETE**
- Participate in and present at local ADU workshops **PLANNED**
- Explore options for short-term rental ordinance by bringing a discussion item to Council. (No staff report) **COMPLETE**

FISCAL AND INFRASTRUCTURE EFFICIENCY & SUSTAINABILITY

Key Focus Areas:

- **Asset Management/Replacement/Modernization**
- **Financial Strategies**
- **Transparency and Accountability**

Asset Management/Replacement/Modernization

- Examine life cycle costs for capital projects and purchases **ONGOING**
- Look for opportunities and grants to fund infrastructure **ONGOING**
- Purchase and implement Asset Management software **IN PROGRESS**
 - Conduct inventory and condition assessment of City assets **PLANNED**
 - Establish procedures for proactive monitoring **PLANNED**
 - Develop a sustainable replacement plan and prioritize funding for City assets **PLANNED**
- Begin replacing Fire Station #1 **ONGOING**
 - Aggressively pursue obtaining Armory property within first year **COMPLETE**
 - Explore feasibility of co-located Public Safety Center for Fire, Police, Dispatch and Emergency Operation Center (EOC) **COMPLETE**
 - Pursue grants, low interest loans and financing to fund project **ONGOING**
 - Increase projected annual allocation to reflect high cost of construction for essential services facilities **COMPLETE**
- Develop Zoo capital improvement and funding plan to discern the viability of continuing AZA accreditation
 - Collaborate with Friends of the Charles Paddock Zoo (Friends) to maximize fundraising and increase awareness **IN PROGRESS**
 - Work with Friends to develop and implement plan to raise \$1,000,000 in the next two years for construction of the Madagascar Biodiversity Hot Spot **IN PROGRESS**
 - Consider City matching capital funding for Madagascar Biodiversity Hot Spot **COMPLETE**
- Update wastewater treatment plant retrofit and secondary treatment improvements **IN PROGRESS**
 - Add additional staff and/or consultants to manage Wastewater Treatment Plant Update Project **COMPLETE**
 - Begin design of treatment plant upgrades **ONGOING**
 - Pursue grants, low interest loans and financing to fund project **ONGOING**
 - Discuss potential policies related to wastewater capacity charges and other development fees that may discourage desired business types **ONGOING**
 - Pursue collaboration with Atascadero State Hospital on common wastewater solutions **IN PROGRESS**

- Based on the availability of grant funding, begin planning to extend sewer to priority eligible sewer expansion areas **IN PROGRESS**
- Continue to address key deferred maintenance issues in parks and public facilities **ONGOING**
- Begin replacement of the financial system **IN PROGRESS**
- Expand energy infrastructure (back-up generators, redundancy) **IN PROGRESS**
- Consider sidewalk repair amnesty or other limited assistance program **PLANNED**
- Update City Engineering Standards to provide safe and consistent public improvements **PLANNED**

Financial Strategies

- Develop balanced strategy of operational expenditures vs. capital/one-time expenditures that will accommodate future growth **ONGOING**
- Adopt budgets and fiscal strategies that: **ONGOING**
 - Continue conservative Council/general fiscal strategy
 - Prepare the City for changing economic conditions
 - Build and maintain responsible reserves for asset replacement
 - Maintain a healthy general fund reserve
- Continue fiscal strategies and adjust plans as needed to allow the City to respond to changes in a fiscally sustainable manner **ONGOING**
- Renew F-14 on the 2024 ballot **COMPLETE**
- Implement opportunities, strategies and plans to grow the organization as the community grows **IN PROGRESS**
- Invest in full and part time staff **ONGOING**
- Develop responsible reserves for unfunded liabilities (non-asset) **PLANNED**
 - Explore and consider funding Section 115 Trust for pensions
 - Consider additional payments for unfunded pension liability (UAL)
- Ensure that the resources (tools, equipment, facilities, technology) are available to assist staff and to build staff capacity **IN PROGRESS**
- Identify and invest in tools, equipment and facilities to increase long-term operational efficiencies. Invest in:
 - Agenda management solution **IN PROGRESS**
 - Digital plan check software, equipment and process **PLANNED**
 - Records organization, scanning and destruction **ONGOING**
 - Other time savers
- Prepare and strategically implement new impact fee study **PLANNED**
- Perform critical third-party review of permitting process towards essentialism **IN PROGRESS (moved in-house)**
- Remain active in the League of CA Cities for City's rights and sales tax allocation statewide **ONGOING**
- Actively look for creative investment opportunities **IN PROGRESS**
- Capitalize on grant opportunities to accomplish action plan goals **ONGOING**
- Explore public and private partnerships to achieve action plan goals **IN PROGRESS**

- Establish Citywide primary survey benchmark system to reduce Public Works and Technology staff time and to streamline development **IN PROGRESS**
- Hire grant writing consultant **COMPLETE**

Transparency and Accountability

- Continue to look for ways in which technology can increase and clarify transparency and accountability **IN PROGRESS**
- Complete overhaul of City website. (simplify, eliminate old data and make it more efficient) **COMPLETE**
 - Continue to devote resources to keep website up-to-date **ONGOING**
- Continue and build upon outreach efforts for Measure D-20 and Measure F-14 sales tax measures **IN PROGRESS**
 - Develop outreach program highlighting available information on use of F-14 funds **IN PROGRESS**
 - Refine Measure D-20 annual report to include results and performance measures **COMPLETE**
 - Continue to publish and distribute Measure D-20 and Measure F-14 annual reports **ONGOING**
- Improve transparency and understandability of financial reports **PLANNED**
 - Consider alternate financial presentation to demonstrate balanced budget
 - Make Finance Committee meetings available virtually
- Implement records management program to facilitate access to public records **IN PROGRESS (Laserfiche)**
- Increase transparency and public awareness of Zoo **IN PROGRESS**
- Implement an online payment and tracking system for City fees and tax payments **IN PROGRESS**
- Create and incentivize a new customer satisfaction survey for permit/planning processes
- Ensure that all messaging is accessible and consistent across all media platforms **ONGOING**
- Improve wi-fi at City Hall and the Zoo **COMPLETE**
- Continue community engagement in decision-making discussions **ONGOING**
- Improve emergency planning communications with business community through the fire inspection program **ONGOING**

ENSURING PUBLIC SAFETY AND PROVIDING EXCEPTIONAL CITY SERVICES

Key Focus Areas:

- Staff
- Unhoused Population
- Flourishing Community

Staff

- Hire and retain an adequate level of staffing to achieve our priorities **ONGOING**
 - Work toward long-term goal of 2 emergency dispatchers on duty at all times **ONGOING**
 - Develop and implement organizational changes to reduce span of control for Public Safety supervision **ONGOING**
 - Work toward long-term goal of additional Fire & Emergency Response resources- **ONGOING**
 - Develop strategies to ensure adequate staffing based on projected changes to workload as community grows/demands change **ONGOING**
- Provide competitive salaries/benefits and appropriate classifications for all employees **ONGOING**
- Continue to maintain and look for opportunities to enhance other hiring, retention, employee growth and development programs **ONGOING**
 - Provide training and professional development opportunities **ONGOING**
 - Facilitate employee promotional opportunities with an eye toward succession planning **ONGOING**
 - Explore a wider City employee recognition/commendation program **COMPLETE**
 - Explore other retention and attraction strategies (low cost loans?)
 - Designing/Implementing apprenticeship programs
- Work to ensure that employees have the tools necessary to do their job – **ONGOING**
- Continue to support and promote mental health and wellness services for employees – **ONGOING**
- Continue to prioritize a cohesive culture that emphasizes working together as one team (no silos) and treating each other like family. **ONGOING**
- Complete an essentialism evaluation of each department to identify lower priority programs and activities **IN PROGRESS**
- Roll out updated mission statement **COMPLETE**
- Hire for heart **ONGOING**

Unhoused Population

- Expand training and education of staff and community members on available support resources for our unhoused population **ONGOING**
- Continue to train and educate staff and community members on compassionate interactions with our under-represented residents **ONGOING**
- Build Outreach for Underrepresented Residents (OUR) Team program with a focus on: **COMPLETE**
 - Connecting homeless/underrepresented individuals with services **ONGOING**
 - Providing a resource for community concerns
 - Participate in multi-jurisdictional information sharing system to more effectively provide services and respond to community needs **IN PROGRESS**
- Look for opportunities to assist Non-profits in facilitating pathways out of homelessness **ONGOING**
- Participate in crafting and developing regional solutions to address homelessness **ONGOING**
- Advocate for addiction and mental health programs **ONGOING**
- Collaborate with the County in looking for opportunities and grants to provide resources to respond to future opportunities to support underrepresented residents **ONGOING**
- Optimize use of opioid settlement funds to support local programs and partnerships **CANCELLED**
- Support partner non-government organizations outreach efforts **ONGOING**
- Consider revisions to the municipal code to strengthen the camping ordinance and create a shopping cart ordinance that does not require a large upfront capital investment from local businesses **COMPLETE**
- Implement strategies for ongoing areas of public concern including design of public spaces **ONGOING**
- Continue to perform regular clean-ups of problem encampments **ONGOING**
- Continue to perform vegetation management activities in the Downtown District **ONGOING**

Flourishing Community

- Adopt list of historic structures and implement General Plan policy **ONGOING**
- Implement Community Choice Energy **COMPLETE**
- Continue to meet requirements for AZA accreditation for the Charles Paddock Zoo **IN PROGRESS**
- Consider name change for Zoo to Central Coast Charles Paddock Zoo **IN PROGRESS**
- Increase awareness of available recreational scholarships for lower income residents **ONGOING**

- Consider expanding recreational scholarship program to all low-income residents **IN PROGRESS**
- Improve communications with the schools on common city/school issues like vaping, food distribution resources and safe corridors for kids **ONGOING**
- Continue robust communications regarding community wildfire preparedness and evacuation planning **ONGOING**